



1 Code Sections 44002 and 44005 and California Code of Regulations, Title 14, Section 18304.3(a),  
2 operating a solid waste facility without a valid permit.; and

3  
4 C. WHEREAS, CRRR filed a petition and a Statement of Issues on November 22, 2006 to  
5 request a hearing with the Independent Hearing Panel to appeal the Cease and Desist Order  
6 issued by the City of Los Angeles Local Enforcement Agency; and

7  
8 D. WHEREAS, the Cease and Desist Order is stayed until a final determination on its  
9 validity is made by the IHP. The LEA will not enforce the Cease and Desist until the final  
10 determination on the issues are made by the IHP, provided that the continuing operations do not  
11 pose a threat to public health and the environment; and

12  
13 E. WHEREAS, the IHP convened on January 25, 2007, and continued the proceedings for  
14 60 days, took the following actions and issued the following orders:

15  
16 a) Granted a stay of the Cease and Desist Order to remain in effect as provided by  
17 State law during the appeals proceedings. The stay allows CRRR to continue  
18 limited operations on the non-permitted property adjoining the currently permitted  
19 transfer station until the permitting and environmental documentation requested  
20 by the LEA are completed, provided that the operations do not pose a threat to  
21 public safety, public health, and environmental health.

22  
23 b) Directed CRRR and the LEA to develop a mutually agreeable schedule with  
24 milestones for the completion of the permitting documents and environmental  
25 documentation requested by the LEA.

1 c) Ordered that CRRR's operational conditions shall be limited to the receiving and  
2 processing of source-separated greenwaste, source-separated woodwaste, source-  
3 separated supermarket trim and cull, source separated construction and demolition  
4 waste and inert waste only.

5  
6 d) Directed CRRR and the LEA to jointly draft an "Interim Operating Agreement" (the  
7 "Agreement") which shall establish operational rules for the facility during the  
8 pendency of the permit process.

9  
10 e) Directed that a draft of the Interim Operating Agreement be placed on the LEA  
11 website and circulated for public comment for fifteen (15) days.

12  
13 f) Directed CRRR and the LEA to provide a written status report on the progress of  
14 items set forth in (a)-(d) above, and to submit the progress report to the IHP  
15 within thirty (30) days.

16  
17 NOW, THEREFORE, in consideration of the foregoing IHP directives, the LEA  
18 has drafted and CRRR agrees to the following interim operating terms and conditions for the  
19 continued operations of the CRRR facility while the stay of the Cease and Desist Order remains  
20 in effect for the remainder of the proceedings:

1  
2  
3 **INTERIM OPERATING TERMS AND CONDITIONS**  
4 **FOR THE NON-PERMITTED PROPERTY ADJOINING**  
5 **THE PERMITTED CRRR FACILITY**  
6

7 1. The Permitted Hours of Operations:

- 8 a) Material Acceptance and Processing: Limited to current permit operating hours  
9 for the permitted portion of CRRR facility (24 hours per day, seven days per  
10 week).

11  
12 2. Permitted Maximum Tons Received per Operating Day: Total of 2,900 Tons/Day for the  
13 non-permitted area of the CRRR facility, and further defined by material type below:

14 Not to Exceed Daily Tonnage Defined By Material Type:

15 Source-Separated Green Materials: 1,200 tons/day

16 Source-Separated Wood Waste: 150 tons/day

17 Source-Separated Supermarket Trim and Cull Materials: 350 tons/day

18 Source-Separated Construction & Demolition Waste / Inert Waste: 1,200 tons/day  
19

20 CRRR will conduct waste composition analysis within the next 60 days and every six months  
21 after that, or as directed by the LEA to determine the level of contamination/residual for the  
22 various feedstocks to insure that the feedstock meets the contamination level requirements  
23 allowed by this Interim Operating Agreement. A written report shall be submitted to the  
24 LEA for review and approval within 30 days of completion of sampling event. The analysis  
25 will be conducted according to the sampling/characterization protocols provided by the LEA  
26 and supervised by an independent observer approved by the LEA. The cost of the waste  
27

1 composition analysis, independent supervision and report completion shall be paid by CRRR.

2  
3 3. The temporary operation of the facility must remain in compliance with the operating  
4 standards as described in the State Minimum Standards for Solid Waste Handling and  
5 Disposal as determined by the LEA. [PRC, Section 44009].

