

BMS-Claystone Waste Operating Agreement



OPERATING AGREEMENT

In order to facilitate the seamless transfer of operations and assets from Beaver Municipal Solutions (BMS) to the municipally-controlled corporation of Claystone Waste, an Operating Agreement has been drafted. This agreement allows for the smooth transition of landfill services and assets including land, facilities, funds, contracts and employees from BMS to Claystone Waste.

As with any organizational transition, it is helpful for all parties to be fully informed. By developing an Operating Agreement, municipal shareholders, community members, employees, current customers and future customers can see a clear hand-over process.

KEY PROVISIONS

ENSURES CURRENT BMS CONTRACTS ARE RETAINED

BMS holds external contracts for waste management services with entities like the City of Edmonton, Parkland County, and Vermilion River Solid Waste Management. These contracts provide significant revenues to BMS and through the operating agreement are formally retained with the transition to Claystone Waste.

PROTECTS EXISTING EMPLOYEE AGREEMENTS INCLUDING PENSION ELIGIBILITY

The Operating Agreement ensures that existing employment agreements and conditions are maintained throughout the transition to Claystone Waste. This includes Local Authorities Pension Plan arrangements for eligible employees both current and future.

DETAILS WINDUP STEPS TO FORMALLY DISSOLVE BMS

The Operating Agreement details all steps required to complete the formal dissolution of Beaver Municipal Solutions as a waste management services commission including final transfer of lands, permits, and other remaining assets.

The Operating Agreement between Claystone Waste and Beaver Municipal Solutions ensures a smooth transition of landfill services, employees and assets during the period in which Claystone Waste is operational but Beaver Municipal Services is not yet formally dissolved.

MEMORANDUM OF AGREEMENT entered into this ___ day of _____, A.D., 2020.

BETWEEN:

**BEAVER REGIONAL WASTE MANAGEMENT
SERVICES COMMISSION,**

a regional services commission established
under the laws of the Province of Alberta,
(hereinafter referred to as “the Commission”),

OF THE FIRST PART,

-and-

**CLAYSTONE WASTE LTD.,
the General Partner for
CLAYSTONE WASTE LIMITED PARTNERSHIP,**

a Limited Partnership established under
the laws of the Province of Alberta,
(hereinafter referred to as “the GP”),

OF THE SECOND PART.

WHEREAS the Commission is the owner of certain lands, facilities and equipment which are hereinafter defined and which are used for the operation and management of waste disposal and recycling facilities;

WHEREAS the GP was established by the members of the Commission to own, operate, manage, expand and develop such waste disposal and recycling facilities and operations;

WHEREAS the Commission and the GP now wish to enter into an Agreement with each other to define and describe the relationship of the GP to the Commission, to provide for the transfer to the GP of the said lands and the transfer of the waste management and recycling facilities and operations developed and constructed on the said lands by the Commission and the future ownership, operation, management, expansion and development of such waste disposal and recycling facilities by the GP, all on the terms and subject to the conditions hereinafter set forth;

NOW THEREFORE THIS AGREEMENT WITNESSETH THAT the parties hereto, in consideration of the mutual covenants and agreements hereinafter set-forth, covenant and agree with each other as follows:

ARTICLE 1
DEFINITIONS AND INTERPRETATION

1.1 **Definitions** – in this Agreement, unless the context provides otherwise, the following words or phrases shall have the following meanings:

