

ADDENDUM NO. 2

REQUEST FOR PROPOSALS TO ESTABLISH A SOLID WASTE MANAGEMENT CONVERSION TECHNOLOGY FACILITY SANTA BARBARA, CALIFORNIA

February 9, 2010

This Addendum No. 2 provides answers to questions raised at the Pre-Proposal Meeting held in Santa Barbara on December 3, 2009; presents responses to written questions submitted by potential Proposers through February 5, 2010; and provides information modifying or clarifying the RFP.

The questions from the Pre-Proposal Meeting have been paraphrased, to a limited extent, for purpose of clarity and brevity in this written Addendum. In a few cases, duplicate and/or closely related questions were asked during the meeting; such questions have been combined herein for purpose of providing responses. Written responses provided in this Addendum No. 2 to questions asked during the Pre-Proposal Meeting are consistent with the verbal responses provided during the meeting, but supplemented or clarified as necessary. Proposers are reminded that only written responses to questions, issued through Addenda to the RFP, are considered formal and binding responses.

Part I - Responses to Questions from Pre-Proposal Meeting

- 1. Regarding the Btu analysis that was conducted for the waste feedstock, was there a determination as to what the moisture content is?**

The Btu analysis conducted as part of the Waste Characterization Study was based on literature information extracted from the Handbook of Solid Waste Management, Second Edition (Tchobanoglous, 2002). Laboratory analyses, including determination of moisture content, were not conducted. For purpose of Proposal preparation, Proposers should assume an average moisture content of 25 percent.

- 2. Is there sufficient power at the landfill for three phase electricity, and what is the capacity of the gas line?**

Electrical service to the site is provided by Southern California Edison. Based on information provided by Fortistar Methane Group, the Tajiguas Landfill Gas to Energy Project generates 4160 volts and steps up at the Southern California Edison Transformer to 25,000 volts (25 kv). Inquiries regarding project-specific needs and

the potential for interconnection for sale of electricity should be made directly by Proposers to Southern California Edison.

Two natural gas pipelines run along U.S. Highway 101 in front of the Tajiguas Landfill property. County staff believe that one pipeline is owned by Southern California Gas Company. The other pipeline is called the All American Pipeline and it is owned by Pacific Offshore Production Company (POPCO). Inquiries regarding project-specific needs and the potential for interconnection for sale of natural gas should be made directly by Proposers to these two companies.

- 3 Given the uncertainty associated with AB 222 and the renewable portfolio standard, as well as the uncertainty of what the CIWMB will look like in the future, how is that going to affect how guarantees will be made by the Proposers and treated by the Public Participants, especially as such guarantees relate to permitting? For example, as to green credit and those types of things, are you looking for best faith efforts type language, or are you wanting Proposers to anticipate the regulatory process? This is a floating target that we can't determine yet, and that might even be legislatively determined in some cases.**

The Performance Guarantees identified in Section 4.15 of the RFP and as specified by Proposers on Proposal Form 10, should be determined as part of Proposal preparation and made part of the Proposal. Of these, it is expected that the Environmental Performance Guarantee will be based on Applicable Law, air emissions or other operating parameters demonstrated at operating facilities, or such other methodologies adopted by the Proposer to estimate air emissions or other parameters. The basis of the Environmental Performance Guarantee will, at a minimum, be the limits and conditions specified by Applicable Law, which will include the environmental permits, or, if not covered by a permit, as required by Applicable Law or, if a more stringent limit is proposed, as proposed and incorporated in the Contract as a Contract Standard. The Contractor shall be responsible for meeting the requirements of Applicable Law and Contract Standards, without recourse, unless there is a Change-in-Law or Uncontrollable Circumstance. The Public Participants recognize that there may be changes in law that could occur, and have structured the RFP to provide recourse for such occurrences (see Section 5.10.14 of the RFP). Proposers may also submit a Base Case Proposal based on one set of assumptions, and one or more Alternative Proposals with different provisions for sharing of energy and materials revenues (see Section 8.2.2 of the RFP).

Regarding regulatory-driven revenues, please see response to Question 4 of Part I of this Addendum No. 2 and revised Pricing Proposal Form 4 included within Attachment 5 to this Addendum No. 2.

4. Regarding revenue sharing principles and the cap of 125%, does this fall within the provisions of 50% revenue sharing?

No. For further clarification regarding regulatory driven revenues, please see revised Pricing Proposal Form 4 included within Attachment 5 to this Addendum No. 2.

5. Given that this is, for some Proposers, the third time around, how is this time different and can you address the issues that you see coming forward with regard to successfully going through this effort as opposed to the other ones? What are the lessons learned and how is this going to succeed?

The Public Participants have been looking at conversion technologies for quite awhile. A lesson learned is that this is a community project that the community needs to desire and want. For the current procurement process, we started from that grass roots perspective and included our elected officials in that process as we moved forward. Previously, we looked at it in a very technical perspective, as a problem we needed to solve as staff technicians. We didn't effectively bring the community along, and ended up running into various hurdles that we couldn't jump over. This time, we have done a thorough job reaching out to the community. Other differences from the last time include interest in renewable energy and independence of foreign energy sources, as well as the impact of greenhouse gases on the global climate and how this project may play into that. Why is it better this time? The time is right. The communities are embracing this project, and it is being pursued following the political leadership of the communities. It is being viewed from many perspectives, not just as a waste solution.

That being said, this project will be one of the first in the state of California. There are no guarantees that this project will succeed. Permitting and the related project issues that go on at the state level and local level, are not the easiest. They are very challenging. Proposers are encouraged to talk with State and local experts about working through the permitting process, particularly the local planning department. There are a lot of issues and they overlap. Proposers should be sure to clearly understand such issues, relying, as applicable, on local expertise.

6. Please comment or explain in more detail the tipping fees and how they are to be derived.

The Acceptable Waste Tipping Fee is to be an all-inclusive, common tip fee for the Public Participants, calculated in accordance with Section 5.2.2 of the RFP. The Contractor shall be paid a Disposal Service Fee monthly based on the Acceptable Waste Tipping Fee and the monthly tonnage delivered. The Acceptable Waste Tipping Fee is to be based on the minimum and maximum tonnages that are

specified in Table 5-1 of the RFP. All-inclusive means the Acceptable Waste Tipping Fee shall be derived based on all the costs the Proposer anticipates it would incur, including but not limited to: permitting, financing, design and construction, operation and maintenance costs over the Term, Contractor overhead and profit, and the payments that would be made to the County (e.g., Site Lease Payment, Contract Administration Payment, Grant Fund Payment, and costs for transport and disposal of residue, bypassed waste and unmarketed products at the Tajiguas Landfill). All-inclusive also means the Acceptable Waste Tipping Fee shall be derived based on anticipated revenues to be earned and retained by the Contractor. As described in Section 5.2.8 of the RFP, the operations component of the Acceptable Waste Tipping Fee shall be subject to annual adjustment by the Adjustment Factor.

