

GRANT AGREEMENT

BETWEEN:

HER MAJESTY THE QUEEN in right of the  
Province of Alberta, as represented by the  
Minister of Environment and Parks

(hereinafter referred to as the "Department")

OF THE FIRST PART

- and -

Town of Drumheller

(hereinafter referred to as the "Recipient")

OF THE SECOND PART

(Collectively referred to as the "Parties")

FOR: Flood Relocation/Mitigation Buyouts

WHEREAS the Department is authorized to make grants in accordance with the *Environment and Sustainable Resource Development Grant Regulation*, A.R. 182/2000 as amended from time to time.

WHEREAS:

**The parties therefore agree as follows:**

**1 Definitions**

1.1 For the purposes of this Agreement,

- (a) **"Agreement"** means this Agreement signed by the Parties and includes all schedules appending to and forming part of this Agreement;
- (b) **"Department"** means the Minister of Environment and Parks and any duly authorized representative of the Minister;
- (c) **"Eligible Costs"** means those costs with respect to mitigating properties as set out in Schedule "A", and may include the appraised market value of the lands to be purchased as set out in clause 3.2 of this Agreement;
- (d) **"Grant Payment Amount"** means the money advanced to the Recipient by the Department under this Agreement as referred to in clause 2.1 of this Agreement;

- (e) **"Fiscal Year"** means a period commencing on April 1 of a calendar year and ending on March 31 of the following calendar year, inclusive;
- (f) **"Project"** means the project described as set out in Schedule "A";
- (g) **"Term"** has the meaning as set out in clause 5.1 of this Agreement; and

## **2 The Grant**

- 2.1 Subject to the terms and conditions of this Agreement, the Department shall make a one-time payment to the Recipient not to exceed \$20,000,000 of the Eligible Costs [the "Grant Payment Amount"]
- 2.2 The Department shall have absolute discretion in determining the Eligible Costs.
- 2.3 The Department will pay to the Recipient the Grant Payment Amount within a reasonable time, upon receipt of a prioritization and buyout process, as approved by the Department.
- 2.4 The Grant Payment Amount is made under and subject to the *Environment and Sustainable Resource Development Grant Regulation, A.R. 182/2000*, as amended from time to time, and is also made subject to the terms and conditions of this Agreement.

## **3 Obligations of Recipient**

- 3.1 The Recipient shall use the Grant Payment Amount solely for the Eligible Costs of the Project according to the conditions as set out in Schedule "A" and clause 3.2 of this Agreement. The Grant Payment Amount shall not be used for any other purpose including but not limited to costs related to the operation or maintenance of the Project.
- 3.2 If the Recipient intends to use any part of the Grant Payment Amount to purchase a parcel of land or part of a parcel of land (the "Lands") in order to carry out the Project, the Recipient shall:
  - (a) use an appropriate appraised market value for the Lands to determine the Grant Payment Amount that may be used to purchase the Lands, unless otherwise authorized by the Department; and
  - (b) upon completion of the Project designate the Lands as an environmental reserve in accordance with the Municipal Government Act (RSA 2000, c. M-26), or, the Recipient shall obtain prior approval from the Department for the implementation of another suitable mechanism.
- 3.3 The Grant Payment Amount shall be held and used in accordance with the terms and conditions of this Agreement. The Recipient shall reimburse the Department any portion of the Grant Payment Amount that is not applied in accordance with this Agreement.
- 3.4 At the discretion of the Department, the Department may request that the Recipient deposit the Grant Payment Amount in a separate interest bearing account maintained exclusively for the Project. Any interest earned on the Grant Payment Amount will become part of the Grant Payment Amount.

