

MEMORANDUM OF AGREEMENT MADE THIS 20TH DAY OF JULY, A.D. 1999

BETWEEN: Yellowhead County
2716 - 1st Avenue
Edson, AB T7E 1N9
(Hereinafter referred to as Yellowhead)

OF THE FIRST PART

AND The Town of Hinton
813 Switzer Drive
Hinton, AB T7V 1V1
(Hereinafter referred to as Hinton)

OF THE SECOND PART

AND The Town of Edson
Box 6300
Edson, AB T7E 1T7
(Hereinafter referred to as Edson)

OF THE THIRD PART

WHEREAS Yellowhead and Hinton created the Hinton Regional Waste Management Authority by memorandum of agreement dated November 3, 1986.

WHEREAS the Hinton Regional Waste Management Authority operates a municipal solid waste disposal System on lands legally described as part of NE ½ 29-50-25-W5M, part of SE ¼ 32-50-25-W5M, and part of SW ¼ 33-50-25-W5M (hereinafter referred to as the System) for the benefit of Hinton and a portion of Yellowhead.

WHEREAS the Parties wish to expand the membership of the Hinton Regional Waste Management Authority to include Yellowhead, Hinton, and Edson and to be known as the West Yellowhead Regional Waste Management Authority (hereinafter referred to as "the Authority").

WHEREAS the Parties wish to share joint ownership, management, and liability of the municipal solid waste management System.

WHEREAS the Parties feel it is in their best interest to avoid construction of new landfills and maximize the use of existing landfills.

WHEREAS an Authority will be beneficial to meet the Municipal waste disposal needs of the three parties in the short term but also beyond the life of the current regional landfill to meet the needs for the future.

WHEREAS Yellowhead has enacted Bylaw 11.99 for the entering of an agreement for the joint ownership, management, and liability of the System and delegating to the Authority the powers set out in that Agreement.

WHEREAS Hinton has enacted Bylaw 943 for the entering of an agreement for the joint ownership, management, and liability of the System and delegating to the Authority the powers set out in that Agreement.

WHEREAS Edson has enacted Bylaw 1882 for the entering of an agreement for the joint ownership, management, and liability of the System and delegating to the Authority the powers set out in that Agreement.

NOW THEREFORE, the Parties subject to the terms, covenants, and conditions contained herein agree to as follows:

1. GENERAL CONDITIONS

- 1.1 The Parties agree to joint ownership, management, and liability for the System for the benefit of each Party located on lands legally described as a part of NE ½ 29-50-25-W5M, part of SE ¼ 32-50-25-W5M, and part of SW ¼ 33-50-25-W5M.
- 1.2 Each of the Parties have in its respective bylaw appointed two (2) members of Council to be members of a joint committee to be known as the Authority.
- 1.3 The Parties agree that the Authority shall include all lands within the corporate boundaries of Yellowhead, Hinton, and Edson.
- 1.4 The composition of the Authority shall be two (2) members appointed by Hinton, two (2) members appointed by Edson, and two (2) members appointed by Yellowhead.

2. MEMBERSHIP FEES

- 2.1 Edson shall, upon execution of the agreement, provide to the Authority the sum of one hundred thousand dollars (\$100,000.00).
- 2.2 Yellowhead shall, upon execution of the agreement, provide to the Authority the sum of twenty-five thousand dollars (\$25,000.00).
- 2.3 The monies paid to the Authority by Edson and Yellowhead shall be kept by the Authority in a capital reserve fund to be used for future System upgrades to meet regulatory requirements, closure and post closure requirements of the System.
- 2.4 Current reserve funds of the Hinton Regional Waste Management Authority shall be transferred to the new Authority for utilization by the new Authority.
- 2.5 Subject to payment of any membership fee contemplated by this agreement, each Party shall have the same right to haul and deposit its municipal solid waste to the System for disposal except as may be restricted by operational or regulatory requirements.