7. **In table 7.3, Criterion 2.5 is talking about the permitting and construction of a facility such as that proposed, yet none of these have actually been permitted and built so far. In the way that this will be judged, that basically gives a "zero" for any of these technologies. Perhaps I am not understanding correctly.**

Table 7-3 provides the Comparative Evaluation Criteria; the information included therein is guiding language for application of such criteria, intended to help distinguish the specific advantages of the various Proposers. Criterion 2.5 addresses the regulatory and permitting experience of the Proposer, inclusive of the permitting engineer and other Participating Firms, as applicable, that make up the Proposer's team. In applying Criterion 2.5, a key consideration will be experience in permitting the proposed conversion technology. Consideration will also be given to permitting experience for similar solid waste facilities, including facilities that are representative of components of the proposed facility (e.g., waste receiving and processing, material recovery, power generation, etc.). Permitting experience in California will be considered for both the proposed conversion technology and similar technologies. Proposers are encouraged to provide detailed information regarding directly comparable as well as related permitting experience, to allow the Evaluation Committee to assess and compare experience.

8. **Can the date of operations be accelerated in order to take care of the ARRA requirements?**

Yes, operations can be accelerated. The schedule established for the project assumes the Facility will be operational no later than December 1, 2015, but earlier operation is encouraged (see Section 4.2.6 of the RFP). In addition, proposal evaluation Criterion 5.8 in Table 7-3 of the RFP provides for a higher ranking for early completion. As part of the Proposal, Proposers shall provide a detailed project

schedule and shall identify a proposed Acceptance Date for commercial operation of the Facility (see Section 8.7.8 and Proposal Form 10 of the RFP).

9. The administrative costs - when do they have to start being paid?

The Contractor shall begin paying the Contract Administration Payment upon Facility financing. The payment amount is \$50,000 per year beginning with Facility financing, and increases to \$160,000 per year at the Commercial Operation Date and continuing through the Term of the Contract (with both amounts subject to annual adjustment by the Adjustment Factor). Payments are to be made quarterly, with the first payment being prorated, as appropriate. See Section 5.2.3 of the RFP for additional details regarding the Contract Administration Payment. The RFP definition of "Contract Administration Payment" is clarified to read as follows:

***"Contract Administration Payment"** means a payment made by the Contractor to the County for the County's cost to provide day-to-day operational oversight on behalf of the Public Participants, as set forth in Section 5 of this RFP.*

10. When will you have information available to us for the lease payment?

The Site Lease Payment shall be \$4.4 million per year (February 2010 dollars and escalated annually by 2%, as opposed to being adjusted by the Adjustment Factor). The Site Lease Payment shall begin upon the Commercial Operation Date and shall continue through the Term of the Contract. The Site Lease Payment shall be payable in equal monthly installments on the first business day of each month for the lease and use of the Potential Site.

11. Please clarify when the term begins - time of operation, time of construction, time of award?

The Term begins with the Contract Date (defined as the date of delivery of the Contract as executed by the parties thereto), and includes the time through construction and acceptance of the Facility, plus operation of the Facility after acceptance (see Section 5.10.1 of the RFP).

12. The RFP provides for future adjustments to the delivery requirements. Are the tonnages provided in the RFP (Table 5-1) the values that are anticipated in 2015, when operations are expected to commence, or will adjustments be made during construction and commercialization phase of the project?

The Minimum Annual Delivery Requirement and the Maximum Annual Delivery Threshold, presented in Table 5-1 of the RFP in terms of tons per year, are to be

effective as of the Commercial Operation Date (i.e., the beginning of operations) and shall remain in effect for the first five Contract Years following the Commercial Operation Date. The periodic reset provisions specified in Section 5.1.5 of the RFP will not be applicable until the sixth Contract Year following the Commercial Operation Date.

13. Is there potential to use the landfill methane gas that is currently being collected and flared within our process?

Located at the landfill is a gas collection and conditioning system, an enclosed ground flare, and an IC engine generating facility. There is currently a Landfill Gas Lease and Operating Agreement (Agreement) between NEO Tajiguas LLC (NEOT) and the County of Santa Barbara. The Agreement expires on March 13, 2018. Following any termination of the Agreement, NEOT shall abandon and leave in place all of the Collection System, the Flare Facility, any equipment installed by NEOT in the Condensate System, any pipeline, and the pad for the Facility. At the time of termination, NEOT shall perform at NEOT's expense any and all work required for the Collection System and the Flare Facility to be fully operational and in compliance with existing permits immediately following such termination. All equipment required to make the Collection System fully operational and any equipment left at the Landfill after NEOT surrenders possession of the premises shall become the sole and exclusive property of the County. The Agreement does not require NEOT to leave the engine or the building to the County. NEOT could decide whether to leave or sell the engine and/or the building to the County at the end of the term of the Agreement. The County has encouraged Fortistar Methane Group, the current owner of NEOT, to consider opportunities and advantages of working with the Proposers for the Conversion Technology Project. Proposers are encouraged to contact Fortistar to explore opportunities. Contact information for Anthony Falbo, Vice President and General Manager of Fortistar Methane Group, is provided in Section 2.4 of the RFP.

14. Could you provide more information on the additional land that is adjacent to the landfill and possibly available for the project?

The Potential Site consists of the area within the Tajiguas Landfill property that is level and cleared and referred to as the "operations deck" (see Appendix D, Figure 4, of the RFP). The RFP refers to additional, limited space that may be available for project development. As described in Section 2.1 of the RFP, this additional space is the land within the landfill property that is immediately adjacent to the operations deck and that would require regrading for use, and land in the vicinity of the scalehouse and maintenance facility (see Appendix D, Figure 1, of the RFP). Only these areas that are within the landfill property are available for the project. As described in the RFP, the County owns a parcel of land called the "Baron Ranch"

that abuts the landfill property to the east. This abutting property is not available for the project, except as described in the response to Question 8 of Part II of this Addendum No. 2 regarding use of the Baron Ranch's agricultural activities as part of an Alternative Proposal.

15. Should we assume that we will have all the easements and right of ways (e.g., for utility lines and interconnections), whether on County property or not?

Proposers should perform the necessary due diligence regarding the need for easements and rights of way and the ability and cost to acquire such easements and rights of way. Proposers may assume that they will be granted easements and rights of way that are fully on County property.

