

CONTRACT

(to be executed in duplicate)

THIS AGREEMENT, dated 1/04/2014, in the County of Los Angeles, State of California, by and between William S. Hart Union High School District, hereinafter referred to as "Owner" and _____ hereinafter referred to as "Contractor" for the project, Waste Management Services, Project WM13-11A.

The Owner and the Prime Contractor, for the consideration stated herein, agree as follows:

ARTICLE 1 – Term of Contract

The term of the Contract awarded as a result of the proposal received against the Contract (the "Term") shall be three (3) years, commencing at midnight 1/04/2014, (the "Commencement Date"), and expiring at midnight 1/03/2017 subject to extension as provided herein. (herein referred to as the "Term")

a. Option to Extend Term: Owner shall have the sole option to extend the Term of the Contract up to twenty-four (24) months. Owner may, upon 60-day advance written notice to the Contractor prior to the expiration of the term of the Contract, exercise this extension option. If Owner provides such extension notice the Contract will automatically renew monthly, up to a maximum of 24 months. Such automatic renewals shall cease, and the Contract shall terminate, upon the earlier of: (i) the expiration of the aforementioned 24 months, or (ii) 60 days following the date upon which Owner gives Contractor written notice of termination. Owner may exercise the option to extend set forth in this Section upon expiration of the initial term, or after extensions awarded herein.

b. Conditions to Effectiveness of Agreement: The satisfaction of each and all of the conditions set out below, each of which may be waived in whole or in part by Owner in writing, is a condition precedent to the effectiveness of the Contract, and a condition of Contractor's continued right to the benefits conveyed herein:

- 1 Accuracy of Representations. All representations and warranties made by Contractor and set forth in the Contract shall be accurate, true and correct on and as of the effective date of the Contract.
- 2 Absence of Litigation. There shall be no litigation pending in any court challenging the award of this Franchise to Contractor or the execution of the Contract or seeking to restrain or enjoin its performance.
- 3 Furnishing of Insurance, and Bond. Contractor shall have furnished evidence of the insurance, and bonds as required, and shall comply with all ongoing requirements relating thereto.

ARTICLE 2 – Owner's Right to Direct Changes

Owner may direct Contractor to perform additional services (including new diversion programs, etc.) or modify the manner in which it performs existing services or bills for services, pilot programs and innovative services which may entail new collection methods, different kinds of services and/or new requirements for waste generators, and use of new or alternative waste processing and disposal technologies are included among the kinds of changes which Owner may direct. Contractor shall be entitled to an adjustment in its compensation for providing such additional or modified services during the initial three year term of the Contract at a rate that is acceptable to Owner. In the event that the change or modification results in a decrease in services, the compensation will also be decreased by an agreed upon amount.

a. *New Diversion Programs:* If requested by Owner, Contractor shall present, within 30 days of a request to do so by Owner, a proposal to provide additional or expanded diversion services. The proposal shall contain a complete description of the following:

- Collection methodology to be employed (equipment, manpower, etc.).
- Equipment to be utilized (vehicle number, types, capacity, age, etc.).
- Labor requirements (number of employees by classification).
- Type of Containers to be utilized.
- Type of material to be collected.
- Provision for program publicity/education/marketing.

b. *Ownership of Waste:* Owner and Contractor understand and agree that it is Contractor, and not Owner, who will arrange to collect Waste and, that Owner has not by this Contract, instructed Contractor on its collection methods, or supervised the collection process. Further, Owner and Contractor do not intend to place title to Waste collected by Contractor in Owner. Rather, the parties intend that whatever, if any, title in and to the Waste that is collected by Contractor which otherwise might exist in or with Owner in the absence of the Contract is hereby transferred to Contractor. If Contractor gains title to such Waste it is by operation of law and is not the result of the Contract. Subject to the provisions of the Contract, and unless Owner exercises its rights to direct the location for disposal and processing of Waste, Contractor shall have the right to retain, process, dispose of, and otherwise use Waste collected pursuant to the terms hereof in any lawful fashion or for any lawful purpose; and, further, shall have the right to retain any benefit resulting from its right to retain, process, dispose of, or reuse the Waste which it collects unless otherwise specified in the Contract.

ARTICLE 4 – Direct Services

The work to be done by Contractor pursuant to the Contract shall include, but not be limited to, the furnishing of all labor, supervision, equipment, materials, supplies, and all other items necessary to perform the services required. The enumeration of, and specification of requirements for, particular items of labor or equipment shall not relieve Contractor of the duty to furnish all others, as may be required, whether enumerated elsewhere in the Agreement or not. The work to be done by Contractor pursuant to the Contract shall be accomplished in a thorough and professional manner so that all Premises are provided reliable, courteous and high-quality Waste Management Services at all times. The enumeration of, and specification of requirements for, particular aspects of service quality shall not relieve Contractor of the duty of accomplishing all other aspects in the manner provided in this section, whether such other aspects are enumerated elsewhere in the Contract or not.

a. *Bin Services:* Contractor shall provide separate bin service to Premises for Waste, Recycling, Cardboard Recycling and Compacting. Contractor shall collect and remove all refuse that is placed in bins from Premises receiving bin service, at least as frequently as required per the Santa Clarita Municipal Code and more frequently if required to handle the waste stream of the Premises where the bins are located. Owner shall make final determination as to the number and size of containers, and frequency of collection to be provided to Premises. Special consideration shall be given when determining the pickup area to ensure that the flow of traffic is not impeded.

b. *Owner Sponsored Events:* Contractor shall provide Waste and Recycling Collection and disposal/processing service for Owner-sponsored events. This shall include providing containers to collect and dispose of all Waste, using cardboard waste boxes with liners, and bins or roll-off boxes as applicable, and providing containers to collect source-separated recyclables. The Contractor shall provide these services at the rates provided in the approved rate schedule to Owner. Weekend collection services may be required. Waste boxes will be removed the final day of any event.

