

UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLUMBIA

UNITED STATES OF AMERICA,
STATE OF TEXAS, by and through its
Attorney General Dan Morales, and
COMMONWEALTH OF PENNSYLVANIA,
by and through its Attorney General Thomas W.
Corbett Jr.,

Plaintiffs,

v.

USA WASTE SERVICES, INC., and
SANIFILL, INC.

Defendants.

Civil Action No.:

Filed:

FINAL JUDGMENT

WHEREAS, plaintiffs, United States of America ("United States"), the State of Texas ("Texas"), and the Commonwealth of Pennsylvania ("Pennsylvania"), having filed their Complaint herein on August 30, 1996, and plaintiffs and defendants, by their respective attorneys, having consented to the entry of this Final Judgment without trial or adjudication of any issue of fact or law herein, and without this Final Judgment constituting any evidence against or an admission by any party with respect to any issue of law or fact herein;

AND WHEREAS, defendants have agreed to be bound by the provisions of this Final Judgment pending its approval by the Court;

AND WHEREAS, prompt and certain divestiture of certain assets, the provision of certain disposal airspace rights, and the prompt modification of contract terms to assure that competition is not substantially lessened is the essence of this agreement;

AND WHEREAS, the parties intend to require defendants to divest, as viable business operations, the Divestiture Assets specified herein;

AND WHEREAS, defendants have represented to plaintiffs that the divestiture and contract changes required below can and will be made and that defendants will later raise no claims of hardship or difficulty as grounds for asking the Court to modify any of the divestiture or contract provisions contained below;

NOW, THEREFORE, before the taking of any testimony, and without trial or adjudication of any issue of fact or law herein, and upon consent of the parties hereto, it is hereby ORDERED, ADJUDGED, AND DECREED as follows:

I

JURISDICTION

This Court has jurisdiction over the subject matter of this action and over each of the parties hereto. The Complaint states a claim upon which relief may be granted against the defendants under Section 7 of the Clayton Act, as amended (15 U.S.C. § 18).

II

DEFINITIONS

As used in this Final Judgment:

A. "Solid waste hauling" means the collection and transportation to a disposal site of municipal solid waste (but not construction and demolition waste; medical waste; organic waste; special waste, such as contaminated soil; sludge; or recycled materials) from residential, commercial and industrial customers. Solid waste hauling includes hand pick-up, containerized pick-up and roll-off service.

B. "USA Waste" means defendant USA Waste Services, Inc., a Delaware corporation

with its headquarters in Dallas, Texas, and its successors and assigns, their subsidiaries, affiliates, directors, officers, managers, agents and employees.

C. "Sanifill" means Sanifill, Inc., a Delaware corporation with its headquarters in Houston, Texas, and its successors and assigns, their subsidiaries, affiliates, directors, officers, managers, agents and employees.

D. "Houston Area" means Harris County, Texas; Chambers County, Texas; Brazoria County, Texas; Fort Bend County, Texas; Montgomery County, Texas; Walker County, Texas; and Galveston County, Texas.

E. "Johnstown Area" means Cambria County, Pennsylvania; Blair County, Pennsylvania; Indiana County, Pennsylvania; Somerset County, Pennsylvania; and northeast Westmoreland County, Pennsylvania.

F. "Houston Hauling Assets" means the frontload commercial business of Sanifill that provides solid waste hauling services in the Houston Area, and, at the option of the purchaser, the rearload residential business of Sanifill presently served by Sanifill's Channelview garage located at 999 Ashland in Channelview, Texas. These assets include all customer lists, contracts and accounts, including all contracts for disposal of solid waste at disposal facilities, and, with respect to the rearload residential business, assignable contracts, all trucks, containers, equipment, material, and supplies associated with these assets.

G. "Sunray Assets" means the operating, permitted Type 4 landfill (also known as the North County Landfill) and other related assets of USA Waste with an office at 2015 Wyoming in League City, Texas. These assets include the current permit Number 1849 and permit application Number 1849A filed with the Texas Natural Resource Conservation Commission, all customer lists, contracts and accounts, including all equipment, material, and supplies associated with these assets. These assets are not required to include the assets of any hauling business in operation at the Sunray site.

H. "Airspace Rights" means the right of independent private haulers to dispose

municipal solid waste at the Pellegrine Landfill in the Johnstown Area over a ten-year period beginning on the date of the divestiture as described more fully in Section IX.

