

SCHEDULE A
STATEMENT OF WORK FOR COMMUNITY CURBSIDE COLLECTION
for
MASTER SERVICES AGREEMENT
Number 2024-00-[●]



Table of Contents

STATEMENT OF WORK.....1

EXHIBIT 1: SCOPE OF WORK AND OTHER PROVISIONS.....4

Article 1 Definitions.....4

 1.1 Definitions.....4

Article 2 Scope of Collection Services6

 2.1 Scope of Collection Services.....6

Article 3 Service Provision7

 3.1 Set-Out Location7

 3.2 Addition or Removal of Residential Premises7

 3.3 PPP to be Collected.....7

 3.4 Collection Containers.....8

 3.5 Non-Compliance8

 3.6 Unloading PPP.....8

Article 4 Record Keeping and Reporting Requirements.....11

 4.1 Record Keeping and Reporting Requirements.....11

Article 5 Documentation and Payment13

 5.1 Documentation and Payment.....13

EXHIBIT 2: SINGLE-FAMILY DWELLINGS and MULTIPLE-FAMILY DWELLING STOPS.....14

EXHIBIT 3: MULTIPLE-FAMILY DWELLINGS15

EXHIBIT 4: PPP TO BE COLLECTED16

EXHIBIT 5: COMPENSATION17

STATEMENT OF WORK

STATEMENT OF WORK NUMBER: [●]

This statement of work ("**Statement of Work**") is incorporated into and forms part of the Master Services Agreement ("**MSA**"), made as of [●] between [Contractor] a [●] having a place of business at [●] ("**Contractor**") and Circular Materials, a federal not-for-profit corporation, having a place of business at 1 St. Clair Avenue West, Suite 700, Toronto, ON, M4V 1K6 ("**CM**", and with the Contractor, each a "Party" and collectively the "**Parties**"), with an effective date of [●] (the "**Statement of Work Effective Date**").

NOW, THEREFORE, in consideration of the promises, mutual covenants, and agreements contained herein, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties acknowledge and agree to all covenants, terms, and conditions as stipulated in the MSA, as follows:

1. Beginning on the Service Commencement Date, the Contractor shall perform the Work required by this Statement of Work, including collecting PPP, and delivering the PPP to a Receiving Facility, for all Residential Premises located within the applicable Registered Community(ies) listed in Exhibit 2 and Exhibit 3. For clarity, the Contractor shall perform the Work required by this Statement of Work for all Residential Premises located within a Registered Community listed in Exhibit 2 and Exhibit 3 on the applicable Service Commencement Date, even if such Residential Premises is not included in the number of Single-Family Dwellings or Multiple-Family Dwellings listed in Exhibit 2 or Exhibit 3 respectively.
2. The Work under this Statement of Work shall include all the Contractor's other obligations under the MSA.
3. The period during which the Work required by this Statement of Work is to be performed is from the Service Commencement Date, until [●]. Pursuant to Section 2.1(b) of the MSA, CM and the Contractor may, by Change Order, extend this Statement of Work. The initial term and any such additional term or terms are herein referred to as the "**SOW Term**".
4. The full compensation for the Work under this Statement of Work shall be as set forth in Exhibit 5, which excludes applicable taxes. Applicable taxes are payable by CM to the Contractor on the price of the Statement of Work.
5. In the event of the termination of the MSA in accordance with Section 7.5 of the MSA, CM shall only pay for the Work authorized by this Statement of Work which is performed prior to the termination date. For the purposes of clarity, CM shall not be liable to make any other payments in connection with this Statement of Work resulting from such termination of the MSA.
6. Capitalized terms not defined in this Statement of Work shall have the meaning set out in the MSA.
7. Attached and forming an integral part of this Statement of Work are the following exhibits:
 - i. Exhibit 1 – Scope of Work and Other Provisions;
 - ii. Exhibit 2 – Single-Family Dwelling and Multiple-Family Dwelling Stops;
 - iii. Exhibit 3 – Multiple-Family Dwellings;
 - iv. Exhibit 4 – PPP to be Collected; and

v. Exhibit 5 – Compensation.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the terms and conditions of this Statement of Work are acknowledged and agreed to by the Parties as of the date first listed above.