c. Bulky Item Collection: Contractor will collect Bulky Items from Premises on a regular collection day. Premises are to call 48 hours in advance. The Contractor shall provide these services at no additional cost to Owner. Bulky Waste collected by Contractor may not be land-filled or disposed of until the following hierarchy has been followed by Contractor:

- a) Reuse as is (if energy efficient)
- b) Disassemble for reuse or Recycling
- c) Recycle
- d) Disposal

This hierarchy precludes the use of front - or rear loading packer vehicles for bulky goods unless the compaction mechanism is not used to compact the Bulky Goods, unless they have been designated for disposal.

d. Disposal of Electronic Waste: Contractor shall not dispose electronic Waste, or “e-waste,” collected, in any landfill, and shall divert such waste, by taking it to a properly permitted facility, or otherwise disposing of it in accordance with all applicable laws and regulations.

e. Emergency Collection and Disposal Service: Contractor will assist Owner at Owner's request for emergency collection and disposal service (in the event of major disaster, such as an earthquake, storm, tidal wave [tsunami], riot or civil disturbance), or as otherwise determined necessary by Owner), by providing collection vehicles and drivers normally assigned to Owner at the rates provided in the approved rate schedule, initially included in Contractor's Proposal.

ARTICLE 6 – School Business Recycling

a. Recycling Collection Service: The Contractor agrees to provide, at no additional charge, recycling collection service to all refuse bin service on Premises, including separate bins for cardboard collection, requesting it from the Contractor. The Contractor agrees to provide recycling bins, cans or carts to refuse Premises in sufficient quantities to meet the recycling needs of each Premises. Recycling collection programs shall be made available at a minimum for: aluminum cans; glass jars and bottles; steel, bi-metal, and tin cans; empty aerosol containers; PET plastic; HDPE plastic; plastics types 3 – 7; plastic bags, shrink wrap, plastic toys and tools, and other plastic materials (if readily identifiable as being recyclable); juice boxes and milk cartons (aseptic packaging, Tetra Pak® and waxed cardboard); Scrap metal, coat hangers and metal foil; newspaper; mixed paper (e.g., ledger, computer, junk mail, magazines, paperback books cereal boxes, envelopes, paper shopping bags and non-metallic wrapping paper); corrugated cardboard; telephone books; and florescent tubes (unless designated as a Hazardous Waste by government authorities). Without in any way limiting Contractor's obligations set forth above, at a minimum, Contractor shall ensure that plastic bags collected as part of Contractor's recycling collection service are sorted at a processing facility for recycling purposes. The Contractor also agrees to make programs available for all other recyclable materials for which it has established markets. The Contractor shall notify all Premises via a mailed flyer each year of the availability of recycling collection programs.

b. Warning Notice: Contractor may refuse to collect recyclable materials and shall not be obligated to continue to provide any type of container for recyclable materials to any Premises who, after reasonable warning, regularly fails to properly sort and set out recyclable materials for collection; provided, however, Contractor shall obtain Owner approval prior to taking such action. Reasonable warning as used herein shall mean three written warnings in any Rate Year. Contractor shall report monthly to Owner any warning notices issued, and shall provide copies of such warnings to Owner upon request.

c. Marketing and Sale of Recyclable Materials: Contractor shall be responsible for marketing and sale of all recyclable materials collected pursuant to the Contract. Contractor will provide monthly reports to Owner documenting the total monthly tonnage of all recyclable material. Tonnage may be the tonnage after processing and removing residual waste. Tonnage

reports, broken down by month, shall accompany the payments on the fourth Friday of the calendar month.

d. Minimum Recycling Requirements: Waste collected shall only be considered to have been recycled or diverted as required under the Contract if it is deemed to be diversion by the California Integrated Waste Management Board in connection with efforts to meet Owner's AB 939 diversion goals. Contractor shall provide documentation to Owner within 20 days of the end of each calendar quarter stating and supporting that quarter's diversion rate. Diversion from other sources other than Contractor's collection and diversion efforts (such as source reduction, reuse, or recyclables diverted by waste enterprises collection of materials that are not the subject of the Contract, or the efforts of self-haulers) shall not be counted as diversion achieved by Contractor.

All Waste collected by Contractor pursuant to the Contract from Premises that do not have a recycling program in place shall be taken to a MRF for processing

ARTICLE 7 – Premises Compacting

Compacting Collection Service: The Contractor agrees to provide compacting collection service to all applicable refuse bin service on Premises, requesting it from the Contractor. The Contractor agrees to provide compacting bins to Premises in sufficient quantities to meet the compacting needs of each Premises. Compacting Service programs shall be made available at a minimum for: all Waste refuse and all recycling refuse, as described herein.

a. Warning Notice: Contractor may refuse to collect compacted materials and shall not be obligated to continue to provide any type of container for compacting materials to any Premises who, after reasonable warning, regularly fails to properly sort compacted materials for collection; provided, however, Contractor shall obtain Owner approval prior to taking such action. Reasonable warning as used herein shall mean three written warnings in any Rate Year. Contractor shall report monthly to Owner any warning notices issued, and shall provide copies of such warnings to Owner upon request.

b. Marketing and Sale of Compacted Materials: Contractor shall be responsible for marketing and sale of all compacted materials collected pursuant to the Contract.

ARTICLE 8 - Ownership Transfer of a MRF

Contractor must have access to or own a MRF for purposes of processing and transferring Waste generated by Owner. Access to a MRF shall commence on [1/04/14](#). If Contractor fails to meet this milestone, Owner may, at its option, either continue the milestone date(s) or immediately terminate the Contract, and/or take any other action that it deems appropriate in its sole and absolute discretion. Owner is not intending to become an Owner or a Lessor of the MRF facility chosen to be used by Contractor.

