



Recycling Services Agreement

THIS RECYCLING SERVICES AGREEMENT (the “Agreement”) is effective as of October 1, 2024 (the “Effective Date”) and is entered into by and between Dem-Con Materials Recovery, LLC (“DCMRF”), a Minnesota corporation with an office located at 13161 Dem-Con Drive, Shakopee, MN 55379, and with City of Dickinson (the “Customer”), a Municipality with an office at 38 1st Street West, Dickinson, ND 58601.

WHEREAS, DCMRF has a recycling facility located at 13161 Dem-Con Drive, Shakopee, Minnesota, 55379 (the “Facility”) for the processing, recycling, and marketing of commercial and residential recyclable materials; and

WHEREAS, DCMRF is fully licensed, permitted, and insured to provide the above-described services; and

WHEREAS, the Customer desires to engage DCMRF to perform such services, pursuant to the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the above premises and the mutual covenants and agreements contained herein, the parties hereby agree as follows:

- 1. Services:** The Customer hereby engages DCMRF to perform the recycling services described in Exhibit A attached hereto (the “Services”). All Services will be performed at the Facility.
- 2. Acceptable and Unacceptable Materials:** A current list of the materials accepted for Services is attached herein as Exhibit B which may be modified from time to time at the sole discretion of DCMRF (collectively, “Recyclable Materials”). DCMRF will provide reasonable notice of any changes to the list of acceptable Recyclable Materials from time to time. Baled Recyclable Materials are Unacceptable Materials unless approved in writing by DCMRF. Any Recyclable Materials delivered to the Facility in baled form must have a density less than thirty (30) pounds per cubic foot for bales from a single-ram baler and less than twenty-five (25) pounds per cubic foot for bales from a two-ram baler (collectively, “Bale Specifications”). Recyclable Materials cannot be stored outside by Customer, contain excessive moisture, or be rotten or otherwise degraded. The materials not accepted at the Facility for recycling are also listed herein in Exhibit B. Removal and clean-up of any unacceptable materials are the Customer’s responsibility and shall be at the Customer’s sole cost and expense. Upon notification by DCMRF, the Customer shall have two (2) business days to remove any unacceptable materials from the Premises. If the Customer fails to adequately remove such unacceptable materials within such period, DCMRF shall be entitled to remove the unacceptable materials or cause them to be removed at the Customer’s expense.
- 3. Fees:** The applicable fees for the Services selected by the Customer are as set forth in Exhibit A attached hereto (the “Fees”). Any baled Recyclable Materials delivered to the Facility from the Customer may be charged a 20% surcharge on the Fees at the sole discretion of DCMRF. The Fees were developed assuming that the Customer will deliver all Recyclable Materials collected by the Customer that require processing to the DCMRF for the applicable Services. If the amount of Recyclable Materials delivered to the Facility over a two (2) consecutive month period for such Services is less than 80% of the estimated volume stated herein, DCMRF reserves the right to adjust the Fees, as applicable.

