

**GRANT AGREEMENT  
GREEN INFRASTRUCTURE PROJECT**

**BETWEEN:**        **HER MAJESTY THE QUEEN IN RIGHT OF ALBERTA**  
                         as represented by the Minister of Transportation ("Alberta")

**AND**                **COUNTY OF VERMILION RIVER – AS MANAGING PARTNER OF**  
                         **ALBERTA CENTRAL EAST WATER CORPORATION** (the "Ultimate  
                         Recipient")

Individually referred to as a "Party" and collectively referred to as the "Parties".

**RECITALS**

- A. The Ultimate Recipient has requested funding towards construction of the ACE Phase 7 - Water Transmission System Completion (the "Project"), as described in Schedule "B" attached to this Agreement;
- B. Alberta and Her Majesty the Queen in right of Canada as represented by the Minister of Infrastructure, Communities and Intergovernmental Affairs ("Canada") entered into the Canada - Alberta Integrated Bilateral Agreement For The Investing In Canada Infrastructure Program, dated April 3, 2018, including all its schedules, as may be amended from time to time (the "Bilateral Agreement");
- C. Under the Bilateral Agreement, Canada agreed to provide funding for Alberta to administer projects that are approved by Canada and meet the Investing in Canada Infrastructure Program (the "Program") requirements in four key areas: public transit; green infrastructure; community, culture and recreation infrastructure; and rural and northern communities infrastructure;
- D. Under the Bilateral Agreement, Alberta committed to administer Canada's funding contributions for approved projects and to meet funding Alberta's requirements, if any, for the approved projects;
- E. Included in Canada's funding commitment is funding for eligible green infrastructure projects;
- F. The Ultimate Recipient applied for funding for its Project under the Program and confirms that this is an eligible Project under the Program as it will support public infrastructure and the capital assets will be primarily for public use and/or benefit;
- G. Canada has approved the Project in writing in correspondence dated July 22, 2020;
- H. Alberta is empowered, pursuant to the Transportation Grants Regulation, (the "Grants Regulation"), to make grants to a person or organization for purposes related to any program, service or other matter under the administration of Alberta;

NOW THEREFORE, the Parties agree as follows:

## 1. INTERPRETATION

### 1.1 DEFINITIONS

In addition to the terms and conditions defined in the recitals and elsewhere in this Agreement, a capitalized term has the meaning given to it in this Section.

**“Agreement”** means this grant agreement, the recitals, and all schedules, as may be amended from time to time.

**“Alberta’s Contribution”** means Alberta’s funding, if any, for the Project subject to the Bilateral Agreement and this Agreement;

**“Asset”** means any real or personal property, or immovable or movable asset, acquired, purchased, constructed, rehabilitated or improved, in whole or in part, with Alberta’s Contribution, Canada’s Contribution or both;

**“Asset Disposal Period”** means the period ending five (5) years after the Project is Substantially Completed.

**“Bilateral Agreement End Date”** means March 31, 2028;

**“Canada’s Contribution”** means Canada’s contribution funding for the Project subject to the Bilateral Agreement, and administered by Alberta;

**“Communications Activity” or “Communications Activities”** means, but is not limited to, public or media events or ceremonies including key milestone events, news releases, reports, web and social media products or postings, blogs, news conferences, public notices, physical and digital signs, publications, success stories and vignettes, photos, videos, multi-media content, advertising campaigns, awareness campaigns, editorials, multi-media products and all related communication materials under this Agreement.

**“Contract”** means an agreement between the Ultimate Recipient and a Third Party whereby the latter agrees to supply a product or service to the Project in return for financial consideration.

**“Effective Date”** means the date this Agreement is signed by the last Party.

**“Eligible Expenditures”** means those costs of the Project incurred by the Ultimate Recipient and identified as eligible expenditures in Schedule A (Eligible and Ineligible Expenditures) to this Agreement and Section A.1c (Eligible Expenditures) in the Bilateral Agreement and are eligible for payment under this Agreement and the Bilateral Agreement.

**“Fiscal Year”** means the period beginning April 1 of a year and ending March 31 of the following year.

**“Funding”** means Canada’s Contribution and Alberta’s Contribution, if any, under this Agreement and set out in Schedule E.

**“Incurred”** means an event or transaction has taken place for which an obligation to pay exists, even if an invoice has not been received, such that the underlying evidence indicates there is little or no discretion to avoid the obligation. The value of the obligation is to be

**“Project”** means the infrastructure project as described in Schedule B (Project Description) of this Agreement that was approved by Canada and is governed by this Agreement and the Bilateral Agreement.

**“Project Approval”** means the date, indicated in the letter from Canada approving the Project.

**“Substantial Completion”** or **“Substantially Completed”** means, when referring to the Project, that the Project can be used for the purpose for which it was intended.

**“Substantial Completion Date”** means the date the Project will be Substantially Completed by, which date is September 30, 2024 and the Ultimate Recipient covenants that this date will be no later than October 31, 2027.

**“Term”** means the duration of this Agreement as set out in section 1.3.

**“Third Party”** means any person or legal entity, other than Alberta, Canada or the Ultimate Recipient, who participates in the implementation of the Project by means of a Contract.

**“Total Financial Assistance”** means total Project funding from all sources including, but not limited to, funding from federal, provincial, territorial, municipal, band council, and Indigenous government sources; private sources; and in-kind contributions.

## **1.2 ENTIRE AGREEMENT**

This Agreement comprises the entire agreement between the Parties. No prior document, negotiation, provision, undertaking or agreement in relation to the subject of the Agreement has legal effect, unless incorporated by reference into this Agreement. No representation or warranty express, implied or otherwise, is made by Alberta to the Ultimate Recipient except as expressly set out in this Agreement.

## **1.3 DURATION OF AGREEMENT**

This Agreement will be effective as of the Effective Date and will terminate on the earlier of:

- a) The end of the Asset Disposal Period; or
- b) March 31, 2028,

subject to early termination in accordance with this Agreement.