3. TRANSITIONAL PERIOD

- 3.1 The Parties agree that there shall be a transitional period contemplated by this agreement to facilitate the transfer of management responsibilities from the Hinton Regional Waste Management Authority to the Authority.
- 3.2 The transitional period shall be from October 31, 1998, to December 31, 2001, unless otherwise agreed to in writing by the Parties.
- 3.3 During the transition period, the Hinton Regional Waste Management Authority shall continue in existence.

4. TRANSITIONAL MANAGEMENT BODY

- 4.1 The Parties agree that the Hinton Regional Waste Management Authority shall be the Transitional Management Body for the System until December 31, 2001.
- 4.2 The composition and voting structure of the Transitional Management Body shall be the composition and voting structure of the Hinton Regional Waste Management Authority.
- 4.3 Edson may appoint a non-voting member to attend the Hinton Regional Waste Management Authority meetings as an observer for the duration of the transitional period.
- 4.4 The Transitional Management Body shall have all the duties, obligations, and management responsibilities established for the Hinton Regional Waste Management Authority by way of bylaw of the member municipalities and by agreement between Hinton and the Minister of Municipal Affairs dated November 3, 1986, and amendments thereto unless otherwise stated in this agreement.
- 4.5 The Hinton Regional Waste Management Authority Agreement dated November 3, 1986, shall be appended to this agreement and identified as "Schedule 1".

5. TRANSITIONAL PERIOD USER FEES

- 5.1 Edson and Yellowhead, for any municipal waste produced by the portion of Yellowhead from Range 21 east to its corporate boundary shall pay twenty-three (\$23.00) dollars per tonne of deposited waste, to the Hinton Regional Waste Management Authority, for waste disposal from October 31, 1998, to December 31, 1999.
- 5.2 Edson and Yellowhead, for any municipal waste hauled and deposited by the portion of Yellowhead from Range 21 east to its corporate boundaries, shall pay to the Authority the per tonne rate paid by the Hinton Regional Waste Management Authority members calculated on the net operating deficit of the System plus a surcharge of four dollars (\$4.00) per tonne for disposal of municipal solid waste during the remainder of the transitional period from January 01, 2000 to December 31, 2001.

6. LIABILITY

- 6.1 For purposes of this agreement, obligation shall be defined as any thing or act required by the regulatory authority to be done to manage the System during operations, closure, and post closure of the System.
- 6.2 The Parties agree that the Parties' liability for obligations regarding the System shall begin from the date of commissioning of the System until the regulatory authority issues final reclamation approval and such liability shall survive termination of this agreement.

6.3 The Parties, in accordance with the volume of tonnes of municipal solid waste hauled and deposited to the System for disposal by each Party relative to the total tonnage of solid waste hauled and deposited by all Parties, shall share costs associated with the management and resolution of liability arising from operation of the system. The tonnage attributed to each Party as of October 31, 1998, shall be confirmed in writing upon execution of this agreement.

7. WEST YELLOWHEAD REGIONAL WASTE MANAGEMENT AUTHORITY MEMBERSHIP (WYRWMA)

- 7.1 Each Party shall appoint two (2) members to the Authority and such appointments shall have effect January 1, 2002.
- 7.2 Appointed members to the Authority shall be sitting elected Councilors of Hinton, Edson, and Yellowhead.
- 7.3 Each Party may determine the length of appointment of its members to the Authority.
- 7.4 Each Party shall assign a staff member to act in an advisory capacity to the Authority.
- 7.5 Effective January 1, 2002, each Party shall be entitled to utilize the System for disposal of its municipal solid waste and shall each pay the same per tonne rate for that disposal, such rates to be established by the Authority.

8. DELEGATION OF DUTIES

- 8.1 The Authority shall develop, establish, and maintain policy rules and regulations for the conducting of the business of the Authority.
- 8.2 The Parties agree to delegate to the Authority sufficient general duties to manage the safe and efficient operation of the System within regulatory requirements.
- 8.3 The Authority shall have specific authority on behalf of the Parties to enter agreements with outside Parties for any operational requirements of the System subject to the limitations for decision making established in this Agreement.
- 8.4 The Authority shall have specific authority on behalf of the Parties to enter an agreement with any of the Parties to provide administrative and accounting services to the Authority.
- 8.5 The Authority shall have specific authority on behalf of the Parties to enter agreements with the System users subject to the limitations established for decision making in this Agreement.
- 8.6 The Authority shall have specific authority on behalf of the Parties to enter agreements with the Federal and Provincial Government or any other grant making agency.