- 4. Marketing Services; Recyclable Revenue Sharing:** As set forth in Exhibit A, all Services provided by DCMRF hereunder include Marketing Services (as defined therein), which include the sale of the Customer's Recyclable Materials to a third party once they have been recycled. DCMRF has sole discretion to determine the terms of such sales. Notwithstanding the foregoing DCMRF shall not agree to terms that obligate or otherwise make Customer liable for any damages resulting from such sale by DCMRF to a third party. DCMRF will share the revenues received from such sales with the Customer (the "Recyclable Revenue Sharing") in an amount equal to 80% of the Average Commodity Revenue (ACR), as described in Exhibit C, and 20% of the ACR will be retained by DCMRF.
- 5. Payment Terms and Conditions:** DCMRF shall generate monthly invoices on the tenth (10th) of each month. Payments to DCMRF shall be due to DCMRF within thirty (30) days of the invoice date. Invoices will indicate both the amount of Fees owed by the Customer to DCMRF, and the amount of any Recyclable Revenue Sharing payments owed by DCMRF to the Customer. Such amounts will be netted out to determine the amount which DCMRF owes to Customer or the amount of which the Customer owes to DCMRF in a given month, as applicable, and shall be reflected in each invoice. For example, if the amount of Recyclable Revenue Sharing owed to the Customer is \$85/ton and the applicable Fee is \$80/ton, the Customer would be paid \$5/ton (\$85 - \$80 = \$5). The Customer is responsible for any applicable taxes associated with performance of the Services, excluding taxes based on DCMRF's net income.
- 6. Rules and Policies:** DCMRF will provide the Customer with copies of any written policies that the Customer or its personnel are required to comply with in order to receive Services hereunder, including any applicable on-site policies, building security procedures and general health and safety practices and procedures.
- 7. Limited Warranty:** DCMRF warrants and represents that it shall perform the Services (i) using personnel of suitable skill, experience and qualifications, (ii) in a professional and workmanlike manner, and (iii) in a manner consistent with commercially reasonable industry standards for similar services (collectively, the "Limited Warranty"). If the Customer reasonably believes in good faith that any Service provided hereunder does not conform to such Limited Warranty, it shall notify DCMRF in writing within ten (10) days of such Service being performed, or such claim is waived. The Customer shall take all reasonable action to mitigate damages and provide DCMRF a reasonable opportunity to cure any nonconformance. If DCMRF agrees that the Service performed did not conform to the Limited Warranty, it will make commercially reasonable efforts to cure the non-conformance. Any cure provided by DCMRF shall be the Customer's sole and exclusive remedy with respect to breach of the Limited Warranty. OTHER THAN THE EXPRESS LIMITED WARRANTY PROVIDED IN THIS SECTION 7, DCMRF MAKES NO OTHER WARRANTIES, EXPRESS, IMPLIED OR STATUTORY, REGARDING THIS AGREEMENT OR THE SERVICES. ALL OTHER WARRANTIES, INCLUDING WARRANTIES AS TO MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, COURSE OF DEALING OR THAT PARTICULAR RESULTS WILL BE OBTAINED, ARE EXPRESSLY WAIVED AND DISCLAIMED.
- 8. Indemnification:**

- a. **Indemnity.** DCMRF agrees to indemnify, hold harmless, and defend the Customer, its affiliates, officers, directors, shareholders, employees, and agents from and against any and all liabilities, claims, penalties, forfeitures, suits, and the costs and expenses incident thereto (including costs of defense, settlement, and reasonable attorney's fees), arising out any third party claim, suit, action or proceeding ("Action") resulting from (i) bodily injury or death of any person, or (ii) damage to real or tangible personal property, in either case, to the extent caused by a party's breach of this Agreement or any negligent act or omission or willful misconduct of such party or its personnel.
- b. **Procedure.** The party seeking indemnification hereunder shall promptly notify the indemnifying party in writing of any Action and cooperate with the indemnifying party at the indemnifying party's sole cost and expense. Unless otherwise directed by the party seeking indemnification, the indemnifying party shall immediately take control of the defense and investigation of such Action and shall employ counsel of its choice to handle and defend the same, at the indemnifying party's sole cost and expense. The indemnifying party shall not settle any Action in a manner that affects the rights of the indemnified party without the indemnified party's prior written consent, which shall not be unreasonably withheld or delayed. The indemnified party's failure to perform and notify the indemnifying party shall not relieve the indemnifying party of its obligations under this Section 8 except to the extent that the indemnifying party can demonstrate that it has been materially prejudiced as a result of such failure. The indemnified party may participate in and observe the proceedings at its own cost and expense.
- c. **Survival.** The provisions of this Section shall survive the termination of the Agreement with respect to any claim, action, or proceeding relating to actions or omissions alleged to have occurred during the Term for a period of one (1) year following the termination of this Agreement.

