

**SECOND AMENDMENT TO AGREEMENT
BETWEEN COSTA MESA SANITARY DISTRICT AND CR&R INCORPORATED
FOR SOLID WASTE AND RECYCLING SERVICES**

This **SECOND AMENDMENT** to Agreement between the Costa Mesa Sanitary District and CR&R Incorporated (CR&R) for collecting residential solid waste ("SECOND AMENDMENT") is made and entered into this 25 day of FEBRUARY 2014, (the "EFFECTIVE DATE") by and between the Costa Mesa Sanitary District, hereinafter referred to as DISTRICT, and CR&R, hereinafter referred to as CONTRACTOR.

WITNESSETH:

WHEREAS, on July 20, 2006, the DISTRICT and CONTRACTOR entered into an agreement for collecting residential solid waste within DISTRICT service area boundaries ("AGREEMENT"); and

WHEREAS, on October 27, 2011, the DISTRICT and CONTRACTOR amended the AGREEMENT for expanding the large item collection program ("FIRST AMENDMENT"); and

WHEREAS, CONTRACTOR and the DISTRICT wish to provide a organics collection program that will include Food Wastes with Green Wastes for the residential customers; and

WHEREAS, CONTRACTOR has invested in excess of twenty million dollars in technology to create and establish an Anaerobic Digester (AD) program in Perris, CA, which will help address the State's 75-percent recycling goal; and

WHEREAS, CONTRACTOR will provide new Organics Containers to implement the new collection program and the AD program; and

WHEREAS, it is necessary to collect organics as a source separated product in order to keep unwanted materials out of organic material for a usable compost product from the AD plant; and

WHEREAS, the DISTRICT will be able to utilize this technology and facility to achieve higher diversion and recycling rates as well as provide for a long-term source of diversion for organic materials from within the waste stream; and

WHEREAS, the DISTRICT and CONTRACTOR desire to clarify that DISTRICT's rates remain low with a "net to hauler" comparison methodology; and

WHEREAS, the DISTRICT and CONTRACTOR desire to amend the AGREEMENT to address these points; and

WHEREAS, by this SECOND AMENDMENT, the DISTRICT and CONTRACTOR hereby amend the AGREEMENT as provided hereinafter.

NOW, THEREFORE, the AGREEMENT is amended as of the date hereof as follows:

1. Section 3 of the AGREEMENT is hereby amended by deleting this section in its entirety and replacing it with the following:

"3. Term. The AGREEMENT term shall be six (6) years that reverts to a six (6) year evergreen. Said Term shall annually renew so that the six (6) year term remains, unless either Party gives the other Party a notice of non-renewal. Any said non-renewal notice shall halt the annual renewal and there shall be six (6) years remaining to termination.

If CONTRACTOR does not implement the AD Project as presented or if notice is given by either Party of non-renewal, it is understood that both Parties will negotiate in Good Faith for at the least the first two (2) years of the then remaining six (6) year term after notice is given to resolve any service issues and/or issues involving the Organic Recycling Program in an effort to reinstate said six (6) year evergreen term or another term mutually agreed to by the Parties. Said AGREEMENT may also be terminated for cause at any time in accordance with paragraphs 52 or 55 herein."

2. Section 4 of the AGREEMENT is hereby amended by amending subsection B and adding the subsections F and G to read as follows:

"...

B. Occupancy Count. CONTRACTOR shall provide a monthly accounting of Occupancy Count to include all active, inactive, new, and discontinued units serviced. CONTRACTOR shall also provide an annual list of all units not serviced under any exemption provided by the DISTRICT.

...

F. Green Waste. Green Waste shall be defined as solid waste resulting from maintenance or removal of vegetation including, but not limited to: brush, grass clippings, branches, leaves, flowers, weeds, shrubs, and small trees.

G. Organic Waste. Organic Waste shall be defined as solid waste that comes from plants or animals that is biodegradable including, but not limited to: fruits, vegetables, meat,

poultry, seafood, eggshells, rice, beans, cheese, bones, frozen/refrigerated food, tea bags, and coffee grounds. Subject to the AD project's performance, additional items will be added to this listing subject to DISTRICT review and approval."

