

NON-DISCLOSURE AGREEMENT

This Non-Disclosure Agreement (the "**Agreement**") made as of _____, (the "**Effective Date**") by and between **Arakelian Enterprises Inc. dba Athens Services**, a California corporation, (hereinafter "**Athens**") and **County Sanitation District No. 2 of Los Angeles County**, (hereinafter "**the District**") (each individually referred to as a "**Party**" and collectively as the "**Parties**").

WHEREAS, the Parties desire to enter into discussions and negotiations concerning a possible business relationship between the Parties and/or the Parties' Affiliates (as hereinafter defined) (the "**Transaction**"); and

WHEREAS, a preliminary step in the discussions and negotiations will involve an investigation and evaluation by the District of Athens' Confidential Information (as hereinafter defined) disclosed to it by Athens; and

WHEREAS, Athens (the "**Disclosing Party**") may disclose to the District (the "**Receiving Party**") certain Confidential Information, the scope of which shall be determined solely by the Disclosing Party, and the Parties wish to preserve the proprietary, confidential and non-public nature of the disclosed Confidential Information,

NOW, THEREFORE, in consideration of the mutual agreements contained herein and the opportunity to discuss the Transaction, the Parties hereto intending to be legally bound hereby, agree as follows:

1. Definitions

(a) "**Confidential Information**" means all data and information whether in written, machine readable or other tangible form, or obtained by the Receiving Party through observation or examination of such information and material or disclosed orally, that is of value to the Disclosing Party, is not generally known to competitors of the Disclosing Party, and regardless of whether it is indicated as such when communicated to the Receiving Party. Confidential Information includes, but is not limited to, all information or materials disclosed in connection with the proposed Transaction, trade secrets, intellectual property, products, services, operations, plans or business of the Disclosing Party. Confidential Information includes the fact that the Confidential Information has been made available, that discussions or negotiations are taking place or have taken place concerning the Transaction or any of the terms, conditions or other facts with respect to the Transaction, including the status thereof. Confidential Information consists of: "**Technical Confidential Information**," including but not limited to, trade secrets, know-how, formulae, inventions, patent applications, devices, techniques, processes, data, software programs, schematics, software source documents; and "**Business Confidential Information**," including but not limited to, contracts, customer lists, financial information, owners information, sales and marketing plans, and business plans.

(b) "**Affiliate**" means, with respect to any Person, another Person (as hereinafter defined) that directly or indirectly, through one or more intermediaries, owns or controls, is owned or controlled by or is under common ownership or control with such first Person.

(c) "**Person**" means any human being, labor organization, partnership, association, joint venture, corporation, legal representative, trust, trustee, trustee in bankruptcy, receiver, government, governmental body, agency, authority, court or any other legal entity whatsoever.

(d) "**Representative**" means, with respect to any Person, that Person's owners, members, directors, officers, employees, representatives, agents and consultants.

2. Confidentiality

(a) The Receiving Party agrees to maintain all Confidential Information disclosed by the Disclosing Party to the Receiving Party, in writing or otherwise, secret and confidential employing the same duty of care Receiving Party employs with respect of its own Confidential Information, but not less than reasonable care. The Receiving Party agrees not to disclose any Confidential Information to any Person except the Representatives of the Receiving Party or its Affiliates with a need to know, and then only to the extent necessary to enable Receiving Party and Disclosing Party to continue the negotiations and discussions to which this Agreement pertains. Receiving Party shall make all such Representatives aware of the Receiving Party's confidential obligations hereunder and each must be bound to maintain Confidential Information under an agreement at least as stringent as this Agreement. Receiving Party shall be responsible for the breach of this Agreement by Receiving Party's Representative.

(b) The Receiving Party will not, without prior written approval from the Disclosing Party, use any Confidential Information directly or indirectly for any purpose except for the purpose of conducting negotiations and discussions with authorized Representatives of the Disclosing Party, and for purposes directly relating to the Transaction.

(c) Without the Disclosing Party's prior written consent, the Receiving Party shall not contact any of the Disclosing Party's customers, suppliers, creditors or lenders regarding the Confidential Information or the Transaction.

3. Exclusions

(a) Confidential Information does not include any item of information: (i) which is already known to the Receiving Party prior to such disclosures by the Disclosing Party, and the Receiving Party can demonstrate such prior knowledge (including the disclosure of the source of such knowledge) or was generally known within the Disclosing Party's industry prior to the time of this Agreement; (ii) which is or becomes a part of the public domain through no breach of law or this Agreement by the Receiving Party; (iii) which is lawfully received by Receiving Party from a third party who did not acquire such information under an obligation of confidentiality either directly or indirectly from Disclosing Party; or (iv) which is information that has been independently developed by the Receiving Party by persons who have not had, either directly or indirectly, access to or knowledge of Confidential Information of the Disclosing Party.

