RESOLUTION NO. 107-26

A RESOLUTION AUTHORIZING THE CITY MANAGER TO ENTER INTO THE OPERATING AGREEMENT WITH BRUIN WASTE MANAGEMENT FOR THE OPERATION OF THE CITY-OWNED MATERIALS RECOVERY FACILITY AND TO TAKE ALL ACTIONS NECESSARY TO EFFECTUATE THE AGREEMENT

Recitals

The City of Grand Junction ("City") owns the Materials Recovery Facility ("Facility" or "MRF"), a regional facility constructed at a cost of approximately $30 million and scheduled to open in January 2027, which will receive, weigh, and sort curbside and drop-off recyclables into marketable commodities.

The Facility operates within Colorado's Producer Responsibility Program for Statewide Recycling, C.R.S. §§ 25-17-701, et seq., under which the producers of packaging, containers, and paper products fund the cost of recycling statewide through a producer responsibility organization, the Circular Action Alliance ("CAA").

The City has entered into a Master Service Agreement and a Post-Collection Processing service schedule with CAA, under which the City is an approved Service Provider eligible to be reimbursed by CAA for the net cost of the recycling services it provides, including processing at the Facility.

To have the Facility fully staffed and operational for its January 2027 opening, the City desires to engage Bruin Waste Management ("Bruin") to operate the Facility on the City's behalf as an independent contractor, while the City retains ownership of the Facility, its financing obligations, control of pricing, and sole responsibility for all reporting, invoicing, certifications, and submissions to CAA.

Under the Operating Agreement ("Agreement"), Bruin will be responsible for the day-to-day operation of the Facility, including receiving, weighing, inspecting, and accepting incoming material; sorting and processing recyclables into marketable commodities and marketing those commodities to approved end markets; operating the Facility to the standards required under the City's CAA contracts; and collecting operational data and preparing the reports the City requires.

The Agreement provides that the City will reimburse Bruin for its actual, reasonable, and documented operating costs, without markup and within the annual budget approved by the City; that Facility revenues, including CAA processing-fee reimbursements, commodity sale proceeds, CAA performance-based incentives, tip fees on non-covered material, and contamination and rejected-load fees, will be pooled; and that Bruin will be paid the greater of a fixed management fee of $225,000 per year or seventy percent (70%) of the pooled net proceeds remaining after operating costs.

The Agreement requires that the City's debt service and a capital reserve of $200,000 per year, up to a balance of $1,500,000, be funded ahead of operator profit, with the capital reserve remaining a City asset dedicated to the future

repair and replacement of Facility equipment, and provides for the City to advance Bruin's estimated early operating costs and to recover that advance from later payments.

The Agreement further protects the City's interests through operator insurance and performance security, City audit rights over Bruin's Facility records consistent with the City's CAA obligations, and the allocation to Bruin of any cost its performance causes the City under the CAA contracts, including any liquidated-damages assessment.

The Agreement provides for an initial term of three (3) years, with three (3) optional renewal terms of three (3) years each, and the City's financial obligations under the Agreement are subject to annual appropriation consistent with the City's budget process.

City staff and the City Attorney's Office have reviewed the Agreement and recommend approval. Adoption of this Resolution authorizes the City Manager, City Attorney, and staff to finalize and execute the Agreement and to take all actions necessary to implement it.

NOW, THEREFORE, BE IT RESOLVED THAT:

1. The Recitals are incorporated herein. The City Council hereby approves the Operating Agreement ("Agreement") between the City of Grand Junction and Bruin Waste Management for the operation of the City-owned Materials Recovery Facility, including all terms relating to Facility operations, operating cost reimbursement, revenue pooling, operator compensation, the priority of debt service and capital reserve funding, City control of pricing and CAA reporting and submissions, insurance, performance security, audit rights, and term and renewal as described in the Recitals above.

2. The City Council authorizes the City Manager to execute the Agreement on behalf of the City, with such minor modifications as the City Manager and City Attorney determine necessary and appropriate, consistent with the material terms approved by the City Council.

3. The City Council authorizes and directs the City Manager, City Attorney, and other appropriate City staff to take all actions necessary or desirable to implement, administer, and enforce the Agreement.

4. Nothing in this Resolution or the Agreement shall be construed to assign, delegate, or modify the City's rights or obligations under its contracts with CAA, which the City shall continue to hold and perform as the contracting Service Provider.

5. Nothing in this Resolution shall be construed to constitute a land-use approval or to modify any independent permitting, review, or approval processes required by law.

6. All commitments or obligations arising under the Agreement are subject to compliance with applicable legal requirements, including the City's Charter, budgetary processes, and the Colorado Governmental Immunity Act. The City's financial obligations under the Agreement are subject to annual appropriation, and nothing in this Resolution or the Agreement shall be construed to create a multiple-fiscal year direct or indirect debt or other financial obligation of the City within the meaning of Colo. Const. art. X, § 20(4)(b).

PASSED AND ADOPTED this 18th day of November 2026.

Laurel Lutz
President of the City Council

ATTEST:

Selestina Sandoval
City Clerk

OPERATING AGREEMENT

FOR THE GRAND JUNCTION MATERIALS RECOVERY FACILITY

BETWEEN

CITY OF GRAND JUNCTION, COLORADO

AND

BRUIN RECYCLING, LLC

This Operating Agreement (this "Agreement") is entered into as of [•], 2026 (the "Effective Date"), by and between the **City of Grand Junction, Colorado**, a Colorado home rule municipal corporation (the "City" or "Service Provider"), and Bruin Recycling, LLC, a Colorado limited liability company ("Bruin" or "Operator"). The City and Bruin are each a "Party" and together the "Parties."

RECITALS

A. The Colorado Producer Responsibility Program for Statewide Recycling Act, C.R.S. §§ 25-17-701

et seq. (the "Act"), establishes a statewide extended producer responsibility ("EPR") program for packaging and paper products, administered in Colorado by Circular Action Alliance Colorado LLC ("CAA") as the designated producer responsibility organization.

B. The City intends to own and operate a materials recovery facility located in Grand Junction, Colorado (the "Facility") and to participate in the Program as a recycling service provider eligible for reimbursement under the Act.

C. The City has entered, or will enter, into a Master Service Agreement with CAA and a Service Schedule for Post-Collection Processing Services thereunder (together with all exhibits, attachments, and Change Orders thereto, the "CAA Contract"), pursuant to which the City is the "Service Provider" of record with respect to the Facility.

D. The City has engaged Bulk Handling Systems ("BHS") under a Design-Build Contract for the Facility (RFP-5601-25-DD), dated August 28, 2025 (the "BHS Contract"), pursuant to which BHS has designed, is constructing, and will install and commission the sorting system and related equipment at the Facility (the "BHS Equipment"), subject to certain performance guarantees and operating conditions described in the BHS Contract.

E. The City desires to engage Bruin as the exclusive operator of the Facility, and Bruin desires to accept such engagement, on the terms and subject to the conditions set forth in this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants set forth herein, the Parties agree as follows:

SECTION 1. DEFINITIONS

1.1 Incorporated Definitions.

Except as otherwise defined in this Agreement, capitalized terms used but not defined in this Agreement have the meanings given to them in the CAA Contract, including Master List of Definitions (Exhibit A), the Master Service Agreement, and the Service Schedule for Post-Collection Processing Services, as amended from time to time. Without limiting the foregoing, the terms "Act," "Applicable Laws," "Available Processing Capacity," "Capture Rate," "Change Order," "Covered Commodities," "Designated Covered Materials," "Eligible Expenses," "Material Composition," "Participating Collector," "Processing Fee," "REM," "Reimbursement Rate," "Residue," and "Standards and Specifications" each have the meanings given to such terms in the CAA Contract.

1.2 Additional Definitions.

The following terms have the meanings set forth below: **"Affiliate" has the meaning given in Section 16.3(a).**

"Affiliate Transaction" has the meaning given in Section 16.4(a).

"Agreement" means this Operating Agreement, including all Exhibits hereto, as amended from time to time.

"Annual Budget" means, for each Contract Year, the budget of Operating Costs, City Facility Costs, and CapEx prepared by Bruin and agreed by the Parties under Section 9.2, which the Parties shall maintain on a confidential basis under Section 22.3 to the extent permitted by Applicable Law and which is not attached to this Agreement.

"Available Processing Capacity" has the meaning given in the CAA Contract; the Parties presently anticipate an Available Processing Capacity of approximately 21,000 tons per year on a single-shift basis and approximately 40,000 tons per year on a two-shift basis, as further described in Section 5.3.

"BHS" means Bulk Handling Systems (Emerging Acquisitions LLC, dba Bulk Handling Systems), and its applicable affiliates, in its capacity as design-builder and equipment supplier under the BHS Contract.

"BHS Contract" means the Design-Build Contract for the Facility (RFP-5601-25-DD) between the City and BHS, dated August 27, 2025, including the incorporated BHS Formal Proposal, the Facility Design Specifications and Performance Guarantee, the Acceptance Test Operating Plan, and the BHS Terms and Conditions of Sale and Limited Warranty, each as amended, supplemented, or modified from time to time.

"BHS Equipment" means the sorting system, machinery, and related equipment designed, manufactured, supplied, and installed by BHS at the Facility under the BHS Contract.

"BHS Guaranteed Operating Conditions" means, collectively, the operating and input-material conditions upon which the BHS Performance Guarantee is expressly conditioned under the BHS Contract, including without limitation: (a) inbound Material Composition remaining within the tolerance (currently ±5% per material category around the baseline composition) specified in the BHS Contract's Material Characterization provisions; (b) input material that is dry, not unduly compacted, and not frozen; (c) staffing of the Facility at the levels, and with sorters achieving the minimum accurate pick rate, specified in the BHS Contract; (d) removal, at the pre-sort station, of bulky items and other items that may wrap or otherwise interfere with the BHS Equipment, as contemplated by the BHS Contract; and (e) operation and maintenance of the BHS Equipment in accordance with the applicable OEM operation and maintenance manual and BHS's specifications — in each case as such conditions may be amended by written modification of the BHS Contract, of which the City shall promptly notify Bruin.

"BHS Performance Guarantee" means the System Throughput, System Availability, and System Performance Table (Recovery Rate and Purity Rate by commodity) guarantees set forth in the Facility Design Specifications and Performance Guarantee provisions of the BHS Contract, together with the associated Acceptance Test Operating Plan.

"Bond Amount" has the meaning given in Section 14.6(c).

"Bruin" means Bruin Recycling, LLC, together with its permitted successors and assigns, in its capacity as the exclusive operator of the Facility under this Agreement.

"Bruin Confidential Information" has the meaning given in Section 22.3.

"Budget Reset" has the meaning given in Section 9.2.

"CAA" or "CAA Colorado" means Circular Action Alliance Colorado LLC, a Delaware limited liability company.

"CAA Contract" means, collectively, the Master Service Agreement between CAA and the City, the Master List of Definitions, and the Service Schedule for Post-Collection Processing Services entered into thereunder with respect to the Facility, in each case as executed by the City as Service Provider, together with all exhibits, attachments, and Change Orders thereto, each as amended from time to time.

"City" means the City of Grand Junction, Colorado, a Colorado home-rule municipality and political subdivision

"City Facility Costs" means, for any Contract Year, the costs the City incurs to finance, own, insure, and administer the Facility, including Debt Service, contributions to the Reserve Account, and the City's administrative and oversight costs, in each case as set forth in the Annual Budget.

"City Share" means thirty percent (30%) of Pooled Net Proceeds for the applicable Contract Year. If Pooled Net Proceeds for a Contract Year are zero or less, the City Share for that Contract Year is zero.

"CapEx" has the meaning given in Section 4.2.

"Change of Control" has the meaning given in Section 23.3(b)."

Commercial Operation Date" means the date the Facility first accepts Designated Covered Materials for processing following commissioning of the BHS Equipment.

"Commodity Credit" has the meaning given in Section 6.3.

"Composition Deviation" has the meaning given in Section 5.5(b).

"Contract Year" means each consecutive twelve (12) month period during the Term, the first beginning on the Effective Date and each later one beginning on an anniversary of the Effective Date; provided that the last Contract Year ends on the date this Agreement expires or is terminated.

"Covered Tons" means Designated Covered Materials delivered to and processed at the Facility that are eligible for reimbursement by CAA under the CAA Contract for the applicable period.

"Debt Service" has the meaning given in Section 4.2.

"Emergency Condition" has the meaning given in Section 4.6(a).

"Facility" means the Grand Junction Materials Recovery Facility, including the underlying real property, all buildings and improvements thereon, the BHS Equipment, and all other fixtures, machinery, and equipment now or hereafter installed at such facility for the performance of the Services.

"Management Fee" means Two Hundred Twenty-Five Thousand Dollars ($225,000) per Contract Year, prorated on a daily basis for any partial Contract Year.

"Master Service Agreement" or "MSA" means the Master Service Agreement between the City of Grand Junction and CAA governing the provision of services by CAA to the City in connection with Colorado's Producer Responsibility Program, as amended from time to time.

"Non-Covered Tons" means Designated Covered Materials, and any other materials, delivered to and processed at the Facility that are not Covered Tons under the CAA Contract.

"Operating Fee" has the meaning given in Section 6.2(b).

"Operating Costs" means the actual, reasonable, and documented costs and expenses Bruin incurs in operating and maintaining the Facility and performing the Services, including routine and preventive maintenance under Section 4.3(a), Utility Charges Bruin pays under Section 4.7(b) from and after the Utility Transition Date, the cost of security under Section 14.6, and premiums for the insurance required of Bruin under Section 14.3 and Exhibit E, but excluding the Operator Fee, CapEx, and Debt Service.

"Operating Standard" has the meaning given in Section 5.2.

"Operating Term" means the period commencing on the Effective Date and continuing through the expiration or earlier termination of this Agreement in accordance with Section 2, which the Parties intend to be coterminous with the Operating Term of the Service Schedule.

"Operator" means Bruin, in its capacity as the exclusive operator of the Facility under this Agreement.

"Operator Share" means seventy percent (70%) of Pooled Net Proceeds for the applicable Contract Year. If Pooled Net Proceeds for a Contract Year are zero or less, the Operator Share for that Contract Year is zero.

"Pooled Net Proceeds" means, for any Contract Year, Pooled Revenue minus (a) the Operating Costs reimbursed or reimbursable to Bruin under Section 6.2(a) for that Contract Year and (b) City Facility Costs for that Contract Year, in each case determined before deducting the Operator Fee.

"Pooled Revenue" means, for any Contract Year, all amounts received by or on behalf of either Party from the operation of the Facility, including (A) the Processing Fee received from CAA; (B) proceeds from the sale of Covered Commodities and other recovered materials, whether derived from Covered Tons or Non-Covered Tons; (C) performance-based incentive payments CAA pays under Section 6.4; (D) Tip Fees under Section 7.1; (E) DFA Fees under Section 6.6; and (F) grant funds received by or on behalf of the City in connection with the operation of the Facility, including the C3 grant.

"Recovery Standards" has the meaning given in Section 5.5(a).

"Reserve Account" has the meaning given in Section 4.4.

"Service Provider" means the City, in its capacity as the CAA-designated Service Provider of record under the CAA Contract.

"Tip Fee" has the meaning given in Section 7.1.

"True-Up Statement" has the meaning given in Section 8.3.

"Utilities" means natural gas and electricity service supplied to the Facility, including all commodity, demand, delivery, capacity, connection, franchise, and tax components of the charges for such service. Water, sewer, telecommunications, and data service are not Utilities for purposes of this Agreement.

"Utility Transition Date" has the meaning given in Section 4.7(a).

"Volume Tier(s)" means the volume-tiered pricing structure for the Processing Fee established under Section 9, consistent with Form 5 of the CAA Contract.