3. Section 6 of the AGREEMENT is hereby amended by deleting this section in its entirety and replacing it with the following:

"6. Conversion to Semi-Mixed Stream Automated Trash Collection Service. DISTRICT agrees to permit CONTRACTOR to convert from single stream automated collection services to semi-mixed stream automated collection service where recyclable and solid waste materials (mixed solid wastes) are collected from one (1) container type, and organic wastes (including food and green wastes) are collected from another container type. CONTRACTOR and DISTRICT agree to work together in a cooperative manner to institute a successful and comprehensive semi-mixed stream automated trash collection program for residents of the DISTRICT.

CONTRACTOR shall provide an education program at its cost with components designed to inform current and future residents of the details of the semi-mixed automated program including the procedure for using automated containers and a list of the special recycling programs currently available to residents. CONTRACTOR shall produce a flyer explaining the above information and shall distribute the flyer to each residence served in the DISTRICT. Thereafter, copies of the flyer shall be distributed to new residents upon request of the DISTRICT. Copies of the flyer shall be made available to DISTRICT staff for distribution as appropriate and revisions to the flyer shall be made by CONTRACTOR when mutually deemed appropriate. CONTRACTOR shall distribute the flyer to every residence served at least once every two (2) years."

4. Section 11 of the AGREEMENT is hereby amended by deleting this section in its entirety and replacing it with the following:

"11. Containers. CONTRACTOR shall provide two (2) mixed waste recycling containers and one (1) organic container to DISTRICT single-family residential customers. Upon request, CONTRACTOR shall provide to DISTRICT account and container data that is consistent with the tables identified in Exhibit A.

- A. Purchase. CONTRACTOR shall purchase and deliver DISTRICT wide sixty-four (64) or thirty-two (32) gallon organic carts that bear the CONTRACTOR and DISTRICT logos and telephone numbers on the lids, as well as identifying allowable contents to be placed inside organic cart.
- B. Maintenance. CONTRACTOR shall maintain all the containers including, but not limited to removing graffiti, replacing the wheels and lid. Basic service shall be defined as one (1) sixty-four (64) gallon organics container and up to two (2) sixty-four (64) gallon

mixed waste processing recycling containers. Those residents that presently have two (2) ninety (90) gallon or two (2) thirty-two (32) gallon containers shall be "grandfathered" for the life of the automated trash collection service.

New service shall be entitled to one (1) sixty-four (64) gallon organic cart and up to two (2) sixty-four (64) gallon mixed waste processing recycling carts. Service over and above the basic service shall pay an additional container charge as described in the AGREEMENT. CONTRACTOR shall provide a bond or other security, including U.C.C. filing or lien rights, in an amount approved by DISTRICT to guarantee CONTRACTOR's performance of said container management for a ten (10) year period, which may be in addition to the bond provided for in Paragraph 44. Said obligation is limited to the original containers CONTRACTOR purchased from DISTRICT.

- C. Container Charges. After delivering an organic cart, residents will have the option of returning to CONTRACTOR one (1) of their mixed waste processing recycling carts. If resident decides an additional cart is not necessary, CONTRACTOR will pick up cart from resident at no cost.

A container charge shall be implemented for "additional" containers (more than two (2) mixed waste containers and/or more than two (2) organic containers) at a rate of eight dollars (\$8.00) per container per month, or as the parties may later agree. Said charge includes the cost of the containers. Charges for replacement containers shall be as follows:

1. New customer (Development)
 - a. New owners/residents: No charge
2. Existing customer
 - a. Missing container(s): No charge
 - b. Damaged container(s): No charge
 - c. Exchange of container(s): No charge
 - d. Disability hardship/economic factor: No charge
 - e. Only one (1) mixed waste container and requesting a second mixed waste container: No charge
 - f. Only one (1) organic container and requesting a second organic container: No charge
 - g. Missing/Stolen container(s): No charge when resident provides police report number; otherwise, CONTRACTOR shall charge for the cost of the replacement cart and delivery.

DISTRICT shall be entitled to eighty-six percent (86%) of the money collected from the "additional" container charge. Revenue generated from said billings shall be DISTRICT's

sole revenue to be used at the discretion of DISTRICT. DISTRICT and CONTRACTOR shall review in good faith the status of the "Additional" Container Charge Program."