(b) The obligation of confidentiality will terminate as to any item of Confidential Information which is legally required to be disclosed by any order of a governmental agency, legislative body or court of competent jurisdiction. In the event that the Receiving Party is requested to disclose Confidential Information under applicable laws or regulations or judicial or administrative proceedings, the Receiving Party, prior to any such disclosure, shall provide notice as soon as reasonably possible to the Disclosing Party sufficient to permit them to seek an appropriate protective order or other such remedy and the Receiving Party shall not oppose the Disclosing Party in seeking such a protective order or other such remedy. In the event that a protective order or other such remedy is not obtained, the Receiving Party may disclose the Confidential Information only to the entity entitled to the Confidential Information in accordance with legal order and only that portion of the Confidential Information which the Receiving Party is legally required to be disclosed.

(c) Confidential Information will not be excluded from the protection of this Agreement solely because individual features or parts of such Confidential Information are generally contained within information available to the public.

4. **Proprietary Ownership.** Confidential Information disclosed by the Disclosing Party shall remain the property of the Disclosing Party. This Agreement shall in no way be deemed to confer or transfer any license or rights to the Confidential Information to the Receiving Party. Any information, including trade secrets, know-how, formulae, inventions, techniques, processes, data, and test results, developed for Athens or based on Athens Confidential Information shall be the property of Athens and protected as such under this Agreement.
5. **Warranty.** Each Disclosing Party warrants that (i) it is the owner or licensee of its Confidential Information and (ii) it has the right to enter into the Agreement without any breach of its obligations to others. Each Disclosing Party makes no other warranty relating to the Confidential Information and the use to be made thereof by the Receiving Party and disclaims all implied warranties. The Receiving Party's evaluation of the Confidential Information of the Disclosing Party shall be at its own risk. The Receiving Party shall hold harmless and indemnify the Disclosing Party against any and all claims, judgments, costs, awards, expenses (including reasonable attorneys' fees) and liabilities of every kind arising from any improper use made by the Receiving Party of such Confidential Information. Nothing in this Agreement shall be construed as obligating a party to provide, or to continue to provide, any information to any person.
6. **Termination of Negotiations/Return of Documents.** In the event of the termination, expiration or conclusion of discussions and negotiations between the Parties and upon the written request of the Disclosing Party, the Receiving Party will immediately and at its own expense return to the Disclosing Party all tangible forms of Confidential Information, together with any copies thereof. The Receiving Party will expunge all Confidential Information contained in any internal reports or memoranda retained by Receiving Party. In the alternative, the Receiving Party may destroy all tangible forms of Confidential Information, including relevant internal reports and memoranda, and provide the Disclosing Party with written certification of compliance under this Section. The Receiving Party may create and maintain a log of all tangible forms of Confidential Information that was provided to it and which was returned to the Disclosing Party or destroyed pursuant to this Section. Notwithstanding anything to the contrary contained herein, the Receiving Party shall not be obligated to expunge (x) Confidential Information from its systems historical media in accordance with its internal record retention practices or procedures for legal, compliance or regulatory purposes and (y) board or investment committee materials consisting of Confidential Information.
7. **Term.** This Agreement shall remain in effect unless terminated by either Party with written notice to the other Party. The Receiving Party's obligations of confidentiality hereunder relating to Technical Confidential Information of the Disclosing Party shall continue in perpetuity beyond the termination of this Agreement, unless and until such Confidential Information falls within the exclusions listed in Section 3. The Receiving Party's obligations of confidentiality hereunder relating to Business Confidentiality Information of the Disclosing Party shall continue for five (5) years following the effective date of termination, unless and until such Confidential Information falls within the exclusions listed in Section 3. In addition, Sections 2, 3, 6 through 8, 11 and 18 through 20 will survive any such termination of this Agreement.
8. **Non-solicitation.** For 2 years from the Effective Date, the Receiving Party agrees that the Receiving Party will not, without the other party's prior written consent, directly or indirectly, solicit or induce any person, who is an employee, consultant or advisor of the Disclosing Party, (i) to discontinue his or her relationship with the Disclosing Party, or (ii) to accept employment by, or enter into a business relationship with the Receiving Party; provided, however, that the foregoing provision shall not preclude the Receiving Party from (A) making good faith generalized solicitations for employees

through advertisements, web-based employment services or search firms and hiring any persons through such solicitations; provided, that such party does not encourage or advise such firm to approach any such employee, or (B) responding to or hiring any employee of the Disclosing Party or any of its affiliates who contacts the Receiving Party at his or her own initiative without any prior direct or indirect encouragement or solicitation (other than as permitted by clause (A) of this proviso).

