



ENVIRONMENTAL MANAGEMENT SYSTEM Project Financial Assistance Form

Project Title: Optical Sorter Addition for Metro Recycling Facility

EMS: Metro Waste Authority

Contact Person: Emily Logan

Email: elo@mwatoday.com

Phone: 515-363-6505

Assistance Request: \$ 100,000

Matching Cash: \$ 615,300

Total Project: \$ 715,300

A. EMS Objective Association

Check the box that best describes your grant proposal.

- ☒ One or more tasks/milestones with the action plan of a **new** objective/target.
- ☐ One or more tasks/milestones with the action plan of an **existing** objective/target.
- ☐ Other, please explain: _____

Please either complete the table below or provide the same information in the format of your choice in an attachment.

Objective Description					
Action		Subject		Adoption Date	
Reduce		Landfilling of Recyclable Materials		7/1/23	
Target 1 Description (Add sections or attachments for additional targets as needed.)					
Action		Subject		Qty to	Metric
Increase		PET Collection		By 5,000	Tons
Target Time Period		Time Period Type		Component Area	
7/1/23 - 6/30-25		Multi-Year		Recycling Services	
Baseline data, if applicable	Baseline Time Period	Qty for Period	Narrative Description (Optional)		
	7/1/22 - 6/30/23	TBD	See Project Proposal		

B. Project Proposal (30 points)

1. Concisely summarize the proposed project and its expected outcome.

Metro Waste Authority's proposed project is to purchase and install an MSS Cirrus FiberMax Optical Sorter in its material recovery facility (MRF), Metro Recycling Facility. This addition, which will be placed on the old magazine/plastic film (OMP) line, will increase the line's removal rate by approximately 40% as well as ensure non-fiber recyclables that appear on the line, such as polyethylene terephthalate (PET), are redirected to the correct sorting lines. In addition, the implementation of this optical sorter is expected to raise the facility's throughput by approximately 3 tons per hour.

2. List project related items that have been completed such as estimates, audits, feasibility studies, plan adoptions, board approvals, etc. Also, outline tentative tasks or activities for the project proposal.

Task/Activity	Start Date	End Date	Associates (partners, contractors, vendors)
Receive Quote for Optical Sorter	10/1/22	12/31/22	CP Group
Purchase MSS Cirrus FiberMax Optical Sorter	7/1/23	9/30/23	Metro Recycling Facility Management Team
Complete Install of Optical Sorter at Metro Recycling Facility	1/1/24	3/31/24	CP Group
Complete Startup Testing and Training	4/1/24	4/30/24	CP Group
Equipment Fully Operational	5/1/24	On-Going	Metro Recycling Facility Staff

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3. Provide a more detailed narrative of the project proposal and the reasoning for its associated target. In the narrative, identify the need or problem the proposal will address, elaborate on the milestones in the table above and describe strategies for project implementation.

WHAT:

Through Metro Waste Authority's proposed project, an optical sorter would replace the traditional screen currently in place on Metro Recycling Facility's OMP line.

WHY:

Currently, Metro Recycling Facility's OMP line utilizes a traditional screen with four manual sorters. On average, four individuals can pick 160 items per minute, resulting in a contamination removal rate of approximately 50%. Installing an optical sorter would increase this contamination removal rate.

Optical sorters are field-proven to provide efficient and effective automated separation for a variety of materials. The proposed MSS Cirrus FiberMax is an optical fiber sorting system designed to remove contamination from mixed paper or newspaper sorting streams and/or positively sort out targeted paper grades.

Additionally, this optical sortere is equipped with an intuitive learning algorithm that adapts to changes in the material stream. As a result, the technology is able to be programmed to recognize different and new types of contaminants as the material stream evolves over time, making it a long-term sorting solution.

The optical sorter alone averages 600-800 picks per minute, which would increase Metro Recycling Facility OMP line's contamination removal rate by approximately 40%. The agency anticipates pairing this system with one manual sorter, which would further increase the removal rate.

Recruitment for the sorter position is challenging and turnover is high. By reallocating staff currently on the OMP line due to the addition of the optical sorter, three team members can be shifted to alternate positions, increasing contamination removal rates on additional sorting streams.

Most of the non-fiber material currently removed from the facility's OMP line includes PET. The implementation of an optical sorter would not only ensure contamination is reduced in OMP bales, but it would also ensure these recyclable non-fiber materials are redirected to the correct lines. As a result, the agency expects the facility's throughput to increase by approximately 3 tons per hour.

HOW:

The proposed optical sorter would be purchased from and installed by CP Group, the manufacturer that developed and installed the original sorting system at the facility.

Installation is expected to be extremely efficient, thanks to advanced, innovative planning by the agency and manufacturer. As a result, implementation of the proposed optical sorter at Metro Recycling Facility is expected to be a simple process, likely resulting in very minimal downtime for the facility.

Additionally, because the facility already utilizes an optical sorter on its old newspaper (ONP) line, staff will need minimal training on the technology.

This efficient installation, paired with minimal downtime and minimal training, will ensure the facility sees an immediate benefit from the addition of the new optical sorter.

C. Project Impact & Monitoring (40 points)

4. Explain the expected environmental impact of completing the grant project and achieving its associated EMS

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objective/target. Identify the geographic region in which the environmental impact is expected to be realized, such as a facility fenceline, municipality, service area, etc. Also, describe the methodology to be used for measuring environmental impact.

Through the implementation of an additional optical sorter, Metro Waste Authority expects to increase PET collection over a multi-year period. Achieving this goal would result in reduced contamination in the recycled materials stream as well as increased diversion rates. These outcomes would positively impact the environment for not only Metro Waste Authority's service area, but all of Central Iowa.

To measure environmental impact of this project, Metro Waste Authority can compare two separate data points.

First, the agency can assess the contamination removal rate of the four sorters currently stationed on Metro Recycling Facility's OMP line as well as the proposed optical sorter's removal rate. With the MSS Cirrus FiberMax Optical Sorter, the agency anticipates the contamination removal rate will increase by approximately 40%.

