

This AGREEMENT made this 1st day of September 2021

Between:

The Corporation of the Municipality of Arran Elderslie
1925 Bruce Rd. 10, Chesley, Ontario N0G 1L0

Hereinafter called the "Municipality" Of the first part

And: Lallemand Bio-Ingredients

107 Union Street, Tara, Ontario N0H 2N0

Hereinafter called the "Company" Of the second part

WHEREAS the Municipality amended the Municipal Code Schedule D
Environmental Services-Sewer and Water: Regulate use of Sewer and Water
Works, on the 1st day September, 2021 relating to the discharge of sewage in the
Municipality; and

WHEREAS the said By-law prohibits the discharge of industrial sewage containing certain substances
in quantities in excess of the limits set by the Bylaw.

WHEREAS the company carries on an industrial activity within the Municipality at the premises
located at 107 Union Street, known as processing food products which activity produces a treated
sewage discharge which the Company wishes to discharge into the Municipalities sewage works.

NOW THEREFORE THIS INDENTURE WITNESSETH that the parties hereto mutually covenant
and agree as follows:

- 1.) During the currency of this agreement the **QUANTITY OF SEWAGE DISCHARGED** by the Company
from its premises at 107 Union Street, Tara, to the sanitary sewer or combined sewer system shall not exceed
as follows:
 - a) The flow discharge shall not exceed 1500 m³/month (34.7 L/min).
 - b) Flow discharge may be permitted to increase periodically to 1700 m³/month (39.4 L/min) only if,
Lallemand is in compliance with effluent discharge criteria identified in section 2) for at least 60
consecutive days prior to discharge increase.
 - c) The flow discharge is capped at 1700 m³/month and may only be modified by further mutual discussions
and agreements.

(2) In calculating the quantity of sewage for this agreement, storm water shall be excluded. Lallemand shall
ensure that no stormwater runoff enters the sanitary sewer.

- 2.) During the currency of this agreement only, the **QUALITY OF THE SEWAGE** discharged from the company
from the said premises to the sanitary sewer or combined sewer system **MAY NOT EXCEED THE LIMITS SET
BY THE BY-LAW** and in addition **SHALL NOT EXCEED THE FOLLOWING LIMITS AT ANY TIME.**

(A) Suspended Solids -40mg/L

(B) CBOD5. -40mg/L

(C) Total Phosphorus -5mg/L

- 3.) **THE DISCHARGE OF THE SEWAGE** by the company from the said premises containing suspended solids
or CBOD5 or Total Phosphorus., **IN EXCESS OF THE ABOVE LIMITS** shall constitute a contravention of this
agreement and thus a contravention of the By-law.

The Municipality MAY implement the following surcharges as listed below to recover its additional manpower and other direct costs. Both parties agree that the surcharges can only be applied as long as the municipal sewage treatment and handling facilities remain in compliance with applicable government laws and regulations. Furthermore, the surcharge is not intended to encourage Lallemand to ignore the provisions of this agreement or by-law by paying the surcharge amount.

- ★ CBOD or TSS or TP loading in excess of 2 kg/day (0.25 kg/day for TP) shall be levied at \$100 per kg/day and the amount shall be adjusted annually for inflation, etc. The loading shall be calculated based on daily flow reading and composite sample results. The surcharge amount will be a daily charge until the plant complies based on flow, lab results or COD sampling. For interim lab results, cBOD₅ loading computation, COD results can be utilized by using a cBOD₅/COD conversion factor of 0.80. Refer to Appendix A for "Sample Calculations".
- ★ Any additional sampling, endured by the Municipality due to exceedance of CBODs, TSS or TP shall be levied at \$250/day. In the event of violation, Arran-Elderslie shall collect samples AS REQUIRED, until effluent discharge is compliant with limits specified in the agreement.

4.) The Company shall provide results of testing for composite samples of CBOD, Total Suspended Solids and Total Phosphorus in treated effluent, collected and analyzed on weekly basis, summarized on an approved form and be given to the Municipality on monthly basis. Lallemand shall install and maintain a 24 hour, refrigerated composite sampler, that will hold samples for 7 days (Mon-Sun). Friday, Saturday & Sunday samples shall not be dumped before end of Monday. Municipality shall have unhindered access to samples for collecting audit samples or any grab samples, at the discretion of municipality.

5.) The Company shall provide sewage flows recorded by flow monitoring equipment calibrated annually, with the report given to the Municipality. Flow monitoring device shall continuously monitor and record effluent flow to sanitary sewer. IF REQUESTED, Lallemand shall provide electrical power and space to municipality, for it to install a device that will relay the flow data directly to municipality. Lallemand shall check and maintain daily flow record and provide a summary of data in an acceptable format every month. Lallemand shall immediately notify municipality of any flow exceedance surpassing 55 m³/day (38 L/min).

6.) The Company shall install two Water Meters and Reduced Pressure Backflow Preventers approved by the Municipality at 82 and 107 Union Street, Tara, Ont. The Reduced Pressure Backflow shall be tested annually, with the report being copied to the Municipality annually.

7.) THIS AGREEMENT SHALL REMAIN IN FORCE from September 1, 2021 and annually thereafter, on the same terms unless a new agreement is reached, or this agreement is terminated as hereafter provided.