16. Will the video recording of the Pre-Proposal Meeting will be available for download?

The video of the Pre-Proposal Meeting is available on the project website, which can be accessed from the following link: <http://www.conversiontechnologystudy.com/>

Proposers are reminded that only written responses to questions, issued through Addenda to the RFP, are considered formal and binding responses. This Addendum No. 2 provides written responses to the questions that were asked during the Pre-Proposal Meeting.

17. Please clarify the basis from which shortfalls and excesses will be determined.

Table 5-1 of the RFP specifies the Minimum Annual Delivery Requirement (192,102 tons, in aggregate) and the Maximum Annual Delivery Threshold (222,756 tons, in aggregate) as well as the individual waste commitments of each Public Participant. If an individual Public Participant doesn't meet the specified Minimum Annual Delivery Requirement, that is a shortfall. If an individual Public Participant exceeds the aggregate Maximum Annual Delivery Threshold, that would be an exceedance. However, the Public Participants have opportunity to share amongst themselves, regarding meeting individual commitments of waste supply or exceeding the established thresholds. There will be no shortfall penalty or payment for an exceedance if the Public Participants in total meet the aggregate limits specified or if Spot Market Waste is used to make up a shortfall. As outlined in Section 5.1.5 of the RFP, there is a provision for periodic reset of delivery requirements.

18. Will it be possible to operate a CT facility outside the standard landfill operating hours? Is 24 hours, 7 days a week operation possible?

Yes, 24/7 operation is possible. However, as described in Section 4.1 of the RFP, waste deliveries to the Facility are limited to the current operating hours at the Tajiguas Landfill.

19. Please define independent waste processing lines and if possible the logic behind requiring at least two.

As specified in Section 4.1 and Appendix F of the RFP, there shall be a minimum of two (2) independent waste processing lines. This requirement pertains primarily to the conversion technology equipment. The intent is to provide adequate redundancy of processing equipment to reduce the frequency and extent of Bypassed Waste due to shutdowns and to ensure the capability to operate at an annual rate of no less than eighty-five percent (85%) of Rated Capacity. Appurtenant equipment and systems shall also include redundancy, unless other measures are incorporated to support continuous operation of the conversion process. For example, redundancy should be provided for pre-processing systems, unless there is sufficient intermediate storage to support continuous operation of the conversion process in the event the pre-processing equipment is down. The RFP also specifies that there shall be a maximum of seven (7) conversion units, unless the Proposer can demonstrate the need for, and the viability of, a greater number of units. The intent is that the Facility is equipped with commercial-scale conversion technology appropriately sized for the overall capacity of the Facility, and not a large number of units intended for smaller application.

20. We are assuming that legal counsel has done a review for the JPA on environmental liabilities. For instance, who owns pollution at the end of the day? Everyone is going to have something that is emitted into the atmosphere or as an effluent. If you have this review, is it available for us?

The Contractor, as owner, operator and permittee of the Facility, would own the pollution from its proposed operation. Conceivably, the County owns the land and may have some secondary responsibility. The financial guarantees and indemnity provisions of the Contract are intended to protect the County from just that instance. It is essential that the Proposer anticipate the pollution and clearly deal with it, e.g., in terms of air quality permits, solid waste permits, CERCLA (if that should apply).

21. What happens over the course of the term of the Contract if the County makes plans to close, cap or remediate part of the landfill? Is the County committed to teaming up with the operator to do an AB-389 process, or is there going to be some joint effort to protect the operator of the Facility, which is meant to

replace the landfill, from the fact that it's sitting on an operating landfill, and any potential liabilities associated therewith? We can't control if someone's going to sue over the landfill, and now we're going to be there too. Is the operator responsible for landfill-oriented lawsuits? How should this be addressed in our Proposal?

The Contract anticipates that the Contractor would be liable only as to its own operations, not what may be occurring in terms of future liability for the landfill operation or for what's already in place at the landfill. Contractor may address this by way of an indemnity provision. We anticipate the Contract will include a broad indemnity provision. Proposers should be clear in their Proposals the assumptions that are made.

22. For the Potential Site identified in the RFP, has some of the permitting been done in advance on the County side?

Other than to the extent that the property has been identified in the County's existing Solid Waste Management Permit as allowing this use, no further permitting has been done regarding the Potential Site.

23. As to the RFP provision that specifies purchase of Facility, how is it that the one dollar (\$1.00) figure came about?

Section 5.4 of the RFP outlines the provision by which the Public Participants have the option to acquire the Facility at the expiration of the Term for a payment of one dollar (\$1.00). This provides an option for public ownership at the end of the Term, and provides the Public Participants with a platform from which to negotiate what they consider to be a fair price and set of terms should they opt for Contract renewal. The amount of one dollar (\$1.00) was set based on the assumption that the Contractor would amortize the cost of the Facility over the Term. This also provides a common basis for preparing Proposals.

24. Do you foresee any restrictions on traffic after the normal business hours of the landfill out at the site?

Regarding traffic accessing the site during non-landfill hours for public outreach/educational purposes, this would not likely be problematic, but may have to be planned for and specified during the permitting/approval process. Regarding traffic associated with the movement of product out of the facility, each Proposer's plan to do so should be described in the Proposal, with consideration given to traffic impacts (e.g., if during peak travel times) and to noise/light pollution (e.g., for vehicle activity at night).

25. What are you thinking about and anticipating for an education center?

The RFP requires that the Facility include a visitors and public education center, and it requires that the Contractor assist the Public Participants with their public information programs by providing information to support those programs (see Sections 4.3, 4.14 and Appendix F of the RFP). Specific requirements as to the features and components of the visitors and public education center and the tasks to support the public information programs have not been established, although, the RFP does provide some guidance as to the types of activities that may be beneficial (see RFP Section 4.14 and Appendix F). Proposers are not limited in what shall be provided, and shall describe what is proposed as part of the Technical Approach of the Proposal (see RFP Section 8.7.7).

26. With regard to Alternative Proposals, could you comment and walk us through what would be the timeline and how those would work? Since it is going to be a little bit different, we propose it, when do we hear back, when do we know if that would be something that would be considered or not?

The Public Participants will consider Alternative Proposals only for those cases identified in the RFP or by Addenda to the RFP (see Sections 1.6 and 8.2.2 of the RFP). Prior to the deadline for submitting written questions, a Proposer may request approval from the Public Participants to submit Alternative Proposals based on technical or business options not listed in the RFP or Addenda to the RFP. Such written requests will be provided a response in the form of Addenda to the RFP, which will be distributed to all potential Proposers. Alternative Proposals are due at the same time as Base Case Proposals. All Proposals (Base Case and Alternative Proposals as allowed by the RFP or Addenda to the RFP) will be evaluated using the same evaluation process and criteria and on the same schedule.

