

THE CORPORATION OF THE MUNICIPALITY OF WEST GREY

BY-LAW NUMBER 16 - 2013

BEING, A by-law to approve and authorize the execution of an Assignment and Transfer Agreement between 2268319 Ontario Inc., Tiber Markdale Resources Inc., and the Municipality of West Grey;

WHEREAS, the Council of the Municipality of West Grey deems it expedient and in the public interest to enter into an Assignment and Transfer Agreement between 2268319 Ontario Inc., Tiber Markdale Resources Inc., and the Municipality of West Grey.

NOW THEREFORE THE COUNCIL OF THE CORPORATION OF THE MUNICIPALITY OF WEST GREY ENACTS AS FOLLOW:

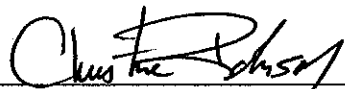
1. That the Assignment and Transfer Agreement between 2268319 Ontario Inc., Tiber Markdale Resources Inc., and the Municipality of West Grey, attached hereto as Schedule "A", and forming part of this by-law, is hereby approved.
2. That the Mayor and CAO are hereby authorized to sign and seal the said Agreement.
3. That this by-law shall come into full force and effect on the date of passing.

Read a first and second time, this 4th day of February, 2013.

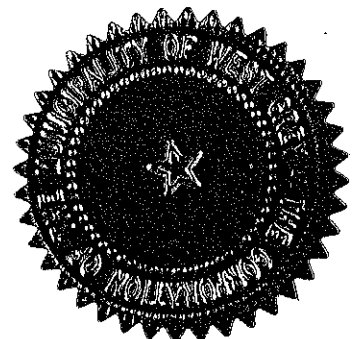
Read a third time and finally passed, this 4th day of February, 2013.



Kevin Eccles, Mayor



Christine Robinson, CAO



SCHEDULE "A" TO BY-LAW NUMBER 16 - 2013

MUNICIPALITY OF

***West
Grey***

ASSIGNMENT AND TRANSFER AGREEMENT BETWEEN
2268319 ONTARIO INC., TIBER MARKDALE
RESOURCES INC., AND THE MUNICIPALITY
OF WEST GREY

ASSIGNMENT AND TRANSFER

THIS AGREEMENT made the 4th day of February, 2013.

BETWEEN:

2268319 ONTARIO INC., a corporation incorporated under the laws of the Province of Ontario,
(herein called the "Assignor")

-and-

TIBER MARKDALE RESOURCES INC., a corporation incorporated under the laws of the Province of Ontario,
(herein called the "Assignee")

-and-

THE CORPORATION OF THE MUNICIPALITY OF WEST GREY
(herein called the "Municipality")

WHEREAS by an Agreement of Purchase and Sale dated the 22nd day of January, 2013 (the "Purchase Agreement"), the Assignor agreed to transfer and assign all its right, title and interest in the Agreement between the Assignor and the Municipality dated November 7, 2011 as more particularly described in the Agreement attached hereto as Schedule "A" (the "West Grey Agreement");

NOW THEREFORE THIS AGREEMENT WITNESSETH that in consideration of the mutual covenants and agreements herein contained and the sum of One Dollar (\$1.00) in lawful money of Canada now paid by each of the parties hereto to one another (the receipt and sufficiency of which is hereby acknowledged), the parties agree as follows:

1. The Assignor hereby sells, assigns and transfers to the Assignee all of the rights, title and interest of the Assignor in and to the West Grey Agreement together with all benefits and advantages thereof;
2. The Assignee hereby covenants and agrees with the Assignor and the Municipality to assume and discharge from the effective date hereof all of the covenants, obligations and liabilities of the Assignor contained under the West Grey Agreement and to indemnify and save the Assignor harmless therefrom. The Assignor hereby covenants and agrees to indemnify and save the Assignee harmless of and from all actions, suits, claims, demands, liabilities and obligations arising under the West Grey Agreement prior to the date hereof;
3. In consideration of the Assignee assuming the obligations of the Assignor under the West Grey Agreement, the Municipality hereby consents to the assignment and transfer of the West Grey Agreement by the Assignor to the Assignee and confirms that the West Grey Agreement is in good standing without default thereunder by the Assignor as of the date hereof.

SCHEDULE "A"

THIS AGREEMENT MADE THE 7th DAY OF November, 2011.