- a. **“Articles”** shall mean the Articles of Incorporation of the GP as amended from time to time;
- b. **“Board”** shall mean the Board of Directors of the GP to be appointed pursuant to the Articles and the Unanimous Shareholders Agreement, on the recommendation of the Steering Committee in the case of the first directors of the GP and in the case of subsequent appointments to the Board by the Proxy Committee;
- c. **“Closure Fund”** shall mean a fund of money held by Trustee Co. for future reclamation and restoration of the Lands and to be transferred by the Commission to Trustee Co. and to be invested, managed and administered by Trustee Co. in accordance with the terms of the Trust Deed Agreement;
- d. **“Commission”** shall mean the Beaver Regional Waste Management Services Commission established pursuant to the *Municipal Government Act* (Alberta);
- e. **“Commission Directors”** shall mean the duly appointed Directors of the Commission;
- f. **“Effective Date”** shall mean the ____ day of _____, 2020;
- g. **“Facilities”** shall mean all waste disposal and recycling facilities and equipment developed or constructed upon the Lands on the date of execution of this Agreement and all waste disposal and recycling facilities which may in the future be developed or constructed on the Lands by the Commission or the GP together with all equipment, furnishings, installations and appurtenances to the Facilities;
- h. **“GP”** shall mean Claystone Waste Ltd., the General Partner for the LP, representing the LP;
- i. **“Improvements”** shall mean any development, reconstruction, expansion, replacement or alteration of the Facilities;
- j. **“Lands”** shall mean those lands and interests in lands which are owned or held by the Commission and upon which Facilities have been or may in the future be constructed including but not restricted to those lands and interests described on Schedule “A” attached hereto;
- k. **“Limited Partnership Agreement”** shall mean the Agreement between the GP and the Municipalities as Limited Partners dated the _____ day of _____, 2020;
- l. **“LP”** shall mean Claystone Waste Limited Partnership;
- m. **“Municipalities”** shall mean the following:
 - i. Beaver County;

- ii. Village of Holden;
 - iii. Village of Ryley;
 - iv. Town of Tofield; and
 - v. Town of Viking.
- n. **“Party” or “Parties”** shall mean a signatory or the signatories, respectively, to this Agreement;
 - o. **“Proxy Committee”** shall mean that committee made up of the Chief Administrative Officers of the Municipalities for the purpose of providing instructions from the Municipalities to the GP in accordance with the terms of the Limited Partnership Agreement and the Unanimous Shareholder’s Agreement;
 - p. **“Reclamation”** shall mean an approved and predetermined schedule and costs for reclamation of the Lands;
 - q. **“Services”** shall mean the waste disposal and recycling services associated with the Facilities;
 - r. **“Steering Committee”** shall mean the committee set up by the Municipalities to govern the transition from the Commission to the LP;
 - s. **“Term”** shall mean the period of time that this Agreement shall remain in effect as determined pursuant to paragraph 12.1;
 - t. **“Trust Deed Agreement”** shall mean the Trust Agreement entered into between GP and Trustee Co.;
 - u. **“Trustee Co.”** shall mean Claystone Trustee Association, the Society established by the members of the Commission pursuant to the provisions contained in the *Societies Act* (Alberta); and
 - v. **“Unanimous Shareholders Agreement”** shall mean the Agreement entered into amongst the shareholders of the GP and the GP pursuant to the *Business Corporations Act* (Alberta) as amended from time to time.

1.2 **Interpretation** – In this Agreement, save where the contrary is expressed:

- a. The headings are for convenience of reference only and shall not be used in the construction or interpretation of this Agreement;
- b. Where a period of time is prescribed, dated or calculated from a day or event, the time shall be calculated excluding such day or the day of such event unless a contrary intent appears;

- c. Words importing the singular shall include the plural, and words importing the masculine shall include the feminine or neuter or corporations, or vice versa, as the context or the number or gender, from time to time, so requires; and
- d. Should any provision be illegal, void or otherwise unenforceable, such provision shall be severed from this Agreement and the rest of this Agreement shall remain in full force and effect and be binding upon the Parties as though the said provision or provisions had never been included.

1.3 **Schedules** – The Schedules to this Agreement which are incorporated into and form part of this Agreement are as follows:

Schedule “A” – Lands and Interests in Lands; and
Schedule “B” – Retained Contracts.