27. Are there any specific criteria or procedures that must be followed to request approval for an Alternative Proposal?

A request for approval of an Alternative Proposal must be made in writing prior to the deadline for submitting written questions, in accordance with the procedures outlined in Section 6.2.4 of the RFP for submittal of requests for additional information or clarification.

28. Just to clarify, are we allowed to run 24/7 or do we need to seek approval to do so, and is the co-generation plant running 24/7?

The Facility can operate 24/7. However, as described in Section 4.1 of the RFP, waste deliveries to the Facility are limited to the current operating hours at the Tajiguas Landfill. The Proposal should specify whether the visitor and public

education center will be open and accessible beyond the normal operating hours of the landfill, and if other activities that directly involve access to and from the site will occur beyond the normal operating hours of the landfill (e.g., the movement of products to market). These activities may have to be planned for and specified as part of the permitting/approval process. For further information, see the response to Question 24. The co-generation plant is permitted for operations 24 hours / 7 days a week.

29. The RFP identifies 4,000 tons of plastics and 15,000 tons of sludge that could potentially be used. If we include those materials, would that be considered part of the Alternative Proposal or part of the Base Case Proposal?

As identified in Section 3.5 of the RFP, the materials cited in the question (agricultural plastic and biosolids, and also waste tires) that are generated in Santa Barbara County, are included within the definition of Acceptable Waste, but are materials that would not be provided through the tonnage commitments that are made by the Public Participants (see Section 5.1.4, Table 5-1 of the RFP). The Contractor is under no obligation to accept such materials. If it chooses to, the Contractor may accept such materials at the Facility as Spot Market Waste without changing the Base Case Facility Size, to deal with the fluctuations of waste quantities that may occur within the Minimum Delivery Requirements and Maximum Delivery Thresholds. If the Facility size is proposed to be greater than the Maximum Annual Delivery Threshold of 222,756 tons per year to allow for the acceptance and processing of agricultural plastic, sludge, waste tires, and/or other types of Acceptable Waste generated within Santa Barbara County, this would be considered an Alternative Proposal. The RFP allows Alternative Proposals for a larger Facility size, to receive and process Acceptable Waste above the aggregate Maximum Annual Delivery Threshold, if (i) related site and environmental issues can be successfully addressed, (ii) such supplemental waste results in no or limited Bypassed Waste and no Unacceptable Waste being deposited in the Tajiguas Landfill and limits the amount of additional Residue that would be deposited in the Tajiguas Landfill, and (iii) such waste is not generated from out-of-County sources (see Section 8.2.2 of the RFP).

30. Is there any soils report on the site, and would any remediation be needed to build on the site?

The operations deck (i.e., the Potential Site area) was constructed by the County. Detailed soil analysis is not available. Remediation for contamination is not expected to be required to build on the Potential Site.

Part II - Responses to Written Questions Submitted Through February 5, 2010

- 1. We are a Short Listed Proposer that has a question regarding Criteria 8: Would the Public Participants allow a CT that has been in commercial use for several years and has successfully processed tens of thousands of tons of waste but did not meet all the Criteria 8 requirements as of the original October 20, 2009 deadline but will greatly exceed these requirements as of the April 21, 2010 submission date for the final RFP?**

The Public Participants will consider Base Case Proposals from the Short Listed Conversion Technology Companies for the specific conversion technologies for which each individual company was originally short-listed.

A Short Listed Proposer may submit an Alternative Proposal for a different conversion technology than that for which it was short listed, as long as that alternative conversion technology would meet the Minimum Evaluation Criteria specified in Tables 7-1 and 7-2 of the RFP. For purpose of applying Criterion 8 of Table 7-1 to an alternative conversion technology proposed by a Short Listed Company as an Alternative Proposal, the specified date of "October 20, 2009" is changed to "as of the Proposal Submission Date".

- 2. Can a Short Listed Proposer submit a modified Base Case Proposal that includes a CT not included in its initial Base Case or would this necessitate the submission of an Alternative Proposal?**

The Public Participants will consider Base Case Proposals from the Short Listed Conversion Technology Companies for the specific conversion technologies for which each individual company was originally short-listed. Modified Base Case Proposals will not be accepted. However, Alternative Proposals are allowed from Short Listed Proposers for a different conversion technology than that for which it was short listed in accordance with the response to Part II - Question 1 immediately above.

- 3. Does the Proposal Bond for a Base Case Proposal also cover an Alternative Proposal?**

The Proposal Bond (or alternative security) provided by a Proposer will cover the Base Case Proposal as well as any and all Alternative Proposals submitted by a Proposer. However, as specified in Section 6.2.18 of the RFP, additional security beyond the Proposal Bond or alternative security requirements specified in the RFP may be required from the Preferred Proposer if the Public Participants elect to negotiate a contract with the Preferred Proposer based on an Alternative Proposal.

4. **Do the SCS engineers have any additional data that could provide information on the moisture content of the waste? Do they have any information that could be used to generate a comparison of the Santa Barbara waste to the national averages used in the waste study?**

See response to Question #1 of Part I of this Addendum No. 2 regarding moisture content.

5. **If the JPA exercises its option to acquire the site at the end of the contract term, will the JPA be subject to any existing debt on the project?**

As a point of clarification, the County owns the Potential Site and intends to retain ownership of the land. Section 5.4 of the RFP provides the Public Participants the exclusive option, at their sole discretion, to acquire the Facility and any other improvements made by the Contractor at the Potential Site for a payment of one dollar (\$1.00) at the end of the Contract Term. If the Public Participants exercise their option to purchase the Facility at the expiration of the Term, the Public Participants will not be subject to any existing debt on the project. Proposals shall be based on the assumption that the debt service will be fully paid down by the completion of the initial, 20-year operating period.

6. **If the JPA acquires the site, will the requirement to remove the facility by the Contractor terminate?**

If the Public Participants exercise their right to acquire the Facility, the Contractor's requirement to remove the Facility will terminate.

7. **When will contract with the existing landfill gas power generator expire and will the Contractor have the rights to use the landfill gas produced at Tajiguas?**

The Contract expires on March 13, 2018. The County of Santa Barbara is open to negotiating landfill gas rights.

8. **Could you provide a contact name and phone number for the Baron Ranch operator company?**

Baron Ranch is officially owned and managed by the County of Santa Barbara Department of Public Works; however, the County does subcontract out the harvesting and selling of fruit produced on the ranch to Agricultural Lands Management. The County is currently in the process of developing a comprehensive restoration project for the area, which will greatly impact current agricultural operations. The use of Baron Ranch's agricultural activities should not

be included in a Base Proposal. However, the Public Participants will allow, as an Alternative Proposal, the use of Baron Ranch's agricultural operations. All questions related to the management of Baron Ranch should be directed to the County through the process established in the RFP for requests for clarification and additional information (see RFP Section 6.2.4).