"Working Capital Advance" has the meaning given in Section 8.2(b).

SECTION 2. TERM

2.1 Effective Date; Initial Term.

This Agreement is effective as of the Effective Date and, unless earlier terminated under Section 19 or Section 2.3, shall continue for an initial term of three (3) years commencing on the Effective Date (the "Initial Term"), subject to annual appropriation by City Council.

2.2 Renewal Terms.

Following the Initial Term, the City and Bruin may, by mutual written agreement, renew this Agreement for up to three (3) successive renewal terms of three (3) years each (each, a "Renewal Term," and together with the Initial Term, the "Term"), for a maximum Term of twelve (12) years. Each Renewal Term is optional for both parties, and no Renewal Term will take effect unless both the City and Bruin agree to it in writing. A party electing to renew shall give the other written notice of its election not less than one hundred eighty (180) days before the end of the then-current Term, and the other party shall give written notice of its agreement or its declination not less than ninety (90) days before the end of the then-current Term. If the parties do not mutually agree to renew — because either party declines, or does not timely give its notice — this Agreement will expire at the end of the then-current Term. Each

renewal is subject to annual appropriations by the City Council.2.3 Coordination with CAA Contract Non-Renewal or Termination.

(a) If the Service Schedule expires or terminates for any reason (with exception of non-appropriation by City Council) whether by the City's or CAA's election not to renew, or by termination under Section 3.2 of the MSA — this Agreement does not terminate solely as a result. Instead, the Parties shall promptly, and in good faith, negotiate a restructured commercial arrangement (including revised Operating Cost reimbursement and Operator Fee terms, Tip Fee, and revenue-sharing structure not dependent on CAA reimbursement) to govern Bruin's continued operation of the Facility following such expiration or termination, and shall implement any such restructuring through a written amendment to this Agreement. Pending completion of such restructuring, Bruin shall continue to operate the Facility, and the Parties shall continue to perform under the economic terms of this Agreement to the extent reasonably practicable given the Service Schedule's expiration or termination. Pending execution of that written amendment, the City shall continue to pay Bruin all undisputed amounts due under this Agreement, including the payment backstop in Section 8.2, and Bruin may suspend or limit Services to the extent continued performance would require Bruin to incur uncompensated costs or assume risks not reflected in the then-current economics. If, notwithstanding good faith negotiation, the Parties are unable to agree on a restructured arrangement within one hundred twenty (120) days after the Service Schedule's expiration or termination, either Party may thereafter terminate this Agreement upon thirty (30) days' further written notice.

(b) The City shall not exercise any right to terminate, or decline to renew, the Service Schedule without first consulting with Bruin and considering Bruin's input in good faith, except where the City reasonably determines, in the exercise of its governmental and fiduciary responsibilities, that continued participation in the Program is no longer in the City's interest for reasons unrelated to Bruin's performance.

(c) Termination of this Agreement under this Section 2.3 is without prejudice to either Party's rights and obligations accrued prior to the effective date of termination, including under Section 13 (Risk Allocation for CAA Liquidated Damages) and Section 15 (Indemnification).

SECTION 3. APPOINTMENT AND ROLES

3.1 Appointment.

The City appoints Bruin as the exclusive operator of the Facility for the Term, and Bruin accepts such appointment, in each case on the terms of this Agreement.

3.2 City's Role as Service Provider of Record.

(a) The City is, and shall remain throughout the Term, the "Service Provider" under the CAA Contract. Bruin is not a party to the CAA Contract and shall not represent to CAA, any Participating Collector, any REM, or any other third party that it is a party to, or has any direct contractual relationship with CAA under, the CAA Contract. As between the City and CAA, the City remains solely responsible for all obligations, liabilities, and representations of "Service Provider" under

the CAA Contract, without regard to Bruin's performance of operational obligations under this Agreement.

(b) Notwithstanding Section 3.2(a), and consistent with Section 3.3, Bruin may, in its own name and for its own account: (i) enter into Designated Facility Use Agreements with Participating Collectors and other Delivering Entities under Section 13.5 of the Service Schedule; and (ii) enter into agreements with REMs and other approved End Markets for the marketing and sale of Covered Commodities under Section 13.10 of the Service Schedule and Section 6.3(a) of this Agreement. Bruin's execution of such agreements in its own name does not make Bruin a party to the CAA Contract, and does not relieve the City of its obligations as Service Provider with respect to such agreements. The City shall reasonably cooperate, including by countersigning or acknowledging such agreements if CAA or a counterparty requires, to give effect to this Section 3.2(b).

3.3 Bruin's Performance as Operator.

Bruin shall perform, on the City's behalf and as the City's independent contractor, all operational obligations of "Service Provider" under the CAA Contract with respect to the Facility, as described in Section 5.1, **except** for those obligations that by their nature can only be performed by the City as the contracting Party with CAA — including requests for reimbursement and invoicing, execution of Change Orders, certifications accompanying invoices, public-entity obligations, and other CAA Contract deliverables requiring the City's signature or certification. The City shall timely execute, and shall not unreasonably withhold, condition, or delay execution of, any such deliverable that Bruin has prepared in accordance with this Agreement and the CAA Contract that are accurate, complete, lawful, and supported.

3.4 Disclosure of Bruin as Operator.

The City shall identify Bruin as the Facility's designated operator, and Bruin's designated personnel as the point(s) of contact for day-to-day operational matters, in (a) the Operations Plan, including the responsible-personnel and emergency-contact information required under Exhibit D, Section 3.1 of the Service Schedule, and (b) any other CAA Contract deliverable for which the City is the signatory and in which such disclosure is customary or required (it being understood that Bruin will directly execute Designated Facility Use Agreements and REM agreements in its own name under Section 3.2(b)), and shall promptly notify CAA of any change in such designation.

3.5 Independent Contractor Status.

Bruin is an independent contractor of the City. Except as expressly provided in Sections 3.3, 3.8, and 4.5, nothing in this Agreement creates a partnership, joint venture, agency, or employment relationship between the City and Bruin, and neither Party shall represent otherwise to any third party.

3.6 No Sub-Delegation of CAA Contractual Relationship.

Nothing in this Agreement assigns, delegates, or transfers to Bruin any of the City's contractual rights or obligations under the CAA Contract. This Agreement does not make Bruin a third-party beneficiary of the CAA Contract, and Bruin has no right to enforce the CAA Contract directly against CAA.

3.7 CAA Contract Negotiations.

(a) Bruin acknowledges that, as of the Effective Date, the City is continuing to negotiate the Service Schedule for Post-Collection Processing Services and related terms of the CAA Contract with CAA, that the City has not yet executed the Service Schedule, and that the terms of the CAA Contract as executed may differ from the terms referenced in this Agreement. Bruin further acknowledges that, upon execution, the CAA Contract will govern the operational obligations Bruin performs under this Agreement.

(b) Until the City executes the Service Schedule, the City shall consult with Bruin in good faith throughout its negotiations with CAA, including by (i) keeping Bruin reasonably informed of the status of the negotiations; (ii) providing Bruin, to the extent permitted by the City's confidentiality obligations to CAA, copies of material drafts of the Service Schedule and other CAA Contract documents that bear on Bruin's scope, cost, or risk under this Agreement; and (iii) considering Bruin's input in good faith before agreeing to any such terms.

(c) The decision whether to enter into the CAA Contract, and on what terms, belongs solely to the City in the exercise of its governmental discretion, and the City alone is responsible for that decision. Nothing in this Section 3.7 requires the City to obtain Bruin's consent to, or to adopt Bruin's input on, any term of the CAA Contract. Bruin's sole remedy if the terms of the CAA Contract as executed are unacceptable to Bruin is termination of this Agreement under Section 19.4.

3.8 BHS Representative.

The City designates Bruin as the City's authorized representative to BHS for operational, service, parts, technical support, warranty, and repair-consent matters relating to the BHS Equipment, and for commissioning, acceptance testing, and performance testing, in each case as further provided in Section 4.5. The City retains sole authority over amendments to the BHS Contract, payments to BHS, change orders under the BHS Contract, and the settlement of claims against BHS.

SECTION 4. FACILITY OWNERSHIP, FINANCING, AND CAPITAL IMPROVEMENTS

4.1 Ownership; License and Access.

The City owns, and shall retain sole ownership of, the Facility, including the underlying real property, all buildings and improvements, the BHS Equipment, and all other fixtures, machinery, and equipment now or hereafter installed at the Facility, subject to any lien or security interest granted by the City in connection with the Facility's financing. Nothing in this Agreement grants Bruin any ownership or leasehold interest in the Facility, but the City grants Bruin the exclusive operating license and access rights set below. For the avoidance of doubt, Bruin owns all assets directly acquired by Bruin and used in operations of the Facility, including computers, hand tools, maintenance and shop equipment, software contracts for the scale and other operations, mobile equipment, spare parts, records, and miscellaneous supplies, and Bruin may remove those assets in its sole discretion. The City shall keep such assets free of City liens and shall reasonably cooperate with Bruin's removal of such assets during the Term and after expiration or termination.

4.2 City Financing Obligations.

The City is solely responsible for (a) servicing all debt incurred to finance the design, construction, and equipping of the Facility ("Debt Service"), and (b) funding all capital expenditures, capital repairs, replacements, upgrades, and non-routine improvements for the Facility and BHS Equipment ("CapEx"), including (i) any repair or replacement covered by the BHS Contract's warranty, which the City shall pursue in accordance with Section 4.5 and (ii) any repair or replacement not covered by warranty and reasonably determined by the Parties to constitute a capital, rather than operating, expense, in each case as reflected in the Volume Tiers.

4.3 Maintenance Responsibility Allocation.

(a) Bruin, as an Operating Cost reimbursable under Section 6.2(a), is responsible for routine and preventive maintenance of the Facility and the BHS Equipment, consistent with Section 13.1(f) of the Service Schedule and the applicable OEM operation and maintenance manual and BHS's specifications, including day-to-day repairs, spare parts, and scheduled maintenance events.

(b) The City is responsible for funding CapEx beyond the scope of Bruin's routine and preventive maintenance responsibility described in Section 4.3(a). If the City does not timely fund or otherwise arrange for performance of any CapEx item, Bruin may exercise the self-help, suspension, and repricing rights in Section 4.6.

(c) Classification Criteria. A maintenance, repair, or replacement item is classified as routine/preventive (and therefore Bruin's responsibility under Section 4.3(a)) or capital (and therefore CapEx funded by the City under Section 4.2) according to the following criteria, applied in order:

(i) an item identified in the applicable OEM operation and maintenance manual or BHS's specifications as scheduled, preventive, or routine maintenance — including but not limited to lubrication, calibration, cleaning, adjustment, inspection, and replacement of consumable or wear components such as belts, screens, discs, blades, filters, and bearings at or near their scheduled intervals — is routine/preventive, regardless of cost, except that any such item with a total cost (including parts and outside labor, but excluding Bruin's own personnel) of $10,000 or more per occurrence, or the replacement of a major component or assembly of the BHS Equipment in its entirety, is capital;

(ii) an unscheduled repair with a total cost (including parts and outside labor, but excluding Bruin's own personnel) of less than $10,000 per occurrence is routine/preventive;

(iii) an item is capital if it (A) has a total cost of $25,000 or more per occurrence and either extends the useful life of the Facility or a major component or assembly of the BHS Equipment by more than one (1) year or replaces such a major component or assembly in its entirety, (B) constitutes a betterment, upgrade, capacity increase, or modification required by a change in Applicable Law or the CAA Contract, or (C) is required to be capitalized under generally accepted accounting principles consistently applied; and

(iv) an item that is not resolved by clauses (i) through (iii) is classified according to its treatment under generally accepted accounting principles consistently applied.

An item does not become capital solely because it results from a Facility shutdown, occurs during a scheduled outage, or is performed together with a capital item; and an item that would otherwise be routine/preventive is CapEx to the extent the repair is necessitated by a latent defect, a design deficiency, or a BHS warranty condition rather than by Bruin's operation or maintenance. Conversely, an item that would otherwise be capital is Bruin's cost to the extent necessitated by Bruin's failure to perform its obligations under Sections 4.3(a), 5.4, or 5.7, as determined under the Operating Standard. Either Party may refer a classification dispute to Section 21 (Dispute Resolution), and classification does not change which Party performs the work.

4.4 Reserve Account.

(a) The City shall establish and maintain a reserve account for CapEx (the "Reserve Account"), funded from the CapEx component of the Processing Fee as reflected in the applicable Volume Tier, in accordance with Exhibit D (Reserve Account Mechanics).

(b) As part of each Annual Budget, the Parties shall agree on an annual CapEx budget identifying anticipated capital items and an aggregate CapEx allotment for the Contract Year (the "CapEx Budget"). All planned and budgeted capital purchases identified in the CapEx Budget with an estimated cost exceeding Twenty-Five Thousand Dollars ($25,000) shall be procured through the City and shall comply with the City's purchasing policies and procedures.

(c) For any CapEx item with an estimated cost of Twenty-Five Thousand Dollars ($25,000) or less that is within the CapEx Budget and would not cause aggregate CapEx for the Contract Year to exceed the CapEx Budget, Bruin may proceed to procure and perform the item after written notice to the City describing the item and its estimated cost.

(d) For any CapEx item with an estimated cost exceeding Twenty-Five Thousand Dollars ($25,000), or any item, regardless of cost, that is not within the CapEx Budget or would cause aggregate CapEx for the Contract Year to exceed the CapEx Budget, Bruin shall give the City written notice and shall not proceed without the City's written approval. The City shall respond within ten (10) Business Days after receipt of Bruin's notice. If the item is necessary for continued safe or compliant operation of the Facility and the City does not respond within that period, Bruin may deliver a second written notice, and if the City does not respond within five (5) Business Days after receipt of the second notice, the item is deemed approved.

(e) Vendors and contractors performing approved CapEx items shall invoice the City directly, and the City shall pay such invoices from the Reserve Account or other City funds within thirty (30) days after receipt. If Bruin advances payment for an approved CapEx item, the City shall reimburse Bruin within thirty (30) days after receipt of Bruin's invoice with supporting documentation. CapEx is not an Operating Cost. Nothing in this Section 4.4 limits Section 4.6.

4.5 BHS Contract; Warranty Claims.

(a) The City shall maintain the BHS Contract in effect in accordance with its terms and shall not amend, waive, settle, accept, or release any provision, right, or claim under the BHS Contract that would materially affect the BHS Performance Guarantee, BHS's warranty obligations, or the BHS

Guaranteed Operating Conditions without Bruin's prior written consent, which Bruin shall not unreasonably withhold, condition, or delay.

(b) The City is solely responsible for pursuing and enforcing any warranty claim, and any other remedy available to the City, against BHS under the BHS Contract; provided that, effective as of the Effective Date, the City designates Bruin as the City's authorized representative and agent to (i) prepare, submit, and pursue warranty claims and other remedies against BHS on the City's behalf, and (ii) communicate and coordinate directly with BHS on the City's behalf regarding operation, service, parts, technical support, and requests for BHS's consent to repairs or modifications of the BHS Equipment. Within ten (10) days after the Effective Date, the City shall notify BHS in writing of this designation, and shall promptly notify BHS of any change. The City retains sole authority over amendments to the BHS Contract, payments to BHS, and change orders under the BHS Contract. The City remains the real party in interest and retains sole authority to make final decisions regarding the settlement or resolution of any such claim. Bruin's role as the City's agent under this Section 4.5(b) does not expand Bruin's responsibility under Section 13 or elsewhere in this Agreement, and Bruin has no liability under this Agreement for the City's, or Bruin's own, failure to obtain any particular outcome, remedy, or recovery from BHS, except to the extent resulting from Bruin's failure to provide the notice required under Section 4.5(c).

