

CONTRACT SERVICES AGREEMENT TO PROVIDE STREET SWEEPING SERVICES FOR THE CITY OF CARSON, CALIFORNIA

This CONTRACT SERVICES AGREEMENT ("Agreement") is made and entered into this 1st day of July, 2008, by and between the CITY OF CARSON, a general law city and municipal corporation, ("City") and Nationwide Environmental Services a division of Joe's Sweeping, Inc., a California corporation ("Contractor"). The term Contractor includes employees performing as drivers, mechanics, supervisors, and other personnel acting to render street sweeping services of any kind. The parties hereto agree as follows:

1.0 SERVICES OF CONTRACTOR

1.1 Scope of Services. In compliance with all terms and conditions of this Agreement, the Contractor shall provide those services specified in the "Scope of Services" attached hereto as Exhibit "A" and incorporated herein by this reference, which services may be referred to herein as the "services" or "work" hereunder. As a material inducement to the City entering into this Agreement, Contractor represents and warrants that Contractor is a provider of first class work and services and Contractor is experienced in performing the work and services contemplated herein and, in light of such status and experience, Contractor covenants that it shall follow the highest professional standards in performing the work and services required hereunder and that all materials will be of good quality, fit for the purpose intended. For purposes of this Agreement, the phrase "highest professional standards" shall mean those standards of practice recognized by one or more first-class firms performing similar work under similar circumstances.

1.2 Contractor's Proposal. The Scope of Services shall include the Contractor's proposal or bid which shall be incorporated herein by this reference as though fully set forth herein. In the event of any inconsistency between the terms of such proposal and this Agreement, the terms of this Agreement shall govern.

1.3 Compliance with Law. All services rendered hereunder shall be provided in accordance with all ordinances, resolutions, statutes, rules, and regulations of the City and any Federal, State or local governmental agency having jurisdiction in effect at the time service is rendered.

1.4 Licenses, Permits, Fees and Assessments. Contractor shall obtain at its sole cost and expense such licenses, permits and approvals as may be required by law for the performance of the services required by this Agreement. Contractor shall have the sole obligation to pay for any fees, assessments and taxes, plus applicable penalties and interest, which may be imposed by law and arise from or are necessary for the Contractor's performance of the services required by this Agreement, and shall indemnify, defend and hold harmless City against any such fees, assessments, taxes penalties or interest levied, assessed or imposed against City hereunder.

1.5 Familiarity with Work. By executing this Contract, Contractor warrants that Contractor (a) has thoroughly investigated and considered the scope of services to be performed, (b) has carefully considered how the services should be performed, and (c) fully understands the

facilities, difficulties and restrictions attending performance of the services under this Agreement. If the services involve work upon any site, Contractor warrants that Contractor has or will investigate the site and is or will be fully acquainted with the conditions there existing, prior to commencement of services hereunder. Should the Contractor discover any latent or unknown conditions, which will materially affect the performance of the services hereunder, Contractor shall immediately inform the City of such fact and shall not proceed except at Contractor's risk until written instructions are received from the Contract Officer.

1.6 Care of Work. The Contractor shall adopt reasonable methods during the life of the Agreement to furnish continuous protection to the work, and the equipment, materials, papers, documents, plans, studies and/or other components thereof to prevent losses or damages, and shall be responsible for all such damages, to persons or property, until acceptance of the work by City, except such losses or damages as may be caused by City's own negligence.

1.7 Further Responsibilities of Parties. Both parties agree to use reasonable care and diligence to perform their respective obligations under this Agreement. Both parties agree to act in good faith to execute all instruments, prepare all documents and take all actions as may be reasonably necessary to carry out the purposes of this Agreement. Unless hereafter specified, neither party shall be responsible for the service of the other.

1.8 Additional Services. City shall have the right at any time during the performance of the services, without invalidating this Agreement, to order extra work beyond that specified in the Scope of Services or make changes by altering, adding to or deducting from said work. No such extra work may be undertaken unless a written order is first given by the Contract Officer to the Contractor, incorporating therein any adjustment in (i) the Contract Sum, and/or (ii) the time to perform this Agreement, which said adjustments are subject to the written approval of the Contractor. Any increase in compensation of up to five percent (5%) of the Contract Sum or \$25,000, whichever is less; or in the time to perform of up to one hundred eighty (180) days may be approved by the Contract Officer. Any greater increases, taken either separately or cumulatively must be approved by the City Council. It is expressly understood by Contractor that the provisions of this Section shall not apply to services specifically set forth in the Scope of Services or reasonably contemplated therein. Contractor hereby acknowledges that it accepts the risk that the services to be provided pursuant to the Scope of Services may be more costly or time consuming than Contractor anticipates and that Contractor shall not be entitled to additional compensation therefor.