6  
7 4. Wastes which can be received and processed at the non-permitted property adjoining the  
8 permitted CRRR facility during the term of the Interim Operating Agreement are limited to  
9 "Construction and Demolition debris and Inert debris" as defined by California Code of  
10 Regulations, Title 14, Section 17381, source-separated greenwaste, source-separated wood  
11 waste, and source-separated supermarket trim and cull.

12  
13 5. CRRR is prohibited from accepting any liquid waste, sludge, non-hazardous wastes requiring  
14 special handling, designated waste or hazardous waste during the term of the Interim  
15 Operating Agreement. In the event that hazardous or suspected hazardous wastes are  
16 inadvertently brought into the facility, CRRR is required to follow the procedures described  
17 in their current Transfer Processing Report ("TPR") for obtaining information, notification,  
18 handling and disposal of such waste.

19  
20 6. CRRR is also prohibited from the following items or activities in the unpermitted area:

- 21 - Acceptance of Mixed municipal solid waste,
- 22 - Acceptance of liquid waste, containerized or not,
- 23 - Acceptance of electronic wastes,
- 24 - Acceptance of radioactive wastes,
- 25 - Scavenging or other uncontrolled or unauthorized removal of materials
- 26 - Open burning,
- 27

- 1           - Acceptance of sewage sludge, or septic tank pumpings, slurries, untreated medical  
2           waste, dead animals,
- 3           - Acceptance of source separated greenwaste and/or source separated wood waste  
4           material with greater than 10% (by weight) contamination rate, and
- 5           - Acceptance of supermarket trim and cull materials with greater than 10% (by  
6           weight) contamination rate.

7

8 7. CRRR shall maintain a copy of this Interim Operating Agreement and TPR at the facility so  
9 as to be available at all times to facility personnel and to Enforcement Agencies' personnel.  
10 CRRR shall provide training to site staff regarding the conditions set forth in this Interim  
11 Operating Agreement and maintain proof of such training for each relevant employee so as to  
12 be available for LEA inspections.

13

14 8. CRRR shall institute the following programs as a condition of receiving and processing  
15 greenwaste and/or wood waste with more than 1% contamination, and for receiving source  
16 separated construction and demolition waste:

17

18           a)     Work cooperatively with the customers (source separated green material generators)  
19           to lower the existing contamination levels.

20

21           b)     In addition to the required "load check program", CRRR shall institute an "incoming  
22           load screening program" on incoming greenwaste materials and reject loads with  
23           excessive trash and/or odors. The load screening program protocols for screening  
24           greenwaste material will be provided by the LEA and implemented by CRRR by a  
25           date specified by the LEA.

1  
2 c) In addition to the required “load check program”, CRRR shall institute an “incoming  
3 load screening program” on incoming mixed construction and demolition waste  
4 materials. The load screening program protocols for screening source separated  
5 construction and demolition waste material will be provided by the LEA and  
6 implemented by CRRR by a date specified by the LEA.

7  
8 d) Meet State Minimum Standards for the continuing operations.

9  
10 e) Incoming tonnage of green materials, wood waste, construction and demolition  
11 waste, and supermarket trim and cull materials may not exceed the tonnage limits set  
12 forth in this Interim Operating Agreement until appropriate revised permit is  
13 approved by the CIWMB and the LEA.

14  
15 f) During the term of the Interim Operating Agreement, CRRR shall have at least  
16 one dedicated staff person to conduct the “incoming load screening program” for  
17 greenwaste materials, and for construction and demolition waste.

18  
19 9. This Interim Operating Agreement is subject to review by the LEA and may be suspended,  
20 revoked or modified at any time for sufficient cause, including the non-payment of fees  
21 authorized by the Los Angeles Municipal Code and/or by this Agreement.

22  
23 10. The LEA reserves the right to suspend or modify this Interim Operating Agreement when  
24 deemed necessary due to an emergency, a potential health hazard or the creation of a public  
25 nuisance. The IHP reserves the ability to instruct the LEA to amend or modify this  
26 Agreement after first convening a IHP public hearing.