9. Could you provide phone numbers for contact people at the Santa Barbara Air Pollution Control District and the Local Enforcement Agency?

Air Pollution Control District - Mike Goldman - (805) 961-8821; Department of Public Health (Local Enforcement Agency) - Lisa Sloan - (805) 681-4942

10. Could you please verify the contact information for Fortistar Methane Group?

The contact information for Anthony Falbo, Vice President and General Manager of Fortistar Methane Group, is correct as provided in Section 2.4 of the RFP. Mr. Falbo can also be reached via email at ajfalbo@fortistar.com

Part III - RFP Clarifications and Modifications

1. Pre-Proposal Meeting - List of Attendees

All of the short-listed companies were represented (in person or by video teleconference) at the December 3, 2009, Pre-Proposal meeting. Attachment 1 to this Addendum No. 2 provides a list of the attendees.

2. Short-listed Proposers

The final short-list for the Santa Barbara Conversion Technology Project was issued on December 21, 2009, as RFP Notice #1. The final short-list is reproduced in Attachment 2 to this Addendum No. 2.

3. Letters of Support

Appendix C of the RFP included letters of support for the project from the County of Santa Barbara, the City of Santa Barbara and the City of Goleta. Letters of support from the Cities of Buellton and Solvang are provided as Attachment 3 to this Addendum No. 2.

4. Permitting Process - Requirement to Obtain Conditional Use Permit

As a point of clarification, a Conditional Use Permit (C.U.P.) will be required for this project. During the Pre-Proposal meeting, it was stated that a C.U.P. may not be required.

5. Facility Areas Requiring Enclosure - Products

The RFP is modified to allow for product storage in areas that are not enclosed, when such storage can be accomplished in an environmentally safe manner, without imposing nuisance conditions or other detrimental conditions, and when such products would be allowed to be stored in such a manner under all expected permits and approvals that would be required for the Facility.

6. LEED Certification Requirement

The RFP is modified to eliminate the requirement that buildings be designed to meet at least minimum LEED certification requirements. However, green building practices are encouraged, and the use of such practices will be considered in the comparative evaluation of Proposals.

7. Contractor Payments and Costs (RFP Section 5.2.3)

Section 5.2.3 of the RFP is modified to say that Contractor Disposal Costs for unmarketed products and materials shall be \$50 per ton (subject to annual adjustment in accordance with the Adjustment Factor), and Contractor Disposal Costs for Bypassed Waste shall be equal to the Acceptable Waste Tipping Fee (AWTF). Contractor Disposal Costs for residue shall be \$25 per ton (subject to annual adjustment in accordance with the Adjustment Factor).

8. Cost Savings Sharing

The provisions for Cost Savings Sharing (Section 5.2.6 of the RFP) are intended to provide for an equitable reduction in the Shortfall Fee, in addition to providing an equitable reduction in the Acceptable Waste Tipping Fee and the Excess Tonnage Fee; the RFP is modified to be consistent with this intent. Pricing Proposal Form 1A has been added to require Proposers to delineate its Proposal for Cost Savings Sharing. As a point of clarification, Cost Savings Sharing shall also be provided if there is a reduction in the amount or cost of financing as described in the Proposed Financing Plan.

9. Contract Year

The definition of Contract Year is modified to say that the first Contract Year shall begin on the Contract Date, rather than the Commencement Date.

10. Change-in-Law

The definition of Change-in-Law is modified to change all references therein of "Contract Date" to "Proposal Submission Due Date". Attachment 4 to this Addendum No. 2 provides a revised version of the full definition of Change-in-Law.

11. Tipping Fee Adjustments - \$50,000 Threshold Associated with Uncontrollable Circumstances and Changes-in-Law

Section 5.2.8 of the RFP (Tipping Fee Adjustments) specifies that the Contractor shall not be entitled to an adjustment for Uncontrollable Circumstances or Changes-in-Law if the costs associated with such Uncontrollable Circumstances or Changes-in-Law are less than \$50,000 individually or, if more than one event, in the aggregate in any one Contract Year. As a point of clarification, the \$50,000 threshold is an October 2009 value that is subject to annual adjustment by the Adjustment Factor.

12. Pricing Proposal Form 1 (Prices for Services)

Pricing Proposal Form 1 is changed to clarify that prices are to be expressed in dollars corresponding to the Proposal Submission Due Date, along with other minor clarifications (see Attachment 5 to this Addendum No. 2).

13. Pricing Proposal Form 2 (Estimated Facility Development Cost)

Pricing Proposal Form 2 is changed to clarify that costs are to be expressed in dollars corresponding to the Proposal Submission Due Date and to clarify that such costs are the basis for Cost Savings Sharing (see Attachment 5 to this Addendum No. 2).

14. Pricing Proposal Form 3 (Estimated Operating & Maintenance Costs)

Pricing Proposal Form 3 is corrected to specify that the Grant Fund Payment is equal to \$20,000. It is also changed to clarify that costs are to be expressed in dollars corresponding to the Proposal Submission Due Date and to clarify that such costs are the basis for Cost Savings Sharing. The revised Pricing Proposal Form 3 is provided in Attachment 5 to this Addendum No. 2.

15. Pricing Proposal Form 4 (Annual Product Revenues/Basis for Revenue Sharing)

Pricing Proposal Form 4 is changed to clarify that costs, unit prices and net revenues are to be expressed in dollars corresponding to the Proposal Submission Due Date and to clarify that such costs are the basis for Revenue Sharing. Pricing Proposal Form 4 is also changed to clarify that regulatory-driven revenues are to be included in the completed form (see Attachment 5 to this Addendum No. 2).

16. Pricing Proposal Form 5A (Spot Market Waste Revenues and Fees)

Pricing Proposal Form 5A is changed to clarify that prices and revenues are to be expressed in dollars corresponding to the Proposal Submission Due Date (see Attachment 5 to this Addendum No. 2).

17. Pricing Proposal Form 6 (Estimated Cost for Facility Removal and Restoration of the Potential Landfill Site)

Pricing Proposal Form 6 is changed to clarify that the estimated cost for Facility removal and restoration of the Potential Landfill Site shall be as of the Proposal Submission Due Date (see Attachment 5 to this Addendum No. 2).

18. Grant Fund Payment

The definition of Grant Fund Payment and corresponding sections of the RFP are modified to specify that payment of the Grant Fund Payment shall begin with the Commercial Operation Date.

