



SERVICE CONTRACT TERMS

These Service Contract Terms (the “Agreement”) constitute a binding agreement between each user and/or purchaser of any of our services (each a “Member”, “you”, or “your”) and Scraps Ltd. (“Scraps”, “we”, “us”, or “our”). Your use of any of our services is subject to and conditioned on your acceptance of this Agreement and by creating any account or membership, or by using or purchasing any of our services, you are agreeing, without limitation or qualification, to be bound by, and to comply with, this Agreement. You represent and warrant that you have the right, authority, and capacity to enter into this Agreement. You and Scraps are each referred to herein as a “Party” and collectively as the “Parties”. This Agreement will become effective on the later of (a) the effective date, if any, of any service agreement between you and Scraps or the date of your commencement of any services with the company, if there is no such effective date, or (b) August 15, 2022, provided that you continue your services with us.

- 1. Equipment/Access/Location:** All equipment furnished by Scraps shall remain the property of Scraps; however, you shall have care, custody and control of the equipment and shall bear responsibility and liability for all loss or damage to the equipment while at your location. You shall not overload, move or alter the equipment and shall use the equipment only for its intended purpose. At the termination of this Agreement, you shall return the equipment to Scraps in the condition in which it was provided, normal wear and tear excepted. You shall also provide unobstructed access to the equipment on scheduled collection day(s). Additionally, you agree to, and shall, pay, if charged by Scraps, an additional fee for any service modifications caused by or resulting from your failure to provide such access. Scraps shall not be liable for any damage to your property, including pavement, subsurface or curbing, resulting from Scraps services hereunder, except if caused by Scraps’ recklessness or willful misconduct. You represent and warrant that your right of way is sufficient to bear the weight of Scraps’ equipment and vehicles.
- 2. Collected Organic Materials:** Scraps will accept all materials and items accepted for commercial composting by the industrial compost facility to which it hauls all collected materials. Scraps will provide a complete list of these materials (the “Accepted Materials”) to each Member at commencement of service, as well as training and printed signage, flyers and other supporting documents for your use. Scraps will inform you of any changes to the Accepted Materials over time. You shall not deposit, or permit the deposit of, any materials in a Scraps bin/toter that are not included within the complete list of Accepted Materials, and you further agree that you shall be responsible and liable for any damage, loss or harm caused by items placed within a Scraps bin/toter that are not Accepted Materials and that any such items shall be and remain your property.
- 3. Training and Contamination:** Scraps is committed to keeping the organic-waste stream free of contaminants. As such, Scraps requires and provides training to all commercial Members (and relevant staff) at service commencement (and periodically as needed) as part of our services. While Scraps makes every effort to minimize contamination through education and Member outreach, Scraps’ reserves the right, in its sole and absolute discretion, to levy a contamination fee for any and all contamination issues, where the timing, amount, and due date of any such fee shall be in Scraps’ sole and absolute discretion.
- 4. Payment and Late Payments:** You shall pay Scraps monthly at the agreed upon pricing for your service level. Such Payments shall be due the first day of the monthly billing cycle and shall be made through the Scraps billing platform. Payments not received within ten (10) days of due date (each a “Late Payment”) will incur a 3.75% late fee per month on any unpaid amount; provided, however, that no such late fee and/or interest shall exceed the maximum rate permitted by applicable law. For payments not received in full within 30 days, Scraps reserves the right, in our sole and absolute discretion, to suspend or terminate service and/or levy additional late fees. You further shall, and hereby agree to, pay all reasonable out-of-pocket costs and expenses, including reasonable attorneys’ fees,

incurred by Scraps in the collection of any and all Late Payments. As used in the foregoing sentence, the term "attorneys' fees" shall mean reasonable charges and expenses for legal services rendered to or on behalf of Scraps in connection with the collection of any Late Payment at any time whether prior to the commencement of any proceedings or thereafter and/or in pre-judgment and post-judgment or bankruptcy proceedings.