## **1.4 SCHEDULES**

The following schedules are attached to and form part of this Agreement:

Schedule A – Eligible and Ineligible Expenditures

Schedule B – Project Description

Schedule C – Communications Protocol

Schedule D – Reporting, Audit and Evaluation

Schedule E – Funding

Schedule F – Alberta Program Requirements

In the event of any inconsistency or conflict between Schedule A, B, C, D, E, or F and the

### **3. OBLIGATION OF THE PARTIES**

#### **3.1 FUNDING**

- a) Funding for the Project is in the amounts set out in Schedule E and is subject to the provisions in this Agreement. If Alberta provides an Alberta Contribution and the Alberta Contribution is subject to an Alberta grant or funding program, additional requirements, if any, will be included in Schedule F and the Ultimate Recipient agrees to comply with these additional requirements.
- b) The Ultimate Recipient acknowledges and agrees that Canada, in its sole discretion, will provide Canada's Contribution to be administered by Alberta subject to the following:
  - i. the Ultimate Recipient submitting claims for incurred Eligible Expenditures for the Project to Alberta at a time and in a format as determined by Alberta and Canada, and communicated by Alberta to the Ultimate Recipient in writing, and Alberta submitting the claims to Canada and Canada approving all or part of the submitted claims;
  - ii. Canada's Contribution being paid in accordance with Schedules A.1 (General Program Requirements), A.3 (Green Infrastructure) in the Bilateral Agreement;
  - iii. a maximum 5% holdback. Canada will hold back a maximum 5% of approved payment from the Program until Canada is satisfied that:
    - a. all of the obligations of the Ultimate Recipient under this Agreement and the obligations of Alberta under the Bilateral Agreement are fulfilled including that all Projects have been Substantially Completed and Canada's Contributions were spent on Eligible Expenditures; and
    - b. Canada and Alberta jointly carry out a final reconciliation of all claims and payments in respect of the Bilateral Agreement and make any required adjustments.
  - iv. the cost-sharing requirements, if any, between Alberta and Canada and the requirements of Section 3.3(a) being met;
  - v. Canada's Program funding contribution by Fiscal Year being paid as set out in the Schedule A, Fiscal Year Breakdown for the relative funding stream in the Bilateral Agreement, as amended from time to time; and
  - vi. Canada's receipt of and satisfaction with the required reporting from Alberta and the Ultimate Recipient.
- c) Notwithstanding any provision to the contrary in this Agreement, Alberta may withhold payment of any amount including, but not limited to, the payment of the amounts in Schedule E, where in the opinion and sole discretion of Alberta, the Ultimate Recipient has failed to comply with any condition, covenant or undertaking of this Agreement.
- d) As set out in Schedule E, Canada or both Canada and Alberta will contribute funding for part of the Eligible Expenditures in accordance with the provisions of this Agreement. Neither Canada nor Alberta will be responsible for funding any ineligible expenditures or cost overruns of the Project or Eligible Expenditures above the maximum percentages to the maximum amounts set out in this Agreement.
- e) In accordance with the terms in Schedule A, Section A.3 Green Infrastructure of the

- d. Twenty-five percent (25%) of Eligible Expenditures for any for-profit, private sector Ultimate Recipients, notwithstanding paragraphs a), b) or c) in this section.
- ii. The maximum funding to a Project under the green infrastructure stream from all federal sources will not exceed the limits set out section 3.1(e)(i)., except for Indigenous Ultimate Recipients, which may access additional funding for a Project up to a maximum of one hundred percent (100%) of Eligible Expenditures from all federal sources, subject to approval by Canada.
- iii. Canada may recover the excess from Alberta or reduce its contribution by an amount equal to the excess if:
  - a) the federal Crown's total funding towards a Project under the green infrastructure stream exceeds the federal funding limits set out in section 3.1(e)(i) and (ii); or
  - b) the Total Financial Assistance received or due in respect of the total Project costs exceeds one hundred percent (100%).

If Canada recovers the excess from Alberta, the Ultimate Recipient acknowledges and agrees that Alberta may recover an equal amount from the Ultimate Recipient and the Ultimate Recipient agrees to pay the recovered amount to Alberta.
- iv. Canada's contribution to all Projects under the green infrastructure stream will not exceed the amount as set out in paragraph c) of section 3 (Commitments by Canada) in the Bilateral Agreement.
- f) The Ultimate Recipient acknowledges and agrees that Canada's Contribution paid by Alberta to the Ultimate Recipient but not used by the Ultimate Recipient for Eligible Expenditures, constitutes a debt due to the Government of Canada and must be paid forthwith to Alberta on demand, for Alberta to reimburse Canada.

### **3.2 ROLES OF ALBERTA AND CANADA:**

- a) The Parties acknowledge that Alberta's role in the Project is limited to making a financial contribution, if any, to the Project; administering Canada's Contribution; and reporting to Canada on how Canada's Contribution was used. Alberta will have no involvement in the Project or its subsequent operation. Alberta is neither a decision maker regarding the administration and the carrying out of the Project, nor an advisor to the Project or the Ultimate Recipient.
- b) The Parties acknowledge that Canada's role in a Project is limited to confirming that a Project meets Program eligibility requirements and making a financial contribution to Alberta for that Project. Canada will have no involvement in the implementation of that Project or its operation. Canada is neither a decision-maker nor an administrator of a Project or the Ultimate Recipient.

### **3.3 COMMITMENTS BY THE ULTIMATE RECIPIENT**

- a) The Ultimate Recipient will be responsible for:
  - i. the complete, diligent and timely construction and completion of the Project, within the costs and deadlines specified in this Agreement and in accordance with all other terms and conditions of this Agreement and the Program;
  - ii. for all the costs of the Project including all Eligible Expenditures that are in excess of the amounts funded under this Agreement and for all ineligible costs and cost overruns; and

- d) The Ultimate Recipient acknowledges and agrees that the Funding, Eligible Expenditures, and other Program requirements set out in this Agreement is conditional upon the terms and conditions in the Bilateral Agreement, as amended from time to time, being met.
- e) If the Project is cancelled, the Ultimate Recipient will repay to Alberta any and all disallowed costs, surpluses, and overpayments made under and according to the terms of this Agreement, the Bilateral Agreement, the Grants Regulation or any or all of these.
- f) The Ultimate Recipient will inform Alberta and Alberta will inform Canada forthwith of any fact or event that may compromise wholly, or in part, the Project.

### **3.4 DISCLOSURE OF OTHER FUNDING AND ADJUSTMENTS**

- a) The Ultimate Recipient agrees to inform Alberta promptly of all financial assistance received or for which it has commitment for the Project.
- b) If Alberta provides Alberta's Contribution in accordance with the Bilateral Agreement and one or more of the following occurs:
  - i. the Ultimate Recipient does not have or fails to continue to have funding commitments or funds sufficient to carry out and complete the Project;
  - ii. the Total Financial Assistance received or due in respect of the Project's total Eligible Expenditures exceeds one hundred percent (100%) of the Eligible Expenditures; or
  - iii. Alberta's funding assistance exceeds the maximum percentage set out in Schedule E of the total Eligible Expenditures;

then Alberta may, in Alberta's sole discretion, do one or more of the following:

- i. require the Ultimate Recipient to repay to Alberta an amount equal to Alberta's Contribution, Canada's Contribution, or both;
- ii. require the Ultimate Recipient to repay to Alberta an amount up to the total financial assistance received or due in respect of the Project's total Eligible Expenditures that exceeds one hundred percent (100%) of the total Eligible Expenditures;
- iii. require the Ultimate Recipient to repay to Alberta the amount of Alberta's financial contribution that exceeds Alberta's agreed to percentage share of the Eligible Expenditures; and,

### **3.5 APPROPRIATIONS AND FUNDING LEVELS**

- a) Payments due by Alberta, if any, under this Agreement are subject to an appropriation by the Legislature of Alberta for the Project, for the applicable Fiscal Year. If Alberta is required to reduce or terminate any of Alberta's Contribution in response to the reduction of appropriations or departmental funding levels in respect of transfer payments, as evidenced by any appropriation act or the provincial Crown's main or supplementary estimates expenditures, Alberta may reduce or terminate any payment of Alberta's Contribution under this Agreement excepting payments of Alberta's Contribution already made by Alberta to the Ultimate Recipient. Alberta will not be liable to the Ultimate Recipient for any direct, indirect, consequential, exemplary or punitive damages, regardless of the form of action, whether in contract, tort or otherwise, arising from any such reduction or termination of funding.
- b) The Ultimate Recipient acknowledges and agrees that:
  - i. Notwithstanding Canada's obligation to make any payment under the Bilateral Agreement, the Parties acknowledge and agree that this obligation does not

- b) Canada will not be liable to the Parties for any direct, indirect, consequential, exemplary or punitive damages, regardless of the form of action, whether in contract, tort or otherwise, arising from any such reduction or termination of funding.

