

**CONTRACT AMENDMENT #2
INTERMEDIATE PROCESSING FACILITY
CAPACITY AGREEMENT**

Between

SOLID WASTE AGENCY OF LAKE COUNTY

And

WM RECYCLE AMERICA, L.L.C.

November 17, 2014

CAPACITY AGREEMENT AMENDMENT 2

THIS AMENDMENT 2 TO THE INTERMEDIATE PROCESSING FACILITY CAPACITY AGREEMENT made and entered into as of the 13 day of November, 2014 by and between WM Recycle America, L.L.C. ("Contractor") and the Solid Waste Agency of Lake County, Illinois ("Agency"); and

WHEREAS, the Contractor and Agency entered into an agreement for certain capacity for the members of the Agency in the Contractor's Intermediate Processing Facility on October 23, 2008 and Contract Amendment #1 on December 8, 2011 (collectively, the "Capacity Agreement"); and

WHEREAS, the Contractor and the Agency wish to extend the Agreement for a period of two (2) years, effective as of January 1, 2015 through December 31, 2016; and

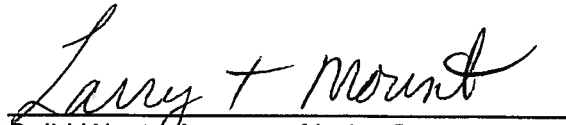
WHEREAS, the parties have agreed to amend certain portions of said Capacity Agreement.

NOW, THEREFORE, in consideration of the mutual promises set forth in the Capacity Agreement and for other good and valuable consideration, receipt of which is hereby acknowledged, the Contractor and Agency do hereby agree to amend the Capacity Agreement by substitution and or deletion of the following Sections in said Capacity Agreement:

1. This Amendment shall be effective January 1, 2015.
2. The Agreement shall continue through December 31, 2016, provided, however, that Contractor may terminate this Agreement upon ninety (90) days written notice to the Agency if the Stream Value drops below \$50 for any calendar month. The Agency and the Contractor by mutual agreement may extend the term of this Agreement for an additional term of up to three (3) years.
3. Schedule 2 shall be replaced in its entirety by the Schedule 2 attached hereto as Exhibit A.
4. Contractor shall have the right to renegotiate the Per Ton Payment if its operating expenses increase after November 1, 2014 due to changes in local, state or federal laws or regulations or the imposition of new taxes, fees or surcharges, in order to assure that the Contractor will be made whole as a result of any changes.
5. The Agency agrees that it will not enter into any agreement similar to the Capacity Agreement during the term hereof and that it will continue to encourage its members to utilize the IPF to Process all of their Recyclables.

6. Except as modified herein, all other terms of the Capacity Agreement, as amended previously, shall remain in full force and effect.


IN WITNESS WHEREOF, the Agency and Contractor have caused this Capacity Agreement Amendment 2 to be executed in their respective names, have caused their respective corporate seals to be hereto affixed, and have caused this Amendment to be dated as of the date and year first written above.



Solid Waste Agency of Lake County



WM Recycle America, L.L.C.



Attest



Attest

SCHEDULE 2
PER TON PAYMENT: JANUARY 1, 2015 – DECEMBER 31, 2016

Stream Value	SWALCO Rebate	Member Rebate
\$0 to \$64.99	\$0	\$0
\$65.00 to \$69.99	\$1.00	\$4.50
\$70.00 to \$74.99	\$1.00	\$7.00
\$75.00 to \$79.99	\$1.00	\$7.50
\$80.00 to \$84.99	\$1.00	\$8.00
\$85.00 to \$89.99	\$1.00	\$8.50
\$90.00 to \$94.99	\$1.00	\$12.00
\$95.00 to \$99.99	\$1.00	\$15.50
\$100.00 to \$104.99	\$1.00	\$19.00
\$105.00 to \$109.99	\$1.00	\$22.00
\$110.00 to \$114.99	\$1.00	\$25.00
\$115.00 to \$119.99	\$1.00	\$28.00
\$120.00 to \$124.99	\$1.00	\$31.00
\$125.00 to \$129.99	\$1.00	\$34.00
\$130.00 and above	\$1.00	\$37.00

The Material Composition percentages will be based on the below chart during 2015 and will be adjusted for 2016 based on audit of materials delivered to the IPF using the same methodology as the audit conducted by the Contractor in August 2014. Contractor will conduct the second audit in August 2015 and report the results to the Agency within 14 business days of the date the audit was performed. Contractor and Agency will use their best efforts to reach an agreement regarding Material Composition Percentages for 2016 on or before December 31, 2015.

	Material Composition
Newspaper #8	36.64%
OCC #11	10.29%
Mixed Paper #2	12.91%
Three Mix Glass	19.59%
Tin	1.67%
Aluminum	1.14%
PET	3.14%
HDPE Natural	1.16%
HDPE Colored	0.96%
Tubs and Lids	0.14%
Large Rigid Plastic	0.39%
Mixed Plastic Film	0.34%
Residue	11.63%
Total	100.00%

The value of the material per ton shall be calculated from the following sources:

1. The per ton value for all fiber grades (Newspaper #8, OCC #11 and Mixed Paper #2) of material shall be the High Side of the Midwest Region domestic RISI "Pulp and Paper" weekly for the Chicago area as indicated in the first published issue of each month.
2. The per ton value for Tin, Aluminum and Plastics (PET, HDPE Natural and HDPE Colored) shall be the High Side value for these grades as published by Recycling Data Management Corporation (Secondary Materials Pricing.com) the first week of each month for the Chicago area.
3. The values for Three Mix Glass, Residue and Mixed Plastic Film shall be the actual value for these materials as verified and reported to the Agency by the Contractor on a monthly basis within fifteen days following the end of the month in which the materials are delivered.
4. The values for Tubs and Lids and Large Rigid Plastic shall be priced at \$50.00 per ton, effective January 1, 2015 through December 31, 2016.

The Stream Value shall be calculated on a monthly basis by calculating the Stream Value from the beginning of each previous month and applying that value to the volume collected in the current month.

The below chart provides an example of the calculation of Stream Value based on August 2014 material values.

Commodity	Index Value	SWALCO Composition	
ONP #8	\$ 55.00	36.64%	\$ 20.15
OCC #11	\$ 80.00	10.29%	\$ 8.23
Mixed Paper #2	\$ 40.00	12.91%	\$ 5.17
Three Mix Glass	\$ (15.00)	19.59%	\$ (2.94)
Tin	\$ 120.00	1.67%	\$ 2.00
Aluminum	\$ 1,600.00	1.14%	\$ 18.24
PET	\$ 390.00	3.14%	\$ 12.24
HDPE Natural	\$ 1,120.00	1.16%	\$ 12.96
HDPE Colored	\$ 580.00	0.96%	\$ 5.59
Tubs & Lids	\$ 50.00	0.14%	\$ 0.07
Large Rigid Plastic	\$ 50.00	0.39%	\$ 0.19
Mixed Plastic Film	\$ (47.57)	0.34%	\$ (0.16)
Residue	\$ (47.57)	11.63%	\$ (5.53)
TOTALS		100%	\$ 76.21

In addition to the Agency Rebate set forth above, in the event Agency Members deliver more than 42,000 tons of Recyclable Materials in any calendar year, Contractor shall

pay SWALCO a bonus of \$5.00 per ton for each ton in excess of 42,000 per year. Such bonus will be paid on or before February 15 of the year following delivery.

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