I. "Airspace Assets" means the right to dispose, over a ten-year period beginning on the date of the divestiture, of up to a total of 2,000,000 tons of municipal solid waste in amounts of up to a total of 270,000 tons per year at the Hazlewood Landfill located at 4971 Tri-City Beach Road in Baytown, Texas and the Brazoria County Landfill located at 10310 FM 523 in Angleton, Texas.

J. "Divestiture Assets" refers to the Houston Hauling Assets, Sunray Assets, and Airspace Assets.

K. "Small Container" means a 1 to 10 cubic yard container.

L. "Small Containerized Solid Waste Hauling Service" means providing solid waste hauling service to commercial customers by providing the customer with a Small Container that is picked up mechanically using a frontload, rearload, or sideload truck, and expressly excludes hand pick-up service, and service using a compactor attached to or part of a small container.

M. "Customer" means a Small Containerized Solid Waste Hauling Service customer.

III

APPLICABILITY

A. The provisions of this Final Judgment apply to the defendants, their successors and assignees, their subsidiaries, affiliates, directors, officers, managers, agents, and employees, and all other persons in active concert or participation with any of them who shall have received actual notice of this Final Judgment by personal service or otherwise.

B. Defendants shall require, as a condition of the sale or other disposition of all or substantially all of the Divestiture Assets, that the acquiring party or parties agree to be bound by the provisions of this Final Judgment.

IV

DIVESTITURE OF ASSETS

A. Defendants are hereby ordered and directed, within 90 days from the filing of this Final Judgment, to divest the Divestiture Assets, unless the United States, after consultation with Texas, consents that only some portion of the Divestiture Assets need be divested. Defendants are further ordered and directed to notify plaintiffs in writing immediately when they have completed the divestitures.

B. Unless the United States, after consultation with Texas, otherwise consents, divestiture under Section IV.A, or by the trustee appointed pursuant to Section V, shall be accomplished in such a way as to satisfy the United States, in its sole determination after consultation with Texas, that the Houston Hauling Assets can and will be operated by the purchaser as a viable, ongoing business engaged in solid waste hauling, and that the Sunray Assets can and will be operated by the purchaser as a viable, ongoing business engaged in solid waste disposal in the Houston Area. Divestiture under Section IV.A or by the trustee, shall be made to a purchaser or purchasers for whom it is demonstrated to the satisfaction of the United States, after consultation with Texas, that (1) the purchase or purchases is or are for the purpose of competing effectively in solid waste hauling, dry waste disposal, or both, and (2) the purchaser or purchasers has or have the managerial, operational, and financial capability to compete effectively in solid waste hauling and/or disposal.

C. In accomplishing the divestitures ordered by this Final Judgment, defendants promptly shall make known, by usual and customary means, the availability of the Divestiture Assets and Airspace Rights described in this Final Judgment. Defendants shall inform any person making an inquiry regarding a possible purchase that the sale is being made pursuant to this Final Judgment and provide such person with a copy of this Final Judgment. Defendants shall also offer to furnish to all bona fide prospective purchasers, subject to customary confidentiality assurances, all information regarding the Divestiture Assets customarily provided in a due diligence process except such information subject to attorney-client or work-product privileges. Defendants shall

make available such information to plaintiffs at the same time such information is made available to any other person. In giving notice of the availability of the Houston Hauling Assets, defendants shall not exclude any persons bound by any non-compete obligations to Sanifill.

D. Defendants shall not require of the purchaser or purchasers, as a condition of sale, that any current employee of the Divestiture Assets be offered or guaranteed continued employment after the divestiture.

E. Defendants shall take all reasonable steps to accomplish quickly the divestiture contemplated by this Final Judgment.

F. As part of the sale of the Airspace Assets, defendants will include an agreement to accept waste from the purchaser or anyone designated by the purchaser to dispose of waste at the landfills. As agents of the purchaser, defendants will operate the gate, scale house, and disposal area under terms and conditions no less favorable than those provided to defendants' vehicles or the vehicles of any municipality in the Houston Area, except as to price and credit terms.

