TRANSFER STATION IMPROVEMENTS AND OPERATIONS AGREEMENT

by and between

THE CITY OF CARSON

("City")

and

USA WASTE OF CALIFORNIA, INC., A DELAWARE CORPORATION

("Company")

Exhibit No. 1

TRANSFER STATION IMPROVEMENTS AND OPERATIONS AGREEMENT

This TRANSFER STATION IMPROVEMENTS AND OPERATIONS AGREEMENT (this "Agreement") is entered into on _____, 2020, by the CITY OF CARSON ("City"), a municipal corporation, and USA WASTE OF CALIFORNIA, INC., a Delaware Corporation, ("Company"). City and Company are herein collectively referred to as the "Parties" and each individually as a "Party".

R E C I T A L S

A. Recitals and Capitalized Terms. The recitals in this Agreement constitute part of this Agreement and each Party shall be entitled to rely on the truth and accuracy of each recital as an inducement to enter into this Agreement. The capitalized terms used in these Recitals and throughout this Agreement shall have the meaning assigned to them in Article 1.0. Any capitalized terms not defined in Article 1.0 shall have the meaning otherwise assigned to them in this Agreement or as apparent from the context in which they are used.

B. Company's Operation of the Carson TS Site. Company owns and operates the Carson Transfer Station ("Carson TS" or "Site") located at 135-401 Francisco Street, 19803-19809 Main Street, 19821 Main Street and 19831 Main Street, Carson, CA, which is permitted to receive, process, and arrange for disposal and transport of solid waste, Organics and Green Waste, among other operations. The Carson TS Site is legally described and depicted in Attachment A hereto, and Exhibit A thereto.

C. 1996 CUP. On or about March 26, 1996, Company obtained, pursuant to City Resolution 96-1612, Conditional Use Permit 391-92 with attendant Variances 390-96 and 391-06 and conditions of approval, conditionally permitting Company's operation of the Carson TS, which approvals were subsequently amended on several occasions, all of which approvals and amendments are attached hereto as Attachment B and collectively referenced herein as the "1996 CUP".

D. Settlement of Carson TS Dispute; Project Improvements and Construction Schedule. Effective October 1, 2019, Company and City entered into the Carson Transfer Station Agreement ("Carson TSA") regarding in pertinent part certain Carson TS improvements, the responsibilities of Company and City with respect thereto, Host Fees to be paid by the Company, and the term of operations at the Carson TS, a true and correct copy of which is attached hereto as Attachment A (the "Carson TSA"). Pursuant to the Carson TSA, Company agreed that it would diligently negotiate and in good faith process the agreed upon Project improvements in a timely manner, with at least Five Million Dollars ($5,000,000) in value and improvements as shown and described in Attachment A hereto, Exhibit B thereto, and in Attachment C hereto (the "Project"). The Project shall be constructed subject to those "Conditions for Project Approval," attached hereto as Attachment D, which Conditions of Approval were imposed pursuant to approval of Site Plan and Design Review No. 1810-19.

E. Going-Forward Host-Fee Schedule. As a further term of the Carson TSA, the parties agreed that Company would, starting January 1, 2020, commence payment of those new Host Fee amounts as set forth in Attachment A, hereto, and Exhibit D thereto.

F. Global Purpose of this Agreement. This Agreement establishes certain terms of Project implementation and Host Fees in furtherance of the Carson TSA, and in exchange for an agreed expiration date of the Company's 1996 CUP to the extended date of December 31, 2034, unless otherwise extended

as specified in the Carson TSA. This Agreement also provides critical operational and performance standards governing the Carson TS's continued operations, such as:

a. Compliance with legal standards. The Project shall be constructed, and continue to be operated, consistent with all applicable state and federal laws, existing permits and ordinances, regulations, and requirements of the City of Carson, including but not limited to, the City's Zoning Code, the California Environmental Quality Act, Public Resources Code Sections 21000 *et seq*. ("CEQA"), Divisions 30 and 31 of the Public Resources Code, and the City's General Plan;

b. Protection of the public health, safety and welfare, such as minimizing local impacts from noise, odors and heavy truck traffic on local roads.

c. Except as otherwise stated in this Agreement, all other terms and conditions of approval in the 1996 CUP survive and remain unchanged.

G. Mutual Agreement. Based on the foregoing and subject to the terms and conditions set forth herein, the Parties desire to enter into this Agreement.

NOW, THEREFORE, in consideration of the mutual promises and covenants herein contained, and having determined that the foregoing recitals are true and correct and should be and hereby are incorporated into this Agreement, the Parties agree as follows:

ARTICLE 1.0

DEFINITIONS

Whenever any term used in this Agreement has been defined by Division 30, Part 1 Chapter 2 of the California Public Resources Code, the definitions in the Public Resources Code as presently defined and as they may be amended in the future shall apply unless the term is otherwise defined in this Agreement.

1.1 Agreement. "Agreement" means this Agreement, including all attachments which are incorporated herein by reference, and as this Agreement and attachments may be amended by written agreement of the Parties. The attachments include the following:

Attachment A - Carson Transfer Station Agreement

Exhibit A – Carson TS Legal Description and Depiction

Exhibit B – Description of Improvements for Carson TS

Exhibit C – Depiction of Main Street Parcels

Exhibit D – Host Fees for Carson TS Commencing January 1, 2020

Exhibit E – Memorandum of Option and Right of First Refusal

Attachment B - 1996 CUP

Attachment C - Project Scope & Plans

Attachment D - Conditions of Project Approval

Attachment E – Single Stream Specifications - Recyclable Materials

Attachment F – Schedule of Project Performance

1.2 Applicable Law. "Applicable Law" means all applicable laws, directives, rules, ordinances, codes, guidelines, regulations, governmental, administrative or judicial permits, licenses, approvals, orders or decrees or other legal requirements of any kind, including, without limitation, common law, whether currently in existence or hereafter promulgated, enacted, adopted or amended, relating to safety, preservation or protection of human health and/or the environment (including, without limitation, ambient air, surface water, groundwater, land, or subsurface strata) and/or relating to the handling, treatment, transportation, processing or disposal of Municipal Solid Waste (MSW), Recyclables, related substances or materials, including, without limitation, the operation of solid waste transfer stations and disposal facilities, or which otherwise govern the performance by any of the Parties of any of their obligations under this Agreement.

1.3 Assignment. All forms of use of the verb "assign" and the nouns "assignment" and "assignee" shall include all contexts of hypothecations, sales, conveyances, transfers, leases, and assignments.

1.4 Best Management Practices ("BMPs"). "Best Management Practices" or "BMPs" mean structural, nonstructural, and managerial techniques adopted and defined by statute or regulation, or adopted by public agencies such as the South Coast Air Quality Management District and the Los Angeles Regional Water Quality Control Board and recognized to be the most effective and practical means to avoid or reduce environmental impacts.

1.5 CalRecycle. "CalRecycle" means the State of California's Department of Resources Recycling and Recovery, and, as this department was structured prior to January 1, 2010, the California Integrated Waste Management Board or CIWMB.

1.6 City. "City" means the City of Carson, California, a California charter city.

1.7 City Council. "City Council" means the governing body of the City of Carson.

1.8 Claims or Liabilities. "Claims or Liabilities" means any actions, suits, claims, liabilities, proceedings, losses, damages, penalties, obligations and expenses (including but not limited to attorneys' fees and costs) arising from or relating to: (i) the legality, validity, approval or adequacy of this Agreement and any City issued permits or approvals relating to the Site and necessary to implement this Agreement, (ii) Company's performance under this Agreement, (iii) damages against City as a consequence of the foregoing actions, (iv) damages against the City for injuries, losses or damages due to Company's implementation of the Project or use of, or operations on, the Site, (v) any repair, cleanup, or preparation and implementation of any removal, remediation, response, closure, or other plan as required by the governing regulatory agency concerning any Hazardous Materials and/or HHW (as such terms will be broadly defined) deposited at the Site, or (vi) claims pursuant to Section 107(e) of the Comprehensive Environmental Response, Compensation and Liability Act, "CERCLA", 42 U.S.C. Section 9607(e), and

California Health and Safety Code Section 25364, the Resource Conservation and Recovery Act, "RCRA", 42 U.S.C. Sections 6901 *et seq*. or other similar federal, state or local law or regulation.

1.9 Company. "Company" means USA Waste of California, Inc., a Delaware Corporation.

1.10 Construction and Demolition Material ("C&D Material"). "Construction and Demolition Material" or "C&D Material," as included in Permitted Material, means any combination of building materials and solid waste resulting from construction, remodeling, repair, cleanup, or demolition operations as defined in Title 14 of the California Code of Regulations (Cal. Code Regs. tit. 14, § 17225.15 ["Construction and Demolition Wastes" include the waste building materials, packaging and rubble resulting from construction, remodeling, repair and demolition operations on pavements, houses, commercial buildings and other structures]; see also § 17381 (e).) C&D Material excludes Hazardous Materials.

1.11 Correction Plan. "Correction Plan" means a plan undertaken by Company with City approval for the correction or remediation of violations of Performance Standards and/or nuisance conditions pursuant to Section 9.2 of this Agreement.

1.12 CPI. "CPI" means the Consumer Price Index, series CUSR0000SEHG02 CPI-U Garbage and Trash Collection, US City Average. If both an official index and one or more unofficial indices are published, the official index shall be used. If said CPI index is no longer published at the adjustment date, it shall be constructed by conversion tables included in such new index.

1.13 Default. "Default" (used herein with a lower-case initial letter, "default") means any material default, breach, or violation of a provision of this Agreement as defined in Article 9.0, section 9.4 hereof. "City Default" refers to a Default by City, while "Company Default" refers to a Default by Company.

1.14 E-Waste**.** "E-Waste" means electronic waste such as consumer electronic equipment. E-Waste can include, but is not limited to computers, printers, televisions, VCR's, cell phones, fax machines, stereos, and electronic games.

1.15 Effective Date. Except for the Host Fee provision detailed in Section 5.2 herein, and which the Parties agree became effective January 1, 2020 ("Host Fee Effective Date"), the Effective Date of this Agreement is the date the Agreement is approved by the City Council and executed by Company ("Effective Date").

1.16 Food Waste. "Food Waste" is organic solid waste and has the same meaning as "food material" in section 17852(a)(20) of Title 14 of the CCRs. "Food waste" excludes "agricultural material" and "agricultural by-product material" as defined in sections 17852(a)(4.5) and 17852(a)(5). "Food waste" does not include food redirected to edible food recovery organizations, food banks, direct animal feeding, or other applications that meet the definition of "reuse" as defined in subsection (a)(52). (Cal. Code Regs. tit. 14, § 18815.2(26).