5. Section 12 of the Agreement is hereby amended by deleting this section in its entirety and replacing with the following:

"12. Contractor's Equipment. CONTRACTOR shall provide adequate equipment for the collection of solid waste. Both sides of each vehicle used for the collection of Solid Waste shall have a sign that says "Costa Mesa Sanitary District Recycles for You". The appearance of the sign will be approved by the DISTRICT. All vehicles used for collection shall also prominently display an identification number on both sides of the vehicle. CONTRACTOR's trucks shall have a clean appearance and shall be driven in compliance with the Vehicle Code.

A second interchangeable sign will be displayed on both sides of the vehicle to promote the appropriate recycling programs (Large Item Collections, Christmas Tree Recycling, special events with dates). The interchangeable signage will rotate at least once per quarter. A total of four (4) signs per year will be allowed, and new signage shall be purchased by CONTRACTOR every two (2) years if requested by DISTRICT.

CONTRACTOR's trucks servicing the DISTRICT shall be powered by Compressed Natural Gas (CNG) or Renewable Natural Gas (RNG) or by an alternative fuel that is approved by the South Coast Air Quality Management District.

All equipment used for collection of Solid Waste shall be enclosed to ensure that Solid Waste is not spilled on streets and private property. CONTRACTOR shall comply with all requirements of the Vehicle Code, Health Department, and DISTRICT's Operations Code, and all equipment used for collection of Solid Waste shall be watertight and shall be covered with suitable waterproof tarpaulins, metal covers, or other satisfactory covers. No Solid Waste shall be permitted to leak, fall, or be spilled upon streets or alleys or onto private property. Any such leakage or spillage shall be immediately corrected and the area cleaned by CONTRACTOR.

CONTRACTOR shall provide DISTRICT with a list of all trucks and other vehicles including identification numbers to perform this AGREEMENT. All equipment used by CONTRACTOR for the collection of Solid Waste, pursuant to the AGREEMENT, shall be subject to inspection by the General Manager of the District or his/her designee, and any defects in such equipment found to exist shall be immediately corrected by CONTRACTOR."

6. Section 15 of the AGREEMENT is hereby amended by adding a new subsection E to read as follows.

"...

E. Special Programs. Special Programs should have flexibility to add or substitute programs (i.e., telephone books and alkaline battery collections)."

7. Section 16 of the AGREEMENT is hereby amended by deleting this section in its entirety and replacing with the following:

"16. Compensation. As compensation for the performance by CONTRACTOR as set forth in the AGREEMENT and in this amendment, DISTRICT shall pay to CONTRACTOR each calendar month during the term of this AGREEMENT the rate specified below and in more details in Exhibit "A" attached hereto. DISTRICT agrees to promptly process CONTRACTOR's invoices, which shall be supported by weight tickets.

A. Hauler Rate. On the effective date of this Amendment, the monthly hauler rate noted in Exhibit B will be reduced by twenty-five cents (\$0.25) for a new rate of \$8.9054 per household. On the effective implementation date mutually agreed upon by both parties for the implementation of the Organics Recycling Program, the hauler rate will increase to \$9.7954 per household.

B. CRT Recycling/Disposal Rate. On the effective date of this Amendment, the recycling/disposal rate will be reduced by twenty-five cents (\$0.25) for a new rate of fifty-one dollars and ninety-seven cents (\$51.97) per ton.

C. Conversion Technology Rate. On the effective implementation date mutually agreed upon by both parties for the implementation of the Organics Recycling Program, the rate for DISTRICT organic material delivered to CONTRACTOR's Anaerobic Digestive (AD) facility will be seventy-one dollars and fifty cents (\$71.50) per ton.

These fees may be adjusted to reflect March to March Consumer Price Index set by the U.S. Department of Labor, Bureau of Labor Statistics for Los Angeles, Riverside and Orange Counties, subject to approval by DISTRICT as identified in Exhibit A of the AGREEMENT."

8. Section 18 is hereby deleted in its entirety and replaced with the following:

"18. Justification of Rates. CONTRACTOR shall submit an annual review of thirty-three (33) Orange County agencies comparable Net to Hauler rate and a justification of CONTRACTOR's rates as being within ten percent (10%) of the average Net to Hauler rate (total amount CONTRACTOR is paid by DISTRICT divided by the total number of units serviced) of the thirty-three (33) Orange County agencies. For the purpose of this review the City of Laguna Woods is excluded. For purposes of this study, added costs for CONTRACTOR's AD facility shall not be included in the Net to Hauler for this rate study. However, if one (1) or more Orange County agencies are utilizing CONTRACTOR's AD facility then a second survey will be conducted

that includes the added costs for said facility will be included in the survey. The methodology for determining net to hauler rates is described in the attached Exhibits. "

