

**COMMUNITY FUTURES
CONTRIBUTION AGREEMENT**

THIS AGREEMENT made effective the ____ day of _____, 2021 under the **Community Futures Program** (“the CF Program”)

BETWEEN:

HER MAJESTY THE QUEEN IN RIGHT OF CANADA
As represented by the Minister Responsible for Western Economic Diversification
(hereinafter called “the Minister” or “WD”)

And

Lac La Biche Regional Community Development Corporation
A not-for-profit corporation established under the laws of the Province of Alberta
(hereinafter called “the Recipient”)

WHEREAS:

- A. The Minister and the Recipient have, from time to time, entered into contribution funding agreements, as amended from time to time, for the purpose of enabling the Recipient to administer and operate the CF Program with the use of federal contribution funds;
- B. Pursuant to these agreements, the Minister has provided the Recipient with a Conditionally Repayable Contribution to the Recipient’s Investment Fund totaling \$200,000; a Conditionally Repayable Entrepreneurs with Disability Program Investment Fund totaling \$200,000; and a Non-Repayable Contribution to the Recipient’s Investment Fund totaling \$1,549,985;
- C. The most recent agreement, as amended, expires on March 31, 2021. The parties intend for this Agreement to replace the expiring agreement, and for the terms of this Agreement to govern the Operating Funds and Investment Funds.

NOW THEREFORE in consideration of the foregoing and mutual covenants for the provision of funds and provision of services set out below, the parties agree as follows:

SCHEDULES TO THIS AGREEMENT

- Schedule “A” – Definitions
- Schedule “B” – Statement of Work – Operations
- Schedule “C” – Statement of Work – Investment Fund
- Schedule “D” – Reflecting Community, Transparency, and Accountability
- Schedule “E” – Irrevocable Authority to Disclose Records to WD

Schedule "F" – Conflict of Interest Provisions
Schedule "G" – Investment Fund Administration Terms and Conditions
Schedule "H" – RRRF Contribution Terms and Conditions

1. PURPOSE, OBJECTIVES and EXPECTED RESULTS

- 1.1 The general purpose of this Agreement is to set out the terms, conditions and respective obligations of the parties by which WD has made and will make financial Contributions to the Recipient under the CF Program and the Recipient's acceptance and use of the Contribution funds. For greater clarity, the specific purpose and objectives of the CF Program and this Agreement are set out in the attached Statements of Work.
- 1.2 The Expected Results of this Agreement are the promotion, support and ultimately achievement of the Project and the CF Program objectives, as more particularly set out in the attached Statements of Work and other attached Schedules.

2. INTERPRETATION

- 2.1 In this Agreement:
- a) words importing the singular include the plural and vice versa; words importing gender include the masculine, feminine and neuter gender;
 - b) unless otherwise indicated, references to articles, clauses, sub-clauses, paragraphs and schedules are references to same in this Agreement;
 - c) unless inconsistent with the context, the words "herein", "hereof" and "hereunder" and similar expressions refer to the whole of this Agreement and not merely to the article, clause or sub-clause in which the expression is used; and
 - d) references in this Agreement to "WD" include "Her Majesty" and the "Minister" where the context warrants.

3. THE PROJECT

- 3.1 The Recipient shall implement and carry out the Project in accordance with this Agreement and shall do so in a diligent, prudent and professional manner. It shall implement the Project in Western Canada with a primary focus on supporting Small and Medium Sized Enterprises (SMEs) and fostering strategic Community Economic Development (CED).
- 3.2 For greater certainty, the Project principally consists of:
- a) the Recipient's delivery of the Services to achieve the Expected Results; and
 - b) the Recipient's administration of the Investment Fund to achieve the Expected Results.
- 3.3 The Contribution funds, as set out in Schedule "B" – Statement of Work – Operations, will be designated as Operating Funds and are intended to reimburse the Recipient for Eligible Costs incurred for delivery of the Services.

3.4 Project Licenses

The Recipient shall obtain and maintain all necessary licenses, permits, and approvals required for the Project by applicable legislation, regulations and bylaws.

4. DURATION AND TERM

4.1 Effective Date

This Agreement shall be effective from and after the date on which it is signed by the Minister.

4.2 Term

The Term of this Agreement shall commence on the Effective Date and, unless terminated earlier in accordance with this Agreement, shall end on the date that the Recipient has provided its Final Report to the Minister after completing the provision of the Services and the full repayment, if applicable, of all Conditionally Repayable Contributions to WD.

5. CONTRIBUTION PAYMENTS

5.1 Amount of Contribution Funds

Provided the Recipient is in compliance with its obligations under this Agreement, the Minister will provide a Contribution for the Recipient's Operating Fund not to exceed \$1,474,815 during the Term.

5.2 Annual Appropriation Proviso

Payment of any portion of the Contribution by WD shall be subject to there being an appropriation by Parliament in respect of funds required for it in the Fiscal Year in which the payment is proposed to be made.

5.3 Amendment to Contribution Funding

WD shall be entitled, at any time during the Term, to reduce or cancel the Contribution otherwise payable hereunder and not yet paid to the Recipient in the event that WD's departmental funding levels are reduced by Parliament or by the Treasury Board of Canada.

5.4 Financial Assistance Stacking Limit and Overpayment

- a) The Stacking Limit may not exceed 100% of the Project Costs in any particular Fiscal Year. The Recipient warrants that it has declared all existing and expected governmental sources of funding for Project Costs and undertakes to declare to WD all future government sources of such funding as they arise from and after the Effective Date of this Agreement.
- b) The Recipient shall promptly inform WD, in writing, of
 - i. any forecasted reduction in Project Costs; and
 - ii. any additional federal, provincial or municipal government financial assistance that it receives or expects to receive for or in support of the Project during the Project Term.
- c) If the Stacking Limit is being exceeded or is forecast to be exceeded in any Fiscal Year or where Financial Records disclose that the Stacking Limit was exceeded in the previous Fiscal Year, the Minister shall have the right to:

- i. reduce the amount of the Contribution paid to the Recipient in the current Fiscal Year or in a future Fiscal Year by the amount that the Stacking Limit is being, has been or is forecast to be exceeded;
- ii. deem the excess amount to be an overpayment under this Agreement by written notice delivered to the Recipient. Any such overpayment shall be deemed to be a debt due and owing to Canada and shall be repaid by the Recipient to WD forthwith on written demand. In addition, Canada may pursue collection of the overpayment by all judicial and non-judicial means available at law, including the right of set-off; or
- iii. do both of the above.

5.5 **Payment of Contribution Funds**

- a) The Recipient shall periodically submit written requests for payment of portions of the Contribution funds to WD, in a form and frequency designated by WD, and supported by the Recipient's audited financial statements and other Financial Records setting out the Eligible Costs incurred from and after the Start Date to the date of the request. Provided that the Minister is satisfied with the request and the supporting financial records provided, WD shall deliver payment of the requested amount of Contribution funds or any lesser amount as may be approved by the Minister.
- b) WD shall not pay any Contribution funds for any Projects Costs incurred by the Recipient outside of the Project Term.
- c) The Minister may, after giving written notice, deduct any Unexpended Balances plus interest, from next year's Contribution amount.
- d) WD shall not pay any interest on the Contribution to the Recipient.

5.6 **Restriction on Contribution for Certain Eligible Expenses**

If the Recipient seeks payment for travel costs and hospitality as part of its Eligible Costs incurred for the Project, the Minister shall be entitled to restrict the payment of Contribution funds to only those amounts within Treasury Board of Canada guidelines in effect at that time. WD will provide these guidelines to the Recipient upon request.

5.7 **Advance Payment and Limitations on Payment of Contribution**

The Minister may disburse Contribution funds to the Recipient in advance of receiving requests for payment supported by the Recipient's financial reports of Eligible Costs incurred when a request for advance payment is based on the Recipient's forecasted Eligible Costs cash flow requirements as set out in the Recipient's annual Operating Plan.

5.8 **Contested Request for Payment**

If WD contests the Recipient's continued eligibility to any Contribution payment, it shall notify the Recipient of same in writing and will provide the Recipient with a reasonable opportunity to provide documents, records, or other information for the purpose of verifying its continued eligibility.

5.9 **Waiver of Conditions for Payment**

The conditions for payment set out above are for the exclusive benefit of WD and may be waived in whole or in part by the Minister at any time. Any waiver by the Minister of any condition or any part of any condition shall constitute a waiver only of such condition or such part of such condition, as the case may be, to the extent of the waiver at that time. A waiver of any obligation, representation or warranty of the Recipient or any other term of this Agreement that pertains to

such condition shall not constitute a future or ongoing waiver of same unless expressly stated by the Minister in writing.