1.17 Franchise Holders. The term "Franchise Holders" means entities formally authorized or permitted to collect, or arrange for the collection of, MSW and Recyclables generated within the City.

1.18 Green Waste. "Green Waste" means any and all forms of biodegradable plant material which can be placed in a covered Container, such as wastes generated from the maintenance or alteration of public, commercial or residential landscapes including, but not limited to, yard clippings, leaves, tree

trimmings, prunings, brush, and weeds as well as other such landscaping waste. Green Waste excludes Hazardous Materials.

1.19 Hazardous Material. "Hazardous Material" or "Hazardous Waste" means a hazardous waste as defined by the Hazardous Waste Control Act (Health & Safety Code §§ 25100 et seq., 25117 (hazardous waste defined), 25117.9 (non-RCRA hazardous waste), as implemented by Title 22 of the California Code of Regulations, Division 4.5, Chapter 11 (Identification and Listing of Hazardous Waste).

1.20 Host Fee. "Host Fee" means payments by Company to City for hosting a Carson TS within City's limits, as detailed in Section 5.2 hereto.

1.21 Host Fee Rate. "Host Fee Rate" means that payment component of the Host Fee to be made by Company to the City at the rates set forth in Section 5.2 hereto.

1.22 Household Hazardous Waste or HHW. "Household Hazardous Waste" or "HHW" "means hazardous waste generated incidental to owning or maintaining a place of residence. Household hazardous waste does not include waste generated in the course of operating a business concern at a residence." (Health & Saf. Code, § 25218.1, (e).) HHW are also defined as those wastes resulting from products purchased by the general public for household use which, because of their quantity, concentration, or physical, chemical, or infectious characteristics, may pose a substantial known or potential hazard to human health or the environment when improperly treated, disposed, or otherwise managed. (Cal. Code Regs. tit. 14, § 18720.)

1.23 Local Enforcement Agency or LEA. "Local Enforcement Agency" or "LEA" means the entity designated by the County and certified by the CalRecycle as the governmental authority to enforce Applicable Laws for the safe and proper handling of solid waste at the Site. The County of Los Angeles Department of Public Health is the LEA. The LEA performs routine and monthly investigations of the Site, investigates complaints of illegal disposal of solid waste and administers a permitting and inspection program to ensure the Site's regulatory compliance.

1.24 Municipal Solid Waste ("MSW"). "Municipal Solid Waste" or "MSW" means all solid waste, or "Refuse," generated by residential, commercial, and industrial sources, and all solid waste generated at construction and demolition sites, at food-processing facilities, and at treatment works for water and waste water, which are collected and transported under the authorization of a jurisdiction or are self-hauled. MSW does not include agricultural crop residues, animal manures, mining waste and fuel extraction waste, forestry wastes, and ash from industrial boilers, furnaces and incinerators. (Cal. Code Regs. tit. 14, § 18720.) For purposes of this Agreement MSW or Refuse also does not include Recyclables or Recyclable Materials or Organic Material.

1.25 Operational Obligations. "Operational Obligations" means Company obligations to operate the Site in accordance with Article 5.0 of this Agreement.

1.26 Organics or Organic Materials. "Organic Materials" or "Organics" means Food Waste and Green Waste, and other organic material as defined by CalRecycle, collectively or individually. Organics or Organic Material excludes Hazardous Materials.

1.27 Performance Standards. "Performance Standards" means Company obligation to operate the Site in accordance with Article 4.0 of this Agreement.

1.28 Permits. "Permits" are defined in Section 3.3, as renewed, instated or amended from time to time.

1.29 Permitted Material. "Permitted Material" means MSW, Recyclables and other material that the Carson TS may receive under its Solid Waste Facility Permit (19-AQ-0001) and Applicable Law. In addition to MSW and Recyclables/Recyclable Materials, other material includes construction and debris (C&D) Materials, Green Waste, and Organics.

1.30 Person(s). "Person(s)" means any individual, association, corporation, firm, joint venture, limited liability company, organization, partnership, trust, the United States, the State, a county, a municipality or special purpose district.

1.31 Project. "Project" means Company's improvements to the Carson TS Site, as further outlined in Attachment A hereto, Exhibit B thereto and the Project Scope and Plans at Attachment C.

1.32 Public Works Director. "Public Works Director" means the Director of Public Works or similar officer of City.

1.33 Reasonable Business Efforts. "Reasonable Business Efforts" means those efforts a reasonably prudent business Person would expend under the same or similar circumstances in the exercise of such Person's business judgment, intending in good faith to take steps calculated to satisfy the obligation which such Person has undertaken to satisfy.

1.34 Recyclable Materials, Source Separated Recyclable Materials or Recyclables. "Recyclable Materials," "Source Separated Recyclable Materials" or "Recyclables" (collectively "Recyclables") interchangeably means those materials which have been discarded, thrown away, or abandoned by the generator or owner thereof, and are commonly collected in recycling programs in Southern California for the purpose of reprocessing and reuse. Recyclables must be dry, loose (not bagged), empty and include only the Recyclables identified in Attachment E. Attachment E also lists the materials regarded as Non-Recyclables and Excluded Materials. Source Separated Recyclable Materials means Recyclables that have not been commingled with other material(s).

1.35 Refuse. "Refuse" bears the same meaning as Municipal Solid Waste (MSW).

1.36 Schedule of Performance. "Schedule of Performance" means that schedule of deadlines for actions relating to the Project as set forth in Section 3.D of the Carson TSA (Attachment A hereto) and in Attachment F hereto.

1.37 Site or Carson TS. "Site" and "Carson TS" mean the transfer station owned by Company, located at 135-401 Francisco Street, 19803-19809 Main Street, 19821 Main Street and 19831 Main Street, Carson, CA, and described at Attachment A hereto, Exhibit A thereto.

1.38 Solid Waste Facility Permit. "SWFP" means the permit (19-AQ-0001) issued and periodically revised by the LEA, with concurrence by the Department of Resources Recycling and Recovery (CalRecycle), pursuant to the California Integrated Waste Management Act (Pub. Resources Code, § 44000 et seq.; Cal Code Regs., tit. 14.) When issuing or revising a SWFP, primary consideration is given to protecting public health and safety and preventing environmental damage.

1.39 Term. “Term” means that period of time during which this Agreement shall be in effect and bind the Parties, as defined in Section 2.1.

1.40 Termination Notice. "Termination Notice" means that notice terminating this Agreement as described in Section 10.4 hereof.

1.41 Transfer/Processing Report (“TPR”). Transfer Procedures Processing Report (“TPR”) means that report prepared by Company pursuant to CalRecycle guidelines and as referred to in Article 6.0 [Unpermitted Waste] of this Agreement.

1.42 Uncontrollable Circumstance. “Uncontrollable Circumstance” means any act, event or condition that has delayed or prevented, or which the Parties hereto agree may be reasonably expected to delay or prevent, a Party from performing or complying with one of its obligations under this Agreement, including, without limitation, such acts, events or conditions as:

a. A change in law, including (i) the adoption, promulgation, amendment, modification, rescission, revision or revocation of any Applicable Law or change in judicial or administrative interpretation thereof occurring after the date hereof, and/or (b) any order or judgment of any federal, State or local court, administrative agency or governmental body issued after the date hereof, so long as such order or judgment is not the result of Company' negligent or willful misconduct or criminal violation; or

b. Governmental action, inaction, restriction, initiative, referendum, moratoria, or processing with governmental agencies, the delay of which is not due to the negligent or untimely action or inaction of Company; or

c. Earthquake, explosions, epidemic, quarantine, landslide, lightning, fire, flood and weather, including, without limitation, consecutive or numerous non-consecutive days of rain, snow or other inclement weather during the construction period; or other Acts of God; or

d. Sabotage, acts of public enemy, war, riot, insurrection or civil disturbance, expropriation, confiscation; or

e. Failure of any permitted subcontractor or supplier of goods, materials, services or other items required for performance of this Agreement (other than an affiliate of Company) to furnish such goods, services, materials or other items on the dates agreed to, which materially and adversely affects Company' ability to perform its obligations and Company is not able reasonably to obtain substitute goods, services, materials or items on the agreed upon dates; or

f. The condemnation, taking, seizure, involuntary conversion or requisition of title to or use of the Site, the Site or any material portion or part thereof by the action of any federal, State, county, city or local governmental agency or authority.

In no event shall any act, event or condition that has occurred as a result of poor management practices or negligence of Company, employee or authorized agent thereof, be an Uncontrollable Circumstance.

1.43 Unpermitted Waste. “Unpermitted Waste” means Hazardous Materials, Household Hazardous Waste (or HHW), medical or radioactive wastes that the Carson TS may not receive or process

under its Permits or Applicable Law. All elements of this definition shall conform to the provisions of the Permits, as such Permits may be amended, renewed or instated from time to time, and the terms of the Permits shall prevail over the following illustrative list of Unpermitted Waste examples. The term "Unpermitted Waste" includes, without limitation:

a. Asbestos, including friable materials that can be crumbled with pressure and are therefore likely to emit fibers, being a naturally occurring family of carcinogenic fibrous mineral substances, which may be an Unpermitted Waste if it contains more than one percent asbestos;

b. Ash residue from the incineration of Refuse;

c. Auto shredder "fluff" consisting of upholstery, paint, plastics, and other non-metallic substances which remain after the shredding of automobiles;

d. Dead animals that are large (i.e., no more than 50 lbs.) in size;

e. Industrial solid or semi-solid wastes which pose a danger to the operation of the Site, including cement kiln dust, ore process residues;

f. Infectious and bio-medical wastes which have disease transmission potential and are classified as hazardous by the State or County Health Services, including pathological and surgical wastes, medical clinic wastes, wastes from biological laboratories, syringes, needles, blades, tubing, bottles, drugs, patient care items such as linen or personal or food service items from contaminated areas, chemicals, personal hygiene wastes, and carcasses used for medical purposes or with known infectious diseases;

g. Liquid wastes which are not spadeable, usually containing less than fifty percent solids, including cannery and food processing wastes, landfill leachate and gas condensate, boiler blowdown water, grease trap pumpings, oil and geothermal field wastes, septic tank pumpings rendering plant byproducts and sewage sludge;

h. Radioactive wastes under Chapter 7.6 (commencing with Section 25800) of Division 20 of the State Health and Safety Code, and any waste that contains a radioactive material, the storage or disposal of which is subject to any other State or federal regulation; and/or

i. Sewage sludge comprised of human (not industrial) residue, excluding grit or screenings, removed from a waste water treatment facility or septic tank, whether in a dry or semidry form.