8.) THIS AGREEMENT, and the service provided as a result of this agreement, MAY BE TERMINATED BY THE MUNICIPALITY at any time on 90 (Ninety) days written notice sent by registered mail addressed to the Company at the said premises if, discussion with the company has taken place and sufficient time has been given to correct the problems and corrections are not to the satisfaction of the Municipality, where

- (a) The sewage is causing a health or safety hazard to a sewage works employee; or
- (b) The sewage is causing damage to the sewers, materially increasing their maintenance costs or causing a dangerous condition; or
- (c) The sewage is causing damage to the sewage treatment process or causing a dangerous condition in the treatment works; or
- (d) The sewage is causing a sludge from the sewage works, to fail to meet criteria relating to contaminants for spreading the sludge on agricultural lands as stipulated in the current edition of "Guidelines for the Utilization of Biosolids and Other Wastes on Agricultural Land"
- (e) The sewage is causing the sewage works effluent to contravene any requirement by or under the ONTARIO WATER RESOURCES ACT, RSO 1990, C.O.40 or the ENVIRONMENTAL PROTECTION ACT/ RSO 1990, C.E.19j or

- (f) The sewage is causing a hazard to any person, animal, property, environment or vegetation; or
- (g) The sewage is contrary to this By-law in any way other than as provided herein.

9.) THIS AGREEMENT, and the service provided as a result of this agreement, MAY BE TERMINATED BY THE MUNICIPALITY at any time where there is an emergency of immediate threat or danger to any person, property, plant or animal life, or waters. Every effort will be made to consult with the company as to the best course of action, to minimize danger and property damage during an emergency shut down.

10.) THIS AGREEMENT, and the service provided as a result of this agreement, MAY BE TERMINATED BY THE COMPANY at any time on 90 days written notice sent by registered mail addressed to the Chief Administrative Officer (CAO) of the Municipality.

11.) IN THE EVENT OF A RENEWAL IF THE MUNICIPALITY GIVES WRITTEN NOTICE sent by registered mail to the Company as aforesaid at any time within 90(ninety) days before or after the start of each calendar year, THAT THE AMOUNT OF THE FEE OR ANY OF THE LIMITS HEREINBEFORE SET OUT ARE TO BE CHANGED and no new agreement can be reached between the Municipality and the Company, this agreement, and the service provided as a result of this agreement, may be terminated at the option of the Municipality at any time without notice 90 (ninety) days after the registered notice was sent.

12.) EXCEPT AS HEREIN OTHERWISE EXPRESSLY PROVIDED THE COMPANY SHALL CONFORM TO THE PROVISIONS OF THE SAID BY -LAW of the Municipality relating to the discharge of sewage and in the event of termination of this agreement the Company shall conform to the provisions of the said By-law.

13.) THE COMPANY HEREBY COVENANTS AND AGREES TO PAY TO THE MUNICIPALITY a fee based on the effluent discharge in cubic meters. This cost will be set by the Municipality from the Fees and Services Charge By-law on a year to year basis. The said fee shall become due and be paid quarterly on the last day of March, June, September and December in each year of any renewal until terminated as herein provided.

14.) (1) THE COMPANY COVENANTS AND AGREES TO PAY TO THE MUNICIPALITY on demand interest on overdue amounts at the prime rate existing for the day on which such amount is due and calculated from such date to the date of payment.

(2) In subsection (1), "Prime Rate" means the lowest rate of interest quoted by chartered banks to the most creditworthy borrowers or prime business loans as determined and published by the Bank of Canada in the periodic publication entitled, the Bank of Canada Review.

15.) THE MUNICIPALITY MAY TERMINATE THIS AGREEMENT, and the service provided as a result of this agreement, at its option without notice if the Company fails for more than two months to pay an overdue amount but such termination shall not relieve the Company from its liability to make such payment.

16.) (1) Where it is determined that the quantity of the substances discharged under the terms of this agreement has substantially increased, the Municipality shall be entitled to increase the charge so that payments shall be based on the increased quantity discharged.

17.) The Municipality in the case of an emergency has the right to temporarily terminate service to the industry without incurring any liability with respect to losses or damage that the industry may suffer. This emergency condition could develop in the case of sewer, pumping station, or force main failure.

18.) This Agreement shall endure to the benefit of, and be binding upon the heirs, executors, administrators, successors, and assigns of the parties hereto.

19) Both parties agree that this agreement is valid only as long as the existing Environmental Compliance Approval (ECA) is in effect. ECA could be revised/updated by government agencies and more stringent criteria for municipal sewage treatment plant discharge can apply in future. In such case(s), both parties agree to revise this agreement in the true spirit of co-operation.

20) This Agreement is not automatically transferable to Lallemand's successor. Municipality's consent is required which shall not be withheld unreasonably. Municipality reserves the right to substantially modify this agreement after mutual negotiations and depending upon the nature of business to be conducted by the successor.

IN WITNESS WHEREOF the parties hereto have hereunto affixed their Corporate Seals attested to by the hands of their respective proper officers in that behalf duly authorized.

SIGNED, SEALED AND DELIVERED in the presence of:

THE CORPORATION OF THE MUNICIPALITY OF ARRAN-ELDERSLIE and LALLEMAND BIO-INGREDIENTS.

Municipal Official and Company Official

Municipal Official (CAO)

Company Official