6. OBLIGATIONS OF THE RECIPIENT

6.1 General Project Obligations

The Recipient shall provide and deliver the Services described in Schedule “B” – Statement of Work – Operations and shall administer the Investment Fund(s) in accordance with Schedule “C” – Statement of Work – Investment Fund and Schedule “G” – Investment Fund Administration Terms and Conditions.

6.2 Contribution Funds for Eligible Costs and Investment Fund Purposes

The Recipient shall use the Operating Funds to pay for the Eligible Costs only that it has incurred or will incur for the Project during the Term and for no other purpose. Subject to the provisions of Schedule “C” – Statement of Work – Investment Fund, it shall use that portion of the Contribution allocated to the Investment Fund solely for the purpose of providing Loans to Applicants who have been approved to receive a Loan.

6.3 Separate Account for Investment Funds

- a) The Recipient shall establish and maintain a distinct and separate account for the Investment Funds. Subject to Schedule “C” – Statement of Work – Investment Fund, the Recipient shall not re-allocate or transfer any sums from the Investment Fund to any operating cost fund, general business, or any other account.
- b) The Recipient shall be required to account for the assets of the Conditionally Repayable Investment Fund separately from other assets of the Investment Fund.
- c) The Recipient shall be required to account for the assets of the EDP Fund separately from the balance of the Conditionally Repayable Investment Fund.
- d) The Recipient shall further be required to account for the assets of the Regional Relief and Recovery Fund (RRRF) Investment Fund separately from other assets of the Investment Fund.

6.4 Investment Funds Not Available for Collateral

The Recipient is strictly prohibited from granting the Investment Fund(s) or any portion of the funds therein as Collateral or security to any creditor. The Recipient shall notify, in writing, each creditor seeking Collateral from the Recipient of this prohibition and shall deliver a copy of such written notice to WD.

6.5 Accounts and Record-keeping for Contribution Funds

The Recipient shall adopt and maintain accurate and up-to-date Financial Records and accounts that clearly show the separate accounting of and use of the Operating Funds from the Investment Fund.

7. REPAYMENT

7.1 Repayment by Recipient

Without prejudice to any other remedy available to WD, where the Minister determines and declares by notice in writing to the Recipient:

- a) that an overpayment has been made under this Agreement; or
- b) that any portion of the Contribution disbursed to the Recipient has not been expended or used by the Recipient in compliance with this Agreement;

the Minister may, upon written notice, require the Recipient to repay after 30 days:

- a) the amount of the Contribution funds designated as Operating Funds which exceeded the actual Project Costs for that Fiscal Year;
- b) the amount of Contribution funds used by the Recipient in the current or a previous Fiscal Year to pay for Ineligible Expenses; and
- c) such amounts of the Conditionally Repayable Contribution as the Minister reasonably considers to be justified in the event that of any of those circumstances described under the heading "Repayment of Investment Fund" in Schedule "C" – Statement of Work – Investment Fund occurs.

The amount so declared shall become and constitute a debt due and owing to Her Majesty. The Recipient shall repay such debt to WD 30 days after delivery of the Minister's written notice to the Recipient. In addition, the amount of any such debt may be deducted from and set-off against any Contribution funds yet to be disbursed to the Recipient. Any portion of such debt remaining owing and unpaid after 30 days shall bear interest.

7.2 Interest Payable

The Recipient shall pay interest on all debts and other sums due and owing to Canada commencing from 30 days after they become due until paid in full.

7.3 Set-off for Other Amounts Owing to Canada

The Recipient shall, from time to time, promptly provide the Minister, upon request, with a list of all amounts owing in arrears to Canada under any law or contract, including any GST. WD may set-off and deduct from any Contribution funds to be paid to the Recipient, the amount of any such debts owing to Canada.

7.4 Survival of Conditions for Repayment

The provisions for the payment of debts or other sums due to Her Majesty shall survive the expiry or other termination of the Agreement.

8. RECIPIENT'S REPRESENTATIONS AND COVENANTS

8.1 Status as Not-for-Profit Corporation in Good Standing

The Recipient declares and warrants that it is a not-for-profit corporation in good standing within the Province of Alberta and that it will maintain this status throughout the Term of this Agreement and any extension of same. The Recipient shall promptly notify WD if this status has been lost and shall advise WD when it expects to have this status restored.

8.2 Compliance with Laws; Environment and Public Health and Safety Directives

- a) The Recipient shall ensure that its Project operations and activities are carried out in accordance with all applicable laws, regulations, bylaws, orders and other lawful directives and standards.
- b) For greater certainty, the Recipient shall comply with all federal, provincial / territorial, and municipal laws, regulations, bylaws, orders and other lawful directives governing it and its activities including those issued by police, public fire and protective service bodies, and public health, public safety and public environmental authorities. This specifically includes orders, directives and guidelines pertaining to contagious disease epidemics and pandemics issued and in effect from time to time.

8.3 Notices for Changes within Recipient

The Recipient shall provide a minimum of 30 days prior written notice to the WD of:

- a) any proposed significant changes to its operations;
- b) any proposed changes or additions to its business;
- c) any proposed changes to its articles of incorporation, bylaws, corporate governance policies, and / or structure of its Board or Directors or senior management; and
- d) any assessment that its Board may make that it has become or soon expects to become unable to the deliver Services.

8.4 The Recipient shall immediately notify WD of:

- a) any legal actions or proceedings taken against the Recipient;
- b) any extra-judicial actions taken against the Recipient by any of its creditors; and
- c) any issue or concern pertaining to the Recipient's alleged non-compliance with environmental, public health, and public safety laws or regulations or the orders or directives of any public authority having jurisdiction over such matters.

8.5 Reflecting Community

The Recipient acknowledges that the Minister wishes the Recipient's Board to be inclusive and representative of the Community in carrying out the Project. To this end, the Recipient acknowledges that the various matters, corporate policies and activities set out in the attached Schedule "D" – Reflecting Community, Transparency and Accountability are important factors for this purpose, and may be considered by the Minister in assessing the Recipient's future ability to carry out the Project and achieve the Expected Results.

8.6 Website for Transparency

The Recipient shall create and maintain an internet website open to the public that discloses to its clients, stakeholders and the general public the information described in the attached Schedule "D" – Reflecting Community, Transparency, and Accountability to provide transparency to these groups.

8.7 Accounts and Records to Verify Use of Contribution

During the Term, and for a period of seven years following its expiry, the Recipient shall keep proper accounts and records in respect of its use and application of Contribution funds. These

records must permit WD to verify that Contribution funds have been used and applied in accordance with this Agreement and no other purpose, and that the Recipient was properly entitled to the Contribution funds received. The accounts and records shall include, without limitation, all working papers and all original invoices, receipts, vouchers, and proofs of payment pertaining to Eligible Costs.

8.8 Inspection and Audit

During the Term and for a period of seven years immediately following its expiry, the Recipient shall make its accounts and records available for inspection and audit by representatives designated in writing by WD for the verification purposes described above. The Recipient shall also provide WD's representatives with reasonable working space on the Recipient's premises, and provide the representatives with such copies of its accounts and records as WD's representatives may require. In addition, the Recipient shall authorize its bank, credit union or other financial institution and its lessor(s) and goods and services suppliers to disclose their records in order to verify the accuracy of the Recipient's accounts and records. The form of this authority to disclose is attached as Schedule "E" – Irrevocable Authority to Disclose Records to WD to this Agreement and shall be delivered to WD upon request.

8.9 Compliance Audits and Meetings with Board / Auditor

If requested by the Minister, the Recipient shall permit any authorized representative of the Minister reasonable access to its premises to:

- a) meet with the Board;
- b) with prior notice to the Board chairperson, meet with the Recipient's auditor; and
- c) conduct periodic compliance audits and CF Program delivery evaluations.

8.10 Notice of Corporate Meetings

The Recipient shall provide WD with reasonable notice of the time and place of all of the Recipient's annual general and special meetings and all Board meetings and shall permit representatives of the Minister to attend all such meetings. The Recipient will also provide WD with a copy of such Board meeting minutes or summaries as may be requested by the Minister.

8.11 Disposition of Acquired Assets

- a) Except as sold, leased or otherwise disposed in the ordinary course of its business, the Recipient shall ensure that upon its dissolution or upon the expiry or other termination of this Agreement, any assets acquired with Contribution funds remaining after payment of its debts and liabilities, plus all records pertaining to its delivery and carrying out of the Project shall be available for transfer to another organization or entity. The Recipient shall promptly transfer such funds, assets and records to such organization or entity as the Minister may direct or approve, in writing, for the purpose of furthering the CF Program.
- b) Alternatively, if so directed by the Minister, the Recipient's non-liquid assets having marketable value shall be:
 - i. sold at fair market value and the funds realized from sale shall be paid to WD;
 - ii. transferred to another person or not-for-profit organization as the Minister may direct or approve; or
 - iii. disposed of in such other manner as the Minister may approve, in writing.