V

APPOINTMENT OF TRUSTEE

A. In the event that Defendants have not divested all of their assets required by Section IV.A by the time set forth in Section IV.A, the Court shall, on application of the United States, after consultation with Texas, appoint a trustee selected by the United States to effect the divestiture required by Section IV.A. After the appointment of a trustee becomes effective, only the trustee shall have the right to sell the assets required to be divested pursuant to Section IV.A. The trustee shall have the power and authority to accomplish the divestiture at the best price then obtainable upon a reasonable effort by the trustee, subject to the provisions of Section VI of this Final Judgment, and shall have such other powers as the Court shall deem appropriate. Defendants shall not object to a sale by the trustee on any grounds other than the trustee's malfeasance, or on the grounds that the sale is contrary to the express terms of this Final Judgment. Any such objections

by defendants must be conveyed in writing to plaintiffs and the trustee within ten (10) days after the trustee has provided the notice required under Section VI.

B. The trustee shall serve at the cost and expense of defendants, on such terms and conditions as the Court may prescribe, and shall account for all monies derived from the sale of the assets sold by the trustee and all costs and expenses so incurred. After approval by the Court of the trustee's accounting, including fees for its services, all remaining money shall be paid to defendants and the trust shall then be terminated. The compensation of such trustee shall be reasonable and based on a fee arrangement providing the trustee with an incentive based on the price and terms of the divestiture and the speed with which it is accomplished.

C. Defendants shall use their best efforts to assist the trustee in accomplishing the required divestiture. The trustee and any consultants, accountants, attorneys, and other persons retained by the trustee shall have full and complete access to the personnel, books, records, and facilities of the Divestiture Assets, and defendants shall develop financial or other information relevant to such assets as the trustee may reasonably request, subject to reasonable protection for trade secret or other confidential research, development, or commercial information. Defendants shall take no action to interfere with or to impede the trustee's accomplishment of the divestiture.

D. After its appointment, the trustee shall file monthly reports with the parties and the Court setting forth the trustee's efforts to accomplish the divestiture ordered under this Final Judgment. If the trustee has not accomplished such divestiture within six months after its appointment, the trustee shall thereupon promptly file with the Court a report setting forth (1) the trustee's efforts to accomplish the required divestiture, (2) the reasons, in the trustee's judgment, why the required divestiture has not been accomplished, and (3) the trustee's recommendations. The trustee shall at the same time furnish such report to the parties, who shall each have the right to be heard and to make additional recommendations consistent with the purpose of the trust. The Court shall thereafter enter such orders as it shall deem appropriate in order to carry out the purpose of the trust, which may, if necessary, include extending the trust and the term of the trustee's appointment

by a period requested by the United States, after consultation with Texas.

E. Defendants shall give 30 days' notice to the United States, Texas, and Pennsylvania prior to acquiring any interest that is not otherwise reportable under the Hart-Scott Rodino Act in any assets, capital stock, or voting securities, other than in the ordinary course of business, of any person that, at any time during the twelve months immediately preceding the acquisition, was engaged in the solid waste hauling industry in the Houston Area or the Johnstown Area where that person had small container revenues in excess of \$500,000 per year or total revenues in excess of \$1 million per year. However, nothing herein shall preclude defendants from acquiring less than five (5) percent of the stock of a publicly traded company.

F. Defendants shall give 30 days' notice to the United States, Texas, and Pennsylvania prior to acquiring any interest that is not otherwise reportable under the Hart-Scott Rodino Act in any assets, capital stock, or voting securities, other than in the ordinary course of business, of any person that, at any time during the twelve months immediately preceding the acquisition, was engaged in the municipal solid waste or dry waste disposal industry in the Houston Area or the Johnstown Area, where the revenues of that person, when aggregated with the revenues of any person or persons acquired in the previous six months, exceed the revenue limits of paragraph E above. However, nothing herein shall preclude defendants from acquiring less than five (5) percent of the stock of a publicly traded company.

G. The purchaser or purchasers of the Divestiture Assets, or any of them, shall not, without the prior written consent of the United States, after consultation with Texas, sell any of those assets to, or combine any of those assets with, those of defendants during the life of this decree. Furthermore, the purchaser or purchasers of the Divestiture Assets, or any of them, shall notify plaintiffs 45 days in advance of any proposed sale of all or substantially all of the assets, or change in control over those assets, acquired pursuant to this Final Judgment.