ARTICLE 2.0
TERM; LICENSE FOR CONTINUED OPERATIONS OF CARSON TRANSFER STATION PER 1996 CUP

2.1 Term. The Term of this Agreement shall be for fifteen (15) years commencing from the Effective Date, unless otherwise extended by mutual written agreement of the Parties or as set forth in Section 2 of the Carson TSA. By signing this Agreement, Company acknowledges and accepts that its operational rights hereunder are set to expire as set forth in this Section 2.1.

2.2 License for Continued Operations of Carson TS; Survival of 1996 CUP. In furtherance of the Carson TSA, the City and Company agree that Company shall continue operations of the Carson TS for the term of this Agreement and subject to the terms and conditions of approval set forth in the 1996 CUP (Attachment B), which is incorporated herein by this reference. This Agreement is not intended to modify, alter or amend the 1996 CUP.

a. Notwithstanding the foregoing, given the scope of Project improvements, the Performance Standards (Article 4.0) and Operational Obligations (Article 5.0) in this Agreement are to be read as a clarification to the terms and conditions of approval set forth in the 1996 CUP. Where this Agreement states Performance Standards or Operational Obligations that are more specific than the terms and conditions of approval set forth in the 1996 CUP, the more specific terms of this Agreement shall be read in harmony with, and as a clarification to, the 1996 CUP. Where Performance Standards or Operational Obligations conflict with the terms and conditions of approval set forth in the 1996 CUP, and cannot be reasonably harmonized with the 1996 CUP under ordinary rules of interpretation and contract construction, the terms and conditions of the 1996 CUP shall apply and control the obligations of the parties under this Agreement.

b. Furthermore, where the Project Scope and Plans (Attachment C) and/or Conditions for Project Approval (Attachment D) conflict with the terms and conditions of approval set forth in the 1996 CUP (Attachment B), and cannot be reasonably harmonized with the 1996 CUP under ordinary rules of interpretation and contract construction, the Project Scope and Conditions for Project Approval shall control over such conflicting terms of the 1996 CUP. The Parties agree that Company's implementation of conditions required by the Project and Conditions for Project Approval shall not be found as a violation of the 1996 CUP to the extent there are irreconcilable conflicts between the work scope and conditions in each instrument.

2.3 Continued Operations Contingent on Company's Fulfillment of Project. To the extent Company operates the Carson TS for Term of this Agreement, such operations shall endure only if Company remains at all times ready, willing and able to continue performing its obligations under this Agreement, including but not limited to, continuing to comply with all Performance Standards and Operational Obligations, and complying with all Applicable Laws.

2.4 City Cooperation. City shall demonstrate and exercise good faith by taking all necessary and reasonable actions necessary to implement this Agreement and the Carson TSA previously adopted by the Parties, including but not limited to enacting ordinances, processing all City-required entitlements, including City issued permits and approvals necessary for implementation of the Project and necessary to carry out its obligations under this Agreement.

2.5 Acceptance of Materials. Company agrees to continue to accept and process material consistent with the terms of the Facility's Solid Waste Facility Permit (SWFP) (19-AQ-0001), City-issued entitlements (including the 1996 CUP and Site Plan and Design Review No. 1810-19), and all applicable State and local requirements. Company shall furnish all labor, supervision, equipment, materials, supplies, and other items needed to perform the services required. Company shall maintain the Site in a fully operational state in compliance with all Performance Standards, Operational Obligations, City-issued entitlements, and the 1996 CUP and SWFP.

ARTICLE 3.0
PROJECT IMPROVEMENTS; LEGAL COMPLIANCE

3.1 Project Construction to Facilitate Performance Standards. In order to implement the Environmental Performance Standards set forth in Section 4.2 below and implement the terms of the Carson TSA, Company shall construct the Project in accordance with those plans, specifications and scope contained in Attachment C and Site Plan and Design Review No. 1810-19 with those Conditions set forth in Attachment D. Approval of this Agreement by the Carson City Council shall constitute all approvals needed for (i) Company's Project Construction, and (ii) Company's continued operation of the Carson TS in accordance with the terms of this Agreement including the 1996 CUP.

a. Company's construction of the Project shall be subject to those Conditions for Project Approval set forth in Attachment D.

b. Company's construction of the Project shall be subject to the schedule set forth in Section 3.D of the Carson TSA (Attachment A) and Attachment F hereto, or as otherwise mutually extended by the Parties in writing (the "Construction Deadline"). Failure to timely meet the timelines in this Section shall constitute a default of this Agreement and City shall provide Company with ability to cure as set forth in Section 9.3.

c. Scoping meetings, City cooperation, and timing for the processing of City-required permits, approvals and entitlements for the Project, and CEQA environmental review procedures shall be undertaken in conformance with the terms of the Carson TSA.

3.2 Legal Compliance. Company shall at all times operate the Carson TS in compliance will all Applicable Laws including, but not limited to, the following:

- California Administrative Code, Titles 8, 14, 23, and 24

- California Health and Safety Code
- California Department of Motor Vehicles
- California Integrated Waste Management Act
- California Occupational Health and Safety Administration
- Federal Clean Water Act
- Resource Conservation and Recovery Act
- Clean Air Act
- Applicable local, regional, and State air quality and water quality regulations
- State and local fire and building codes; electrical standards

3.3 Permits for Site Operation. Company shall, with good-faith cooperation from the City, be responsible for maintaining up-to-date all approvals, licenses, orders and permits required by Applicable Law for the operation of the Site ("Permits") and shall be solely responsible for maintaining such Permits in accordance with Applicable Laws. Permits currently held by Company include, without limitation, the following:

EXISTING APPROVALS/PERMITS FOR SITE OPERATIONS	
AGENCY	**APPROVAL / PERMITS**
Los Angeles County Public Health Solid Waste Management Program (acting as the Local Enforcement Agency [LEA]) in conjunction with CalRecycle	Solid Waste Facility Permit, Tire Hauler Permit
Los Angeles County Sanitation District	Industrial Waste Water Discharge Permit
South Coast Air Quality Management District	Permits to construct and operate odor control devices,
California Department of Industrial Relations, Division of Occupational Safety and Health	Work area design approval and compressor air tank permits
California Environmental Protection Agency, Division of Toxic Substance Control	See EPA ID # CAL000300120
California Department of Food and Agriculture Division of Measurement Standards	Weighmaster license
California Department of Transportation	Biannual inspection of terminals
California State Water Resources Control Board, Regional Water Quality Control Board (Region 4)	Waste Discharge Identification Number in compliance with the National Pollution Discharge Elimination System, and Storm Water Pollution Prevention Plan

Company shall apply in a timely manner for such other Permits and approvals as may be required from other governmental or quasi-governmental agencies having jurisdiction over the Site from time to time, or if in the future Site operations become subject to, or require, further Permits and approvals. Other approvals, licenses, orders and Permits required by Applicable Law and with which Company shall remain in strict compliance throughout the Term of this Agreement include any order, Permit or requirements imposed by a LEA and the California Department of Toxic Substances Control ("DTSC").

ARTICLE 4.0
PERFORMANCE STANDARDS

4.1 General Obligation. Company covenants to comply with all Performance Standards throughout the Term of this Agreement and to perform its Operational Obligations with respect to Site operation as required hereunder, and in accordance with the 1996 CUP and other City-issued entitlements, Permits and Applicable Laws governing the Carson TS.

4.2 Environmental Performance Standards.

a. *Air Quality and Odor Standards*. Company shall continue operating the TS Site in compliance with adopted permits and plans, including the SWFP, the TPR and the OIMP [Odor Impact Minimization Plan prepared pursuant to 14 Cal. Code Regs., § 17863.4]. Company shall also continue operating the Site in accordance with all applicable statutory and regulatory requirements and best management practices ("BMPs"), including those adopted by CalRecycle and the California Air Resources Board ("CARB") SCAQMD governing Carson TS facilities and operations. All Company vehicles using the Site shall meet the applicable CARB and SCAQMD requirements. To further minimize odor and air quality impacts from the Site, Company agrees to the following:

(1) To install and diligently maintain odor control equipment in the Carson TS, including without limitation an exhaust ventilation system with exhaust air drawn through odor-adsorbing activated carbon or better odor and dust filtration system; a water misting system to control dust in the tipping area and transition areas of the building where handling of solid waste tends to release dust; complete enclosure of the facility, with all tipping, sorting and transfer operations taking place indoors; and doors on all vehicle entrances and exits on the Site. Airflow and odor control equipment throughout the Site will be managed automatically by software controls and barometric louvers to ensure that all airflow is directed in to the building and through the filtration system. The exhaust ventilation system shall be in full operation while tipping, transfer, or sorting operations are taking place, and shall be run to the extent necessary during non-operational periods to ensure that odors which would be objectionable to a reasonable person cannot escape from the closed Site. All Site doors shall be kept closed except when actually in use, including in use for operations and maintenance.

(2) Company will direct all Site users to dump Permitted Material inside the building. The Permitted Material shall remain and be handled inside the building until it is loaded for transfer. Minimized building openings will assist in odor control and noise reduction of interior operations.

(3) The tipping floor areas shall be scraped and/or swept routinely throughout the day by on-site heavy equipment and where safe by operations employees with brooms. When necessary to reduce odors, pest vectors, pooling of liquids or residue or safety hazards, these areas shall also be power scrubbed. Liquid from the tipping floor shall be collected in an existing floor drain then pumped to a 500-gallon holding tank. Approximately once a week and as needed, a pump truck shall remove collected water from the holding tank for transport to an on-site 3-stage clarifier that removes oils and sediments from the liquid, which is then discharged to the existing sanitary sewer. Water that collects in the Load-out tunnel is automatically pumped and discharged to the clarifier, as well.

(4) MSW shall be handled in a first-in, first-out basis such that MSW brought to the Site for transfer, remains on Site no longer than 24-hours as allowed by the 1996 CUP. Recyclables

are shipped off Site as soon as full-load quantities are recovered but no longer than three (3) work days All recovered Organic Materials shall be stored indoors prior to loading for transport. Quick action roll-up doors will be used continuously at vehicle entries to minimize exterior exposure to the operations.

(5) Company will continue to make dust masks available to employees, customers and members of the public while they are inside the Carson TS during extant dust conditions. Company will continue to require that all pickers wear dust masks, steel-toed boots, safety glasses and gloves to the extent required by Applicable Law.