9. Section 21 is amended to read as follows:

"21. Office Hours. Office hours shall be at least 8:00 a.m. to 5:00 p.m., Monday – Friday, excluding holidays. A responsible and qualified person shall be available by phone, toll-free, during all regular hours. Services shall be adequate to handle all calls on the busiest days. A recorder with voice mail message with next business day follow up shall be available for after hours calls, with the ability for DISTRICT personnel to contact CONTRACTOR's Operations Manager after hours by cell phone or other device that will achieve contact after hours."

10. Section 22 is amended to read:

"22. Complaints. CONTRACTOR shall record and provide a log of complaints received by DISTRICT or CONTRACTOR on a monthly basis. CONTRACTOR shall also provide DISTRICT with a copy of any report, complaint, pleading, or any other communication related to CONTRACTOR's performance of the AGREEMENT.

11. Section 27 of the AGREEMENT is hereby amended to read:

"27. Transfer Station and/or Anaerobic Digestive Services. CONTRACTOR is to provide Transfer Station services for the acceptance of Solid Waste from DISTRICT for the purpose of recovery and reclamation of recyclable materials and the transfer of unrecycled residue to Orange County landfill sites, as set out in Paragraphs 1 and 29 of the AGREEMENT. In 2014, or on an implementation date mutually agreed upon by both parties, CONTRACTOR shall transfer DISTRICT green waste and organic waste to CONTRACTOR's Anaerobic Digestive facility in the City of Perris (Riverside County) where said waste will be converted into renewable natural gas and compostable materials. It is a material consideration to DISTRICT that the AD facility operates as intended by this Amendment.

In the event CONTRACTOR no longer provides Transfer Station Services and/or Anaerobic Digestive Services as set out in the AGREEMENT and this amendment, DISTRICT reserves the right to direct the flow of solid waste, green waste, and organic waste produced and collected hereunder to any succeeding recycling firm with which DISTRICT has contracted, provided however that, in the event mileage to the succeeding recycling firm has increased ten percent (10%) over the mileage presently in effect between DISTRICT, CR Transfer, and AD facility, CONTRACTOR shall be entitled to additional compensation based upon acceptable proof submitted to DISTRICT of actual increased cost and provided further that, if the mileage decreases in excess of the same percentage, DISTRICT shall be entitled to a reduction in compensation it is obligated to pay.

DISTRICT will provide CONTRACTOR with copies of all agreements, and amendments thereto, which affect CONTRACTOR's performance hereunder including, but not limited to, contracts with any other recycler transfer station or green waste facility with which DISTRICT may contract, and any subsequent contract with City of Costa Mesa or other entity relating to DISTRICT's obligations affecting solid waste pickup and disposal. CONTRACTOR agrees to provide DISTRICT with copies of its contracts with others related to the performance of this AGREEMENT."

12. Section 29 of the AGREEMENT is hereby amended by deleting this section in its entirety and replacing it with the following:

"29. Residue/Flow Control. All residual waste from the processed semi-mixed stream of recyclables/trash shall be disposed in compliance with the DISTRICT's flow control agreement with the County of Orange.

DISTRICT and CONTRACTOR agree that the County shall be an express third-party beneficiary of this paragraph and shall be entitled to independently enforce the obligations of this paragraph."

13. Section 30 of the AGREEMENT is hereby amended to read:

"30. Waste Diversion. CONTRACTOR and DISTRICT acknowledge currently fifty percent (50%) of solid waste must be source reduced, recycled, or composted but that the passage AB 341 requires the State of California to set a policy of diverting seventy-five percent (75%) of solid waste generated by source reduced, recycled, or composted by the year 2020. In addition, the DISTRICT set a goal of achieving seventy-five percent (75%) diversion by 2015. CONTRACTOR agrees that in addition to meeting the fifty percent (50%) reduction level currently mandated, it will use its best efforts to achieve District goal of diverting at least seventy-five percent (75%) of the DISTRICT's waste stream. For the purpose of this paragraph, only the amounts of waste collected under this AGREEMENT shall be considered. Specifically, commercial and industrial waste collected under separate agreements and/or permits shall not be considered. CONTRACTOR shall prepare and maintain all appropriate documentation showing how diversion requirements were met."