9. LIMITATIONS OF LIABILITY: EXCEPT AS SET FORTH IN SECTION 8, IN NO EVENT WILL EITHER PARTY BE LIABLE FOR ANY INDIRECT, INCIDENTAL, CONSEQUENTIAL EXEMPLARY, SPECIAL, OR PUNITIVE DAMAGES IN CONNECTION WITH THIS AGREEMENT OR THE SERVICES, EVEN IF INFORMED IN ADVANCE OF THE POSSIBILITY OF SUCH DAMAGES, INCLUDING WITHOUT LIMITATION, LOSS OF MATERIALS, DELAY IN COMPLETION OR DELIVERY OF THE SERVICES, LOST PROFITS OR GOODWILL. NOTWITHSTANDING ANYTHING HEREIN TO THE CONTRARY, DCMRF'S MAXIMUM LIABILITY ARISING FROM OR IN RELATION TO THIS AGREEMENT AND THE SERVICES TO ANY PARTY, WHETHER ARISING IN CONTRACT, TORT (INCLUDING NEGLIGENCE) OR OTHERWISE, SHALL BE LIMITED TO THE AGGREGATE AMOUNT OF FEES PAID OR PAYABLE TO DCMRF IN THE SIX (6) MONTH PERIOD PRECEDING THE EVENT GIVING RISE TO ANY CLAIM (EXCLUDING THE AMOUNT ANY RECYCLABLE REVENUE SHARING AMOUNTS PAID OR PAYABLE TO THE CUSTOMER DURING SUCH PERIOD). THE PARTIES AGREE THAT THE DISCLAIMERS, REMEDIES AND LIMITATIONS IN THIS AGREEMENT ARE REASONABLE IN LIGHT OF THE NATURE OF THE SERVICES, PRICING, RELATIONSHIP BETWEEN THE PARTIES AND ARE AN AGREED UPON ALLOCATION OF RISK.

10. Term: Unless earlier terminated in accordance with Section 11 of this Agreement, the initial term of the Agreement shall be for a period of three (3) years, commencing on the Effective Date, which shall be October 1, 2024 (the "Initial Term"). The Agreement shall automatically renew

thereafter for successive terms of one (1) year each (each a "Renewal Term") (the Initial Term plus any Renewal Term collectively referred to herein as the "Term"), unless either party gives written notice of termination to the other party as provided herein at least ninety (90) days' prior to the expiration of the Initial Term or the then current Renewal Term, as applicable.

11. Termination:

- a. Either party may terminate this Agreement in the event of a material default hereunder by the other party, which default has not been cured within thirty (30) calendar days after written notice thereof by the non-defaulting party to the defaulting party specifying the nature of such default.
- b. If either party fails to pay any sums when due hereunder more than two (2) times during the Term hereof, the non-defaulting party may terminate the Agreement immediately upon written notice to the defaulting party.
- c. If a party: (i) does not pay its debts as they become due; or (ii) admits in writing its inability to pay its debts; or (iii) becomes insolvent; or (iv) makes a general arrangement or assignment for the benefit of creditors; or (v) undertakes any action or other proceedings seeking relief as a debtor or otherwise under any law relating to bankruptcy, insolvency, reorganization, or relief of debtors or any such action or proceedings is brought against it; or (vi) seeks appointment of a receiver, liquidator, trustee, custodian or similar official for it or for all or any substantial part of its property or such a receiver, trustee, custodian, or similar official is appointed, whether sought by it or not, in addition to any other remedies available to it at law or otherwise, the other party may immediately terminate this Agreement by giving written notice to such party.
- d. Within thirty (30) days following the effective date of termination of this Agreement, the parties shall compensate each for any outstanding fees or amounts owed to each other. No provisions of this Agreement will survive termination of this Agreement, except where expressly noted herein and except for the obligations set forth in Sections 9, 11, 12, 13 and 14-22 which shall survive the termination of this Agreement indefinitely.
- e. If Customer upon ninety (90) day's written notice, informs DCMRF that funding from federal, North Dakota state, or other sources is not obtained and continued at levels sufficient to allow for purchase of the services or supplies in the indicated quantities or term; or rules are modified or interpreted in a way that the services are no longer allowable or appropriate for purchase under this Agreement or are no longer eligible for the funding proposed for payments authorized by the Agreement; or if any license, permit, or certificate required by law or rule, or by the terms of this Agreement, is for any reason denied, revoked, suspended, or not renewed; then the Agreement may be terminated.

12. Force Majeure: If performance of this Agreement or any obligation under this Agreement is prevented, restricted, or interfered with by causes beyond either party's reasonable control ("Force Majeure"), and if the party unable to carry out its obligations gives the other party prompt written notice of such event, then the obligations of the party invoking this provision shall be suspended to the extent necessary by such event. The term Force Majeure shall include, without limitation, acts of God, fire, explosion, vandalism, storm or other similar occurrence, pandemics,

orders or acts of military or civil authority, or by national emergencies, insurrections, riots, or wars. The excused party shall use reasonable efforts under the circumstances to avoid or remove such causes of non-performance and shall proceed to perform with reasonable dispatch whenever such causes are removed or ceased.

