Appendix B
Calculation of Charges

At the beginning of each calendar month of service, Contractor shall provide an invoice to the SFMTA for the fixed monthly management fee for the same service month in the amount of $665,356. Payment of the invoice shall not be made until after the service month is complete. Should tow volume increase or decrease significantly, requiring a change in staffing levels, the SFMTA and the Contractor will in good faith renegotiate the fixed monthly management fee to ensure that the cost per tow to the public is not impacted.

Within 10 days after the end of each calendar month of service, Contractor shall provide an invoice to the SFMTA for Services completed in the immediately preceding month for the following per-unit fees:

Fee Type	**Fee Amount**
Tow fee (per vehicle towed)	$66.55
Dolly/flatbed fee (per vehicle)	$40.63
Transfer fee (per vehicle transferred to LSF)	$31.05
Lien processing fee (per vehicle)	$15.72
Auction fee (per vehicle sold)	$73.59
Dropped Tow fee (per vehicle	$14.51

Each year, on the first calendar day of the month following the anniversary of the Effective Date of the Agreement, fees listed in this Appendix B shall be adjusted: 1) in direct proportion to the percentage increase in the current Consumer Price Index for Urban Wage Earners for the San Francisco Bay Area ("CPI") for the month immediately preceding the applicable anniversary date ("Current Index") over the CPI for the month of March 2016 ("Base Index"), or 2) by 3%, whichever is lower. If the Current Index has increased over the Base Index, the adjusted fee amount shall be calculated by multiplying the current fee amount by a fraction, the numerator of which is the Current Index and the denominator of which is the Base Index, as follows:

$$\frac{\text{Current index}}{\text{Base index}} \times \text{current fee amount} = \text{adjusted fee amount}$$