ARTICLE 9 - Green Waste

Contractor shall provide Green Waste service to all Premises requesting such service. Contractor shall divert Green Waste materials collected from disposal. Contractor must provide end uses for Green Waste that maximize diversion credits for Owner according to regulations established by the California Integrated Waste Management Board. Contractor shall divert through uses other than as alternative minimum daily cover whenever feasible.

ARTICLE 10 - Schedule

To preserve peace and quiet, Waste shall only be collected between 6:45 A.M. and 5:30 P.M. Monday through Friday and 8:00 A.M through 6 P.M. Saturday. There shall be no collection on Sunday without prior Owner approval. If the regularly scheduled collection day falls on New Year's Day, Memorial Day, Fourth of July, Labor Day, Thanksgiving Day, or Christmas Day, collection days for the remainder of that week shall all be postponed one collection day. If one of these holidays falls on a Saturday, the Contractor shall perform collection on the following Monday.

Contractor shall review its operations plan outlining the collection routes, intervals of collection and collection times for all materials collected under the Contract with Owner at least once annually, and upon 30-day written notice requesting said review. If the plan is determined to be inadequate by Owner, Contractor shall revise it incorporating any changes necessary to make it satisfactory to Owner within thirty (30) days. When notified of a missed pick-up, Contractor shall collect the Waste that was not collected within twenty-four (24) hours.

ARTICLE 11 - Vehicles

Contractor shall provide vehicles for the collection of Waste ("Collection Vehicles") that are sufficient in number and capacity to efficiently perform the work required by the Contract in strict accordance with its terms. Contractor is expressly obligated to provide such Collection Vehicles and routes as are required to meet the service standards set forth herein. Contractor shall have available on collection days sufficient back-up vehicles for each type of Collection Vehicle used to respond to complaints and emergencies.

a. Specifications. Contractor shall operate no Collection Vehicles for Owner that are over 10-years in age during the Term of the Contract. All Collection Vehicles used by Contractor in providing services pursuant to the Contract, excluding spares, shall use alternative fuel. Qualifying vehicles include vehicles that use compressed natural gas or liquefied natural gas, dual fuel vehicles, or other alternative fuel vehicles with similar emission performance standards meeting the requirements of the Southern California Air Quality Management District. Such vehicles must be registered with the California Department of Motor Vehicles and shall have water-tight bodies designed to prevent leakage, spillage or overflow. Contractor's Collection Vehicles shall comply with SCAQMD Rule 1193, and the Air Resource Board's proposed new emission standards for refuse removal vehicles, as well as other Federal, State and local laws and regulations that may be enacted during the term of the Contract.

b. Vehicle Identification. Contractor's name, local telephone number, and vehicle identification number designed by Contractor for each Collection Vehicle shall be prominently displayed on all such vehicles.

c. Cleaning and Maintenance:

1) Contractor shall maintain all of its properties, vehicles, facilities, and equipment used in providing service under the Contract in a good, safe, neat, clean and operable condition at all times.

2) Collection Vehicles shall be painted, thoroughly washed, and thoroughly steam cleaned on a regular basis so as to present a clean appearance. Owner may inspect vehicles at any time to determine compliance with the Contract. Contractor shall also make all Collection Vehicles available to the Los Angeles County Health Department for inspection, at any frequency it requests.

3) Contractor shall inspect each Collection Vehicle daily to ensure that all equipment is operating properly. Collection Vehicles which are not operating properly shall be removed from service until repaired and operating properly. Contractor shall perform all scheduled maintenance functions upon Collection Vehicles in accordance with the manufacturer's specifications and schedule.

4) Contractor shall repair, or arrange for the repair of, all of its vehicles and equipment for which repairs are needed because of accident, breakdown or any other cause so as to maintain all equipment in a safe and operable condition.

5) Contractor shall clean up any leaks or spills from their vehicles per the NPDES permit in effect at the time. No fluids shall be washed into storm drains at any time. All NPDES dry-cleaning measures shall be complied with. All Collection Vehicles must be equipped with absorbent for such clean-up efforts.

6) Upon request, Contractor shall furnish Owner a written inventory of all equipment, including Collection Vehicles, used in providing service pursuant to the Contract, the respective driver's name and a copy of a valid CA driver's license. This inventory shall list all equipment by manufacturer, ID number, date of acquisition, type, and capacity.

d. Operation. Vehicles shall be operated in compliance with the California Vehicle Code, and all applicable safety and local ordinances. Contractor shall not load vehicles in excess of the manufacturer's recommendations or limitations imposed by state or local weight restrictions on vehicles.

Contractor's equipment shall comply with US EPA noise emission regulations, currently codified at 40 CFR Part 205 and other applicable noise control regulations, and such noise control features shall be incorporated throughout the entirety of all Collection Vehicle. Noise levels of equipment used for collection shall in no event shall the noise level exceed 75 dba when measured at a distance of 25 feet from the vehicle, five feet from the ground. Contractor shall store all equipment in safe and secure locations. Contractor shall be responsible for any damage resulting from or directly attributable to any of its operations, and which it causes to: Owner's driving surfaces, whether or not paved; associated curbs, gutters and traffic control devices; and all other public and private improvements.

e. Brake Inspections. The brake system of each vehicle used in performance of this Agreement shall be inspected and certified annually according to state law by the California Highway Patrol or by a brake inspection station licensed by the California Highway Patrol. Notice of certification shall be filed at Contractor and made accessible to Owner within thirty (30) days after each such certification.

f. Correction of Defects. Following any inspection, Owner shall have the right to cause Contractor, at its sole cost and expense, to recondition or replace any vehicle or equipment found to be unsafe, unsanitary or unsightly.