8.12 Truth of Representations and Warranties

The representations and warranties of the Recipient contained in this Agreement or the statements in any reports, records and requests for payment made by the Recipient to WD pertaining to this Agreement shall be true and accurate in all material respects on the Effective Date or when delivered to WD and shall remain so throughout the Term of the Agreement. The Recipient acknowledges that WD is relying upon the truthfulness and accuracy of such representations, warranties and statements to determine its ongoing eligibility for Contribution funds. The Recipient may, from time to time, revise its representations and warranties in writing to WD to ensure their continued accuracy, correctness, or validity. So long as such revisions do not render the Recipient ineligible to receive Contribution funds, WD may not terminate this Agreement.

8.13 Lobbying on Behalf of Recipient

The Recipient represents and warrants that any Person who has lobbied on its behalf to obtain the Contribution and who is required to be registered pursuant to the *Lobbyists Registration Act* was registered pursuant to such Act at the time that the lobbying occurred and shall ensure that any future lobbyist for its benefit will be registered prior to engaging in the lobbying activity. The Recipient also represents and warrants to the Minister that it has not, nor has any other Person, directly or indirectly paid or agreed to pay any Person to solicit this Agreement or the Contribution for a Contingency Fee, commission or any other consideration dependent on the execution of this Agreement or any payment of the Contribution or any portion thereof.

8.14 Survival

The provisions set out in 8.7, 8.8, 8.11, 8.12 and 8.13 hereof shall survive the expiry or other termination of this Agreement.

9. REPORTING OBLIGATIONS

9.1 Annual Operating Plans and Financial Reports

The Recipient shall deliver to WD:

- a) on or before January 31 of each year of the Term, an annual Operating Plan satisfactory to the Minister for that year;
- b) on or before October 31 in each year, a semi-annual financial report including income and expense statements and balance sheets, for both Operating and Investment Funds, certified by an officer or Board member of the Recipient;
- c) on or before July 31 of each year of the Term, the Recipient's annual audited financial statements for the previous Fiscal Year. The audit shall be performed by a professionally certified accountant in good standing and, as a minimum, be prepared in accordance with Accounting Standards for Not-for-Profit Organizations in Part III of the CPA Handbook or an equivalent standard accepted by another Canadian professional accountants governing body. The statements shall include a statement that the auditors read and are familiar with the provisions of this Agreement and that no breach of the Agreement came to their attention in the course of their review of the Recipient's records, except as expressly set forth in their report;
- d) a copy of the auditor's management letter to the Recipient;
- e) At the request of WD, the Corporation shall provide a list of business numbers and related information of their loan clients in a form satisfactory to WD; and
- f) any other financial statements, reports or documents requested by the Minister.

9.2 Performance Report

The Recipient shall also deliver to WD quarterly Performance Reports, as described in the Statements of Work, on or before October 20 and April 20 in each year, covering, respectively, the two preceding quarters ending on September 30 for the first report, and the two preceding quarters ending March 31 for the second report of that Fiscal Year, and an Annual Performance Report due May 31.

9.3 Final Performance Reports

On or before the Final Reporting Date(s), the Recipient shall deliver to WD its final Performance Reports for the Project and its latest annual Financial Reports.

9.4 Maintaining Projects Records and Provision of Information

The Recipient shall retain its books and records regarding the Project for seven years following the Completion Date and shall promptly provide WD with copies of such books and records as the Minister may request during that period.

9.5 Survival of Obligations

The reporting obligations and the obligations of the Recipient to keep records available for inspection by WD and under this Article shall survive the expiry or other termination of the Agreement.

10. DEFAULT, TERMINATION and DISPUTE RESOLUTION

10.1 Events of Default under Agreement

The following constitute events of default by the Recipient under this Agreement when, in the reasonable opinion of the Minister:

- a) the Recipient is not entitled to the Contribution or to further Contributions;
- b) the Recipient has used any portion of the Contribution funds for a purpose or in a manner contrary to this Agreement;
- c) the Recipient has failed to repay any amount due to WD in accordance with this Agreement;
- d) the Recipient has failed to properly administer the Investment Funds or has jeopardized its ability to administer the Investment Funds in accordance with this Agreement;
- e) the Recipient makes or is discovered to have made false or misleading representations or warranties or submits to WD false or misleading reports, records or information which would, in the reasonable opinion of the Minister, render the Recipient ineligible to receive Contribution funds or untrustworthy to administer the Investment Fund;
- f) the Recipient is dissolved or is placed into bankruptcy or, in the reasonable opinion of the Minister, has ceased to operate or has become insolvent.
- g) a Board member, officer or employee of the Recipient has failed to implement and ensure compliance with the conflict of interest provisions set out in this Agreement; or
- h) the Recipient has refused or failed, in the reasonable opinion of the Minister, to observe, satisfy or comply with any other material obligation in this Agreement.

10.2 Default under Another Agreement

An act of default by the Recipient under any other contribution agreement with WD pertaining to another project may, in the discretion of the Minister, be relied upon to justify the termination of this Agreement.

10.3 Rights of Minister on Default

In the event of default by the Recipient under this Agreement, the Minister may, upon written notice to the Recipient (the Notice of Default), take any one or more of the following actions, either concurrently or at different times:

- a) suspend future payments of the Contribution;
- b) suspend, until further notice, the Minister's continued performance of this Agreement;
- c) demand repayment of all or any portion of the Contribution that has been advanced to the Recipient; and
- d) terminate this Agreement and demand repayment forthwith of any or all of the Operating Funds that may have been disbursed in advance to the Recipient and not yet expended by payment to third parties.

Any such demanded sums shall become and constitute a debt due and owing by the Recipient to Canada and shall be repaid to Canada forthwith on demand. Any portion of such debt remaining owing and unpaid after 30 days shall bear interest until fully paid.

10.4 Preservation of Remedies

Except as may be otherwise expressly provided herein, nothing herein is to be construed as limiting any remedy WD may have in respect of any failure on the part of the Recipient to observe and to comply with the terms, conditions and provisions of this Agreement.

10.5 Opportunity to Redeem in Certain Cases

- a) When the Minister's Notice of Default provides that the Recipient will have two weeks in which to satisfy the Minister that no event of default has actually occurred or that it has fully remedied the default, and the Recipient satisfies the Minister of same within that period, the Minister shall withdraw the Notice of Default by subsequent written notice. In such case, the Agreement shall continue in full force and effect and the Recipient shall be relieved from complying with the withdrawn Notice of Default.
- b) When the Minister's delivers a written notice that sets out that in the Minister's opinion:
 - i. the Recipient is failing to meet an obligation imposed upon it under this Agreement; or
 - ii. that the Minister has become concerned about the governance or internal management of the Recipient to such extent that the Recipient's failure to meet its obligations under this Agreement appears imminent;

and that the Minister believes that the Recipient is able to promptly remedy the failure and/or the concern expressed in this notice, then the Minister may require the Recipient to develop a remedial plan in response to same for delivery to the Minister within the period of

time set out in the notice. If approved by the Minister, the Recipient shall promptly implement the remedial plan to the Minister's reasonable satisfaction.

10.6 Termination without Default

This Agreement may be terminated by either party in the absence of default upon giving 60 days written of same to the other party.

10.7 Transfer or Disposition of Assets following Termination

In the event of termination and after payment of its valid debts and liabilities, the Recipient shall transfer or dispose of its remaining assets related to the Project in accordance with the disposition of acquired assets provisions contained in this Agreement.

10.8 Compensation to Recipient on Termination

If the Minister terminates this Agreement in accordance with Section 10 hereof, and subject to clause 10.9 below, the Recipient shall be entitled to:

- a) payment of Operating Funds for Eligible Costs reasonably and validly incurred up to the date of termination; and
- b) reasonable costs validly incurred that arise from the termination of this Agreement, including the following:
 - i. the costs of cancelling existing legal obligations;
 - ii. the costs of taking inventory;
 - iii. the costs of preparing necessary accounts, statements, and reports pertaining to the Services to the effective date of termination; and
 - iv. reasonable severance pay or salaries and wages required by law to be paid to employees terminated by the Recipient as a direct result of this termination and without the provision of notice that is required by law.