1.9 Special Requirements. Additional terms and conditions of this Agreement, if any, which are made a part hereof are set forth in the "Special Requirements" attached hereto as Exhibit "B" and incorporated herein by this reference. In the event of a conflict between the provisions of Exhibit "B" and any other provisions of this Agreement, the provisions of Exhibit "B" shall govern.

2.0 COMPENSATION

2.1 Contract Sum. For the services rendered pursuant to this Agreement, the Contractor shall be compensated in accordance with the "Schedule of Compensation" attached hereto as Exhibit "C" and incorporated herein by this reference, but not exceeding the maximum

contract amount of Seven Hundred Thirty One Thousand Four Hundred Twenty Dollars (\$731,420.00) ("Contract Sum") per annum, except as provided in Section 1.8. The method of compensation may include: (i) a lump sum payment upon completion, (ii) payment in accordance with the percentage of completion of the services, (iii) payment for time and materials based upon the Contractor's rates as specified in the Schedule of Compensation, but not exceeding the Contract Sum or (iv) such other methods as may be specified in the Schedule of Compensation. Compensation may include reimbursement for actual and necessary expenditures for reproduction costs, telephone expense, transportation expense approved by the Contract Officer in advance, and no other expenses and only if specified in the Schedule of Compensation. The Contract Sum shall include the attendance of Contractor at all project meetings reasonably deemed necessary by the City; Contractor shall not be entitled to any additional compensation for attending said meetings.

2.2 Method of Payment. Unless some other method of payment is specified in the Schedule of Compensation, in any month in which Contractor wishes to receive payment, no later than the first (1st) working day of such month, Contractor shall submit to the City in the form approved by the City's Administrative Services General Manager, an invoice for services rendered prior to the date of the invoice. Except as provided in Section 7.3, City shall pay Contractor for all expenses stated thereon which are approved by City pursuant to this Agreement no later than the last working day of the month.

2.3 Future Adjustments. Effective July 1, 2009, and on each July 1 thereafter, the compensation paid to the Contractor shall be adjusted annually to rates that are based upon changes in the Consumer Price Index (CPI), All Urban Consumers, for Los Angeles-Anaheim Riverside Area, as published by the United States Department of Labor, Bureau of Labor Statistics. The Contractor shall submit to the City, each April, beginning in April 2009, information in support of an annual adjustment. This information will include changes in the CPI that have occurred during the preceding calendar year. The City Manager or his designee shall review the information submitted by Contractor and approve the rate adjustment if the information submitted is determined to be accurate. As an alternative, the City Manager may refer the proposed adjustment to the City Council for approval, in its reasonable judgment.

2.4 Extraordinary Adjustments. The Contractor or the City may request an adjustment to the compensation paid to the Contractor at times other than those specified in Section 2.3, based upon unusual changes in the cost of providing service under this agreement. The Contractor may request only one such adjustment during any rate year. Unusual changes may include changes in components of the disposal rate, changes in the disposal site requested by the City, changes in state or local government solid waste fees and charges, and changes in the law. These changes do not include inaccurate estimates by the Contractor of its proposed cost of operations. For each request, the Contractor must prepare a schedule documenting the extraordinary costs. The request shall be prepared in a form acceptable by the City with support for all assumptions made by the Contractor in preparing the estimate. The City shall review the Contractor's request and, in the City's reasonable judgment, make the final determination on the appropriate amount of the adjustment, if any.

2.5 Availability of Funds. It is mutually understood between the parties that this Agreement is valid and enforceable only if sufficient funds are made available by the City

Council of the City for the purposes of this Agreement. The availability of funding is affected by matters outside the City's control, including other governmental entities. Accordingly, the City has the option to void the whole Agreement or to amend the Agreement to reflect unanticipated reduction in funding, for any reason.

3.0 PERFORMANCE SCHEDULE

3.1 Time of Essence. Time is of the essence in the performance of this Agreement.

3.2 Schedule of Performance. All services rendered pursuant to this Agreement shall be performed within the time period established in the "Schedule of Performance" attached hereto as Exhibit "J" and incorporated herein by this reference. Extensions to the time specified in the schedule of Performance may be approved in writing by the Contract Officer.