[Contractor]

By: _____
Name:
Title:

By: _____
Name:
Title:

We have authority to bind the Contractor.

Circular Materials

By: _____
Name: Allen Langdon
Title: CEO

I have authority to bind CM.

EXHIBIT 1: SCOPE OF WORK AND OTHER PROVISIONS

**ARTICLE 1
DEFINITIONS**

1.1 Definitions

“**Collection Services**” means the Work required by this Statement of Work, which is the collection of PPP from Residential Premises listed in Exhibit 2 and Exhibit 3 located within a Registered Community and delivery of the collected PPP to a Receiving Facility.

“**Container Stream**” has the meaning set out in Section 3.3(f)(ii) of Exhibit 1 to this Statement of Work.

“**Fibre Stream**” has the meaning set out in Section 3.3(f) of Exhibit 1 to this Statement of Work.

“**Hazardous Waste**” means a hazardous and special product as set out in the Regulation.

“**Multiple-Family Dwellings**” means, collectively, (i) Multiple-Family Dwellings as defined in the Regulation, and (ii) sources agreed by the Parties to be Multiple-Family Dwellings for the purposes of the MSA (including the sources referred to in Exhibit 3).

“**New Residential Premises**” means new Residential Premises as agreed to by the Parties for the purposes of the MSA.

“**Non-Compliance**” means PPP set out incorrectly, inappropriately, or improperly prepared including the following reasons:

- (i) container contains Out-of-Scope Material;
- (ii) PPP not properly sorted;
- (iii) recycling container is not suitable; or
- (iv) cardboard is oversized.

“**Out-of-Scope Material**” means material which is not PPP.

“**Receiving Facility**” or “**RF**” means any facility that accepts PPP from a collection contractor acting on behalf of CM.

“**Residential Premises**” means Single-Family Dwellings and Multiple-Family Dwellings but does not include institutional accommodations or visitor accommodations.

“**Service Commencement Date**” means the date of April 1st, 2025, on which Collection Services will begin in a Registered Community.

“**Single-Family Dwellings**” means, collectively, (i) Single-Family Dwellings as defined in the Regulation, and (ii) sources agreed by the Parties to be Single-Family Dwellings for the purposes of the MSA (including the sources referred to in Exhibit 2).

“**Single Stream**” means Fibre Stream and Container Stream materials combined.

“**SOW Term**” has the meaning set out in the recitals to this Statement of Work.

“Statement of Work Effective Date” has the meaning set out in the recitals to this Statement of Work.

“Stops” means, collectively, the number of Single-Family Dwellings and Multiple-Family Dwellings.

“Two Stream” means Fibre Stream and Container Stream materials kept separate.

“Valuation Type” or **“Valtype”** means the source of PPP, including Single-Family Dwellings and Multiple-Family Dwellings. The Valtype shall be recorded on weigh scale tickets.

ARTICLE 2 SCOPE OF COLLECTION SERVICES

2.1 Scope of Collection Services

- (a) The Contractor shall provide Collection Services in accordance with the service level requirements as denoted in Exhibit 2 and Exhibit 3.
- (b) The Collection Services include:
 - (i) picking up PPP from Residential Premises in the Registered Community(ies);
 - (ii) Collection Vehicle compacting to a maximum compaction rate of 2.5:1;
 - (iii) unless otherwise agreed to by the Parties, delivery of collected PPP to a Receiving Facility and unloading by material stream; and
 - (iv) for New Residential Premises which did not receive Collection Services prior to the Service Commencement Date, the Contractor shall provide Collection Services in a manner meeting or exceeding the standard, level, scope, and quality of Collection Services a similar Residential Premises received immediately prior to the Service Commencement Date and that complies with the terms of the MSA and this Statement of Work.
- (c) Without limiting the generality of the foregoing, the Collection Services shall meet the applicable requirements of sections 16, 17, 18 and 19 of the Regulation.
- (d) The Contractor shall retain responsibility for, and control of, PPP from the point of collection through to delivery to a Receiving Facility.
- (e) CM shall not be obligated to join or instigate litigation to protect the right of the Contractor. The Contractor may independently enforce its rights under this Statement of Work against third party violators, including but not limited to seeking injunctive relief.