Additionally, most of the non-fiber material currently removed from the facility's OMP line includes PET. The implementation of the optical sorter would not only ensure contamination is reduced in OMP bales, but it would also ensure these non-fiber recyclables are redirected to the correct sorting streams at the facility. The agency can measure this impact by evaluating the difference in the facility's throughput with and without the optical sorter. MWA expects the throughput to increase by approximately 3 tons per hour.

5. Identify who is expected to benefit from the completion of the grant project proposal and/or EMS objective and describe what benefits are projected. Benefits may be environmental, economic, service-related, etc.

The completion of this proposed project will expand the infrastructure of and optimize the sorting process at the MRF. Additionally, it will to reduce contamination in the recycled materials stream as well as increase diversion rates.

As a result, implementing this proposed project will support a sustainable recycling program, benefiting Metro Waste Authority's service area both economically and environmentally. It will also enable the agency to continue expanding the MRF's footprint, providing additional services to municipalities and businesses in the region and beyond.

6. As applicable, explain how the associated EMS objective fits into a long-range plan or has environmental impacts beyond the target end date.

The addition of a MSS Cirrus FiberMax Optical Sorter at Metro Recycling Facility would expand the facility's infrastructure, optimize its sorting process, and demonstrate a measurable increase in its throughput.

As a result, this advancement would reduce contamination in the recycled materials stream, increase diversion rates, and provide a sustainable future for recycling for communities in the region far beyond the target date of this project.

D. Project Budget & Economic Sustainability (30 Points)

7. Enter budget information in the table below. A minimum cash match of 25% is required for items in which financial assistance is requested.

Budget Item	Assistance Request \$	Local Share – Cash	Total
MSS Cirrus FiberMax Optical Sorter Purchase and Installatin	\$100,000	\$615,300	\$715,300

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TOTALS:	\$100,000	\$ 615,300	\$ 715,300
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8. Are three quotes or estimates for each budget item attached? ☐ Yes ☒ No

If not, provide the reason(s). Note: Project proposals may be rejected for not including three quotes or estimates for budget items.

The one quote received for the purchase and installation of an optical sorter is for an MSS Cirrus FiberMax Optical Sorter designed by CP Group, the manufacturer that developed and installed the original sorting system at the facility.

When Metro Recycling Facility was established, the original sorting equipment's infrastructure and engineering was designed by CP Group to make installation simple for future technology. This guaranteed the facility could expand upon its state-of-the-art system for years to come, maintaining its focus on advanced technology, evolving its system to meet the needs of changing material streams, and ensuring a long-term solution for recycling in the region.

Because of this advanced planning, and and to ensure compatibility with original sorting equipment, CP Group and its MSS Cirrus FiberMax Optical Sorter installed by CP Group the best equipment option for this proposed project.

Additionally, the facility already owns and operates an MSS Cirrus FiberMax Optical Sorter on a different sorting line, so training and operations on this new equipment would be seamless, resulting in minimal downtime for the facility.

9. Provide a detailed budget narrative related to this project and specify how grant funds will be used.

For Metro Waste Authority to meet its goal to increase PET collection by 5,000 tons, the agency aims to expand Metro Recycling Facility's technology and infrastructure through the purchase and installation of an optical sorter for the OMP line.

This implementation of this equipment will increase the line's removal rate by approximately 40% as well as ensure those non-fiber recyclables that appear on the line, such as PET, are redirected to the correct sorting streams.

Based on Metro Recycling Facility's current engineering and infrastructure, and to ensure compatibility with the facility's original sorting equipment, CP Group's MSS Cirrus FiberMax Optical Sorter would be the best selection of equipment for this project.

The equipment, installation, and testing is quoted at \$715,300. This total breaks down to \$492,300 for the equipment, \$33,100 for the steel package, and \$189,000 for other costs, such as shipping, engineering, testing, and training.

10. Identify how the project will be financially sustained once project funds are expended. Include an explanation for the continuance of such items as labor, equipment maintenance, service contracts, etc.

The optical sorter would be installed at the agency's Metro Recycling Facility, which has the space and operational capacity for an additional optical sorter.

Staff already have the training and capability to utilize the equipment, as one MSS Cirrus FiberMax Optical Sorter is in place on a different sorting line, and a process has already been established to implement the new technology at the facility.

11. Describe any expected economic benefits, resulting from the completion of the associated EMS objective, such as cost avoidance or revenue generation. As applicable, estimate the payback period for the project cost and explain

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how it was calculated.

Revenue from this project may be generated through the additional sale of commodities, however due to changing markets, a fixed estimate is not available.

12. As applicable, describe how economic benefits, either immediate or after a payback period, will in turn, benefit members of your service area.

Metro Waste Authority is committed to providing a sustainable recycling program for the region through the establishment of Metro Recycling Facility. Any revenue generated from this optical sorter will support equipment maintenance and operation at the facility.

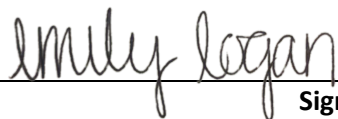
Please Note: Unallowable costs for financial assistance or local cost-share include, but are not limited to:

1. Taxes, legal costs, or contingency funds.
2. Passenger vehicles, vehicle registrations, or vehicle/equipment leases.
3. Proposal preparation or contractual project administration.
4. Land acquisition or real estate leases.
5. Office furniture, office equipment, or software.
6. Costs for which payment has been or will be received under another federal, state, or private financial assistance program.
7. Costs incurred before a written agreement between the applicant and the department has been executed.

E. Signature

I affirm the information provided on this Application is true, and that I will provide all other information requested for further substantiation. I agree that if awarded financial assistance for a project(s), I will execute the contract the DNR provides for conveying those funds, which contract will include but not be limited to conditions for expending those funds, and for making reasonable accounting of those expenditures and matching funds or in-kind expenses.

In order to determine funding eligibility, the Department reserves the right to verify any information presented in the application and to determine the applicant's compliance status with applicable Local, State and Federal statutes and regulations. If an applicant is selected to receive financial assistance, an offer of financial assistance may be rescinded if the applicant is determined to be out of compliance with applicable Local, State and Federal regulations.