3.3 Force Majeure. The time period(s) specified in the Schedule of Performance for performance of the services rendered pursuant to this Agreement shall be extended because of any delays due to unforeseeable causes beyond the control and without the fault or negligence of the Contractor, including, but not restricted to, acts of God or of the public enemy, unusually severe weather, fires, earthquakes, floods, epidemics, quarantine restrictions, riots, strikes, freight embargoes, wars, litigation, and/or acts of any governmental agency, including the City, if the Contractor shall within ten (10) days of the commencement of such delay notify the Contract Officer in writing of the causes of the delay. The Contract Officer shall ascertain the facts and the extent of delay, and extend the time for performing the services for the period of the enforced delay when and if in the judgment of the Contract Officer such delay is justified. The Contract Officer's determination shall be final and conclusive upon the parties to this Agreement. In no event shall Contractor be entitled to recover damages against the City for any delay in the performance of this Agreement, however caused, Contractor's sole remedy being extension of the Agreement pursuant to this Section.

3.4 Term & Extended Term(s). Unless earlier terminated in accordance with Section 7.8 of this Agreement, this Agreement shall continue in full force and effect from and after July 1, 2008 and for three (3) consecutive calendar years thereafter. City reserves the right, in its sole and unfettered discretion, to extend the Term of this Agreement for up to a maximum of (1) three-year extended term (an "Extended Term"). City shall exercise its right to extend the Term of the Agreement by providing Contractor with written notice of its intent to extend the Term or any Extended Term of this Agreement not less than thirty (30) calendar days prior to the expiration of the Term or any Extended Term of this Agreement.

4.0 COORDINATION OF WORK

4.1 Representative of Contractor. The following principals of Contractor are hereby designated as being the principals and representatives of Contractor authorized to act in its behalf with respect to the work specified herein and make all decisions in connection therewith:

Never Samuelian/President

Joe Samuelian/Vice President

Ani Samuelian/Vice President & Director

It is expressly understood that the experience, knowledge, capability and reputation of the foregoing principals were a substantial inducement for City to enter into this Agreement. Therefore, the foregoing principals shall be responsible during the term of this Agreement for directing all activities of Contractor and devoting sufficient time to personally supervise the services hereunder. For purposes of this Agreement, the foregoing principals may not be replaced nor may their responsibilities be substantially reduced by Contractor without the express written approval of City.

4.2 Contract Officer. The Contract Officer shall be such person as may be designated by the City Manager of City. It shall be the Contractor's responsibility to assure that the Contract Officer is kept informed of the progress of the performance of the services and the Contractor shall refer any decisions which must be made by City to the Contract Officer. Unless otherwise specified herein, any approval of City required hereunder shall mean the approval of the Contract Officer. The Contract Officer shall have authority to sign all documents on behalf of the City required hereunder to carry out the terms of this Agreement.

4.3 Prohibition Against Subcontracting or Assignment. The experience, knowledge, capability and reputation of Contractor, its principals and employees were a substantial inducement for the City to enter into this Agreement. Therefore, Contractor shall not contract with any other entity to perform in whole or in part the services required hereunder without the express written approval of the City. In addition, neither this Agreement nor any interest herein may be transferred, assigned, conveyed, hypothecated or encumbered voluntarily or by operation of law, whether for the benefit of creditors or otherwise, without the prior written approval of City. Transfers restricted hereunder shall include the transfer to any person or group of persons acting in concert of more than twenty five percent (25%) of the present ownership and/or control of Contractor, taking all transfers into account on a cumulative basis. In the event of any such unapproved transfer, including any bankruptcy proceeding, this Agreement shall be void. No approved transfer shall release the Contractor or any surety of Contractor of any liability hereunder without the express consent of City.

4.4 Independent Contractor. Neither the City nor any of its employees shall have any control over the manner, mode or means by which Contractor, its agents or employees, perform the services required herein, except as otherwise set forth herein. City shall have no voice in the selection, discharge, supervision or control of Contractor's employees, servants, representatives or agents, or in fixing their number, compensation or hours of service. Contractor shall perform all services required herein as an independent contractor of City and shall remain at all times as to City a wholly independent contractor with only such obligations as are consistent with that role. Contractor shall not at any time or in any manner represent that it or any of its agents or employees are agents or employees of City. City shall not in any way or for any purpose become or be deemed to be a partner of Contractor in its business or otherwise or a joint venturer or a member of any joint enterprise with Contractor.

Contractor agrees to pay all required taxes on amounts paid to Contractor under this Agreement, and to indemnify and hold City harmless from any and all taxes, assessments, penalties, and interest asserted against City by reason of the independent contractor relationship created by the Agreement. Contractor shall fully comply with the workers compensation law regarding Contractor and Contractor's employees. Contractor further agrees to indemnify and

hold harmless City from any failure of Contractor to comply with applicable worker's compensation laws. City shall have the right to offset against the amount of any fees due to Contractor under this Agreement any amount due to City from Contractor as a result of Contractor's failure to promptly pay to City any reimbursement or indemnification arising under this Section.