(c) Bruin shall notify the City in writing within two (2) Business Days after discovering any defect, malfunction, or other condition of the BHS Equipment that may give rise to a warranty claim under the BHS Contract, with sufficient detail to allow the City to provide BHS with the written notice of defect required within ten (10) days under the BHS Contract's Limited Warranty provisions. If Bruin fails to timely notify the City under this Section 4.5(c) and, as a result, the City loses an otherwise-available BHS warranty remedy, such failure shall be treated, solely for purposes of Section 13 (Risk Allocation for CAA Liquidated Damages), as if Bruin had failed to operate or maintain the Facility in accordance with Sections 5.2 and 5.4 with respect to the condition in question.

(d) Bruin shall reasonably cooperate with the City, at the City's expense for any material out-of-pocket cost incurred by Bruin, in connection with the City's pursuit of any BHS Contract warranty claim, including by providing access to the Facility, records, and personnel.

(e) Bruin may participate in all commissioning, acceptance, and performance testing of the BHS Equipment under the BHS Contract, and the City shall provide Bruin each test plan reasonably in advance of the applicable test and all resulting test data and reports. The City shall not issue final acceptance of the BHS Equipment, or otherwise accept the BHS Equipment as satisfying the BHS Performance Guarantee, without Bruin's written concurrence, which Bruin shall not unreasonably withhold, condition, or delay. If Bruin does not object in writing within ten (10) Business Days after receipt of the applicable test results, Bruin is deemed to concur. If the City accepts the BHS Equipment over Bruin's timely written objection, (i) Bruin shall have no reimbursement obligation under Section 13.1(a) for any CAA Performance Consequence to the extent attributable to the shortfall identified in Bruin's objection, and (ii) for purposes of Sections 5.5 and 13, Facility performance shall be measured against the performance demonstrated in the acceptance testing.

4.6 Emergency Repairs; Self-Help; Suspension and Repricing.

(a) If Bruin reasonably and in good faith determines that a capital repair, replacement, safety item, utility issue, BHS Equipment issue, or Facility condition requires action to protect safety, preserve CAA compliance, avoid material downtime, prevent loss of warranty rights, or mitigate damage (an "Emergency Condition"), Bruin shall promptly notify the City, describing the Emergency Condition and Bruin's proposed response and estimated cost. The City shall respond within two (2) Business Days (or immediately, by telephone or email, if the Emergency Condition poses an imminent risk to health, safety, or the environment). If the City does not authorize a response within the applicable period, or if the Emergency Condition poses an imminent risk to health, safety, or the environment such that Bruin reasonably determines the City's response cannot be awaited, Bruin may perform or procure emergency work reasonably necessary to address the Emergency Condition, provided that (i) Bruin shall not incur costs in excess of $25,000 per occurrence (or $75,000 in the aggregate in any Contract Year) without the City's prior written authorization, except to the extent necessary to address an imminent risk to health, safety, or the environment, (ii) Bruin shall not incur costs under this Section 4.6(a) exceeding $150,000 in the aggregate in any Contract Year without the City's prior written authorization, including costs incurred to address an imminent risk to health, safety, or the environment, and shall notify the City within one (1) Business Day after commencing any work in reliance on the imminent-risk exception, describing the work and its estimated cost, and (iii) Bruin shall use commercially reasonable efforts to competitively source any material work. The City shall reimburse Bruin's reasonable, documented costs for such work, plus an administrative charge not to exceed five percent (5%) of such costs, within thirty (30) days after invoice (with supporting documentation), and such reimbursement shall be treated as CapEx, not as an Operating Cost.

(b) If the City fails to fund an undisputed CapEx item that is necessary for continued safe or compliant operation of the Facility, fails to reimburse an undisputed amount due under Section 4.6(a), fails to maintain required insurance, or fails to provide Facility access reasonably necessary for Bruin to perform the Services, and such failure continues for thirty (30) days after written notice describing the failure and the Services Bruin proposes to suspend (or, for a condition posing an imminent risk to health, safety, or the environment or a utility nonpayment under Section 4.7(d) that threatens curtailment of utility service, such shorter period as is reasonable under the circumstances), Bruin may suspend or limit the specific Services directly and materially affected by such failure, provided that Bruin shall (i) except where the failure poses an imminent risk to health, safety, or the environment or constitutes such a utility nonpayment, first submit the matter to the Parties' designated representatives, who shall meet within five (5) Business Days after Bruin's written request, and not suspend until the earlier of (A) fifteen (15) days after that meeting, if the matter remains unresolved, and (B) twenty (20) days after Bruin's request, if the representatives have not

met, (ii) give the City as much advance notice as is reasonably practicable under the circumstances, (iii) limit any suspension to the minimum scope and duration reasonably necessary, and (iv) promptly resume full performance once the City's failure is cured. Bruin may not suspend or limit Services on account of a disputed amount, a disputed classification under Section 4.3 (in each case, only if the City has disputed such amount or classification in good faith by written notice to Bruin stating in reasonable detail the basis for the dispute), or any failure the City has cured or, solely with respect to a failure to maintain required insurance or provide Facility access, has commenced and is diligently pursuing cure of, for a period not to exceed thirty (30) days. A suspension in accordance with this Section 4.6(b) is not a breach of this Agreement by Bruin, and any resulting CAA Performance Consequence is excluded from Bruin's responsibility under Section 13; however, this Section 4.6(b) does not limit the City's rights under Section 13 with respect to any CAA Performance Consequence to the extent Bruin's suspension exceeds what this Section 4.6(b) permits. Notwithstanding the foregoing, Bruin may stop or limit any work that Bruin reasonably and in good faith determines poses an imminent risk to health, safety, or the environment, provided that Bruin promptly notifies the City in writing and resumes such work once the condition has been addressed.

(c) If a City-funded item under Section 4.2 materially and adversely changes Bruin's Operating Costs, staffing, throughput, or ability to meet CAA requirements, Bruin may request a Budget Reset or Change Order under Section 9 or 10 to address the resulting impact, and the Parties shall negotiate such adjustment in good faith on an expedited basis; pending completion of that process, Bruin shall continue to perform the Services.

4.7 Utility Accounts; Transfer to Bruin.

(a) From the Effective Date until the Utility Transition Date, the City shall maintain, in its own name, the accounts for, and pay directly to the applicable providers, when due, all charges for Utilities supplied to the Facility, including all commodity, demand, delivery, capacity, connection, franchise, and tax components of such charges (collectively, "Utility Charges"). Bruin has no obligation to pay or reimburse the City for Utility Charges the City pays under this Section 4.7(a), and the treatment of such Utility Charges for purposes of Section 6 is governed by Section 6.7(a). The "Utility Transition Date" means the later of January 1, 2027 and the Commercial Operation Date, or such other date as the Parties agree in writing.

(b) Effective as of the Utility Transition Date, Bruin shall establish, hold in its own name, and maintain in good standing all accounts for Utilities supplied to the Facility, and shall pay directly to the applicable providers, when due, all Utility Charges for Utilities supplied to the Facility from and after the Utility Transition Date. The City shall not bill or pass through Utility Charges to Bruin, and, from and after the Utility Transition Date, the City's sole obligation with respect to Utility Charges is to reimburse Bruin for them as Operating Costs under Section 6.2(a). Utility Charges Bruin pays under this Section 4.7(b) are Operating Costs of Bruin, shall be included in Bruin's budgeted Operating Costs, and are recoverable by Bruin only through reimbursement under Section 6.2(a); consistent with Section 6.5, Bruin shall not recover any Utility Charge more than once. If Bruin fails to pay any Utility Charges when due, the City may (but is not obligated to) pay such Utility Charges directly to the provider and set off the amount paid against any amount payable to Bruin under this Agreement.

(c) The Parties shall reasonably cooperate to transfer the Utility accounts from the City to Bruin, effective as of the Utility Transition Date, without interruption of Utility service, including by coordinating final meter readings and notices to providers. Bruin shall be responsible for any security deposit or other credit support a provider requires for accounts held in Bruin's name, which shall be reimbursable as an Operating Cost under Section 6.2(a). Before the Utility Transition Date, Bruin shall provide access to the Facility, meter locations and readings, and operating information the City reasonably requests. From and after the Utility Transition Date, Bruin shall deliver copies of all Utility invoices to the City with the applicable True-Up Statement, and the City may audit such records under Section 8.4.

(d) If, before the Utility Transition Date, the City fails to pay Utility Charges when due and such failure results in, or upon notice from the provider threatens, curtailment or discontinuation of Utility service to the Facility, such failure is a City funding failure for purposes of Section 4.6(b), and Bruin may exercise the rights available to it under that Section. If, from and after the Utility Transition Date, Bruin fails to pay Utility Charges when due, such failure is a breach of this Agreement by Bruin, and the City may exercise its rights under Section 4.7(b) in addition to any other remedy available to it under this Agreement.

(e) Any curtailment, interruption, or failure of Utility service not caused by Bruin's negligence, willful misconduct, or breach of this Agreement (including any failure to pay Utility Charges when due under Section 4.7(b)) does not constitute a failure by Bruin to operate or maintain the Facility in accordance with Sections 5.2 and 5.4, and Bruin shall use commercially reasonable efforts to mitigate the operational effect of any such event.

SECTION 5. SCOPE OF OPERATING SERVICES; STANDARD OF CARE

5.1 Scope of Services.

(a) Bruin shall operate the Facility to perform all Services required of "Service Provider" under the Service Schedule with respect to the Facility, including the Base Services described in Section 1.1(a) of the Service Schedule (Materials Processing at MRFs and IPMRFs, to the extent applicable to the Facility's function as a MRF) and the Mandatory Ancillary Services described in Section 1.1(b) of the Service Schedule. For the avoidance of doubt related to the Services, Bruin will handle receiving (including the scale), sampling, processing and sorting, storage, reporting, residue, marketing, public relations (including educational tours).

(b) Any Service, activity, or function not identified in Section 5.1(a) is outside Bruin's scope of Services under this Agreement. Any request by the City or CAA that Bruin perform a Service, activity, or function not identified in Section 5.1(a) constitutes a request for a Change under Section 10 (or, to the extent not implemented through CAA's Change Order process, a request for an amendment to Exhibit A reflecting corresponding compensation), which Bruin is not obligated to perform unless and until Bruin has agreed in writing to the scope, compensation, timing, and risk allocation.

5.2 Standard of Care.

Bruin shall perform the Services in a diligent, safe, and workmanlike manner that conforms to generally accepted industry and professional practices and the care and skill ordinarily exercised in performing such services, consistent with Article 2 of the MSA, and in compliance with the Standards and Specifications set forth in Article 13 of the Service Schedule, this Agreement, and Applicable Law. In determining whether Bruin has complied with the OEM operation and maintenance manuals, the BHS Contract, BHS's specifications, or any maintenance program under this Agreement, a deviation that reflects Bruin's reasonable, good-faith operating judgment and is consistent with generally accepted industry practice for comparable facilities is not a breach, and Bruin is responsible for a resulting failure or damage only to the extent directly caused by a deviation that is not consistent with generally accepted industry practice or the terms of any BHS warranty as provided to Bruin in writing (the "Operating Standard").

5.3 Available Processing Capacity.

Bruin shall operate the Facility to accept and process Designated Covered Materials up to the Available Processing Capacity specified in the Proposal Excerpt (Exhibit N to the Service Schedule) — presently anticipated to be approximately 21,000 tons per year on a single-shift basis, or approximately 40,000 tons per year on a two-shift basis. The Parties shall cooperate in good faith regarding the timing of any transition to two-shift operations, the economic effect of which is governed by Section 9.4.

5.4 Compliance with BHS Specifications.

Bruin shall operate, staff, clean, inspect, and maintain the BHS Equipment in material compliance with the applicable OEM operation and maintenance manuals and the BHS operating requirements necessary to preserve the BHS Performance Guarantee and applicable warranties, in each case measured under the Operating Standard, and shall provide trained and qualified personnel at levels reasonably required to satisfy those requirements.

During commissioning, acceptance testing, performance testing, and any required retesting, Bruin shall staff and operate the Facility at the levels established by BHS. Bruin shall use commercially reasonable efforts to achieve the sorter performance levels stated in the BHS Contract, including the specified 50 accurate picks per minute; provided that (i) such levels are performance targets and not a guarantee by Bruin, and Bruin's failure to achieve them is not a breach of this Agreement where Bruin has staffed and supervised the applicable positions in good faith; (ii) where the pick rate specified in the BHS Contract for a position exceeds generally accepted industry standards for that type of position, the industry standard governs for purposes of this Agreement; and (iii) Bruin is not required to achieve a specified pick rate at a position, such as presort, where the volume, size, composition, or presentation of the material available at that position does not permit that rate. Bruin shall remove bulky and wrap-prone materials at the presort stations as contemplated by the BHS Contract to the extent reasonably practicable given the volume and composition of the inbound material.

If Bruin determines that a required staffing level, pick rate, presort obligation, or other operating condition cannot reasonably be achieved, Bruin shall promptly notify the City in writing, provide available supporting information, and recommend appropriate corrective action. Bruin shall not knowingly deviate from a BHS-required operating parameter, staffing requirement, maintenance procedure, or other condition in a manner that could materially impair the BHS Performance Guarantee or an applicable warranty without the City's prior written approval and, when appropriate, written confirmation from BHS.

Bruin shall not be responsible under this Section for a failure to satisfy a BHS performance condition to the extent caused by equipment defects, inbound material that does not meet the material characteristics established in the BHS Contract, acts or omissions of the City or BHS, or other circumstances beyond Bruin's reasonable control, provided that Bruin timely notifies the City of the condition and takes commercially reasonable steps within its control to mitigate its effects.

To the extent the BHS Performance Guarantee or an applicable warranty is impaired, denied, or voided as a direct result of Bruin's material breach of this Section, determined under the Operating Standard, Bruin shall be responsible for the resulting reasonable and documented costs incurred by the City, subject to the limitations of liability and other applicable provisions of this Agreement.

5.5 Capture Rate and Residue Standards

(a) Bruin's obligation with respect to the Capture Rate Standards, Residue Rate, and Residue Composition requirements set forth in Section 13.9 of the Service Schedule (collectively, the "Recovery Standards") is limited to operating and maintaining the Facility in accordance with Sections 5.2 and 5.4 of this Agreement. Bruin does not warrant or guarantee that the Facility will achieve any specific Recovery Standard, and the City acknowledges that attainment of the Recovery Standards depends on factors outside Bruin's control, including the BHS Performance Guarantee's express dependency on the BHS Guaranteed Operating Conditions.

(b) If, for any period, the Material Composition of Designated Covered Materials delivered to the Facility falls outside the composition-tolerance component of the BHS Guaranteed Operating Conditions (a "Composition Deviation"), the provisions of Section 13.1(a) shall not apply during such period. Bruin shall maintain sufficient sampling data to demonstrate any Composition Deviation if disputed.

(c) Nothing in this Section 5.5 relieves Bruin of its obligations under Sections 5.2 and 5.4, or excuses any failure to meet the Recovery Standards that is attributable to Bruin's failure to operate or maintain the Facility in accordance with Sections 5.2 and 5.4, regardless of whether a Composition Deviation exists concurrently.

(d) For the avoidance of doubt, the City's rights and remedies against BHS under the BHS Contract, if any, for a Composition Deviation or for the Facility's failure to meet the BHS Performance Guarantee, are governed solely by the BHS Contract. Bruin makes no representation regarding the availability or adequacy of any such rights or remedies, and the Parties acknowledge that the BHS Contract's Limited Warranty currently provides for repair or replacement of the BHS Equipment as BHS's sole remedy, and does not provide for recovery of CAA liquidated damages, lost incentive payments, or lost commodity revenue.