Community Relations Coordinator

Signature, Title

4/3/2023

Date

F. Forms

Include signed copies of required forms with your application. Forms may be found on the EMS website:

<http://www.iowadnr.gov/Environmental-Protection/Land-Quality/Waste-Planning-Recycling/Solid-Waste-EMS/EMS-Participants>

- Minority Impact Statement

Minority Impact Statement

Pursuant to 2008 Iowa Acts, HF 2393, Iowa Code Section 8.11, all grant applications submitted to the State of Iowa which are due beginning January 1, 2009 shall include a Minority Impact Statement. This is the state's mechanism to require grant applicants to consider the potential impact of the grant project's proposed programs or policies on minority groups.

Please choose the statement(s) that pertains to this grant application. Complete all the information requested for the chosen statement(s).

- ☐ The proposed grant project programs or policies could have a disproportionate or unique **positive** impact on minority persons.

Describe the positive impact expected from this project

Indicate which group is impacted:

- ☐ Women
- ☐ Persons with a Disability
- ☐ Blacks
- ☐ Latinos
- ☐ Asians
- ☐ Pacific Islanders
- ☐ American Indians
- ☐ Alaskan Native Americans
- ☐ Other

- ☐ The proposed grant project programs or policies could have a disproportionate or unique **negative** impact on minority persons.

Describe the negative impact expected from this project

Present the rationale for the existence of the proposed program or policy.

Provide evidence of consultation of representatives of the minority groups impacted.

Indicate which group is impacted:

- ☐ Women
- ☐ Persons with a Disability
- ☐ Blacks
- ☐ Latinos
- ☐ Asians
- ☐ Pacific Islanders
- ☐ American Indians
- ☐ Alaskan Native Americans
- ☐ Other

- ☒ The proposed grant project programs or policies are **not expected to have** a disproportionate or unique impact on minority persons.

Present the rationale for determining no impact.

Recyclables are collected and processed at Metro Recycling Facility with no selection of individual segments of the population. As a result, there is no specific impact among minority groups for this proposed project.

I hereby certify that the information on this form is complete and accurate, to the best of my knowledge:

Name: Emily Logan

Title: Community Relations Coordinator

Definitions

“Minority Persons”, as defined in Iowa Code Section 8.11, mean individuals who are women, persons with a disability, Blacks, Latinos, Asians or Pacific Islanders, American Indians, and Alaskan Native Americans.

“Disability”, as defined in Iowa Code Section 15.102, subsection 5, paragraph “b”, subparagraph (1):

b. As used in this subsection:

(1) *"Disability"* means, with respect to an individual, a physical or mental impairment that substantially limits one or more of the major life activities of the individual, a record of physical or mental impairment that substantially limits one or more of the major life activities of the individual, or being regarded as an individual with a physical or mental impairment that substantially limits one or more of the major life activities of the individual.

"Disability" does not include any of the following:

- (a) Homosexuality or bisexuality.
- (b) Transvestism, transsexualism, pedophilia, exhibitionism, voyeurism, gender identity disorders not resulting from physical impairments or other sexual behavior disorders.
- (c) Compulsive gambling, kleptomania, or pyromania.
- (d) Psychoactive substance abuse disorders resulting from current illegal use of drugs.

“State Agency”, as defined in Iowa Code Section 8.11, means a department, board, bureau, commission, or other agency or authority of the State of Iowa.

CP GROUP

CP GROUP | 6795 CALLE DE LINEA | SAN DIEGO, CA 92154 | 619-477-3175 | 800-462-5311 | WWW.CPGRP.COM

COMPANY NAME:

PROJECT NAME: 5947 METRO WASTE FIBERMAX

SALES ENGINEER: JOHN KEMP

QUOTE NO:

DWG NO:

DATE: November 28, 2022

EQUIPMENT LIST

ITEM #	QTY.	DESCRIPTION	MODEL	HP	SIZE	NET PRICE USD
27	1	MSS FiberMax Unit, Single Eject			112" W	Included
		~ Air Feed to Valve Enclosure				
		~ Electrical Panel				
	A	~ Accelerator Conveyor		7.5		
	B	~ Eject Hood				
	C	~ Overfire Air Fans		2		
		~ MetalSort		1		
		~ Splitter Roller Drive		0.3		

TOTAL EQUIPMENT:

\$492,300

Estimated Power Consumption

kW Total: 9 kW Peak Load
kW @40%: 4 kW Running Load

STEEL PACKAGE

ITEM #	QTY.	DESCRIPTION	MODEL	HP	SIZE	NET PRICE USD
300	0	MSS Platform and Service Walkways				Not Included
600	Lot	Conveyor supports				Not Included
900	Lot	Chutes and Hoppers				Included

TOTAL STEEL PACKAGE:

\$33,100

OTHERS

ITEM #		DESCRIPTION	MODEL	NET PRICE USD
ICP		Electrical Controls - Advanced MRF - UL508a Compliant		Included
SCADA		Scada Package Base		Not Included
ENG		Engineering	CP Staff	Included
PE		Certified Professional Engineering (Stamp and Certified Documents)		Not Included
INST		Installation - Non Union - No Prevailing Wages NOTE: All electrical drops will be the responsibility of the customer		
MECH		Mechanical Installation - Non Union - No Prevailing Wages		Included
ELEC		Electrical Installation - Non Union - No Prevailing Wages		Not Included
SUP		Project Management		Included
START		Startup and Testing		Included
TRAINING		Training		Included
LOAD		Kitting and Truck Loading		Included
FRT		Freight to Site	2,500 Miles	Included

Due to the current volatility of prices, all freight quotes are on estimate and not guaranteed. Shipping costs will be re-evaluated at the time of shipment and adjustments may be made.

