

EXHIBIT “A”

Calculation of Average Market Value of Source Separated Recyclables

The Parties acknowledge that the Average Market Value (AMV) of the City’s Source Separated Recyclables (SSR) must be based upon certain assumptions and estimates, as it is impractical to individually assess the composition of each load of SSR delivered to the ECUA MRF by the City. Consequently, the material percentages reflected in the City’s most recent composition study, as referenced or contemplated by paragraph 4.d, shall be deemed the best estimate of the composition of the City’s SSR.

The Parties also acknowledge that the City is but one of many polities delivering SSR to the ECUA MRF. Just as the City’s SSR must be estimated based upon its composition study, other estimations must also occur in reference to the SSR generated in other jurisdictions/areas. Moreover, it is impractical for ECUA to determine the individual AMV of each SSR stream.

Consequently, AMV shall be determined based upon an aggregation of the various composition studies of those entities which contribute SSR to the ECUA MRF.

AMV will be computed for the ECUA MRF as a whole using market indices reflecting the average value, in the Southeastern United States, of each Recyclable Material included in the SSR delivered to the ECUA MRF. Those market indices are designated as the RISI/OBM index and the Recyclingmarkets.net index, as appropriate, for the Southeastern United States.¹ Those indices are intended to reflect average values; they are not intended to equate to the revenue received by ECUA.

For the purpose of calculating AMV, the value of Rejects shall remain fixed at zero dollars.

¹If at any time during the term of this Agreement, RISI/OBM and/or Recyclingmarkets.net no longer post or otherwise provide an applicable market index, then the Parties shall mutually select an appropriate replacement source for the required information from among the sources recycling industry professionals utilize to obtain reliable Recovered Material pricing information, and this selection shall be memorialized in writing.

ECUA shall calculate the AMV of all Recyclables delivered to the ECUA MRF each calendar month. AMV calculations for each month shall be based upon the market indices first posted in the month. ECUA's calculation of AMV shall be deemed accurate, absent manifest error.

For illustrative purposes, Table A-1 calculates the AMV per ton for the SSR delivered to the ECUA MRF as a whole based upon the commodity prices first posted in the month identified. The AMV, computed in this fashion, will then be applied to Table A-2 to determine the compensation/charge to the City. The appropriate figure in Table A-2 will then be multiplied by the tonnage of SSR delivered to the ECUA MRF by the City for each month. The City shall then be compensated/charged accordingly on a quarterly basis, as set forth in paragraph 4.c of the Agreement.

Thus, if the City delivered to the ECUA MRF 60 tons of SSR in January, 2018; 40 tons of SSR in February, 2018, and 45 tons of SSR in March, 2018, based upon the information contained in Tables A-1 and A-2, the computation would be as follows:

January, 2018	$\$89.09 < \$95 \text{ -- } \$0 \times 60 \text{ tons} = \0
February, 2018	$\$89.54 < \$95 \text{ -- } \$0 \times 40 \text{ tons} = \0
March, 2018	$\$86.77 < \$95 \text{ -- } \$0 \times 45 \text{ tons} = \0
Total	$\overline{\$0}$

Accordingly, neither Party would owe the other Party any tipping fee or revenue share for SSR delivered to the ECUA MRF by the City for the first quarter of 2018.