

ATTACHMENT A

SUMMARY OF PURCHASE AND SALE AGREEMENT

DIVESTITURE GOALS	MAJOR DEAL POINTS	PURCHASE AND SALE AGREEMENT
Provide location for municipal solid waste disposal at reasonable price	Base Tip Fee	<p align="center">\$89.75/ton-\$100.93/ton (2009)</p> <ul style="list-style-type: none"> The lowest end of the range represents starting tip fee if all cities <i>including</i> Petaluma commit their waste, the high end of the range represents all cities <i>excluding</i> Petaluma
	Additions to Tip Fee to Support Ongoing System Costs	<ul style="list-style-type: none"> JPA Fee \$5.40/ton – not included Former Landfill Maintenance \$3.00-\$6.10 not included
	Fully Loaded Tip Fee	<p align="center">\$101.25/ton-\$112.43/ton (2009)</p> <ul style="list-style-type: none"> The lowest end of the range represents starting tip fee if all cities <i>including</i> Petaluma commit their waste, the high end of the range represents all cities <i>excluding</i> Petaluma
	Rate Stability and Predictability	<ul style="list-style-type: none"> 20 year term with annual adjustments based on CPI (min adjustment 3.2%; max adjustment 5%) Requires 20 year waste flow commitments from County and cities, which includes contractually agreed upon tip fee increases to offset reduced flow, including a put or pay at 70% of committed flow Republic to operate the system for a 2-year transition period, if escrow does not close Republic to determine self haul rates
Maximize monetary return for divestiture of facilities	Cash Compensation	<ul style="list-style-type: none"> Royalty of \$9.00/ton included in tip fee which will generate up to \$2.7 million annually as long as facilities are operating Royalty continues in perpetuity Royalties will be used to pay for County/City contingent liabilities for Central and former landfills (see below)
	Improvements	<ul style="list-style-type: none"> Republic to make improvements to the facilities worth up to \$9.5 million including, re-permitting effort, new heavy equipment, MRF, transfer station upgrades
Transfer, through divestiture, all facilities	Asset Transfer	<ul style="list-style-type: none"> There is a transfer of assets if Central Landfill is permitted to resume disposal operations Republic will purchase the Central Disposal site, and the Annapolis and Sonoma transfer stations Republic will enter into a 75-year lease for the Healdsburg and Guerneville transfer stations Agreement includes minimum operating requirements for first 5 years; after 5 years Republic has the option to close all but one facility, either landfill or transfer station which must have capacity to handle full waste commitment 24 month escrow period Cities have 90 days to decide to commit waste; need all cities to commit flow (except Petaluma)

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Reduce or eliminate exposure for past, current, and future liability, operational and closure / post closure obligations related to the facilities	Indemnification / Release for On-Site Environmental Liabilities	<ul style="list-style-type: none"> • Republic assumes all on-site environmental liabilities • Republic assumes obligation for closure/post closure environmental maintenance costs • If there is a change in law, during the commitment period, that increases closure/post-closure environmental maintenance costs, which is not unique to the site, then Republic can pass through increased costs to all users of the facilities through a tip fee adjustment
	Indemnification / Release for Off-Site Environmental Liabilities at the Central Disposal Site	<ul style="list-style-type: none"> • If no <i>off-site</i> environmental claims are made within the first 10 years, Republic assumes all off-site liabilities • Should an <i>off-site</i> environmental claim be received within the first 10 years, then the parties agree to share risk as follows: <ul style="list-style-type: none"> ○ Republic assumes liability for first \$ 7.5 million ○ Republic pays to County \$500,000/year; for first 10 years County has the option to either use funds toward purchasing a pollution insurance policy or County can put money into the escrow fund for contingent liabilities ○ Existing closure funds (\$10 million) held by County to be placed in escrow for Republic to use to cover amounts over the first \$7.5 million ○ If remediation costs exceed all layers of funding above then County will use royalties to fund contingent liabilities
Assure facilities are operated in a manner that reduces greenhouse gas, complies with AB 32, and County climate protection initiatives	Re-establish in-county disposal to reduce Greenhouse Gas	<ul style="list-style-type: none"> • In County disposal estimated to reduce greenhouse gas emissions as compared to existing out-haul
Support diversion consistent with AB 939 and the County Integrated Waste Management Plan	Additional Diversion at Central	<ul style="list-style-type: none"> • Republic to construct a MRF at Central by 2012 to process commercial waste, and construction & demolition debris
Achieve an in-county Central Landfill	Re-permitting of Central	<ul style="list-style-type: none"> • If Divestiture is successful, there will be an in-county Central Landfill
Minimize impact to County employees	Assist impacted employees to compete for and find employment with Purchaser	<ul style="list-style-type: none"> • Prior to June 1, 2010, Republic shall provide interviews to County employees and determine their eligibility for employment by Republic at the facilities
Involvement in tip rate setting process	County rate setting input	<ul style="list-style-type: none"> • Purchase Agreement establishes disposal rates for County and committed cities for 20 years • Republic sets rates for self-haul customers
Preserve capacity at the Central Landfill for the County-generated waste stream	Reservation of Capacity	<ul style="list-style-type: none"> • Purchase Agreement requires committed waste to be disposed of in the Central Landfill for as long as the landfill is open