TOTAL "OTHERS":

\$189,900

NOT INCLUDED IN PROPOSAL

~ Fire protection / Sprinkler system
~ Any existing equipment or third-party-supplied items
~ Building modification / Civil work
~ Sort cabins / HVAC
~ Permitting (including all associated inspection, engineering and agency coordination)
~ Taxes
~ Electrical feed to new MCC panels, MSS Optical Sorters, Balers & Air Compressor

****Any items noted as "Existing", "By Others" or any other notation that implies such items are not being provided by CP Manufacturing, are listed for informational and sequencing purposes only. Such items do not comprise, and are expressly excluded from, the Products and the Services quoted by CP Manufacturing in this Proposal. Unless otherwise expressly provided for in this Proposal, CP Manufacturing is not undertaking any obligations with respect to such items, is not responsible for inspecting, modifying, upgrading or replacing such items, and is not providing any warranties or guarantees with respect to such items.**

GRAND TOTAL \$USD:

\$715,300

*Quote is good for 15 days
Taxes Not Included*



MSS, INC. IS A DIVISION OF CP GROUP
300 OCEANSIDE DRIVE
NASHVILLE, TN 37204
615.781.2660

Optical Sorter: **FiberMax™ High Speed**
Configuration: **Single-Eject, with MetalSort**
Sort Setup: **Prohibitives + Cardboard**

Throughput:

- 64" CIRRUS FiberMax: 5.4TPH
- 80" CIRRUS FiberMax: 6.8TPH
- 96" CIRRUS FiberMax: 8.1TPH
- 112" CIRRUS FiberMax: 9.5TPH

Removal Efficiencies:

- 90% or greater, by weight, for Plastic Containers.
- 90% or greater, by weight, for Metals.
- 80% or greater, by weight, for Brown OCC
- 70% or greater, by weight, for Printed Chipboard/Duplex
- 70% or greater, by weight, for Plastic Film and Non-Container Plastic Items.
- 50% or greater, by weight, for Trash.

Disclaimers:

- Removal efficiency will be reduced for items that are severely distorted, non-flattened or more than 70% covered by labels or contamination/dirt.
- Removal efficiency will be reduced for objects smaller than 4" in either direction.
- Removal efficiency will be reduced for heavy items such as containers still containing liquid, dense metals, etc. which can be properly identified but may not be effectively ejected due to the weight of the object.
- Removal efficiency will be reduced for materials that are overlapping or conjoined with a material of a different identification may or may not be correctly identified and/or ejected.
- The modules cannot identify + sort black/dark items; those will end up in the "pass fraction".

Module Environment Requirements:

- Temperature: The Module shall be designed to operate over a range of 40° F to 100° F.
- Humidity: The Module shall operate over a relative humidity range of 30% to 95% (non-condensing).
- Elements: The Module shall be designed to operate in an environment which is sheltered from outside elements such as: rain, snow, hail, and severe wind. **Excess moisture, such as that produced by rain or snow, can damage the module. Failure to protect the module from outside elements will void the warranty.**

Customer Provided Remote Connectivity

- Ethernet line with internet connectivity for access optical sorter touchscreen panel.

Nashville, July 25, 2022



TERMS AND CONDITIONS OF SALE OF EQUIPMENT

All products and services provided for in the preceding proposal ("**Proposal**") shall be furnished by CP Manufacturing, Inc. or its Affiliates ("**CP**") or subcontractors (unless the Proposal indicates an item would be furnished by Buyer or a third party supplier of Buyer, in which case such item is not CP's responsibility) and accepted by the buyer to whom the Proposal is addressed ("**Buyer**") in accordance with the following Terms and Conditions of Sale of Equipment ("**Terms**"). The preceding Proposal, any Special Terms and the Terms shall, when signed by both CP and Buyer together constitute the agreement of CP and Buyer ("**Agreement**"). Unless otherwise specifically agreed to in writing by CP, the Terms shall also apply to any and all future orders placed by Buyer for products and/or services furnished by CP or any of its Affiliates, including products and/or services not referenced in the Proposal. As used herein, "**Affiliate**," with respect to any person or entity, means a person or entity that directly or indirectly through one or more intermediaries controls, is controlled by, or is under common control with, such person or entity.

1. QUOTATION.

Written quotations are valid for thirty (30) days after issuance or within such shorter period as may be specified in the quotation. All orders shall be subject to approval by CP.

2. ACCEPTANCE; TERMS.

The offer of CP to Buyer contained in this Agreement expressly limits Buyer's acceptance to the terms of this Agreement. In the event the terms of any order submitted by Buyer to CP are in conflict with any of the terms of this Agreement, the terms of this Agreement shall govern and prevail. CP rejects any terms contained in any purchase order or other documents issued by Buyer which are different from, conflict with, modify and/or add to this Agreement. CP's execution of any document issued by the Buyer shall constitute only an acknowledgment of receipt thereof, and shall not be construed as an acceptance of any of the terms therein.

Unless Buyer sets forth each specific objection to this Agreement in this Agreement or in a separate writing signed and dated by Buyer and delivered to CP contemporaneously with this Agreement, Buyer shall be deemed to have accepted all of the terms of this Agreement. Buyer's issuance of a purchase order or other document which purports to reject some or all of the terms of this Agreement by virtue of Buyer's standard form language, or otherwise, shall not be sufficient objection. Where Buyer specifically objects to any of the terms of this Agreement, no contract shall be formed unless and until CP accepts in writing Buyer's proposed modifications to this Agreement.

3. PURCHASE AND SALE.

Subject to the terms and conditions of this Agreement, Buyer agrees to purchase and CP agrees to sell, the products ("**Products**") and services ("**Services**") set forth in the Proposal at the prices specified therein (the "**Purchase Price**"). If the Proposal indicates an item would be furnished by Buyer or a third party supplier of Buyer, such item is listed solely for information purposes and is not CP's responsibility nor considered part of the Products or Services.

4. TAXES.

Quoted CP Purchase Price does not include sales, value added, inventory, use, excise, or other taxes, fees, or export or import duties, which are the sole responsibility of Buyer and which, at CP's option, may be charged to Buyer in addition to the Purchase Price under this Agreement, or separately billed at any time by CP if CP is required by any taxing authority to collect or pay such tax(es). If Buyer is exempt from the payment of any tax, it is the responsibility of Buyer to furnish to CP the proper exemption certificate.