ARTICLE 3 SERVICE PROVISION

3.1 Set-Out Location

- (a) The Contractor shall provide Collection Services for PPP from all Residential Premises listed in Exhibit 2 and Exhibit 3.
- (b) The Contractor shall work with Multiple-Family Dwellings to determine the optimal set-out location of the recycling containers, which best meets the needs of the Residential Premises and the Contractor.

3.2 Addition or Removal of Residential Premises

- (a) Notwithstanding Section 8.8 of the MSA, CM and the Contractor may make changes of a minor nature to this Statement of Work to add New Residential Premises, or remove existing Residential Premises, and make related revisions to the relevant exhibits, by amendment. If CM considers, in its sole discretion, such proposed changes to be of a material nature, the change management process of Section 8.8 of the MSA shall apply.

3.3 PPP to be Collected

- (a) The Contractor will collect the PPP listed in Exhibit 4 placed in containers (including both Contractor-provided and customer-owned containers) from Residential Premises.
- (b) The Contractor will not scavenge, or permit its employees or Subcontractors to scavenge, any PPP which has been set out for collection during Contractor's performance of the Work.
- (c) The Contractor will use best efforts to reduce the quantity of Out-of-Scope Material in collected PPP to no more than four per cent (4%) by weight.
- (d) If the average amount of Out-of-Scope Material collected from Residential Premises in any rolling six (6) month period exceeds four per cent (4%) the Contractor will, within ninety (90) calendar days, prepare and submit to CM a plan including the identification of sources of Out-of-Scope Material and strategies and supporting measures to mitigate the amounts of Out-of-Scope Material. The Contractor will implement the plan and provide quarterly reporting to CM detailing the progress and outcomes of the plan. If improvement does not occur within ninety (90) calendar days after the start of plan execution, based on composition data provided by CM through their audit protocol, the Contractor will work with CM to establish additional changes and to adopt best practices recommended by CM.
- (e) The Contractor may not collect, and collected PPP may not contain, packaging containing Hazardous Waste.
- (f) PPP is to be collected from Residential Premises in the Registered Communities listed in Exhibit 2 and Exhibit 3 in a Single Stream or in Two Streams as listed in Exhibit 2 and Exhibit 3. Where a Registered Community receives collection in Two Streams, the streams are as follows unless otherwise agreed to by CM:
 - (i) Fibre Stream – Paper products and the following types of paper packaging:

- paper laminates;
 - kraft paper carry-out bags;
 - kraft paper – non-laminated;
 - corrugated cardboard; and
 - boxboard and other paper packaging.
- (ii) Container Stream – Plastic packaging, metal packaging, glass packaging, and the following types of paper packaging:
- gable top containers; and
 - aseptic containers.

3.4 Collection Containers

- (a) Should the Community utilize standardized collection containers (i.e. boxes, bins or carts for residential collection), the Contractor is responsible for replacing a damaged or missing collection container when requested by a Residential Premises or CM, within one week of notification.

3.5 Non-Compliance

- (a) If the Contractor visually identifies Non-Compliance in PPP set out for collection, the Contractor shall place in a prominent location a non-compliance notification tag identifying the specific problem(s) and reason(s) for Non-Compliance.

