

**SECOND AMENDMENT TO
RECYCLABLES TRANSFER, PROCESSING & MARKETING SERVICES
AGREEMENT**

THIS SECOND AMENDMENT (“Amendment”) to for Recyclables Transfer, Processing & Marketing Services Agreement (the “Agreement”), is made and entered into as of this ____ day of September, 2018, by and between the Indian River County Solid Waste Disposal District, a dependent special district of Indian River County, Florida, whose address is c/o Department of Utility Services, 1801 27th Street, Vero Beach, FL (hereinafter “SWDD”) and Tropical Exchange Corp., a Florida Corporation, d/b/a Tropical Recycling, 2625 Electronics Way, West Palm Beach, FL, 33407 (hereinafter “Tropical” or the “Processor”).

WHEREAS, on August 21, 2012, SWDD and ReCommunity entered into the Agreement; and

WHEREAS, per the First Amendment on July 14, 2015, ReCommunity assigned the Agreement to Tropical with the prior express written consent of SWDD; and

WHEREAS, Tropical has been providing Single Stream recycling processing services under the Agreement beginning October 1, 2015; and

WHEREAS, Tropical is being paid a Processor’s Fee of \$88.00/ton and is providing a revenue share of 75.1% for Single Stream recycling under the extended initial term; and

WHEREAS, the initial extended term is through August 31, 2020 with an option for a single two (2) year extension; and

WHEREAS, Tropical has requested consideration for extending the Agreement to the full term through August 31, 2022; and

WHEREAS, Tropical has offered to compensate SWDD for landfill residue disposal and landfill cover materials.

NOW, THEREFORE, in consideration of the mutual undertakings herein, and other good and valuable consideration, the parties agree as follows:

Section 1. Recitals. The above recitals are true and correct and are incorporated herein.

Section 2. Agreement Term. The original Article II is hereby deleted and is replaced as follows:

Except as otherwise provided for herein, the obligations of the Parties shall take effect on the Effective Date and Processor shall commence accepting Recyclable Materials for transportation, processing and marketing in accordance with this Agreement on the Commencement Date. The extended initial term of this Agreement (the "Term") shall terminate eight (8) years from the Commencement Date which was September 1, 2012. The District and Processor, by written mutual agreement, extend the Term for an additional two (2) year term terminating on August 31, 2022.

Section 3. Article IV: Processor Responsibilities, Section 4.4 Processing and Marketing is hereby amended to add provisions (c) and (d) as follows:

- (c) **Landfill Residue Disposal Rate.** Tropical has requested to return the residue from their processing to the Indian River County Landfill. Tropical is hereby agreeing to pay the Landfill Residue Disposal Rate which has been calculated to be \$19.08 per ton, to be adjusted annually as part of the SWDD Assessment Rate Resolution process. See attached rate calculation sheet provided as Exhibit A to this Amendment.
- (d) **Landfill Cover Material Rate.** Tropical has requested to return the processed glass from their processing to the Indian River County Landfill for use as cover material. The processed glass shall be less than 3/8" minus. Tropical is hereby agreeing to pay the Landfill Cover Material Rate of \$7.00 per ton. SWDD may stop accepting the processed glass as landfill cover material if it is deemed unacceptable for such use either by SWDD, our landfill operator or the Florida Department of Environmental Protection (FDEP). In no way should the landfill residue be co-mingled with the processed glass for landfill cover material.

All other provisions of the Agreement and First Amendment shall remain in full force and effect.

(Remainder of this page is intentionally left blank)

INDIAN RIVER COUNTY SOLID
WASTE DISPOSAL DISTRICT

ATTEST: Jeffrey R. Smith, Clerk of
Court and Comptroller

By: _____
Deputy Clerk

By: _____
Peter D. O'Bryan, Chairman

BCC approved: _____
Date

APPROVED:

APPROVED AS TO LEGAL FORM
AND SUFFICIENCY

By: _____
Jason E. Brown
County Administrator

By: _____
Dylan Reingold
County Attorney

WITNESSES:

TROPICAL EXCHANGE CORP.

Michele Torturato
[Signature]

By: [Signature]
Name: Bryan Katz
Title: President
Dated: 9/7/2018

Exhibit A – Landfill Residue Disposal Rate Calculation

Tropical Recycling Financial Analysis

Estimated Cost to Landfill Residue from processing operations - FY 2018/19

Expense Description	Estimated Cost per Ton
Landfill Operations Contract (Republic)	\$13.49 (1)
Landfill Closure Costs	\$2.28 (2)
Long-term Care Costs	\$0.46 (3)
General & Administrative Costs	\$1.64 (4)
Land Costs	\$0.64 (5)
Support Facilities Costs	\$0.56 (6)
Total Estimated Costs	\$19.08

(1) This is the 2019 calendar year cost of the County's contract with Republic Services to place material in the Class I landfill. Future year unit costs will be adjusted based upon changes in the Consumer Price Index for the Southeast region of the United States. The January 2019 CPI adjusted rate is \$13.49.

(2) Estimated landfill closure costs based upon FY 2016/17 Financial Assurance Report completed by CDM, effective September 2017. Segment II has a total capacity of 4,058,000 cubic yards, and an estimated closure cost of \$9,270,090. For purposes of this analysis 1 cubic yard is estimated to be equivalent to 1 ton of waste.

(3) Estimated long-term care costs based upon FY 2016/17 Financial Assurance Report completed by CDM, effective September 2017. Segment III has a total capacity of 14,051,755 cubic yards, and estimated inflation adjusted long-term care costs of \$6,483,000 over the required thirty-year period. For purposes of this analysis 1 cubic yard is estimated to be equivalent to 1 ton of waste.

(4) The current General & Administrative rate of 9.4324% for FY 2018/19 has been applied to the other costs to arrive at the estimated overhead costs.

(5) Based upon total cost of all land acquired for the landfill location and total cubic yards for segments I through III per CDM Financial Assurance Report for 2015.

(6) Based upon acquisition cost of landfill improvements, except closure assets divided by total cubic yards for segments I through III per CDM Financial Assurance Report for 2015.