- 8.7 The Authority shall have specific authority on behalf of the Parties to apply for and obtain any necessary regulatory permits or approvals.
- 8.8 The Authority shall have specific authority to receive and expend funds within the annual budget approved by the Parties.
- 8.9 The Authority shall develop and make recommendations to the Council(s) regarding the future waste management systems that extend beyond the life of the existing System.

9. VOTING STRUCTURE OF THE WEST YELLOWHEAD REGIONAL WASTE MANAGEMENT AUTHORITY (WYRWMA)

- 9.1 The Parties agree that voting on matters delegated to the Authority shall be a weighted majority vote except as otherwise specified in this agreement.
- 9.2 The calculation of any weighted vote decisions taken by the Authority shall be as follows:

Two (2) members Hinton	at 25.50% each	51.0%
Two (2) members Edson	at 12.25% each	24.5%
Two (2) members Yellowhead	at 12.25% each	24.5%
Total		100.0%

- 9.3 The weighted vote majority shall be used except for the following decisions that will require a two-thirds (2/3) majority of the Authority Membership.
- 9.3.1 Decisions related to any fee or rate structure set by the Authority applicable to the Parties or external customers.
- 9.3.2 Decisions related to the acceptance by the Authority of new customers.
- 9.3.3 Decisions related to the provision of administrative and accounting services to the Authority.

10. FINANCIAL

After January 1, 2002:

- 10.1 The Parties shall share the annual net operating deficit of the System according to the ratio of tonnes hauled and deposited by the Parties to the System for disposal. The ratio is based on the tonnes of waste hauled and deposited by the parties over the total amount of waste hauled and deposited to the system.
- 10.2 The Parties agree that the annual net operating deficit shall, for purposes of this agreement, be defined as the difference between all revenues from all sources and all expenditures related to the operation of the System, in a calendar year.

- 10.3 The Authority shall discharge all the financial obligations of the Authority according to a budget approved by each of the Parties.
- 10.4 The Authority shall keep accurate and current financial records of any and all transactions related to the operation of the System and such records shall be made available to the Parties on request within a reasonable period of time.
- 10.5 On or before the first day of December in any year of the agreement the Authority shall submit to the Parties an interim capital and operational budget for the following year in a manner and form acceptable to the Parties.
- 10.6 The Parties shall respond in writing to the Authority on the interim budget in a timely fashion and such response shall not be unreasonably withheld or delayed. The response may either be an approval of the interim budget or a refusal to approve the interim budget with a specific statement of the reasons why the approval of the interim budget is being refused.
- 10.7 Interim budget approval by the Parties shall be deemed approval to the Authority to discharge any financial obligations resulting from previous and current year's legal or statutory obligations from the first day of January of any current year until final budget approval is received.
- 10.8 On or before the first day of May in any year of the agreement the Authority shall submit to the Parties the finalized capital and operational budget for the current year and an audited financial statement of the previous year in a manner and form acceptable to the Parties.
- 10.9 The audited financial statement shall contain details of each Party's liability related to the System based on the provisions of this agreement.
- 10.10 The Parties shall respond in writing to the Authority on the final budget for the current year in a timely fashion and such response shall not be unreasonably withheld or delayed.
- 10.11 In the event that one (1) or more of the Parties withhold approval of the Authority's final budget the dispute resolution section shall apply.
- 10.12 Final budget approval by the Parties shall be the specific authority for the expenditure of funds by the Authority to operate the System on behalf of the Parties in the year in question.
- 10.13 The Parties recognize and agree that the Authority shall have specific authority to reallocate funds within the approval budget as may be required for operational reasons provided that the total amount approved in the budget is not exceeded in the current year.
- 10.14 Specific authority is given by the Parties to the Authority to deal with emergency situations requiring the expenditure of funds not contained or contemplated in the approved budget.
- 10.15 The Authority will invoice Yellowhead and Edson monthly for disposal charges until December 31, 2001. After December 31, 2001, the Authority

shall invoice Yellowhead and Edson quarterly for their portion of the net operating deficit.