(6) Notwithstanding the foregoing, Company may use different technologies and equipment to achieve Air Quality and Odor Standards as may be reasonably approved by the City in writing provided that such technologies and equipment are as effective or more effective as the methodologies and technologies specified in this Section 4.2a and the 1996 CUP.

b. *Drainage Control.* Company shall continue to operate the Carson TS in compliance with all requirements, recommendations, and BMPs for minimization and mitigation of potential stormwater impacts required by a NPDES General Permit administered by the Los Angeles RWQCB. Additionally, the perimeter of the Site shall be landscaped which Company shall maintain in a manner to avoid run-off in violation of the requirements of the Los Angeles RWQCB. The perimeter of the Site will be covered with, and Company shall maintain, vegetation landscaping and appropriate barriers, thus, preventing water or liquid runoff from entering or exiting the facility as required by the Los Angeles RWQCB in accordance with the Conditions of Approval, Attachment D.

c. *Litter Control.* Litter shall be controlled, and routinely collected to mitigate off-site migration. The Site shall be cleaned daily of loose materials and litter, using mechanical equipment (street sweeper) and water. Drive areas and tipping floors shall be manually swept as needed to prevent the tracking of waste materials off-site. All boxes, bins, and containers shall be cleaned on an as-needed basis. In addition, litter found on Francisco Street and the adjoining portions of Main Street and Figueroa Avenue shall be picked up daily, or more often as needed, including daily street sweeping along such corridors. A supervisor shall visually inspect Francisco St. at closing.

d. Vector, Animal and Bird Control. Company shall take adequate steps to control or prevent the propagation, harborage and attraction of flies, rodents, or other vectors, and animals, and to minimize bird attraction, including cleanup of litter and debris on Site and adjacent to the Site in compliance with Litter Control set forth in Section 4.2.c. Company will continue to implement a rodent and insect management program, including contracting with a professional pest control company to inspect the Site on a periodic basis, no less often than once per month. In the event of apparent pest vector activity, within twenty-four (24) hours of City direction, Company shall implement vector control measures sufficient to remedy the vector nuisance. Traps and baits will be placed and spraying for insects conducted in accordance with the recommendations of the pest-control firm in order to maintain the Site and Site in a pest-free condition to the satisfaction of the Local Enforcement Agency and on an as-needed basis to mitigate any verified public complaints of pest vectors.

(1) The Site buildings shall be designed and maintained in such manner as to facilitate cleaning and to minimize hiding places that might harbor pests. Company shall exercise Reasonable Business Efforts to ensure that the Site is operated through the use of pest-proof materials such as metal and concrete; minimizes hiding places such as dark corners, crevices and inaccessible void

spaces where debris might accumulate and pests may hide and breed; and all areas of the Site (including machinery pits, baler sumps, etc.) shall be easily accessible and adequately lit for cleaning purposes.

(2) Traps and bait will be placed and spraying for insects conducted in accordance with the recommendations of the pest-control firm in order to maintain the facility and Site in a pest-free condition to the satisfaction of the Local Enforcement Agency.

(3) Company shall exercise Reasonable Business Efforts to maintain the Site in a condition that does not attract bird flocks, including without limitation the routine clean-up of Food Waste and bags or containers that attract birds, use of bird perching barriers or hawking. Avian droppings swept or otherwise cleaned from the Site on a bi-daily basis.

4.3 Trucks and Traffic Performance Standards.

a. *Cleaning of Access Corridors.* Company shall implement daily litter pick-up as-needed along adjacent properties and adjacent streets, such that litter resulting from Company operations (including Company' customers delivering waste to the Site) will be removed.

b. *Company Collection Vehicles Using Site; Enclosure of Trucks; Trucks Maintained for Legal Compliance*. Consistent with SCAQMP Rule 1193, all Company collection vehicles using the Site shall be enclosed and/or free of debris prior to leaving or entering the Site to eliminate spillage; all Company collection vehicle bodies for vehicles using the Carson TS shall be constructed of metal, water-tight and leak proof, and shall be constructed to prevent odors and falling, leaking or spilling of MSW. Each Company vehicle using the Site shall carry, at all times, a broom and shovel to be used for the immediate removal of any spilled material and shall also carry a fire extinguisher and first aid kit. Each Company collection vehicle using the Site shall (i) bear all necessary and appropriate safety features, including highway lighting, flashing and warning lights, clearance lights, and warning flags, in accordance with the requirements of the California Vehicle Code and other Applicable Laws, (ii) be registered with the California Department of Motor Vehicles in accordance with Applicable Law, and (iii) ensure compliance with all applicable California and SCAQMD collection truck fleet requirements, including the requirement to use collection trucks which have particulate matter (PM) filters. Company shall maintain copies of registration certificates and applicable required reports and shall make them available for inspection upon request by the City. Company shall also obtain and maintain certificates of compliance to comply with Rule 1193 SCAQMD fleet vehicle emissions requirements.

c. *Non-Company Trucks*. Company shall exercise Reasonable Business Efforts to prevent uncovered vehicles from leaving the Site unless they are empty. Company shall further exercise Reasonable Business Efforts to encourage users to cover their vehicles to eliminate spillage, including publicly-posted rules and instructions for the enclosure and/or securing of MSW in all vehicles. Company shall maintain at the Site extra tarps on-hand to replace faulty or missing tarps on vehicles; Company may levy a charge for these tarps. Persons repeatedly in violation of Company rules and regulations regarding the enclosure and securing of transported MSW, or Persons who otherwise repeatedly cause MSW spillage and residue, may be denied service at the Site or Company may adopt a fine schedule for repeat violations of the enclosure requirement. All loads leaving the Site shall be monitored to make sure they do not track out or drop materials onto public roadways as they depart.

4.4 Queuing on City Streets. Company shall continue to minimize queuing on City streets of vehicles entering or leaving the Site. Company shall staff the Site as needed to meet this Performance Standard such that the flow of traffic is maintained. To prevent vehicular queuing on Main Street, Company collection vehicles and transfer trucks shall be prohibited from utilizing Main Street for Site ingress or egress, and Company shall exercise Reasonable Business Efforts to direct Site users from utilizing Main Street for Site ingress or egress.

4.5 Remedies for Failure to Observe Performance Standards and Nuisance Violations. The failure to observe any Performance Standards or the production of any nuisance condition by Company may subject Company to administrative procedures, and, ultimately, termination, for nuisance violations in contravention of this Agreement.

a. *Complaints Received by City*. Except for complaints regarding collection fees or rates, complaints received by the City regarding Carson TS operations and Company's performance will be transmitted or reported by the City to Company's District Manager in writing (including email). Company shall investigate each non-rate related complaint reasonably made regarding Carson TS operations, take corrective action and respond to the complaining party to the extent deemed necessary, and subsequently report any such action to the City by email or other writing. Company shall maintain a log of all (non-rate related) complaints regarding Carson TS operations, nuisance conditions, appearance, landscaping, odor or noise issues received from City and corrective actions implemented in accordance with the requirements of the Site's SWFP as enforced by the LEA and the terms of this Agreement, which log shall be emailed or available to City inspection during normal business hours.

b. *Complaints Received Directly by Company*. Company shall also take corrective action on any public complaints reasonably made that are directly received by Company. Complaints received by Company and Company' corrective actions thereon shall also be entered into the log described in Subsection (a) above.

c. *City Investigation.* In the absence of public complaint, the City may also initiate its own investigation of the Site if it has a reasonable belief that Company is failing to observe Performance Standards or facilitating a nuisance condition arising out of the operation of the TS. If the City, based on its own observations or investigations, discovers any conditions violating the terms of this Agreement (including but not limited to failure to observe any Performance Standards or the production of any nuisance condition), City shall include a written description of the violation to Company with a reasonable time to cure. Company shall investigate all problems so identified by the City and take corrective timely action thereon and include such complaints and corrective actions in the log and the email report to the City as described in Subsection (a) above.

d. *Nuisance*. Company shall maintain and operate the Site in accordance with the terms of this Agreement with the understanding that the Carson TS shall be improved and operated as a state-of-the-art transfer station without violation of aesthetic landscaping, odor, noise, litter, or pest vector standards as required by this Agreement, adopted Site plans, and the Company's SWFP and all applicable regulations, to ensure nuisance conditions do not arise from continued operations of the Site and implementation of the Project improvements. Nuisance is defined as "[a]nything which is injurious to health, including, but not limited to, the illegal sale of controlled substances, or is indecent or offensive to the senses, or an obstruction to the free use of property, so as to interfere with the comfortable enjoyment of life or property, or unlawfully obstructs the free passage or use, in the customary manner,

of any navigable lake, or river, bay, stream, canal, or basin, or any public park, square, street, or highway, is a nuisance." (Cal. Civ. Code § 3479; see also Cal Civ. Code 3480 ["A public nuisance is one which affects at the same time an entire community or neighborhood, or any considerable number of persons, although the extent of the annoyance or damage inflicted upon individuals may be unequal"].) "'Nuisance' also includes anything which is injurious to human health or is indecent or offensive to the senses and interferes with the comfortable enjoyment of life or property, and affects at the same time an entire community or neighborhood or any considerable number of persons although the extent of annoyance or damage inflicted upon the individual may be unequal and which occurs as a result of the storage, removal, transport, processing or disposal of solid waste." (Cal. Code Regs. tit. 14, § 17225.45.)

e. *Municipal Code Provisions.* Company shall also comply, without limitation, to the provisions of the City's Municipal Code Sections 5700 *et seq*. (Property Maintenance Ordinance) and Section 5300 *et seq.* (Anti-Litter and Weed Control Ordinance).

f. *Notice of Violation.* Initially, if the City or a designated enforcement officer observes a nuisance violation, a written warning (via letter and email) and/or notice to abate the nuisance shall be given to the Company official or employee managing Site operations (i.e. the District Manager), and due process shall be provided by City consistent with the applicable provisions of the City's Municipal Code, including without limitation Sections 5700 *et seq*. (Property Maintenance Ordinance) and Section 5300 *et seq*. (Anti-Litter and Weed Control Ordinance). At the same time, should Company not make Reasonable Business Efforts to address the nuisance violation, the City Manager or his/her designee in his/her sole discretion, shall provide Company written notice of its intent to institute the procedures set forth in Article 9.0 hereof.

g. *No Waiver of City's Police Powers or Legal Rights.* Nothing in this Agreement is intended to limit the power and ability of the City or the LEA to initiate administrative and/or judicial proceedings for the abatement of nuisance conditions or violations of any applicable law. Nothing herein shall waive or limit any other legal rights or recourses the City may have in response to Company's repeated, material violations of Performance Standards or failure to mitigate nuisance conditions within its control. The City may, in its sole and absolute discretion, utilize any administrative citation or administrative procedures contained in the City Municipal Code relating to the abatement of nuisances and/or violations of the Municipal Code, as may be amended or renumbered; provided, the Agreement can only be terminated pursuant to the provisions of Article 9.0.