5.0 INSURANCE AND INDEMNIFICATION

5.1 Insurance. Contractor shall procure and maintain, at its sole cost and expense, in a form and content satisfactory to City, during the entire term of this Agreement including any extension thereof, the following policies of insurance:

(a) Commercial General Liability Insurance. A policy of commercial general liability insurance using Insurance Services Office "Commercial General Liability" policy form CG 00 01, with an edition date prior to 2004, or the exact equivalent. Coverage for an additional insured shall not be limited to its vicarious liability. Defense costs must be paid in addition to limits. Limits shall be no less than \$2,000,000 general aggregate.

(b) Workers' Compensation Insurance. A policy of workers' compensation insurance on a state-approved policy form providing statutory benefits as required by law with employer's liability limits no less than \$1,000,000 per accident for all covered losses.

(c) Automotive Insurance. A policy of comprehensive automobile liability insurance written on a per occurrence basis in an amount not less than \$1,000,000 per accident, combined single limit. Said policy shall include coverage for owned, non-owned, leased and hired cars.

(d) Property Damage Insurance. Property damage insurance with a minimum coverage of \$1,000,000 per claim.

(e) Additional Insurance. Policies of such other insurance, as may be required in the Special Requirements.

All of the above policies of insurance shall be primary insurance and shall name the City, its officers, employees and agents as additional insureds. The insurer shall waive all rights of subrogation and contribution it may have against the City, its officers, employees and agents and their respective insurers. All of said policies of insurance shall provide that said insurance may be not cancelled without providing ten (10) days prior written notice by registered mail to the City. In the event any of said policies of insurance are cancelled or amended, Contractor shall, prior to the cancellation or amendment date, submit new evidence of insurance in conformance with this Section 5.1 to the Contract Officer. No work or services under this Agreement shall commence until Contractor has provided City with Certificates of Insurance or appropriate insurance binders evidencing the above insurance coverages and said Certificates of Insurance or binders are approved by City.

Contractor agrees that the provisions of this Section 5.1 shall not be construed as limiting in any way the extent to which Contractor may be held responsible for the payment of damages

to any persons or property resulting from Contractor's activities or the activities of any person or persons for which Contractor is otherwise responsible.

The insurance required by this Agreement shall be satisfactory only if issued by companies qualified to do business in California, rated "A" or better in the most recent edition of Best Rating Guide, The Key Rating Guide or in the Federal Register, and only if they are of a financial category Class VII or better, unless such requirements are waived by the Risk Manager of the City due to unique circumstances.

In the event the Contractor subcontracts any portion of the work in compliance with Section 3.3 of this Agreement, the contract between the Contractor and such subcontractor shall require the subcontractor to maintain the same policies of insurance that the Contractor is required to maintain pursuant to this Section 5.1

5.2 Indemnification. Contractor agrees to indemnify the City, its officers, agents and employees against, and will hold and save them and each of them harmless from, any and all actions, suits, claims, damages to persons or property, losses, costs, penalties, obligations, errors, omissions or liabilities, (herein "claims or liabilities") that may be asserted or claimed by any person, firm or entity arising out of or in connection with the negligent performance of the work, operations or activities of Contractor, its agents, employees, subcontractors, or invitees, provided for herein, or arising from the negligent acts or omissions of Contractor hereunder, or arising from Contractor's negligent performance of or failure to perform any term, provision, covenant or condition of this Agreement, whether or not there is concurrent passive or active negligence on the part of the City, its officers, agents or employees but excluding such claims or liabilities arising from the sole negligence or willful misconduct of the City, its officers, agents or employees, who are directly responsible to the City, and in connection therewith:

(a) Contractor will defend any action or actions filed in connection with any of said claims or liabilities and will pay all costs and expenses, including legal costs and attorneys' fees incurred in connection therewith;

(b) Contractor will promptly pay any judgment rendered against the City, its officers, agents or employees for any such claims or liabilities arising out of or in connection with the negligent performance of or failure to perform such work, operations or activities of Contractor hereunder; and Contractor agrees to save and hold the City, its officers, agents, and employees harmless therefrom;

(c) In the event the City, its officers, agents or employees is made a party to any action or proceeding filed or prosecuted against Contractor for such damages or other claims arising out of or in connection with the negligent performance of or failure to perform the work, operation or activities of Contractor hereunder, Contractor agrees to pay to the City, its officers, agents or employees, any and all costs and expenses incurred by the City, its officers, agents or employees in such action or proceeding, including but not limited to, legal costs and attorneys' fees.