VI

NOTIFICATION

A. Defendants or the trustee, whichever is then responsible for effecting the divestiture required herein, shall notify plaintiffs of any proposed divestiture required by Section IV or V of this Final Judgment. If the trustee is responsible, it shall similarly notify defendants. The notice shall set forth the details of the proposed transaction and list the name, address, and telephone number of each person not previously identified who offered or expressed an interest or desire to acquire any ownership interest in the Divestiture Assets or any of them, together with full details of the same. Within fifteen (15) days after receipt of the notice, plaintiffs may request additional information concerning the proposed divestiture, the proposed purchaser, and any other potential purchaser. Defendants or the trustee shall furnish the additional information within fifteen (15) days of the receipt of the request. Within thirty (30) days after receipt of the notice or within fifteen (15) days after receipt of the additional information, whichever is later, the United States, after consultation with Texas, shall notify in writing defendants and the trustee, if there is one, if it objects to the proposed divestiture. If the United States fails to object within the period specified, or if the United States notifies in writing defendants and the trustee, if there is one, that it does not object, then the divestiture may be consummated, subject only to defendants' limited right to object to the sale under Section V.A. Upon objection by the United States, after consultation with Texas, or by defendants under Section V.A, the proposed divestiture shall not be accomplished unless approved by the Court.

B. Thirty (30) days from the date when defendants consummate the acquisition, but in no event later than October 30, 1996, and every thirty (30) days thereafter until the divestiture has been completed, defendants shall deliver to plaintiffs a written report as to the fact and manner of compliance with Section IV of this Final Judgment. Each such report shall include, for each person who during the preceding thirty (30) days made an offer, expressed an interest or desire to acquire, entered into negotiations to acquire, or made an inquiry about acquiring any ownership interest in the

Divestiture Assets or any of them, the name, address, and telephone number of that person and a detailed description of each contact with that person during that period. Defendants shall maintain full records of all efforts made to divest the Divestiture Assets or any of them.

VII

FINANCING

Defendants shall not finance all or any part of any purchase made pursuant to Sections IV or V of this Final Judgment without the prior written consent of the United States, after consultation with Texas and Pennsylvania.

VIII

PROHIBITED CONDUCT

With respect to the Johnstown Area, defendants are enjoined and restrained as follows:

A. Except as set forth in paragraph VIII.B. and G., defendants shall not enter into any contract with a Customer for a service location that:

- (1) has an initial term longer than one (1) year;
- (2) has any renewal term longer than one (1) year;
- (3) requires that the Customer give defendants notice of termination more than thirty (30) days prior to the end of any initial term or renewal term;
- (4) requires that the Customer pay liquidated damages in excess of three times the greater of its prior monthly charge or its average monthly charge over the most recent six months during the first year of the initial term of the Customer's contract;
- (5) requires that the Customer pay liquidated damages in excess of two times the greater of its prior monthly charge or its average monthly charge over the most recent six months after the Customer has been a Customer of a defendant for a continuous period in excess of one (1) year;

(6) requires the Customer to give defendants notice of any offer by or to another solid waste hauling firm or requires the Customer to give defendants a reasonable opportunity to respond to such an offer for any period not covered by the contract (sometimes referred to as a "right to compete" clause);

(7) is not easily readable (e.g., formatting and type-face) or is not labeled, in large letters, SERVICE CONTRACT; or

(8) requires a Customer to give defendants the right or opportunity to provide hauling service for recyclables or more than one solid waste hauling service for a Customer unless the Customer affirmatively chooses to have defendant do so by so stating on the front of the contract.

B. Notwithstanding the provisions of paragraph VIII.A. of this Final Judgment, defendants may enter into a contract with a Customer for a service location with an initial term in excess of one year provided that:

(1) The Customer has acknowledged in writing that the defendants have offered to the Customer the form contracts defendants are required under VIII.A. and D. to offer generally to Customers by notice in the form attached hereto as Exhibit B;

(2) the Customer has the right to terminate the contract after one year by giving notice to defendants thirty (30) days or more prior to the end of that one year period;

(3) the contract otherwise complies with the provisions of paragraph VIII.A.(2)-(8);
and

(4) the number of service locations subject to contracts permitted under subparagraph B. does not exceed 25% of the total number of service locations for small containerized solid waste hauling service in any year.

C. From the date of the filing of an executed Stipulation, defendants shall offer to new Customers with service locations only contracts that conform to the requirements of paragraphs VIII.A. or B. of this Final Judgment, except as provided in VIII.G.

D. Except as provided in VIII.G., within thirty (30) days following the entry of this Final

Judgment, defendants shall send to all existing Customers with service locations with contracts having an initial term longer than one year and which otherwise do not conform with paragraph VIII.B. a notice in the form attached hereto as Exhibit A. If the customer elects to accept the offered contract language, defendants shall execute such an agreement.