### **3.6 FISCAL YEAR BUDGETING**

Subject to the terms and conditions in this Agreement, Alberta agrees to commit funds for the Project for a Fiscal Year in accordance with section 3.1. If, in a Fiscal Year, an amount less than the estimated Alberta Contribution payment is paid or payable by Alberta, Alberta will, subject to Section 3.5 (Appropriations and Funding Levels), make reasonable efforts to re-allocate the difference to a subsequent Fiscal Year.

### **3.7 CHANGE IN PROJECT COSTS AND FUNDING**

If, at any time during the Term of this Agreement, one or both of the Parties determines or Canada determines and informs the Ultimate Recipient that it will not be possible to complete construction of the Project unless the Ultimate Recipient expends amounts in excess of the funding available to it, the respective Party will immediately notify the other Party of that determination. The Ultimate Recipient will, within thirty (30) days of a request from Alberta, provide a summary of the measures that it proposes to remedy the shortfall. If Alberta or Canada is not satisfied that the measures proposed will be adequate to remedy the shortfall, then Alberta may exercise one or more of the remedies listed at Section 11.3.

### **3.8 CODES AND STANDARDS**

The Ultimate Recipient will be responsible for ensuring that all the engineering and construction work is completed in accordance with prevailing industry standards/best practices for such design and construction and all applicable municipal, provincial and national codes, or any other equivalent guidelines, as well as meeting the two following Canada requirements:

- a) The Project must meet or exceed any applicable energy efficiency standards for buildings outlined in the *Pan-Canadian Framework on Clean Growth and Climate Change*; and
- b) The Project must meet or exceed the requirement of the highest published accessibility standard in a jurisdiction, in addition to applicable provincial building codes and relevant municipal by-laws.

## **4. ULTIMATE RECIPIENT REPRESENTATIONS AND WARRANTIES**

The Ultimate Recipient hereby represents and warrants to Alberta that:

- a) the execution and delivery of this Agreement by the Ultimate Recipient, and the carrying out by the Ultimate Recipient of all of the activities as contemplated herein, have been duly authorized including, if applicable, under bylaw and/or resolution of its council;
- b) the Ultimate Recipient has full power to execute and deliver the Agreement and to perform its obligations hereunder;
- c) this Agreement constitutes a legally binding obligation of the Ultimate Recipient, enforceable against it in accordance with its terms and conditions and is subject to:
  - i. enforcement of remedies to applicable bankruptcy, insolvency, reorganization and other laws affecting generally the enforcement of the rights of creditors; and
  - ii. a court's discretionary authority with respect to the granting of a decree ordering

## **5. CHANGES TO PROJECT**

The Ultimate Recipient acknowledges and agrees that any material changes to a Project will require Alberta and Canada's approval, which may be subject to the terms and conditions of the Bilateral Agreement. When seeking to make a change to a Project, the Ultimate Recipient will promptly submit updated Project information to Alberta and Alberta will provide this to Canada. The Ultimate Recipient will provide, at Alberta's request additional information related to changes to a Project, which Alberta may also provide to Canada.

## **6. CONTRACT PROCEDURES**

### **6.1 AWARDING OF CONTRACTS**

The Ultimate Recipient will ensure that Contracts will be awarded in a way that is fair, transparent, competitive, and consistent with value for money principles, or in a manner otherwise acceptable to Canada, and if applicable, in accordance with the Canadian Free Trade Agreement, the New West Partnership Trade Agreement, and international trade agreements. Unless a waiver of this requirement is approved in advance by Canada and Alberta, the Ultimate Recipient acknowledges and agrees it will not sole source any Contracts.

### **6.2 CONTRACT PROVISIONS**

The Ultimate Recipient will ensure that all Contracts are consistent with, and incorporate, the relevant provisions of this Agreement. More specifically but without limiting the generality of the foregoing, the Ultimate Recipient agrees to include in the Contract provisions to ensure that:

- a) proper and accurate accounts and records, including but not limited to, contracts, invoices, statements, receipts and vouchers, in respect of the Project are maintained for at least six (6) years after the Bilateral Agreement End Date and that the Ultimate Recipient has the contractual right to audit them; and
- b) additional information related to the Project is provided upon request.

## **7. ACCESS**

Alberta, Canada or both, and their employees, designated representatives and/or agents, will be provided with reasonable and timely access to Project sites, facilities, and any records, documentation or information for the purposes of audit, inspection, monitoring, evaluation, and ensuring compliance with this Agreement and the Bilateral Agreement.

## **8. CLAIMS AND PAYMENTS**

### **8.1 SUBMISSION OF CLAIMS**

In accordance with the claims submission requirements in section 15 of the Bilateral Agreement for Canada's Contribution:

- a) Alberta will submit a claim to Canada covering Eligible Expenditures on a semi-annual basis, at a minimum, with a mutually-agreed upon format. Each claim will include an attestation in a format acceptable to both Canada and Alberta, from authorized officials, that Eligible Expenditures have been Incurred in accordance with this Agreement and Alberta must also be in compliance with progress reporting requirements as described in section 14 (Reporting) of the Bilateral Agreement.



## **8.2 PAYMENT CONDITIONS**

Canada will not:

- a) pay interest for failing to make a payment under this Agreement;
- b) pay capital costs for a Project until the requirements under section 11 (Environmental Assessment) and section 12 (Aboriginal Consultation) of the Bilateral Agreement, if applicable, are, in Canada's opinion, satisfied to the extent possible at the date the claim is submitted to Canada; and
- c) pay any claims until requirements under section 8 (Alberta Investing in Canada Infrastructure Program Infrastructure Plan) and section 14 (Reporting) of the Bilateral Agreement are received and accepted by Canada and any audit requirements in section 18 (Audit) and any requirements outlined in Schedule B (Communications Protocol) of the Bilateral Agreement are met.