3.6 Unloading PPP

- (a) The location(s) of the Receiving Facility(ies) for each Registered Community will be provided by CM no later than ninety (90) calendar days prior to the Service Commencement Date.
- (b) Contractor will deliver all collected PPP to the Receiving Facility identified by CM. The Contractor will not release PPP to anyone other than the Receiving Facility identified by CM or dispose of any collected PPP without prior written authorization from CM.
- (c) The Contractor will have access to a Receiving Facility located not more than 50 kilometers driving distance from the Registered Community's service area boundary at the point of least distance to such Receiving Facility. If locating a Receiving Facility within such distance is not feasible, the Parties shall negotiate, acting reasonably, an adjustment to Exhibit 5 to reflect the cost of transporting the collected PPP to the available Receiving Facility.
- (d) Delivery to a Receiving Facility shall adhere to the following steps:
- (i) The inbound Collection Vehicle shall pass over the weigh scale without exception. The operator of the Collection Vehicle must provide information ensuring a weigh scale ticket with all required data can be generated, in accordance with Section 4.1 of this Exhibit 1.
 - (ii) The Collection Vehicle shall go to the designated tipping floor area of the Receiving Facility.

- (iii) If the Collection Vehicle contains Fibre Stream and Container Stream, each stream must be deposited into the appropriate tipping floor area.
- (iv) A Collection Vehicle operator must take instruction from the tipping floor supervisor and only empty when permitted.
- (e) Collection Vehicles will be directed to return to the weigh scale after emptying the first compartment to get a split weight. After split weighing, a Collection Vehicle will return to the tipping floor area for the second compartment and empty the contents of the Collection Vehicle. The Collection Vehicle will then return to the weigh scale to obtain a tare weight.
- (f) If the Collection Vehicle experiences a bulkhead failure, the Collection Vehicle operator shall work with the tipping floor supervisor to separate the material from each compartment.
- (g) The Collection Vehicle must empty on every trip to the Receiving Facility. The Collection Vehicle operator must ensure each compartment is completely emptied before moving to the next tipping floor area and before leaving the property. The Collection Vehicle operator shall not clean out the Collection Vehicle in a manner which causes or may cause the Fibre Stream materials to be commingled with the Container Stream materials or vice versa.
- (h) Every Collection Vehicle must have a tare weight taken once every two months without exception. To alleviate the potential for backup and delays on the weigh scale, tare weight timing will be staggered.
- (i) In the event the designated Receiving Facility is unable to accept PPP from a Collection Vehicle, the Contractor shall immediately notify CM and the Collection Vehicle shall proceed to another Receiving Facility as directed by CM.
- (j) The Collection Vehicle operators shall comply with all operational protocol and procedures of the Receiving Facility during unloading of PPP.

3.7 Working Days and Hours of Operation for the Collection Services

- (a) The Contractor shall perform Collection Services between the hours of 7:00 a.m. and 6:00 p.m. unless otherwise approved by CM.
- (b) Collection Services in each Registered Community shall be as approved by CM, respecting provincial statutory holidays in keeping with Alberta labour laws. Where materials are not collected on a statutory holiday, a replacement collection day shall be set by the Contractor, subject to CM approval.
- (c) The Contractor shall bear, at its own expense, any additional or unforeseen costs including, but not limited to, such overtime, rates for extra forces, and cost for any additional requirement or services as may be necessary to ensure continuous and uninterrupted service in accordance with Contractor's obligations under the MSA.

3.8 Missed Collections

- (a) The Contractor shall collect one hundred per cent (100%) of the PPP set out on each approved collection route on the approved collection day in each Registered Community.
- (b) The failure of the Contractor to collect PPP in accordance with a collection route approved by CM shall be considered a missed collection. If notified of, or if the Contractor otherwise becomes aware of, a missed collection by 4 p.m. on the scheduled day of collection, the Contractor shall rectify the missed collection by collecting the PPP missed the same day, otherwise the PPP shall be collected on the next Business Day.
- (c) If the Contractor encounters any impassable obstruction, including utilities or other contractors working on the traveled portion of the collection route, the Contractor will return at least once on the same day at a mutually agreeable time, to collect the set out PPP. Without limiting the generality of the foregoing, the following are not considered to be impassable obstructions:
 - (i) parked vehicles;
 - (ii) moving vans; and/or
 - (iii) overground flooding of less than twenty (20) centimetres.