5.6 Material Mix Recalibration.

If CAA materially expands the list of Designated Covered Materials beyond the baseline established at the Service Schedule Effective Date, Bruin's obligations under this Section 5 with respect to the newly added materials, and the corresponding Volume Tier adjustment, shall be addressed in accordance with Section 11 (Program Scope / Material Mix Recalibration).

5.7 Maintenance Program; Inspection; OEM Compliance.

(a) Bruin shall maintain a preventive maintenance program for the Facility and the BHS Equipment in its maintenance management system, consistent with the applicable OEM operation and maintenance manuals and BHS's specifications under the Operating Standard, and shall make the program available for the City's review during inspections under Section 5.7(c). Bruin shall prepare, for the City's submission, the Operations Plan and annual updates required under the Service Schedule.

(b) Bruin shall maintain maintenance records for the Facility and the BHS Equipment reasonably sufficient to document compliance with this Section 5.7, shall make them available to the City upon reasonable request, and shall retain those records for the period required under Section 12.2 of the MSA.

(c) The City and its representatives may inspect the Facility and the BHS Equipment, and review the records described in Section 5.7(b), on not less than five (5) Business Days' notice during normal operating hours, and at any time without notice where the City reasonably believes a condition poses a risk to health, safety, the environment, or the City-owned assets. The City shall observe Bruin's reasonable safety and site rules and shall conduct inspections so as not to unreasonably interfere with operations

(d) Not more than once per Contract Year (and additionally following any Facility condition the City reasonably believes results from a failure of routine or preventive maintenance), the City may engage BHS, the applicable OEM, or an independent qualified engineer to inspect the BHS Equipment and verify compliance with the OEM operation and maintenance manual and BHS's specifications. The City bears the cost of such verification, except that Bruin shall bear the cost of any verification that identifies a material failure by Bruin to perform its obligations under Section 4.3(a), 5.4, or this Section 5.7, determined under the Operating Standard. Bruin shall provide access, records, and personnel reasonably necessary for the verification.

(e) If a City inspection or verification identifies a material deviation from the maintenance program, the OEM manual, or BHS's specifications that is attributable to Bruin, Bruin shall deliver a written corrective action plan within fifteen (15) Business Days and shall complete the corrective work, at its cost to the extent the deviation is attributable to Bruin, within the period stated in the plan or such other period as the Parties reasonably agree. If Bruin fails to do so, the City may, after ten (10) Business Days' further written notice, cause the corrective work to be performed and recover its reasonable, documented cost from Bruin, including from the security under Section 14.6.

(f) Nothing in this Section 5.7 (i) shifts to Bruin any CapEx obligation of the City under Section 4.2, (ii) makes Bruin responsible for a latent defect, design deficiency, or BHS warranty condition, or (iii) alters Section 5.5(a), under which Bruin does not warrant attainment of the Recovery Standards.

5.8 City Collection Operations.

(a) Designated Covered Materials and other materials delivered to the Facility by or on behalf of the City's collection operations shall be accepted, inspected, classified, and, where applicable, rejected or assessed DFA Fees under the same standards and terms that apply to other haulers and Participating Collectors delivering to the Facility.

(b) The City shall not direct or seek to influence Bruin's inspection, classification, rejection, or reporting decisions with respect to loads delivered by or on behalf of the City's collection operations, and Bruin shall make those decisions in good faith and in accordance with the CAA Contract.

(c) Any charge, deduction, clawback, or other consequence assessed by CAA against the City in its capacity as a collection service provider, including under any Service Schedule for collection services, is the sole responsibility of the City and is not a CAA Performance Consequence for which Bruin has any responsibility under Section 13.

(d) To the extent permitted by the CAA Contract and CAA's designation of Designated Facilities for the City's service area, the City shall deliver, or cause to be delivered, to the Facility the Designated Covered Materials collected by or on behalf of the City's collection operations.

5.9 Ancillary Revenue Opportunities.

Bruin may propose to the City opportunities to generate additional revenue from the Facility or the Facility site, such as electronics recycling or the processing of additional materials (each, an "Ancillary Service"). The City shall consider each proposal in good faith and may implement it, to the extent permitted by Applicable Law and/or any other contractual obligation, as an amendment to this Agreement, as it would be performed as part of Bruin's operation of the Facility. While the Parties are negotiating an Ancillary Service in good faith, the City shall not solicit third-party proposals for an Ancillary Service Bruin has proposed, and the City shall treat Bruin's proposal as Bruin Confidential Information. The City maintains the authority to approve or deny the proposal in its sole discretion.

SECTION 6. FEE STRUCTURE — COVERED TONS

6.1 Processing Fee.

The "Processing Fee" is the amount the City is entitled to invoice and receive from CAA under the CAA Contract for Covered Tons processed at the Facility during an Invoice Period, calculated in accordance with Exhibit A to the Service Schedule (Reimbursement Rate Calculation), based on the Volume Tier applicable to the Facility's actual monthly tonnage under Section 9.

6.2 Operating Cost Reimbursement; Operator Fee.

(a) The City shall reimburse Bruin for the actual, reasonable, and documented Operating Costs Bruin incurs in performing the Services, without markup. The Annual Budget is a planning tool and not a limit on reimbursement. Beginning with the second Contract Year, if Operating Costs for the year to date exceed budgeted Operating Costs for the same period by more than ten percent (10%), Bruin shall include a written explanation of the variance in the next True-Up Statement. The City may dispute an Operating Cost only on the basis that it is unreasonable, undocumented, or outside the scope of the Services, and shall pay all undisputed amounts when due under Section 8.3. Operating Costs include Utility Charges Bruin pays under Section 4.7(b) from and after the Utility Transition Date, but do not include Utility Charges the City pays under Section 4.7(a). Reimbursement under this Section 6.2(a) is in addition to, and is not part of, the Operator Fee.

(b) In addition to reimbursement under Section 6.2(a), the City shall pay Bruin, for each Contract Year, a fee (the "Operator Fee") equal to the greater of (i) the Management Fee or (ii) the Operator Share. Expressed as a formula, Operator Fee = the greater of $225,000 and (70% × Pooled Net Proceeds).

(c) The Management Fee operates as a floor. If the Operator Share for a Contract Year is less than the Management Fee, Bruin shall nonetheless receive the Management Fee, and the resulting shortfall shall be borne by, and deducted from, the City Share. To the extent the shortfall exceeds the City Share, the City shall pay the remainder to Bruin, subject to annual appropriation under Section 19.5. The Management Fee is payable regardless of Pooled Net Proceeds or any variance in Operating Costs, and may be withheld or offset only for amounts finally determined to be owed by Bruin under Section 13 or Section 21.

(d) Pending the annual reconciliation, the City shall pay Bruin through the True-Up Statement under Section 8.3 (i) the Operating Costs reimbursable under Section 6.2(a) for the applicable period and (ii) an installment of the Operator Fee equal to (A) the greater of the Management Fee prorated for the elapsed portion of the Contract Year and the Operator Share calculated on a year-to-date basis, minus (B) all installments of the Operator Fee previously paid for that Contract Year. The Management Fee shall be paid in equal monthly installments of Eighteen Thousand Seven Hundred Fifty Dollars ($18,750), regardless of year-to-date Pooled Net Proceeds. Either Party may elect, by written notice delivered before the start of a Contract Year, to calculate the Operator Share installment quarterly rather than monthly for that Contract Year. Pooled Revenue collected by Bruin shall be reported in, and credited against amounts payable to Bruin through, the True-Up Statement. Within sixty (60) days after the end of each Contract Year, Bruin shall deliver to the City a reconciliation of Pooled Revenue, Operating Costs, Pooled Net Proceeds, the Operator Share, the City Share, and the Operator Fee for that Contract Year, and the Party owing any resulting net amount shall pay it within the period provided in Section 8.3. Any amount owed by Bruin in the annual reconciliation is limited to Operator Fee installments paid in excess of the Management Fee, and in no event shall the Operator Fee for a Contract Year be less than the Management Fee. An illustrative calculation is set forth in Exhibit F. Consistent with Section 6.5, no amount shall be counted more than once as Pooled Revenue or as an Operating Cost.

6.3 Commodity Sales; Commodity Credit.

(a) Bruin shall market and sell Covered Commodities derived from Covered Tons directly to REMs (or other CAA-approved End Markets) in accordance with Section 13.10 of the Service Schedule, on the City's behalf as provided in Section 3.3, and shall collect the proceeds of such sales as Pooled Revenue.

(b) The "Commodity Credit" means, for any Invoice Period, the per-ton value of Covered Commodities derived from Covered Tons, calculated using the same Material Composition, Average Actual Price, and "BV for Net Revenue per Ton" methodology set forth in Exhibit A to the Service Schedule, based on data Bruin prepares and reports under Section 13.6 of the Service Schedule and Section 1.3 of Exhibit B thereto.

(c) Commodity sale proceeds are shared between the Parties only through the Operator Share and City Share under Section 6.2, and Bruin shall not retain any such proceeds except as part of the Operator Fee. The Commodity Credit is used solely for reporting under the CAA Contract and for calculating the City's reimbursement entitlement from CAA, and does not reduce any amount payable to Bruin under this Agreement.

6.4 CAA Performance-Based Incentives.

(a) Any performance-based incentive payment CAA pays the City under Section 3 of Exhibit A to the Service Schedule — including the Covered Commodities Marketing Fee Incentive, the Worker Safety and Training Incentive, and any Additional Performance-Based Incentive CAA may introduce — is Pooled Revenue and shall be shared between the Parties only through the Operator Share and City Share under Section 6.2.

(b) Bruin shall provide the City with all information reasonably necessary for the City to apply for, substantiate, and receive any such incentive, and the City shall cooperate with Bruin, including by executing any Change Order under Section 10, to pursue any Additional Performance-Based Incentive CAA may introduce.

6.5 No Duplication.

Nothing in this Section 6 requires the City to pay Bruin more than once for the same underlying cost, revenue, or incentive item.

6.6 Contamination and Rejected Load Fees (Covered and Non-Covered Tons).

Any fee or charge assessed against a hauler or other Participating Collector under a Designated Facility Use Agreement or similar agreement between Bruin and a hauler for contamination, residue in excess of applicable standards, or a rejected or refused load (a "DFA Fee") shall be collected by Bruin as Pooled Revenue. DFA Fees are shared between the Parties only through the Operator Share and City Share under Section 6.2, shall be reported in the True-Up Statement under Section 8.3, and shall not be retained by Bruin except as part of the Operator Fee. This Section 6.6 applies whether the tons giving rise to the DFA Fee are Covered Tons or Non-Covered Tons, and the additional costs Bruin incurs in handling such loads (including additional sorting, handling, residue disposal, and equipment wear) are reimbursable under Section 6.2(a) to the extent they are Operating Costs.

6.7 Utilities.

(a) From and after the Utility Transition Date, Utility Charges Bruin pays directly to providers under Section 4.7(b) are Operating Costs of Bruin, reimbursable under Section 6.2(a) and deducted from Pooled Revenue in calculating Pooled Net Proceeds. Bruin shall budget for all Utility Charges for each Contract Year (or portion thereof) beginning on or after the Utility Transition Date as part of its budgeted Operating Costs. Utility Charges the City pays under Section 4.7(a) before the Utility Transition Date are costs of the City, are not Operating Costs, are not reimbursable to Bruin, and are not deducted from Pooled Revenue in calculating Pooled Net Proceeds.

(b) Consistent with Section 6.5, Bruin shall not recover any Utility Charge more than once, and the City shall not bill, pass through, or charge Bruin for any Utility Charges.

(c) Utility Charges are not allocated between Covered Tons and Non-Covered Tons for purposes of Bruin's compensation under this Agreement. Bruin shall provide the consumption and cost data the City reasonably requires to allocate or substantiate Utility costs for purposes of reporting under the CAA Contract, so that only the portion of Utility Charges allocable to Covered Tons under Section 9.3 is presented to CAA as an Eligible Expense.

SECTION 7. FEE STRUCTURE — NON-COVERED TONS

7.1 Tip Fee.

Bruin shall set the per-ton fee charged to the market for Non-Covered Tons delivered to the Facility (the "Tip Fee"), and may adjust the Tip Fee and negotiate customer-specific rates from time to time based on market conditions. Bruin shall report the Tip Fees in effect in each True-Up Statement.

7.2 Collection.

Bruin shall invoice and collect, in its own name or as the City's agent as the Parties may arrange for banking purposes, all Tip Fees and Covered Commodity sale proceeds attributable to Non-Covered Tons.

7.3 [Reserved].

7.4 [Reserved].

7.5 No CAA Reimbursement for Non-Covered Tons.

(a) Non-Covered Tons are not Designated Covered Materials and are not eligible for reimbursement under the CAA Contract. Neither Party shall report Non-Covered Tons to CAA as Designated Covered Materials, include Non-Covered Tons in the Processing Fee or any reimbursement request to CAA, or otherwise seek CAA reimbursement with respect to Non-Covered Tons.

(b) Bruin shall operate and track data in a manner that allows reporting to be consistent with Activity Report requirements under the Service Schedule (Articles 7 and 9 and Sections 13.4 and 13.5) — so that the two streams are separately substantiated and the Covered-Ton data submitted to CAA excludes Non-Covered Tons.

(c) Non-Covered Tons, and the costs of processing them, are excluded from the Processing Fee and the CAA Allowable Margin and are not an Eligible Expense under the CAA Contract. For purposes of Bruin's compensation under this Agreement, Tip Fees and other revenue from Non-Covered Tons are Pooled Revenue, and the costs of processing Non-Covered Tons are Operating Costs, in each case under Section 6.2.

(d) If Non-Covered Tons are reported to, or reimbursed by, CAA as a result of Bruin's act or omission — including any resulting disallowance, clawback, audit cost, or liquidated damages assessed against the City under the CAA Contract — the resulting loss shall be borne by Bruin and allocated in accordance with Section 13 (Risk Allocation for CAA Liquidated Damages); provided that Bruin is not responsible for any such reporting or reimbursement to the extent resulting from inaccurate or incomplete information provided by a hauler, Participating Collector, Bruin or any affiliate, or the City (including as to the origin or classification of a load) on which Bruin reasonably relied.

SECTION 8. INVOICING, RECONCILIATION, AND MONTHLY TRUE-UP

8.1 CAA Invoicing Coordination.

Bruin shall prepare, and the City shall timely submit to CAA, all invoices, Activity Reports, and supporting documentation required under Section 8.1 of the MSA and Article 4 of the Service Schedule, which shall cover only Covered Tons and exclude Non-Covered Tons as required by Section 7.5, on a timeline that allows the City to submit its invoice to CAA by the deadline required under the Service Schedule.

8.2 Payment of Operating Costs and Operator Fee; Working Capital Advance.

(a) The City shall pay Bruin the amounts due under Section 6.2 for each Invoice Period in accordance with, and on the payment terms set forth in, Section 8.3 (True-Up Statement). The City's payment obligation to Bruin under this Section 8.2(a) is not contingent on the City's receipt of, or the amount of, the corresponding CAA reimbursement payment, except to the extent CAA's payment reflects a liquidated damage, disallowance, or other reduction for which Bruin bears responsibility under Section 13, in which case the City may withhold the corresponding amount from amounts payable under Section 6.2 only after complying with the notice-and-consent procedure in Section 13.2 and only to the extent such amount has been finally determined under Section 21, or agreed in writing by the Parties, to be owed by Bruin under Section 13.1(a), subject to the limitations in Section 13.1(a). The City shall not withhold any amount pending resolution of a dispute Bruin raises in good faith under Section 21. For the avoidance of doubt, nothing in this Section 8.2(a) modifies the Working Capital Advance mechanics in Section 8.2(b).