Alberta will not:

- a) pay interest for Alberta, Canada or both for failing to make a payment under this Agreement;

Alberta, in Alberta's sole discretion, may:

- a) pay any part of Canada's Contribution before the contribution is received from Canada for the Project; and
- b) pay Canada's Contribution allocated to this Project before Alberta has received this funding from Canada.

## **8.3 CLAIMS AND FINAL PAYMENT DEADLINE**

Pursuant to the Bilateral Agreement, for Canada's Contribution:

- a) Alberta is required to submit claims for the Project no later than March 31<sup>st</sup> of the year following the Fiscal Year in which the Eligible Expenditures were incurred.
- b) Canada is expected to make the final payment no later than March 31<sup>st</sup>, 2028.

The Ultimate Recipient will provide claims information in a form and with details satisfactory to Alberta at the times requested by Alberta for Alberta to meet the claim submission deadlines for Canada's Contribution.

## **9. REPORTING, AUDIT AND EVALUATION**

- a) The Parties agree that auditing and reporting activities will be undertaken in accordance with Schedule D (Reporting, Audit and Evaluation) and Schedule F (Alberta Program Requirements) of this Agreement.
- b) The Ultimate Recipient agrees that Alberta and/or Alberta's designated representatives may, after consultation with the Ultimate Recipient conduct an inquiry in relation to the use of Alberta's Contribution, if any, and/or Canada's Contribution and compliance with this Agreement. For the purposes of any such inquiry, the Ultimate Recipient will provide, upon request and in a timely manner, to Alberta or its designated representative,
  - i. all records held by the Ultimate Recipient, or by its agents or Third Parties relating to this Agreement and the use of the funds; and
  - ii. such further information and explanations as Alberta and/or Alberta's designated representatives may request relating to any of this Agreement or the use of the

## **10. COMMUNICATIONS**

The Ultimate Recipient will comply with the Communication Protocol in Schedule C.

## **11. DEFAULT**

### **11.1 EVENTS OF DEFAULT**

The following constitute Events of Default under this Agreement:

- a) the Ultimate Recipient has not complied with any condition, undertaking or term of this Agreement including those in respect of the Project or reporting;
- b) the Ultimate Recipient has not completed the Project on the terms and conditions herein;
- c) the Ultimate Recipient has submitted false or misleading information to Alberta or made a false or misleading representation in respect of the Project, except for an error in good faith, demonstration of which is incumbent on the Ultimate Recipient, to Alberta's satisfaction; or
- d) the Ultimate Recipient has neglected or failed to pay any amount due in accordance with this Agreement.

### **11.2 DECLARATION OF DEFAULT**

Alberta may declare default if:

- a) the Event of Default occurs;
- b) Alberta gives notice to the Ultimate Recipient of the event, which in Alberta's opinion constitutes an Event of Default; and
- c) the Ultimate Recipient has failed, within ninety (90) business days of receipt of the notice, either to remedy the Event of Default or to notify and demonstrate, to the satisfaction of Alberta, that it has taken such steps as are necessary to remedy the Event of Default.

### **11.3 REMEDIES ON DEFAULT**

In the Event of Default under this Agreement, Alberta may, without limiting any remedy available to it at law, exercise one or more of the following remedies:

- a) suspend any obligation by Alberta to make a payment of Alberta's Contribution or Canada's Contribution or both;
- b) terminate any obligation of Alberta to contribute or continue to contribute towards the funding of the Project;
- c) require the Ultimate Recipient to reimburse Alberta all or part of Alberta's Contribution or Canada's Contribution, or both, paid by Alberta to the Ultimate Recipient in respect of the Project; and
- d) terminate this Agreement.

## **12. LIMITATION OF LIABILITY AND INDEMNIFICATION**

### **12.1 LIMITATION OF LIABILITY**

In no event will Canada or Alberta, their officers, servants, employees or agents be held liable for any damages in contract, tort (including negligence) or otherwise, in relation to this

contract, tort or otherwise, claims and demands, losses, costs, damages, suits or other proceedings by whomsoever brought or prosecuted in any manner based upon or occasioned by any injury to Persons, damage to or loss or destruction of property, economic loss or infringement of rights caused by, in connection with or arising directly or indirectly from this Agreement, or a Project, except to the extent to which such actions, claims, demands, losses, costs, damages, suits or other proceedings relate to the negligence or breach of the Agreement by an officer, servant, employee or agent of Canada or Alberta in the performance of his or her duties.

This hold harmless provision shall survive the Agreement.

### **12.3 INSURANCE**

- a) Throughout the Term of the Agreement and during the Asset Disposal Period, the Ultimate Recipient, at its own expense must:
  - i. Ensure that property insurance is maintained, including during the construction period, on an "All Risks" basis covering the Project for replacement cost.
  - ii. Maintain, and require its contractors to maintain, sufficient liability insurance.
- b) Within 14 days of signing this Agreement and upon the request of Alberta, the Ultimate Recipient must provide to Alberta evidence of the required insurance coverage, in the form of a detailed certificate of insurance, satisfactory to Alberta.

## **13. ASSETS**

### **13.1 DISPOSAL OF ASSETS**

- a) Unless otherwise agreed to by Canada and Alberta, the Ultimate Recipient acknowledges and agrees that it will maintain ongoing operations and will retain title to and ownership of an Asset for the Asset Disposal Period.
- b) If at any time within the Asset Disposal Period, the Ultimate Recipient sells, leases, or otherwise disposes of, directly or indirectly, any Asset purchased, acquired, constructed, rehabilitated or renovated, in whole or in part, under this Agreement, other than to Canada, Alberta, a municipal government as outlined in paragraph ii. a) of section A.1 a) (Ultimate Recipients) of the Bilateral Agreement, or with Canada's consent, the Ultimate Recipient must inform Alberta as soon as practicable, and if Alberta is required to reimburse Canada, any federal funding received for the Project, the Ultimate Recipient must pay to Alberta the amount Alberta reimbursed to Canada.

### **13.2 REVENUE FROM ASSETS**

The Ultimate Recipient acknowledges that Canada's contribution to a Project is meant to accrue to the public benefit. Alberta is required to notify Canada in writing within ninety (90) business days of the end of a Fiscal Year if any Asset owned by a for-profit Ultimate Recipient is used in such a way that, in the Fiscal Year, revenues are generated from it that exceed its operating expenses.

Upon assessment of such notification, Canada may require Alberta to immediately pay to Canada a portion of the excess in the same proportion as the total cost of the Asset. The Ultimate Recipient agrees to pay Alberta an amount equal to the amount Alberta is required to pay Canada, within 30 days of Alberta informing the Ultimate Recipient that Canada requires Alberta to pay. This obligation arises pursuant to the Bilateral Agreement and will only apply during the Asset Disposal Period, and when it is determined by Canada that the Project no longer meets the requirement of public benefit.

## 14. ENVIRONMENTAL ASSESSMENT

The Ultimate Recipient acknowledges and agrees that if the Canadian Environmental Assessment Act, 2012 (CEAA 2012) or other applicable environmental legislation that is or may come into force applies, no site preparation, vegetation removal or construction will occur and Canada and Alberta will not reimburse Eligible Expenditures for any site preparation, vegetation removal or construction for a Project, until Canada is satisfied that requirements are met and continue to be met..