ARTICLE 2
OWNERSHIP OF LANDS, APPROVED USES OF LANDS
AND OPERATION OF THE LANDS BY THE GP

- 2.1 **Ownership of Lands** – The Lands shall be transferred by the Commission to the GP upon the required approvals being obtained for such transfer.
- 2.2 **Closure Fund** – The Closure Fund shall be transferred to Trustee Co. to be invested, managed and administered by Trustee Co. in accordance with the objects and requirements of Trustee Co. and the Trust Deed Agreement.
- 2.3 **Approved Uses** – The Lands shall be used for waste disposal services, recycling services and such other uses as may be deemed advisable by the GP.
- 2.4 **Reclamation, Remediation and Resoration of the Lands** – The GP shall be solely responsible for the reclamation, remediation and restoration of the Lands to be carried out in accordance with all permits and approvals. The GP shall in addition be responsible for capping and long term monitoring of the Lands to be paid by Trustee Co. to GP from the Closure Fund. The costs incurred by the GP for the reclamation, remediation, restoration, capping and long term monitoring of the Lands shall be paid from the Closure Funds by Trustee Co. to Claystone in accordance with a plan which includes a formula to be agreed to by Trustee Co. and GP annually. In the event the funds held by Trustee Co. shall be insufficient to carry out the required reclamation, remediation, restoration, capping and long term monitoring in accordance with such plan and formula, any shortfall shall be the sole responsibility of the GP and not Trustee Co.
- 2.5 **Permits** – All permits and approvals required for the disposal of waste and hazardous materials on the Lands and the operation of the Facilities on the Lands shall be held by the Commission for the benefit of the GP and shall be transferred to the GP at such time as all approvals are obtained to permit such transfer. The GP shall at all times comply with the approvals and permits held by the Commission for the operation of the Lands

and the Facilities on the Lands and shall indemnify and save harmless the Commission from any breach or failure to comply with such approvals and permits.

- 2.6 **Trustee Co. Cost** – GP shall be responsible for the payment of all operating and administrative costs incurred by Trustee Co. and GP shall advance to Trustee Co. payment for such costs in a timely manner.

ARTICLE 3 **TRANSFER OF ASSETS EXCEPT LAND**

- 3.1 **Retention of Lands and Facilities** – Initially, all of the assets owned or held by the Commission, including the Facilities, except the Closure Fund, shall be held by the Commission for the sole use and benefit of the GP until such time as ministerial approval is obtained to transfer such assets to the GP (“the Assets”) on such terms and conditions as may be mutually agreed to by the GP and the Commission.
- 3.2 **Ministerial Approval** – Upon receipt of Ministerial Approval the Assets shall be transferred by the Commission to the GP in accordance with the terms and conditions of the Ministerial Order.
- 3.3 **Operation, Management and Maintenance of Assets** – From the Effective Date, the GP shall be solely responsible for the management, operation and maintenance of the Facilities and the Assets.
- 3.4 **Indemnity for Assets** – The GP acknowledges and agrees that the Commission is not warranting the condition or state of repair of the Assets and that from and after the Effective Date, the GP shall be solely responsible for all such maintenance, repair and upkeep and the GP shall indemnify and save harmless the Commission from any and all costs and expenses incurred by the Commission with respect to the Assets.

ARTICLE 4 **COMMISSION CONTRACTS AND AGREEMENTS**

- 4.1 **Contracts Retained by the Commission** – The Commission shall retain the contracts described on Schedule “B” hereto and any other contracts which cannot be assigned to the GP or the GP directs the Commission to retain (the “Retained Contracts”). The GP from the Effective Date shall be responsible for and engaged by the Commission to perform and carry out all of the Commission’s obligations under the Retained Contracts on behalf of the Commission. The GP shall be responsible for all billing and charges to third parties under the Retained Contracts on behalf of the Commission. The Commission shall pay the GP all amounts received or collected by the Commission from third parties under the Retained Contracts.
- 4.2 **Contracts Assigned by the Commission** – All other contracts and agreements held by the Commission on the Effective Date shall be assigned or transferred to the GP on behalf of the LP (the “Assigned Contracts”). The GP shall be responsible for carrying out

all of the terms and conditions contained in the Assigned Contracts from the Effective Date. The Commission and the GP shall work together to obtain any consents and approvals required to assign and transfer the Assigned Contracts to the GP.

- 4.3 **Indemnity of Commission by GP** – From the Effective Date, the GP shall be responsible for the performance of all of the obligations of the Commission under the Retained Contracts and the Assigned Contracts and the GP shall indemnify and save harmless the Commission for all obligations of the Commission under such contracts.
- 4.4 **Future Contracts** – All future contracts and agreements for the operation and use of the waste disposal and recycling facilities following the Effective Date shall be in the name of the GP.

ARTICLE 5
WASTE DISPOSAL RECYCLING SERVICES AND
OTHER SERVICES PROVIDED BY THE GP

- 5.1 **Services Provided by GP** – From the Effective Date all recycling, waste disposal and other services previously performed or carried out by the Commission shall be performed or carried out by the GP.
- 5.2 **Revenue Collected by GP** – From the Effective Date and except as otherwise provided for in this Agreement all revenue and income from recycling, waste disposal and other services performed or carried out by the GP shall belong to the GP. Any income to be received by the Commission from the Retained Contracts shall be paid by the Commission to the GP upon receipt by the Commission.
- 5.3 **Expenses, Levies and Charges** – From the Effective Date all expenses, levies and charges shall be paid by the GP, except as otherwise provided for in this Agreement.