5. TERMS OF PAYMENT.

Unless otherwise specified in the Proposal, a percentage of the Purchase Price for the Products shall be due upon the Milestone Schedule listed below. If the Proposal provide for milestone payments, and a milestone is only partially achieved, then only the dollar value of the milestone items that have been completed shall be due and payable and the dollar value of the remaining milestone items shall become due and payable as they are completed. If payment is not received by the date on which it is due, interest shall accrue and be payable by Buyer on the unpaid balance at a rate of one and a half percent (1.5%) per month, and CP may delay performance as provided in Section 7. All payments hereunder shall be in United States Dollars and made by check or wire transfer, unless otherwise agreed upon in writing by CP.

Payment as a Percentage of the Purchase Price	Milestone Description
50%	Down Payment, Immediate
45%	Prior to Shipment, Net 45
5%	Upon Final Acceptance

6. FREIGHT; DELIVERY; CP DELAYS.

Unless otherwise specifically provided in the Proposal, the Products shall be delivered Ex Works (EXW) CP's facility (or the facility of CP's subsidiary, affiliate or component supplier factory or warehouse, as the case may be) (Incoterms® 2020 Rules). The Purchase Price includes CP standard loading charges for domestic and international shipments. Shipping and delivery dates are estimates based on conditions prevailing at the time of the Proposal, but are not guaranteed. CP shall not be liable for delays in delivery or performance of this Agreement due to force majeure or causes beyond its reasonable control including, but not limited to, (a) acts of God; (b) flood, fire, earthquake, other natural disaster, explosion, or severe weather; (c) war, invasion, hostilities (whether war is declared or not), terrorist threats or acts, riot, or other civil unrest; (d) government order or law; (e) actions, embargoes, tariffs or blockades in effect on or after the date of this Agreement; (f) action or omission by any governmental, civil or military authority; (g) strikes, labor stoppages or slowdowns, or other industrial disturbances; or (h) epidemics, quarantines, restrictions, supply chain shortages or disruptions, shortages or decreased availability of raw materials or components, delays in transportation, transportation vehicle/vessel shortages, delays in customs clearance, or delays due to import/export sanctions (each, a "**Force Majeure Event**"). In the event of any delay due to such a Force Majeure Event, the date of delivery or performance shall be extended for a period equal to the time lost by reason of such delay. CP shall not be liable for delays in delivery or performance due to acts or omission of Buyer or third parties such as Buyer's customers or other contractors or suppliers. Subject to the foregoing, CP will use all reasonable diligence to meet the delivery date(s) but shall not be liable for any loss, damage, expense or change resulting from any delay. If payment by Buyer of a CP invoice or other payment obligation is not received by the date on which it is due, CP may delay performance under this Agreement until such payment is received and such delay shall, after 14 days, be deemed to be a Buyer Delay (as defined below) and Buyer shall be liable for Buyer Delay Costs as set forth below. CP shall not be liable for any delay in meeting, or failure to meet, any of its obligations under this Agreement caused by a Force Majeure Event.

7. BUYER DELAYS.

If, for any reason, Buyer is unable to accept delivery or requests a delay of delivery, manufacture or, if applicable, installation, commissioning or testing, of more than 14 days from the specified date (a "**Buyer Delay**") (provided that an inability to accept delivery or a request for delay of delivery after CP has shipped a Product shall immediately be deemed a Buyer Delay), then all costs associated with such delay ("**Buyer Delay Costs**") shall be payable by Buyer as invoiced by CP (and may be invoiced in advance of being incurred by CP when such costs are associated with third parties). Buyer Delay Costs shall include, but are not limited to, costs related to transporting Products to and from CP manufacturing facilities, cost of shipment to and from storage facilities, CP's administration costs and overhead associated with the delay, storage costs (at a CP facility or a third party facility, at CP's sole discretion), repainting costs, costs associated with rescheduling or breaching contracts with third parties contracted to install or test the Products, and costs associated with re-bidding subcontractors and suppliers. In the event of a Buyer Delay, the prices of all Products are subject to unilateral increase by CP based on revised CP pricing and changes in manufacturing, overhead and procurement costs. In the event of a Buyer Delay and unless already paid, a partial payment based upon the percentage of completion of the order prior to the Buyer Delay shall become due from the date on which CP is notified of such delay, and all milestone payment obligations shall remain in effect, accrue and become payable under this Agreement.

8. TITLE AND RISK OF LOSS.

All risk of loss or damage in transit shall pass to Buyer upon delivery of the Products by CP (or CP subsidiary, affiliate or supplier) to Buyer or to a shipping company for shipment to Buyer. All claims for loss or damage during shipment must be made by Buyer directly to the carrier. Title to the Products shall remain in CP and Buyer is prohibited from pledging or transferring these Products until such Products are paid for in full, provided that title to all intellectual property rights associated with the Products shall remain with CP or its suppliers and licensors. Buyer hereby grants to CP a security interest in the Products until all monies due to CP under this Agreement are paid in full. CP shall have the right to file financing

statements and any other documents that may be necessary to evidence and perfect such a security interest in the Products in any jurisdiction.

9. INSTALLATION.

If specifically provided in the Proposal, CP shall arrange for third party installation of the Products as described in the Proposal; otherwise, Buyer shall be responsible for providing installation personnel. CP shall provide the persons specified in the Proposal to serve as technical advisors (“**CP Installation Supervisors**”) regarding the installation of the Products. Each CP Installation Supervisor shall serve as a technical advisor only and shall have no obligation to perform any physical labor or to manage, supervise or direct any non-CP-approved third party personnel in the installation of any portion of the Products. CP and the CP Installation Supervisors shall have no obligation to provide advice regarding fabrication or installation of any non-Product components or add-ons to the Products. Buyer shall ensure that there is free and clear access to the installation site during business hours and all electrical systems are operating. CP Installation Supervisor man-hours shall accrue at the rate of 8 hours per day during delays in installation due to failure of Buyer to provide the foregoing and shall be at Buyer’s expense. Additional expenses such as travel, lodging and per diem will also apply.