4.6 City's Right of Entry. City reserves any rights of entry it may have to the Site pursuant to law, as well as a right of immediate entry to the Site in the event of an emergency situation that threatens public health, safety or welfare, and any other remedies available by law. Upon learning of the situation, City shall attempt to notify Company of the situation as soon as possible. Upon receiving such notice from City, Company shall immediately advise City if Company is unable or unwilling to take responsive action or make arrangements for a third party to respond to the situation. City may immediately enter the Site, whether by its own forces or a contracted third-party, to respond to the situation if (i) Company advises City that it is unable or unwilling to respond to the emergency situation, or (ii) Company' inaction or unreasonable delay manifests no intention of responding to the circumstances, or (iii) City is unable to notify Company due to the timing or urgent nature of the emergency.

City's entry to the Site pursuant to this Section shall be without liability to City for any loss or damage that may accrue to Company' merchandise, fixtures, or other property or to Company' business by reason thereof unless such loss or damage is caused by City's negligence or willful misconduct.

Any costs, expenses or damages incurred by City in responding to circumstances warranting City's entry to the Site shall be paid by the City unless the cause for such entry was a material breach of this Agreement by Company as agreed upon by the Parties or as found in a final non-appealable judgment by a court. In the event that such entry by the City is found to be the result of a material breach of this Agreement by Company, City shall send Company written notice and an invoice of all costs, expenses or damages reasonably incurred by City in its response to such circumstances, payable by Company if a material breach by Company is at issue or by agreement of City and Company. Within five (5) business days, Company may contest in writing the costs, expenses or damages, in whole or in part, identified by City. City shall consider Company's written contest of costs, expenses or damages in good faith and determine, in the City's sole discretion, whether to reject, accept in part, or accept fully the position taken by Company; City shall promptly notify Company of its determination in writing. Company shall reimburse to City all costs, expenses or damages as finally determined by City within ten (10) business days of issuance of the City's final determination or, if Company never contested the costs, expenses or damages originally identified by the City, Company's reimbursement shall be made within ten (10) business days of the City's initial notice and invoice of costs, expenses or damages. Company may pay all, or in part, City's claimed costs, expenses or damages under protest and reserves all rights to challenge City's costs, expenses and damages, if necessary, by filing legal action. Should either Party file legal action pursuant to this provision, the remedy and any award of damages shall be decided by the court.

ARTICLE 5.0
HOST FEES & OPERATIONAL OBLIGATIONS

In addition to, and consistent with, the conditions of the 1996 CUP, Company agrees to the following Operational Obligations:

5.1 Governance and Rate Setting. Company shall set its own rates for various classes of customers of the Site.

5.2 Host Fees. Beginning on January 1, 2020, and during the term of this Agreement, and conditioned upon City's strict compliance with its obligations hereunder, Company agrees to pay City a Host Fee for all MSW delivered to the Carson TS. The amount of the Host Fee as of January 1, 2020 is as shown in Attachment A hereto, Exhibit D thereto, per ton for the foregoing items.

a. Company shall remit all applicable Host Fee payments on or before the thirtieth (30th) day of the month following the end of each calendar quarter.

b. The Host Fees to be paid are based solely on actual tonnage of City MSW and Non-City MSW brought to the Site through the Term of this Agreement and the tonnage calculations used for the payment of Host Fees will be determined on scale weight tickets generated at the Site for incoming tonnage. City shall have the right to review and audit all Company's ticket and scale data records, or such other records as reasonably necessary to meaningfully audit MSW tonnage incoming to the Site.

5.3 Diversion and Recycling Programs. Notwithstanding the terms of any Permits currently held by Company, the parties agree that the Carson TS will not add expanded or substantially different operations from those that are currently occurring at the Site, except as may be required to meet future regulatory requirements imposed by the State, as a "materials recovery facility," "composting facility," "transformation facility," or other such source reduction, recycling or composting operation as defined by California Code Regs., Tit. 14, § 18720 without first following the requirements of this Section 5.3; nor shall Company operate any programs on-Site for the collection or handling of electronic waste or HHW without first following the requirements of this Section 5.3. If Company seeks to add expanded or substantially different operations for source reduction, recycling, composting, waste-to-energy or other forms of materials recovery than are currently occurring at the Site or to implement new programs for collection or handling of electronic waste or HHW, Company shall provide City at least ninety (90) days' written notice prior to proceeding towards such expansion of operations (and prior to obtaining Permits required for such expansion) in order to negotiate in good faith with the City the project description, mitigation measures, and measures for meeting applicable State diversion requirements, if any.

5.4 Personnel and Subcontractors. Company shall continue to engage qualified and competent employees and subcontractors, including managerial, supervisory, clerical, maintenance, and operating personnel in numbers necessary for safe and efficient Carson TS operation and to perform Company's Performance Standards and Operational Obligations. Company shall use Reasonable Business Efforts with the goal of hiring employees who are residents of City. Company shall continue training its staff to perform work in a safe and efficient manner in accordance with all Applicable Law, including the Site's SWFP and load check procedures. Company and its staff shall treat users of the site and other members of the public with professionalism and courtesy

5.5 Carson TS Equipment. Company shall employ and maintain all equipment necessary for the effective operation of the Carson TS, at its sole cost and expense, substantially in accordance with reasonable care according to industry standards, any Applicable Laws, this Agreement and the site SWFP.

5.6 Receiving Hours. Company shall post Carson TS receiving hours and holiday schedules in a conspicuous location at the Site and shall utilize all Reasonable Business Efforts to publicly circulate Site hours and holiday schedules, which efforts shall include, without limitation, providing public notice of such schedules on a website for the Site or in newspapers of general circulation.

5.7 Carson TS Downtime. Company shall use Reasonable Business Efforts to perform repairs and maintenance in such a manner as to minimize interruption to the regular receipt of Permitted Material.

5.8 Scale Downtime; K Factor. Company shall take all Reasonable Business Efforts to take preventative maintenance measures with respect to all scales and equipment utilized in the course of receiving Permitted Material such that scale and equipment downtime is minimized. To the extent practicable, if any scale is inoperable, being tested or otherwise unavailable, vehicles shall be weighed on the remaining operating scales. In the event of multiple scale failures that significantly impact Company's ability to weigh-in Permitted Material, achieve requirements for vehicular turn-around and meet the limits on vehicular queuing in public streets required by this Agreement, then Company shall utilize a waste volume conversion factor "K-factor" for estimating vehicle weight. Company shall utilize this K-factor flat rate for the calculation of Permitted Material receipts and Host Fees until such time that Carson TS scales are repaired to a fully operational condition in accordance with Applicable Laws. Company shall use all Reasonable Business Efforts to immediately and promptly repair and/or replace, in a fully professional manner, scales that are non-functioning and/or functioning at an accuracy or precision that is not compliant with Applicable Laws.

5.9 Scales. Company shall test and calibrate all scales in accordance with Applicable Law. Upon City request, it shall provide the City with copies of scale testing results, including but not limited to any results from State-conducted inspections Tare weights of the vehicles of regular users of the facility shall be recorded to facilitate efficient weighing and recording of loads. Tare weights shall be checked at least annually.

5.10 Denial of Service. Company shall have the right to refuse to provide service to any Person seeking to utilize any component of the Site if, (i) in the reasonable judgment of Company, providing service to such Person would result in a risk of loss or liability to Company, or (ii) such Person fails to comply with Applicable Law or the rules and regulations imposed by Company in accordance with this Agreement, or (iii) such Person has previously delivered, or attempted to deliver, Unpermitted Waste to the Site, or (iv) or, the amount of Permitted Materials accepted at the Site has accumulated beyond Site capacity or limits imposed by Permits and/or Applicable Laws, or (v) such Person delivers waste outside established receiving hours, or (vi) emergency circumstances and Uncontrollable Circumstances prevent service to the Person.

5.11 Covenant Against Discrimination. Company covenants that, by and for itself, its heirs, executors, assigns, and all persons claiming under or through them, that there shall be no discrimination against or segregation of, any person or group of persons on account of race, color, creed, religion, sex, marital status, sexual orientation, national origin, or ancestry in the performance of this Agreement. Company shall take affirmative action to ensure that employees are treated during employment without regard to their race, color, creed religion, sex, marital status, sexual orientation, national origin or ancestry.

ARTICLE 6.0
UNPERMITTED WASTE

In addition to, and consistent with, titles 14 and 22 of the California Code of Regulations, the conditions of the 1996 CUP, the SWFP, TPR and load check procedures governing the Site, Company shall reject Unpermitted Waste from being received by the Site and, if inadvertently received, to follow the Site's notification and handing procedures as required by the LEA, and the Site's TPR and RFI (Report of Facility Information).

6.1 Unpermitted Waste; Load Check Procedures. Company will not accept Unpermitted Waste of any kind. Any truck suspected of carrying Unpermitted Waste will be turned away and not permitted to enter the facility.

a. If any waste is noticed on the tipping floor that might be hazardous, the material will be immediately isolated from all other waste, the Carson TS supervisor will be notified, and the area will be placed off-limits for all workers and trucks. After the positive identification of Unpermitted Waste (per Title 22 regulations), the waste will be removed and taken to a Hazardous Materials landfill under emergency procedures, if appropriate, or returned to the originator for proper disposition. Company will continue conducting ongoing Unpermitted Waste inspections by regular visual inspection of the waste loads deposited at the Carson TS in accordance with Appendix 9 - Load Check Procedure of its TPR. Site personnel will receive annual Hazardous Materials and waste management training that satisfies EPA and California hazardous waste generator training requirements.

b. Unpermitted Waste found from the load check procedure will be returned to the generator for removal and proper disposal. If the generator cannot be identified, the material will be stored on-site in accordance with Applicable Laws and will then be packaged and transported off-site by a hauler licensed to handle such Hazardous Materials to a permitted treatment and disposal facility in accordance with Applicable Laws. Although Carson TS is prohibited from knowingly receiving hazardous,

liquid, or special wastes, from time to time HHW enters the Site. Typical HHW found are car batteries, used motor oil, paint, and unused household cleaning liquids and garden products. Company will apply the same load check procedures for retrieving these materials when they are discovered and will store these materials on-site in accordance with Applicable Laws, which will then be packaged and transported off-site by a hauler licensed to handle such waste to a permitted treatment and disposal facility in accordance with Applicable Law.