BETWEEN:

2268319 Ontario Inc. operating as Markdale Quality
Aggregates
(hereinafter referred to as "MQA")

-and-

THE CORPORATION OF THE MUNICIPALITY OF WEST GREY
(hereinafter referred to as "West Grey")

WHEREAS MQA is the licensed operator of an aggregate pit located on lands owned by Francis Handy and described as Part Lot 16, Concession 10 NDR as in R413422 (formerly Township of Glenelg); West Grey (PIN #37237-0059), Municipality of West Grey (the "Handy Pit");

AND WHEREAS West Grey is the licensed operator of an aggregate pit located on lands owned by Mary Anna McKay and described as Part Lot 15, Concession 10 NDR as in R401334 except Part 1 on Reference Plan 17R-1905 and Part 1 on Reference Plan 17R-2002 & G553522 (formerly Township of Glenelg); West Grey (PIN #37327-0058) (the "Glenelg Pit");

AND WHEREAS the Handy Pit and the Glenelg Pit are separated by a municipal road allowance being Glenelg Road 23 (the "Road Allowance") which Road Allowance currently has a significant elevation in the area bordered by the Handy Pit and the Glenelg Pit;

NOW THEREFORE in consideration of these presents and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by the parties, MQA and West Grey agree as follows:

1. MQA, at its sole expense, agrees to construct a temporary detour road (the "Detour Road") on the Handy Pit in accordance with the engineering specifications, drawings and road design prepared by Harrington McAvan including tar and chip surface and in connection therewith to also temporarily re-locate all utilities situate within the Road Allowance including moving the hydro poles to the new elevation over on the west side of the new road.
2. West Grey agrees that MQA shall be entitled to remove and sell all aggregate from the Road Allowance and the area within the 30 meter setback (the "Setback") from the Road Allowance fronting the Glenelg Pit provided that MQA shall be responsible, at its sole expense, as follows:
 - (a) To complete construction of the Detour Road referred to in Section 1;
 - (b) To obtain such approvals as may be required from the Ministry of Natural Resources to permit the removal of aggregate from the Road Allowance;

7. Due to the fact that under the Glenelg Pit licence, West Grey is not permitted to have wash ponds to clean processed stone, MQA agrees to transport all aggregate from the Glenelg Pit to the Handy Pit for further processing. MQA agrees to indemnify and save harmless West Grey from any and all claims, demands, actions, suits, losses, costs, charges, expenses, damages and liabilities whatsoever which MQA or its agents or employees may pay, sustain, suffer or incur by reason of or in connection with the transporting of material to and from, and the storing of material on, the Glenelg Pit.
8. MQA agrees to diligently and continuously undertake to complete its obligations under Section 2 above in order to complete construction of the Detour Road within thirty-six (36) months from removal of salvageable aggregate from the Setback. MQA further agrees to diligently and continuously undertake to remove all material in the Road Allowance in order to achieve the final grade for the Road Allowance within three (3) years from completion of removal of salvageable aggregate from the Setback as contemplated by this paragraph. Should the final grade for the Road Allowance not be achieved by the third anniversary from when MQA begins removing the salvageable aggregate from the Road Allowance MQA agrees that the price per tonne of all salvageable aggregate material removed from the Road Allowance and paid to West Grey will double in price every six months. Therefore, on the third anniversary of the aforementioned date, the price will increase to sixty cents (\$0.60) per tonne; after three years and six months, the price will increase to one dollar and twenty cents (\$1.20) per tonne; and so on.
9. MQA shall be responsible at its expense to reconstruct in accordance with the engineering specifications, drawings and road design of the Municipality the road within the Road Allowance and to relocate the temporary utilities within the Road Allowance. Until such time as the Road Allowance is reconstructed MQA shall continue to maintain the Detour Road and shall be entitled to store material removed from the Road Allowance or the Setback on the Glenelg Pit.
10. MQA shall make available to West Grey on a monthly basis all relevant documentation related to the removal and sale of aggregate from the Setback or the Road Allowance in order to permit West Grey to verify the quantities so removed and sold.
11. MQA agrees with West Grey that MQA shall be responsible to carry out the excavation and removal of aggregate within the Road Allowance or the Setback in a diligent, careful and workmanlike manner and in compliance with all applicable laws, regulations and directions of the Ministry of Natural Resources.
12. MQA shall take out and keep in force until the Road Allowance has been reconstructed to the final grades a comprehensive insurance policy of public liability and property damage insurance acceptable to West Grey, which policy shall provide insurance coverage in respect of any one accident to the limit of at least \$5,000,000.00 exclusive.


authorized officer and delivered either personally, by registered mail, or by fax to the address specified above.

17. This Agreement constitutes the entire agreement between the parties and may not be amended except by a written agreement between the parties.
18. This Agreement may be executed in counterparts and each counterpart together shall constitute one Agreement.
19. This Agreement is governed by the laws of the Province of Ontario and the laws of Canada applicable therein.

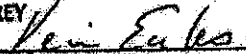

IN WITNESS WHEREOF MDA and West Grey have executed this Agreement with effect on the date first above written.

2258319 ONTARIO INC. operating as
MARKDALE QUALITY AGGREGATES

Per: 
Name: Steve Mader
Title: General Manager

Per: 
Name: Chris Bourdeau
Title: Vice-President
We have authority to bind the corporation.

THE CORPORATION OF THE MUNICIPALITY OF
WEST GREY

Per: 
Name: Kevin Eukles
Title: Mayor
Per: 
Name: Christine Robinson
Title: City of Administrative Officer
We have authority to bind the corporation.