10.9 Limitation on Compensation Payable

The maximum amount payable by the Minister under clause 10.8 above shall be the amount of the Operating Costs Funds not yet disbursed to the Recipient as at the effective date of termination. The Recipient shall have no further claim to compensation for costs, damages, liabilities or allowances arising from or pertaining to the termination of this Agreement except as expressly herein.

10.10 Alternate Dispute Resolution

In the event of a dispute between the parties arising out of the interpretation or implementation of this Agreement, the parties may, by mutual consent, resort to the following procedures prior to pursuing any other legal or judicial remedy or process:

- a) at the request of either party, hold a meeting or meetings between senior officials of each party, with their respective advisors, in an attempt to negotiate in good faith a resolution of the dispute;
- b) if one of the parties does not agree to the resolution process described in sub-clause a) above or the parties fail to resolve the dispute within 30 days after agreeing to use that process, they may but are not obliged to jointly submit the dispute to non-binding mediation with the use of a mediator to be jointly selected by them for this purpose. If submitted to mediation, the parties shall, in good faith, participate in the mediation process for a minimum period of 30

days. Either party may request the mediator to prepare a report and a recommended resolution of the dispute for their further consideration at the conclusion of the mediation process if the dispute remains unresolved.

10.11 Rights and Obligations Preserved

The rights and obligations of the parties in this Article shall survive the termination of this Agreement.

11. INDEMNIFICATION of CANADA, LIMITATION OF LIABILITY and INSURANCE

11.1 Indemnification

Subject to the clause below, the Recipient shall indemnify and save Canada and all servants and agents of Canada harmless from and against all Claims that may be made or brought against Canada and all servants and agents of Canada, or which Canada may suffer or incur as a result of, in respect of, or arising out of:

- a) any non-compliance by the Recipient with any obligation under or provision in this Agreement or in any document given in order to satisfy its obligations under this Agreement;
- b) any inaccuracy, incorrectness, or breach of any representation or warranty made by the Recipient in or in connection with this Agreement or in any document or certificate given in order to satisfy its obligations under this Agreement;
- c) any act or omission of the Recipient, or any Person for whom the Recipient is responsible in law, that pertains to, or is connected with, the payment of the Contribution or the performance of its obligations under this Agreement and the carrying out of the Project; and
- d) any breach of a law, regulation, bylaw, order or public authority directive that the Recipient was required to observe or to comply with.

11.2 No Indemnification Where Canada at Fault

The above indemnification does not apply in respect of any Claim for any wilful or negligent wrongful act or omission of Canada or its officers, employees or servants while acting within the scope of their duties or employment.

11.3 Limitation of Liability

Unless a lesser amount is otherwise set out in this Agreement, the Minister's liability under this Agreement shall be limited in the aggregate to a sum equal to or less than the Contribution.

11.4 Insurance

The Recipient shall, at its own expense, obtain and at all times maintain property damage, public liability, third party injury, and directors' liability insurance to satisfy payment of compensation for all Claims for personal injury, death, damage to property or economic losses arising out of the implementation of this Agreement and the carrying out of the Project. The Recipient shall provide satisfactory evidence of such insurance coverage to WD upon request.

11.5 Survival

The provisions of this Section 11 shall survive the termination or expiration of this Agreement.

12. PUBLIC ANNOUNCEMENTS and COMMUNICATIONS

12.1 The Recipient:

- a) shall carry out its communication activities in accordance with standards for the CF Program, as prescribed by the Minister and delivered to the Recipient. The Minister may revise these standards from time to time upon written notice to the Recipient;
- b) shall participate jointly with the Minister and, if requested, with other contributors, in public announcements in the form of news releases, news media conferences, stories, ceremonies and other public activities to promote their participation in and contributions to the CF Program;
- c) shall consent to a public announcement by or on behalf of the Minister in the form of a news release or news conference; and
- d) shall, in its publications, news releases, promotional activities and other communications to the public, and with the written approval of WD, use WD's name or the Canada wordmark and publicize the participation of and Contribution from WD in the Project, in accordance with the visibility guidelines provided to the Recipient by WD.

12.2 The Recipient:

- a) shall provide the Minister with an opportunity to participate in public events and communications marking milestone events pertaining to the Project and shall provide information and proposed dates for same at least 28 days in advance so as to enable the Minister to use the opportunity to promote the Project and WD's support to the Recipient for same;
- b) shall implement appropriate communication activities, as either party may initiate in collaboration with the other, such as feature stories, social media postings, and / or public events; and
- c) shall, from time to time and on the request of WD, provide information, photographs and other similar support for the development of written articles and/or social media postings to be used in WD publications and/or WD's public website. The Recipient acknowledges that it shall provide such support when called upon by the Minister.

12.3 Recipient's Website

The Recipient shall include on the first page of the home page of its website the following:

- a) a reference to WD's Contribution;
- b) WD's federal signature and the Government of Canada wordmark, as provided by WD and in accordance with the visibility guidelines provided to the Recipient by WD; and
- c) The hyperlink to the WD website, as provided by WD.

12.4 Bilingual Signage and Public Notices

The Recipient shall prominently display a bilingual sign within or on the exterior of its premises viewable by the public that acknowledges the financial support received from WD, in a format and content approved by the Minister.

13. OFFICIAL LANGUAGES

13.1 The Recipient acknowledges that WD is subject to the *Official Languages Act*, R.S.C. 1985, c. 31 (4th Supp.), as amended from time to time and may require the provision of services by the Recipient in furtherance of that Act.

13.2 Bilingual Services When Required

If the Minister determines that there is or is likely to be a significant demand for communication to members of the public in both of Canada's official languages and has notified the Recipient of same, then the Recipient shall:

- a) Ensure that any member of the public can communicate with and obtain available services from the Recipient's office in either official language;
- b) Ensure that appropriate measures to the Minister's reasonable satisfaction are taken, including the provisions of signs, notices, and other informational media and the initial communication to the public, to inform members of the public that its services are available in either official language at the choice of any member;
- c) Communicate to members of the public in the official language of their choice in an effective and efficient manner by using such communications media as will reach them; and
- d) Identify and consider the community economic needs of the Official Languages Minority Community (OLMC) in their community and adapt their services to ensure substantive equality to those provided to both the linguistic majority and minority.

As the Minister also provides support to Francophone Economic Development Organizations (FEDOs) to identify, consider and address the community economic development needs of the OLMC in each of the Provinces of British Columbia, Alberta, Saskatchewan, and Manitoba, the requirements outlined in Section 13.2 may be met by the Recipient through formal cooperative agreements, acceptable to the Minister, between the Recipient and the respective FEDO for their Province.

14. CONFLICT OF INTEREST

14.1 The Recipient shall adopt a conflict of interest policy similar to and no less stringent than the Conflict of Interest provisions set out in the Schedule "F" – Conflict of Interest Provisions attached to this Agreement, and shall ensure that its directors, officers, Investment Review Sub-Committee members and employees observe and exercise their respective duties in accordance with such policy.

15. CYBER-SECURITY FOR ELECTRONIC DATABASES

- 15.1 When the Recipient receives, collects, and stores personal information about and/or from its clients, customers or applicants in an electronic database, the Recipient shall:
- a) adopt and maintain reasonable electronic security measures and processes designed to prevent and protect against unauthorized access and/or use;
 - b) regularly review the adequacy of its electronic security measures and processes or have them reviewed by a reputable cyber-security expert to assess their adequacy and the need for any upgrade; and
 - c) provide to the Minister, upon request from time to time, a written report outlining the electronic security measures and processes then in place, the adequacy of such security measures and processes, and the date(s) when these were last reviewed.

15.2 Confidentiality of Reports

When received, the Minister shall treat the Recipient's electronic security reports as strictly confidential and not to be disclosed without the prior written consent of the Recipient or as otherwise authorized herein. The Minister shall promptly destroy all copies of all such reports received upon the expiration or other termination of this Agreement unless the Recipient requests otherwise or the report may be required for court proceedings involving the Recipient or any of its officials, directors, or employees. The Recipient consents to the disclosure of such reports for a purpose pertaining to any such court proceedings.

16. FORCE MAJEURE EVENTS

16.1 Definition of *Force Majeure*

For the purposes of this Agreement, a *force majeure* event means:

- a) tornados and other severe winds, lightning strikes, severe thunderstorms and blizzards, flooding and severe rainfall, destructive fires, and other extreme weather events, earthquakes, volcanic eruptions, landslides, road washouts and other extreme geological events, and other extreme events of or caused by the forces of nature;
- b) strikes, lockouts or other labour disturbances, riots, insurrections, blockades, and other civil disturbances, sabotage, war, explosions, terrorism or other extreme crimes or acts of the Queen's enemies;
- c) the outbreak of novel contagious disease, epidemic or pandemic in Canada;
- d) the actions, orders, laws or regulations, or directives of a federal, provincial or municipal government, a court, any police, fire and protective services or military authority, or any other public health, public safety and/or public emergency response authority taken, made, enacted or issued in response to any of the above events; or
- e) any other extreme event of natural or undetermined origin that results in a major adverse impact on one of the parties' ability to perform its obligations;

that are:

- f) beyond reasonable and ordinary human foresight and expectation; and
- g) are beyond the control of the parties and not caused, created or contributed to by either of them; and which
- h) renders it impossible or substantially impractical for one or both of the parties to continue to perform substantial aspects of its respective obligations under this Agreement for an extended period of time.