ARTICLE 7.0
REPORTS, MONITORING & RECORDS

7.1 Records Retention. Company shall use Reasonable Business Efforts to maintain those operational, weighing and business records identified below in this Article. Such records shall be retained for a period of not less than five (5) years, or in accordance with Applicable Law, whichever period is longer. Records shall be maintained in an organized and efficient fashion such that they are readily available upon City request pursuant to this Article.

a. *Host Fee Records*. Company shall keep daily accurate and complete records of vehicular weight and inbound MSW tonnage. Such records shall be in paper, electronic, magnetic or other media in sufficient detail to allow the Company to calculate, and City to corroborate, the Host Fee. Company computations, records, files and reports necessary for validating Host Fees shall be made available to the City for inspection and copying upon City's reasonable written request therefor or in connection with a "Periodic Financial Audit" or "Annual Monitoring Review." Company shall provide such records within fifteen (15) business days after City request therefor.

b. *Errors in Host Fee Payments.* Should the Host Fee Records described in Subdivision (a) above show that Company underpaid any Host Fee to the City, the City shall send a written notice to Company describing such underpayment and, within ten (10) business days. If the error was the result of Company negligence or intent, rather than an outside third-party or system error beyond Company's control, Company shall remit the shortfall plus a late fee equaling ten percent (10%) of the amount of the undisputed shortfall and only if the error was the result of Company negligence or willful intent.

7.2 Annual Monitoring Review. In addition to any provisions contained elsewhere in this Agreement providing for City investigations of the Site, the City may, at its option, review Company performance under this Agreement at least once annually after the Effective Date to determine whether, on the basis of substantial evidence, Company has complied in good faith with terms or conditions of this Agreement. The reasonable cost of the annual monitoring review shall be borne by City.

a. *Conduct and Result of Review*. The City may conduct the review administratively, or may cause the review to be conducted by a qualified consultant retained by the City at City's cost. If the City Manager finds that Company has substantially complied with the terms and conditions of this Agreement, the review shall be concluded. If the City Manager finds and determines that Company has not substantially complied with the terms and conditions of this Agreement for the period under review, City shall give Company written notice of the deficiency and afford the Company a reasonable opportunity to cure the deficiency.

7.3 Periodic Financial Audits. During years where the City does not otherwise elect to exercise its Annual Audit option, and no more than once per year, City may also, in its sole discretion, audit the Site's Carson TS tonnage and Host Fee payments. City will pay for the cost of any Periodic Financial Audit it conducts unless the audit proves a discrepancy (negative) greater than three percent (3%) of the Host Fees due to the City, in which case Company shall pay for such reasonable audit expenses. City recognizes that said financial data is confidential and proprietary to Company and, to the extent allowed by law, agrees to work cooperatively to ensure that such records will not be publicly disclosed.

7.4 Public Records Act. Company acknowledges and agrees that information submitted to the City pursuant to this Agreement may be subject to compulsory disclosure by the City upon request from a member of the public under the California Public Records Act, Government Code Section 6250, *et seq*. The City acknowledges and agrees that certain information which may be disclosed by Company or which Company may be required to submit pursuant to the Agreement may be considered as confidential, proprietary, or a trade secret by Company. The City agrees to protect the confidentiality of materials submitted to it to the extent permitted by Applicable Law including the Public Records Act. Company shall specifically and clearly designate all materials as "CONFIDENTIAL" which it wishes the City to treat in confidence and withhold from public disclosure to the extent permitted by Applicable Law, including the Public Records Act.

a. If the City receives a request from a third party to review and/or copy material designated as "CONFIDENTIAL" it will inform Company and will permit Company to present arguments and facts to the City in support of the position that the material is entitled to an exemption from disclosure under the Public Records Act and should not be released. Company acknowledges that City has ten (10) days to initially respond to a public records request. Company agrees to work in good faith to provide the information requested by City within a reasonable time, not to exceed 15 business days from the receipt of the request by Company from City, so that the City may consider the information from Company and incorporate it into the City's response to the party requesting documents.

b. If the City determines that the material is not entitled to an exemption and that it must be released, the City will advise Company of such determination prior to releasing the material so that Company may seek a court order enjoining its release. If the City determines that the material is entitled to an exemption, and the person who requested the information files a legal action seeking its release, the City will advise Company and will not oppose a motion by Company to intervene in the action and shall cooperate with Company in such an action. Further, in such situation, if Company elects to intervene, then the City shall tender its defense to Company and Company shall indemnify and hold City harmless from all reasonable attorneys' fees and legal expenses actually incurred by the City in defending the action as well as any attorneys' fees which may be awarded to such third party.

c. Notwithstanding the foregoing, City shall have no liability for damages to Company due to the disclosure of any information which Company believes to be confidential or a trade secret except to the extent such disclosure was caused by City's gross negligence or willful misconduct.

ARTICLE 8.0
ASSIGNMENT

8.1 Definition of Affiliate. As used in this section, Affiliate means (i) any Person that directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with a

Party, and (ii) any Person that, directly or indirectly, is the beneficial owner of fifty percent (50%) or more of any class of equity securities of, or other ownership interests in, a Party or of which the Party is directly or indirectly the owner of fifty percent (50%) or more of any class of equity securities or other ownership interests. For purposes of this definition, "control" (including, with correlative meanings, the terms "controlled by" and "under common control with") means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities or otherwise.

8.2 Assignments Require Approval. Except as to an Affiliate, Company shall not assign this Agreement or any of Company' rights under this Agreement, directly or indirectly, voluntarily or by operation of law, except as provided below, without the prior written approval of the City Council, which shall not be unreasonably withheld, and if so purported to be assigned, the same shall be null and void. Company will submit its request for City Council consent to the City together with the following documents: (i) the assignee's audited financial statements for at least the immediately preceding three (3) operating years; (ii) statement from the assignee that shows the proposed assignee has solid waste management experience on a scale equal to or exceeding the scale of operations conducted by Company at the Site; (iii) for the preceding five (5) years, a complete list of any citations or other censure from any federal, state, or local agency having jurisdiction over its waste management operations due to any significant failure to comply with federal, state, or local waste management law;(iv) statement from the assignee that the assignee's officers or directors have no criminal convictions for embezzlement, bribery, fraud, racketeering and similar crimes; and (v) any other information reasonably required by the City to ensure the proposed assignee can fulfill the terms of this Agreement.

8.3 Assumption of Obligations. No attempted assignment of any of Company's obligations hereunder shall be effective unless and until the successor party executes and delivers to City an assumption agreement in a form reasonably approved by the City assuming such obligations. Following any such assignment of this Agreement, the exercise, use and enjoyment shall continue to be subject to the terms of this Agreement to the same extent as if the assignee were Company.

8.4 Release of Company. Upon the written consent of City Council to the complete assignment of this Agreement and the express written assumption of the assigned obligations of Company under this Agreement by the assignee, Company shall be relieved of its legal duty from the assigned obligations under this Agreement, except to the extent Company is in default under the terms of this Agreement prior to said Assignment.

8.5 Company to Pay Transfer Costs. Company will pay City its reasonable costs for attorneys' fees and investigation costs necessary to investigate the suitability of any proposed transferee or assignee not to exceed TWENTY-FIVE THOUSAND DOLLARS ($25,000).

8.6 Binding on Successors. All of the provisions, agreements, rights, powers, standards, terms, covenants and obligations contained in this Agreement shall be binding upon the Parties and their respective heirs, successors (by merger, consolidation, or otherwise) and assigns, devisees, administrators, representatives, lessees, and all other persons acquiring any rights or interests in Company's Site, or any portion thereof, whether by operation of laws or in any manner whatsoever and shall inure to the benefit of the Parties and their respective heirs, successors (by merger, consolidation or otherwise) and assigns.

ARTICLE 9.0
DEFAULT, REMEDIES AND TERMINATION

9.1 Rights of Nondefaulting Party after Default. The Parties acknowledge that both Parties shall have hereunder all legal and equitable remedies as provided by law following the occurrence of a default (as defined in Section 9.2 below) or to enforce any covenant or agreement herein. Before this Agreement may be terminated or action may be taken to obtain judicial relief, the Parties shall comply with Section 9.2.

9.2 Notice of Default and Opportunity to Cure. A Nondefaulting Party in its discretion may elect to declare a default under this Agreement in accordance with the procedures hereinafter set forth for any failure or breach of the other Party ("Defaulting Party") in its performance of a material duty or obligation of said Defaulting Party under the terms of this Agreement. However, the Nondefaulting Party must provide written notice to the Defaulting Party setting forth the nature of the breach or failure and the actions, if any, required by Defaulting Party to cure such breach or failure ("Default Notice"). Upon receiving a Default Notice, at the election of either Party, the Parties shall meet to develop a written corrective action plan ("Correction Plan") to prevent further occurrence of the problematic conditions established in the Notice. The Correction Plan shall be finally prepared by the City (or, at the election of the City, by Company) within ten (10) business days after the meeting between the Public Works Director and/or City Manager or his/her designee and Company. Whichever Party does not prepare the Correction Plan shall have an opportunity to review and approve the Plan. The Correction Plan may include additional procedures, as deemed reasonably necessary by the Public Works Director and/or City Manager designee, to assure that in the future the Site will be operated in compliance with this Agreement.

9.3 Cure Periods. The Defaulting Party on a monetary default shall not be deemed in breach of this Agreement, and such default shall be waived, if the Defaulting Party cures such monetary default within fifteen (15) business days following the Defaulting Party's receipt of the Default Notice, or as agreed-upon in a Correction Plan (if applicable), whichever is later. The Defaulting Party on a non-monetary default shall not be deemed in breach of this Agreement, and such default shall be waived, if such non-monetary default cannot reasonably be cured within thirty (30) calendar days, or within sixty (60) calendar days for any alleged default with respect to the construction of the Project. Defaulting Party shall perform the following:

a. Notify the Nondefaulting Party in writing with a reasonable explanation as to the reasons the asserted default is not curable within the thirty (30) calendar day period or within the sixty (60) calendar day period for alleged default relating to construction of the Project;

b. Notify the Nondefaulting Party of the Defaulting Party's proposed course of action to cure the default;

c. Promptly commence to cure the default within the thirty (30) calendar day period;

d. Make periodic reports to the Nondefaulting Party as to the progress of the program of cure; and

e. Diligently prosecute such cure to completion.

9.4 Default. The Defaulting Party shall be deemed in "default" under this Agreement,

where said breach or failure can be cured, but the Defaulting Party has failed to fully cure as set forth in this Section.