1  
2  
3 11. CRRR shall notify the LEA, in writing, of any proposed significant changes to the routine  
4 facility operation or changes in facility design during the planning stages. In no case shall  
5 CRRR undertake any changes unless CRRR first submits a notice of said changes to the LEA  
6 as provided by State law, and those changes are approved by the LEA. Any change that is  
7 determined to be a significant change by the LEA would require a revision of this Interim  
8 Operating Agreement and possibly, a new environmental analysis under California  
9 Environmental Quality Act ("CEQA").  
10

11 12. CRRR must submit a written summary of all current and future pilot projects to the LEA  
12 prior to the implementation of any pilot project. The LEA must approve all future pilot  
13 projects before they can be implemented.  
14

15 13. CRRR must provide a 45-day advanced notification to the LEA with respect to any proposed  
16 change in ownership or operator. Disclosure of this agreement must be made to prospective  
17 purchasers and notification shall be made by CRRR to the LEA that such disclosure has  
18 occurred before any transfer occurs.  
19

20 14. CRRR shall prepare a closure and postclosure maintenance plan for the approval of the City  
21 of Los Angeles LEA, the Regional Water Quality Control Board, and the California  
22 Integrated Waste Management Board. Upon CRRR's receipt of final approvals from the City  
23 of Los Angeles Planning Department or from the City of Los Angeles Department of  
24 Building and Safety, CRRR shall prepare an amendment to the closure and postclosure  
25 maintenance plan for the approval of the City of Los Angeles LEA, the Regional Water  
26 Quality Control Board, and the California Integrated Waste Management Board. A written  
27



1 notification must be provided to the City of Los Angeles LEA at least two weeks before the  
2 commencement of any construction.

3  
4 15. The site must be supervised by trained individuals with relevant experience at all times  
5 during operating hours. Supervisors and managers must have the authority to commit  
6 company resources to resolve emergency and non-emergency health, safety and  
7 environmental issues, if such action is necessary to protect the health and safety of site  
8 employees and the nearby community.

9  
10 16. Signs shall be provided to ensure orderly and safe operation of the facility. CRRR shall  
11 install and maintain signs at the entrances pursuant to the signage requirements found in 14  
12 CCR 17409.4.

13  
14 17. Limited and reasonable monitoring for dust or other environmental impacts or conditions will  
15 be conducted by qualified firms or individuals, if determined to be necessary by the LEA and  
16 results will be provided to the LEA by the facility operator at CRRR's expense. Control  
17 measures determined to be needed by the LEA will be implemented by CRRR at its expense  
18 and under a schedule to be determined by the LEA.

19  
20 18. CRRR shall establish a Litter Control Program that is specific to the non-permitted area of  
21 the facility. This program shall include tarping requirements, containment of litter, site and  
22 facility clean-up and monitoring procedures. It is the responsibility of CRRR to keep all  
23 surrounding streets one block from all entrances used for ingress and egress free of litter  
24 resulting from the facility operation. CRRR shall submit a surveillance, clean up plan and  
25 schedule for LEA review and approval.

1 19. CRRR must provide additional dust and odor control measures upon the request of the LEA,  
2 if such measures, as provided in the current TPR, prove to be inadequate. Should additional  
3 control measures be determined to be necessary by the LEA, CRRR shall submit a dust and  
4 odor mitigation plan and schedule for LEA review and approval.

5  
6 20. CRRR shall utilize existing dust and odor control measures required to by the South Coast  
7 Air Quality Management District. In addition, CRRR shall install a wind speed indicator at a  
8 minimum of ten (10) feet above the highest building structure. When wind speed average  
9 (average over 15 minutes) reaches 25 miles per hour or greater, CRRR shall institute the  
10 following additional dust and odor mitigation practices;

- 11 a. Increase the litter sweeping frequency to control offsite litter, and
- 12 b. Process already tipped loads to minimize tipping floor storage of unprocessed  
13 solid waste and unprocessed source separated materials, and
- 14 c. Direct incoming loads identified as dusty or odorous (or otherwise problematic  
15 under increased wind conditions) during the screening and/or load-checking  
16 program to be tipped in an area to be immediately fed into the processing line or  
17 loaded into a transfer trailer,.

18  
19 21. In addition to utilizing the existing odor and dust mitigation control system, implement  
20 increased extra measures such as the use of mobile (e.g., backpack type , etc.) sprayers and  
21 additional manned spray hoses and the installation or enhancement of dust/odor control  
22 misting systems may be required, as determined by the LEA. CRRR must provide additional  
23 dust and odor control measures upon the request of the LEA, if such measures, as provided in  
24 the current TPR, prove to be inadequate.