## 15. ABORIGINAL CONSULTATIONS

The parties acknowledge that the following provision in the Bilateral Agreement applies to this Agreement:

- a) No construction will occur for a Project and Canada's funding for a Project is conditional upon Canada's obligations, if any, to consult Aboriginal Peoples with respect to adverse impacts of the Project on Aboriginal groups, including, where appropriate, the accommodation of Aboriginal concerns, being met and continuing to be met.
- b) Alberta and Canada will each be responsible for determining and advising the other Party whether or not it has a legal duty to consult Aboriginal Peoples with respect to a Project and for each determining if their own obligations have been met or continue to be met.
- c) In order to assist Canada in meeting its own obligations to consult, if any, Ultimate Recipients or Alberta will provide to Canada, upon request, a summary of consultation that has occurred with Aboriginal groups, including the Aboriginal group's position, concerns and indication of how the concerns were addressed. Where Canada may have an obligation to consult, at Canada's request, the Ultimate Recipient will undertake the procedural aspects of consultation and implement measures to accommodate an Aboriginal group's concerns as appropriate, and these costs may be considered Eligible Expenditures as set out in section A .1

## 16. CLIMATE LENS ASSESSMENTS

In accordance with the Bilateral Agreement, if these are required and have not already been completed and submitted as part of the Project approval, the Ultimate Recipient must complete the following climate lens assessments to the satisfaction of both Canada and Alberta:

- a) A greenhouse gas emissions assessment that includes a cost-per-tonne calculation as required by Canada:
  - (i) for all projects that seek funding under the climate change mitigation sub-stream in Section A.3 (Green Infrastructure) of Schedule A of the Bilateral Agreement; and
  - (ii) for all other projects with total estimated Eligible Expenditures of ten million dollars (\$10,000,000) or more. Canada may, at its discretion, waive this requirement for a Project if Alberta provides an acceptable rationale to the satisfaction of Canada and Alberta.
- b) A climate change resilience assessment completed to Canada's satisfaction:
  - (i) for all projects that seek funding under the adaptation, resilience, and disaster mitigation sub-stream in Section A.3 (Green Infrastructure) of Schedule A of the Bilateral Agreement; and
  - (ii) for all other projects with total estimated Eligible Expenditures of ten million dollars (\$10,000,000) or more. Canada may, at its discretion, waive this requirement for a

and all financial data to be submitted will be prepared in accordance with the public sector accounting standards in effect in Canada.

### **17.3 DEBTS DUE TO ALBERTA**

In addition to complying with the terms and conditions of this Agreement, the Ultimate Recipient shall comply with the provisions of the Grants Regulation, if Alberta provides grant funding under this Agreement. Nothing in the Agreement in any way relieves the Ultimate Recipient from strict compliance with the Grants Regulation or otherwise impacts the interpretation or application of the Grants Regulation to such grant funding. All or part of a grant that is required to be repaid under the Grants Regulation constitutes a debt due to the Alberta Government and is recoverable in an action in debt against the recipient of the grant.

### **17.4 NO AGENCY, PARTNERSHIP, JOINT VENTURE, ETC**

- a) No provision of this Agreement and no action by Canada, Alberta, or both will establish or be deemed to establish a partnership, joint venture, principal-agent relationship, or employer-employee relationship in any way or for any purpose whatsoever between Canada, Alberta, or both and the Ultimate Recipient or between Canada, Alberta, or both and a Third Party.
- b) The Ultimate Recipient will not represent itself, including in any agreement with a Third Party, as a partner or agent of Canada, Alberta, or both.

### **17.5 NO AUTHORITY TO REPRESENT**

Nothing in this Agreement is to be construed as authorizing any person, including a Third Party, to contract for, or to incur any obligation on behalf of Canada, Alberta, or both, or to act as an agent for Canada, Alberta, or both. The Ultimate Recipient will take the necessary action to ensure that any agreement between the Ultimate Recipient and any Third Party contains a provision to that effect.

### **17.6 ASSIGNMENT**

The Ultimate Recipient will not transfer or assign its rights or obligations under this Agreement without the prior written consent of Alberta. Any attempt by the Ultimate Recipient to assign any of the rights, duties or obligations of this Agreement without Alberta's express written consent is void.

### **17.7 CONFIDENTIALITY AND PRIVACY**

- a) Alberta's Information - Any data or information concerning Alberta or any department, board, agency, or commission of the Government of Alberta, other than data or information available as a matter of public record, which is obtained by the Ultimate Recipient in performing this Agreement shall be treated as confidential and not disclosed or made known to any other person without the written consent of Alberta. Notwithstanding completion or termination of this Agreement, this requirement shall continue in effect until waived by Alberta in writing.
- b) Privacy Legislation - The Ultimate Recipient acknowledges that the terms and conditions of this Agreement, including the name of the Ultimate Recipient, and reports or other information provided in regards to this Agreement may be subject to disclosure under the *Freedom of Information and Protection of Privacy Act*, R.S.A. 2000, c. F-25, as amended.

### **17.8 COUNTERPART SIGNATURE**

This Agreement may be signed in counterpart. and the signed copies will. when attached

### **17.11 WAIVER**

A Party may waive any of its rights under this Agreement only in writing. Any tolerance or indulgence demonstrated by the Party will not constitute a waiver.

### **17.12 NOTICE DEEMED GIVEN**

Any notice provided for under this Agreement may be delivered in person, sent by mail, or e-mail.

Any notice to Alberta will be addressed to:

Alberta Transportation  
Mike Damberger, Regional Director, Central Region  
4<sup>th</sup> Floor, Provincial Building  
4920 – 51 Street  
Red Deer, AB T4N 6K8

Email: [mike.damberger@gov.ab.ca](mailto:mike.damberger@gov.ab.ca)

or to such other address or addressed to such other person as Alberta may, from time to time, designate in writing to the Ultimate Recipient; and

Any notice to the Ultimate Recipient will be addressed to:

County of Vermilion River – as Managing Partner of Alberta Central East Water Corporation  
Rhonda King, Manager, ACE  
Box 360  
Kitscoty, AB T0B 2P0

Email: [ace.regional.water@gmail.com](mailto:ace.regional.water@gmail.com)

or to such other address, e-mail address or addressed to such other person as the Ultimate Recipient may, from time to time, designate in writing to Alberta.

Such notice will be deemed to have been received, when actually received in person by the named individual or in the case of email, is effective when the email is opened by the named individual or is received in the in-box of the named individual and is a business day in Alberta.

### **17.13 COMPLIANCE WITH LAWS**

The Ultimate Recipient will comply with all statutes, regulations, and other applicable laws governing the Ultimate Recipient and the Project under this Agreement, including all requirements of, and conditions imposed by, regulatory bodies having jurisdiction over the subject matter.