- 3.5 When managing the Grant Payment Amount, the Recipient shall adhere to sound investment and business practices, standards and procedures that a reasonable and prudent person would apply in order to avoid undue risk of loss and to obtain a reasonable return that will maximize the Department's monetary contribution.
- 3.6 If, after payment of all or a portion of the Grant Payment Amount, the Recipient receives any other financial contributions for the Project from Her Majesty the Queen in right of the Province of Alberta:
- (a) such contributions shall be immediately reported to the Department;
  - (b) the amount of such contributions may, at the discretion of the Department, be deducted from the Eligible Costs of the Project and the amount of the Grant Payment Amount reduced accordingly; and
  - (c) if, as a result of the reduction in the Grant Payment Amount, the Department determines that it has overpaid the Recipient, the Recipient shall immediately repay any overpaid amount to the Department.
- 3.7 The Recipient is responsible for the following reporting requirements:
- (a) Starting April 30, 2020, the Recipient shall provide interim reports on a bi-annual basis to the Department detailing:
    - (i) expenditures and disbursements from the Grant Payment Amount including a brief summary of the use to which these expenditures and disbursements were put;
    - (ii) a progress report on the work undertaken on the Project; and
    - (iii) an updated work plan and forecast budget for the remainder of the Project.
  - (b) As soon after December 31, 2028 or on completion of the project, whichever is earlier, but no later than Mar 31, 2029, the Recipient shall provide a full summary report to the Department detailing:
    - (i) investments made and results achieved with respect to the Project in a manner specified by the Department;
    - (ii) expenditures and disbursements from the Grant Payment Amount including a brief summary of the use to which these expenditures and disbursements were put;
    - (iii) any revenue accrued, including interest, from the Grant Payment Amount;
    - (iv) a certificate of title showing that Lands purchased with any part of the Grant Payment Amount have been registered in the name of the Recipient, and have been designated as an environmental reserve in accordance with the *Municipal Government Act (RSA 2000, c. M-26)*.
  - (c) In addition to the bi-annual reporting requirements, the Department may request additional information regarding the Project anytime during the term of this Agreement.

- (d) The Recipient's accountability and reporting requirements as set out in clause 3.7 shall continue for the Term of this Agreement subject to any extension, renewal or early termination contemplated in section 5 of this Agreement.
- 3.8 The Recipient shall be responsible for obtaining any permits, approvals or licences required for the Project, including but not limited to an approval under the *Water Act*.
- 3.9 The Recipient shall be responsible for the execution of the Project within the framework of the proposal and as approved by the Department. The Recipient will undertake the administration, management and supervision of the Project pursuant to the provisions of this Agreement.
- 3.10 Upon completion of the Project, the Recipient shall be responsible for the Project including without limitation to the operation and/or maintenance of the Project.
- 3.12 In carrying out this Agreement, the Recipient will comply with any applicable:
  - (a) laws of the Province of Alberta and of Canada applicable in the province in force after the effective date of this Agreement;
  - (b) any bylaw or resolution of any municipal government; and
  - (c) any valid permits, licenses and approvals.
- 3.13 The Recipient acknowledges that the *Freedom of Information and Protection of Privacy Act* (R.S.A. 2000, c. F-25) applies to all information and records provided by the Recipient to the Department and to any information and records provided to the Department in connection with the subject matter of this agreement, and which are in the custody or under the control of the Department.
- 3.14 The Recipient shall, during the Term and for a period of five (5) years from the Termination Date, keep full, accurate and complete records and books of account relating to the receipt and expenditure of the Grant Payment Amount.
- 3.15 The Department is entitled, at reasonable times during the Term and on reasonable notice to the Recipient, to have its authorized agents attend at the premises of the Recipient or at the place where the Project is being carried out, for the purpose of examining premises and files, documents and records, and any other assets pertinent to conditions of this Agreement. The Recipient shall provide the authorized agents with such assistance as may be reasonably required during such inspection. This right of inspection is limited to the purpose of ascertaining whether terms and conditions in this Agreement have been complied with.
- 3.16 The Recipient shall not assign this Agreement in whole or in part. Any assignment made is void, and shall not relieve the Recipient of any obligation under this Agreement or impose liability upon the Department.
- 3.17 The Recipient shall not make any public announcement or issue any press release regarding the entering into of this Agreement or the making of the Grant Payment Amount, except in consultation with and the approval of the Department as to the contents of the announcement or press release.

#### **4 Insurance and Liability**

- 4.1 The Recipient shall indemnify and hold harmless the Department, its employees and agents against and from any and all third party claims, demands, actions, or costs (including legal costs on a solicitor-client basis) for which the Recipient is legally responsible that arise from or relate to the performance of the Recipient's obligations under this Agreement. This clause will survive the expiry or earlier termination of this Agreement.
- 4.2 The Recipient shall, at its own expense and without limiting its liabilities herein, insure its operations under a contract of General Liability Insurance as is necessary to carry out the Recipient's obligations under this Agreement. Upon request, the Recipient shall provide the Department with detailed certificates of insurance and certified true copies of the policies.