ARTICLE 6
EMPLOYEES OF THE COMMISSION SUBJECT TO
THE LOCAL AUTHORITIES PENSION PLAN (“LAPP”)
AND FUTURE EMPLOYEES SUBJECT TO “LAPP”

- 6.1 **Existing Commission Employees Subject to LAPP** – All employees employed by the Commission on the Effective Date shall continue to be employed by the Commission subject to the directions given to the Commission by the GP.
- 6.2 **Future LAPP Employees** – Any employees required by the GP after the Effective Date who are to be subject to the LAPP shall be employed by the Commission as directed by the GP. The Commission shall follow the directions and advice provided by the GP with respect to the employees described in paragraph 6.1 and this paragraph.
- 6.3 **Charges for LAPP Employees** – All LAPP employees described under paragraphs 6.1 and 6.2 shall be provided by the Commission to the GP to provide such services for the

GP as may be requested by the GP. All costs and expenses incurred by the Commission relating to the LAPP Employees shall be paid by the GP to the Commission based upon accounts rendered by the Commission to the GP.

- 6.4 **Non-LAPP Employees** – All employees of the Commission on the Effective Date who are not members of the LAPP shall be transferred to the GP on the Effective Date and such transferred employees shall be employed by the GP on the same terms and conditions under which they are employed by the Commission on the Effective Date and the GP shall recognize the seniority of all such employees.
- 6.5 **Non-LAPP Employees Required by GP** – From the Effective Date, all non-LAPP employees required by the GP shall be hired by the GP on behalf of the LP on such terms and conditions as may be determined by the GP.
- 6.6 **GP Local Authorities Pension Plan Registration** – The GP and the Commission shall work together to cause the GP to be registered with the Local Authorities Pension Plan. Upon registration of the GP with the Local Authorities Pension Plan all employees of the Commission shall be transferred to the GP and the GP shall employ such employees on the same terms and conditions as the employees are employed by the Commission on the date of such transfer.

ARTICLE 7
OWNERSHIP, PRINCIPLES AND APPROVED
USES OF THE LANDS AND FACILITIES

- 7.1 **GP Costs and Expenses** – The Commission acknowledges and agrees that commencing on the Effective Date, the GP on behalf of the LP will be incurring certain costs and expenses in carrying out and performing the obligations and undertakings of the Commission with respect to the Lands, the operation and management of the Facilities, the Retained Contracts, the Assigned Contracts and as otherwise provided for in this Agreement.
- 7.2 **Commission Advance Payment of Costs to the GP** – The Commission shall advance to the GP on behalf of the GP an amount or amounts sufficient to enable the GP on behalf of the LP to carry out the obligations and undertakings of the GP described in this Agreement. The amount or amounts actually advanced shall be determined by the Commission and the GP prior to the Effective Date in consultation with each other.
- 7.3 **Final Accounting** – Within 365 days of the Effective Date a final accounting will be prepared jointly by the Commission and the GP and any amounts owing by either Party to the other shall be paid within thirty (30) days of the date of completion of such final accounting.

ARTICLE 8
OWNERSHIP, PRINCIPLES AND APPROVED
USES OF THE LANDS AND FACILITIES

- 8.1 **Approved Uses** – The Commission and the GP covenant and agree that the Facilities and the Assets have been and will be initially provided to the GP to be operated and managed by the GP to provide waste disposal and recycling services for the benefit of the members of the Commission, customers receiving such services from the Commission and such other customers as may be determined by the GP. Without restricting the generality of the foregoing, the Facilities shall be operated and managed by the GP for the following:
- a. waste disposal services;
 - b. recycling services;
 - c. contracting and the delivery of such services by the GP as may be determined by the GP;
 - d. disposal of hazardous materials if permitted by law; and
 - e. such other related uses as may be determined by the GP.
- 8.2 **Ownership Principles** – The Commission and the GP covenant and agree with each other that the Facilities have been designed and constructed and shall be operated and maintained by the GP based upon the following guiding principles:
- a. The Facilities have been designed and will be operated and maintained to meet the waste disposal and recycling needs of the residents of the Commission and customers of the Commission and in accordance with the terms of the Unanimous Shareholder’s Agreement and the Limited Partnership Agreement; and
 - b. The GP shall operate the Facilities at a profit and the user charges and tippage charges for the use of the Facilities shall be set by the Board at a level which will ensure an optimal financial return for the Facilities. The residents of the municipalities shall continue to receive subsidized services by the GP at such rates as may be set out in the Business Plan as amended from time to time.