- 10.16 The Authority shall not be responsible for any additional costs incurred by Yellowhead, Edson, or Hinton, for waste disposal in the event of picketing, strike, or other labor dispute disrupting access to the System.
- 10.17 The Parties shall make a reasonable effort to direct wet waste from their municipalities to the System.
- 10.18 Each Party shall make a minimum payment in any year equal to twenty-five (25%) percent of the charges paid by that Party in the previous year for tonnage hauled and deposited to the System and the minimum payment shall be paid to the Authority regardless of the amount of waste hauled and deposited by that Municipality to the System in that year.
- 10.19 The operational expenses and revenues from the Hinton Recycling Depot will not be included in the calculation of the overall operating deficit of the System. Hinton and Yellowhead shall cost share any deficit related to the Hinton Recycling Depot based upon the tonnage of waste hauled and deposited to the System by Each of Hinton and Yellowhead, converted to a percentage of the total waste hauled and deposited from Yellowhead and Hinton. Only waste hauled and deposited from Range 21 west to the boundary of Yellowhead shall be used in the calculation of waste hauled and deposited to the System by Yellowhead.
- 10.20 The Authority shall, as soon as practical, provide written documentation to the Parties detailing the emergency situation and the amount required from each Party to address or remedy the emergency situation. Each Party shall pay the required amount to the Authority within a reasonable period of time.
- 10.21 Except in an emergency situation, the Authority shall seek prior written approval from the parties for the expenditure of any funds not in the approved budget.

11. AUTHORITY OPERATION

- 11.1 Save as herein provided, the business of the Authority shall be conducted at meetings of members of the Authority.
- 11.2 Any one member of the Authority may call a non-regularly scheduled meeting of the Authority.
- 11.3 At least three (3) clear days notice of a non-regularly scheduled meeting of the Authority shall be given to each member of the Authority if given to the member personally and if sent by ordinary mail addressed to the member at his address shown on the records of the Authority and to the municipalities at least seven (7) clear days notice shall be given, provided that any member may waive notice.
- 11.4 Any Five or more of the voting members of the Authority shall be a quorum at a meeting of the Authority.

- 11.5 The Authority shall appoint a Chairman, and a Vice-Chairman to hold office at the pleasure of the Authority.
- 11.6 The Chairman shall preside at meetings of the Authority and in the absence of the Chairman, the Vice-Chairman and in the absence of the Vice-Chairman the meeting may elect a Chairman.
- 11.7 A resolution in writing signed by all the members of the Authority shall be of the same force and effect as if the same had been passed by a majority of the votes cast at a fully constituted meeting of the Authority.
- 11.8 The Authority shall be at liberty to invest any excess funds in short term bank deposit receipts.

12. INSURANCE

- 12.1 The Authority shall maintain motor vehicle liability insurance and comprehensive general liability insurance in the following minimums:
- 12.1.1 One million (\$1,000,000.00) dollars for loss or damage from bodily injury to or death of any one (1) person.
- 12.1.2 Two million (\$2,000,000.00) dollars for property damage for each occurrence.
- 12.2 Such other and additional insurance as the Parties shall deem necessary to adequately keep and save harmless the Parties from any and all claims arising from the operation of the Authority.

13. INDEMNITY

An indemnity by the Parties whereby they indemnify each other as members of the Authority for all obligations, costs, damages, and expenses including reasonable legal costs which are properly or reasonably incurred by the Authority.

14. DISPUTE RESOLUTION

- 14.1 The Parties agree that in the event of any dispute between the Parties under this agreement, the Parties shall be entitled to receive copies of any and all documents, papers, contracts, correspondence, and all other material relevant to the dispute from the Authority and the Party requesting the material shall bear the reasonable cost of providing the copies.
- 14.2 The Parties agree that the first step to resolve a dispute shall be to seek resolutions by negotiations between the Parties.