13. Confidential Information.

- a. Non-disclosure and Non-Use. Each party ("Receiving Party") agrees to maintain in confidence all Confidential Information of the other party ("Disclosing Party") supplied to and/or learned by Receiving Party in the course of DCMRF providing the Services hereunder. For purposes of this Agreement, "Confidential Information" means any non-public information of the Disclosing Party or which the Disclosing Party holds in confidence for others, including, without limitation, information relating to business plans and operations, products, product development, marketing, pricing, customers, suppliers, employees, data, computer records, programs, processes, and security. Each Receiving Party shall protect the Confidential Information of the Disclosing Party using at least the same degree of care, but no less than a reasonable degree of care, as it uses to protect its own information of a similar nature. Receiving Party shall not use the Disclosing Party's Confidential Information for any purpose other to carry out its obligations under this Agreement, and shall not disclose it to any third party except to the extent such other party has a need to know the same in connection with the performance of this Agreement and such other party is bound by confidentiality obligations that are as protective as those of this Section.
- b. Exceptions and Permitted Disclosures. Notwithstanding anything to the contrary, "Confidential Information" does not include information (a) that is or becomes available within public domain other than as a result of a breach of this Section 13 by Receiving Party; (b) is or becomes known to the Receiving Party as a result of disclosure from a party (other than the Disclosing Party) not known or reasonably believed to owe a confidentiality obligation to the Disclosing Party; (c) is independently developed by Receiving Party without reference to the Disclosing Party's Confidential Information. Notwithstanding the above limits on non-disclosure of Confidential Information, each party may disclose Confidential Information pursuant to a legal obligation; provided, however, that the Receiving Party shall promptly notify the Disclosing Party of any such obligation and cooperate if legally permissible, at Disclosing Party's expense, with Disclosing Party's efforts to seek a protective order or otherwise protect its Confidential Information. DCMRF understands that Customer is a governmental entity subject to the open records laws of the State of North Dakota, N.D.C.C Ch. 44-04, generally; as such DCMRF acknowledges that the legal requirements of North Dakota state law will be applicable to Customer's receipt, retention and sharing of any information between the parties.
- c. Return of Confidential Information. Upon Disclosing Party's request, Receiving Party shall promptly return to the Disclosing Party or destroy the Confidential Information of the Disclosing Party and all copies thereof, provided that neither party shall be required to return or destroy Confidential Information of the party that has been electronically archived or that is kept in accordance with such party's internal record retention policies.
- d. Survival. This Section 13 (Confidentiality) shall survive the termination of this Agreement.

14. Relationship of the Parties: It is understood and agreed that DCMRF and the Customer are at all times acting strictly as independent contractors in the fulfillment of their obligations under this Agreement. Nothing in this Agreement is intended, and nothing shall be construed to create, an employer/employee relationship, partnership, or joint venture relationship between the parties, or to allow either party to exercise control or direction over the manner or method by which the other party performs services under this Agreement.

15. Entire Agreement: This Agreement contains the entire agreement of the parties, and there are no other promises or conditions in any other agreement whether oral or written concerning the subject matter of this Agreement. This Agreement supersedes any prior written or oral agreements between the parties regarding the subject matter hereof.

16. Severability: If any provision of this Agreement will be held to be invalid or unenforceable for any reason, the remaining provisions will continue to be valid and enforceable. If a court finds that any provision of this Agreement is invalid or unenforceable, but that by limiting such provision it would become valid and enforceable, then such provision will be deemed to be written, construed, and enforced as so limited.

17. Amendment: This Agreement may be modified or amended in writing by mutual agreement between parties, if the amendment is signed by all the parties, or authorized representative of each party, obligated under this Agreement.

18. Governing Law: This Agreement shall be governed by and construed in accordance with the laws of the State of Minnesota. "Notwithstanding the foregoing, the parties agree that City shall not waive any right or immunity to which it is entitled under North Dakota law."