14. Section 31 of the AGREEMENT is hereby deleted in its entirety and replaced with the following:

"31. Most Favorable Net to Hauler Rate. The DISTRICT's goal is to maintain net-to-hauler rates that do not exceed ten percent (10%) of the County average (less the AD project costing or other special charges making the rate comparison inequitable) during the term of this AGREEMENT. DISTRICT net-to hauler rates shall be calculated each calendar year by taking the

total compensation paid to CONTRACTOR and dividing it by the total number of units serviced (excluding Organics Recycling Program charges). Government entity administrative fees and franchise fees shall be excluded to attain the net to hauler calculation as set forth in Exhibit "B". If CONTRACTOR net-to-hauler rate revenue exceeds ten percent (10%) of the County average, CONTRACTOR shall rebate to the DISTRICT the amount necessary to achieve the ten percent (10%) threshold. This annual reconciliation of net-to-hauler rate revenues must be completed by August 1st of the subsequent calendar year.

For being the first agency in Orange County to commit to the AD facility, CONTRACTOR agrees the DISTRICT will have the lowest conversion technology rate in the County. If CONTRACTOR negotiates a lower rate with any Orange County agency, then that rate shall become the rate of the DISTRICT."

15. Section 32 of the AGREEMENT is hereby amended by adding a new section that reads as follows:

"j) Both parties agree that public outreach is an important part to the success of the Organic Recycling Program. Prior to implementation of the program, CONTRACTOR will conduct at least three (3) public outreach workshops throughout the community at its cost describing how the program works and what type of food can be collected. The DISTRICT will describe the program in its quarterly Newsletter and on its website."

16. Section 33 of the AGREEMENT is hereby deleted in its entirety.

17. Section 34 of the AGREEMENT is hereby amended to read as follows:

"34. Audit of CONTRACTOR. CONTRACTOR shall make available to DISTRICT an annual audit performed by an independent Certified Public Accountant who shall render an opinion that the statements fairly represent the financial condition of the company. Said opinion will be provided in accordance with Generally Accepted Accounting Standards. Internal trail reports shall accompany said audit report and shall show all revenue derived from recycling, composting, or the generation of gas or fuel from DISTRICT. DISTRICT shall be notified within ten (10) days of the audit report being available. The audit report shall not become a public record by such disclosure, and DISTRICT agrees that it will not be entitled by this Amendment to be provided with a copy. Nevertheless, the parties agree that DISTRICT and its officers, agents, or employees shall have access to the audit and financial statements at CONTRACTOR's facility in a reasonably comfortable area with table and work area."

18. Section 37 of the AGREEMENT is hereby amended by adding the following sentence:

"37. Master Manifest. CONTRACTOR shall maintain a master manifest in which the transportation and disposal of all waste from DISTRICT shall be logged. Such manifest shall

show disposal volumes, nature of the waste, and transporter and disposal sites. All of such records shall be provided to DISTRICT upon request. CONTRACTOR shall also document all tonnages by truck identification number, route, and date and provide this compiled data electronically to the DISTRICT within ten (10) business day of each month. All of such records shall be kept for fifty (50) years. Such records shall be provided to DISTRICT's personnel. CONTRACTOR will provide DISTRICT with an annual update to the master manifest that is consistent with the sample manifest identified in Exhibit C."

19. Section 42 of the AGREEMENT is amended to read:

"42. Indemnification of DISTRICT. CONTRACTOR agrees to indemnify, defend, and hold DISTRICT, and its officers, agents, and employees, harmless from any and all liability arising out of the performance of this AGREEMENT or the award thereof to CONTRACTOR, or the exclusive nature thereof or the rates charged, or the environmental review or lack of review or any related determination under the California Environmental Quality Act, save and except any liability caused by the sole active negligence of DISTRICT. Upon service of request for preparation of the administrative record or service of a petition or other pleading to challenge an environmental determination, CONTRACTOR shall defend DISTRICT and its officers, agents, and employees with counsel reasonably acceptable to DISTRICT, and pay all costs of defense. Said indemnification shall extend to payment for any penalties for failure to meet state mandated diversion rates. DISTRICT recognizes that its indemnification rights are circumscribed by Public Resources Code Section 40059.1."