25  
26 22. Noise levels at the property boundaries shall be in conformance with the Chapter XI – Noise  
27

1 Regulations of the Los Angeles City Municipal Code.

2  
3 23. CRRR shall comply with all of the requirements of all applicable laws pertaining to  
4 employee health and safety.

5  
6 24. CRRR shall make periodic evaluations of handling operations and incoming wastes to  
7 promote increasing the materials diversion rate.

8  
9 25. CRRR shall keep records meeting the Disposal Reporting System requirements of the  
10 Department of Public Works, Environmental Services Division, and also meet the reporting  
11 and documentation requirements for disposal and diversion jurisdiction of origin from the  
12 City of Los Angeles Bureau of Sanitation.

13  
14 26. All recyclables shall be stored within designated areas in the facility and kept in a neat and  
15 orderly manner so as not to generate litter, odors, harbor vectors or pose a nuisance.

16  
17 27. CRRR shall maintain, at the facility, accurate daily records of the weight and/or volume of  
18 materials received and number of incoming and outgoing trucks. These records shall be  
19 made available to the LEA's personnel for inspection and shall be maintained on site for a  
20 period of at least three (3) years from the date of record.

21  
22 28. Monthly self-monitoring reports as detailed in Attachment A shall be provided to the LEA  
23 during the term of this Agreement. The monitoring reports are delinquent 30 days after the  
24 end of the reporting period.

25  
26 29. CRRR shall provide daily sweeping two times per day of the entire transfer facility. All  
27

1 waste receiving areas shall be clean by 8:00 p.m. of each operating day. If water is used as  
2 the cleaning agent, runoff from such wash downs shall not leave the site. The public streets  
3 next to the facility shall be swept according to the plan submitted in compliance with Item  
4 18. The daily sweeping must be increased as needed to maintain litter control during periods  
5 of high winds.

6  
7 30. The entire area within the boundaries of the site must have adequate drainage control and be  
8 free of ponded water.

9  
10 31. All construction and demolition wastes received at the facility shall be processed within  
11 fifteen (15) days and all residual material shall be removed within forty-eight (48) hours.  
12 The maximum allowable time for materials may be stored onsite before processing will be  
13 reduced by the LEA if the materials become problematic (e.g., weather conditions, high  
14 winds, etc.). At no time shall the storage piles for the incoming materials or the processed  
15 piles exceed the height of the wall and screening surrounding the property. The height of the  
16 perimeter wall and screening is prohibited from exceeding 25 feet. The screening is to be  
17 maintained free of holes and tears.

18  
19 32. All wood waste, green waste and/or other organic material shall be stored in a neat and  
20 orderly manner so as not to generate odor problems, harbor vectors, pose a nuisance or be  
21 allowed to exceed internal temperatures of 122°F. CRRR shall conduct daily monitoring and  
22 document results for LEA review to ensure compliance with this requirement. The  
23 maximum allowable time for materials may be stored onsite before processing will be  
24 reduced by the LEA if the materials become problematic (e.g., temperature exceeds 122  
25 degrees F, etc.) or if weather conditions (e.g., high winds, etc.). At no time shall the storage  
26 piles for the incoming materials or the processed piles exceed the height of the wall and  
27

1 screening surrounding the property. The height of the perimeter wall and screening is  
2 prohibited from exceeding 25 feet. The screening is to be maintained free of holes and tears.  
3

4 33. Provide to the LEA for approval a site plan depicting the foot print and elevation contours of  
5 the maximum storage volume of incoming and outgoing materials. The plan must illustrate  
6 the required space for fire lanes and onsite vehicle traffic and demonstrate first in/first out  
7 processing protocols for the incoming waste piles and outgoing load out piles  
8

9 34. Operational controls shall be established to preclude the receipt and disposal of hazardous  
10 waste and volatile organic chemicals or other types of prohibited wastes. CRRR shall  
11 comply with the approved Hazardous Waste Load Checking Program as described in the  
12 TPR and also the provisions listed immediately below. If there is a conflict between the  
13 technical requirements described in the TPR and this Interim Operating Agreement, the more  
14 restrictive, or the stricter of the requirements will apply.  
15

16 a) The minimum number of random waste collection vehicles to be inspected daily  
17 shall be six (6) loads per day (three load checks for the construction/demolition  
18 materials and three for the greenwaste materials).