6.0 RECORDS AND REPORTS

6.1 Reports. Contractor shall periodically prepare and submit to the Contract Officer such reports concerning the performance of the services required by this Agreement as the Contract Officer shall require. Contractor hereby acknowledges that the City is greatly concerned about the cost of work and services to be performed pursuant to this Agreement. For this reason, Contractor agrees that if Contractor becomes aware of any facts, circumstances, techniques, or events that may or will materially increase or decrease the cost of the work or services contemplated herein or, if Contractor is providing design services, the cost of the project being designed, Contractor shall promptly notify the Contract Officer of said fact, circumstance, technique or event and the estimated increased or decreased cost related thereto and, if Contractor is providing design services, the estimated increased or decreased cost estimate for the project being designed.

6.2 Records. Contractor shall keep such books and records as shall be necessary to perform the services required by this Agreement and enable the Contract Officer to evaluate the performance of such services. The Contract Officer shall have full and free access to such books and records at all times during normal business hours of City, including the right to inspect, copy, audit and make records and transcripts from such records. Such records shall be maintained for a period of three (3) years following completion of the services hereunder, and the City shall have access to such records in the event any audit is required.

6.3 Ownership of Documents. All reports, records, documents and other materials prepared by Contractor, its employees, subcontractors and/or agents in the performance of this Agreement shall be the property of City and shall be delivered to City upon request of the Contract Officer or upon the termination of this Agreement, and Contractor shall have no claim for further employment or additional compensation as a result of the exercise by City of its full rights of ownership of the documents and materials hereunder. Any use of such completed documents for other projects and/or use of uncompleted documents without specific written authorization by the Contractor will be at the City's sole risk and without liability to Contractor, and the City shall indemnify the Contractor for all damages resulting therefrom. Contractor may retain copies of such documents for its own use. Contractor shall have an unrestricted right to use the concepts embodied therein. All subcontractors shall provide for assignment to City of any documents or materials prepared by them, and in the event Contractor fails to secure such assignment, Contractor shall indemnify City for all damages resulting therefrom.

6.4 Release of Documents. The reports, records, documents and other materials prepared by Contractor in the performance of services under this Agreement shall not be released publicly without the prior written approval of the Contract Officer.

7.0 ENFORCEMENT OF AGREEMENT

7.1 California Law. This Agreement shall be construed and interpreted both as to validity and to performance of the parties in accordance with the laws of the State of California. Legal actions concerning any dispute, claim or matter arising out of or in relation to this Agreement shall be instituted in the Superior Court of the County of Los Angeles, State of

California, or any other appropriate court in such county, and Contractor covenants and agrees to submit to the personal jurisdiction of such court in the event of such action.

7.2 Disputes. In the event of any dispute arising under this Agreement, the injured party shall notify the injuring party in writing of its contentions by submitting a claim therefor. The injured party shall continue performing its obligations hereunder so long as the injuring party commences to cure such default within ten (10) days of service of such notice and completes the cure of such default within forty-five (45) days after service of the notice, or such longer period as may be permitted by the injured party; provided that if the default is an immediate danger to the health, safety and general welfare, such immediate action may be necessary. Notwithstanding the foregoing, however, City shall be excused from payment if Contractor has for any period failed to perform its work in a satisfactory manner. Compliance with the provisions of this Section shall be a condition precedent to termination of this Agreement for cause and to any legal action, and such compliance shall not be a waiver of any party's right to take legal action in the event that the dispute is not cured, provided that nothing herein shall limit City's or the Contractor's right to terminate this Agreement without cause pursuant to Section 7.8.

7.3 Retention of Funds. Contractor hereby authorizes City to deduct from any amount payable to Contractor (whether or not arising out of this Agreement) (i) any amounts the payment of which may be in dispute hereunder or which are necessary to compensate City for any losses, costs, liabilities, or damages suffered by City, and (ii) all amounts for which City may be liable to third parties, by reason of Contractor's acts or omissions in performing or failing to perform Contractor's obligation under this Agreement. In the event that any claim is made by a third party, the amount or validity of which is disputed by Contractor, or any indebtedness shall exist which shall appear to be the basis for a claim of lien, City may withhold from any payment due, without liability for interest because of such withholding, an amount sufficient to cover such claim. The failure of City to exercise such right to deduct or to withhold shall not, however, affect the obligations of the Contractor to insure, indemnify, and protect City as elsewhere provided herein.

7.4 Waiver. No delay or omission in the exercise of any right or remedy by a non-defaulting party on any default shall impair such right or remedy or be construed as a waiver. A party's consent to or approval of any act by the other party requiring the party's consent or approval shall not be deemed to waive or render unnecessary the other party's consent to or approval of any subsequent act. Any waiver by either party of any default must be in writing and shall not be a waiver of any other default concerning the same or any other provision of this Agreement.