ARTICLE 9
OBLIGATIONS, DUTIES AND POWERS OF THE GP

- 9.1 The GP on behalf of the LP shall have those obligations, duties and powers as are set out in the Limited Partnership Agreement, the Unanimous Shareholder’s Agreement and other ancillary documents and agreements.

ARTICLE 10
INDEMNITY

- 10.1 **GP Indemnity** – Until such time as the Commission is dissolved, the GP shall indemnify the Commission and save the Commission harmless against any loss or liability arising from and any damages, costs, charges and expenses (including legal fees on a solicitor-and-own-client basis) incurred in connection with:

- a. The GP defaulting or failing to perform any obligation or undertaking on the part of the GP under this Agreement;
 - b. A person being injured or killed or property being damaged directly or indirectly from the GP's use or occupation of the Lands and Facilities; or
 - c. Any act, omission, negligence or wilful misconduct by the GP, its officers, agents, employees, customers or invitees or anyone permitted by the GP to be on the Lands and Facilities.
- 10.2 **Legal Actions** – If the Commission is made a party to an action commenced by or against the GP, the GP shall save and hold harmless the Commission from all costs, expenses and charges relating to such legal action. The GP shall assume the potential liability and relieve the Commission from any responsibility, including all reasonable costs incurred by the Commission for legal fees on a solicitor-and-own-client basis.
- 10.3 **Commission Indemnity** – The Commission shall indemnify the GP against any loss or liability arising from any damages, costs, charges and expenses (including legal fees on a solicitor-and-own-client basis) incurred in connection with:
- a. The Commission defaulting or failing to perform any obligations or undertakings of the Commission under this Agreement; or
 - b. Any act, omission, negligence or wilful misconduct by the Commission, its officers, agents, employees or invitees or anyone permitted by the Commission to be on the Lands and Facilities.

ARTICLE 11 **EVENTS OF DEFAULT BY THE GP**

- 11.1 **GP Default** – Any of the following events will constitute an event of default by the GP where the Commission has the right to immediately terminate this Agreement by notice to the GP:
- a. The GP's interest in this Agreement, or the Lands or Facilities, is seized, taken in execution, or attached by a creditor of the GP, where the GP has not commenced proceedings within Thirty (30) Days of such action to vacate such seizure, execution or attachment, or the seizure or attachment is upheld by a court of competent jurisdiction;
 - b. Any part of the Lands or Facilities is seized, taken in execution or attached by a creditor of the GP, if the GP has not commenced proceedings within Thirty (30) Days thereof to vacate such seizure, execution or attachment, or the seizure or attachment is upheld by a court of competent jurisdiction;
 - c. The GP moves, commences, attempts or threatens to move any Improvements or fixtures off the Lands or Facilities without the prior written approval of the Commission (excluding anything associated with repairs and/or maintenance);

- d. The GP voluntarily winds up its affairs, disbands or is dissolved;
- e. The GP becomes insolvent or bankrupt;
- f. The GP files a proposal or a notice of an intention to file a proposal under the *Bankruptcy and Insolvency Act*, R.S.C. 1985, Chapter B-3, as amended; or
- g. A liquidator or a receiver or a trustee in bankruptcy is appointed for the GP if the GP has not commenced proceedings within Thirty (30) Days of such appointment to vacate such appointment, or the receivership or bankruptcy appointments are upheld by a court of competent jurisdiction.

11.2 **Default Remedy** – Any of the following events will constitute an event of default by the GP where upon notice from the Commission, the GP shall have Thirty (30) Days to remedy the default. If the default is not remedied or sufficient action taken to remedy the default after a minimum of Thirty (30) Days or after a reasonable period of time, as determined by the Commission, the Commission shall have the right to immediately terminate this Agreement by notice to the GP where the GP fails to do any of the following acts:

- a. Pay any amount due under the provisions of this Agreement after a demand has been made;
- b. Perform or not observe any provision of this Agreement;
- c. Maintain good standing under the *Partnership Act* (Alberta); or
- d. Merge with any other corporation, without the written consent of the Commission.