19 b) In the event that hazardous or suspected hazardous wastes are brought into the  
20 facility, CRRR is required to obtain information as to the source of the hazardous  
21 materials, notification to the transporter and/or the generator of the hazardous  
22 waste, and provide for onsite handling and proper treatment and/or disposal of the  
23 hazardous materials.

24 c) CRRR shall be able to recover costs from the generator/transporter for the  
25 hazardous materials removal and disposal costs resulting from the load check  
26 program.  
27

1 d) Suspected hazardous wastes must be properly labeled and stored in the hazardous  
2 waste containment area, if they are stored overnight.

3 e) It is the responsibility of the facility operator to dispose of any prohibited  
4 materials (hazardous or suspected hazardous materials, liquid, sludges,  
5 radioactive or medical wastes) in accordance with all local, state and federal  
6 regulations.

7 f) Incidents of unlawful disposal of prohibited materials shall be reported to the  
8 LEA monthly. In addition, the following agencies shall be notified immediately,  
9 after each occurrence, if applicable, of any incidents of illegal hazardous materials  
10 disposal:

- 11 - Los Angeles County Fire Prevention Bureau, Hazardous Materials Division.
- 12 - Environmental Crimes Division, L.A. County District Attorney.
- 13 - California Highway Patrol.

14  
15 35. CRRR shall maintain a separate daily log of special/unusual occurrences for the operations  
16 on the non-permitted adjoining property during the term of this Agreement. If there are no  
17 special occurrences for a given day, that day's entry shall read "none". This log shall  
18 include, but is not necessarily limited to:

19  
20 a) Any loads refused entry into the facility, potentially live ammunition, fires,  
21 explosions, earthquakes, discharge of hazardous liquids or gases to the ground or  
22 the atmosphere, or significant injuries, accidents, or property damage.

23  
24 b) Each of these log entries shall be accompanied by a summary of any actions taken  
25 by CRRR to mitigate the occurrence. CRRR shall maintain this log at the facility  
26 so as to be available at all times to site personnel and to the Enforcement  
27

1 Agencies' personnel. Any of these specified entries made in this log must be  
2 promptly reported to the LEA. Call the duty officer, City of Los Angeles,  
3 Environmental Affairs Department, at (213) 978-0892, Monday through Friday  
4 8:00 AM to 5:00 PM. For after hour's incidents, CRRR shall call the pager  
5 number provided to them by the LEA. Only authorized personnel can make  
6 entries into this log. If a situation arises that cannot be handled by facility  
7 personnel, then call 911 or another outside emergency agency appropriate for the  
8 situation. The LEA shall be notified immediately after the appropriate outside  
9 emergency agency has been notified.

10  
11 36. CRRR shall comply with the conditions of Cease and Desist Order of October 2004 while  
12 this Interim Operating Agreement is in effect or unless otherwise directed by the LEA.

13  
14 37. CRRR shall comply with conditions of the stipulated judgment (Stipulation for Entry of Final  
15 Judgment (Case No. BC315282)) until released from the stipulated judgment and notified by  
16 the LEA. Compliance shall include implementation of facility improvements and mitigation  
17 measures agreed to in the Stipulated Judgment, which are to be incorporated into the TPR for  
18 the proposed overall transfer station. The TPR shall encompass both the current permitted  
19 transfer station and the current non-permitted adjoining property.

20  
21 38. Upon receipt and approval of the building permits issued by the City of Los Angeles  
22 Building and Safety and other appropriate agencies, CRRR shall begin construction within  
23 60 days of the 25-foot wall (South end of property), and the roof over the construction and  
24 demolition waste receiving and processing areas along with the dust/odor mitigation systems  
25 that is part of that structure (as described in the Stipulated Judgment, Case No. BC315282,  
26 Drawing of Proposed Mitigation Structures in Attachment B). The remaining mitigation  
27

1 structures must commence construction within 60 days of receiving the LEA approved  
2 revised Solid Waste Facilities Permit that encompasses the entire operation (combined  
3 permitted operation and the current non-permitted adjoining operations).

4  
5 39. This Agreement in no way shall constitute a waiver of any of the CRRR's rights or  
6 obligations to meet any and all applicable permits and related requirements for the facility,  
7 including without limitation, for a SWFP required under Title 14 and Title 27 of the  
8 California Code of Regulations. The LEA and CRRR shall cooperatively develop the  
9 "CRRR SWFP Major Milestone Task Schedule" ("Schedule"), within 45 days hereof, for the  
10 completion of necessary CEQA documentation and the SWFP, CRRR agrees to pursue the  
11 tasks required in the Schedule on a timely basis and the LEA agrees not to unreasonably  
12 withhold or delay CRRR fulfillment of any required task compliance.

