

Limited Partnership Agreement



LIMITED PARTNERSHIP

There are many ways to design a corporate structure, a limited partnership is just one. Management of a limited partnership rests with the "general partner," who also bears unlimited liability for any of the corporation's obligations. A limited partnership allows for any number of "limited partners", whose liability is limited to their total capital contribution to the partnership.

In the Limited Partnership Agreement, Claystone Waste Ltd. is established as the "general partner", which is responsible for the management of the operations of the limited partnership. The "limited partners" are the member municipalities of Beaver County, the Town of Tofield, Town of Viking, Village of Holden, and Village of Ryley.

A key benefit of a Limited Partnership is that it allows the landfill to maintain tax-exempt status, thus ensuring that revenues and benefits back to municipalities are maximized.

KEY PROVISIONS

WINDS DOWN BEAVER MUNICIPAL SOLUTIONS

The Limited Partnership Agreement sets up the vehicle for the transfer of control of the assets and landfill facilities currently held by Beaver Municipal Solutions to the Claystone Waste Limited Partnership. The agreement formally establishes Claystone Waste as the general partner, or operator of the landfill operations, and empowers municipal limited partners to request that Alberta Municipal Affairs dissolve Beaver Municipal Solutions.

ALLOWS FOR REVENUE TO BE DISTRIBUTED TO MUNICIPAL PARTNERS

The proposal to transition Beaver Municipal Solutions to Claystone Waste is designed to provide more revenue to municipal partners to support funding for local priorities. The Limited Partnership Agreement allows for the distribution of revenues to the municipal partners and defines the formula for how profits are allocated to each municipality. The existing allocation formula for determining how Beaver Municipal Solutions revenues are disbursed to each municipality is not changed by the Limited Partnership Agreement. Under the Claystone Waste model, revenues and transfers back to municipalities are expected to grow, but how those allocations are determined will stay as they are today.

LEGALLY ENSHRINES OTHER IMPORTANT AGREEMENTS

The Limited Partnership Agreement is the foundational legal document to establish the new corporate structure for Claystone Waste, but there are other agreements that are important, too. These include an operating agreement to define how Claystone Waste will operate the landfill facilities until the transition is complete and a land closure fund to ensure environmental liabilities are managed appropriately. Agreements like these are enshrined into the Limited Partnership Agreement.

The Limited Partnership Agreement is the foundational legal document to establish the new corporate structure for Claystone Waste. It creates the Claystone Waste Limited Partnership and defines key aspects relating to the relationship between the municipal partners.