Events that fail to satisfy these last three conditions and which cause adverse impacts that may be overcome by the exercise of due diligence and reasonable mitigation measures shall not justify the invoking of these *force majeure* provisions.

16.2 Obligation to Mitigate for *Force Majeure* Event

When a *force majeure* event occurs and adversely impacts the ability of a party to perform substantial aspects of its obligations under this Agreement, it shall, with due diligence, take prompt and reasonable measures as may be available to it in an attempt to mitigate that impact and to restore its ability to continue to perform its obligations.

16.3 Consequences of *Force Majeure* Event

Subject to clauses 16.4 and 16.5 below, when a *force majeure* event occurs and renders a party unable to continue performing its obligations for a period of one month or more and is unable, with reasonable measures, to mitigate that impact, then:

- a) if that period of inability to perform is expected to last until the Completion Date, both parties shall be relieved of any further performance obligations;
- b) if that period of inability to perform is expected to last for a period of at least six months, either party may serve notice upon the other of its decision to terminate this Agreement, effective from the date specified in that notice; and
- c) if that period of inability to perform is expected to last for a period of at least one month but not more than six months, either party may notify the other of the intention to temporarily suspend the performance of its obligations under the Agreement by a period of time, between one to six months, as specified in such notice. In such case, the performance obligations of the other party shall be similarly suspended and the Completion Date and other deadline dates set out in the Agreement shall be extended accordingly.

16.4 Alternate Agreement to Consequences of *Force Majeure* Event

Nothing in the above provisions shall prevent the parties from reaching an alternate agreement as to the consequences of a *force majeure* event on the continuing, relieving, or amending of their respective performance obligations under this Agreement. Provided that such alternate agreement is made, in writing, within 60 days of the initial date of the *force majeure* event, this Agreement shall be amended in accordance with the alternate agreement reached and shall remain in full force and effect.

16.5 Notice Required to Invoke *Force Majeure* Provisions

If a party wishes to invoke the *force majeure* provisions in this Agreement, it must deliver, within 10 days of the initial occurrence of the *force majeure* event, written notice of same to the other party and shall describe in its notice:

- a) the specific *force majeure* event(s) upon which it relies;
- b) the initial date on which the *force majeure* event commenced or occurred;
- c) its reasonable estimate of the duration of the adverse impact of that event upon its ability to perform specified substantial aspects its obligations; and
- d) the measures and efforts that it has taken, if any, and that it intends to take in the future to mitigate the impacts of the *force majeure* event and the results and expected results of same upon restoring its ability to perform those aspects of its obligations under this Agreement.

17. NOTICES

17.1 Delivery of Notices; E-Mail Notices

- a) Any written notice or other communication pertaining to this Agreement shall be given by personal delivery or courier, or sent by postal service, facsimile or by electronic mail addressed respectively:
 - i. in the case of WD to:
Western Economic Diversification
Suite 1500, 9700 Jasper Avenue
Edmonton, Alberta T5J 4H7
Attention: Manager, Business Development & Partnerships

Fax #: (780) 495-4557
E-mail: wd.abreports-rapportsab.deo@canada.ca ; and
 - ii. in the case of the Recipient to:
Lac La Biche Regional Community Development Corporation
P. O. Box 2188
10106 - 102 Avenue
Lac La Biche, Alberta T0A 2C0
Attention: Chairperson

Fax #: (780) 623-2671
E-mail: contact@cfllb.com

Either party may change any of its addresses for written notice and other contact information by delivery of notice of same to the other.

- b) The effective date of delivery or service of a notice shall be deemed as follows:
 - i. if by personal delivery or courier, on the date of actual date of delivery;
 - ii. if by postal service, eight days after being posted with Canada Post;
 - iii. if by facsimile, 24 hours after the time recorded by the sender's fax machine confirmation of delivery; and
 - iv. if by electronic mail, and subject to sub-clause c) below, the date on which the receiver sends a confirmatory E-mail back to the sender showing that the E-mail notice was received.

- c) The Minister and the Recipient each irrevocably consent to the sending and receiving of E-mail notices to and at their respective E-mail addresses, and to the retention and use of such notices, both in electronic form and in printed form, provided if in accordance with this clause, for any and all purposes pertaining to this Agreement, including in any court proceedings. Each E-mail notice sent electronically by one party to the other shall be fully accessible by the receiver, as well as capable of being printed, retained and electronically stored by the receiver for subsequent reference and use. Nothing in this provision prevents either party from resorting to electronic mail to deliver other communications to the other party and from establishing proof, by other means, of actual receipt by the receiver.

18. GENERAL

18.1 Compliance with the Code

No current or former public office holder or public servant who is not in compliance with the *Values and Ethics Code for the Public Service* may derive a direct benefit from this Agreement. If a current or former public office holder or public servant acquires an interest during the Term of this Agreement that creates a conflict of interest or the perception of same, the Recipient shall immediately notify the Minister of same, in writing.

18.2 Preservation of Rights; Effect of Waiver

Failure on the part of WD to require the fulfilment of any obligations or to exercise any rights herein contained shall not constitute a waiver, renunciation or surrender of those obligations or rights. Any waiver of a Minister's right or a Recipient's obligation shall be specific only to the particular waiver at that time and shall not constitute a future or ongoing waiver of same unless expressly stated by the Minister in writing.

18.3 Assets Remain Property of the Recipient

Notwithstanding the payment of Contribution funds to the Recipient, and except as may otherwise be set out herein, the assets of the Recipient and all future-acquired assets, including any intellectual property created by the Recipient, shall be and remain the property of the Recipient, free of any claim of interest by Canada.

18.4 Assignment Prohibited

This Agreement may not be assigned, either in whole or in part, by either party without the prior express written consent of the other. Any purported assignment by the Recipient shall be null and void and shall entitle the Minister to terminate this Agreement and demand repayment of the Contribution funds to WD in accordance with the repayment provisions contained in it.

18.5 Amendment of Agreement

This Agreement may be amended at any time by written agreement between the parties. No amendment of this Agreement shall be valid unless it is in writing and duly executed by the parties.

18.6 Access to Information Act; Privacy Act

The Recipient acknowledges that WD is subject to the *Access to Information Act* and *Privacy Act* of Canada which govern the Minister's collection, protection and disclosure of confidential information and records. The Recipient acknowledges that the Minister is obliged to honour and

comply with these statutes and the regulations and federal policies made and orders issued pursuant to them. The Minister may make information provided by the Recipient pertaining to this Agreement and to the Project, but excluding confidential personal information about any individual, available to the public and to news media.

18.7 No Partnership or Other Relationship

This Agreement does not create or imply:

- a) a partnership, agency, joint venture, employer-employee relationship, or other commercial relationship, between Canada and the Recipient and neither party shall represent itself or hold itself out as such; or
- b) an agreement or commitment to enter into any subsequent or other agreement.

For greater certainty, WD shall have no responsibility for fulfilment of any other agreement or obligation into which the Recipient enters or assumes in relation to any of its activities, operations and obligations to other parties including, without limitation, any loan, capital lease, contract or other long-term obligation.

18.8 Applicable Law

This Agreement shall be interpreted, implemented and enforced in accordance with the laws in force in the Province of Alberta including applicable federal laws and the common law doctrines of Crown prerogative and federal paramountcy.

18.9 Entire Agreement and Replacing Previous Agreements

This Agreement constitutes the entire agreement between the parties with respect to its the subject matter and supersedes all previous negotiations, agreements and arrangements pertaining to the subject matter. No implied terms or obligations of any kind by or on behalf of WD shall arise from anything in this Agreement, and the express provisions and agreements contained herein are the only provisions and agreements upon which any rights against WD may be founded unless expressly stated otherwise.

18.10 Time of the Essence

Time shall be of the essence in this Agreement.

18.11 Invalidity of a Provision

If any provision of this Agreement is ruled to be invalid or ineffective, the remainder of the Agreement shall continue to be in full force and effect, without such provision, unless the absence of such provision serves to frustrate the true intent of the parties as expressed in the Agreement.