(b) In recognition that Bruin will incur Operating Costs at the Facility before the City receives its first CAA reimbursement payment (which the Parties anticipate may occur approximately 45 days after the City's submission of its first Monthly Tonnage Report, itself due by the fifth (5th) Business Day of the following month), the City shall, within ten (10) Business Days after the Effective Date (or such other date the Parties agree reflects the start of Facility operations), pay Bruin an advance equal to Bruin's reasonably estimated Operating Costs for the first two (2) months of Facility operations (the "Working Capital Advance"). The City shall credit the Working Capital Advance against the reimbursement of Operating Costs otherwise payable to Bruin under Section 8.2(a) until fully recovered by the City.

8.3 True-Up Statement.

In accordance with Exhibit F, and no later than the fifteenth (15th) Day of each calendar month, Bruin shall deliver to the City a statement (the "True-Up Statement") reconciling, for the preceding calendar month: (a) Covered Tons and Non-Covered Tons processed; (b) Pooled Revenue received by or on behalf of each Party, itemized by the categories listed in the definition of Pooled Revenue (the Processing Fee, commodity sale proceeds, CAA performance-based incentives, Tip Fees, and DFA Fees); (c) Operating Costs incurred, compared against budgeted Operating Costs and including Utility Charges Bruin paid under Section 4.7(b), with reasonable supporting documentation; (d) the Commodity Credit, for reporting purposes under Section 6.3; (e) year-to-date Pooled Net Proceeds, Operator Share, and City Share; (f) the Operating Costs reimbursable and the installment of the Operator Fee payable under Section 6.2(d); and (g) the net amount payable by one Party to the other as a result of (a) through (f), after crediting Pooled Revenue collected by Bruin. Each Party shall pay any undisputed net amount it owes within thirty (30) Days after the True-Up Statement is delivered ("Net 30").

8.4 Records; Audit.

Each Party shall maintain records sufficient to support the True-Up Statement for the period required under Section 12.2 of the MSA (currently seven (7) years). Each Party may audit the other's records relevant to this Section 8 no more than twice per year on reasonable notice, consistent with the audit principles of Article 13 of the MSA.

8.5 Disputes.

Any dispute regarding a True-Up Statement is resolved under Section 21 (Dispute Resolution); pending resolution, each Party shall pay the undisputed portion of any amount owed when due.

8.6 Late Payment; Suspension.

(a) Any undisputed amount not paid when due under this Agreement shall bear simple interest from the due date until paid at the rate of three percent (3%) per annum.

(b) If the City fails to pay any undisputed amount shown in a True-Up Statement within fifteen (30) Business Days after Bruin's written notice of non-payment, Bruin may, upon five (5) Business Days' further written notice, suspend or limit performance of the Services until the undisputed amount is paid. A suspension in accordance with this Section 8.6(b) is not a breach of this Agreement by Bruin, and any resulting CAA Performance Consequence is excluded from Bruin's responsibility under Section 13.3(c).

SECTION 9. VOLUME TIERS AND BUDGET RESET

9.1 Volume Tiers.

The Processing Fee for each Volume Tier is set forth in Exhibit A (Volume Tier / Pricing Table), reflecting the costs of operating, financing, and maintaining the Facility allocable to Covered Tons. Bruin's compensation is determined solely under Section 6.2 and is not a per-ton fee under any Volume Tier.

9.2 Budget Reset.

Each Contract Year, the Parties shall reset the Annual Budget and the budgeted Operating Costs underlying the Volume Tiers based on the actual Operating Costs incurred during the most recently completed Contract Year, adjusted for known or anticipated changes (the "Budget Reset"), and shall pursue a corresponding Change Order under Section 10 to update the Volume Tiers. To achieve the Budget Reset, the Parties shall begin a review of the Annual Budget no later than July 1 of each year and shall complete the Budget Reset no later than sixty (60) days before the start of the following Contract Year. If CAA declines or delays a Change Order implementing a Budget Reset, the City shall continue to reimburse Operating Costs under Section 6.2(a), and the resulting effect on the Processing Fee shall be reflected in Pooled Net Proceeds.

9.3 CAA Form 5 Submission.

The Parties have jointly developed the volume-based tiered fee structure submitted to CAA under Form 5, reflected in the Volume Tiers in Exhibit A. Operating Costs shall be allocated between Covered Tons and Non-Covered Tons as reflected in the Form 5 submission or as CAA otherwise accepts, and the portion allocable to Non-Covered Tons shall not be presented to CAA as an Eligible Expense. The Parties shall

cooperate, through the Change Order process under Section 10, to update the Volume Tiers as needed, and Bruin shall provide the data the City reasonably requires to substantiate Eligible Expenses allocable to Covered Tons.

9.4 Second-Shift Transition.

The Volume Tiers in Exhibit A do not reflect a second processing shift. Any transition to two-shift operations, and any resulting change to the Processing Fee, the Volume Tiers, or budgeted Operating Costs, shall be implemented through a Change Order under Section 10.

SECTION 10. CAA CHANGE ORDER COORDINATION

10.1 Bruin's Role.

Bruin shall prepare, on the City's behalf, any Change Proposal, response to a Change Request, or other documentation necessary to implement a Volume Tier adjustment, Budget Reset, Material Mix Recalibration under Section 11, or any other change to the Processing Fee, in each case in accordance with Article 10 of the MSA.

10.2 City Approval and Execution. Consultation.

The City shall review, and shall not unreasonably withhold, condition, or delay its approval and execution of, any Change Order Bruin prepares in accordance with Section 10.1 and consistent with this Agreement. The City remains the sole signatory to any Change Order with CAA. Before submitting, approving, rejecting, amending, withdrawing, or settling any Change Order or Change Proposal that would materially and adversely affect Bruin's scope, cost, or risk under this Agreement, the City shall provide Bruin at least ten (10) Business Days' prior notice and a reasonable opportunity to consult, and shall consider Bruin's input in good faith; provided that nothing in this Section 10.2 requires the City to obtain Bruin's consent to comply with a legally binding requirement of CAA or Applicable Law. If the City submits, approves, or becomes subject to a Change Order or CAA requirement that materially increases Bruin's cost, scope, or risk, Bruin's obligation to perform the affected Services is governed by Section 5.1(b) and Section 11 (as applicable), and Bruin is not obligated to perform such increased scope until the Parties agree on corresponding compensation or, absent agreement, until resolved under Section 21. If CAA rejects or delays reimbursement for a Change Order for a change requested or caused by the City, the City shall pay Bruin the corresponding additional costs and agreed margin for up to one hundred eighty (180) days while the City pursues CAA reimbursement in good faith, after which the Parties shall address any continuing shortfall as part of the next Budget Reset.

10.3 No Unilateral Fee Changes.

Neither Party may unilaterally change the Processing Fee, the Operator Fee, or any Volume Tier. All such changes shall be implemented solely through a duly executed Change Order under Article 10 of the MSA, reflected in a corresponding amendment to Exhibit A of this Agreement. For the avoidance of doubt, this Section 10.3 does not apply to the Tip Fee under Section 7.1, which Bruin may adjust under Section 7.1 without a Change Order under Article 10 of the MSA.

10.4 Timing.

The Parties shall use good faith efforts to complete the Change Order process under this Section 10 in time to align any resulting fee adjustment with the start of the applicable Volume Tier period or Budget Reset year under Section 9.

10.5 Independence from Commodity Credit.

The Change Order process under this Section 10 governs adjustments to the Processing Fee, and operates independently from, and does not affect the calculation of, the Commodity Credit under Section 6.3, which fluctuates with commodity markets and is calculated separately for each Invoice Period.

SECTION 11. PROGRAM SCOPE / MATERIAL MIX RECALIBRATION

11.1 Trigger.

If CAA materially expands the Designated Covered Materials accepted under the CAA Contract beyond the baseline established at the Service Schedule Effective Date (or as later recalibrated under this Section 11), either Party may request a recalibration of the Volume Tiers to reflect the resulting change in processing requirements and costs.

11.2 Process.

Upon such a request, the Parties shall, in good faith and within a reasonable time: (a) assess the operational and cost impact of the expanded materials on the Facility; (b) agree on a corresponding adjustment to the budgeted Operating Costs, CapEx, and/or Available Processing Capacity reflected in Exhibit A; and (c) pursue a corresponding Change Order under Section 10.

11.3 Interim Treatment.

Pending completion of the recalibration process under Section 11.2, Bruin is not obligated to accept or process newly designated materials to the extent doing so would require material additional equipment, staffing, or cost not reflected in the then-current Volume Tiers, except as the Parties may otherwise agree in writing.

11.4 Relationship to BHS Guarantee.

Any material expansion of Designated Covered Materials may also require a corresponding amendment to the BHS Contract's Material Characterization provisions and the BHS Guaranteed Operating Conditions. The City shall pursue any such BHS Contract amendment in coordination with the recalibration process under this Section 11, and shall keep Bruin informed of its status. Bruin's obligation to process expanded materials remains subject to Section 11.3.

SECTION 12. REPORTING, RECORDKEEPING, AND AUDIT RIGHTS

12.1 CAA-Required Reporting.

Bruin shall prepare, and timely provide to the City for submission, all reports required under the CAA Contract with respect to the Facility, including the Monthly Tonnage Report and Annual Report (Exhibit B to the Service Schedule), scale transaction records (Exhibit E), Material Composition and Residue Composition reports (Exhibits J and K), and the Operations Plan and its annual updates (Exhibit D), in each case within sufficient time for the City to meet the applicable CAA Contract deadline.

12.2 Recordkeeping.

Bruin shall maintain, for the period required under Section 12.2 of the MSA (currently seven (7) years after submission of the applicable invoice), all records necessary to substantiate Eligible Expenses, Covered Tons, Non-Covered Tons, the Commodity Credit, and the True-Up Statements delivered under this Agreement.

12.3 City Audit Rights.

The City may, upon reasonable notice and no more than twice per year (except in the case of a suspected breach, in which case no advance notice is required), audit Bruin's books, records, and Facility operations relevant to this Agreement and the CAA Contract, at the City's expense, unless the audit reveals a discrepancy material and adverse to the City, in which case Bruin shall reimburse the City's reasonable audit costs.

12.4 Cooperation with CAA Audits.

Bruin shall fully cooperate with, and provide all support reasonably requested by the City in connection with, any audit or inspection CAA conducts under Article 13 of the MSA or Article 8 of the Service Schedule, including making Facility personnel and records available.

12.5 CAA Portal Access.

As the contracted Service Provider, the City will maintain the CAA Service Provider Portal and make the submissions to CAA; Bruin's role is to provide the City with what it needs to do so, rather than accessing the Portal or submitting to CAA itself. Bruin will provide the City, in a timely manner and in a mutually workable format, the reports, data, and documentation the City needs to meet its CAA Contract deadlines, allowing enough lead time for the City to review, certify, and submit.

12.6 Data Access and Integration.

(a) Bruin shall provide the City with secure, reliable, and ongoing access to all operational data generated, collected, maintained, or otherwise associated with the Facility that is necessary for the City's reporting, regulatory compliance, reimbursement, and auditing requirements under the CAA Contract, in a format that is acceptable for CAA reporting requirements.

SECTION 13. PERFORMANCE STANDARDS AND RISK ALLOCATION FOR CAA LIQUIDATED DAMAGES

13.1 Mutual Responsibility.

(a) **Bruin's Responsibility.** Except as provided in Section 13.3, Bruin shall reimburse the City for, but shall not indemnify the City under Section 15 for, (i) any liquidated damages CAA assesses

against the City under Exhibit C to the Service Schedule, (ii) any corrective action plan cost incurred under Section 13.9 of the Service Schedule, and (iii) any reduction in the Processing Fee, reimbursement, or CAA performance-based incentive (collectively, "CAA Performance Consequences"), in each case only to the extent finally determined under Section 21, or agreed in writing by the Parties, after compliance with Section 13.2, to be directly caused by Bruin's uncured material failure to perform the Services in accordance with the Standards and Specifications, this Agreement, or Applicable Law. A failure is "uncured" if not cured within any cure period under the CAA Contract or, if none, within thirty (30) days after notice under Section 13.2. To the extent a CAA Performance Consequence reduces Pooled Revenue and Pooled Net Proceeds for the applicable Contract Year (determined after giving effect to such reduction) is greater than zero, Bruin's reimbursement of that CAA Performance Consequence shall be limited to the City Share of the reduction (thirty percent (30%)), and in no event shall Bruin bear any CAA Performance Consequence more than once, whether through the calculation of Pooled Net Proceeds or by reimbursement under this Section 13.1(a). Any reimbursement or other payment that CAA suspends or withholds during a cure period under Section 3.2(e) of the MSA and subsequently pays is not a reduction or other CAA Performance Consequence. Bruin's aggregate liability under this Section 13 for any Contract Year shall not exceed an amount equal to the Management Fee for that Contract Year, except to the extent the CAA Performance Consequence results from Bruin's gross negligence or willful misconduct. Such amounts are direct damages and not lost revenue under Section 15.5.

(b) **City's Responsibility.** The City shall reimburse Bruin for, but shall not indemnify Bruin against, any CAA Performance Consequence, and any resulting reduction in the Operator Fee, Operating Cost reimbursement, Commodity Credit, CAA performance-based incentive, to the extent not finally determined to be Bruin's responsibility under Section 13.1(a), including any amount attributable to (i) any matter for which the City bears responsibility under Section 13.3, (ii) the City's breach of this Agreement or the CAA Contract, (iii) CAA delay, set-off, rejection, audit, termination, non-renewal, or change in Program requirements not caused by Bruin, or (iv) BHS, CapEx, Facility, access, insurance, reserve, or funding matters.

13.2 Notice and Cooperation.

Each Party shall promptly notify the other of any Notice of noncompliance, liquidated damages assessment, or corrective action plan requirement CAA issues, and shall provide the other Party a reasonable opportunity to participate in its response, including preparation of any corrective action plan under Section 13.9(e)-(f) of the Service Schedule. The City shall not accept, negotiate, or settle a CAA liquidated damages assessment for which Bruin has responsibility under Section 13.1(a) without Bruin's prior written consent, not to be unreasonably withheld.

13.3 Exclusions from Bruin's Responsibility.

Bruin shall not have reimbursement obligations under Section 13.1(a) for any CAA Performance Consequence to the extent attributable to:

(a) a Composition Deviation, as and to the extent provided in Section 5.5;

(b) any equipment failure, defect, or non-performance of the BHS Equipment not caused by Bruin's failure to operate or maintain the Facility in accordance with Sections 5.2 and 5.4, including, subject to Section 4.5(c), any failure or delay by the City in pursuing an available BHS Contract warranty remedy;

(c) the City's failure to timely fund CapEx or Debt Service, to execute a Change Order or other CAA Contract deliverable Bruin has prepared in accordance with Section 3.3 or Section 10, or otherwise to perform the City's obligations under this Agreement or the CAA Contract;

(d) a Force Majeure Event under Section 20;

(e) any change in Applicable Law, the CAA Contract, or the CAA Colorado Program Plan occurring after the Effective Date, to the extent Bruin's non-compliance results from such change and Bruin could not reasonably have complied given the time available;

(f) any charge, deduction, or other consequence assessed by CAA against the City in its capacity as a collection service provider, as provided in Section 5.8(c); or

(g) the Facility not being complete, commissioned, or accepted, or the BHS Equipment not being fully operational, by any deadline under the CAA Contract, including the deadline for delivery of a fully operational facility under Exhibit C to the Service Schedule, except to the extent caused by Bruin's failure to perform the Services.

13.4 Sole Remedy; No Duplication.

This Section 13 states the Parties' sole and exclusive allocation of responsibility for CAA Performance Consequences as between the City and Bruin, and no Party may recover the same CAA Performance Consequence under Section 15 or any other theory. This Section 13 does not affect either Party's obligations to CAA under the CAA Contract or either Party's rights for non-CAA third-party claims covered by Section 15.