ATTACHMENTS

- Attachment 1: List of Pre-Proposal Meeting Attendees
- Attachment 2: Final Short-List
- Attachment 3: Letters of Support from Buellton, Solvang
- Attachment 4: Revised Definition for Change-in-Law
- Attachment 5: Revised Pricing Proposal Forms

Attachment 1: List of Pre-Proposal Meeting Attendees

Attended in Person	Attended via Web Teleconference
Teri Cohen Link (ArrowBio/CR&R)	Ann Bane (Ocean Gate General Contractors)
John Ingersoll (Ecocorp)	Alisdair MacLean (Plasco Energy)
Gordon Chirdon (NRG Energy)	Dave Shelton (AdaptiveARC)
Greg Shipley (Tajiguas Partners)	Claire Mamakos (Remediation Earth)
John Dewey (Dewey Group/Mustang Power)	Monica Goepfert (Interstate Waste Technologies)
Cecil Ramos (Dewey Group/Mustang Power)	Frank Campbell (Interstate Waste Technologies)
Steve Myers (Mustang Power)	Michelle Nicholls (SCS Engineers)
Douglas Urban (Bekon Technologies/Mustang)	Marc Bierdzinski (City of Buellton)
Tim O'Meara (Waste 2 Energy Solutions/Mustang)	Ed Andrisek (City of Buellton)
Laurel Perez (Suzanne Elledge/Mustang Power)	
Bob Norman (IES)	
Gresham Eckrich (Fugro West)	
Greg Donlinger (Fugro West)	
Steve Price (Herhof)	
Tal Finney (Herhof)	
Ed Hole (Herhof)	
Paul Chinen (Hefhof)	
Gary Stanley (Herhof)	
Javier Dominguez (Urbaser)	
Whitney Smith (AECOM/Urbaser)	
Travis Taylor (AECOM/Urbaser)	
Jeorg Blischke (AECOM/Urbaser)	
George Amoon (AECOM/Urbaser)	
Michael Hackett (AECOM/Urbaser)	
Sue Higgins (ARI)	
Jim Binder (ARI)	
Chip Clements (Clements Environmental)	
Ray Biering (Adamski Moroski Madden & Green)	
Mary Rose (Mary Rose & Associates)	
Mark Schleich (County of Santa Barbara)	
Mark Tautrim (County of Santa Barbara)	
Leslie Wells (County of Santa Barbara)	
Carlyle Johnston (County of Santa Barbara)	
Reece Michaelson (County of Santa Barbara)	
Imelda Cragin (County of Santa Barbara)	
Shannon Barcelona (County of Santa Barbara)	
Stephen MacIntosh (City of Santa Barbara)	
Kristy Schmidt (City of Santa Barbara)	
Jeremy Tittle (County of Santa Barbara)	
Chris Henson (County of Santa Barbara)	
Lisa Sloan (Public Health (LEA))	
Mike Goldman (Air Pollution Control District)	

Attachment 2: Final Short-List

<p style="text-align: center;">Santa Barbara, California Conversion Technology Project Final Short-List December 21, 2009</p> <p style="text-align: center;">(Unranked - Listed Alphabetically by Type of Technology)</p>
<p><u>Anaerobic Digestion</u></p> <p>CA Renewable Technologies - CR&R/Arrow Ecocorp Mustang Renewable Power Ventures (BEKON) Urbaser (MBT - anaerobic digestion)</p>
<p><u>Thermal Processing</u></p> <p>AdaptiveARC (Plasma Gasification) International Environmental Solutions (Pyrolysis) Interstate Waste Technologies (Gasification) NRG Energy (Plasma Gasification) Plasco Energy Group (Plasma Gasification) Tajiguas Partners - WTE/Entech (Gasification)</p>
<p><u>Other Technology</u></p> <p>Herhof California (Biological Drying/Mechanical Separation/Off-Site Combustion)</p>

Attachment 3: Letters of Support from Buellton, Solvang



City of Buellton

December 10, 2009

Carlyle A. Johnston, Project Leader
County of Santa Barbara
Department of Public Works
Resource Recovery & Waste Management Division
130 East Victoria Street, Suite 100
Santa Barbara CA 93101

RE: Conversion Technology Project

To the Conversion Technology Sub-Group:

We, the elected representatives of the City of Buellton, have issued this provisional letter of support for further study of a conversion technology (CT) facility to be established within the County of Santa Barbara. We agree that the CT facility will:

1. ***Increase Diversion of Post-Recycled MSW for Affected Jurisdictions.*** Any considered CT must increase the diversion of post-recycled MSW intended for landfill disposal through pre-processing (or post-processing) and/or conversion of post-recycled MSW into beneficial products such as energy, fuels, or other marketable products (e.g., compost, aggregate, metals).
2. ***Reduce Environmental Impacts of Landfilling MSW.*** Any considered CT must limit and/or mitigate environmental impacts of landfilling MSW, including but not limited to water quality and greenhouse gas emissions.
3. ***Provide Financial Feasibility and Sustainability.*** Any considered CT must have capital and operating costs that result in a feasible, cost-competitive tipping fee, with long-term financial stability that would limit financial impacts to affected ratepayers.
4. ***Produce Green Energy and Other Marketable Products.*** Any considered CT must include a component of green energy and/or fuel production, along with other marketable products, as applicable, such as recovered metals and compost.
5. ***Provide a Humane Work Environment.*** The project will maintain humane working conditions, and will not consider any CT that is deemed to have an unjust or unsafe impact on workers.

6. ***Result in a Long-Term Waste Disposal Plan.*** Any considered CT must result in a long-term waste disposal alternative for participating jurisdictions within Southern Santa Barbara County (with a 20 year minimum lifespan required).

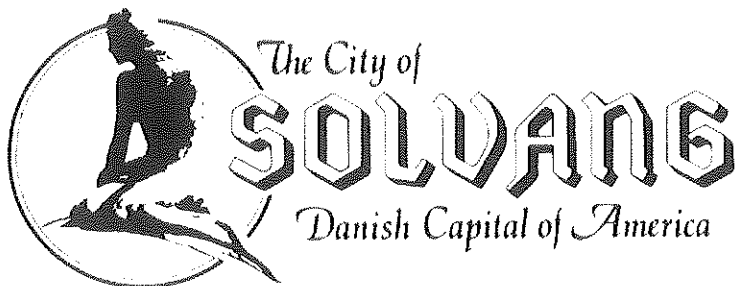
The City supports the foregoing practical and environmental benefits of a CT project and we look forward to working with the County and other jurisdictions as the RFP process moves forward. However, this represents a conceptual support only at this time and the City will still need more operational and financial details in order to fully commit our solid waste to this project.

If you have any questions, please call Marc Bierdzinski, Planning Director, at 805-688-7474.

On behalf of the Buellton City Council,

A handwritten signature in black ink that reads "Ed Andrisek". The signature is written in a cursive, slightly slanted style.