19. Notice: All notices, requests, demands and other communications hereunder (including notices of all asserted claims or liabilities) shall be in writing and shall be either delivered personally, or mailed by certified U.S. Mail, postage prepaid, return receipt requested, or sent by reputable overnight courier to the addresses herein designated or such other address as may be designated in writing by notice given in the manner provided herein, and shall be effective upon personal delivery thereof or upon receipt if sent by certified mail or 24 hours after deposit with an overnight courier.

If to the Customer: City of Dickinson
 38 1st Street West
 Dickinson, ND 58601
 Attn: Aaron Praus, Public Works Director

If to DCMRF: Dem-Con Materials Recovery, LLC
 13161 Dem-Con Drive
 Shakopee, MN 55349
 Attn: Bill Keegan, P.E., President

20. Waiver: Except as otherwise provided herein, neither party's waiver of any default or failure to enforce, the observance and performance of any term or condition of this Agreement at any time shall in any way affect, limit, or waive such party's right thereafter to enforce or compel strict compliance herewith and with every such term and condition. No course of dealings

between the parties, no waiver by either party, and no refusal or neglect of either party to exercise any right hereunder or to enforce compliance with the terms of this Agreement shall constitute a waiver of any provision herein with respect to any prior or subsequent breach, actions or omissions hereunder, unless such waiver is expressed in writing and signed by the waiving party.

21. Counterparts: This Agreement may be executed simultaneously in one or more counterparts, and may be delivered electronically or by facsimile, each of which together shall be deemed an original, and all of which together shall constitute one and the same instrument.

22. Audits: All records, regardless of physical form, and the accounting practices and procedures of DCMRF relevant to this Agreement specifically with the City of Dickinson are subject to audit by CITY or its auditors. DCMRF shall maintain all of these records for at least three (3) years following completion of this Agreement and be able to provide them at any reasonable time.

(signatures follow)

IN WITNESS WHEREOF, the parties hereto have caused this Recycling Services Agreement to be executed by their duly authorized representatives as of the date first above written.

City of Dickinson

By: _____
| Scott Decker Date
| Mayor, City of Dickinson

Dem-Con Materials Recovery, LLC

By: _____
| Bill Keegan, P.E. Date
| President

Exhibit A

Services and Fees




Service	Fee
<p><input checked="" type="checkbox"/> Option A: Processing, Baling and Marketing. The Customer delivers to the Facility Recyclable Materials to be sorted and recycled. Once the weight of the materials has been determined, DCMRF sorts the Recyclable Materials by type, bales them, and delivers them to end markets for recycling (“Full Processing Services”).</p>	<p><u>\$80.00</u> per ton – Year 1 <u>\$83.00</u> per ton – Year 2 <u>\$86.00</u> per ton – Year 3</p> <p><u>\$3.00/ton annual increase for any Renewal Terms beyond Year 3</u></p>
<p><input type="checkbox"/> Option B: Baling and Marketing. In the event the Customer delivers Recyclable Materials to the facility which have already been separated (“Source Separated”), DCMRF will weigh such materials, bale them and perform marketing services (“Baling and Marketing Services”).</p>	<p>\$_____ per ton</p>
<p><input type="checkbox"/> Option C: Marketing Only. Customer delivers Recyclable Material to DCMRF’s Facility which are Source Separated and baled, and DCMRF will perform the Marketing (“Marketing Services”). DCMRF reserves the right to determine whether the materials are adequately prepared for recycling end markets.</p>	<p>\$_____ per ton</p>

Regardless of which of the above options Customer chooses, DCMRF will be solely responsible for selling or having sold such materials to end markets. DCMRF has discretion to determine the terms upon which the Recycled Materials will be sold, subject to the terms and conditions of this Agreement.

Full Processing Services, Baling and Marketing Services, or Marketing Services, as applicable, are hereinafter collectively defined as the “Services” under the Agreement.