### **17.14 GOVERNING LAW**

This Agreement shall be governed and interpreted in accordance with the laws in force in the Province of Alberta and the parties hereby irrevocably attorn to the jurisdiction of the courts of the Province of Alberta.

### **17.15 SUCCESSOR**

This Agreement is binding upon the Parties and their respective administrators and successors.

### **17.16 INTELLECTUAL PROPERTY**

All intellectual property that arises in the course of the Project will vest in the Ultimate Recipient.

### **17.17 TERMINATION**

**SIGNATURES**

The Parties have signed this Agreement through their duly authorized officers and representatives.

HER MAJESTY THE QUEEN IN  
RIGHT OF ALBERTA

COUNTY OF VERMILION RIVER – AS  
MANAGING PARTNER OF ALBERTA  
CENTRAL EAST WATER  
CORPORATION

  
Regional Director

  
Chief Administrative Officer

Feb 8, 2021  
Date

January 27, 2021  
Date

## **SCHEDULE A –ELIGIBLE AND INELIGIBLE EXPENDITURES**

### **A.1. ELIGIBLE EXPENDITURES**

Eligible Expenditures will include the following:

- i. All costs considered by Canada to be direct and necessary for the successful implementation of an eligible Project, excluding those explicitly identified below in section A.2 (Ineligible Expenditures), and which may include capital costs, design and planning, and costs related to meeting specific Program requirements, including completing climate lens assessments as outlined in Section 16 of the Agreement, and creating community employment benefit plans;
- ii. The incremental costs of employees of an Ultimate Recipient may be included as Eligible Expenditures for a Project under the following conditions:
  - a) The Ultimate Recipient is able to demonstrate that it is not economically feasible to tender a Contract; and
  - b) The arrangement is approved in advance and in writing by Canada.
- iii. Costs will only be eligible as of Project Approval, and costs associated with Contracts must be for Contracts signed on or after Project Approval, except for costs associated with completing climate lens assessments as outlined in paragraph h) of section 4 (Commitments by Alberta) of the Bilateral Agreement, which are eligible before Project Approval, but can only be paid if and when a Project is approved by Canada for contribution funding under the Bilateral Agreement.

### **A.2. INELIGIBLE EXPENDITURES**

Ineligible expenditures for the Project include the following:

- i. Costs Incurred before Project Approval, and any and all expenditures related to contracts signed prior to Project Approval, except for expenditures associated with completing climate lens assessments as required under section 16 of the Agreement;
- ii. Costs Incurred for cancelled Projects;
- iii. Costs of relocating entire communities;
- iv. Land acquisition;
- v. Leasing land, buildings and other facilities; leasing equipment other than equipment directly related to the construction of the Project; real estate fees and related costs;
- vi. Any overhead costs, including salaries and other employment benefits of any employees of the Ultimate Recipient, any direct or indirect operating or administrative costs of Ultimate Recipients, and more specifically any costs related to planning, engineering, architecture, supervision, management and other activities normally carried out by the Ultimate Recipient's staff, except in accordance with paragraph iii. of section A.1 (Eligible Expenditures);
- vii. Financing charges, legal fees, and loan interest payments, including those related to easements (e.g. surveys);
- viii. Any goods and services costs which are received through donations or in kind;



## SCHEDULE B – PROJECT DESCRIPTION

### B.1. SCOPE OF THE PROJECT

The Project scope consists of the completion of construction of the remaining approximately 96.3 km of the Alberta Central East (ACE) Regional Water Transmission System. The work includes five water transmission mains: from Marwayne to Dewberry (approximately 18.3 km of pipes); from Dewberry to Clandonald (approximately 15.7 km of pipes); from Kitscoty or Blackfoot to Paradise Valley (approximately 31.2 km of pipes); from Myrnam to Derwent (approximately 20.5 km of pipes); and from Two Hills to Duvernay (approximately 10.6 km of pipes).

#### B.1.1 Project Description Objectives and Results

The ACE Regional Water Supply System was developed in response to drought conditions through 2002 to 2011 and the decreasing ground water quantity and quality. Through the study period of 2005 to 2010, the regional water solution was identified as the preferred solution and construction of the first six phases has proceeded from 2011 to 2019. The Project is required to provide a sustainable water source to 18 different communities and the rehabilitation of five water treatment facilities. The member municipalities who remain to be connected have contributed to the previous six phases but have not received service yet. In addition, the Canada and Alberta Guidelines for Drinking Water Quality have been amended to include higher quality standards which many of the smaller independent supply and treatment systems did not meet and have received temporary exceptions in anticipation of the connection to the ACE Regional Water System.

#### B.1.2 Deliverables

The Project meets the following outcome(s) in the Green Infrastructure Outcomes Table

##### Green Infrastructure Outcomes Table

<b>Environmental Quality Outcomes:</b>
Increased access to potable water

#### B.1.3. Canada Project Requirements

The Ultimate Recipient represents and warrants that the Project meets the outcome in the Green Infrastructure Outcomes Table and meets the following requirements:

- i. All Projects that meet a climate change mitigation outcome in the Green Infrastructure Outcomes Table must meet the following requirements:
  - a) For Projects involving higher order rapid transit, the adoption of vehicles that use a renewable fuel source in a public transit fleet, or active transportation Projects, Alberta will confirm that such Projects are consistent with a land-use or transportation plan or strategy, and where applicable, that Projects are consistent with the approved plans of regional transportation bodies.
- ii. All Projects that meet an environmental quality outcome in the Green Infrastructure Outcomes Table must meet the following requirements:
  - a) Wastewater Projects must result in wastewater effluent that meets the most stringent requirements, either the Wastewater Systems Effluent Regulations or applicable provincial regulations.
  - b) Drinking water quality following completion of a drinking water Project must meet or exceed provincial standards.
  - c) Solid waste diversion Projects must result in a measurable increase in the quantity of

## **SCHEDULE C - COMMUNICATIONS PROTOCOL**

### **C.1 Purpose**

- a) This Communications Protocol outlines the roles and responsibilities of Canada and Alberta, as well as those of the Ultimate Recipient, with respect to Communications Activities related to the Bilateral Agreement and the Projects funded through it.
- b) This Communications Protocol will guide the planning, development and implementation of all Communications Activities to ensure clear, consistent and coordinated communications to the Canadian public.
- c) The provisions of this Communications Protocol apply to all Communications Activities related to the Bilateral Agreement and any Projects funded under the Bilateral Agreement.

### **C.2 Guiding Principles**

- a) Communications Activities undertaken in accordance with this Communications Protocol should ensure that Canadians are informed of infrastructure investments made to help improve their quality of life and that they receive consistent information about funded Projects and their benefits.
- b) Alberta is responsible for communicating the requirements and responsibilities outlined in this Communications Protocol to Ultimate Recipients.

### **C.3 Governance**

- a) Canada and Alberta will designate communications contacts that will be responsible for overseeing this Protocol's implementation and reporting on its results to the Oversight Committee.