5. **Rate Adjustments:** From time to time, Scraps reserves the right, in its sole and absolute discretion, upon written notice to you to adjust the prices of our services to account for increased costs of our services or otherwise. Service prices are also subject to adjustment when you and Scraps agree to a change in service level, including but not limited to quantity and size of bins/toters and/or frequency of service.
6. **Term:** Your term of service has or will commence on the effective date, if any, of any service agreement between you and Scraps or the date of your commencement of any services with the company, if there is no such effective date, and will continue in full force and effect for a period of three (3) years, unless earlier terminated in accordance with the terms hereof (the "Initial Term"). Upon the expiration of the Initial Term and any renewal term thereof, this Agreement will automatically renew for successive three (3) year terms until (x) this Agreement is terminated in accordance with the terms hereof or (y) either Party gives written notice to the other Party of its intention not to renew this Agreement at least thirty (30) days prior to the expiration of the Initial Term or any renewal term thereof.
7. **Early Termination:** In the event you terminate this Agreement prior to its expiration for any reason other than a default by Scraps, or in the event Scraps terminates this Agreement due to your default, you agree to pay Scraps liquidated damages in an amount equal to the total of your monthly charges for the most recent six-month period. Such liquidated damages are not intended to be a penalty and are solely intended to compensate for damages that are difficult to precisely estimate. Notwithstanding the foregoing, you may cancel your services with Scraps at any time before the commencement of any renewal term without any such liquidated damages by providing to us at least 30-days' written notice of your intention not to renew your service agreement. Subject to the foregoing terms of this provision, either Party may terminate this Agreement at any time and for any reason by providing at least five (5) days' written notice to the other Party.
8. **Indemnity:** You agree to and shall fully indemnify, defend, and hold harmless Scraps from and against any and all costs, claims, and expenses incurred by Scraps in connection with or arising from any claim by a third party for physical damage to or physical destruction of property, or death of or bodily injury to any person, but only to the extent caused by any act or omission of you or any of your agents, contractors, or invitees.
9. **Limit of Liability:** Neither Scraps nor its members, partners, officers, directors, managers, employees, agents, representatives, or affiliates shall be liable to you for any exemplary, indirect, special, punitive, incidental, or consequential damages (including, without limitation, any payment for lost sales, lost profits, loss of goodwill, or reimbursement for expenditures or investments made or commitments entered into) arising out of or in connection with this Agreement, whether in an action in contract, tort, strict liability, or negligence, or other actions, even if reasonably foreseeable or advised of the possibility of such damages. In no event will the aggregate liability of Scraps to you (whether the basis of the liability is breach of contract, tort, statutory liability, or any other cause of action) be greater than the amount paid or payable by you to Scraps for the previous six (6) months for the performance of the services hereunder. This limitation of relief is a part of the bargain between the Parties.
10. **Dispute Resolution; Jury Trial Waiver:** Except for any and all efforts or actions by Scraps to collect any Late Fees or any other unpaid amounts owed by you under this Agreement, the Parties expressly and irrevocably waive any right to a jury trial and agree that any dispute arising out of or in connection with any of our services or this Agreement, including any question regarding its existence, validity, enforceability, or applicability, in whole or in part, shall be arbitrated. Any arbitration will be conducted by Judicial Arbitration and Mediation Services (JAMS) with a single arbitrator who shall be selected by JAMS on the basis, if possible, of their experience in the subject matter(s) of the dispute. The decision of the arbitrator shall be final, non-appealable, and binding upon the parties, and it may be entered in any court of competent jurisdiction. The arbitration shall take place in the City and County of Denver, State of Colorado. The arbitrator shall be bound by the laws of the State of Colorado applicable to the issues, without regard to its choice or conflicts of law rules. The arbitrator shall issue a detailed

written opinion setting forth their decision and the reasons therefor within thirty (30) days after the arbitration proceeding is concluded. The arbitrator, as part of their final award, shall allocate direct and indirect costs and fees, including attorney's fees, from the prevailing party to the losing party. Any party seeking enforcement of any arbitration award shall be entitled to an award of all costs, fees, and expenses, including reasonable attorney's fees, incurred in enforcing the award, to be paid by the party against whom enforcement is ordered. The obligation of the Parties to submit any dispute arising under or related to this Agreement to arbitration shall survive the expiration or earlier termination hereof. All documents, discovery and other information related to any such dispute, and the attempts to resolve or arbitrate such dispute, will be kept confidential to the fullest extent possible.

11. Opting out of Arbitration: There is no judge or jury in arbitration and judicial review of arbitration awards is limited. However, arbitrators can award the same damages and relief as a court, and must follow the terms of this Agreement as a court would. You nevertheless may opt out of arbitration. If you do so, neither Party may require the other to participate in an arbitration proceeding. To opt out, you must directly notify us in writing within thirty (30) days of the date that you first became subject to this Agreement. You must use this address to opt out:

- Scraps Ltd. ATTN: Arbitration Opt Out, 6720 Indiana Street, Arvada, CO 80007, United States

You must include within the notice your name and your company name as well as its address, and an unequivocal statement that you want to opt out of this arbitration agreement. Such letters must be postmarked within thirty (30) days of date that you first became subject to this Agreement.

12. Force Majeure: Notwithstanding anything to the contrary in this Agreement, neither Party shall be held responsible for any delay, default, or failure to perform its obligations under this Agreement if such Party's failure to perform is the result of an act of force majeure including acts of God, war, terrorist act, riot, natural disaster, public health emergency, inclement weather, fire, flood, embargo, technical failure (including the failure of all or part of the communications satellite, or transponders on which the Services or Deliverables relies to function, or of the related uplinking or other equipment) or any other reason beyond the reasonable control of the Party whose performance is prevented during the period of such occurrence.

13. Binding Effect: This Agreement is a legally binding contract on the part of both Scraps and Member, and is binding upon and inures to the benefit of their respective heirs, successors, and permitted assigns, in accordance with the terms and conditions set out herein. Scraps may assign or subcontract this Agreement, in whole or in part, and such assignment shall be binding on Member and Member's successors and assigns. Member may not assign this agreement, or their rights or obligations hereunder, in whole or in part, without Scraps prior written permission, which it may grant, deny, or condition in its sole and absolute discretion.

14. Waiver and Omissions: The waiver by either Party of a breach or default in any of the provisions of this Agreement by the other Party will not be construed as a waiver of any succeeding breach of the same or other provisions; nor will any delay or omission on the part of either Party to exercise or avail itself of any right, power, or privilege that it has or may have under this Agreement operate as a waiver of any breach or default by the other Party.

15. Severability: In the event that any provision of this Agreement is declared to be void, invalid, unlawful, or unenforceable by any arbitrator, court, or tribunal of competent jurisdiction, such provision shall be interpreted to give greatest effect to the intentions of the Parties or, if necessary, shall be deemed severed from the remainder of this Agreement and the balance shall remain in full force and effect to the maximum extent permitted by law.

16. Entire Agreement and Modification: This Agreement constitutes a single, integrated written contract expressing the entire and exclusive agreement among the Parties, which supersedes all other agreements and understandings regarding the subject matter of this document and may not be waived, modified or abridged without the prior written consent of Scraps.