ARTICLE 12 - Containers

a. Bins - Contractor shall provide all Premises with bins. Provision of such service shall be contingent upon access and the ability of Owner to provide a suitable location for the storage of the Contractor provided bin in accordance with the provisions of the Santa Clarita Municipal Code. Bins shall be cleaned upon request once per year at no charge.

b. PREMISES Small Volume Generator Containers – Contractor shall supply 30- to 101-gallon containers to small volume PREMISES requesting such service. Containers will have lids. Automated or manual collection may be used. Contractor shall obtain final approval from Owner as to which containers may be used, including size, design, manufacturer, color, imprinting, etc.

c. Compacting bins – Contractor shall provide all Premises, requesting such service, with bins suitable for compacting services. Provision of such service shall be contingent upon access and the ability of Owner to provide a suitable location for the storage of the Contractor provided compacting bin in accordance with the provisions of the Santa Clarita Municipal Code. Bins shall be cleaned upon request once per year at no charge.

d. Selection of Size and Location of Containers - Owner retains the right to make a final determination as to which container type a Premises must use or share, the frequency of collection, and where the container(s) is to be located for collection and storage.

e. Cleaning of containers – Contractor shall provide a clean container upon Owner's request. Owner expects that this yearly service shall take place as Premises are dismissed for off-track periods or otherwise requested by Owner.

ARTICLE 13 – Litter Abatement

a. Minimization of Spills. Contractor shall use due care to prevent Waste or fluids from leaking, being spilled and/or scattered during the collection or transportation process. If any Waste or fluids leak or are spilled during collection, Contractor shall promptly clean up all such materials. Each Collection Vehicle shall carry a broom, shovel, absorbent, and containment materials at all times for this purpose.

b. Clean Up. During the collection or transportation process, Contractor shall clean up litter in the immediate vicinity of any Waste storage area whether or not Contractor has caused the litter. Contractor shall identify instances of repeated spillage not caused by it directly with the Premises responsible and will report such instances to Owner. Owner will attempt to rectify such situations with the Premises if Contractor has already attempted to do so without success. In the event of a spill of materials (vehicle fluids, green waste leachate, etc.) the Contractor shall provide a clean-up of the spill to the satisfaction of Owner and other governing agencies. Clean-up methods may include pressure washing (Contractor must capture and reclaim water) or other similar clean-up methods.

c. Covering of Loads. Contractor shall properly cover all open debris boxes during transport to the disposal site.

ARTICLE 14 - Personnel

A. General. Contractor shall furnish such qualified drivers, mechanical, supervisory, clerical, management and other personnel as may be necessary to provide the services required by the Contract in a satisfactory, safe, economical and efficient manner. All drivers shall be trained and qualified in the operation of vehicles they operate and must possess a valid license, of the appropriate class, issued by the California Department of Motor Vehicles.

1. **Drug Free Screening.** All Contractor personnel shall be prescreened to include drug and alcohol testing by an accredited or certified independent testing laboratory, as directed by Owner. Any applicant who tests positive for any prohibited substance or alcohol shall not come into contact with any Premises in Owner. Any employee who tests positive for prohibited substances or alcohol shall be immediately and permanently removed from any assignment to perform duties under the Contract. Contractor shall annually certify, in writing, to Owner that it has complied with all responsibilities under this Section, and failure to provide such certification, or the falsification of such certification, shall constitute a material breach of the Agreement.

2. **Hazardous Waste Employee Training.** Contractor also agrees to establish and vigorously enforce an educational program which will train Contractor's employees in the identification of Hazardous Waste. Contractor's employees shall not knowingly place such Hazardous Waste in the Collection Vehicles, nor knowingly dispose of such Hazardous Wastes at the processing facility or disposal site.

3. **Customer Courtesy.** Contractor shall train its employees in customer courtesy, shall prohibit the use of loud or profane language, and shall instruct collection crews to perform the work quietly. Contractor shall use its best efforts to assure that all employees present a neat appearance and conduct themselves in a courteous manner. If any employee is found to be discourteous or not to be performing services in the manner required by the Contract, Contractor shall take all necessary corrective measures including, but not limited to, transfer,

discipline or termination. If Owner has notified Contractor of a complaint related to discourteous or improper behavior, Contractor will consider reassigning the employee to duties not entailing contact with the Premises.

4. **Unauthorized Material Removal.** Contractor will dismiss or discipline employees that remove documents or any other material from Containers, other than specifically for the purposes of disposal and diversion as described in the Contract.

5. **Training.** Contractor shall provide suitable operations, health and safety training for all of its employees who use or operate equipment or who are otherwise directly involved in collection or other related operations.

Article 15 – Identification Required

Contractor shall provide its employees, companies and subContractors with identification for all individuals who may make personal contact with students or school personnel in Owner. Contractor shall provide a list of current employees, companies, and subContractors to Owner upon request.

ARTICLE 16 – Fees and Gratuities

Contractor shall not, nor shall it permit any agent, employee, or SubContractors employed by it, to request, solicit, demand, or accept, either directly or indirectly, any compensation or gratuity for temporary Bin/Roll-off services or the collection, transportation, recycling, processing, and disposal of Waste, other than as required under the Contract.

ARTICLE 17 – Change in Collection Schedule

Contractor shall notify Owner in writing forty-five (45) days prior to any change Premises collection operations which results in a change in the day on which Waste collection occurs. Contractor will not permit any Premises to go more than two (2) days without service in connection with a collection schedule change. Owner's approval of any change in collection is required prior to such change, and such approval will not be withheld unreasonably. Owner may require changes in the route map or collection schedule, to improve service, to resolve complaints or for other reasons.

ARTICLE 18 – Contingency Plan

Contractor shall submit to Owner upon request, a written contingency plan demonstrating Contractor's arrangements to provide vehicles and personnel and to maintain uninterrupted service during breakdowns, and in case of natural disaster or other.