### **C.4 Joint Communications**

- a) Canada and Alberta will have Joint Communications about the funding of the Project(s).
- b) Joint Communications under this Agreement should not occur without the prior knowledge and agreement of Alberta and Canada, as well as the Ultimate Recipient, where applicable.
- c) All Joint Communications material will be approved by both Canada and Alberta and will recognize the funding of all parties.
- d) Canada, Alberta or the Ultimate Recipient may request Joint Communications to communicate to Canadians about the progress or completion of the Project(s). If the requestor is Canada or Alberta they will provide at least 15 business days' notice to the other parties. If the requestor is the Ultimate Recipient they will provide at least 21 business days' notice to the other parties.. If the Communications Activity is an event, it will take place at a mutually agreed date and location.
- e) The requestor of the Joint Communications will provide an equal opportunity for the other parties to participate and choose their own designated representative (in the case of an event).
- f) Alberta or the Ultimate Recipient will be responsible for providing onsite communications and logistics support. Any related costs are eligible for cost-sharing in accordance with the formula outlined in the funding agreement.
- g) Canada has an obligation to communicate in English and French. Joint communications products must be bilingual and include the Canada word mark and other parties' logos. Canada will provide the translation and final approval on products.
- h) The conduct of all Joint Communications will follow each party's applicable policies and procedures.

### **C.5 Individual Communications**

- e) Where a web site or web page is created to promote or communicate progress on a funded Project or Projects, it must recognize both Canada's and Alberta's funding through the use of a digital sign or through the use of the Canada wordmark and the following wording, "This project is funded in part by the Government of Canada." The Canada wordmark or digital sign must link to Infrastructure Canada's website, at [www.infrastructure.gc.ca](http://www.infrastructure.gc.ca). Canada will provide and publish guidelines for how this recognition is to appear.
- f) The Ultimate Recipient is required to send a minimum of one photograph to both Canada and Alberta of the construction in progress, or of the completed project, for use in social media and other digital individual communications activities. Sending the photos will constitute permission to use and transfer of copyright. Photographs are to be sent to [INFC.photos@canada.ca](mailto:INFC.photos@canada.ca) along with project name and location.

### **C.6 Operational Communications**

- a) The Ultimate Recipient is solely responsible for operational communications with respect to its Project, including but not limited to: calls for tender, or construction and public safety notices. Operational communications as described above are not subject to the federal official language policy.
- b) Canada does not need to be informed on operational communications. However, such products should include, where appropriate, the following statement, "This project is funded in part by the Government of Canada." As appropriate, operational communications will also recognize the funding of Alberta in a similar manner.

### **C.7 Media Relations**

- a) Canada and Alberta will share information promptly with the other should significant media inquiries be received or emerging media or stakeholder issues arise in relation to a Project or the overall fund.

### **C.8 Signage**

- a) Canada, Alberta, or the Ultimate Recipient may request a sign recognizing their funding contribution to a Project.
- b) Where a physical sign is to be installed, unless otherwise agreed upon by Canada, it will be the Ultimate Recipient who will produce and install a joint physical sign that recognizes funding of each party at each Project site in accordance with current federal signage guidelines.
- c) The joint sign design, content, and installation guidelines will be provided by Canada.
- d) The recognition of funding contributions of Canada, Alberta and the Ultimate Recipient will be of equal prominence and visibility.
- e) A digital sign may also be used in addition or in place of a physical sign in cases where a physical sign would not be appropriate due to project type, scope, location or duration.
- f) Where the Ultimate Recipient decides to install a permanent plaque or other suitable marker with respect to a Project, it must recognize the federal contribution and be approved by Canada.
- g) Alberta agrees to inform Canada of sign installations through the Project progress reports referenced in section 14 (Reporting) of the Bilateral Agreement.
- h) Where a physical sign is being installed, signage should be installed at each Project site one (1) month prior to the start of construction, be visible for the duration of that Project, and remain in place until one (1) month after construction is completed and the infrastructure is fully operational or opened for public use.
- i) Signage should be installed in a prominent and visible location that takes into consideration pedestrian and traffic safety and visibility.

### **C.9 Communicating With Ultimate Recipients**

## **SCHEDULE D – REPORTING, AUDIT AND EVALUATION**

### ***D.1 RETENTION OF INFORMATION***

The Ultimate Recipient must keep all pertinent information a minimum of six (6) years after the Bilateral Agreement End Date.

### ***D.2 REPORTING***

#### ***D.2.1 Progress Reports and Annual Reports***

The Ultimate Recipient will provide information identified below in a form satisfactory to Alberta at least thirty (30) days in advance of the deadlines set out below so Alberta can meet the Bilateral Agreement reporting requirements for the Project. The Ultimate Recipient acknowledges and agrees that the information it provides to Alberta will be provided to Canada to meet reporting obligations under the Bilateral Agreement and may be publicly reported. The Bilateral Agreement reporting requirements and timing are as follows:

- a) Alberta will submit to Canada, no later than May 31st and November 30th of each Fiscal Year, a Project progress report to the satisfaction of both Parties that includes all projects except:
  - i. Projects where an Ultimate Recipient is a community with a population of less than five thousand (5,000) people, which will be included in the Project progress report submitted to Canada, no later than November 30th each Fiscal Year.
- b) Each Project progress report will include an attestation in a format to the satisfaction of both Parties, from a delegated official, that the information in the report is accurate:
  - i. Canada's contribution funding to the Project by Fiscal Year;
  - ii. Construction start and end dates (forecasted/actual);
  - iii. Progress tracker (e.g. percent of Project completed);
  - iv. Risks and mitigation strategies, as required;
  - v. Confirmation that the Project is on track to achieve expected results, or if Substantially Completed, confirmation of actual results; and
  - vi. Confirmation of installed Project signage, if applicable.
- c) Alberta is required to report annually, no later than November 30<sup>th</sup> on expected and actual results related to community employment benefits for applicable Projects.
- d) If the Substantial Completion Date is after 2026, the Ultimate Recipient agrees to provide information so Alberta can complete all reporting requirements as defined under paragraphs a), b) and c) in this section for the Project to the satisfaction of both Canada and Alberta, no later than December 31st, 2027.
- e) The Ultimate Recipient acknowledges and agrees that Alberta and Canada may use the information submitted by Alberta under this section to publicly report on Program results.
- f) Alberta will submit to Canada, no later than April 20th each Fiscal Year, the total amount of Eligible Expenditures Incurred by the Ultimate Recipient on the Project in the previous Fiscal Year and may provide updated information on accomplishments in the previous Fiscal Year.