ARTICLE 4 RECORD KEEPING AND REPORTING REQUIREMENTS

4.1 Record Keeping and Reporting Requirements

- (a) The Collection Vehicle operator will provide the necessary information to the Receiving Facility representative ensuring the following data may be collected for each inbound vehicle:
 - (i) Date and time;
 - (ii) Originating Registered Community ID number;
 - (iii) Valtype (i.e., the type or the majority fraction of combined loads from Single-Family Dwellings and Multiple-Family Dwellings) as applicable to the load;
 - (iv) PPP onboard (e.g., Fibre Stream, Container Stream, or a Single Stream material type);
 - (v) Contractor ID number; and
 - (vi) Collection Vehicle number.

- (b) The Contractor shall ensure detailed records are kept for the PPP collected and delivered to a Receiving Facility including a record of the number of Collection Vehicles emptied per day, the weight in metric tonnes of each load if provided to the Contractor when the Contractor delivered a load to the Receiving Facility, and where the load was delivered ensuring a cross-correlation between Receiving Facility records and Contractor records can be made.

- (c) Within sixty (60) calendar days of the end of a calendar year, the Contractor shall annually provide a report to CM, in a form approved by CM, outlining kilometres driven and fuel consumed by Collection Vehicles in the delivery of the Work under this Statement of Work. The report will be organized to display information by Collection Vehicle category and where Collection Vehicles are used for a specific Valtype the information for Collection Vehicles will be listed separately.

- (d) Weigh scale receipts, if received from the Receiving Facility, must be maintained and made available upon request by CM in a format and manner acceptable to CM.

- (e) The Contractor shall, in addition to the records specified above, review a monthly summary report prepared by CM and provided to the Contractor via an online web-based interface by the fifth (5th) day of the month following the month addressed in the summary report. If the fifth (5th) day of the month falls on a non-Business Day, the report may be provided on the next Business Day. This report shall include the following information:
 - (i) Originating Registered Community ID number;
 - (ii) Total number of Stops;
 - (iii) Number of Stops added or removed through a contract amendment during the fiscal quarter;
 - (iv) Valtype of each load delivered to a Receiving Facility;
 - (v) Date and time of delivery and PPP onboard each load delivered to a Receiving Facility;

- (vi) ID number of Contractor delivering each load to a Receiving Facility;
- (vii) Collection route or zone number (if applicable);
- (viii) Collection Vehicle number;
- (ix) Collection Vehicle licence plate number; and
- (x) If available from the RF for each load delivered to a Receiving Facility:
 - A. Scale ticket number;
 - B. Gross weight (tonnes);
 - C. Tare weight (tonnes, including by split load if applicable); and
 - D. Net weight (tonnes; tonnes by compartment – Fibre Stream, Container Stream, where split-weighing occurs).

- (f) Within five (5) calendar days of the monthly summary report being provided to the Contractor via an on-line web-based interface, the Contractor shall review such monthly summary report and notify CM of (i) any discrepancies in such monthly summary report or (ii) the Contractor's acceptance of such monthly summary report as an accurate and complete Work Report for the Month in respect of the applicable calendar month. If the fifth (5) calendar day after such report is provided to the Contractor falls on a non-Business Day, the Contractor may notify CM on the next Business Day.

- (g) If the Contractor does not notify CM of any discrepancies in, or of the Contractor's acceptance of, such monthly summary report within the time specified in Section 4.1(f) of this Exhibit 1, the Contractor shall be deemed to have accepted such monthly summary report as an accurate and complete Work Report for the Month in respect of the applicable calendar month.