- 14.3 The Parties may jointly or severally seek formal remedy to resolve a dispute by serving notice on the Authority and any remaining Parties of its intention and outlining in sufficient detail the nature of the dispute and the remedy sought.
- 14.4 Notice shall be deemed received within seven (7) clear days when sent by regular mail to the corporate office of the Parties and the mailing address of the Authority.
- 14.5 The Parties agree any questions or differences whatsoever touching this agreement that are not settled by negotiations between the Parties shall be referred to a single arbitrator to be agreed upon by the Parties hereto or failing agreement to be appointed by the Law Society of Alberta. Such Arbitrator shall have all the powers conferred on arbitrators by the Arbitration Act or any statutory modification or re-enactment thereof for the time being in force.
- 14.6 The decisions or awards of the appointed Arbitrator shall be final and binding on the Parties except on a point of law or jurisdiction which may be appealed to a Court having jurisdiction.

15. AMENDMENTS

This agreement may be amended at any time by mutual written agreement of the Parties.

16. WITHDRAWAL / DISSOLUTION

- 16.1 The Parties agree that their intention is to continue this agreement for the operational life of the System or until final reclamation and release is received from the regulatory Authority.
- 16.2 The Parties agree that nothing in this agreement is intended to relieve any Party of liability for its municipal waste hauled and deposited to the System for disposal.
- 16.3 Any Party may request to withdraw from the Authority by serving a one (1) year notice of its intention on the last day of December of any given year.
- 16.4 There must be a unanimous agreement between the Parties to allow any request to withdraw and such agreement shall not be subject to appeal or any dispute resolution mechanism provided for in this agreement.
- 16.5 Subject to the unanimous approval of the Councils of the Parties the Authority may resolve to wind up its affairs whereupon the affairs of the Authority shall be wound up as expeditiously as possible. The assets and liabilities of the Authority shall be divided amongst the Parties on a basis which reflects the relative total tonnage of waste deposited in the System by each of the municipalities in the last year of operation.

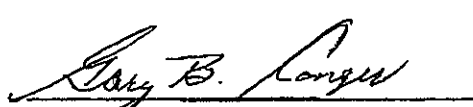

- 16.6 The Parties shall, prior to dissolution, negotiate a formal agreement, provide for the winding up of the Authority's affairs and the appointment of a custodian to manage the System until final reclamation and release of the System by the regulatory authority.
- 16.7 The Parties agree that any dissolution agreement reached under this section by the Parties shall generally reflect the financial and environmental liability of the Parties contained in this agreement.
- 16.8 In the event of a dispute over the dissolution agreement or conditions contained therein the Parties shall rely on the dispute resolution mechanism contained in this agreement.
- 16.9 Any municipality which is allowed to withdraw as a member of the Authority shall have no interest in or claim against any assets of the Authority from and after the said effective date of the withdrawal.

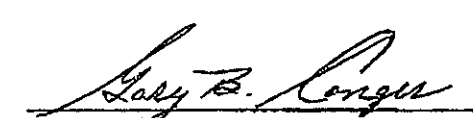

17. SEVERANCE

- 17.1 The Parties agree that if any provision of this agreement shall be prohibited by or judged by a Court to be unlawful, void, or unenforceable such provision shall to the extent required be severed from this agreement. The remaining provisions of this agreement shall not as far as possible be changed or modified and all other terms and conditions not so severed shall continue in full force and effect.
- 17.2 This agreement constitutes the entire agreement between the Parties hereto with respect to the subject matter herein contained.
- 17.3 This agreement shall inure to the benefit of and be binding upon the Parties their successors and approved assigns.

IN WITNESS OF THEIR AGREEMENT each Party has caused its authorized representative to execute this instrument effective as of the date first written above.


 WITNESS 
 YELLOWHEAD COUNTY


 WITNESS 
 TOWN OF HINTON


 WITNESS 
 TOWN OF EDSON