E. Except as provided in VIII.G., for each Customer with a contract having an initial term longer than one year and that otherwise does not conform to paragraph VIII.B. that enters a renewal term 120 days after entry of this Final Judgment, defendants shall send a reminder to that Customer, in the form attached hereto as Exhibit B, ninety (90) days or more prior to the effective date of the renewal term. This reminder may be sent to the Customer as part of a monthly bill, but if it is, it must be displayed on a separate page and in large print.

F. Upon entry of this Final Judgment, defendants may not enforce those contract provisions that are inconsistent with this Final Judgment.

G. Notwithstanding the provisions of this Final Judgment, defendants may enter into contracts with municipal or governmental entities that are not in compliance with paragraphs VIII.A.-F. provided that those contracts are awarded to defendants on the basis of a formal request for bids or a formal request for proposals issued by the Customer.

H. Notwithstanding the provisions of this Final Judgment, defendants shall not be required to do business with any Customer.

I. Defendants may not oppose any efforts by any persons to amend any county plans to add any landfill, to permit a new landfill, or to permit expansion of an existing landfill.

IX

AIRSPACE RIGHTS

A. Defendants shall provide the Airspace Rights at the Pellegrine Landfill, located at SR 2019 Lucisboro Road in Homer City, Pennsylvania as follows:

- (1) Defendants are obligated to accept up to 200 tons per day and up to 62,400

tons per year during the ten-year period;

(2) Subject to applicable county plans, these Airspace Rights will be available to any independent private hauler for waste collected in the Pennsylvania counties of Cambria, Blair, Westmoreland, and Somerset until the tonnage limits in IX.A(1) are met; and

(3) Defendants will provide these Airspace rights under terms and conditions no less favorable than those provided to defendants' vehicles or the vehicles of any municipality in the Johnstown area, except as to price and credit terms.

B. For purposes of measuring the tonnage of airspace rights provided under Section IX,

(1) Construction and demolition or other Type 4 materials and waste delivered in transfer trailers are not included in the tonnage limits set forth in IX.A.(1);

(2) "Independent private hauler" refers to any private firm, not including municipalities, providing solid waste collection services, but not disposal services, in the Johnstown Area.

X

PRESERVATION OF ASSETS

Until the divestitures required by the Final Judgment have been accomplished:

A. Defendants shall take all steps necessary to ensure that the Houston Hauling Assets will be maintained and operated in the ordinary course of business and consistent with past practices, and shall (1) maintain all insurance policies and all permits that are required for the operation of the assets, and (2) maintain books of account and records in the usual, regular, and ordinary manner and consistent with past practices.

B. Defendants shall take all steps necessary to ensure that the Sunray Assets will be maintained and operated as an independent, ongoing, economically viable and active competitor in the provision of dry waste disposal services in the Houston Area, with management operations,

books, records and competitively-sensitive sales, marketing and pricing information and decision-making kept separate and apart from, and not influenced by, that of Sanifill's solid waste hauling and disposal businesses.

C. Defendants shall use all reasonable efforts to maintain and increase sales of solid waste hauling and disposal services provided by the Divestiture Assets, and they shall maintain at 1995 or previously approved levels, whichever is higher, promotional, advertising, sales, marketing and merchandising support for such services.

D. Defendants shall take all steps necessary to ensure that the Divestiture Assets are fully maintained in operable condition, and shall maintain and adhere to normal or previously approved repair, improvement and maintenance schedules for the Divestiture Assets.

E. Defendants shall not, except as part of a divestiture approved by plaintiffs, remove, sell or transfer any Divestiture Assets, other than solid waste hauling and disposal services provided in the ordinary course of business.

F. Defendants shall take no action that would jeopardize the sale of the Divestiture Assets.

G. Defendants shall appoint a person with oversight responsibility for the Divestiture Assets to insure compliance with this section of the Final Judgment.

XI

COMPLIANCE INSPECTION

For the purpose of determining or securing compliance with this Final Judgment, and subject to any legally recognized privilege, from time to time:

A. Duly authorized representatives of the United States, Texas, or Pennsylvania, including consultants and other persons retained by the plaintiffs, shall, upon the written request of the Assistant Attorney General in charge of the Antitrust Division or the Attorney General of the State of Texas or the Attorney General of the Commonwealth of Pennsylvania, respectively, and on reasonable notice to defendants made to its principal offices, be permitted:

1. access during office hours to inspect and copy all books, ledgers, accounts, correspondence, memoranda, and other records and documents in the possession or under the control of defendants, which may have counsel present, relating to any matters contained in this Final Judgment; and

2. subject to the reasonable convenience of defendants and without restraint or interference from them, to interview defendants' directors, officers, employees, and agents who may have counsel present, regarding any such matters.