18.12 Execution in Counterpart and Electronic Delivery

This Agreement, and all other documents to be delivered pursuant to this Agreement, may be executed in one or more counterparts, each of which will be deemed to be an original copy and all of which, when taken together, will be deemed to constitute one and the same agreement or document. A manual signature on this Agreement or other documents to be delivered pursuant to this Agreement, an image of which may have been transmitted electronically, will constitute an original signature for all purposes. The delivery of copies of this Agreement or other documents to be delivered pursuant to this Agreement, including executed signature pages where required, by electronic transmission will constitute effective delivery of this Agreement or such other

document for all purposes. Notwithstanding the above, each party shall retain original, signed copies of the Agreement and shall promptly deliver a duplicate original of same to the other party upon request. Subject to a duly authorized board resolution dispensing with the corporate seal requirement, the Recipient must imprint its corporate seal on this Agreement in the space set out in the signature block.

18.13 Digital Signatures

Where the authorized signature of the Minister is authenticated by way of digital signature, such digital signature will have the same force and effect as a handwritten signature.

18.13 Legally Binding

This Agreement is binding upon the parties and their respective heirs, successors, and any assignees of the Recipient, if permitted by the Minister.

IN WITNESS WHEREOF the parties have caused this Agreement to be signed by their respective duly-authorized signing officers, under corporate seal of the Recipient, on the respective dates set opposite their respective signatures.

Lac La Biche Regional Community Development Corporation

CORP SEAL



Signature of Signing Officer

Name: DAVID PHILLIPS

Date: March 25, 2021

Title: Board Chair

HER MAJESTY the QUEEN in right of CANADA
As represented by the Minister of Western Economic
Diversification

Per: _____
For and on behalf of the Minister

Name: _____

Title: _____

SCHEDULE "A"

DEFINITIONS

To Contribution Agreement between

HER MAJESTY the QUEEN in right of CANADA

As represented by the Minister Responsible for Western Economic Diversification
And

Lac La Biche Regional Community Development Corporation

In this Agreement, the following definitions apply unless otherwise defined or the context shows otherwise:

"Agreement" means this written Agreement and all schedules and attachments referred to and attached to it, as may be amended from time to time by the parties, together with all representations and warranties made in writing by the Recipient to WD in any of its requests for payment under the CF Program;

"Annual Performance Report" means a detailed report, in a format acceptable to the Minister by the Recipient, to be provided to WD by May 31 for the previous Fiscal Year, setting out the progress made in achieving each of the Performance Indicator items and any associated minimum standards and / or targets identified in the annual Operating Plan for the Fiscal Year, together with an explanation for overall performance, successes, challenges, and issues;

"Applicant" means a Small and Medium-Sized Enterprise (SME) or Social Enterprise, which has made a request for a Loan from the Recipient;

"Application" means a request from an Applicant for a Loan from the Recipient;

"Board" means the Board of Directors of the Recipient;

"Borrower" means an Applicant who has received a Loan from the Recipient;

"Canada" and "Her Majesty" means Her Majesty the Queen in right of Canada;

"Claim" means any claim, demand, action, cause of action, damage, loss, deficiency, cost, liability or expense, including without limitation, all legal fees on a solicitor-client basis;

"Collateral" means an asset or assets of any kind and description that are provided as security for the repayment of a loan debt or satisfaction of any other loan-related obligation;

"Community" means the geographic area, region, Indigenous community, municipality or municipalities served by the Local CF;

"Community Futures Association" (CFA) means the legally incorporated non-profit organization authorized by the Minister and established by CFs for the purpose of providing support and coordination services for CFs in their respective provinces;

"Completion Date" means the date or respective dates set out in Schedules "B" and "C" by which the Recipient will be expected to have completed the Services required of it by this Agreement and the latest date by which the Recipient will have incurred Eligible Costs;

“Conditionally Repayable Contribution” means all past, present, and future Contribution funds paid and that may become payable in accordance with the provision of this Agreement;

“Contingency Fee” means any payment or other compensation or benefit that is contingent upon or is calculated on the basis of a degree of success or the value of a contract sought or obtained in soliciting or obtaining a government contract or negotiating the whole or any part of its terms;

“Contribution” means the financial contributions paid by the Minister to the Recipient as contemplated by this Agreement.

“Entrepreneurs with Disability Program” (EDP) Fund means that portion of the Investment Fund which has been provided by WD for the purpose of providing repayable financial assistance to Persons with a Disability in Western Canada to help the disabled overcome barriers to self-employment and entrepreneurship, as further set out in the Statement of Work – Investment Fund;

“Eligible Costs” means those usual and ordinary operating expenses that have been or are forecast to be incurred by the Recipient related to the implementation and carrying out of the Project during the Project Term and includes the following items:

- a) real property rent, lease payments and leasehold improvements;
- b) employee salaries and benefits;
- c) office equipment purchase and lease payments;
- d) office supplies;
- e) utility services;
- f) information management services and information technology acquisitions;
- g) acquisitions of propriety processes and systems;
- h) cleaning and office maintenance services and cleaning supplies;
- i) bank interest, fees and charges;
- j) vehicle operating expenses, insurance, and other transportation and shipping services;
- k) professional fees for legal, accounting, administrative, and consulting services ordinarily required;
- l) real property, chattel goods, business disruption, and general commercial liability insurances,
- m) capital improvements related to projects as may be approved in writing by the Minister;
- n) costs for travel, meals and accommodations incurred for the Project but only to the extent that they do not exceed the amounts set by the Treasury Board Secretariat for federal government civil servants; and
- o) other expenses incurred for day-to-day operations and directly attributable to activities necessary to the purpose of the Agreement;

where such costs are reasonably and necessarily incurred by the Recipient for its enterprise, but expressly excludes all Ineligible Expenses described below. The following are also “Eligible Expenses” **ONLY** if such expenses first receive the prior written approval of the Minister:

- a) the purchase and/or construction of real property and buildings for use by the Recipient; and
- b) mortgage payments (principal and/or interest), municipal property taxes and repairs in respect of real property and buildings (**ONLY** in cases where the above expenses have been approved in writing by the Minister);

“Expected Results” means the promotion, support, and ultimately the achievement of the Project and the CF Program objectives as more particularly set out in the attached Statements of Work;

“Final Reporting Date” means the date or respective dates set out in the attached Statements of Work (both Operations and Investment Fund) by which the Recipient shall have provided to the Minister such written reports and other information as required or requested in accordance with this Agreement, including the Recipient’s report on achievement of the Performance Indicators;

“Financial Records” means the reports, statements and other records with respect to the Recipient’s finances set out in Section 9 of this Agreement;

“Fiscal Year” means the period starting on April 1 of any year and ending on March 31 of the following year;

“Francophone Economic Development Organization” or “FEDO” means the legally-incorporated, non-profit organization authorized by the Minister and established in each of the Provinces of British Columbia, Alberta, Saskatchewan and Manitoba for the purpose of delivering a wide range of community economic development programs and services to meet the particular needs of Francophone communities within their respective provinces;

“Goods and Services Tax” or “GST” means the tax assessed pursuant to the Excise Tax Act in respect of any transaction pertaining to the supply of any good or service by a supplier to the Recipient;

“Immediately Related Parties” means the spouse or child of any director, officer, Investment Fund Review Sub-Committee member, or employee of the Recipient and any legal entity or organization in which such person has a Significant Interest, substantial investment, or some degree of control;

“Ineligible Expenses” are those expenditures which are contrary to the public purpose of the CF Program and include: expenses for entertainment; club memberships; director’s fees/honorariums; amortization; depreciation; expenditures on travel, meals, and accommodation exceeding Treasury Board guidelines; fines and penalties; and any portion of the expenditure for which the Recipient is eligible for GST credit. The costs to purchase land, buildings and motor vehicles including lease or rent payments to Related Entities are Ineligible Expenditures, unless authorized in writing by the Minister.

“Interest” means, subject to any lesser amount as allowed by WD’s Policy Guidelines on Interest Rates for Community Futures (CF) Organizations, the Prime Rate plus two percent;

“Investment Fund” means the separate account(s) established by the Recipient for further distribution by it to Borrowers and sourced by or from:

- a) all Contribution funds provided by WD, including all previous Conditionally Repayable contributions and Non-Repayable contributions made by WD provided for allocation to this Investment Fund;
- b) all interest earned on such funds by the Recipient; and
- c) all amounts earned or received by the Recipient from the repayment of Loans by Borrowers and any other Investment Fund activities authorized in accordance with this Agreement; but
- d) less any amounts authorized to be transferred from the Investment Fund to Operating Funds and to Investment Fund Pools as authorized by or in accordance with this Agreement and any losses incurred by the Recipient through operation of Investment Fund activities in carrying out the Project.