13  
14 40. Nothing in this Agreement shall be construed as any indication, assurance or promise that the  
15 LEA will approve the Solid Waste Facility Permit or process it beyond the LEA's customary  
16 procedures.

17  
18 41. This Interim Operating Agreement is only valid as long as the Independent Hearing Panel  
19 proceedings are ongoing. CRRR does not have the right to operate on the non-permitted  
20 property if CRRR's permit application is denied by the LEA or not concurred by the  
21 California Integrated Waste Management Board. CRRR will either have to cease operations  
22 immediately or seek an appeal with the California Integrated Waste Management Board  
23 should the Independent Hearing Panel uphold the Cease and Desist Order to cease operations  
24 and conclude the proceedings.



1 42. Upon billing issued by the LEA, CRRR shall immediately deliver to the LEA a deposit in the  
2 form of a check in the sum of six-thousand five hundred dollars (\$6,500). LEA shall be free  
3 to draw from this \$6,500 deposit to reimburse the LEA at a rate of \$65.00 per hour for staff  
4 costs incurred in connection with the processing the new CRRR facility permit application  
5 for the expanded facility. At all times during this Agreement, CRRR shall ensure, upon LEA  
6 notification, that the foregoing deposit with LEA maintains a minimum balance of \$1,000.

7  
8 43. Upon billing issued by the LEA, CRRR shall also immediately deliver to the LEA a deposit  
9 in the form of a check in the sum of seven thousand dollars (\$7,000) for costs incurred in  
10 connection with the issuance of the Cease and Desist Order (November 9, 2006, Community  
11 Recycling 06-01) and to also reimburse the LEA inspections and administration of this  
12 Interim Operating Agreement at a rate of \$65.00 per hour, to the extent said costs exceed the  
13 costs of two LEA inspections per month of the CRRR facility during the term of this  
14 Agreement. LEA shall also draw from the deposit to reimburse the LEA for other actual  
15 expenses plus 10% administrative charge of actual expenses such as contracted lab services,  
16 professional technical assistance, and other costs incurred in the enforcement and  
17 administration of the enforcement order and this Agreement. At all times during this  
18 Agreement, CRRR shall ensure, upon LEA notification, that the foregoing deposit with LEA  
19 maintains a minimum balance of \$1,000.

20  
21 44. All checks shall be made payable to the City of Los Angeles and delivered addressed to the  
22 City of Los Angeles, Local Enforcement Agency, to the attention of Mr. Wayne Tsuda, 200  
23 North Spring Street, City Hall, Room 1905, California, 90012. At the termination of this  
24 Agreement, any monies (including interest) remaining in this deposit, if any, shall be  
25 returned to CRRR. The LEA will provide a quarterly summary of funds used in each  
26 account.

1 45. To the extent any provision, term, condition, or parts thereof in this Agreement may be  
2 deemed unenforceable or contrary to law by a court of competent jurisdiction, said provision,  
3 term or condition shall be severed from the Agreement and the remainder of the Agreement  
4 shall remain in full force and effect.

5  
6 46. Since the LEA has expended substantial resources in processing this Agreement and in  
7 taking steps to protect the public health and safety, the parties acknowledge that the damages  
8 to the LEA and/or the City as a result of CRRR's violation of this Agreement would be  
9 material and very difficult and not practicable to measure.

10  
11 47. The liquidated sums specified below represent a fair and reasonable approximation of the  
12 damages incurred by the LEA and the City resulting from CRRR's violation for this  
13 Agreement.

