

## EXHIBIT “A”

### Calculation of Average Market Value of Source Separated Recyclables

The Parties acknowledge that the Average Market Value (AMV) of the 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. Consequently, the material percentages reflected in the ECUA’s most recent composition study shall be deemed the best estimate of the composition of the SSR.

The Parties also acknowledge that the City is but one of many polities delivering SSR to the ECUA MRF.

Consequently, AMV shall be determined based upon the last composition study 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.<sup>1</sup> 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.

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.

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<sup>1</sup>If 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.

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 monthly basis, as set forth in paragraph 4.c of the Agreement.

Thus, if the City delivered to the ECUA MRF 400 tons of SSR in April, 2019; 300 tons of SSR in May, 2019, and 350 tons of SSR in June, 2019, based upon the information contained in Tables A-1 and A-2, the computation would be as follows:

April, 2019	$\$59.25 < \$65 -- \$31 \times 400 \text{ tons} = \$12,400$
May, 2019	$\$56.29 < \$65 -- \$31 \times 300 \text{ tons} = \$9,300$
June, 2019	$\$54.10 < \$55 -- \$41 \times 350 \text{ tons} = \$14,350$
	<u>Total</u> \$36,050

Accordingly, the City would owe the ECUA \$36,050 in tipping fees for SSR delivered to the ECUA MRF by the City for the second quarter of 2019.