20. Section 48 of the AGREEMENT is amended to read:

"48. Licenses and Permits. CONTRACTOR agrees to maintain during the life of this AGREEMENT all licenses and permits required by any governmental agency. CONTRACTOR further agrees to comply with such rules and regulations of the City of Costa Mesa adopted by ordinance or resolution relating to City of Costa Mesa's requirements under the California Integrated Waste Management Act of 1989 (Public Resources Code Sections 4000 *et seq.*) and to promptly rectify any default, which may occur.

21. Section 54 of the AGREEMENT is hereby deleted in its entirety and replaced with the following:

"...

54. Liaison. DISTRICT and CONTRACTOR shall each designate an individual to act as liaison between DISTRICT and CONTRACTOR as the respective agents of each which are named as follows:

DISTRICT

Scott Carroll, General Manager
628 W. 19th Street
Costa Mesa, CA 92627
949-645-8400

CONTRACTOR

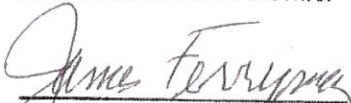
Dean Ruffridge, Senior Vice President
11292 Western Avenue
Stanton, CA 90680
714-826-9049

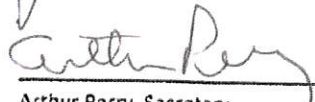
21. The term of this SECOND AMENDMENT shall become effective upon its adoption.

22. Except as specifically amended by the terms of this SECOND AMENDMENT, all provisions of the AGREEMENT as amended by the FIRST AMENDMENT shall remain in full force and effect.

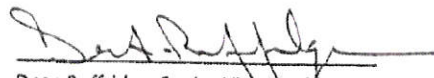
IN WITNESS WHEREOF, the parties hereto have caused this SECOND AMENDMENT to be executed this day and year first above written.

COSTA MESA SANITARY DISTRICT


James Ferryman, President


Arthur Perry, Secretary

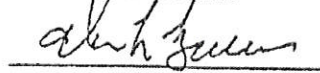
CR&R INCORPORATED


Dean Ruffridge, Senior Vice President

ATTEST:


District Clerk

APPROVED AS TO FORM:


District Counsel

**EXHIBIT A
CONTAINER DATA**

Standard Service Customer List Audit - Accounts with Listed Carts Above Standard Service

35-Gallon Cart Customers

CCUST#			BQTY	BSIZE	Audited	CR&R Explanation
5128	BEVERLY BENETT	1174 CHARLESTON ST , COSTA MESA	1	35	3	Under the 120 service level
5128	BEVERLY BENETT	1174 CHARLESTON ST , COSTA MESA	1	35		
5128	BEVERLY BENETT	1174 CHARLESTON ST , COSTA MESA	1	35		
8344	GARY KEMPINSKY	2060 GOLDENEYE PL , COSTA MESA	1	35	6	Disability - Approved by Tom Fauth
8344	GARY KEMPINSKY	2060 GOLDENEYE PL , COSTA MESA	1	35		
8344	GARY KEMPINSKY	2060 GOLDENEYE PL , COSTA MESA	1	35		
8344	GARY KEMPINSKY	2060 GOLDENEYE PL , COSTA MESA	1	35		
8344	GARY KEMPINSKY	2060 GOLDENEYE PL , COSTA MESA	1	35		
8344	GARY KEMPINSKY	2060 GOLDENEYE PL , COSTA MESA	1	35		
12249	RESIDENT	3216 NEW YORK AVE , COSTA MESA	1	35	4	Customer grandfathered at the 180 service level
12249	RESIDENT	3216 NEW YORK AVE , COSTA MESA	1	35		
12249	RESIDENT	3216 NEW YORK AVE , COSTA MESA	1	35		
12249	RESIDENT	3216 NEW YORK AVE , COSTA MESA	1	35		
14177	HELEN BALLINGER	290 PRINCETON DR , COSTA MESA	1	35	4	Customer grandfathered at the 180 service level
14177	HELEN BALLINGER	290 PRINCETON DR , COSTA MESA	1	35		
14177	HELEN BALLINGER	290 PRINCETON DR , COSTA MESA	1	35		
14177	HELEN BALLINGER	290 PRINCETON DR , COSTA MESA	1	35		
14666	MARY HOOGDWIN	1883 RHODES DR , COSTA MESA	1	35	4	Disability - Approved by Tom Fauth
14666	MARY HOOGDWIN	1883 RHODES DR , COSTA MESA	1	35		
14666	MARY HOOGDWIN	1883 RHODES DR , COSTA MESA	1	35		
14666	MARY HOOGDWIN	1883 RHODES DR , COSTA MESA	1	35		
17512	FRED D. KINDGREN	2056 TUSTIN AVE , COSTA MESA	1	35	4	Customer grandfathered at the 180 service level
17512	FRED D. KINDGREN	2056 TUSTIN AVE , COSTA MESA	1	35		
17512	FRED D. KINDGREN	2056 TUSTIN AVE , COSTA MESA	1	35		
17512	FRED D. KINDGREN	2056 TUSTIN AVE , COSTA MESA	1	35		
					6 Units in 35-Gallon	All Carts Billed Properly as Standard Service