SECTION 14. INSURANCE AND PERFORMANCE SECURITY

14.1 CAA-Required Coverage (City).

The City shall procure and maintain, at its own cost, the insurance coverage required of "Service Provider" under Article 16 of the MSA and Exhibit M to the Service Schedule, naming CAA as additional insured to the extent required under the CAA Contract, and shall provide Bruin with certificates of insurance upon request.

14.2 Performance Bond (City).

If and to the extent the CAA Contract requires the City to provide a performance bond or other performance security, the City shall procure and maintain it at its own cost.

14.3 Bruin's Own Insurance.

Bruin shall procure and maintain the insurance coverage required of Bruin in Exhibit E, and shall provide the City with certificates of insurance and copies of the required endorsement pages before commencing

the Services, upon each policy renewal, and upon request. The premiums for such insurance are an Operating Cost.

14.4 Cooperation.

Bruin shall provide the City with any information reasonably necessary for the City to procure and maintain the coverage and bond required under Sections 14.1 and 14.2, and the City shall promptly forward to Bruin any notice CAA sends the City relating to such coverage or bond.

14.5 Failure to Maintain.

Either Party's failure to maintain the insurance or performance bond required of it under this Section 14 is a material breach of this Agreement, subject to the cure rights in Section 19.2.

14.6 Bruin Performance Security.

(a) Within thirty (30) days after the Effective Date, and continuously thereafter through the Term and for one hundred and eighty (180) days after the expiration or termination of this Agreement, Bruin shall procure and maintain, at its own cost, a performance bond in the Bond Amount, naming the City as obligee, issued by a surety authorized to transact surety business in Colorado, listed in U.S. Department of the Treasury Circular 570, and rated not lower than "A-" (Excellent) by A.M. Best. Bruin shall deliver the original bond and each renewal or continuation certificate to the City, shall cause the bond to require the surety to give the City at least thirty (30) days' prior written notice of cancellation, non-renewal, or material change, and shall replace the bond within fifteen (15) Business Days if the surety ceases to satisfy the requirements of this Section 14.6(a).

(b) The bond secures Bruin's payment and performance obligations to the City under this Agreement, including (i) amounts for which Bruin bears responsibility under Section 13, including any CAA liquidated damage, disallowance, or other reduction withheld under Section 8.2(a); (ii) Bruin's indemnity obligations under Section 15.1; (iii) amounts payable by Bruin to the City under the True-Up Statement; and (iv) Bruin's transition assistance obligations under Section 19.6.

(c) The "Bond Amount" is Four Hundred Fifty Thousand Dollars ($450,000) for the first Contract Year. For each Contract Year thereafter, the Bond Amount is the greater of Four Hundred Fifty Thousand Dollars ($450,000) or twenty-five percent (25%) of the budgeted Operating Costs in the Annual Budget for that Contract Year. The Parties shall review the Bond Amount annually in connection with the Budget Reset under Section 9.2. If Bruin's obligations secured under Section 14.6(b) materially increase — including as a result of a Volume Tier increase, a Material Mix Recalibration under Section 11, or added scope agreed under Section 5.1(b) — the City may request a proportionate increase in the Bond Amount, and Bruin shall obtain and deliver evidence of the increased bond within thirty (30) days after the Parties agree on the increase or, absent agreement, after resolution under Section 21.

(d) In lieu of a performance bond, Bruin may satisfy this Section 14.6 with an irrevocable standby letter of credit in the Bond Amount, in form and substance reasonably acceptable to the City, issued by a federally insured commercial bank with a long-term credit rating of at least "A-" (S&P) or "A3" (Moody's), drawable by presentation in Colorado, and expiring no earlier than sixty (60) days after the end of the period described in Section 14.6(a).

(e) The City may make a claim against the bond, or draw on any letter of credit, only for an amount secured under Section 14.6(b) that is (i) undisputed and remains unpaid for fifteen (15) Business Days after written notice to Bruin, or (ii) determined to be owed by a final arbitration award under Section 21 or a final, non-appealable judgment. The City shall give Bruin at least ten (10) Business Days' prior written notice of any intended claim or draw, shall apply the proceeds solely against the secured obligation, and shall promptly return to Bruin any proceeds in excess of the amount owed. No claim or draw under this Section 14.6 expands the damages recoverable from Bruin, and Sections 6.5, 13.4, and 15.5 continue to apply.

(f) If the City makes a claim or draw, Bruin shall restore the bond or letter of credit to the full Bond Amount within thirty (30) days after the claim or draw is satisfied.

(g) The premium or fee for the security required under this Section 14.6 is an Operating Cost of Bruin, reimbursable under Section 6.2(a), reflected in the budgeted Operating Costs in the Annual Budget, and subject to Budget Reset under Section 9.2. Any incremental premium attributable to an increase in the Bond Amount requested by the City under Section 14.6(c) shall be addressed at the next Budget Reset.

SECTION 15. INDEMNIFICATION

15.1 Bruin's Indemnity.

Bruin shall defend, indemnify, and hold harmless the City, its officers, employees, and agents, from and against all Losses arising out of any third-party claim (other than CAA Performance Consequences, which are governed exclusively by Section 13) to the extent such claim arises out of or relates to (a) bodily injury, death, or property damage caused by Bruin's negligent or wrongful acts or omissions in connection with Bruin's performance of the Services, or (b) any employment-related claim by Bruin's employees or contractors, in each case except to the extent such Losses arise from the City's negligence or willful misconduct.

15.2 City's Indemnity.

To the extent allowed under Colorado law, the City shall defend, indemnify, and hold harmless Bruin, its officers, employees, and agents, from and against all Losses arising out of, resulting from, or relating to (a) the City's ownership of the Facility, (b) any breach of this Agreement by the City, or (c) any matter for which the City bears responsibility under Section 13.3, in each case except to the extent such Losses arise from Bruin's gross negligence or willful misconduct.

15.3 Procedure.

A Party seeking indemnification under this Section 15 shall give the indemnifying Party prompt written notice of the claim, and any delay in notice relieves the indemnifying Party of its obligations only to the extent it is prejudiced by the delay. The indemnifying Party shall control the defense of the claim with counsel reasonably acceptable to the indemnified Party, the indemnified Party may participate in the defense at its own cost through counsel of its choice, and each Party shall reasonably cooperate in the defense; provided that no indemnifying Party may settle any claim in a manner that admits fault, imposes non-monetary obligations, affects Facility operations, affects CAA reimbursement, or impairs the indemnified Party's rights without the indemnified Party's prior written consent.

15.4 Governmental Immunity.

Nothing in this Section 15 waives, and this Agreement shall be interpreted consistently with, any immunity, limitation, or defense available to the City under the Colorado Governmental Immunity Act, C.R.S. § 24-10-101 et seq.

15.5 Limitation of Liability; Exclusion of Damages.

Except for either Party's liability for fraud or willful misconduct, and Bruin's liability for loss of or damage to the Facility or the BHS Equipment, and for the City's resulting loss of CAA reimbursement and cost of restoring operations, in each case to the extent caused by Bruin's gross negligence, willful misconduct, or abandonment of the Facility, neither Party is liable to the other for consequential, incidental, special, exemplary, punitive, diminution-in-value, lost profit, lost revenue, lost opportunity, lost production, loss-of-use, or similar damages, whether arising in contract, tort, indemnity, statute, or otherwise, even if advised of the possibility of such damages.

SECTION 16. COMPLIANCE WITH LAW AND CAA PROGRAM PLAN

16.1 Bruin's Compliance.

Bruin shall perform the Services in compliance with all Applicable Laws, the Act, the CAA Colorado Program Plan, and CAA's Supplier Code of Conduct, each as in effect and as amended from time to time with notice to Bruin.

16.2 City Notice of Changes.

The City shall promptly forward to Bruin any notice of a change in Applicable Law, the CAA Colorado Program Plan, or CAA's Supplier Code of Conduct that the City receives from CAA.

16.3 Affiliate Disclosure.

(a) "Affiliate" means, with respect to Bruin, any person or entity that directly or indirectly controls, is controlled by, or is under common control with Bruin, and any officer, director, manager, or holder of a ten percent (10%) or greater equity interest in Bruin or in any such entity. "Control" means the power, directly or indirectly, to direct or cause the direction of the management and policies of an entity, whether through ownership of voting interests, by contract, or otherwise.

(b) Within thirty (30) days after the Effective Date, Bruin shall deliver to the City a written schedule identifying (i) each Affiliate that provides, or that Bruin reasonably anticipates will provide, goods or services used in the operation of the Facility or included in Operating Costs, (ii) each Affiliate that purchases, brokers, markets, transports, or processes Covered Commodities, Residue, or other materials from the Facility, (iii) the nature of the affiliation, and (iv) the goods, services, or transactions involved.

(c) Bruin shall update the schedule within thirty (30) days after any material change, and shall in any event confirm or update the schedule annually in connection with the Budget Reset under Section 9.2.

(d) Before entering into any Affiliate Transaction that will affect Operating Costs, the Commodity Credit, the Processing Fee, or any amount payable by or to the City under this Agreement, Bruin shall notify the City in writing, describing the scope, the pricing, and the basis on which the pricing was determined.

16.4 Arm's-Length Dealing with Affiliates.

(a) "Affiliate Transaction" means any transaction, agreement, or arrangement between Bruin (or any subcontractor of Bruin) and an Affiliate relating to the Facility, the Services, goods or services included in Operating Costs, or the purchase, brokerage, transportation, marketing, or sale of Covered Commodities, Residue, or other materials from the Facility.

(b) Bruin shall conduct each Affiliate Transaction on terms, including price, no less favorable to the City than those that would be obtained in an arm's-length transaction with an unrelated party in the relevant market at the relevant time.

(c) Covered Commodities and other materials sold to an Affiliate shall be priced at not less than the price obtainable from an unaffiliated REM or approved End Market for comparable material of comparable quality on comparable delivery terms, determined by reference to published market indices, competing bids, or other reasonable evidence of market price.

(d) Charges for goods or services procured from an Affiliate and included in Operating Costs shall not exceed fair market rates for comparable goods or services. Bruin shall obtain and retain documentation supporting the fair market character of the pricing, such as competing quotes, published price indices, or comparable transaction data.

(e) If an Affiliate Transaction is priced other than in accordance with this Section 16.4, then for all purposes of this Agreement — including budgeted and actual Operating Costs under Sections 6.2 and 9, the Commodity Credit under Section 6.3, the True-Up Statement, and any submission to CAA — the transaction shall be recalculated on a fair market basis, and Bruin shall pay the City the amount of any resulting difference through the next True-Up Statement. Any dispute regarding the recalculation is resolved under Section 21.

(f) No Affiliate Transaction relieves Bruin of any obligation under this Agreement, and Section 17.3 applies to any Affiliate performing as a subcontractor.

(g) Contracted residue and disposal hauling, transfer hauling, and disposal services provided by an Affiliate under a written agreement at rates reflected in the Annual Budget or otherwise approved in writing by the City (each, a "Standing Affiliate Arrangement") are deemed to satisfy Sections 16.4(b) and 16.4(d) for so long as those rates remain in effect.

16.5 Affiliate Records; Audit.

(a) The audit rights in Section 8.4 extend to the books, records, invoices, contracts, and supporting documentation of Bruin, and to the contracts, invoices, and pricing documentation for each Affiliate Transaction, in each case to the extent reasonably necessary to verify (i) Operating Costs, (ii) the Commodity Credit, (iii) amounts invoiced to or reimbursed by CAA, or (iv) any amount payable by or to

the City under this Agreement. Records that do not relate to the Facility, the Services, or amounts payable by or to the City are outside the scope of this Section 16.5.

(b) Bruin shall include in each Affiliate Transaction, and shall use commercially reasonable efforts to include in each subcontract with an unaffiliated party, provisions requiring the counterparty to maintain records described in Section 16.5(a) for the period required under Section 12.2 of the MSA and to make them available to the City and its auditors on the terms of Section 8.4.

(c) Audits under this Section 16.5 are subject to the frequency, notice, and procedural limits of Section 8.4 and to Section 22, and Bruin may require the City's external auditors to execute a reasonable confidentiality undertaking before receiving access.

16.6 CAA Conflict of Interest and Parent Company Disclosures.

Bruin shall complete, execute, and deliver to the City, within thirty (30) days after the Effective Date and thereafter promptly upon the City's reasonable request, (a) CAA Form 1 (Conflict of Interest) and (b) CAA Form 2 (Parent Company / No Parent Company Affidavit), in each case in the form CAA then requires, together with any supporting information the City reasonably requires to submit or certify those forms to CAA. Bruin shall ensure that the information disclosed is complete and accurate in all material respects when delivered, and shall notify the City within ten (10) Business Days after any change that would render a previously delivered form inaccurate, delivering a corrected form with that notice. Bruin's delivery of a form under this Section 16.6 does not make Bruin a party to the CAA Contract, consistent with Section 3.2(a).

SECTION 17. PERSONNEL AND SUBCONTRACTING

17.1 Personnel.

Bruin shall perform the Services with competent personnel under Bruin's management, supervision, and direction, consistent with Section 9.1 of the MSA.

17.2 Subcontracting.

Bruin may subcontract all or part of the Services, provided that (a) each subcontract complies with Section 9.2 of the MSA, and (b) Bruin remains fully responsible for its subcontractors' performance.

17.3 No Relief.

Subcontracting under this Section 17 does not relieve Bruin of any obligation to the City under this Agreement.

SECTION 18. REPRESENTATIONS AND WARRANTIES

18.1 Mutual Representations.

Each Party represents and warrants to the other that: (a) it has full power and authority to enter into and perform this Agreement; (b) this Agreement is duly authorized and constitutes its valid and binding obligation, enforceable in accordance with its terms; and (c) its execution and performance of this

Agreement does not conflict with, or result in a breach of, any other agreement or Applicable Law binding on it.

18.2 Bruin's Additional Representations.

Bruin represents and warrants that it possesses, and shall maintain throughout the Term, the business, professional, and technical expertise, personnel, and permits necessary to perform the Services, consistent with the standards set forth in Article 2 of the MSA as applicable to Bruin's role as operator (rather than Service Provider of record). Bruin further represents and warrants that each disclosure it delivers under Sections 16.3 and 16.6 is complete and accurate in all material respects when delivered, and that each Affiliate Transaction is conducted in accordance with Section 16.4.

18.3 City's Additional Representations.

The City represents and warrants that, as of the Effective Date, it has entered, or will enter, into the CAA Contract and the BHS Contract in good standing, and shall use commercially reasonable efforts to keep each in full force and effect throughout the Term.

SECTION 19. DEFAULT, CURE, AND TERMINATION

19.1 Events of Default.

It is an event of default under this Agreement if:

(a) either Party fails to pay any undisputed amount due under this Agreement within fifteen (15) Business Days after written notice of non-payment;

(b) either Party materially breaches any other obligation under this Agreement and fails to cure such breach within thirty (30) days after written notice (or such longer period, not to exceed ninety (90) days, as is reasonably necessary to effect cure, provided the breaching Party is diligently pursuing cure);

(c) either Party becomes insolvent, makes a general assignment for the benefit of creditors, or becomes the subject of a bankruptcy proceeding not dismissed within sixty (60) days;

(d) the City fails to fund the Working Capital Advance, the Reserve Account, CapEx, insurance, Debt Service, emergency repairs, self-help reimbursement, or any other City-funded obligation when due, and such failure is not cured within fifteen (15) Business Days after written notice;

(e) the City fails to provide Facility access, BHS documents, insurance endorsements, permits, approvals, or other City-controlled items necessary for Bruin to perform the Services, and such failure is not cured within fifteen (15) Business Days after written notice; or

(f) the City materially amends, waives, settles, assigns, or releases rights under the CAA Contract or BHS Contract in a manner that materially and adversely affects Bruin without Bruin's prior written consent.