B. Upon the written request of the Assistant Attorney General in charge of the Antitrust Division or the Attorney General of the State of Texas or the Attorney General of the Commonwealth of Pennsylvania, respectively, made to defendants at their principal offices, defendants shall submit such written reports, under oath if requested, with respect to any of the matters contained in this Final Judgment as may be requested.

C. No information nor any documents obtained by the means provided in this Section XI shall be divulged by any representative of the United States or the Office of the Attorney General of Texas or the Office of the Attorney General of Pennsylvania to any person other than a duly authorized representative of the Executive Branch of the United States or of the Office of the Attorney General of Texas or of the Office of the Attorney General of Pennsylvania, except in the course of legal proceedings to which the United States, Texas or Pennsylvania is a party (including grand jury proceedings), or for the purpose of securing compliance with this Final Judgment, or as otherwise required by law.

D. If at the time information or documents are furnished by defendants to plaintiffs, defendants represent and identify in writing the material in any such information or documents for which a claim of protection may be asserted under Rule 26(c)(7) of the Federal Rules of Civil Procedure, and defendants mark each pertinent page of such material, "Subject to claim of protection under Rule 26(c)(7) of the Federal Rules of Civil Procedure," then plaintiffs shall give ten (10) days notice to defendants prior to divulging such material in any legal proceeding (other than a grand jury

proceeding) to which any defendant is not a party.

XII

RETENTION OF JURISDICTION

Jurisdiction is retained by this Court for the purpose of enabling any of the parties to this Final Judgment to apply to this Court at any time for such further orders and directions as may be necessary or appropriate for the construction, implementation, or modification of any of the provisions of this Final Judgment, for the enforcement of compliance herewith, and for the punishment of any violations hereof.

XIII

TERMINATION

This Final Judgment will expire on the tenth anniversary of the date of its entry.

XIV

PUBLIC INTEREST

Entry of this Final Judgment is in the public interest.

Dated: _____

Court approval subject
to procedures of Antitrust
Procedures and Penalties Act,
15 U.S.C. § 16

United States District Judge

NOTICE TO CUSTOMERS

Dear Valued Customer:

[Insert name of local operating company] is offering a new one year contract to all small containerized solid waste hauling customers with service locations in [insert market here]. We would like to take this opportunity to offer this contract to you. Of course, if you prefer, you can continue with your existing contract.

In most cases, this new contract will have terms that are more advantageous to customers than their current contracts. This new contract has the following features:

- an initial term of one year (unless you request a longer term);
- a renewal term of one year;
- at the end of your initial term, you may take no action and your contract will renew or you can choose not to renew the contract by simply giving us notice at any time up to 30 days prior to the end of your term;
- if you request a contract with a term longer than one year, you can cancel that contract after one year by giving us notice at any time up to 30 days prior to the end of the first year;
- if you terminate the contract at any other time, you will be required to pay, as liquidated damages, no more than three times the greater of your prior monthly or average monthly charge. If you've been a customer continuously for more than one year, the liquidated damages would be reduced to two times the greater of your prior monthly or average monthly charge;
- you will not be required to give us notice of any offer from another waste hauling firm or to give us an opportunity to make a counteroffer although you may do so if you wish;
- you will be able to choose on the contract which specific types of waste hauling services you would like us to perform.

You may obtain a new contract containing these terms by calling [insert telephone number or sales rep name and number].

EXHIBIT A

If you prefer, you may continue with your existing contract. If you retain your existing contract, we will not enforce any terms that are inconsistent with the new form contract terms.

We thank you for your business and look forward to a continued relationship with you. If you have any questions, please call [insert contact person and phone number.]

REMINDER TO CUSTOMERS

Your contract will automatically renew on [MM/DD/YY] unless we receive your cancellation by [MM/DD/YY].

You may also obtain a new form contract with some terms more advantageous to you than your current contract.

You may obtain a new contract containing these terms by calling [insert telephone number or sales rep name and number].

EXHIBIT B