

## SERVICES AGREEMENT

This Services Agreement (“**Agreement**”) is entered into by and between LSC Destruction, LLC (“**LSC**”) and Monterey County Sheriff’s Office (“**Department**”) effective upon signature.

1. Breakdown, Destruction and Removal of Firearm Parts. On the date or dates agreed upon by the parties, LSC shall take all actions reasonably necessary to break down, destroy and remove all firearm parts supplied by Department at Department’s site at 1414 Natividad Road, Salinas CA 93906 (“**Premises**”) in accordance with LSC’s standard procedures and all applicable government regulations and workplace safety guidelines. LSC will provide all necessary equipment, supplies and labor to the Premises, with the exception of commonly available items such as tables and chairs. Upon completion of the firearm break down, LSC will provide Department with a portion of the firearm receiver (typically including the serial number) as proof of the physical destruction of the firearm receiver. LSC will retain all other portions of the firearm. LSC will sweep and clean any area LSC uses on the Premises to bring it to the condition it was in on LSC’s arrival. Any additional terms and/or modifications to the terms of this Agreement are as specified on the Addendum attached hereto and made a part hereof. This is a continuing Agreement, and the parties agree that it applies to all services provided by LSC to Department until one party gives the other written notice of the termination of this Agreement.

2. Department’s Obligations. Department shall deliver each firearm to LSC in a safe condition, unloaded and clear of magazines and ammunition. LSC may terminate this Agreement immediately if the Department fails to satisfy the above condition. Department shall provide at no cost to LSC a working space at the Premises. Department is required to have an officer or evidence technician present to oversee the destruction process and ensure compliance with Department policies.

3. Termination. This Agreement may be terminated at any time by either Party upon at least thirty (30) days prior written notice, which may be given with or without cause.

4. Consideration. LSC will pay Department a fee and remove all firearm parts (except as provided in Section 1 above) in exchange for title to the remaining parts. Department agrees and acknowledges that LSC will give Department an initial quote for the fee prior to LSC’s provision of services under this Agreement based on the assumption that all firearms and parts are in satisfactory condition, but that quote is subject to change based on the actual condition of the firearms and parts presented by Department to LSC. LSC will process such payment within fifteen (15) business days after completion of its work on the Premises and completion of the “Destruction Follow Up & Compensation” form which is provided by LSC at the end of the destruction.

5. Indemnification. Department shall indemnify, save harmless and defend LSC, and its members, managers, agents and employees and each of them against and hold it and them harmless from any and all lawsuits, claims, demands, liabilities, losses and expenses, including court costs and reasonable attorneys’ fees, for or on account of any injury to any person, or any death at any time resulting from such injury, or any damage to any property, which may arise or which may be alleged to have arisen as a result of a breach of this Agreement by Department or

the gross negligence or willful misconduct of Department or its agents and employees. LSC shall indemnify, defend, and hold harmless the Department, its officers, agents, and employees, from and against any and all claims, liabilities, and losses whatsoever (including damages to property and injuries to or death of persons, court costs, and reasonable attorneys' fees) occurring or resulting to any and all persons, firms or corporations furnishing or supplying work, services, materials, or supplies in connection with the performance of this Agreement, and from any and all claims, liabilities, and losses occurring or resulting to any person, firm, or corporation for damage, injury, or death arising out of or connected with LSC's performance of this Agreement, unless such claims, liabilities, or losses arise out of the negligence or willful misconduct of the Department. "LSC's performance" includes LSC's action or inaction and the action or inaction of LSC's officers, employees, agents and subcontractors.

6. Limitation on Damages and Liability. Department does hereby fully release and discharge LSC, its members, managers, agents and employees from any liability or any loss, cost, damage, expense, injury or death arising from or in any manner connected with the removal and/or receipt of the firearm parts except as otherwise provided in this Agreement. IN NO EVENT WILL EITHER PARTY BE LIABLE FOR ANY LOST REVENUES, DATA, OR PROFITS, OR SPECIAL, INDIRECT, CONSEQUENTIAL OR PUNITIVE DAMAGES WITH RESPECT TO ANY CLAIMS THAT MAY ARISE OUT OF OR IN CONNECTION WITH THIS AGREEMENT, EVEN IF SUCH PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

7. Insurance. Before beginning any work under this Agreement, LSC, at its own cost and expense, shall procure the types and amounts of insurance detailed below and, on Department's written request, provide Certificates of Insurance, indicating that LSC has obtained or currently maintains insurance that meets the requirements of this section and which is reasonably satisfactory, in all respects, to Department.

7.1 Workers' Compensation. LSC shall maintain Statutory Workers' Compensation Insurance pursuant to the provisions of applicable law. Statutory Workers' Compensation Insurance shall be provided with limits of not less than ONE MILLION DOLLARS (\$1,000,000.00) per accident, ONE MILLION DOLLARS (\$1,000,000.00) disease per employee, and ONE MILLION DOLLARS (\$1,000,000.00) disease per policy. Notwithstanding the foregoing, LSC need not obtain Workers' Compensation Insurance if LSC does not have employees.

7.2 Commercial General Liability. LSC shall maintain commercial general liability insurance for the term of this Agreement on an "occurrence" basis, including products and completed operations, property damage, bodily injury and personal & advertising injury with limits no less than ONE MILLION DOLLARS (\$1,000,000.00) per occurrence. Such coverage shall include but shall not be limited to, protection against claims arising from bodily and personal injury, including death resulting therefrom, and damage to property resulting from the services contemplated under this Agreement.

7.3 Automobile Liability. LSC shall maintain automobile liability insurance for the term of this Agreement covering any auto (Code 1), or if LSC has no owned autos, hired (Code 8), and non-owned autos (Code 9), with limit no less than ONE MILLION

DOLLARS (\$1,000,000.00) per occurrence, combined single limit coverage, for risks associated with the services contemplated by this Agreement.

8. Entire Agreement. This Agreement constitutes the complete and exclusive agreement between the parties pertaining to the destruction and removal of the firearm parts and supersedes in their entirety any and all written or oral agreements previously existing between the parties with respect to such subject matter.

9. Attorney's Fees. If either party to this Agreement brings any action, including an action for declaratory relief, to enforce or interpret the provision of this Agreement, the prevailing party shall be entitled to reasonable attorneys' fees and expenses including costs, in addition to any other relief to which that party may be entitled. The court may set such fees in the same action or in a separate action brought for that purpose.

10. Applicable Law; Venue. The internal laws of the State of California shall govern the interpretation and enforcement of this Agreement. In the event that either party brings any action against the other under this Agreement, the parties agree that venue for the trial of such action shall be exclusively in Monterey County.

11. Severability. If any provision of this Agreement is held invalid, the remainder of this Agreement shall not be affected thereby, and all other parts of this Agreement shall nevertheless be in full force and effect.

The parties, through a duly authorized officer, have executed this Agreement as of the date set forth above.

LSC Destruction, LLC

Monterey County Sheriff's Office

By:  \_\_\_\_\_  
DocuSigned by:  
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By: \_\_\_\_\_

Name: Alex Zorensky \_\_\_\_\_

Name: \_\_\_\_\_

Title: President \_\_\_\_\_

Title: \_\_\_\_\_