10. TRAINING.

If specifically provided in the Proposal, CP shall provide the training personnel for the number of days (assuming an 8 hour day) set forth in the Proposal (the “**Training Period**”). Once the Training Period has begun, the days of the Training Period shall run consecutively (except for weekends, unless requested by Buyer). Buyer shall pay CP as provided in this Agreement for making the training personnel available during the Training Period.

11. EXTENT OF CONTRACT WORK.

Unless otherwise expressly provided in the Proposal, the Purchase Price does not include), and it shall be Buyer’s sole and absolute responsibility to obtain, pay for and otherwise obtain, any of the following:

- a. Groundwork, pile driving, cutting, breaking, foundation work, masonry, carpentry, plastering, painting, wallpapering, repairs or any other architectural work, of any nature whatsoever, nor the costs of connections to the main sewage system and to the gas, water or electrical systems.
- b. Additional work (mechanical or electrical) outside the agreed upon scope of work set forth between CP and the Buyer. The Scope of Work is defined by the approved drawings, Equipment List and related Terms and Conditions.
- c. Electrical service feeds to control panels, balers, optical equipment, air compressors and enclosures.
- d. Special inspections, testing (UL approval, earthquakes etc.) or any permits required by state or local agencies.

12. DRAWINGS; SPECIFICATIONS.

CP drawings of the recycling system for which the Products are to be used (the “**MRF System**”) and any specifications therein become part of this Agreement when such drawings are approved by Buyer (“**A-10 Layout Design Drawing**”) and CP is authorized to proceed under this Agreement based on the A-10 Layout Design Drawing. The determination of whether the MRF System meets the specifications set forth in the Proposal and the final drawings (“**Specifications**”) shall be made (i) based on the material characterization of the input and the speed and accuracy of the manual sorters described in such Specifications (**Material Characterization must be provided by the Buyer to CP**), (ii) assuming Buyer’s drawings are accurate and complete regardless whether CP has conducted a formal site survey or not, and (iii) shall make exception for factors that are not within the control of CP or set forth in the Proposal or final drawings. All drawings (and any notes, designs, inventions, improvements, developments, discoveries and trade secrets embodied therein) made in connection with this Agreement, solely or in collaboration with Buyer, are and shall remain the property of CP and Buyer shall not obtain an ownership interest therein. The A-10 Layout Design Drawings shall be provided in CP’s standard format (PDF file).

13. PUNCH-LIST PROCESS.

During installation of the Products, CP shall work with Buyer to develop a list of items (“**Preliminary Punch List**”) necessary to bring the Products into substantial conformance with the Specifications provided that CP and the Buyer can mutually agree/determine whether an item is appropriate for the Preliminary Punch List. CP shall resolve the items on the agreed upon Preliminary Punch List. Buyer is responsible for developing one final punch list (“**Final Punch List**”) within a 2-week period beginning on the earliest to occur of (i) when the MRF System is capable of processing material for commercial rather than solely testing purposes (“**Commercial Operation**”), (ii) upon CP’s completion of all the items on the Preliminary Punch List, or

(iii) upon CP's determination that the MRF System is substantially in conformance with the Specifications. Any non-CP delays which extend this process and/or require a remobilization of the mechanical or electrical contractors will be at the Buyer's expense (including travel, lodging, per diem and/or other labor related expenses).

14. WARRANTY.

Subject to the limitations set forth in this Agreement, CP warrants to Buyer with respect to new Products manufactured by CP and sold to Buyer, against defects in material and workmanship while in normal use and service (the "**Warranty**") for a period of 12 months from the date of shipment or 2,000 hours of operation since the commencement of Commercial Operation, whichever occurs first (the "**Warranty Period**"). This Warranty is provided to Buyer only and does not extend to any subsequent owner, lessee, or other user of the Products. The Warranty on Products replaced pursuant to the Warranty shall expire at the end of the original Warranty Period. This Warranty applies only to new Products manufactured by CP that have been properly installed and maintained and subjected to normal use. It does not cover damages caused by abuse, misuse, negligent handling, improper or inadequate maintenance, tampering or accidents, installation, modification, alteration or repair not performed by CP or its authorized subcontractors or third parties approved by CP, improper operation in a manner other than as specified in the operations instructions or manuals, failure to maintain in accordance with maintenance instructions; damage caused by accessories, attachments, parts, equipment or other devices not furnished and installed by CP, electrical brownouts, power surges, loose wires, loose screws nuts or bolts, use of the Product beyond its original capacity or specifications, or operation on improper voltages, including those generated from a generator. Also excluded are ordinary service and maintenance items and consumables or wear items, such as, but not limited to, replacement discs, belts, light bulbs, tires, wear liners, limit switch adjustments, hydraulic seals, and the like, required as the result of normal wear and tear. This Warranty supersedes any representations concerning the Products sold to the Buyer which may have been made by CP's agents or employees, or contained in advertisements. If any model or sample was shown to the Buyer, that model or sample was used merely to illustrate the general type and quality of the Products and not to represent that the Products would necessarily conform to such model or sample. CP shall not be obligated to provide any warranty coverage whatsoever for any defect not communicated to CP in writing within the Warranty Period. Buyer shall notify CP in writing within thirty (30) days of discovery of any alleged defect, and shall permit CP or its representatives to make such investigation, examination and tests as it deems appropriate. If requested by CP, Buyer will return the alleged defective product to CP, freight prepaid for examination and testing. If CP determines the product is defective, CP will either repair or replace such product with a like item of CP's manufacture, f.o.b. CP's factory. The responsibility of CP is limited to repairing (at CP's facility) or replacing Products covered by the Warranty, and excludes any labor at Buyer's facility.

THIS WARRANTY IS IN LIEU OF ALL OTHER WARRANTIES, EXPRESSED OR IMPLIED, INCLUDING ANY IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. THERE ARE NO OTHER WARRANTIES, AGREEMENTS OR UNDERSTANDINGS WHICH EXTEND BEYOND THOSE SET FORTH IN THESE TERMS. NO OTHER WARRANTY, ORAL OR WRITTEN, IS AUTHORIZED OR HAS BEEN GIVEN BY CP TO BUYER.