ARTICLE 12 **WINDUP AND DISSOLUTION OF THE COMMISSION**

12.1 **Commission Windup Steps** – The Commission acknowledges and agrees that upon the completion by the Commission and the GP of the following matters the affairs of the Commission shall be wound up and an application made to the Minister of Municipal Affairs to have the Commission dissolved:

- a. The transfer of the Lands and all interests in the Lands held by the Commission to the GP;
- b. The transfer of the Closure Funds to Trustee Co.;
- c. The registration of the GP under the Local Authorities Pension Plan and the transfer by the Commission of all employees and consultants to the GP;
- d. The transfer and assignment to the GP of the Retained Contracts or the expiration of the respective terms of the Retained Contracts;

- e. The transfer, assignment or termination of all permits and approvals being held by the Commission for the benefit of the GP pursuant to paragraph 2.5 of this Agreement;
 - f. The approval of the Commission Directors of the final financial statements of the Commission prior to the final windup and dissolution of the Commission; and
 - g. The transfer to the GP of any remaining assets of the Commission on hand, including funds remaining in bank accounts of the Commission, as reflected on the final financial statements.
- 12.2 **GP Assistance** – The GP shall assist the Commission in the final windup of the affairs of the Commission and the dissolution of the Commission as a Regional Services Commission under the *Municipal Government Act* (Alberta).
- 12.3 **Disposal and Delivery of Commission Materials** – All book records, documents, agreements and other materials belonging to the Commission shall be delivered to the GP or dealt with in such manner as the Commission and the GP may determine.

ARTICLE 13 **NOTICES AND COMMUNICATIONS**

- 13.1 **Notices in Writing** – Notices and communications, including demands and certificates, made in connection with this Agreement shall be in writing.
- 13.2 **Address for Notices** – Notices shall be delivered to the following addresses:
- a. To the Commission:

Box 322
5120 - 50 Street
Ryley, AB T0B 4A0

Attention: Pierre Breau
Fax: (780) 663-2006
E-mail: pierre.breau@brwmsc.com
 - b. To the GP:

Box 322
5120 - 50 Street
Ryley, AB T0B 4A0

Attention: Pierre Breau
Fax: (780) 663-2006
E-mail: pierre.breau@brwmsc.com

- 13.3 **Deemed Service** – Notices sent by mail are deemed to be received on the tenth (10th) day after posting.
- 13.4 **Personal Service and Facsimile** – Notices delivered personally or sent by fax are deemed to be received on the next business day after the date they were delivered or faxed.
- 13.5 **Electronic Execution** – Delivery of an executed copy of this Agreement may be effected by way of facsimile transmission or other electronic means with the same effect, containing a true copy of the signature of the authorized signatory(ies) of the delivering Party. Said delivery shall have the same effect as if original copies had been delivered.
- 13.6 **Change of Address for Service** – Either Party may change its address for service by notice to the other Party.
- 13.7 **Electronic Notice** – All notices that either Party may give to the other connection with this Agreement may be given electronically or by registered or certified mail, return receipt requested, addressed to the Party to be served at the Party’s address as set forth above; or by fax to the relevant fax number with confirmed receipt by the Party being notified; or by hand delivery to Party being notified. Either Party may change its contact information by notice given in the manner above.

ARTICLE 14
GENERAL CONDITIONS

- 14.1 **Laws of Alberta** – The laws of the Province of Alberta shall govern this Agreement.
- 14.2 **Waiver** – This Agreement, or a right created under it, may not be waived or varied except in writing signed by both the Commission and the GP.
- 14.3 **Time of the Essence** – Time shall be of the essence in this Agreement.
- 14.4 **Schedules** – The attached Schedules form part of this Agreement.
- 14.5 **Severability** – If a provision of this Agreement is found to be invalid or unenforceable, the rest of this Agreement remains in effect.

IN WITNESS WHEREOF the Parties hereto have executed this Agreement on the day and year first above written.