#### **5 Term and Termination**

- 5.1 The Term of this Agreement shall be from the date of signing of this Agreement until the Project is completed or until March 31, 2029, whichever is earlier and includes any extension or early termination of the Term according to the provisions below.
- 5.2 Any portion of the Grant Payment Amount not used within the Term of this Agreement shall be transferred back to the Department within sixty (60) days.
- 5.3 The Term of this Agreement may be extended or renewed by agreement in writing by the Department.
- 5.4 Notwithstanding any other term of this Agreement, the Department may terminate this Agreement prior to its expiry upon providing three (3) months' advance written notice to the Recipient.
- 5.5 If the Agreement is terminated prior to the expiry of this Agreement the Recipient must provide to the Department a detailed accounting of the financial status of the Project and shall transfer any unused portion of the Grant Payment Amount back to the Department within sixty (60) days.
- 5.6 Any amount that the Recipient is required to pay to the Department under this Agreement is a debt due to the Crown and may be recovered from the Recipient by an action in debt.

#### **6 General**

- 6.1 This Agreement constitutes the entire Agreement between the Parties and no other oral or written representations of any kind shall be deemed to have been made by either party.
- 6.2 No amendment of this Agreement or waiver of any of its terms and provisions shall be valid unless effected by a written amendment signed by the Parties.

6.3 The claims for payment, requests, notices, and information referred to in this Agreement shall be given in writing and unless prior written notice to the contrary is given, shall be sent to the party concerned at the following addresses by delivery or electronic means:

To the Department: Environment and Parks  
Address: 3115 – 12 Street NE  
Calgary, AB  
T2E 7J2  
Attention: Andy Lamb  
E-Mail: [andy.lamb@gov.ab.ca](mailto:andy.lamb@gov.ab.ca)  
Fax: n/a

To the Recipient: Town of Drumheller  
Address: 224 Centre Street  
Drumheller, AB T0J 0Y4  
Attention: Darryl Drohomerski, Chief Administrative Officer  
E-Mail: [DDrohomerski@dinosaurvalley.com](mailto:DDrohomerski@dinosaurvalley.com)  
Fax: n/a

6.4 This Agreement shall enure to the benefit of and be binding on the Parties and their respective representatives and successors.

6.5 Nothing contained in this Agreement shall be deemed to create the relationship of principal and agent, employer and employee, partnership or joint venture between the Parties.

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6.6 This Agreement shall be construed and interpreted in accordance with the laws applicable in the Province of Alberta and the Parties agree to attorn to the jurisdiction of the Courts of the Province of Alberta.

IN WITNESS WHEREOF the Parties have executed this Agreement, each by its duly authorized representative, as of the 5 day of December, 2019.

HER MAJESTY THE QUEEN IN RIGHT OF ALBERTA, as represented by the Minister of Environment and Parks

The Recipient:  
Town of Drumheller



Kevin Peterson  
Senior Financial Officer

Signature

DEC 05 2019

DARRYL DROMERSKI

Date

Print Name

CHIEF ADMINISTRATIVE OFFICER

Title

DECEMBER 2, 2019

Date



Witness Signature

Elizabeth K.L. Vant

Print Name

## SCHEDULE "A"

### Environment and Parks

#### Grant Agreement

#### Recipient's Project and Budget Proposal

##### A.1 Project Description

Purchase of lands, and associated expenditures including remediation and/or reclamation, related to the implementation of the Drumheller Flood Mitigation System.

Prior to January 31, 2020, the Recipient will submit to the Department a prioritization and buyout process for review and approval by the Department. Approval of the prioritization and buyout process must be received before any mitigation offer is made to a property owner.

##### A.2 Proposed Project/Program Budget

###### *Proposed Budget*

Category	Description	Budget
Flood Mitigation	Purchase of lands, and associated expenditures including remediation and/or reclamation, related to the implementation of the Drumheller Flood Mitigation System.	\$20,000,000