- (h) If the Contractor notifies CM of any discrepancies in a monthly summary report within the time specified in Section 4.1(f) of this Exhibit 1, CM will make commercially reasonable efforts to resolve the discrepancies and reissue such report within five (5) Business Days of being notified by the Contractor of such discrepancy. The Contractor shall review and respond to such reissued report in accordance with the requirements specified in Section 4.1(f) of this Exhibit 1 and Sections 4.1(f), 4.1(g) and 4.1(h) of this Exhibit 1 shall otherwise apply to such reissued report.

- (i) For greater certainty, the records required under this Section 4.1 of this Exhibit 1 shall be provided separately for each Registered Community.

- (j) CM may request, from time to time, reports or information required for CM to comply with its reporting obligations to the Authority or under Applicable Law.

ARTICLE 5
DOCUMENTATION AND PAYMENT

5.1 Documentation and Payment

- (a) Starting in the first calendar month after the Service Commencement Date for a Registered Community, the Contractor shall review and accept the monthly summary report for the Work performed in the prior calendar month for such Registered Community in accordance with Section 4.1 of this Exhibit 1. Once accepted, or deemed to be accepted, by the Contractor, such monthly summary report shall be a work report for the month (the "**Work Report for the Month**") in respect of the applicable calendar month.
- (b) If provided to the Contractor when the Contractor delivered a load to the Receiving Facility, the Contractor shall provide Collection Vehicle weigh scale records to CM upon request.
- (c) For clarity, the Contractor will only be paid for Work under this Statement of Work in respect of any calendar month once there is a Work Report for the Month for such calendar month.
- (d) For greater certainty, except as expressly set out in the MSA there shall be no increase to the prices set out in the Statement of Work for any changes to the Contractor's responsibilities.

EXHIBIT 2: SINGLE-FAMILY DWELLINGS AND MULTIPLE-FAMILY DWELLING STOPS

Table 1

| SINGLE-FAMILY DWELLINGS STOPS | | | | | |
|--------------------------------|---|--|--------------------------------|----------------------------------|----------------------------------|
| Registered Community | Number of Single-Family Dwelling Stops (as of August 1, 2024) | Frequency of Collection (if available) | Collection Days (if available) | Collection Container | Streams |
| [Name of Registered Community] | | (e.g. weekly, bi-weekly) | (e.g. Monday to Thursday) | (e.g. clear bag, blue box, cart) | (e.g. Single Stream, Two Stream) |
| | | | | | |
| | | | | | |

***NOTE:** The information is based on available data at the time of the preparation of the Statement of Work. CM holds no responsibility or liability for actual figures which are different from the figures presented in this Exhibit.

[NTD to MSA/SOW finalization: This table would set out the number of Stops for Single-Family Dwellings which is applicable to the Registered Community.]

Table 2

| MULTIPLE-FAMILY DWELLING STOPS | |
|--------------------------------|---|
| Registered Community | Number of Multiple-Family Dwelling Stops (as of August 1, 2024) |
| [Name of Registered Community] | |
| | |
| | |

***NOTE:** The information is based on available data at the time of the preparation of the Statement of Work. CM holds no responsibility or liability for actual figures which are different from the figures presented in this Exhibit.

[NTD to MSA/SOW finalization: This table would set out the number of Stops for Multiple-Family Dwellings which is applicable to the Registered Community.]

EXHIBIT 3: MULTIPLE-FAMILY DWELLINGS

| MULTIPLE-FAMILY DWELLINGS | | | | | | | |
|--------------------------------|---|----------------|--------------|--|--------------------------------|----------------------------------|----------------------------------|
| Registered Community | Number of Multiple-Family Dwelling Units (as of August 1, 2024) | Street Address | Municipality | Frequency of Collection (if available) | Collection Days (if available) | Collection Container | Streams |
| [Name of Registered Community] | | | | (e.g. weekly, bi-weekly) | (e.g. Monday to Thursday) | (e.g. clear bag, blue box, cart) | (e.g. Single Stream, Two Stream) |
| | | | | | | | |
| | | | | | | | |

***NOTE:** The information is based on available data at the time of the preparation of the Statement of Work. CM holds no responsibility or liability for actual figures which are different from the figures presented in this Exhibit.