9. **Other Agreements.** The disclosure of the Confidential Information does not constitute an offer or agreement by the Parties to enter into any subsequent agreement.
10. **Severability.** In the event that any one or more of the provisions contained in this Agreement or any application thereof is held to be invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby, unless a manifest injustice or inequity would result from the applicability or enforceability of such remaining provisions; and the Parties agree to substitute for the invalid, illegal or unenforceable provision a provision which most closely approximates the intent and economic effect of the invalid, illegal or unenforceable provision.
11. **Injunctive Relief.** The parties agree that any breach of this Agreement by the Receiving Party shall cause the Disclosing Party immediate and irreparable injury for which monetary damages would be inadequate or could be difficult to ascertain with reasonable certainty. Accordingly, upon breach or threatened breach of this Agreement, the Disclosing Party shall have the right to seek in any court of competent jurisdiction and venue equitable relief in addition to all other remedies available under the law. The Receiving Party agrees that no serious harm will result to the Receiving Party from the granting of any such equitable relief, and therefore, the Receiving Party waives any bond that might be required. Neither the Disclosing Party nor Receiving Party shall be entitled to recover and hereby waives its right, if any, to any consequential, exemplary, indirect, punitive, incidental or special damages, in any litigation.
12. **Binding Effect.** This Agreement will inure to the benefit of, and be binding on the Parties to it and their respective successors and permitted assigns. The Receiving Party agrees that this Agreement will also bind its Representatives and/or Affiliates. The undersigned warrant that they have full authority to bind their respective entities to this Agreement. Neither Party may assign this Agreement, whether by operation of law or otherwise, without the consent of the other Party hereto, which consent shall not be unreasonably withheld. This Agreement is binding upon the Receiving Party and their respective Affiliates notwithstanding any assignment or license of any of the Confidential Information to another person by the Disclosing Party.
13. **Counterparts.** This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same document. A facsimile or a PDF signature may be considered an original for all purposes, including execution and enforcement of this Agreement.
14. **Waivers.** No waiver of any provision of this Agreement shall be effective as against the waiving Party unless such waiver is in writing signed by the waiving Party. Waiver by a Party in respect of a specific matter shall not be construed as, or constitute, either a continuing waiver or a waiver of any other matter.
15. **Amendment.** This Agreement may only be modified, supplemented or amended by a written instrument executed by all of the Parties hereto.

- 16. **Headings.** The headings contained in the Agreement are for the sole purpose of convenience of reference.
- 17. **Entire Agreement.** This Agreement constitutes the entire agreement of the Parties with respect to its subject matter and supersedes all prior agreements and understandings of the Parties, oral or written, with respect to its subject matter.
- 18. **Applicable Law.** This Agreement is governed by and construed under the laws of the State of California. The Receiving Party hereby submits to the jurisdiction of the courts of the United States of America, State of California, for any action arising under or related to this Agreement.
- 19. **Attorney Fees.** The prevailing party in any controversy or dispute arising out of, relating to or in connection with this Agreement shall be entitled to recover from the nonprevailing party its reasonable expenses, attorneys' fees, experts' fees and other costs incurred in any action taken, with or without litigation, to enforce the terms of this Agreement or to remedy or compensate for such a breach.
- 20. **Notices.** All notices and other communications required or permitted hereunder or necessary or convenient in connection herewith shall be in writing and shall be deemed to have been immediately given when hand delivered, sent by confirmed facsimile or electronic mail, or sent by recognized overnight courier (e.g. Federal Express), and shall be deemed to have been given three (3) business days following the deposit by registered or certified mail, if addressed as follows (provided that notice of change of address shall be deemed given only when received):

If to Athens: Attention: Michael W. Pompay General Counsel Arakelian Enterprises Inc. dba Athens Services 14048 Valley Blvd City of Industry, CA 91746 (626) 336-3636: Phone	If to _____: Attention: _____ _____ _____ _____ _____
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IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed of the Effective Date.

FOR ATHENS SERVICES

 Name: Anthony Bertrand
 Title: Area Vice President
 Date: _____

**COUNTY SANITATION DISTRICT
NO. 2 OF LOS ANGELES
COUNTY**

By: _____
Chairperson, Board of Directors

Attest:

Secretary to the Board

Approved as to Form:

Lewis Brisbois Bisgaard & Smith LLP

By: _____
District Counsel