

## Darling Operational Statement

The following constitutes the Darling Operational Statement (“the Operational Statement”), that is referenced in that certain Darling International Inc. and City of Fresno Agreement Regarding Rendering Facility (the “Agreement”), entered into on \_\_\_\_\_, 2011.

Darling International Inc. (Darling) operates a Food Processing By-Product Recycling facility at 795 West Belgravia in Fresno, CA (“Darling Facility”). The primary plant activities include:

- Raw Material Collection
- Recycling of Raw Materials
- Storage of Finished Products
- Shipment of Finished Products
- Storage of trucks and other transport vehicles

In general, the raw materials to be rendered are collected and delivered to the facility 6-7 days a week. The collection process typically begins on Monday’s and runs through Saturday. The delivery schedules can change day to day. The Darling Facility receives its raw materials from a variety of customers including “Major Suppliers”, “Grease Customers” and “Small Suppliers”.

The raw materials received from its Major Suppliers (principally commercial food processors) is transferred to the Darling Facility by larger scale trucks, generally illustrated on Exhibit “1” (the “Major Supplier Trucks”). All Major Supplier Trucks, including those that are loaded, empty, bob tail or any other types, shall only use state or federal freeways (e.g. 41, 99, 168, 180) to Jensen Avenue to Fruit Avenue as the main roads in and out of the Darling Facility. In addition, except for circumstances arising from road closures or temporary unsafe road conditions, the Major Supplier Trucks shall not use Church Avenue (between Fruit Avenue and Elm Avenue), Walnut Avenue (between Jensen Avenue and Whitesbridge Avenue), Fresno Street (between California Avenue and Highway 99), West Avenue (between California Avenue and Whitesbridge Avenue), Ventura Avenue (between California Avenue and B Street) or any surface street in residential neighborhoods that are in the vicinity of the Darling Facility.

The raw product received from Grease Customers (including both used cooking oil and trap grease principally obtained from restaurants) and Small Suppliers (smaller scale bones and meat cuttings principally obtained from grocers and restaurants) is transferred to the Darling Facility by smaller scale trucks. The truck style currently used by Darling to service its Grease Customers is illustrated on Exhibit “2” (the “Grease Truck”). The truck style currently used by Darling to service its Small Suppliers is illustrated on Exhibit “3”

(the "Small Supplier Truck"). The Grease Trucks and Small Supplier Trucks are not subject to the route restrictions that apply to the Major Supplier Trucks<sup>1</sup>.

The receipt of raw materials from contract haulers, customer owned trucks, and other Darling facilities are not on a set schedule and occur 24 hours per day, seven days per week.

The rendering process is continuous and typically operates on a 24 hour per day, 6-7 days per week, basis.

The finished products produced by the facility include Tallow, Yellow Grease, and Meat and Bone Meal. All these products are typically sold into animal feed, chemical, fertilizer, and fuel markets. There is no prescribed schedule for the shipment of these finished products.

## 1.0 Primary Plant Activities

Raw materials for rendering are collected and delivered to the facility in Darling or customer owned trucks, as well as by contract haulers. These raw materials include fat, bone, offal, used cooking oil, and trap grease.

- Used Cooking Oil – The used cooking oil is primarily generated by restaurants in the preparation of fried foods. Other sources of this material include commercial food preparation establishments.
- Fat, Bone, and Offal – The animal fat, bone, and offal is primarily generated by butchers, grocers, and commercial food processors.
- Trap Grease – The trap grease is primarily generated by the restaurant industry in the preparation of fried foods. The grease is captured by grease traps in line with the City sewer system which protects City sewers and the municipal treatment plant from issues related to this material.

All these recyclable materials are weighed at a weigh station at the plant site, and delivered to the Raw Material Receiving Area within time parameters established by Condition 22 of SJVAPCD Permit to Operate C-406-1-2 (generally 24 hours after receipt absent equipment breakdown). Darling requires that the trailers and tankers used in the collection and delivery of these raw materials to the facility be maintained in good operating condition and travel in a closed/covered condition. Once raw material enters the rendering process it moves through the facility in the following way:

- Rendering Process – Fat, bone, and offal after unloading is staged in the receiving area and pit before being fed into the process. From the receiving pit raw material

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<sup>1</sup> The style of the Major Supplier Trucks, Grease Trucks and Small Supplier Trucks set forth on the Exhibits 1-3 are the present truck styles currently used by Darling for these purposes. Darling may from time to time use different styled trucks for the indicated purposes without requiring amendment to this Operational Statement.

is mechanically conveyed through a set of magnets to remove any metal and then to a grinder. After grinding the raw material to size it is conveyed to a Cooker. The Cooker uses steam from a boiler to heat the raw material which liquefies the fat and evaporates the water. Additional fat is removed from the separated solids through pressing. The liquefied fat is further processed through a centrifuge to remove additional impurities before being placed into storage, on-site, as Tallow and Yellow Grease. The pressed solids are sized and screened before being placed into storage, on-site, as Meat and Bone Meal (MBM). The water vapor exhausted from the cooker is pulled through a condensing system where most of the water vapor is collapsed out of the gas stream. The resulting condensate (water) from the condensing system is pre-treated onsite and then conveyed to the City Sewer. The remaining non-condensable gas stream from the condensing system is incinerated in a thermal oxidizer.

- Used Cooking Oil Processing – The used cooking oil after unloading is staged in work tanks for settling. The oil is heated in these tanks with steam from a boiler to separate any water from the oil, and to settle out any impurities. Following the settling process the finished recovered cooking oil is screened/filtered before being placed into storage as Yellow Grease.

## **2.0 Plant Recycling Volumes**

The operations are currently limited by the terms of the Air Permit issued from the San Joaquin Valley Air Pollution Control District (SJVAPCD) to 850,000 lbs of raw material per day. The operations of the plant shall be conducted in accordance with the terms and conditions of the facility's Air Permit issued by the SJVAPCD (including changes to the Air Permit that may be initiated from time to time by the SJVAPCD to implement requirements imposed by changes in the SJVAPCD Rules), the terms of the Agreement, and any other applicable local, state or federal laws or regulations.

# Exhibit 1 to Operational Statement

## Major Supplier Truck



## Exhibit 2 to Operational Statement

### Grease Truck



## Exhibit 3 to Operational Statement

### Small Supplier Truck