7.5 Rights and Remedies are Cumulative. Except with respect to rights and remedies expressly declared to be exclusive in this Agreement, the rights and remedies of the parties are cumulative and the exercise by either party of one or more of such rights or remedies shall not preclude the exercise by it, at the same or different times, of any other rights or remedies for the same default or any other default by the other party.

7.6 Legal Action. In addition to any other rights or remedies, either party may take legal action, in law or in equity, to cure, correct or remedy any default, to recover damages for

any default, to compel specific performance of this Agreement, to obtain declaratory or injunctive relief, or to obtain any other remedy consistent with the purposes of this Agreement.

7.7 Liquidated Damages. Since the determination of actual damages for any delay in performance of this Agreement would be extremely difficult or impractical to determine in the event of a breach of this Agreement, the Contractor and its sureties shall be liable for and shall pay to the City the sum of Zero (\$0.00) as liquidated damages for each working day of delay in the performance of any service required hereunder, as specified in the Schedule of Performance (Exhibit "D"). The City may withhold from any monies payable on account of services performed by the Contractor any accrued liquidated damages.

7.8 Termination Prior to Expiration of Term. This Section shall govern any termination of this Agreement except as specifically provided in the following Section for termination for cause. The City reserves the right to terminate this Agreement at any time, with or without cause, upon thirty (30) days' written notice to Contractor, except that where termination is due to the fault of the Contractor, the period of notice may be such shorter time as may be determined by the Contract Officer. In addition, the Contractor reserves the right to terminate this Agreement at any time, with or without cause, upon sixty (60) days' written notice to City, except that where termination is due to the fault of the City, the period of notice may be such shorter time as the Contractor may determine. Upon receipt of any notice of termination, Contractor shall immediately cease all services hereunder except such as may be specifically approved by the Contract Officer. Except where the Contractor has initiated termination, the Contractor shall be entitled to compensation for all services rendered prior to the effective date of the notice of termination and for any services authorized by the Contract Officer thereafter in accordance with the Schedule of Compensation or such as may be approved by the Contract Officer, except as provided in Section 7.3. In the event the Contractor has initiated termination, the Contractor shall be entitled to compensation only for the reasonable value of the work product actually produced hereunder. In the event of termination without cause pursuant to this Section, the terminating party need not provide the non-terminating party with the opportunity to cure pursuant to Section 7.2. For purposes of this Agreement, cause shall be defined as the failure to abide by all terms and conditions of this agreement, the failure of Contractor to perform its obligations hereunder in a timely and satisfactory manner, or if Contractor ceases performing its work for ten (10) days during any thirty (30) day period.

7.9 Termination for Default of Contractor. If termination is due to the failure of the Contractor to fulfill its obligations under this Agreement, City may, after compliance with the provisions of Section 7.2, take over the work and prosecute the same to completion by contract or otherwise, and the Contractor shall be liable to the extent that the total cost for completion of the services required hereunder exceeds the compensation herein stipulated (provided that the City shall use reasonable efforts to mitigate such damages), and City may withhold any payments to the Contractor for the purpose of set-off or partial payment of the amounts owed the City as previously stated.

7.10 Attorneys' Fees. If either party to this Agreement is required to initiate or defend or made a party to any action or proceeding in any way connected with this Agreement, 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. All such fees shall be deemed to have accrued on commencement of such action and shall be enforceable whether or not such action is prosecuted to judgment.

8.0 CITY OFFICERS AND EMPLOYEES: NON-DISCRIMINATION

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

8.2 Conflict of Interest. No officer or employee of the City shall have any financial interest, direct or indirect, in this Agreement nor shall any such officer or employee participate in any decision relating to the Agreement which effects his financial interest or the financial interest of any corporation, partnership or association in which he is, directly or indirectly, interested, in violation of any State statute or regulation. The Contractor warrants that it has not paid or given and will not pay or give any third party any money or other consideration for obtaining this Agreement. When requested by the Contract Officer, prior to the City's execution of this Agreement, Contractor shall provide the City with an executed statement of economic interest.

8.3 Covenant Against Discrimination. Contractor 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, national origin, or ancestry in the performance of this Agreement. Contractor shall take affirmative action to insure that applicants are employed and that employees are treated during employment without regard to their race, color, creed, religion, sex, marital status, national origin, or ancestry.