“Investment Fund Pools” are funding pools established by CFAs with the objective of pooling surplus Investment Funds for the purpose of increasing access to investment fund resources for Local CFs in western Canada as approved by the Minister;

“Investment Review Sub-Committee of the Board” is a committee or sub-committee created by CFs to make recommendations and decisions on loans;

“Loan” means funding provided by the Recipient from its Investment Fund(s) and provided pursuant to a Loan Agreement, with or without the provision of Collateral;

“Loan Agreement” means a legally-binding agreement made between a Borrower and the Recipient, and assignable to the Minister or to another entity approved by the Minister, providing for the granting of a Loan in an amount set out in it to a Borrower and providing for the terms and conditions as to its use and its repayment to the Recipient’s Investment Fund;

“Local Community Futures organization” (Local CF) means a legally incorporated non-profit organization authorized by the Minister and established for the purpose of delivering a wide range of community economic development programs and services including the Program. For clarity, the Recipient is a Local CF;

“Minister” means the individual holding the position, or acting in the capacity of, the Minister responsible for Western Economic Diversification and includes the Deputy Minister responsible for Western Economic Diversification and those officials of the Department of Western Economic Diversification in Alberta with delegated authority in respect of the Program;

“Non-Repayable Contribution” means all past, present, and future Non-Repayable Contribution funds paid or that may be paid by the Government of Canada to the Recipient;

“Notice of Default” means the written notice provided by WD to the Recipient in accordance with the Default and Termination articles of this Agreement;

“Operating Funds” means those portions of the Contribution paid or to be paid to the Recipient for reimbursement of Eligible Costs for Services provided, as set out in Schedule “B” – Statement of Work – Operations;

“Operating Plan” means a detailed annual plan prepared by the Recipient and accepted by the Minister that describes Project performance targets for the year and the forecast funding requirements for the operations planned to attain them;

“Other Related Parties” means the grandchild, parent, sibling, by blood, adoption, or through marriage, of any director, officer, Investment Review Sub-Committee member, or employee of the Recipient and any legal entity or organization in which such person has a Significant Interest, substantial investment, or some degree of control;

“Person” includes a natural person, corporation, cooperative, partnership, association, trust or other legal entity;

“Performance Indicators” means those Project indicators provided by WD to be used by the parties to measure and assess the Recipient’s performance and progress towards and success of the Project and/or the effectiveness of the CF Program;

“Performance Reports” means those reports, related to the annual Operating Plan, required to be delivered by the Recipient showing measurement and assessment of the Performance Indicators, and includes the quarterly Performance Reports and Annual Performance Reports;

“Person with a disability” means a person self-identifying as having a long-term or recurring physical, mental, sensory, psychiatric or learning impairment that restricts his or her ability to perform daily activities. A medical certificate is not required or requested to confirm eligibility;

“Prime Rate” means that floating rate of interest charged by the Bank of Canada and published, from time to time, as its “prime rate”;

“Project” means the activities and operations described in this Agreement that are intended to promote, pursue and achieve the objectives of the CF Program and, in particular, the Expected Results;

“Project Costs” mean the forecasted operating costs to implement and complete the Project, as set out in the Statement of Work - Operations, or the actual costs incurred for same, as the context requires;

“Project Term” means the period from and after the Start Date and ending on the Completion Date;

“Regional Relief and Recovery Fund” (RRRF) means the separate fund established by the Government of Canada to provide urgent funding for the period from April 1, 2020, to March 31, 2021, to help businesses recover from the impacts of the COVID-19 pandemic, and distributed in Western Canada by WD;

“Related Entities” are not-for-profit or profit oriented enterprises that are wholly-owned by the Recipient, or in which the Recipient has a Significant Interest, substantial investment or control;

“RRRF Contribution” means the additional funding to the Recipient for the specific purpose of providing financial assistance to support SMEs and Social Enterprises to withstand and to recover from the economic disruptions and adverse impacts associated with the COVID-19 pandemic, and to assist with additional Eligible costs incurred or expected to be incurred by the Recipient as a result of the COVID-19 pandemic;

“RRRF Investment Fund” means that portion of the Investment Fund provided to the Recipient from the RRRF, to be made available for and loaned out by the Recipient to certain qualifying Applicants, in accordance with the provisions of the attached Schedule “H” – RRRF Contribution Terms and Conditions;

“Service Client” means an SME or Social Enterprise that receives business services from the Recipient, but does not receive any Loans;

“Services” means those services, as more particularly described in the Statement of Work - Operations, required to be provided by the Recipient in order to implement and carry out the Project;

“Significant Interest” means owning, whether directly, indirectly or beneficially, more than 10% of the capital stock of a corporation or holding shares or debentures to which are attached more than 10% of the voting shares of that corporation. It may also mean holding more than a 10% interest in a business partnership;

“Small and Medium-Sized Enterprises” (SME) means organizations having less than 500 employees and annual sales revenue less than \$20 million, and which produce goods and services for the market economy, regardless of their business structure (e.g., sole proprietorships, for-profit or non-profit corporations, cooperatives, and other similar types of organizations);

“Social Enterprises” are a type of SME producing goods and services for the market economy, and which manage their operations and redirect their surpluses in pursuit of social, environmental and community goals;

“Stacking Limit” means the accumulated total funding provided for or toward the Project from all federal, provincial and municipal government sources, expressed as a percentage of total projected Project Costs, as set out in Stacking Limit provisions of this Agreement. Total funding shall also include financial assistance in the form of debt forgiveness, tax credits and discounts, and waiver of taxes payable provided to the Recipient by any of these levels of government;

“Start Date” means the date set out in the Schedules “B” and “C”, and represents the earliest date on which the Recipient may begin incurring actual Project Costs;

“Statement of Work – Operations” means Schedule “B” to this Agreement;

“Statement of Work – Investment Fund” means Schedule “C” to this Agreement;

“Statements of Work” means both of the above Statements of Work;

“Term” means the term of this Agreement, which comes into effect on the Effective Date and expires on the Completion Date unless it is terminated earlier in accordance with the provisions of this Agreement;

“Western Canada” means the area within the provinces of British Columbia, Alberta, Saskatchewan and Manitoba; and

“Western Economic Diversification” “WD” and “WED” mean the federal department established by the **Western Economic Diversification Act**, R.S.C. 1985, c. 11 (4th Supp.) as amended from time to time.

SCHEDULE "B"

STATEMENT OF WORK – OPERATIONS

To Contribution Agreement between

HER MAJESTY the QUEEN in right of CANADA

As represented by the Minister Responsible for Western Economic Diversification
And

Lac La Biche Regional Community Development Corporation

I PROJECT SCOPE

1. Description and Purpose and Objectives

The purpose of the CF Program is to help communities develop and implement local solutions to challenges and opportunities by providing services and access to capital to SMEs and Social Enterprises to start or expand businesses and fostering strategic community economic development. Funding provided by this program is to further the ultimate objective of assisting communities to successfully pursue:

- a) Economic stability, growth and job creation;
- b) Diversified and competitive local rural economies; and
- c) Economically sustainable communities.

2. Contribution for Services, Eligible Costs and the Investment Fund

The Contribution funds to be provided to the Recipient for this Project are to be used for:

- a) payment of Eligible Costs for delivering a range of accessible business, advisory, training and information services to SMEs and Social Enterprises;
- b) fostering strategic community planning and socio-economic development by working with their communities to assess local problems, establish objectives, and plan and implement strategies to develop human capital, institutional and physical infrastructure, entrepreneurship, employment, and the economy;
- c) supporting community-based projects and special initiatives by collaborating with other partners in the public sector and civil society to implement strategic community projects or deliver special initiatives targeted to communities. These projects could vary considerably from one community to another and could include a wide range of local initiatives in areas such as tourism, entrepreneurship, economic opportunities for specific client groups such as women, youth, Indigenous people and members of official language minority communities, or projects which respond to specific challenges facing a community such as downturns in important industries;
- d) establishing, maintaining and administering the Investment Fund; and
- e) providing access to capital to assist existing SMEs and Social Enterprises or to help entrepreneurs to create new SMEs and Social Enterprises or expand existing SMEs and Social Enterprises.

3. Services

The Recipient shall provide the following Services:

- a) business services, including:
 - i. business technical and advisory services, including business planning;
 - ii. business information services; and
 - iii. business training and skills development;
- b) strategic community planning;
- c) implementation of community-based projects and special initiatives;
- d) Investment Fund administration and other activities as described in the Schedule "C" – Statement of Work – Investment Fund; and
- e) other services as may be agreed between the parties.