Exhibit B

RECYCLABLE MATERIALS ACCEPTED FOR PROCESSING

<u>PAPER & BOXES</u>	<u>PLASTICS</u>	<u>CANS & GLASS</u>	<u>CARTONS</u>
NEWSPAPER & INSERTS	CONTAINERS LABELED  PETE	ALUMINUM CANS and FOOD & BEVERAGE CONTAINERS	ASEPTIC & GABLE TOP CONTAINERS (Milk, Juice Boxes, Broth and Other Liquid Containers)
TELEPHONE & SOFTCOVER BOOKS	CONATINERS LABELED  HDPE	GLASS FOOD & BEVERAGE CONTAINERS (Brown, Clear & Green)	
CARDBOARD (Non-Waxed)	CONTAINERS LABELED  PP	AEROSOL CANS (Empty)	
BROWN PAPER GROCERY BAGS		METAL HOUSEHOLD ITEMS (Kitchenware ie. Pots & Pans)	
MAIL, CATALOGS & MAGAZINES		STEEL FOOD CANS	
OFFICE/SCHOOL PAPER (All Colors)			
PIZZA DELIVERY BOXES (Empty)			
PAPERBOARD (Dry Food Boxes, Beverage Cases)			

MATERIALS NOT ACCEPTED FOR PROCESSING

BALED RECYCLABLES	PLASTIC FILM (Wraps, Tarps, Juice Pouches)	BATTERIES
AUTO GLASS, WINDOW GLASS, MIRROR GLASS, CERAMICS & PORCELAIN	DIAPERS	COAT HANGERS
SHREDDED PAPER	ALL OTHER MATERIALS NOT LISTED AS ACCEPTBLE MATERIALS	WAXED CARDBOARD
FOOD WASTE	PAPER TOWELS, NAPKINS, PLATES & TISSUES SOILED WITH FOOD	COMPOSTABLE PLASTICS – PLA #7
HAZARDOUS CHEMICAL CONTAINERS AND MOTOR OIL CONTAINERS	STYROFOAM & PACKING PEANUTS	GARDEN HOSES
GLASSWARE NOT USED TO CONTAIN PRODUCTS (Cookware, Drinking Glasses, Vases)	SYRINGES, NEEDLES, & OTHER MEDICAL WASTE	CHRISTMAS LIGHTS/EXTENSION CORDS
MATERIALS STORED OUTSIDE	WET OR ROTTEN MATERIALS	MIXED MUNICIPAL SOLID WASTE

Exhibit C

Composition and Commodity Value:

1. **Composition:** It shall be initially assumed that the composition of Recyclable Materials provided by the Customer is based on the average composition of Recyclable Materials delivered to the Facility by Customer based on historical sorts of Customers Recyclable Materials. However, DCMRF may perform, at the sole discretion of DCMRF, periodic audits and material sorts on the Customer's incoming Recyclable Materials to verify the composition of the Recyclable Materials. DCMRF will allow access to the Customer to witness the material sort and will provide the Customer with the results of the analysis. Based on the composition results of the material sort from Customers Recyclable Materials, DCMRF may revise the composition percentages used to calculate the Average Commodity Revenue ("ACR") paid to the Customer.

2. **Commodity Value:** The value for each component in the Recyclable Materials (the "Commodity Value") is as set forth below shall be calculated as follows:

a. **Fiber:** Fiber pricing shall be based on the "PPI" High Side pricing set forth in the first published issue of the month of *RISI PPI Pulp and Paper Week*, for the category set forth below, first published Regional Average prices for the Midwest (Chicago) Region. Prices shall be effective on the tenth (10) day of the month through the 9th day of the following month, and shall be applied for the month of delivery. If *RISI PPI Pulp and Paper Week* is no longer reflective of prevailing market conditions or if an alternative publication more accurately reflects such market conditions, then either party may propose to use any such alternative publication(s) or alternate method to determine the price for Wastepaper. The other party's consent, which shall not be unreasonably withheld, to the use of such alternate publication or method shall be required. Prices are:

Cardboard	PPI High Side OCC #11 Corrugated Containers
Mixed Paper	PPI High Side Mixed Paper #54

b. **Plastics:** Pricing for Plastics shall be based on the actual delivered price per ton received by DCMRF less freight paid by DCMRF for the plastics during the month of delivery, or previous point of sale if no deliveries were made that month. The Customer will have the ability to audit the records and sales receipt of the commodity sales at the DCMRF offices on a periodic basis to verify receipts. Access to the DCMRF sales receipts and Facility will not be reasonably withheld by DCMRF and will be during normal business hours Monday through Friday.