(g) Bruin fails to perform the Services in accordance with the Standards and Specifications of the Service Schedule, such failure results in a CAA Performance Consequence for which Bruin is responsible

under Section 13.1(a) and that is not excluded under Section 13.3, and either (i) such failure is material and remains uncured within the cure period in Section 19.1(b); or (ii) such failures, whether or not each is individually cured, occur three (3) or more times within any rolling twelve (12)-month period.

For the avoidance of doubt, expiration or termination of the Service Schedule is governed by Section 2.3 and does not itself constitute an event of default under this Section 19.1 unless caused by the City's breach, non-renewal, termination, waiver, settlement, failure to fund, failure to maintain CAA eligibility, or other act or omission that triggers Sections 2.3, 8.2, or 13.3.

19.2 Cure Rights.

Before declaring a default under Section 19.1, the non-breaching Party shall provide written notice describing the breach in reasonable detail, and the breaching Party shall have the applicable cure period described in Section 19.1.

19.3 Termination for Default.

If an event of default under Section 19.1 is not cured within the applicable period, the non-breaching Party may terminate this Agreement upon further written notice to the breaching Party.

19.4 Termination for CAA Contract Terms.

(a) Within five (5) Business Days after the City executes the Service Schedule, the City shall deliver to Bruin a complete copy of the CAA Contract as executed.

(b) If Bruin reasonably determines in good faith that the CAA Contract as executed materially and adversely affects Bruin's scope, cost, or risk under this Agreement such that Bruin cannot perform this Agreement on commercially reasonable terms, Bruin may, within thirty (30) days after receipt of the executed CAA Contract, deliver written notice to the City describing those effects in reasonable detail (an "Objection Notice"). Following delivery of an Objection Notice, the Parties shall negotiate in good faith an amendment to this Agreement to address the effects identified.

(c) If the Parties do not execute such an amendment within thirty (30) days after the City's receipt of the Objection Notice, either Party may terminate this Agreement by written notice to the other Party delivered within fifteen (15) days after the end of that period. Termination shall take effect ninety (90) days after receipt of the termination notice, or on such other date as the Parties agree in writing, and Bruin shall continue to perform under this Agreement until the termination takes effect.

(d) If Bruin does not deliver an Objection Notice or termination notice within the applicable period, Bruin waives its right to terminate under this Section 19.4 with respect to the CAA Contract as executed. Later amendments, Change Orders, and other changes to the CAA Contract are governed by Section 10, Section 11, and Section 19.1(f), as applicable.

(e) A termination under this Section 19.4 is not an event of default under Section 19.1, and neither Party owes the other any termination fee, penalty, or damages by reason of such termination, except for (i) obligations accrued, and liabilities arising from events occurring, on or before the effective date of termination, including payment of amounts due to Bruin for Services performed through that date, (ii) Bruin's transition assistance obligations under Section 19.6, and (iii) those provisions that survive under Sections 19.7 and 24.9.

19.5 Termination for Non-Appropriation.

(a) All financial obligations of the City under this Agreement, including Operating Cost reimbursement, the Operator Fee, Tip Fee, CapEx, the Reserve Account, Debt Service, insurance, the Working Capital Advance, and each other City-funded obligation, are subject to and contingent upon the annual appropriation of funds by City Council for the applicable fiscal year. Nothing in this Agreement constitutes a multiple-fiscal-year direct or indirect debt or other financial obligation of the City within the meaning of Article X, Section 20 of the Colorado Constitution, or an obligation payable other than from funds lawfully appropriated for the then-current fiscal year.

(b) The City shall include in each annual budget request submitted to City Council a request for appropriation of funds sufficient to perform the City's obligations under this Agreement for the ensuing fiscal year; provided that City Council retains sole legislative discretion over appropriations, and nothing in this Section 19.5(b) obligates City Council to appropriate funds. The Parties intend that the City's payment obligations under this Agreement be funded primarily from revenues generated by the Facility, including CAA reimbursements and Tip Fees.

(c) If City Council fails to appropriate funds sufficient for the continued performance of this Agreement for any fiscal year, the City shall give Bruin written notice of such non-appropriation promptly, and in any event within ten (10) Business Days after the adoption of the budget or other City Council action giving rise to the non-appropriation.

(d) Upon such non-appropriation, this Agreement shall terminate at the end of the fiscal year for which funds were last appropriated, without further liability of either Party except for (i) obligations accrued, and liabilities arising from events occurring, on or before the effective date of termination, (ii) Bruin's transition assistance obligations under Section 19.6, and (iii) those provisions that survive under Sections 19.7 and 24.9. Amounts payable to Bruin for Services performed through the effective date of termination shall be paid from funds appropriated for the then-current fiscal year. To the extent Bruin has made capital investments in the Facility with the City's approval, the City shall also pay Bruin the unamortized portion of those investments.

(e) A termination under this Section 19.5 is not an event of default under Section 19.1 (including Section 19.1(d)), and neither Party owes the other any termination fee, penalty, or damages by reason of such termination.

19.6 Transition Assistance.

Upon expiration or termination of this Agreement for any reason, Bruin shall, for up to ninety (90) days (or such longer period as Bruin may agree in writing to coordinate with any transition period under the CAA Contract), reasonably cooperate with the City to transition operation of the Facility to the City or a successor operator, including by providing access to records, data, personnel knowledge transfer, and the transfer of all Utility accounts to the City or its designee without interruption of Utility service (with Utility Charges for Utilities supplied through the effective date of such transfer remaining reimbursable Operating Costs). During any transition period, the City shall continue to reimburse Bruin's Operating Costs under Section

6.2(a) and pay the Management Fee, prorated for the transition period, and Bruin shall be compensated at its standard rates for any transition services beyond the normal operation of the Facility.

19.7 Effect of Termination.

Termination of this Agreement does not relieve either Party of any obligation accrued, or any liability arising from an event occurring, before the effective date of termination, including under Section 13 (Risk Allocation for CAA Liquidated Damages) and Section 15 (Indemnification).

19.8 Transitional Software License.

(a) Upon and following the expiration or termination of this Agreement for any reason, and during any other period in which the City or a successor operator is operating the Facility in Bruin's stead, Bruin grants to the City a non-exclusive, non-transferable (except to a successor operator engaged by the City), royalty-bearing license to access and use the Operating Software solely for the purpose of operating the Facility. "Operating Software" means software licensed to Bruin by a third party, and sublicensable by Bruin, that is used in the operation of the Facility as of the effective date of termination, such as scale and scale-ticketing, load tracking, and maintenance software, together with related user documentation. Operating Software does not include any software, tools, dashboards, reports, models, or configurations developed or owned by Bruin or its Affiliates. Upon expiration or termination, Bruin shall provide the City an export of Facility operational data maintained in the Operating Software or Bruin's systems, in a standard, machine-readable format.

(b) The license granted under this Section 19.8 commences on the effective date of termination (or the commencement of the applicable period described in Section 19.8(a)) and continues until the City has installed and placed into operational use replacement software sufficient to operate the Facility, at which time the license shall automatically cease. The City shall promptly thereafter cease all use of the Operating Software and, at Bruin's election, return or destroy all copies in the City's possession or control, other than copies of the City's own data.

(c) The City shall use all haste, and in any event commercially reasonable and diligent efforts, to procure, install, and place into operational use suitable replacement software as promptly as practicable, and shall keep Bruin reasonably informed of the status of those efforts upon Bruin's request.

(d) The City shall pay Bruin the cost of the software and licenses paid by Bruin for the period in use by the City, including any costs for setup or assistance from Bruin to the City in the use of that software prorated for any partial month, payable within thirty (30) days after receipt of Bruin's invoice. The City's obligation to pay the license fee is subject to Section 19.5.

(e) To the extent any software used in the operation of the Facility is licensed to Bruin by a third party and is not sublicensable by Bruin, Bruin shall use commercially reasonable efforts to assist the City in obtaining the third-party licensor's consent to a sublicense or a direct license to the City, and shall not take any action to terminate or impair that software during the license term. The City is responsible for any fees charged by the third-party licensor in connection with such consent or direct license.

(f) Notwithstanding Section 4.1, Bruin shall not remove, disable, deactivate, or render inoperable any Operating Software, or any hardware necessary to run it, during the term of the license granted under this

Section 19.8, and the City's cooperation obligation under Section 4.1 does not apply to the Operating Software during that period.

(g) Bruin and its licensors retain all right, title, and interest in and to the Operating Software, and no rights are granted except as expressly set forth in this Section 19.8. The City shall not sublicense (except as permitted in Section 19.8(a)), reverse engineer, decompile, or modify the Operating Software, or use it other than in connection with operation of the Facility. The Operating Software is provided on an as-is basis, and Bruin has no obligation to provide maintenance, support, updates, or hosting for the Operating Software except as the Parties may separately agree in writing.

SECTION 20. FORCE MAJEURE

20.1 Excuse of Performance.

Neither Party is liable for delay or failure to perform its obligations under this Agreement to the extent caused by a Force Majeure Event, as defined in Section 20.5(a) of the MSA, applied *mutatis mutandis* as between the City and Bruin, and subject to the notice, mitigation, and reporting requirements of Section 20.5(c) of the MSA.

20.2 Extended Force Majeure.

If a Force Majeure Event continues for more than thirty (30) consecutive days, the Parties shall meet and confer in good faith regarding appropriate next steps, consistent with Section 20.5(d) of the MSA.

SECTION 21. DISPUTE RESOLUTION

21.1 Negotiation.

In the event of a dispute arising out of or relating to this Agreement (a "Dispute"), the Parties shall first attempt to resolve the Dispute through good-faith negotiation between designated representatives for thirty (30) days.

21.2 Mediation.

If the Dispute is not resolved through negotiation, either Party may refer the Dispute to mediation before JAMS (or another dispute resolution organization mutually agreed by the Parties) seated in Denver, Colorado, consistent with the mediation procedure set forth in Section 19.1(b) of the MSA.

21.3 Arbitration.

If the Dispute is not resolved within ninety (90) days after a mediation notice, either Party may submit the Dispute to binding arbitration administered by JAMS in Denver, Colorado, under the then-effective JAMS arbitration rules, consistent with Section 19.1(c) of the MSA, except that nothing in this Section 21 limits either Party's ability to seek injunctive relief from a court of competent jurisdiction.

21.4 Continuation of Performance.

Pending resolution of a Dispute, Bruin shall continue to perform the Services, and the City shall continue to pay undisputed amounts when due, consistent with Section 19.3 of the MSA.

21.5 Governmental Constraints.

Nothing in this Section 21 waives, or shall be construed to waive, any requirement of the Colorado Governmental Immunity Act, the Colorado Procurement Code, or other Applicable Law governing the City's participation in arbitration or mediation. The Parties shall cooperate to modify the procedures in this Section 21 to the minimum extent necessary to comply with such Applicable Law.

SECTION 22. CONFIDENTIALITY

22.1 Confidential Treatment.

Each Party shall hold the other's Proprietary Information (as defined consistently with Article 14 of the MSA) in confidence and use it solely to perform this Agreement, subject to the exceptions set forth in Article 14(a) of the MSA (information in the public domain or required to be disclosed by Applicable Law) and the City's obligations under the Colorado Open Records Act.

22.2 Colorado Open Records Act.

Bruin acknowledges that the City, as a Colorado municipal corporation, is subject to the Colorado Open Records Act, C.R.S. § 24-72-200.1 et seq., and that the City may be required to disclose information Bruin provides under this Agreement notwithstanding Bruin's designation of such information as confidential. The City shall provide Bruin reasonable advance notice of any such disclosure request to the extent permitted by law. Bruin may, at its sole cost and expense, seek relief from a court of competent jurisdiction under C.R.S. § 24-72-204(6) or other Applicable Law to prevent or limit the release of any records responsive to such request, and the City shall not release any Bruin Confidential Information responsive to such a request until Bruin has had a reasonable opportunity, after the City's notice, to seek such relief, but in no event shall the City be required to wait longer than statutory deadlines for production of documents for Bruin to seek such relief. Upon the receipt of an open records request to which Bruin Confidential Information may be responsive, the City shall notify Bruin of such receipt within 3 business days of such receipt.

22.3 Bruin Confidential Information.

(a) "Bruin Confidential Information" means Bruin's budgets, cost data, pricing models, payroll and personnel information, commodity sales contracts and pricing, customer lists and customer-specific Tip Fees, and other non-public financial and operating information that Bruin provides to the City under this Agreement and marks as confidential. Bruin shall mark any and all documents it intends to be Bruin Confidential Information with the conspicuous mark "Confidential." If Bruin fails to mark a document as "Confidential," the City is under no obligation to maintain the confidentiality of that document and may handle such document per its records policy.

(b) The City shall treat Bruin Confidential Information as confidential commercial and financial information under C.R.S. § 24-72-204(3)(a)(IV), shall assert that exemption in response to any request under the Colorado Open Records Act to the extent the exemption is reasonably available, and shall not voluntarily publish Bruin Confidential Information. In public presentations and reports, the City shall present Facility financial information in aggregate form.

(c) When the City submits Bruin Confidential Information to CAA, the City shall mark it as Proprietary Information in accordance with Article 14(c) of the MSA.

(d) City audits of Bruin payroll, personnel, and contract records under Sections 8.4, 12.3, and 16.5 shall be conducted at Bruin's offices or through secure electronic review, and the City shall not retain copies of such records except as reasonably necessary to document audit findings.

SECTION 23. ASSIGNMENT

23.1 Consent Required.

Neither Party may assign this Agreement without the other's prior written consent, not to be unreasonably withheld, except that the City may assign this Agreement without Bruin's consent to a successor Service Provider or governmental entity in connection with a termination or transition permitted under the CAA Contract, subject to Section 19.6.

23.2 Assumption.

Any permitted assignee shall assume in writing all obligations of its assignor under this Agreement.

23.3 Change of Control.

(a) Bruin shall not permit or effect a Change of Control without the City's prior written consent, which the City shall not unreasonably withhold, condition, or delay. A Change of Control effected without such consent is a deemed assignment in violation of Section 23.1 and an event of default under Section 19.1(b), for which the cure is unwinding the transaction or obtaining the City's consent.

(b) A "Change of Control" means (i) any transaction or series of related transactions resulting in a person or group that does not control Bruin as of the Effective Date acquiring, directly or indirectly, more than fifty percent (50%) of the voting or economic interests in Bruin; (ii) any merger, consolidation, or reorganization in which Bruin is not the surviving entity; or (iii) any sale, lease, or other transfer of all or substantially all of Bruin's assets, or of the business unit that performs the Services. A transfer among existing holders of Bruin's equity interests, a transfer to a wholly owned subsidiary of Bruin's ultimate parent that does not change ultimate control, and a transfer by devise or intestate succession are not a Change of Control. Bruin shall give the City written notice of any such transfer within thirty (30) days after the transfer, and a failure to give such notice does not cause the transfer to be a Change of Control.

(c) Bruin shall notify the City in writing at least sixty (60) days before the anticipated closing of a proposed Change of Control (or, if earlier disclosure is prohibited by a confidentiality obligation or Applicable Law, as promptly as permitted) and shall deliver the identity of the proposed acquirer, a description of the transaction, and information reasonably sufficient for the City to evaluate the acquirer's financial capacity, operational experience, and ability to perform the Services. Bruin shall also notify the City in writing within five (5) Business Days after the closing of any Change of Control, whether or not the

City has consented. Such information is Bruin's Proprietary Information under Section 22.1, subject to Section 22.2.