**EXHIBIT B
RATES**

Hauler

$$9.1554 - 0.25 = 8.9054$$

Sample calculation for monthly and annual compensation

$$8.9054 \times 21,539 \text{ (Units)*} = \$191,813.41 \text{ (Monthly)} \times 12 = \$2,301,761 \text{ (Annually)}$$

*Units will fluctuate month to month

On the effective implementation date mutually agreed upon by both parties for the implementation of the Organics Recycling Program, the hauler rate will increase to 9.7954

Sample calculation for monthly and annual compensation

$$9.7954 \times 21,539 \text{ (Units)*} = \$210,983.12 \text{ (Monthly)} \times 12 = \$2,531,797 \text{ (Annually)}$$

CRT Recycling/Disposal

$$52.22 - 0.25 = 51.97 \text{ per ton}$$

Sample annual compensation

$$26,800* \text{ (67\% of total Tonnage)} \times 51.97 = \$1,392,796$$

*Tonnage includes trash and recyclable products

Conversion Technology

$$71.50 \text{ per ton}$$

Sample annual compensation

$$13,200* \text{ (33\% of total tonnage)} \times 71.50 = \$943,800$$

*Tonnage includes green waste and food scraps

Net to Hauler

Total compensation paid to CONTRACTOR by DISTRICT divide by the total units serviced annually

Sample calculation

$$\$4,446,605 \text{ (Compensation Paid)} / 258,466 \text{ (Units)} = \$17.20^{**} \text{ net rate}$$

If net-to-hauler rate revenue exceeds ten percent (10%) of the County average, CONTRACTOR shall rebate to the DISTRICT the amount necessary to achieve the ten percent (10%) threshold. This annual reconciliation of net-to-hauler rate revenues must be completed by July 1st of the subsequent calendar year.

** Excludes administrative fee

EXHIBIT C
SAMPLE MASTER MANIFEST

Master Manifest - CMSD Franchise

Material Type	CRT Recovered Materials for All Jurisdictions (Tons)	CMSD Franchise Tons	Destination Facility/Facilities
Newspaper	5,023.34	708.82	Nine Draggons, Dongguah, China
Cardboard	3,434.80	484.67	Nine Draggons, Dongguah, China
Mixed Paper	5,023.34	708.82	Nine Draggons, Dongguah, China
Glass	5,131.05	724.02	Strategic Materials, Los Angeles, CA
PET	672.00	94.82	America Chung Nam, Industry, CA
HDPE	176.83	24.95	Ekman Recycling, Fontana, CA
Aluminum Cans	216.60	30.56	Anheiser Busch, St. Louis, MO
Non-Ferrous Metal	21.66	3.06	McCloud Metals, South Gate, CA
Tin/Metal	2,620.33	369.74	McCloud Metals, South Gate, CA
Green Waste	107,290.34	15,139.32	Orange County Landfill System
Organic / Fines	1,972.71	278.36	Chiquita Canyon, Valencia CA
Wood	5,907.12	833.53	Olmak, Thermal, CA
Concrete/Asphalt	13,002.13	1,834.68	Arcadia Reclamation, Arcadia, CA
Drywall	69.64	9.83	
Mixed Plastic	176.83	24.95	Ekman Recycling, Fontana, CA
Shrinkage	11,697.52	1,650.59	CRT facility internal diversion
Other	593.44	83.74	Facilities above and various others
RECYCLED TON	163,029.68	23,004.47	
TOTAL LANDFILL		16,966.75	Olinda, Bowerman, Prima, OC, CA
TOTAL TONNAGE		39,971.22	