15. RETURN OF PRODUCTS FOR WARRANTY SERVICE.

In the event that Buyer believes a component manufactured by CP is defective in materials or workmanship during the Warranty Period, Buyer shall promptly notify CP of the problem by phone or in writing. Upon receipt of such notice, CP will issue Buyer a Returned Goods Authorization ("**RGA**") number that must accompany the parts returned to CP for warranty consideration. This RGA number is valid for thirty (30) days. Warranty parts invoices (mailed separately) automatically become due and payable upon Buyer's failure to return the defective parts within thirty (30) days. Upon receipt of the returned parts, CP will make an evaluation, or if necessary, forward the parts to the original manufacturer for warranty consideration (in which case such manufacturer's terms regarding shipping shall apply). If the part is found by CP to be defective in material or workmanship, the obligations of CP are strictly and exclusively limited to the repair or replacement, at the option of CP, of the defective part. CP agrees to pay all shipping charges, at UPS ground rates or standard ground truck rates, as applicable, for delivery to the Buyer of repaired or replacement parts provided the submitted parts have proved to be defective and covered by the Warranty. Where expedited delivery of repaired or replacement parts is requested by the Buyer, such additional shipping charges shall be paid by the Buyer.

16. LIMITATION OF DAMAGES.

CP SHALL NOT, UNDER ANY CIRCUMSTANCES, BE LIABLE FOR ANY CONSEQUENTIAL, INDIRECT, SPECIAL, INCIDENTAL OR PUNITIVE DAMAGES ARISING OUT OF OR RELATED TO THE SALE OF THE PRODUCTS AND SERVICES OR TO THIS AGREEMENT OR ANY BREACH THEREOF, INCLUDING, BUT NOT LIMITED TO, LOST PROFITS OR REVENUE, WORK STOPPAGE OR INEFFICIENCIES, IMPAIRMENT OF THE GOODS, LOSS OF USE,

LOSS BY REASON OF SHUTDOWN OR NON-OPERATION OR INCREASED EXPENSES OF OPERATION, BUSINESS INTERRUPTION OR DELAY LOSSES, COMMERCIAL LOSSES, INCONVENIENCE, OR LOSS OF ANTICIPATORY PROFITS RESULTING FROM THE USE OF THE PRODUCTS OR DELAY IN THEIR DELIVERY, INSTALLATION OR COMMENCEMENT OF COMMERCIAL OPERATION, WHETHER OR NOT SUCH LOSS OR DAMAGE IS BASED ON CONTRACT, NEGLIGENCE, STRICT LIABILITY OR OTHERWISE, AND WHETHER OR NOT CP WAS APPRISED OF THE LIKELIHOOD OF SUCH DAMAGES OCCURRING. EACH PARTY AGREES THAT THESE LIMITATIONS SHALL APPLY NOTWITHSTANDING THE FAILURE OF AN ESSENTIAL PURPOSE OF ANY LIMITED REMEDY. IN NO EVENT SHALL CP'S LIABILITY (WHETHER BASED ON AN ACTION OR CLAIM IN CONTRACT, TORT OR OTHERWISE) ARISING OUT OF OR RELATED TO THE SALES OF ANY CP PRODUCTS, EXCEED THE TOTAL AMOUNT OF THE CONTRACT PRICE ACTUALLY PAID BY BUYER TO CP.

Because some states/jurisdictions do not allow the exclusion or limitation of liability for consequential or incidental damages, the above limitation may not apply.

17. TERMINATION.

Orders are not cancelable by Buyer, unless specifically consented to by CP in writing. CP shall have the right to terminate any order in the event Buyer fails to make payments when due or perform any other obligations of Buyer.

In the event of a cancellation or termination under this Section, Buyer shall pay:

- a. Contract price for all Products that have been completed prior to receipt of notice of cancellation or termination;
- b. All costs incurred by CP in connection with the uncompleted portion of the order plus normal profit; and
- c. Cancellation charges, if any, of CP on account of its purchasing commitments made under the order.

18. CHANGES.

No waiver or modification of any of the terms of this Agreement shall be valid unless made in writing and signed by CP and Buyer. The foregoing notwithstanding, if CP discovers errors or omissions in the Proposal, CP is authorized to correct or add to the Proposal or terminate this Agreement, provided that if CP exercises its right to correct or add to the Proposal, Buyer may for a period of 5 days from receipt of notice of such changes or additions, terminate this Agreement.

19. ACCEPTANCE OF PRODUCTS.

Acceptance of Products sold pursuant to this Agreement ("***Final Acceptance***") shall be deemed to have occurred upon the earlier to occur of (i) substantial conformance of the MRF System to the Specifications or (ii) Commercial Operation of the MRF System, and shall be conclusive. Prior to shipment, Buyer's representative may inspect the Products at CP's plant during business hours in such a manner as will not interfere with normal operation. (This inspection process must be discussed and agreed upon between CP and the Buyer.)

20. INDEMNITY.

Buyer shall indemnify, defend and hold CP and its Affiliates, officers, directors, employees, agents, independent contractors, representatives, successors and assigns (each a "***CP Indemnitee***") harmless from and against any and all claims, actions, damages, demands, liabilities, costs and expenses, including attorney's fees and expenses, relating to the Products or the MRF System, including without limitation injury or death to persons or loss or damage to property, except for those based on the gross negligence or willful misconduct of CP, brought by persons other than CP employees or independent contractors (including, but not limited to, Buyer employees and independent contractors). Buyer shall indemnify and hold harmless CP against all liabilities and expenses (including attorneys' fees) arising out of the use of the Products or the MRF System by Buyer or a third party in any case where Buyer fails to make available adequate warnings and instructions concerning the proper and normal use of the Products or the MRF System, or where Buyer or third parties such as Buyer's employees, customers or other contractors or suppliers, fail to comply with any applicable federal, state or local safety laws or regulations or industry safety standards.

21. DESIGN / PRODUCT IMPROVEMENT

CP reserves the right to discontinue the manufacture, change or modify the design specifications and construction of any of its products without incurring any obligation to Buyer.