(d) Without limiting Section 23.3(a), it is reasonable for the City to withhold consent, or to condition consent, on the basis of the acquirer's financial capacity or operational qualifications, the acquirer's or its affiliates' conflicts with the CAA Contract or the Program, delivery of updated disclosures under Sections 16.3 and 16.6, delivery of financial information for the acquirer or its ultimate parent, or issuance of a replacement or reaffirmed performance bond or letter of credit in the Bond Amount under Section 14.6 naming the surviving entity as principal.

(e) On consummation of a consented Change of Control, the surviving or acquiring entity shall confirm in writing that Bruin's obligations under this Agreement remain in full force and effect, consistent with Section 23.2.

SECTION 24. GENERAL PROVISIONS

24.1 Notices.

All notices under this Agreement shall be in writing and delivered by postage-prepaid envelope, courier service, personal delivery, or email, addressed to the respective Party at the address set forth beneath its signature below (or such other address as a Party designates by notice), and shall be deemed given (a) five (5) Business Days after mailing by postage-prepaid envelope, (b) upon receipt if delivered by courier or personal delivery, or (c) upon confirmation of receipt if delivered by email.

24.2 Governing Law; Venue.

This Agreement is governed by, and shall be construed in accordance with, the laws of the State of Colorado, without regard to its conflict-of-laws principles. Subject to Section 21 (Dispute Resolution), any action or proceeding relating to this Agreement shall be brought exclusively in the District Court for Mesa County, Colorado, or, if jurisdiction exists, the United States District Court for the District of Colorado.

24.3 Entire Agreement.

This Agreement, together with its Exhibits, constitutes the entire agreement between the Parties regarding the operation of the Facility and supersedes all prior understandings and agreements, oral or written, between the Parties regarding such subject matter.

24.4 Amendments.

Except for amendments to Exhibit A implemented through the Change Order process under Section 10, this Agreement may be amended only by a written instrument signed by both Parties.

24.5 Severability.

If any provision of this Agreement is held invalid or unenforceable by a court of competent jurisdiction, the remainder of this Agreement remains in full force and effect to the maximum extent permitted by Applicable Law.

24.6 No Waiver.

No failure or delay by either Party in exercising any right under this Agreement operates as a waiver of that right, and any waiver must be in writing signed by the waiving Party.

24.7 Counterparts.

This Agreement may be executed in counterparts, each of which is an original and all of which together constitute one agreement.

24.8 Relationship to CAA Contract.

In the event of any conflict between this Agreement and the CAA Contract regarding either Party's obligations to CAA, the CAA Contract controls as to obligations owed to CAA. This Agreement controls solely as to the allocation of rights and obligations between the City and Bruin, and nothing in this Agreement modifies either Party's obligations to CAA under the CAA Contract.

24.9 Survival.

Sections 13, 15, 19.6, 19.7, 19.8, 21, 22, and 24.2, and any other provision that by its terms or nature should survive, survive the expiration or termination of this Agreement.

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the Effective Date.

CITY OF GRAND JUNCTION, COLORADO

By: _____

Name: _____

Title: _____

Date: _____

Address: _____

Email: _____

BRUIN RECYCLING, LLC

By: _____

Name: _____

Title: _____

Date: _____

Address: _____

Email: _____

EXHIBIT A

VOLUME TIER / PRICING TABLE

The Volume Tier / Pricing Table is the Form 5 Processing Fee table submitted to CAA, attached as a separate exhibit (Exhibit A, Volume Tier / Pricing Table). It is Confidential Information under Section 22.3 and shall be maintained as confidential commercial and financial information to the extent permitted by the Colorado Open Records Act. The table is updated through the Change Order process under Section 10.

EXHIBIT B

[RESERVED]

EXHIBIT C

FACILITY DESCRIPTION AND CAPACITY

The Facility is a Materials Recovery Facility (MRF) located in Grand Junction, Colorado, designed and equipped with the BHS Equipment under the BHS Contract, with an Available Processing Capacity of approximately 21,000 tons per year on a single-shift basis and approximately 40,000 tons per year on a two-shift basis. The Facility is a City-owned regional Materials Recovery Facility (MRF) located in Grand Junction, Colorado, designed and equipped with the BHS Equipment under the BHS Contract for the receipt, processing, separation, recovery, baling, storage, and shipment of recyclable materials, with an estimated Available Processing Capacity of approximately 21,000 tons per year on a single-shift basis and approximately 40,000 tons per year on a two-shift basis, based on the design criteria and operating assumptions established in the BHS Contract.

EXHIBIT D

RESERVE ACCOUNT MECHANICS

This Exhibit D sets out the Reserve Account for the City-owned Facility: its funding, priority, permitted uses, and administration. Capitalized terms not defined here have the meanings given in the Agreement.

D.1 Establishment and Purpose

The City shall establish and maintain a reserve account for CapEx (the **"Reserve Account"**), funded from the CapEx component of the Processing Fee as reflected in the applicable Volume Tier, for the capital repair, rehabilitation, and replacement of the equipment, building systems, and infrastructure of the Facility. The Reserve Account is an asset of the City, held and controlled by the City, and exists to preserve the long-term capital integrity of the City-owned Facility.

D.2 Annual Funding Amount

The City shall contribute Two Hundred Thousand Dollars ($200,000) to the Reserve Account each Contract Year (the **"Annual Reserve Contribution"**). The Annual Reserve Contribution is fixed and shall not be subject to any Consumer Price Index or other escalation, and is funded from the CapEx component of the Processing Fee as reflected in the applicable Volume Tier. The Annual Reserve Contribution is an obligation of the City and does not constitute an Operator cost, an Operator reimbursement, or any form of Operator compensation.

D.3 Priority of Funding

The Annual Reserve Contribution is senior in priority and shall be funded in the same tier as Facility debt service (Tier 1), ahead of and before any Operator margin, any portion of the Operator Fee above the Management Fee floor, any profit distribution, or any shared-pool allocation.

D.4 Permitted Uses

Amounts in the Reserve Account may be used only for capital purposes, including equipment replacement, building-systems repair and replacement, regulatory or compliance-driven capital upgrades, and other capital expenditures approved by the City. The Reserve Account shall not be used for routine operation and maintenance or for any Operating Cost.

D.5 Administration and Draws

The Reserve Account shall be administered by the City. The Operator may submit documented requests for capital expenditures to be funded from the Reserve Account. Capital expenditures at or above **$25,000** require the City's prior written approval; the City shall not unreasonably withhold, condition, or delay approval of an eligible capital request.

D.6 Replenishment and Reserve Ceiling

The Reserve Account shall be replenished through the Annual Reserve Contribution up to a maximum balance (the **"Reserve Ceiling"**) of One Million Five Hundred Thousand Dollars ($1,500,000). When the Reserve Account balance reaches the Reserve Ceiling, the Annual Reserve Contribution shall be suspended. Contributions shall resume in any Contract Year in which draws reduce the balance below the Reserve Ceiling, in the amount necessary to restore the balance toward the Ceiling, not to exceed the $200,000 annual amount. Interest and earnings on the Reserve Account accrue to the Reserve Account or to the City.

D.7 Treatment in Facility Pricing

The Annual Reserve Contribution is included in the City's cost base for the Facility and is recovered through the CapEx component of the Processing Fee at the applicable Volume Tier — on covered tons through the CAA Processing Fee at the allowable margin, and on non-covered tons through the non-covered cost calculation. The CAA reimbursement treatment of the Annual Reserve Contribution shall be confirmed with the Circular Action Alliance.

D.8 Reporting and Reconciliation

The City shall account for the Reserve Account and reconcile its contributions, draws, and balance no less than annually. The Operator shall provide records supporting any capital request or expenditure for the City's audit.

D.9 Ownership on Termination

Upon expiration or termination of the Agreement for any reason, the balance of the Reserve Account and all rights in it remain with the City. The Operator shall have no claim to, or interest in, the Reserve Account or its balance.

Summary of Key Terms

Term	Value
Annual Reserve Contribution	$200,000 per Contract Year, fixed
Funding source	CapEx component of the Processing Fee, per the applicable Volume Tier
Escalation	None — no CPI or other escalation
Reserve Ceiling (maximum balance)	$1,500,000 (contributions pause at the Ceiling, resume on draws)
Funding priority	Tier 1 — senior, funded with debt service
Permitted uses	Capital only; not routine operation and maintenance
Draw approval threshold	City prior written approval for capital expenditures ≥ $25,000
Administration	City-administered; Operator submits documented capital requests
Ownership on termination	Remains with the City; Operator has no claim

EXHIBIT E

INSURANCE REQUIREMENTS

This Exhibit E sets out the insurance Bruin shall procure and maintain under Section 14.3. Capitalized terms not defined here have the meanings given in the Agreement. The City's insurance obligations are governed by Section 14.1.

E.1 General Requirements

Bruin shall procure and maintain the coverages below throughout the Term, with insurers that are admitted in Colorado or eligible surplus lines insurers in Colorado. Required limits may be met through any combination of primary and umbrella or excess policies.

E.2 Required Coverages and Minimum Limits

Coverage	Minimum Limits	Conditions
Workers' Compensation	Statutory limits under Colorado law	Covers all employees engaged in the performance of the Services.
Employer's Liability	$100,000 bodily injury per occurrence; $100,000 bodily injury caused by disease per occurrence; $500,000 aggregate	May be provided with Workers' Compensation.
Commercial General Liability	$1,000,000 bodily injury and property damage liability per occurrence; $2,000,000 general aggregate; $1,000,000 personal and advertising injury; $1,000,000 per occurrence and $2,000,000 aggregate products or completed operations; $50,000 damage to rented premises; $5,000 medical expense per person	Includes contractual liability coverage for liability assumed in an insured contract.
Business Automobile Liability	$1,000,000 combined single limit per accident	Covers owned, leased, hired, and non-owned autos.
Pollution Liability	$2,000,000 per occurrence or claim; $5,000,000 aggregate.	Covers bodily injury, property damage including loss of use, defense costs, and cleanup costs arising from Bruin's operations at the Facility.
Umbrella or Excess Liability	$5,000,000 per occurrence; $10,000,000 aggregate	Follows form over Commercial General Liability, Automobile Liability, and Employer's Liability.

E.3 Required Endorsements

- **Additional Insured.** The City of Grand Junction and CAA Colorado, including their officers, employees, agents, and volunteers, shall be named as additional insureds by endorsement on the Commercial General Liability, Automobile Liability, Umbrella or Excess Liability, and Pollution Liability policies with respect to liability arising out of Bruin's operations at the Facility.
- **Primary and Non-Contributory.** Bruin's Commercial General Liability, Automobile Liability, and Umbrella or Excess Liability policies shall be primary and non-contributory to any insurance maintained by the City with respect to liability arising out of Bruin's operations at the Facility. Bruin's Pollution Liability policy shall be primary and non-contributory to any other coverage or self-insurance maintained by CAA Colorado.
- **Waiver of Subrogation.** Bruin's Commercial General Liability, Automobile Liability, Umbrella or Excess Liability, and Pollution Liability policies shall include a waiver of subrogation by endorsement in favor of the City, and the City's applicable insurance policies shall include a waiver of subrogation in favor of Bruin, in each case with respect to losses at the Facility to the extent covered by insurance. Bruin's policies shall also include a waiver of subrogation in favor of CAA Colorado to the extent required by the CAA Contract.

E.4 Evidence of Insurance

Bruin shall deliver to the City certificates of insurance and copies of the endorsement pages evidencing the coverages and endorsements required by this Exhibit E before commencing the Services, upon each policy renewal, and upon request.

E.5 Premiums

The premiums for the insurance required by this Exhibit E, to the extent allocable to the Facility, are Operating Costs of Bruin, reimbursable under Section 6.2(a), reflected in the budgeted Operating Costs in the Annual Budget.

E.6 Coordination with the CAA Contract

This Exhibit E is intended to satisfy the insurance requirements applicable to the Facility operator under Exhibit M to the Service Schedule. If CAA changes those requirements, the Parties shall update this Exhibit E by written amendment, subject to the availability of the required coverage on commercially reasonable terms, and any resulting change in premium shall be addressed at the next Budget Reset under Section 9.2.

EXHIBIT F

FORM OF MONTHLY TRUE-UP STATEMENT

The form of Monthly True-Up Statement is the Monthly Reconciliation worksheet agreed by the Parties. The blank template of the worksheet is set forth below.

Grand Junction MRF: Monthly Payment to Bruin												
Operating Agreement settlement worksheet. City of Grand Junction and Bruin Recycling, LLC.												
How to use: each month, fill the shaded input rows with actual figures from Bruin's monthly True-Up Statement and the City's records. The top line, Amount to pay Bruin this month, updates automatically. Steps 1 and 2 below show how that number is built.												
Operator Fee = the greater of the $225,000 / year management-fee floor ($18,750 / month) or 70% of Pooled Net Proceeds: trued up year-to-date.												
Period (enter month, e.g. Jan 2028)	**Month 1**	**Month 2**	**Month 3**	**Month 4**	**Month 5**	**Month 6**	**Month 7**	**Month 8**	**Month 9**	**Month 10**	**Month 11**	**Month 12**
AMOUNT TO PAY BRUIN THIS MONTH												
Cumulative paid to Bruin (YTD)												
INPUTS: enter the month's actual figures												
CAA reimbursement received by the City (Net Payment)												
Commodity sales revenue												
Tip fees: non-covered tons												
DFA fees (contamination and rejected-load fees)												
CAA performance-based incentives (if paid separately)												
Grant funds received by the City (C3)												
Other Pooled Revenue												
Pooled Revenue (month)												
Operating Costs: Bruin (actual, per True-Up Statement)												
City Facility Costs: per Annual Budget												
Of the above, revenue collected directly by Bruin												
Working Capital Advance credited this month (Year 1 only)												
STEP 1: Operator Fee, earned vs. paid (year-to-date)												
Pooled Revenue (YTD)												
Less Operating Costs (YTD)												
Less City Facility Costs (YTD)												
Pooled Net Proceeds (YTD)												

70% Operator Share (YTD)												
Management fee floor (YTD; $18,750/mo → $225,000/yr)												
Operator Fee earned (YTD): greater of share or floor												
Less Operator Fee paid in prior months												
Operator Fee payable this month												
STEP 2: Net payment to Bruin (this month)												
Operating Costs reimbursed (month)												
Less Working Capital Advance credited (Year 1 only)												
Plus Operator Fee this month												
Less revenue Bruin collected directly (month)												
NET PAYMENT: City to Bruin (month)												
CITY NET CHECK (confirms the City keeps its share)												
City net (YTD) = Pooled Net Proceeds − Operator Fee earned												
City net (this month)												

Notes

- Enter only the shaded rows. Step 1 is cumulative (year-to-date), so the operator fee self-corrects each month.
- CAA reimbursement is entered as actually received, net of the Blended Value deduction and any C3 grant credit to CAA. Grant funds the City receives are entered on the grant row, so the CAA credit and tip fee reductions funded by the grant pass through the pool rather than reducing Pooled Net Proceeds.
- Operating Costs = Bruin's actual costs, per the True-Up Statement. City Facility Costs = debt service + Exhibit D reserve ($200K/yr, 1/12, paused at the $1.5M ceiling) + City administrative and oversight costs, each per the Annual Budget.
- Operator Fee = the greater of 70% of Pooled Net Proceeds or the $18,750/month management fee, year-to-date, less what was already paid.
- "Collected directly by Bruin" is netted in Step 2 so it is not paid twice; it should be documented and subject to the City's audit rights.
- Year 1 only: the Working Capital Advance under Section 8.2(b) is credited against Operating Cost reimbursement until it is fully recovered.
- Pooled Revenue includes all amounts received from operation of the Facility (Section 1.2): CAA reimbursement, commodity sales, Tip Fees, DFA Fees, CAA incentives, grant funds, and other Facility revenue.