Ed Andrisek
Buellton City Council Member



October 12, 2009

To the Conversion Technology Sub-Group:


We, the elected representatives of the City of Solvang, have issued this letter of support for the Conversion Technology Sub-Group and its development of a "Request for Proposals" for a conversion technology (CT) facility to be established at the Tajiguas Landfill.

We also support the following goals of this project.

1. **Increase Diversion of Post-Recycled MSW for Affected Jurisdictions.** Any considered CT must increase the diversion of post-recycled municipal solid waste (MSW) intended for landfill disposal through pre-processing (or post-processing) and/or conversion of post-recycled MSW into beneficial products such as energy, fuels, or other marketable products (e.g., compost, aggregate, metals).
2. **Reduce Environmental Impacts of Landfilling MSW.** Any considered CT must limit and/or mitigate environmental impacts of landfilling MSW, including but not limited to water quality and greenhouse gas emissions.
3. **Provide Financial Feasibility and Sustainability.** Any considered CT must have capital and operating costs that result in a feasible, cost-competitive tipping fee, with long-term financial stability that would limit financial impacts to affected ratepayers.
4. **Produce Green Energy and Other Marketable Products.** Any considered CT must include a component of green energy and/or fuel production, along with other marketable products, as applicable, such as recovered metals and compost.
5. **Provide a Humane Work Environment.** The project will be dedicated to maintaining humane working conditions, and will not consider any CT that is deemed to have an unjust or unsafe impact on workers.
6. **Result in a Long-Term Waste Disposal Plan.** Any considered CT must result in a long-term waste disposal alternative for participating jurisdictions within Southern Santa Barbara County (with a 20 year minimum lifespan required).

If all of the above goals are fulfilled then it is the intention of the City of Solvang to commit our community's solid waste to this project.

Sincerely,


Jim Richardson
Mayor

Attachment 4: Revised Definition of Change-in-Law

“Change-in-Law” means any of the following acts, events, or circumstances to the extent that compliance therewith materially increases or decreases the cost of performing or materially increases or decreases the scope of a party's obligations under the Contract:

- (1) the adoption, amendment, promulgation, issuance, modification, repeal or written change in administrative or judicial interpretation of any Applicable Law on or after the Proposal Submission Due Date~~Contract Date~~, unless such Applicable Law was on or prior to the Proposal Submission Due Date~~Contract Date~~ duly adopted, promulgated, issued or otherwise officially modified or changed in interpretation, in each case in final form to become effective without any further action by any Governmental Body;
- (2) the order or judgment of any Governmental Body issued on or after the Proposal Submission Due Date~~Contract Date~~ (unless such order or judgment is issued to enforce compliance with Applicable Law which was effective as of the Proposal Submission Due Date~~Contract Date~~) to the extent such order or judgment is not the result of willful or negligent action, error or omission or lack of reasonable diligence of the Contractor or of any of the Public Participants, whichever is asserting the occurrence of a Change in Law; provided, however, that the contesting in good faith or failure in good faith to contest any such order or judgment shall not constitute or be construed as such a willful or negligent action, error or omission or lack of reasonable diligence; or
- (3) except with respect to any Governmental Approval required for the Facility as provided in item (b) below pertaining to exclusions from "Change in Law", the denial of an application for, a delay in the review, issuance or renewal of, or the suspension, termination, or interruption of any Governmental Approval, or the imposition of a term, condition or requirement which is more stringent or burdensome than the Contract Standards in connection with the issuance, renewal or failure of issuance or renewal of any Governmental Approval, to the extent that such occurrence is not the result of willful or negligent action, error or omission or a lack of reasonable diligence of the Contractor or any of the Public Participants, whichever is asserting the occurrence of a Change in Law; provided, however, that the contesting in good faith or the failure in good faith to contest any such occurrence shall not be construed as such a willful or negligent action or lack of reasonable diligence.

It is specifically understood, however, that none of the following shall constitute a "Change in Law";

- (1) a change in the nature or severity of the actions typically taken by a Governmental Body to enforce compliance with Applicable Law which was effective as of the Proposal Submission Due Date~~Contract Date~~;
- (2) all matters relating to the Contractor's assuming the permitting risk for the Facility in connection with obtaining and maintaining Federal, State or Local Governmental Approvals of the design, construction and operation of the Facility; and
- (3) any event that affects generally applicable working conditions or standards that is not specific to the solid waste management industry.

Attachment 5: Revised Pricing Proposal Forms

PRICING PROPOSAL FORMS

Pricing Proposal Form 1:	Prices for Services
Pricing Proposal Form 1A:	Cost Savings Sharing
Pricing Proposal Form 2:	Estimated Facility Development Cost
Pricing Proposal Form 3:	Estimated Operating & Maintenance Costs
Pricing Proposal Form 4:	Annual Product Revenues/Basis for Revenue Sharing
Pricing Proposal Form 5:	Proposed Revenue Sharing
Pricing Proposal Form 5A:	Spot Market Waste Revenues and Fees
Pricing Proposal Form 6:	Estimated Cost for Facility Removal and Restoration of the Potential Landfill Site

PRICING PROPOSAL FORM 1

PRICES FOR SERVICES

The undersigned hereby proposes to furnish the Public Participants with solid waste management services (the "Services") in accordance with the RFP dated October 20, 2009, any Addenda thereto, and the undersigned's Proposal dated _____, 2010, for the prices presented below.

Guaranteed Fixed Prices, expressed in dollars corresponding to the Proposal Submission Due Date:

Fee	Proposed Price* (\$/ton)
Acceptable Waste Tipping Fee	\$_____
Excess Tonnage Fee	\$_____
Shortfall Fee	\$_____

* Note: the proposed prices shall be based on all costs to be incurred and revenues to be earned and retained by the Contractor in performance of its services.

Fixed Prices Adjustment(s)

Each Guaranteed Fixed Price presented above shall be subject to annual adjustment by the Adjustment Factor, commencing with the Proposal Submission Due Date, as defined and provided for in the Contract, as well as to other adjustments as may be provided for in the Contract.