#### ***D.2.2 Target Reporting***

- a) When applicable, the Ultimate Recipient will report to Alberta, who will share the report with Canada and either Canada or Alberta or both may make the report public on one or more of the following aspirational targets.
  - i. Increase by at least twenty five percent (25%) the modal share for public transit and

- vi. Ensure one hundred percent (100%) of federally-funded public-facing infrastructure meets the highest published applicable accessibility standard in a respective jurisdiction.
  - vii. Increase by at least five per cent (5%), the number of rural households with access to a broadband speed range of 50Mbps or higher by 2028. This target could be reviewed and, if necessary adjusted, subject to the development of a broadband strategy in Alberta.
- b) The Ultimate Recipient acknowledges and agrees that following the review of the Program by Canada and Alberta assessing the Project achievements in comparison to the above established targets, which is to be completed by March 31, 2023, the existing targets may be adjusted or new targets established and the Ultimate Recipient agrees to report on such targets.

### ***D.2.3 Community Employment Benefits Reporting***

Unless this requirement is waived by Canada, for all Projects with total estimated Eligible Expenditures of twenty-five million dollars (\$25,000,000) or more the Ultimate Recipient must report to Alberta, who will share the report with Canada and either Canada or Alberta or both may make the report public, on community employment benefits provided to at least three (3) of the federal target groups (apprentices, Indigenous peoples, women, persons with disabilities, veterans, youth, new Canadians, or small- medium-sized enterprises and social enterprises). Canada may waive this reporting requirement at Alberta's request and if so, Canada will make the rationale for waiving the requirement public.

### ***D.2.4 Alberta Grant Requirement Reporting***

The Ultimate Recipient will provide the reporting required in Schedule F, if any.

## ***D.3 Audit***

1. The Ultimate Recipient shall:
  - (a) keep and maintain in accordance with recognized Canadian accounting standards complete and accurate books, records and accounts relating to this Agreement and, on demand, provide to Alberta these documents to examine, audit and make copies and take extracts; and
  - (b) keep the documents referred to in clause (a) for six (6) years after Bilateral Agreement End Date.
2. The Ultimate Recipient acknowledges and agrees that it will provide the information Alberta requires in order for Alberta to meet its audit requirements under the Bilateral Agreement which are as follows:
  - a) Alberta agrees to inform Canada of any audit that has been conducted on the use of contribution funding under this Agreement at the Project or Program level, provide Canada with all relevant audit reports, and ensure that prompt and timely corrective action is taken in response to any audit findings and recommendations. Alberta will submit to Canada in writing as soon as possible, but no later than sixty (60) days following receiving it, a report on follow-up actions taken to address recommendations and results of the audit.
  - b) Canada reserves the right to undertake any audit in relation to this Agreement at its expense. The timing and scope of such audits will be determined in collaboration with Alberta via the Oversight Committee and will be carried out by external independent auditors. In the event where Canada does undertake an audit, it will provide Alberta reasonable notice. Alberta will ensure proper and accurate financial accounts and records are kept, including but not limited to its Contracts, invoices, statements, receipts, and vouchers in respect of all Projects for at least six (6) years after the Bilateral

## **SCHEDULE E – FUNDING**

Funding will be provided and disbursed to the Ultimate Recipient as follows:

### **Payment Schedule**

#### **ALBERTA'S CONTRIBUTION**

1. Alberta will provide a grant towards 50.0% of the Eligible Expenditures to the maximum of \$16,625,000.00 CDN to be paid and agrees to issue the following grant payments with respect to the Project, subject to available budget:
  - a) An initial payment prior to March 31, 2021 in the amount to coincide with the progress of the project.
  - b) A payment, representing the balance of the grant after receipt of the final statement of costs together with:
    - i. a certification that the Project is complete and that no additional costs will be submitted, and
    - ii. such other documentation as requested by the Province.
  - c) Notwithstanding (1) and (a) above, upon identifying available budget funds in any fiscal year, issue at its discretion, any payments, including advance payments and/or payment in full.

Upon receipt of any or all of Alberta's Contribution, the Ultimate Recipient will deposit this funding in excess of Alberta's percentage share of approved the Eligible Expenditures into the Ultimate Recipient's bank account with a branch of a financial institution licensed and doing business in Alberta. The Ultimate Recipient will provide the details of the bank account and any interest or income earned on Alberta's Contribution to Alberta. The Ultimate Recipient will use this interest or income, if any, towards the Eligible Expenditures of the Project.

#### **CANADA'S CONTRIBUTION**

1. Canada will contribute funding under the Program to be used towards 40.0% of the Eligible Expenditures to the maximum \$13,300,000.00 CDN. This funding is to be administered by Alberta and Canada's Contribution will be paid by Alberta to the Ultimate Recipient, subsequent to validation of eligibility of submitted Project claims, but no later than 30 days from Alberta's receipt of payment from Canada.

### **Claims Reporting**

The Ultimate Recipient will for Canada's contribution and Alberta's contribution, if any, provide the following claim reporting:

#### **ALBERTA'S CONTRIBUTION**

- a) The Ultimate Recipient must provide the Eligible Expenditure information, attestations and other requested information to Alberta by the deadlines set by Alberta.
- b) The Ultimate Recipient will submit a claim to Alberta covering incurred Eligible Expenditures on a semi-annual basis, at a minimum. Each claim will include an attestation in a format acceptable to Alberta, from authorized official, that Eligible Expenditures have been Incurred in accordance with this Agreement and the Ultimate Recipient is in compliance with progress reporting and interim reporting requirements as described in the Schedule D and F and the Payment Schedule as described in Schedule E.
- c) Respond in a timely manner to any additional information requests made by Alberta.

#### **CANADA'S CONTRIBUTION**

## **SCHEDULE F – ALBERTA PROGRAM REQUIREMENTS**

All reports must contain the required information and be in a format specified by or acceptable to the Province.

### ***F.1 INTERIM REPORTING:***

In addition to the Reporting in Schedule D, the Ultimate Recipient will provide semi-annual reporting on the Project unless more frequent updates are requested by Alberta. Each of these Project progress report will include an attestation in a format to the satisfaction of both Parties, from a delegated official, that the information in the report is accurate:

- i. Alberta's contribution funding to the Project by Fiscal Year;
- ii. Construction start and end dates (forecasted/actual);
- iii. Progress tracker (e.g. percent of Project completed);
- iv. Risks and mitigation strategies, as required;
- v. Confirmation that the Project is on track to achieve expected results, or if Substantially Completed, confirmation of actual results; and
- vi. Project cash flow broken down by Fiscal Year.

### ***F.2 FINAL REPORTING:***

The Ultimate Recipient will provide a final report on the Project at completion and will include an attestation in a format to the satisfaction of both Parties, from a delegated official, that the information in the report is accurate:

- i. Canada and Alberta's contribution funding to the Project by Fiscal Year;
- ii. Construction start and end dates (forecasted/actual);
- iii. Project cash flow broken down by Fiscal Year; and
- iv. A certification that the Project is complete and that no additional costs will be submitted.

### ***F.3 AUDIT:***

In addition to the other audit provisions in the Agreement, Alberta reserves the right to conduct at any time a full audit of the Project in accordance with Section 9 (Reporting, Audit and Evaluation) of this Agreement.