9.5 Termination Upon Default. Upon receiving a Default Notice, should the Defaulting Party fail to timely cure any default, or fail to diligently pursue such cure as prescribed in Section 9.4, the Nondefaulting Party may, in its discretion, provide the Defaulting Party with a forty-five (45) day written notice of intent to terminate this Agreement ("Termination Notice"). The Termination Notice shall state that the Nondefaulting Party will elect to terminate the Agreement as the Nondefaulting Party and state the reasons therefor (including a copy of any specific charges of default) and a description of the evidence upon which the decision to terminate is based. Once the Termination Notice has been issued, the Nondefaulting Party's election to terminate this Agreement will only be waived if (i) the Defaulting Party fully and completely cures all defaults prior to the date of termination, or (ii) pursuant to Section 9.6, below.

9.6 Company Hearing Opportunity Prior to Termination. If Company is the Defaulting Party, then the City's Termination Notice to Company shall additionally specify that Company has the right to a hearing prior to the City's termination of this Agreement ("Termination Hearing"). The Termination Hearing shall be scheduled as an open public hearing item at a regularly-scheduled City Council meeting within sixty (60) days of the Termination Notice, subject to any legal requirements including but not limited to the Ralph M. Brown Act, Government Code Sections 54950-54963. At said Termination Hearing, Company may present evidence to demonstrate that it is not in default of the Agreement and to rebut any evidence presented in favor of termination. Based upon substantial evidence presented at the Termination Hearing, the Council may, by adopted resolution, act as follows:

a. Decide to terminate this Agreement in accordance with Section 9.8, except as the City Council shall otherwise direct by resolution; or

b. Determine that Company is not in material default and, accordingly, dismiss the Termination Notice and any charges of default; or

c. Impose conditions on a finding of default and a time for cure, such that Company's fulfillment of said conditions will waive or cure any default.

Findings of a default or a conditional default must be based upon substantial evidence supporting the following two findings: (i) that a default in fact occurred and has continued to exist without timely cure or commencement and timely prosecution of timely cure, and (ii) that such default has, or will, cause a material breach of this Agreement and/or a substantial negative impact upon public health, safety and welfare, or the environment.

9.7 Revocation or Modification of 1996 CUP or Project Entitlements. Should City terminate this Agreement pursuant to this Article, such termination shall not in any manner result in the revocation or modification of the 1996 CUP or City-issued permits or entitlements related to the Project. However, City may commence revocation or modification of such entitlements or permits subject to providing due process in accordance with the City's revocation procedures (see City of Carson Municipal Code, § 9172.28.).

9.8 Interest on Monetary Default. In the event Company fails to perform any monetary obligation under this Agreement, Company shall pay interest thereon at the rate of ten percent (10%) per annum from and after the due date of said monetary obligation until payment is complete and actually received by City.

ARTICLE 10.0
INDEMNITIES AND ENVIRONMENTAL LIABILITY

10.1 Indemnity Obligations. Company agrees to protect, defend, indemnify and hold harmless City and its elected boards and board members, commissions, officers, employees and volunteers ("Indemnified Parties") from and against any and all Claims or Liabilities, in addition to Company's indemnity obligations with regard to Hazardous Materials (below). Such indemnification shall not cover any Claim or Liability due to the extent of the negligence or willful acts of the Indemnified Parties or to the extent the Indemnified Parties have received compensation from an insurance carrier for the full amount of such Claim.

10.2 Hazardous Materials. Company understands and agrees that in the event Company incurs any loss or liability concerning Hazardous Materials then under no circumstances shall Company look to City for any liability or indemnification regarding such Hazardous Materials. Company, and each of the entities constituting Company, if any, hereby waives, releases, remises, acquits, forever discharges and shall defend Indemnified Parties from and against any and all Claims or Liabilities relating in to, or arising from, Hazardous Materials attributable to, or arising from, the Site or Company's use thereof, or the release or threatened release of Hazardous Materials therefrom, whether existing prior to, at or after the Effective Date hereof.

10.3 Participation in Litigation. City shall promptly provide Company with notice of the pendency of any Claims or Liabilities for which Company has responsibility under this Article, and request that Company defend the same. If City fails promptly to notify Company of any such Claims or Liabilities or fails to cooperate fully in the defense thereof, Company shall not, thereafter, be responsible to defend the City. Company may utilize the City Attorney's office or use legal counsel of Company' choosing but shall reimburse City for any reasonable legal costs incurred by City. If Company fails to satisfy its obligations under this Article, City may defend the Claims or Liabilities and Company shall pay the reasonable attorneys' fees and cost thereof as provided herein, but if City chooses not to defend the Claims or Liabilities, City shall notify Company in writing and it shall have no liability to Company except as otherwise provided herein. Company's obligation to pay the reasonable defense cost shall extend until judgment and thereafter through any appeals.

10.4 Survival of Indemnity Objections. Notwithstanding any other provision of this Agreement, Company' release and indemnification as set forth in the provisions of this Article, shall survive the termination of this Agreement and shall continue for a period of ten (10) years following the termination of this Agreement.

ARTICLE 11.0
BODILY INJURY, PROPERTY DAMAGE, AND WORKERS' COMPENSATION INSURANCE

11.1 Types of Insurance. Prior to the entry of Company on the Site and throughout the Term of this Agreement, Company shall procure and maintain (or cause to be procured and maintained), at its sole cost and expense, the following policies of insurance:

a. Commercial General Liability Insurance (collectively "CGL"). Company shall keep or cause to be kept in force for the mutual benefit of City and Company CGL insurance against claims and liability for personal injury or death arising from the use, occupancy, disuse or condition of the Site,

improvements or adjoining areas or ways, affected by such use of the Site or for property damage, providing protection of at least Five Million Dollars ($5,000,000.00) combined single limit for bodily injury or death and property damage for each occurrence.

b. Workers' Compensation. Company shall also furnish or cause to be furnished to City evidence reasonably satisfactory to it that any contractor with whom Company has contracted for the performance of any work for which Company is responsible hereunder carries workers' compensation insurance as required by law.

c. Automobile Liability. Insurance Services Office Form Number CA 0001 covering any auto (Code 1), or if Contractor has no owned autos, hired (Code 8) and non-owned (Code9) autos, with limit no less than $5,000,000 per accident for bodily injury and property damage.

d. Pollution Liability applicable to the work being performed, with a limit no less than $5,000,000 per claim or occurrence and $5,000,000 aggregate per policy period of one year.

e. Other Insurance. Company may procure and maintain any insurance not required by this Agreement.

If Company maintains broader coverage and/or higher limits than the minimums shown above, the City requires and shall be entitled to the broader coverage and/or the higher limits maintained by the contractor. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to the City.

Self-insured retentions must be declared to and approved by the City. At the option of the City, the Contractor shall provide coverage to reduce or eliminate such self-insured retentions as respects the City, its officers, officials, employees, and volunteers; or the Contractor shall provide evidence satisfactory to the City guaranteeing payment of losses and related investigations, claim administration, and defense expenses. The policy language shall provide, or be endorsed to provide, that the self-insured retention may be satisfied by either the named insured or City.

11.2 The General Liability, Automobile Liability, and Pollution Liability policies are to contain, or be endorsed to contain, the following provisions:

a. The City, its officers, officials, employees, and volunteers are to be covered as additional insureds with respect to liability arising out of work or operations performed by or on behalf of the Company including materials, parts or equipment furnished in connection with such work or operations.

b. For any claims related to this project, the Company's insurance coverage shall be primary insurance coverage at least as broad as ISO CG 20 01 04 13 as respects the City, its officers, officials, employees, agents, and volunteers. Any insurance or self- insurance maintained by the City, its officers, officials, employees, agents, or volunteers shall be excess of the Company's insurance and shall not contribute with it.

c. Each insurance policy required above shall provide that coverage shall not be canceled, except with notice to the City.

11.3 The Automobile Liability policy shall be endorsed to include Transportation Pollution Liability insurance, covering materials to be transported by Company pursuant to the contract. This coverage may also be provided on the Contractors Pollution Liability policy.

11.4 If General Liability, Pollution Liability coverages are written on a claims-made form:

a. The retroactive date must be shown, and must be before the date of the contract or the beginning of contract work.

b. Insurance must be maintained and evidence of insurance must be provided for at least five (5) years after completion of the contract of work.

c. If coverage is canceled or non-renewed, and not replaced with another claims-made policy form with a retroactive date prior to the contract effective date, the Contractor must purchase an extended period coverage for a minimum of five (5) years after completion of contract work.

d. A copy of the claims reporting requirements must be submitted to the City for review.

e. If the services involve lead-based paint or asbestos identification / remediation, the Contractors Pollution Liability shall not contain lead-based paint or asbestos exclusions. If the services involve mold identification / remediation, the Contractors Pollution Liability shall not contain a mold exclusion and the definition of “Pollution” shall include microbial matter including mold.

11.5 Insurance Policy Form, Content and Insurer. All insurance required by express provisions hereof shall be carried only by insurance companies authorized to do business by California, rated "A-VIII" or better in the most recent edition of Best Rating Guide, and only if they are of a financial category Class VIII or better, unless such insurance is not available from companies meeting such standards at a commercially reasonable price and City agrees in writing to different standards. All such property policies shall contain language, to the extent obtainable, to the effect that (i) any loss shall be payable notwithstanding any act of negligence of City or Company that might otherwise result in the forfeiture of the insurance; (ii) Company waives the right of subrogation against City and against City's agents and representatives; (iii) the policies are primary and noncontributing with any insurance that may be carried by City; and (iv) the policies cannot be canceled or materially changed except after thirty (30) days' (ten (10) days for nonpayment of premium) written notice by the insurer to City or City's designated representative. Company shall furnish City with certificates evidencing the insurance. City shall be named as additional insured on all policies of insurance required to be procured by the terms of this Agreement other than workers’ compensation insurance.

11.6 Failure to Maintain Insurance and Proof of Compliance. Company shall deliver to City, in the manner required for notices, copies of certificates of all insurance policies required hereunder within the following time limits: (a) for insurance required above, prior to entry of Company on the Site and the commencement of any construction by or on behalf of Company; and (b) for any renewal or replacement of a policy already in existence, simultaneously with the expiration or termination of the existing policy. If Company fails or refuses to procure or maintain insurance as required hereby or fails or refuses to furnish City with required proof that the insurance has been procured and is in force, such failure shall be a default hereunder, subject to the applicable cure period.

ARTICLE 12.0
GENERAL

12.1 Waivers. Failure by a Party to insist upon the strict performance of any of the provisions of this Agreement by the other Party, or the failure by a Party to exercise its rights upon the default of the other Party, shall not constitute a waiver of such Party's right to insist and demand strict compliance by the other Party with the terms of this Agreement thereafter.