9.0 MISCELLANEOUS PROVISIONS

9.1 Notice. Any notice, demand, request, document, consent, approval, or communication either party desires or is required to give to the other party or any other person shall be in writing and either served personally or sent by prepaid, first-class mail, in the case of the City, to the City Manager and to the attention of the Contract Officer, CITY OF CARSON, 701 East, Carson Street, CARSON, California 90745, and in the case of the Contractor, to the person at the address designated on the execution page of this Agreement. Either party may change its address by notifying the other party of the change of address in writing. Notice shall be deemed communicated at the time personally delivered or in seventy-two (72) hours from the time of mailing if mailed as provided in this Section.

9.2 Interpretation. The terms of this Agreement shall be construed in accordance with the meaning of the language used and shall not be construed for or against either party by reason of the authorship of this Agreement or any other rule of construction which might otherwise apply.

9.3 Integration; Amendment. It is understood that there are no oral agreements between the parties hereto affecting this Agreement and this Agreement supersedes and cancels any and all previous negotiations, arrangements, agreements and understandings, if any, between the parties, and none shall be used to interpret this Agreement. This Agreement may be amended at any time by the mutual consent of the parties by an instrument in writing.

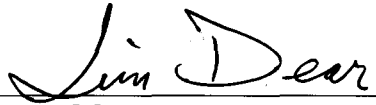
9.4 Severability. In the event that any one or more of the phrases, sentences, clauses, paragraphs, or sections contained in this Agreement shall be declared invalid or unenforceable by a valid judgment or decree of a court of competent jurisdiction, such invalidity or unenforceability shall not affect any of the remaining phrases, sentences, clauses, paragraphs, or sections of this Agreement which are hereby declared as severable and shall be interpreted to carry out the intent of the parties hereunder unless the invalid provision is so material that its invalidity deprives either party of the basic benefit of their bargain or renders this Agreement meaningless.

9.5 Corporate Authority. 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, and (iv) the entering into this Agreement does not violate any provision of any other Agreement to which said party is bound.

IN WITNESS WHEREOF, the parties have executed and entered into this Agreement to be effective July 1, 2008.

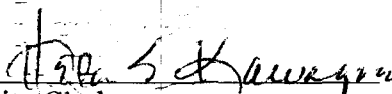
CITY:

CITY OF CARSON,
a municipal corporation



Mayor

ATTEST:



City Clerk 7-29-08

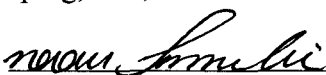
APPROVED AS TO FORM:



City Attorney

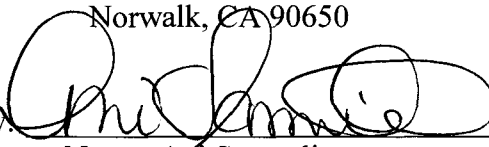
CONTRACTOR:

Nationwide Environmental Services div. of Joe's
Sweeping, Inc., a California Corporation

By: 

Name: Never Samuelian
Title: President

Address: 11914 Front Street
Norwalk, CA 90650

By: 

Name: Ani Samuelian
Title: Vice President

Address: 11914 Front Street
Norwalk, CA 90650

[END OF SIGNATURES]

EXHIBIT "A"

SCOPE OF SERVICES

A.1. The Contractor shall provide the following services:

1. Sweep all paved streets, medians, alley, cul-de-sacs, municipal public facilities, and parking lots as shown in Exhibit "D", within the corporate limits of the City of Carson at the times provided in the Schedule of Performance (Exhibit "D").

2. The route and time of day of sweeping ("sweeping schedule") shall be similar to the current established Route and Time and shall be reviewed with and approved by the Contract Officer prior to City's issuance of a notice to proceed under this Agreement. The sweeping schedule may be modified by the Contract Officer from time to time upon five (5) working days' advance written notice to the Contractor. City agrees the sweeping schedule shall not be modified by the Contract Officer without prior consultation, in good faith, with Contractor, but City reserves the right to establish or modify the sweeping schedule following consultation with Contractor notwithstanding Contractor's failure to consent to same. The sweeping schedule shall give due regard to the peace and convenience of persons residing or working in Carson, and to any fiscal impact upon the parties to this agreement

3. No sweeping shall be performed on City-recognized holidays, or when, in the sole and unfettered determination of the Contract Officer, inclement weather prevents effective street sweeping and areas which are not swept on holidays need not be swept until the next regularly scheduled sweeping day for such areas. Contractor shall perform all extra work caused by inclement weather without additional charge to the City.

4. If for any reason other than inclement weather, such as an equipment breakdown, Contractor fails to adhere to the sweeping schedule, Contractor shall perform the missed sweeping services prior to the next sweeping date or give the City a credit in accordance with the rate specified in the Schedule of Compensation (Exhibit "C") of not less than one (1) curb line miles plus one-half of another curb line mile of work not performed.