ARTICLE 19 – Transportation and Disposal of Waste

a. **General.** The Contractor shall transport all refuse collected to an appropriate MRF, Material Transformation Facility or disposal site for processing, transfer, recycling or disposal. Contractor agrees to make all reasonable efforts to separate recyclable materials from refuse for diversion from landfill disposal. The Contractor shall maintain accurate records of the quantities of Waste transported to the foregoing facilities, and will cooperate with Owner in any audits or investigations of such quantities.

b. **Processing of Waste:** Owner, upon prior written notice to the Contractor, reserves the right, prior to disposal, to direct portions or all of the Waste stream collected under this franchise to a Materials Recovery Facility, Green Waste Processing Facility, waste-to energy facility or conversion facility for separation, reuse, and recycling of any recyclable materials contained therein. The Contractor agrees to assist Owner by identifying loads suitable for processing in a MRF.

c. *Disposal of Refuse - Disposal Site:* The Contractor shall dispose of all refuse collected at an appropriate disposal site.

d. *Status of Disposal Site:* Any facility used as the disposal site by Contractor, shall be designed and constructed in accordance with 23 California Code of Regulations Section 2510 et seq. ("Subchapter 15"), and shall have been issued all permits from federal, state, regional, county and local agencies necessary for it to operate as a Class III Sanitary Landfill; and, further, shall be in full regulatory compliance with all such permits.

Contractor represents and warrants that the disposal site is currently authorized to accept, under its existing permit, and has sufficient uncommitted capacity to accept, all Waste delivered to it by, or on behalf of, Owner for the term of the Contract plus any extensions thereto.

e. *Disposal Priority and Capacity Guarantee:* Contractor warrants and guarantees Owner that the disposal site, or another landfill as may be approved in advance by Owner in writing (and which thereafter shall become the "Disposal Site"), will have capacity for all Waste collected by Contractor pursuant to the Contract throughout the Term hereof. Contractor shall retain Contracts with the Disposal Site guaranteeing such capacity for the Term of the Contract. Contractor further represents and warrants that it has made sufficient arrangements with the Disposal Site to allow Owner to dispose of all Waste it may be required to collect hereof at the same rates available to Contractor.

ARTICLE 20 – Service Exceptions; Hazardous Waste Notifications

a. *Failure to Collect.* When Waste is not collected from any Waste service Premises, Contractor shall notify its service Premises in writing, at the time collection is not made, through the use of a "tag" or otherwise, of the reasons why the collection was not made.

b. *Hazardous Waste Inspection and Reporting.* Contractor reserves the right and has the duty under law to inspect Waste put out for collection and to reject Waste observed to be contaminated with Hazardous Waste and the right not to collect Hazardous Waste put out with Waste. Contractor shall notify all agencies with jurisdiction, if appropriate, including the California Department of Toxic Substances Control and Local Emergency Response Providers and the National Response Center of reportable quantities of Hazardous Waste, found or observed in Waste anywhere in correlation to Owner. In addition to other required notifications, if Contractor observes any substances which it or its employees reasonably believe or suspect to contain Hazardous Wastes unlawfully disposed of or released on Premises, including storm drains, streets or other public rights of way, Contractor will immediately notify Owner. Contractor shall implement and maintain a training program that will assist its employees in identifying and properly disposing of any Hazardous Waste that may come into their possession.

ARTICLE 21 - Services and Invoicing

a. *Service Description:* Contractor shall periodically, at least 30 days prior to the effective date, and a minimum of once per year, prepare and distribute subject to the direction of Owner, a notice to each Premises containing the following: the annual holiday schedule, and a general summary of services required to be provided hereunder including optional service which may be furnished by Contractor. Such notice shall be in a form subject to Owner's approval prior to its distribution.

b. *Invoicing:* Contractor shall provide services pursuant to the Contract at rates set forth in Contractor Proposal, which sets out the maximum rates that may be charged by Contractor for the various different service options that may occur hereunder. Contractor shall provide Owner with itemized Invoices, detailing charges for all services, including charges for late payments, as

well as the period of service to which the invoice applies. Accordingly, invoices shall designate a NET forty-five (45) payment term. Service ordered after the first of any calendar month shall be charged on a prorated daily basis.

c. *Suspension of Service Due to Non-Payment:* Once a payment is 60 days past due, Contractor shall send Owner a notice that service will be suspended if payment is not made within an additional 30 days. Contractor may only suspend Owner's service after compliance with the provisions of this Section. Contractor is permitted to charge late fees not to exceed 1.5% per month. Contractor may charge a restart fee in accordance with the approved rate schedule. Notwithstanding the above, in the event of an invoice dispute or to avoid negatively impacting public health or safety, Contractor shall continue to provide service to Owner without regard to the status of said account.

ARTICLE 22 – Education and Public Awareness

a. *Certified Recycling and Compacting Outreach Coordinator:* During the Term hereof, Contractor shall at all times retain on its staff a Recycling/Compacting coordinator, responsible for conducting waste surveys of Premises and developing site-specific plans for Recycling/Compacting and diversion of Waste generated by Premises.

ARTICLE 23 – Performance Review

Owner may request quarterly meetings with Contractor to discuss problems or issues such as collection or recycling programs, invoicing or customer service issues, day to day operations, etc. This provision shall not be interpreted as precluding Owner from requesting meetings on a more frequent basis should it deem that to be necessary.