**BEAVER REGIONAL WASTE
MANAGEMENT SERVICES
COMMISSION**

Per: _____

Per: _____

**CLAYSTONE WASTE LTD.,
the General Partner for,
CLAYSTONE WASTE LIMITED
PARTNERSHIP**

Per: _____

Per: _____

**SCHEDULE “A”
Lands and Interests in Lands**

(to be updated prior to execution)

Legal Descriptions:

1. Restrictive Covenant and Right of First Refusal – Caveat No. 152 178 878
S ½ 15-50-17-W4th – Ewert Farms Ltd.
2. Lot 2, Plan 8220406
Containing 16.1 hectares (39.78 acres) more or less
SE 10-50-17-W4th
3. Pt of Lot 2, Plan 7921282
Containing 1.073 hectares (more or less)
NE 2-51-19-W4th
4. Lot 1, Plan 8220406
Containing 16.1 hectares (39.78 acres) more or less
SE 10-50-17-W4th
5. Lot 3, Plan 8220406
Containing 16.1 hectares (39.78 acres) more or less
SE 10-50-17-W4th
6. Lot 4, Plan 8220406
Containing 16.1 hectares (39.78 acres) more or less
SE 10-50-17-W4th
7. S4-51-17-W4th
Agreement dated August 1, 2013 as amended by an Amendment to Agreement dated December 19, 2019 between Beaver Regional Waste Management Services Commission and Brian Lyons and Loretta Convey-Lyons to provide portion of the S4-51-17-W4th to apply biosolids and cultivate short-rotation coppice willow and forage grasses.
8. Lot 1, Plan 8620054
Containing 2.02 hectares (4.99 acres) more or less
NE 28-46-11-W4th
9. Lot 1, Plan 8020579
Containing 5.99 hectares (14.8 acres) more or less
NE 10-50-17-W4th
10. Lot 1, Plan 7920634
Containing 3.99 hectares (9.86 acres) more or less
NE 31-48-14-W4th

11. Pt. NE 10-50-17-W4th
Containing 145.20 acres (more or less)
12. Lot 1, Plan 9423365
Containing 1.78 hectares (4.4 acres) more or less
NW 13-49-16-W4th
13. Pt. NW 10-50-17-W4th
Containing 136.7 acres more or less
14. NW 11-50-17-W4th
Containing 64.7 hectares (160 acres) more or less
15. NE 11-50-17-W4th
Containing 64.7 hectares (160 acres) more or less
16. SE 11-50-17-W4th
Containing 64.7 hectares (160 acres) more or less
17. SW 11-50-17-W4th
Containing 64.7 hectares (160 acres) more or less
18. Lot 1, Plan 8520514
Containing 1.64 hectares (4.05 acres) more or less
SE 2-51-20-W4th
19. Plan 9321085, Lot 1
NE 31-47-12-W4th
Containing 2.14 hectares (5.29 acres) more or less

SCHEDULE "B"
Retained Contracts

(to be updated prior to execution)

1. Agreement dated October 25, 2006 between Beaver Regional Waste Management Services Commission and the City of Edmonton as amended and extended.
2. Agreement dated January 18, 2007 between Beaver Regional Waste Management Services Commission and Parkland County as amended and extended.
3. Agreement dated May 21, 2002 between Beaver Regional Waste Management Services Commission and Vermilion River Regional Solid Waste Management Authority.

MEMORANDUM OF AGREEMENT entered into this
___ day of _____, A.D., 2020.

BETWEEN:

**BEAVER REGIONAL WASTE MANAGEMENT
SERVICES COMMISSION ,**

a regional services commission established
under the laws of the Province of Alberta,
(hereinafter referred to as “the Commission”),

OF THE FIRST PART,

-and-

**CLAYSTONE WASTE LTD.,
the General Partner for**

CLAYSTONE WASTE LIMITED PARTNERSHIP,

a Limited Partnership established under
the laws of the Province of Alberta,
(hereinafter referred to as “the GP”),

OF THE SECOND PART.

OPERATING AND MANAGEMENT AGREEMENT

REYNOLDS, MIRTH, RICHARDS & FARMER LLP
3200, 10180 – 101 Street
Edmonton, AB T5J 3W8
Phone: (780) 425-9510
Fax: (780) 439-3044

Responsible Lawyer: R. Allan Farmer, Q.C.
File Number: 77988-044/RAF