5. Contractor's services shall be rendered in accordance with the highest professional industry standards for street sweeping services and shall include but not be limited to sweeping through standing water rather than around it and making as many passes on a given portion of street as is necessary to clean it.

EXHIBIT "B" (AGREEMENT)

SPECIAL REQUIREMENTS

B.1. The following Special Requirements shall apply to this Agreement:

1. Disposal of Sweeping. It shall be the Contractor's responsibility to dispose of all refuse and debris collected by the Contractor. Such refuse and debris shall not be deposited by the Contractor at temporary storages sites on City, State, and Federal properties within the City limits. Contractor shall be responsible for all landfill fees. Furthermore, copies of all records of disposal shall be submitted with monthly billings and any recyclables shall be reported for purposes of compliance with AB939, Chapter 2, Article I, Section 41000, et. al.

2. Equipment. Contractor shall utilize current model vacuum sweepers. All sweepers in conjunction with this contract will be required to follow AQMD Rule 1186.1 for less polluting sweepers. Contractor shall replace any sweeper and permanently discontinue its use within the City of Carson if, during any consecutive three (3) month period, the sweeper experiences two (2) breakdowns. For purposes of the Agreement, "breakdown" shall be defined as any mechanical malfunction which prevents use of the sweeper for four (4) hours. Contractor shall maintain a monthly log of breakdown occurrences, and shall make said log available to City upon submission of monthly billing to the Contract Officer.

3. Maintenance of Equipment. The equipment used by the Contractor in performance of this Agreement shall be properly maintained, both as condition and appearance, and have sweeping capability so as to ensure the highest level of street sweeping services. The Contractor shall have the ability in-house to perform all necessary repairs on such equipment. The Contractor shall have sufficient additional vacuum sweepers so that if any unit breaks down, a replacement unit is immediately available.

4. Signs. Contractor shall affix magnetic door signs approved by the Contract Officer on each Sweeper. The signs shall be visible from both sides of the Sweepers, shall contain the name, address and phone number of the Contractor and shall read "Under Contract with the City of Carson."

5. Complaint Procedure. Contractor shall coordinate with the Contract Officer in developing procedures for the receipt of complaints by citizens concerning sweeping services. Contractor shall respond promptly to all complaints from citizens and from the City. Contractor shall keep a log of all complaints received. This log shall be available to inspection by the City and the Contractor shall make monthly reports to the Contract Officer as to the status of any complaints.

EXHIBIT "C" (AGREEMENT)

SCHEDULE OF COMPENSATION

C.1. For the services required herein, the Contractor shall be paid the following:

1. The annual sum of \$731,420.00 ("Contract Sum") in twelve (12) monthly installments at the time specified in this Agreement. The Contract Sum shall be adjusted annually, in accordance with section 2.0 Compensation of this Agreement.

2. Any additional street sweeping services requested by the Contract Officer and not otherwise specified in the Agreement shall be performed by the Contractor at one of the following rates \$95.00 per hour per sweeper, \$30.58 per curb mile. The City shall maintain sole discretion in selecting which rate shall apply when additional services are employed. These hourly or curb mile rates shall be adjusted on the anniversary of the Commencement Date in the manner set forth in this Agreement. The hourly rate shall apply whenever special services are requested by the Contract officer. The mileage rate shall apply to any new streets added or deleted from the sweeping schedule.

EXHIBIT "D"

SCHEDULE OF PERFORMANCE

D.1. The frequency of sweeping shall be at least once per week for all streets, alleys and paved medians in the residential, business and industrial areas of the City and for all public facility parking lots as listed below, but not intended to be complete.

CURRENT SITES

FACILITY/PARK PARKING LOT	MEASUREMENT	TOTAL SQUARE FOOTAGE
City Hall	388x177	68,676
Community Center North	292x251	73,292
Community Center East	481x303	145,743
Mills Park	164x51	8,364
Scott Park West	214x60	12,840
Scott Park East	232x59	15,688
Carson Park West	209x60	12,540
Carson Park East	411x60	24,660
Del Amo Park	112x64	7,168
Stevenson Park West	358x59	21,122
Stevenson Park East	233x43	10,019
Dominguez Park	281x60	16,860
Dolphin Park West	137x64	8,768
Dolphin Park East	137x64	8,768
Carriage Crest Park	255x63	16,065
Anderson Park	322x61	19,642
Calas Park	110x58	6,380
Hemingway Park West	218x64	13,952
Hemingway Park West	222x60	13,320
Hemingway Park North	188x61	11,468
Veterans Park West	663x61	40,443
Veterans park North	219x120	26,280
Total <u>Approximate</u> Square Footage		<u>582,058</u>