ARTICLE 24 – Contractor Compensation Rates

a. *General:* The maximum rates set forth in Contractor's Proposal, and as more fully defined as Contractor Compensation in this Article, shall be the maximum amount Contractor may charge Owner as full, entire and complete compensation due pursuant to the Contract for all labor, equipment, materials and supplies, taxes, insurance, bonds, letters of credit, overhead, disposal, transfer, profit and all other things necessary to perform all the services required by the Contract in the manner and at the times prescribed. No other charges shall be imposed by Contractor for services provided to Owner.

b. *Grants:* From time to time, Federal, State or local agencies may provide to Contractor grants to assist in financing qualified programs provided by Contractor (including, without limitation, grants for diversion programs and related equipment, alternative fuel vehicles and equipment, and household hazardous waste collection and disposal.) Contractor shall notify Owner upon receipt of any such grant funds that may be used to fund services provided pursuant to the terms of the Contract. Contractor agrees that the total amount of Contractor compensation shall be reduced by an amount equal to 50% of the amount of any such grant received from Federal, State or local agencies.

ARTICLE 25 – Records, Reports and Information Requirements

a. *General:* Contractor shall maintain such accounting, statistical and other records related to its performance under the Contract as shall be necessary to develop the financial statements and other reports required by the Contract. Also, Contractor agrees to conduct data collection, information and record keeping, and reporting activities needed to comply with applicable laws and regulations and to meet the reporting and Waste program management needs of Owner.

b. Waste Records: Contractor shall maintain the following records relating to its operations pursuant to the Contract:

- 1) Customer services and Invoicing records;
- 2) Records of tons collected, processed, diverted and disposed by waste stream (Refuse, Recycling, Green Waste, Manure), and the Facility used for such tonnages (transfer station, MRF, Transformation Facility or landfill);
- 3) Quantity of Recyclable Materials diverted from landfills in compliance with AB 939;
- 4) Routes;
- 5) Facilities, equipment and personnel used;
- 6) Facilities and equipment operations, maintenance and repair;
- 7) Number of Refuse, Recycling, Green Waste and Manure Contractor-owned Containers in service;
- 8) Complaints; and,
- 9) Missed pickups.

c. Report Formats and Schedule: Records shall be maintained in forms and by methods that facilitate flexible use of data contained in them to structure reports, as needed. The format of each report shall be approved by Owner. In addition Contractor agrees to submit all reports in an electronic format approved by Owner, compatible with Owner's software/computers at no additional charge. All reports shall be submitted within a timely fashion upon Owner's request, unless specifically addressed in the Contract.

d. Right to Inspect Records: Owner shall have the right to inspect, copy or review the specific documents or records required expressly or by inference pursuant to the Contract, or any other similar records or reports of Contractor or its affiliates that Owner shall deem, in its sole discretion, necessary to evaluate annual reports, compensation applications provided for in the Contract and Contractor's performance provided for in the Contract. Contractor shall make all records and documents to be reviewed and inspected by the Owner as a part of any audit or other record review conducted by Owner, available for Owner's review, inspection and copying within forty-eight (48) hours of receiving written notice from Owner requesting the same.

e. Failure to Report: The refusal or failure of Contractor to file any required reports, or to provide required information to Owner, or the inclusion of any materially false or misleading statement or representation by Contractor in such report shall be deemed a material breach of the Contract and shall subject Contractor to all remedies which are available to Owner under the Contract or otherwise.

ARTICLE 26 - Indemnification

a. Indemnification: Contractor hereby agrees to and shall indemnify and hold harmless Owner, its elected and appointed boards, commissions, officers, employees, and agents (collectively, indemnities) from and against any and all loss, liability, penalty, forfeiture, claim, demand, action, proceeding or suit in law or equity of any and every kind and description (including, but not limited to, injury to and death of any person and damage to property, or for contribution or indemnity claimed by third parties) arising or resulting from and in any way connected with (1) the negligence or willful misconduct of Contractor, its officers, employees, agents, Companies and/or subContractors in performing services under the Contract; (2) the failure of Contractor, its officers, employees, agents, Companies and/or subContractors to comply in all respects with the provisions of the Contract, applicable laws (including, without limitation, the Environmental Laws), ordinances and regulations, and/or applicable permits and licenses; (3) the acts of Contractor, its officers, employees, agents, Companies and/or subContractors in performing services under the Contract for which strict liability is imposed by

law (including, without limitation, the Environmental Laws). The foregoing indemnity shall apply regardless of whether such loss, liability, penalty, forfeiture, claim, demand, action, proceeding, suit, injury, death or damage is also caused in part by any of the indemnities negligence, but shall not extend to matters resulting from the indemnities sole negligence, or willful misconduct. Contractor further agrees to and shall, upon demand of Owner, at Contractor's sole cost and expense, defend (with attorneys acceptable to Owner) Owner, its elected and appointed boards and commissions, officers, employees, and agents against any claims, actions, suits in law or equity or other proceedings, whether judicial, quasi-judicial or administrative in nature, arising or resulting from any of the aforementioned events, and to reimburse Owner for any and all costs and expenses Owner incurs in providing any such defense, either before, during or after the time Contractor elects to provide such defense, including any and all costs incurred in overseeing any defense to be provided herein by Contractor.