12.2 Non-liability of City Officers and Employees. No official, agent, contractor, or employee of City shall be personally liable to Company, or any successor in interest, in the event of any default or breach by City or for any amount which may become due to Company or to its successor, or for breach of any obligation of the terms of this Agreement.

12.3 Conflicts of Interest. No officer or employee of City shall have any financial interest, direct or indirect, in this Agreement nor shall any such officer or employee participate in any decision to the Agreement which affects the financial interest of any corporation, partnership or association in which he is, directly or indirectly, interested, in violation of any state statute, regulation or Applicable Law.

12.4 Construction of This Agreement. The language of this Agreement shall be construed as a whole and given its fair meaning. The captions of the sections and subsections are for convenience only and shall not influence construction. This Agreement shall be governed by the laws of the State of California without reference to its conflicts of law principles. This Agreement shall not be deemed to constitute the surrender or abrogation of the City's governmental powers over the Site.

12.5 Severability. If any provision of this Agreement is adjudged invalid, void or unenforceable, that provision shall not affect, impair, or invalidate any other provision, unless such judgment affects a material part of this Agreement in which case this Agreement shall be amended, as necessary, in order to comply with such judicial decision..

12.6 Venue. In the event of any legal proceeding arising from the terms of this Agreement, venue shall be the State of California, in the County of Los Angeles.

12.7 Amendments. This Agreement may not be modified or amended, in whole or in part, except by a writing signed by both Parties.

12.8 Attorney's Fees. If either Party to this Agreement is required to initiate or defend a court action or proceeding brought by the other Party, 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 reasonable attorney's fees. 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.

12.9 Time of Essence. Time is of the essence in the performance of the provisions of this Agreement as to which time is an element, and the resolution of any dispute which may arise concerning the obligations of Company and City as set forth in this Agreement.

12.10 Uncontrollable Circumstances. The time within which Company or the City shall be required to perform any act under this Agreement shall be extended by a period of time equal to the number of days during which performance of such act is delayed due to an Uncontrollable Circumstance. An extension of time for any such cause shall be for the period of the Uncontrollable Circumstance and shall commence to run from the time of the commencement of the Uncontrollable Circumstance, if written notice by the Party claiming such extension is sent to the other Party within thirty (30) days of knowledge of the commencement of the Uncontrollable Circumstance. Any act or failure to act on the part of a Party shall not excuse performance by that Party.

12.11 Notice. Notices provided pursuant to this Section shall be deemed received at the date of delivery as shown on the affidavit of personal service or the Postal Service or overnight courier receipt.

a. *To Company.* Any notice required or permitted to be given by the City to Company under this Agreement shall be in writing and (i) delivered personally to Company or (ii) mailed with postage fully prepaid, registered or certified mail, return receipt requested, or (iii) deposited with a recognized overnight courier service, addressed as follows:

USA Waste of California, Los Angeles Market Area
Attn: Vice President/Director of Operations
9081 Tujunga Ave.
Sun Valley, CA 91352

With copies to:

USA Waste of California, Inc.
Attn: Senior Legal Counsel
9081 Tujunga Ave.
Sun Valley, CA 91352

District Manager, Carson TS/MRF
321 W Francisco Street
Carson, CA 90745

or such other address or delivery method (such as email) as Company may designate in writing to the City.

b. *To the City.* Any notice required or permitted to be given by Company to City under this Agreement shall be in writing and (i) delivered personally to the City Manager, (ii) mailed with postage fully prepaid, registered or certified mail, return receipt requested, or (iii) deposited with a recognized overnight courier service, addressed as follows:

City of Carson Attn: City Manager 701 E Carson Street Carson, California 90745	With a copy to: Aleshire & Wynder, LLP. Attn: Sunny K. Soltani 18881 Von Karman Ave., 17th Floor Irvine, CA 92612

or such other address or delivery method (such as email) as the City may designate in writing to Company.

12.12 Continuing Liabilities. After termination of this Agreement, both Parties shall remain liable for all costs, reimbursements and damages that may be applicable through this Agreement; nothing herein is intended to waive or limit the remedies available to either Party upon breach, termination or default.

12.13 No Third-Party Beneficiaries. The only Parties to this Agreement are Company and City. There are no third-party beneficiaries, and this Agreement is not intended, and shall not be construed, to benefit or be enforceable by any other person whatsoever.

12.14 Mutual Covenants. The covenants contained herein are mutual covenants and also constitute conditions to the concurrent or subsequent performance by the Party benefited thereby of the covenants to be performed hereunder by such benefited Party.

12.15 Relationship of Parties. It is specifically understood and agreed by and between the Parties that the Project is a private development and private operation, that neither Party is acting as the agent of the other in any respect hereunder, and that such Party is an independent contracting entity with respect to the terms, covenants, and conditions contained in this Agreement. The only relationship between City and Company is that of a government entity regulating the operation of private property and the owner of such private property, subject to a Host Fee.

12.16 Entire Agreement. Except as this Agreement may be implemented through, or related to, the Carson TSA, this Agreement constitutes the entire agreement between the Parties with respect to the subject matter of this Agreement, and this Agreement supersedes all previous negotiations, discussions, and agreements between the Parties. No parole evidence of any prior or other agreement shall be permitted to contradict or vary the terms of this Agreement.

12.17 Further Actions and Instruments. Each of the Parties shall cooperate with and provide reasonable assistance to the other to the extent necessary to implement this Agreement. Upon the request of either Party at any time, the other Party shall promptly execute, with acknowledgment or affidavit if reasonably required, and file or record such required instruments and writings and take any actions as may be reasonably necessary to implement this Agreement or to evidence or consummate the transactions contemplated by this Agreement.

12.18 Counterparts. This Agreement may be executed in counterparts, each of which shall be construed together and have the same effect as if all Parties executed the same copy.

12.19 Authority to Execute. The Persons executing this Agreement on behalf of the Parties hereto warrant that (i) such Party is duly organized and existing, (ii) they are duly authorized to execute and deliver this Agreement on behalf of said Party, (iii) by so executing this Agreement, such Party is formally bound to the provisions of this Agreement, (iv) the entering into of this Agreement does not violate any provision of any other Agreement to which said Party is bound and (v) there is no litigation or legal proceeding which would prevent the Parties from entering into this Agreement.

IN WITNESS WHEREOF, City and Company have executed this Agreement on the date first above written.

COMPANY
USA Waste of California, Inc., a Delaware Corporation

By: _____
Larry Metter
President – Southern California Area

APPROVED AS TO FORM:
Remy Moose Manley, LLP

By: _____
Andrea K. Leisy, Esq.

CITY OF Carson

By: _____
Albert Robles, Mayor

ATTEST:

_____
City Clerk

APPROVED AS TO FORM:
Aleshire & Wynder, LLP

_____
Sunny K. Soltani, City Attorney

ATTACHMENT "A"

Carson TS Agreement

(Including Exhibits A-E thereto)

ATTACHMENT "B"

1996 CUP

ATTACHMENT "C"

Project Scope & Plans

ATTACHMENT "D"

Conditions to Project Approval

ATTACHMENT "E"

Single Stream Specifications -- Recyclable Materials

RECYCLABLES must be dry, loose (not bagged), unshredded, empty, and include ONLY the following:

Aluminum cans	Newspaper
PET bottles with the symbol #1 – with screw tops only	Mail
HDPE plastic bottles with the symbol #2 (milk, water bottles detergent, and shampoo bottles, etc.)	Uncoated paperboard (ex. cereal boxes; food and snack boxes)
PP plastic bottles and tubs with symbol # 5 - empty	Uncoated printing, writing and office paper
Steel and tin cans	Old corrugated containers/cardboard (uncoated)
Glass food and beverage containers* – brown, clear, or green	Magazines, glossy inserts and pamphlets

NON-RECYCLABLES include, but are not limited to the following:

Plastic bags and bagged materials (even if containing Recyclables)	Microwavable trays
Porcelain and ceramics	Mirrors, window or auto glass
Light bulbs	Coated cardboard
Soiled paper, including paper plates, cups and pizza boxes	Plastics not listed above including but not limited to those with symbols #3*, #4*, #6*, #7* and unnumbered plastics, including utensils
Expanded polystyrene	Coat hangers
Glass and metal cookware/bakeware	Household appliances and electronics,
Hoses, cords, wires	Yard waste, construction debris, and wood
Flexible plastic or film packaging and multi-laminated materials	Needles, syringes, IV bags or other medical supplies
Food waste and liquids, containers containing such items	Textiles, cloth, or any fabric (bedding, pillows, sheets, etc.)
Excluded Materials or containers which contained Excluded Materials	Napkins, paper towels, tissue, paper plates, and paper cups
Any paper Recyclable materials or pieces of paper Recyclables less than 4" in size in any dimension	Propane tanks, batteries
Cartons*	Aseptic Containers*

DELIVERY SPECIFICATIONS:

Material delivered by or on behalf of Customer may not contain Non-Recyclables or Excluded Materials. "Excluded Materials" means radioactive, volatile, corrosive, flammable, explosive, biomedical, infectious, bio-hazardous or toxic substance or material, or regulated medical or hazardous waste as defined by, characterized or listed under applicable federal, state, or local laws or regulations, materials containing information (in hard copy or electronic format, or otherwise) which information is protected or regulated under any local, state or federal privacy or data security laws, including, but not limited to the Health Insurance Portability and Accountability Act of 1996, as amended, or other regulations or ordinances or other materials that are deleterious or capable of causing material damage to any part of Company's property, its personnel or the public or materially impair the strength or the durability of Company's structures or equipment.

Company may reject in whole or in part, or may process, in its sole discretion, Recyclables not meeting the specifications, including wet materials, and Customer shall pay Company for all increased costs, losses and expenses incurred with respect to such non-conforming Recyclables including costs for handling, processing, transporting and/or disposing of such non-conforming Recyclable Materials which charges may include an amount for Company's operating or profit margin ("Cost"). Without limiting the foregoing, and Customer shall pay a contamination charge for additional handling, processing, transporting and/or disposing of Non-Recyclables, Excluded Materials, and/or all or part of non-conforming loads and additional charges may be assessed for bulky items such as appliances, concrete, furniture, mattresses, tires, electronics, pallets, yard waste, propane tanks, etc.

Company reserves the right upon notice to discontinue acceptance of any category of materials set forth above as a result of market conditions related to such materials and makes no representations as to the recyclability of the materials. Collected Recyclables for which no commercially reasonable market exists may be landfilled at Customer's Cost.

*Glass may not be accepted in all locations. Cartons, aseptic containers and other plastics may be allowed if approved in writing by Company.

V6 February 2019.

ATTACHMENT "F"

Schedule of Project Performance