14  
15 48. Upon consultation with legal counsel and based on the provisions of the California Civil  
16 Code Section 1671, CRRR voluntarily and knowingly agrees to pay the following amounts as  
17 liquidated damages during a time period when CRRR is in breach or violation of this  
18 Agreement: \$1,000 per day for the first breach or violation of this Agreement, \$2,000 per day  
19 for the second breach or violation of this Agreement, \$5,000 per day for any third or  
20 subsequent breach or violation of this Agreement. These liquidated damages shall be in  
21 addition to, and independent of, any specific costs that CRRR may have reimbursed to the  
22 LEA under this Agreement, shall be cumulative for all violations, shall accrue interest at the  
23 maximum rate allowable by law, and shall be in addition to any and all equitable remedies in  
24 favor of the LEA. The calculation for liquidated damages shall not commence until the 31<sup>st</sup>  
25 day following the LEA's issuance of a notice of either a violation of this Agreement or a  
26 breach of this Agreement if such default or breach remains uncured. However, liquidated  
27

1 damages shall not apply if CRRR cures or remedies said default or breach to the LEA's full  
2 and complete satisfaction within the 31-day period after the date of the LEA notice. A full  
3 report of such actions undertaken will be reported to the Independent Hearing Panel by the  
4 LEA.

5  
6 49. CRRR shall defend, indemnify and hold harmless the LEA, City of Los Angeles, their  
7 agents, elected and appointed officers, employees and agents (collectively, the "Indemnified  
8 Parties") from and against any all claims, demands, damages, actions, fees, costs and/or  
9 expenses, including attorneys' and expert fees and costs, arising from any claim, action, or  
10 proceeding to attack, set aside, void, or annul this Agreement, or arising from or relating to  
11 this Agreement, except if caused by the Indemnified Parties' negligence or willful  
12 misconduct as found by a court of competent jurisdiction. Notwithstanding the foregoing,  
13 CRRR shall be responsible to reimburse the LEA and/or the City for its costs of enforcing  
14 this Agreement, except that in case of a dispute, each party will be responsible for its own  
15 attorneys' fees and costs. This section shall survive the expiration or early termination of this  
16 Agreement.

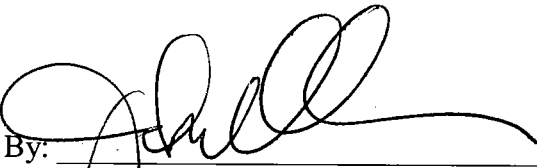
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**IN WITNESS WHEREOF**, the parties hereto have executed this Agreement as of the date(s) set forth below.

DATED: April 19, 2007

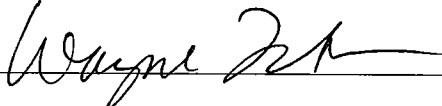
**CRRR:**  
COMMUNITY RECYCLING AND  
RESOURCE RECOVERY, INC., aka Crown  
Disposal, Co., Inc. (CRRRR)

By: 

John Richardson  
Vice President

DATED: April 19, 2007

**LEA:**  
CITY OF LOS ANGELES  
LOCAL ENFORCEMENT AGENCY

By: 

WAYNE TSUDA,  
Director, LEA Program

1 Attachment A – Self-Monitoring Reports

2  
3 Results of all self-monitoring programs as described in the TPR will be reported as follows:

- 4
- 5 1. The types and quantities of decomposable and inert wastes, including separated or  
6 commingled recyclables, received each day for each specified operation in the  
7 non-permitted area of the facility. The operator shall maintain these records on  
8 the facility's premises for a minimum of one year and made available to any  
9 Enforcement Agencies' personnel on request.
  - 10 2. Quantity and types of wastes salvaged/recycled per month and the final  
11 destination of these diverted materials for each specified operation in the non-  
12 permitted area of the facility.
  - 13 3. The quantities and types of hazardous wastes, untreated medical wastes, or  
14 otherwise prohibited wastes found in the waste stream and the disposition of these  
15 materials.
  - 16 4. All incidents of unlawful disposal of prohibited materials and the operator's  
17 actions taken. Indicate those incidents which occurred as a result of the random  
18 load checking program.
  - 19 5. Copies of all written complaints regarding this facility and the operator's actions  
20 taken to resolve these complaints. (Notification to the LEA within one day  
following the complaint is also required.)
  6. Final disposal site for transferred wastes.
  7. The number and type of vehicles using the facility per day.
  8. Reports of all special/unusual occurrences and the operator's actions taken to  
correct these problems.
  9. Record of receipt of a Notice of Violation from any regulatory agency. In  
addition, the operator shall notify the LEA at once following receipt of a Notice  
of Violation or upon receipt of notification of complaints regarding the facility,  
which have been received by other agencies.

21 The monitoring reports are delinquent 30 days after the end of the reporting period.  
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# Attachment B – Proposed Mitigation Structures

