



July 26, 2016

Mr. Peter Zanoni
Deputy City Manager
City of San Antonio

Dear Mr. Zanoni:

ReCommunity is in receipt of your letter dated July 18, 2016 which detailed the City of San Antonio's ("COSA's") recycling contract counter-proposal related to COSA's diaper contamination issue and ReCommunity's related financial losses. Although the proposed financial solution outlined is materially less than ReCommunity believes is warranted, the counter-proposal is a product of eight months of intensive negotiation between COSA and ReCommunity, and we believe the terms proposed in your recent communication are reasonable considering the current level of program contamination.

Therefore, subject to acceptance by the COSA City Council in August 2016, ReCommunity agrees to amend the current contract with the COSA to add the terms contained in your July 18, 2016 letter.

Most importantly, we appreciate all efforts from the solid waste team at COSA to work with the residents of COSA to reduce all contamination of the in-bound material received at our San Antonio MRF, which in turn will help to minimize health and safety risks for our employees.

Sincerely,

A handwritten signature in black ink, appearing to read "Dennis McGill".

Dennis McGill
Interim Chief Executive Officer
ReCommunity Recycling