Contractor, upon demand of Owner, made by and through Owner's Attorney, shall protect Owner and appear in and defend Owner and its elected officials, officers, employees and agents, in any claims or actions by third parties, whether judicial, administrative or otherwise, including, but not limited to disputes and litigation over the definitions of "Waste" or "Recyclable Material," the scope of the rights granted herein, conflicts between the rights granted herein and rights asserted by other persons, or the limits of Owner's authority with respect to the grant of licenses, or Contracts, exclusive or otherwise, asserting rights under the Dormant Commerce Clause or any other federal or state laws to provide Waste Management Services for Owner. The provisions of this Section shall not terminate or expire, shall be given the broadest possible interpretation and shall survive the expiration or earlier termination of this Contract.

b. Hazardous Substances Indemnification: Without regard to any insurance coverage or requirements, and without limiting the above general indemnification obligation in any way, Contractor specifically agrees to and shall, to the maximum extent permitted by law, defend (with counsel acceptable to Owner) reimburse, indemnify, and hold Owner and its past and present officers, council members, employees, consultants and agents (hereinafter "Indemnified Parties") harmless from and against any and all claims, actions, liabilities, damages, demands, judgments, losses, costs, liens, expenses, suits, actions, attorneys' fees, consultant fees, penalties and any and all other losses, damages, fees and expenses of whatever kind or nature ("Claims") (including but not limited to response costs, investigative costs, assessment costs, monitoring costs, treatment costs, cleanup costs, removal costs, remediation costs, and similar costs, damages and expenses) that arise out of or are alleged to arise out of or in any way relate to any action, inaction or omission of Contractor that:

- 1). results in any demand, claim, notice, order, or lawsuit, asserting that any indemnified party is liable, responsible or in anyway obligated to investigate, assess, monitor, study, test, treat, remove, remediate, or otherwise cleanup, any hazardous contaminant (as defined herein); or
- 2). relates to material collected, transported, recycled, processed, treated or disposed of by Contractor.

Contractor's obligations pursuant to this Section shall apply, without limitation, to:

- 1). any claims brought pursuant to or based on the provisions of the Comprehensive Environmental Response, Compensation and Liability Act ("CERCLA"), 42 U.S.C. § 9601 et seq., the Resource Conservation and Recovery Act ("RCRA"), 42 U.S.C. § 9601 et seq., the California Hazardous Substances Account Act (California Health & Safety Code Sections 25300 et seq.), the California Hazardous Waste Control Laws (California Health and Safety Code Sections 25100 et seq.), the California Porter-Cologne Act (California Water Code Section 13000 et seq.), and any and all amendments and

regulations thereto, and any other Federal, State, regional or local environmental statutory or regulatory provision;

2). any claims based on or arising out of or alleged to be arising out of the Ownership, use, lease, sale, design, construction, maintenance or operation of Contractor of any facility;

3). any claims based on or arising out of or alleged to be arising out of the marketing, sale, distribution, storage, transportation, disposal, processing or use of any materials recovered by Contractor;

4). any claims based on or arising out of or alleged to be arising out of any breach of any express or implied warranty, representation or covenant arising out of or in connection with the Contract.

The foregoing indemnity and defense obligations shall apply irrespective of the negligence or willful misconduct of Contractor or any affiliate of Contractor. For purposes of this Section, the term "Hazardous Contaminant" shall mean any "hazardous material," as that term is defined under California Health & Safety Code Section 25501(1); any "hazardous substance," as that term is defined herein or under California Health & Safety Code Sections 25281(f), 25501(e), 25501.1 and under Title 42, Section 9601(14) of the United States Code; any "hazardous waste," as that term is defined under Title 42, Section 6093(5) of the United States Code and under California Health & Safety Code Section 25550(m); any chemical which the Governor has identified as a chemical known to the State to cause cancer or reproductive toxicity pursuant to California Health & Safety Code Section 25249.8; any crude oil or refined or unrefined petroleum product or any fraction or derivative thereof; and any asbestos or asbestos-containing material. The term "Hazardous Contaminant" shall also include any and all amendments to the above-referenced statutory and regulatory provisions made before or after the date of execution of the Contract.

The provisions of this Section shall not terminate or expire, shall be given the broadest possible interpretation and shall survive the expiration or earlier termination of the Contract.

ARTICLE 27 – Other Agreements of the Parties

a. Relationship of Parties: The parties intend that Contractor shall perform the services required by the Contract as an independent Contractor engaged by Owner except as expressly provided herein, Contractor shall have the exclusive control over the manner and means of conducting the Waste Management Services performed under the Contract, and all persons performing such services. Contractor shall be solely responsible for the acts and omissions of its officers, employees, Companies, subContractors and agents.

b. Compliance with Law: In providing the services required under the Contract, Contractor shall at all times, at its sole cost, comply with all applicable laws and regulations of the United States, the State of California, and any federal, state, regional or local administrative and regulatory agencies, now in force and as they may be enacted, issued or amended.

c. Governing Law: The Contract shall be governed by, and construed and enforced in accordance with, the laws of the State of California.

d. Jurisdiction: Except for those matters where Federal Courts have exclusive jurisdiction, any lawsuits between the parties arising out of the Contract shall be brought and concluded in the courts of the State of California, which shall have exclusive jurisdiction over such lawsuits. With respect to venue, the parties agree that the Contract is made in and will be performed in Los Angeles County, North Judicial District.

e. Assignment: Except as may be provided for in Section (Owners Right to Perform Service), Contractor shall not assign its rights, nor delegate, subContract or otherwise transfer its obligations under the Contract (collectively referred to as an "assignment") to any other

person without the prior written consent of Owner. Any such assignment made without the consent of Owner shall be void and the attempted assignment shall constitute a material breach of the Contract.

For purposes of this section the term "assignment" shall be given the broadest possible interpretation, and shall include, but not be limited to (i) a sale, exchange or other transfer of substantially all of Contractor's assets dedicated to service under the Contract to a third party; (ii) a sale, exchange or other transfer of outstanding common stock of Contractor to a third party provided said sale, exchange or transfer may result in a change of control of Contractor; (iii) any dissolution, reorganization, consolidation, merger, re-capitalization, stock issuance or re-issuance, voting trust, pooling agreement, escrow arrangement, liquidation or other transaction which results in a change of Ownership or control of Contractor; (iv) any assignment by operation of law, including those resulting from mergers or acquisitions by or of Contractor of any of its affiliates, insolvency or bankruptcy, making assignment for the benefit of creditors, writ of attachment for an execution being levied against the Contract, appointment of a receiver taking possession of Contractor's property, or transfer occurring in the event of a probate proceeding; and (v) any combination of the foregoing (whether or not in related or contemporaneous transactions) which has the effect of any such transfer or change of Ownership, or change of control of Contractor.