c. **Aluminum Cans:** Pricing for Aluminum Cans (UBC) shall be based on the actual delivered price per ton received by DCMRF less freight paid by DCMRF for the Aluminum during the month of delivery, or previous point of sale if no deliveries were made that month. The Customer will have the ability to audit the records and sales receipt of the commodity sales at the DCMRF offices on a periodic basis to verify receipts. Access to the DCMRF sales receipts and Facility will not be reasonably withheld by DCMRF and will be during normal business hours Monday through Friday.

d. **Steel Cans:** Pricing for Steel Cans shall be based on the actual delivered price per ton received by DCMRF less freight paid by DCMRF for the Steel Cans during the month of delivery, or previous point of sale if no deliveries were made that month. The Customer will have the ability to audit the records and sales receipt of the commodity sales at the DCMRF offices on a periodic basis to verify receipts. Access to the DCMRF sales receipts and Facility will not be reasonably withheld by DCMRF and will be during normal business hours Monday through Friday.

e. **Steel Scrap:** Pricing for Steel Scrap shall be based on the actual delivered price per ton received by DCMRF less freight paid by DCMRF for the Steel Scrap during the month of delivery, or previous point of sale if no deliveries were made that month. The Customer will have the ability to audit the records and sales receipt of the commodity sales at the DCMRF offices on a periodic basis to verify receipts. Access to the DCMRF sales receipts and Facility will not be reasonably withheld by DCMRF and will be during normal business hours Monday through Friday.

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f. **Mixed Cullet:** Pricing for Mixed Cullet shall be based on the actual delivered price per ton received by DCMRF less freight paid by DCMRF for the Mixed Cullet during the month of delivery, or previous point of sale if no deliveries were made that month. The Customer will have the ability to audit the records and sales receipt of the commodity sales at the DCMRF offices on a periodic basis to verify receipts. Access to the DCMRF sales receipts and Facility will not be reasonably withheld by DCMRF and will be during normal business hours Monday through Friday

g. **Non-Recyclable Residue:** Non-Recyclable Residue will be disposed of at an MPCA approved disposal facility at a cost to the Customer. The cost to the Customer will be calculated by taking a negative commodity value, at the market rate per ton for disposal, and multiplying by the percentage of non-recyclable residue in the Recyclable Materials to get a weighted average cost per ton delivered.

h. **Average Commodity Revenue (ACR):** The table below is an example of the ACR calculation per ton of delivered Recyclable Materials. The ACR will be calculated using a weighted average which accounts for the percentage of each commodity within the Recyclable Materials and the value of each commodity. The ACR is then determined by adding the individual value of each of the commodities.

Commodity	Percent of Total	Commodity Value (\$/ton)	Weighted Average (\$/ton)
OCC	12.50%	\$105.00	\$13.13
ONP #8	49.50%	\$55.00	\$27.23
Mixed Paper	5.70%	\$50.00	\$2.85
Aluminum	0.80%	\$1,360.00	\$10.88
Steel	0.20%	\$190.00	\$0.38
Steel Cans	1.80%	\$211.21	\$3.98
Plastic-PET #1	2.00%	\$320.00	\$6.40
Plastic-HDPE #2 – Natural	0.90%	\$750.00	\$6.75
Plastic-HDPE #2 – Colored	0.80%	\$510.00	\$4.08
Plastic-#5	0.80%	\$60.00	\$0.48
Plastic-Mixed Rigids	0.50%	\$200.00	\$1.00
Glass	18.00%	\$0.00	\$0.00
Aseptic Containers	0.00%	\$90.00	\$0.00
Film	0.00%	\$1.00	\$0.00
Residual	6.50%	-\$65.00	-\$4.23
	100.00%		
		ACR (\$/ton):	\$72.93
		Revenue Share:	80%
		Rebate to Customer (\$/ton):	\$58.34

The Recyclable Materials Rebate will be paid to the Customer as a percentage of the ACR. For example, if the ACR is \$72.93/ton and the Customer has an 80% revenue sharing agreement, the Rebate to the Customer would be \$58.34 per ton for the Recyclable Materials as shown above.