[NTD to MSA/SOW finalization: This table would set out the number of Multiple-Family Dwellings applicable to the Registered Community.]

EXHIBIT 4: PPP TO BE COLLECTED

[NTD: INSERT PPP LIST]

***NOTE: CM holds no responsibility or liability for information that is different from the information presented in this Exhibit.**

1.1 Contract Price

For each calendar month during the SOW Term, after the Service Commencement Date in respect of a Registered Community, the Contract Price for the Work performed under this Statement of Work in accordance with the requirements of the MSA in respect of such Registered Community shall be calculated as follows:

The Unit Price applicable to a Single-Family Dwelling Stop multiplied by the total number of Single-Family Dwelling Stops in Exhibit 2 Table 1 and the Unit Price applicable to a Multiple-Family Dwelling Stop multiplied by the total number of Multiple-Family Dwelling Stops in Exhibit 2 Table 2, for each Registered Community. For clarity, until Exhibit 2 and Exhibit 3 are amended or updated, the number of Single-Family Dwelling Stops listed in Exhibit 2 Table 1 and the number of Multiple-Family Dwelling Stops listed in Exhibit 2 Table 2 shall be used in the calculation of the Contract Price even if the number of Single-Family Dwelling Stops listed in Exhibit 2 Table 1 and/or the number of Multiple-Family Dwelling Stops listed in Exhibit 2 Table 2 are not the actual number of Single-Family Dwelling Stops and/or Multiple-Family Dwelling Stops.

For the purposes of this Statement of Work, "Unit Price" means the applicable Unit Price for the Registered Community applicable to the category of Single-Family Dwelling Stops and Multiple-Family Dwelling Stops, as set out in the attached pricing form.

[NTD to MSA/SOW finalization: Attached to this Exhibit 5 will be the pricing form for the applicable Registered Community. The pricing form will include the applicable Unit Price for each category of Residential Premises.]

1.2 Consumer Price Index Price Adjustment

- (a) Prior to the first payment to the Contractor for the month of April 2025, the Unit Price in the attached pricing form will be adjusted to account for changes in the Consumer Price Index since January 1, 2024. The adjustment shall be equal to the Unit Price multiplied by the year-over-year CPI Change. The Consumer Price Index price adjustment amount will be added to or subtracted from the Unit Price.
- (b) For the first calendar month immediately following the first annual anniversary of the Service Commencement Date and for each subsequent annual anniversary, the Unit Price shall be adjusted to account for changes in the Consumer Price Index and the adjustment shall be equal to the Unit Price for the prior year ("Prior Year") multiplied by the year-over-year CPI Change. The Consumer Price Index price adjustment amount will be added to or subtracted from the Unit Price. An example is shown below:

Consumer Price Index Price Adjustment = Unit Price for the Prior Year x (CPI Change)

- (c) For the purposes of this Section 1.2 of Exhibit 5, "CPI Change" means (1) the average of the values for each of the prior twelve (12) calendar months for the Consumer Price Index, monthly, not seasonally adjusted – Alberta (Table 18-10-0004-13)
(<https://www150.statcan.gc.ca/t1/tbl1/en/tv.action?pid=1810000413&pickMembers%5B0%5D=1.23&cubeTimeFrame.startMonth=12&cubeTimeFrame.startYear=2023&referencePeriods=20231201%2C20231201>), up to and including the prior calendar month divided by (2) the average of the values for each of the prior twelve (12) calendar months for the Consumer Price Index, monthly, not seasonally adjusted – Alberta (Table 18-10-0004-13), up to and including the calendar month one (1) year prior to the prior calendar month.
- (d) The Consumer Price Index table used to determine the CPI Change shall be subject to revision as agreed by the Parties in the case Statistics Canada materially changes such index or discontinues or replaces it.