Contractor acknowledges that the Contract involved rendering a vital service to Owner and that Contractor is to perform the services specified herein in a safe, effective and responsible fashion, at all times in keeping with applicable Environmental Laws, regulations and best Waste management practices, and (2) Contractor's financial resources to maintain the required equipment and to support its indemnity obligations to Owner under the Contract.

f. Cooperation Following Termination: At the end of the term or in the event the Contract is terminated for cause prior to the end of the term, Contractor shall cooperate fully with Owner and any subsequent waste enterprise it designates to assure a smooth transition of Waste Management Services. Contractor's cooperation shall include, but not be limited to, providing route lists, billing information and other operating records needed to service all Premises covered by the Contract. The failure to cooperate with Owner following termination shall be conclusively presumed to be grounds for specific performance of this covenant and/or other equitable relief necessary to enforce this covenant.

g. Contractor's Investigation: Contractor has made an independent investigation (satisfactory to it) of the conditions and circumstances surrounding the Contract and the work to be performed by it.

h. Notice: All notices, demands, requests, proposals, approvals, consents and other communications which the Contract requires, authorizes or contemplates shall be in writing and shall either be personally delivered to a representative of the parties at the address below or be deposited in the United States mail, first class postage prepaid, addressed as follows:

If to Owner:

Wm. S. Hart Union High School District
26308 Spirit Court
Santa Clarita, CA 91350

The address to which communications may be delivered may be changed from time to time by a written notice given in accordance with this section. Notice shall be deemed given on the day it is personally delivered or, if mailed, three days from the date it is deposited in the mail.

i. OWNER Free to Negotiate with Third Parties: Owner may investigate all options for the collection, transporting, recycling, processing and disposal of Waste for periods after the Contract has expired or been terminated. Without limiting the generality of the foregoing, Owner

may solicit proposals from Contractor and from third parties for the provision of Waste Management Services which are the subject of the Contract, including without limitation collection services, disposal services, recycling services, Green Waste services and processing, and any combination thereof, and may negotiate and execute Agreements for such services which will take effect upon the expiration or earlier termination of the Contract.

j. *Proprietary Information, Public Records:* Both parties acknowledge that a number of the records and reports are proprietary and confidential. Contractor is obligated to permit Owner inspection of its records on demand and to provide copies to Owner where requested. Both parties will endeavor to maintain the confidentiality of all proprietary information provided by Contractor and Owner. Notwithstanding the foregoing, any documents provided by Contractor to Owner that are public records may be disclosed pursuant to a proper public records request.

ARTICLE 28 – Miscellaneous Agreements

a. *Entire Agreement:* The Contract contains the entire integrated Agreement and understanding concerning the subject matter herein and supersedes and replaces any prior negotiations, promises, proposals (including Contractor's Proposal), and Agreements between the parties, whether written or oral. The complete Contract includes, but is not limited to, all the Contract Documents including the Notice to Contractors Inviting Bids, Instructions/Information for Bidders, Prime Contractor's Proposal, Designation of Subcontractors, Performance Bond, Payment Bond, Insurance Certificate, General Conditions, Special Conditions if any, Plans, Drawings, Specifications, all Addenda to the Bid Documents, this Contract, Bid Packages, and all modifications and amendments thereto, by this reference incorporated herein. The Contract Documents are complementary and what is called for by any one shall be as binding as if called for by all.

The parties acknowledge this document has been executed with the consent and upon the advice of counsel. Each of the parties acknowledges that no party or agent or attorney of any other party has made any promise, representation, or warranty, express or implied, not contained in the Contract, to induce the other party to execute this instrument.

b. *Section Headings:* The article headings and section headings in the Contract are for convenience of reference only and are not intended to be used in the construction of the Contract nor to alter or affect any of its provisions.

c. *References to Laws and Other Agreements:* All references in the Contract to laws shall be understood to include such laws as they may be subsequently amended or recodified, unless otherwise specifically provided.

d. *Interpretation:* The Contract, including the Exhibits attached hereto, shall be interpreted and construed reasonably and neither for nor against either party, regardless of the degree to which either party participated in its drafting.

e. *Contract:* The Contract may not be modified or amended in any respect except by a writing signed by the parties.

f. *Severability:* If any non-material provision of the Contract is for any reason deemed to be invalid and unenforceable, the invalidity or unenforceability of such provision shall not affect any of the remaining provisions of the Contract which shall be enforced as if such invalid or unenforceable provision had not been contained herein.

g. *Exhibits:* Each of Exhibits identified is attached hereto and incorporated herein and made a part hereof by this reference.

h. *Attorneys' Fees:* If either party to the Contract is required to initiate or defend or made a party to any action or proceeding in any way connected with the Contract, the prevailing party

in such action or proceeding, in addition to any other relief which may be granted, whether legal or equitable, shall be entitled to recover its reasonable attorney's fees and costs. Attorney's fees shall include attorney's fees on any appeal, and in addition a party entitled to attorney's fees shall be entitled to all other reasonable costs for investigating such action, taking depositions and discovery and all other necessary costs the court allows which are incurred in such litigation. All such fees shall be deemed to have accrued on commencement of such action and shall be enforceable whether or not such action is prosecuted to judgment.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed.

OWNER

PRIME CONTRACTOR

(exactly as it appears on Contractor's License)

William S. Hart Union High School District

By: _____

By: _____

Title: Chief Financial Officer

Title: _____

Date: _____

Date: _____

Signature of Authorized Agent

Signature of Prime Contractor

Corporate Seal of Prime Contractor
if corporated