22. IMPORT/EXPORT LICENSES – INTERNATIONAL SHIPMENTS ONLY.

This Agreement is contingent upon CP obtaining all export licenses and/or government approvals which may be required under applicable U.S. laws and regulation including, but not limited to, the Export Administration Act, the Trading with the Enemy Act, the Export Administration Regulations and the Foreign Assets Control Regulations. Prior to the date of shipment of the Products, Buyer shall obtain at its sole cost, all import licenses and/or other government approvals which may be required by the country of importation. Upon CP's request, Buyer shall provide CP with copies of such import licenses and/or government approvals to evidence Buyer's compliance with this Section. Buyer represents and warrants that it is not, nor will Buyer, directly or indirectly, transfer the Products to a person or entity listed as: (1) a Specially Designated National or Blocked Person by the U.S. Treasury Department; (2) a Denied Person by the U.S. Commerce Department; (3) a Denied Entity by the U.S. Commerce Department; or (4) a Debarred Party by the U.S. State Department. Buyer shall indemnify and hold CP harmless from any claim, loss, damage, fines, penalties, liability or expense incurred with regard to Buyer's failure to comply with this Section.

23. MANUALS, BROCHURES, INSTRUCTIONS.

All operating manuals, instructions, brochures, warnings or the like concerning the Products supplied hereunder are supplied as an aid to Buyer. Buyer shall train all its employees and/or third-party users of the Products purchased by Buyer so that such employees and third parties will be properly informed of the contents of all written materials supplied by CP and will use the Products properly and safely.

24. TRADEMARKS; LICENSED SOFTWARE OR FIRMWARE.

Buyer shall not remove, alter, obliterate or cancel CP's trade names or trademarks appearing on any Product nor take any actions which are inconsistent with CP's ownership of such names and trademarks. Use of Products comprised of software or firmware may be subject to Buyer's acceptance of additional terms and conditions set forth in separate CP or third-party license agreements that will control to the extent necessary to resolve any conflict with the terms and conditions stated or otherwise referenced herein. In the absence of a separate CP license agreement, Buyer is granted a limited, non-exclusive, non-assignable, non-transferable license to use provided CP's software or firmware only in object code form and solely in conjunction with CP-provided Products, with no rights to sublicense, disclose, disassemble, decompile, reverse engineer, or otherwise modify the software or firmware. All right, title and interest in any inventions, developments, improvements or modifications of or for Products and Services shall remain with CP. Any design, manufacturing drawings or other information submitted to the Buyer remains the exclusive property of CP. Buyer shall not, without CP's prior written consent, copy or disclose such information to any third party. Such information shall be used solely for the operation or maintenance of the Products and not for any other purpose, including the duplication thereof in whole or in part.

25. APPLICABLE LAW; ARBITRATION.

These Terms and any order by Buyer shall be interpreted and enforced in accordance with the laws of the state of California and any applicable laws of the United States. The United Nations Convention on the International Sale of Goods shall not govern the interpretation of or any dispute arising from this Agreement. Any controversy or claim arising out of or relating to this Agreement, or the breach thereof, shall be settled by binding arbitration in San Diego, California, before a single, neutral arbitrator in accordance with the rules then in effect of the American Arbitration Association, and judgment rendered upon the award, including such reasonable attorneys' fees as may be awarded the prevailing party, may be entered in any court having jurisdiction thereof.

26. LIMITATION OF CLAIMS.

No action or proceeding based on this Agreement or arising out of its performance shall be instituted by either party more than one (1) year after the cause of action or claim has accrued; provided, however, that no such limitation shall apply to (i) claims for payment under this Agreement by CP against Buyer and (ii) claims by CP for indemnity as provided in Section 20.

27. CONFIDENTIALITY.

All prices, designs and drawings submitted by CP to the Buyer, any software, source code, and the features of all parts, Products, and other items furnished or disclosed to Buyer by CP in connection with the order (collectively, the "**Confidential**

Data”) are to be considered confidential, the sole property of CP, shall not be used in conjunction with or disclosed to any other manufacturer, manufacturer’s agent or any other third party that would use this information for its own use or commercial use and shall not be published or disclosed to any other manufacturers without CP’s prior written authorization, unless the Confidential Data or any relevant part thereof is or becomes generally available to Buyer on a non-confidential basis from a source (other than CP) which is entitled to disclose the same.

28. FORCE MAJEURE.

No party shall be liable or responsible to the other party, nor be deemed to have defaulted under or breached this Agreement, for any failure or delay in fulfilling or performing any term of this Agreement (except for any obligations to make payments to the other party hereunder), when and to the extent such failure or delay is caused by or results from a Force Majeure Event. The party suffering a Force Majeure Event shall promptly give notice of the Force Majeure Event to the other party, stating the period of time the occurrence is expected to continue and shall use diligent efforts to end the failure or delay and ensure the effects of such Force Majeure Event are minimized.

29. MISCELLANEOUS.

In the event of any controversy, claim, or dispute between the parties hereto, arising out of or relating to this Agreement, or the breach thereof, the prevailing party shall be entitled to recover from the other party reasonable expenses, attorneys’ fees and costs. Attorneys’ fees incurred in enforcing any judgment are recoverable as a separate item, and this provision for post-judgment attorneys’ fees shall survive any judgment and shall not be deemed merged into the judgment. This Agreement constitutes the entire agreement between the parties and supersedes all prior agreements and understandings, oral and written, between the parties hereto with respect to its subject matter. The obligations of the parties under this Agreement which by their nature would continue beyond the termination, cancellation or expiration of this Agreement, including by way of illustration only, and not limitation, confidentiality, payment and indemnification obligations, shall survive such termination, cancellation or expiration. This Agreement shall not be interpreted against a party by virtue of such party’s participation in the drafting of the Agreement or any provisions herein. Should any portion of this Agreement be declared invalid or unenforceable, then such portion shall be deemed to be severed from this Agreement and shall not affect the remainder hereof. This Agreement may be executed in counterparts, each of which shall be deemed to be an original and all of which together shall be deemed to constitute a single document

CP MANUFACTURING, INC.

BUYER: _____

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

Address: 6795 Calle de Linea
San Diego, CA 92154
Attn: President

Address: _____

Attn: _____

Date: _____

Date: _____