Authorized Signature

Company

Date

PRICING PROPOSAL FORM 1A

COST SAVINGS SHARING

In accordance with the provisions of Section 5.2.6 of the RFP that specify cost savings sharing, the Acceptable Waste Tipping Fee, the Excess Tonnage Fee and the Shortfall Fee as proposed in Pricing Proposal Form 1 shall be incrementally reduced as presented below:

Cost Savings Sharing Associated with Reduction in Construction Cost:

Fee	Proposed Fee Reduction*			
	0-10% Reduction in Facility Construction Cost	>10-20% Reduction in Facility Construction Cost	>20-30% Reduction in Facility Construction Cost	>30% Reduction in Facility Construction Cost**
Acceptable Waste Tipping Fee	\$___/ton	\$___/ton	\$___/ton	
Excess Tonnage Fee	\$___/ton	\$___/ton	\$___/ton	
Shortfall Fee	\$___/ton	\$___/ton	\$___/ton	

Cost Savings Sharing Associated with Reduction in O&M Cost:

Fee	Proposed Fee Reduction*			
	0-10% Reduction in Annual O&M Cost	>10-20% Reduction in Annual O&M Cost	>20-30% Reduction in Annual O&M Cost	>30% Reduction in Annual O&M Cost**
Acceptable Waste Tipping Fee	\$___/ton	\$___/ton	\$___/ton	
Excess Tonnage Fee	\$___/ton	\$___/ton	\$___/ton	
Shortfall Fee	\$___/ton	\$___/ton	\$___/ton	

* Expressed in dollars corresponding to the Proposal Submission Due Date and subject to annual adjustment by the Adjustment Factor.

** Proposer to specify approach for cost savings sharing associated with >30% cost reduction.

Authorized Signature

Company

Date

PRICING PROPOSAL FORM 2

ESTIMATED FACILITY DEVELOPMENT COST

Estimated Facility Development Cost

(Basis for Cost Savings Sharing in Pricing Proposal Form 1A)

The Estimated Facility Development Cost, expressed in dollars corresponding to the Proposal Submission Due Date, is as follows:

Component	Cost
Permitting	
Design	
Construction	
a) Site Improvements and Preparation	
b) Buildings	
c) Pre-Processing Equipment	
d) Processing Equipment	
e) Residue Handling Equipment	
f) Biogas/Syngas Clean-Up Equipment	
g) Power/Fuel Generating Equipment	
h) Air Pollution Control Equipment	
i) Control and Monitoring Equipment	
j) Vehicles	
k) Other	
Start-Up and Acceptance	
Other Contractor Costs (please describe)	
a) Interconnection Study ⁽¹⁾	\$50,000 (allowance)
b) Interconnection Construction ⁽²⁾	\$500,000 (allowance)
c) Contract Administration Payment ⁽³⁾	
d) Other	
Total Cost	

- (1) Provide an allowance of \$50,000 as part of Facility Development Cost for an Interconnection Study, should the Facility generate electricity for sale.
- (2) Provide an allowance of \$500,000 as part of the Construction Cost for interconnection to the grid, should the Facility generate electricity for sale.
- (3) Contract Administration Payment for Facility Development Costs shall be \$50,000 per year upon financing and until the Commercial Operation Date.

PRICING PROPOSAL FORM 2 (CONT.)

Revised
2/9/10

Authorized Signature

Company

Date

PRICING PROPOSAL FORM 3

ESTIMATED OPERATING & MAINTENANCE COSTS

Estimated Annual O&M Cost for Facility

(Basis for Cost Savings Sharing in Pricing Proposal Form 1A)

The following presents the Estimated Annual O&M Costs, expressed in dollars corresponding to the Proposal Submission Due Date:

<u>Cost Component</u>	<u>Annual Cost (\$/Year)</u>
Labor	\$ _____
Utilities	\$ _____
Chemicals	\$ _____
Laboratory & Other Contract Services	\$ _____
Residuals Transportation & Disposal	\$ _____
Insurance	\$ _____
Routine Equipment Maintenance & Repair	\$ _____
Capital Repair & Replacement	\$ _____
Miscellaneous and Other Costs	\$ _____
Annual Site Rent Payment	\$ _____
Contract Administration Payment	<u>\$160,000</u>
Grant Fund Payment	<u>\$ 20,000</u>
Other Costs (please describe)	\$ _____
Total Annual O&M Cost	\$ _____

Authorized Signature

Company

Date

PRICING PROPOSAL FORM 5

PROPOSED REVENUE SHARING

Please describe any proposal for the sharing of energy and materials revenues.

- Energy revenues (excluding regulatory-driven revenues post-Proposal submission). The Contractor shall share with the Public Participants ____% of revenues earned by the Contractor for the sale of energy (electricity or liquid or gaseous fuels) produced by the Facility at any time that the per unit price for such energy exceeds 125% of the price stipulated in the Contractor's Proposal and accepted by the Participants, as adjusted annually by the Energy Adjustment Factor. For the purposes of energy revenue sharing, the term "per unit price" shall be the price actually charged and received for the energy product.
- Regulatory-Driven Revenues (post-Proposal submission). The Contractor shall share with the Public Participants 50% of all revenues received from regulatory-driven factors occurring after and not otherwise incorporated into the Proposal, including but not limited to renewable energy credits, alternative energy credits, production tax credits, greenhouse gas reduction credits and/or carbon emissions trading or other similar energy purchaser or state or federal credits or incentives.
- Materials revenues. The Contractor shall share with the Participants ____% of revenues net of transportation costs earned by the Contractor from the sale of materials recovered or produced by the Facility in any year in which such revenues exceed 125% of the materials revenues stipulated in the Contractor's Proposal and accepted by the Participants, as adjusted annually by the Adjustment Factor.

Authorized Signature

Company

Date

PRICING PROPOSAL FORM 5A

SPOT MARKET WASTE REVENUES AND FEES

Please describe any proposal for the payment of fees and the sharing of Spot Market Waste revenues.

- The Contractor shall pay the Public Participants a Host Community Benefit of \$2.00 per ton*, adjusted annually by the Adjustment Factor, for Spot Market Waste delivered to the Facility, except for Spot Market Waste that is used by the Public Participants to meet its aggregate Minimum Annual Delivery Requirement.
- Spot market revenues. The Contractor shall share with the Participants ___% of the revenues earned by Contractor from the acceptance and processing of Spot Market Waste in any year in which such revenues exceed 125% of the spot market revenues stipulated in the Contractor's Proposal, as adjusted annually by the Adjustment Factor. Revenue sharing for Spot Market Waste shall only apply to Spot Market Waste that exceeds the aggregate Maximum Annual Delivery Threshold of the Public Participants.

The Contractor estimates the following Sport Market Waste and associated revenues:

Source of Waste	Type of Waste	Amount of Waste	Estimated Price (\$/ton)*	Estimated Revenue (\$/year)*
TOTAL:				

* Expressed in dollars corresponding to the Proposal Submission Due Date.

Authorized Signature

Company

Date

PRICING PROPOSAL FORM 6

**ESTIMATED COST FOR FACILITY REMOVAL AND RESTORATION
OF THE POTENTIAL LANDFILL SITE**

Estimated Cost for Facility Removal and
Restoration of the Potential Landfill Site
as of the Proposal Submission Due Date

\$ _____

Authorized Signature

Company

Date