4. Location

The Recipient shall implement and carry out the Project at Lac La Biche, Alberta.

5. Operating Funds

- a) The maximum amount of Operating Funds to be paid to the Recipient and used for reimbursement of Eligible Costs shall be:

Fiscal Year	Operating Funds
2021-22	\$294,963
2022-23	\$294,963
2023-24	\$294,963
2024-25	\$294,963
2025-26	\$294,963

Operating Funds may be used only for payment of Eligible Costs incurred for or related to Services provided or otherwise as approved by the Minister to carry out the Project. Costs must be reasonable, incremental and directly attributable to activities necessary for the Project and pursuing the Expected Results. Actual Eligible Costs incurred are subject to verification as contemplated in this Agreement to the Minister's reasonable satisfaction.

- b) The Recipient shall provide its estimated annual operating costs in its annual Operating Plan, in accordance with the Agreement.

6. Stacking Limit and Government Funding

The Stacking Limit for government funding sources and financial assistance for this Project shall not exceed 100 % of the total projected Project costs. If this Stacking Limit is exceeded, the Minister may declare that an overpayment has been made under this Agreement and may demand repayment of the amount of the overpayment, as determined by the Minister.

7. Conflict of Interest Obligations

In contracting for goods and services, the Recipient shall abide by its conflict of interest policies and practices.

8. Project Dates

- a) Start Date: April 1, 2021
- b) Completion Date: March 31, 2026
- c) Final Reporting Date re: Operations: September 30, 2026

9. Special Conditions

- 1. The Corporation shall have included as part of its operating name the words "Community Futures".

II PROJECT PERFORMANCE MEASUREMENT and REPORTING

1. Performance Indicators and Standards

WD may prescribe Performance Indicators and associated standards after receiving and reviewing the Recipient's initial annual Operating Plan and may prescribe revised targets for Performance Indicators for subsequent years. The Recipient shall provide targets for all prescribed Performance Indicators in its annual Operating Plan.

2. Performance Reports

- a) The Recipient shall provide to WD, in a format provided or approved by the Minister the following:
 - i. semi-annually, its quarterly Performance Reports as required by the annual Operating Plan; and
 - ii. annually, its Annual Performance Report;and shall continue to do so until the provision of the Final Reporting Date.
- b) The periodic Performance Reports shall report on the following matters, unless advised otherwise by WD:
 - i. a summary of any milestones completed;
 - ii. the extent to which Performance Indicators were achieved;
 - iii. an explanation, if any, for any Performance Indicators not achieved;
 - iv. a description of the results and benefits realized to date; and
 - v. any other Project achievements of interest to the Minister and pertaining to the measurement of the Recipient's performance and/or evaluation of the CF Program.
- c) The Recipient shall inform its Service Clients and Borrowers that representatives of Canada are permitted access to its Service Client and Borrower files for CF Program, Project monitoring, evaluation, and auditing purposes and that Service Clients and Borrowers may be contacted from time to time by Canada's representatives for these purposes.

SCHEDULE "C"

STATEMENT OF WORK – INVESTMENT FUND

To Contribution Agreement between

HER MAJESTY the QUEEN in right of CANADA

As represented by the Minister Responsible for Western Economic Diversification
And

Lac La Biche Regional Community Development Corporation

I PROJECT SCOPE – INVESTMENT FUND

1. Contribution Funds to Investment Fund and Interest Earned

Except as otherwise provided below, the Investment Fund shall be used to provide repayable, interest-bearing Loans to Borrowers to assist or expand existing SMEs or to help entrepreneurs and community organizations to create new businesses and Social Enterprises in Western Canada. Until disbursed as Loans to Borrowers, the Recipient is authorized to invest, from time to time, Contribution funds allocated to the Investment Fund received by it in a low-risk interest-bearing account. Any such interest earned shall be allocated to the Investment Fund.

2. Restricted Use of Investment Fund; Permissible Transfer to Operating Funds Account

- a) Subject to the provisions below, funds allocated to the Investment Fund shall not be used for any other purpose or activities without the prior written approval of WD.
- b) Notwithstanding clause I 2. a), up to a total of 75% of net growth (net growth= interest and other revenue – bad debt and other expenses) of the Investment Fund during the previous fiscal year, to a maximum of \$100,000, may be transferred into the Operating Funds Account. Interest transfers are subject to the following:
 - i. All Project reporting obligations by the Recipient must be current and in good standing;
 - ii. Interest to be transferred firstly from Non-Repayable Investment Fund where available, then secondly from Conditionally Repayable Investment Funds;
 - iii. All interest transfers cannot impede the Recipient's capacity to make future Loan;
 - iv. Subject to the Minister's discretion, interest transfers are not allowed when the Recipient has an operating surplus;
 - v. Interest transfers cannot reduce the balance of the Investment Fund below the original amount of the total credited to the Investment Fund from all grants or contributions made by the Government of Canada to the Recipient without the written consent of the Minister;
 - vi. The audited financial statements must clearly indicate the amounts of interest transferred from Investment Funds into the Recipient's Operating Funds Account;
 - vii. All interest transferred under this clause must be reported to WD in the Annual Performance Report;
 - viii. Interest transfers above 75% of net growth or \$100,000 will need to obtain WD's prior written approval;
 - ix. All interest transfers must be supported by a motion of the Recipient's Board of Directors that specifies the amount of the transfer; and

- x. Interest transferred from EDP Investment Funds must be used in support of EDP activities.

3. Debt Collection Costs

The Recipient may charge reasonable amounts incurred for Loan debt collection costs to the Recipient's Investment Fund account. Such costs shall be reported to WD in the audited financial statements.

4. Project Investment Fund Dates

- a) Start Date: April 1, 2021
- b) Completion Date: March 31, 2026
- c) Final Reporting Date re: Investment Fund Activities: March 31, 2033

The Corporation shall continue to administer the Investment Fund in accordance with the terms of this Agreement for a period of seven years following the Completion Date, or in the case of termination under section 10.6 of this Agreement for a period of seven years thereafter from the termination date.

5. Investment Fund Requirements and Obligations

- a) The Recipient shall administer and manage the Investment Fund in accordance with the terms, conditions and provisions set out in the Schedule "G" – Investment Fund Administration Terms and Conditions attached to this Agreement.
- b) The Recipient shall be required to develop and comply with corporate policies that are consistent with Federal and Provincial legislation, including policies for Investment Fund management set out in Schedule "G" – Investment Fund Administration Terms and Conditions.
- c) The Recipient shall be required to account separately for the assets of each of following Investment Funds: the Conditionally Repayable Investment Fund, the Conditionally Repayable EDP Investment Fund, the Non-Repayable Investment Fund, and the Non-Repayable RRRF Investment Fund.

II REPAYMENT OF INVESTMENT FUND

1. Events Authorizing Minister's Actions and/or Demand for Repayment

The Minister shall be entitled to demand repayment of the Investment Fund and take other actions described below in any one of the following events or circumstances:

- a) an event of default, as described in this Agreement, by the Recipient has occurred;
- b) the Agreement is terminated in accordance with the provisions of this Agreement;
- c) the Agreement expires at the Completion Date and the Minister does not extend the Term of the Agreement or extend the Project under any new agreement with the Recipient;

- d) in the opinion of the Minister, the Investment Fund is no longer necessary or relevant to the development of the economy in Western Canada;
- e) the Investment Fund is not administered in accordance with the provisions of this Agreement or with the Recipient's written policies governing its administration; or
- f) following a review and evaluation by WD of the results being achieved by the Recipient's operations and administration of the Investment Fund, the Minister determines that the Investment Fund is no longer providing a satisfactory level of benefits in terms of the development and growth of SMEs and Social Enterprises, including employment creation and strengthening of the economy in Western Canada.

2. Minister's Actions or Demands for Repayment

When any of the above events or circumstances occurs or has come to exist, the Minister shall be entitled to deliver written notice to the Recipient requiring it to do any one or more of the following, within 30 days receipt of the Minister's notice:

- a) to repay to WD the lesser of:
 - i. the total amount paid by WD to the Recipient for the Investment Fund pursuant to this Agreement and under all previous CF Program contribution agreements between the parties; OR
 - ii. the balance of the Investment Fund received by the Recipient that remains undisbursed as Loans granted and not yet committed to disbursement for approved Loans to Borrowers;
- b) to deliver to WD all records and documentation, including Loan Agreements, evidencing Loans granted by the Recipient to Borrowers;
- c) to assign to the Minister all of its rights and interests, including the right to repayment with interest of debts owed, under the Loan Agreements entered into with Borrowers;
- d) to liquidate all debts owing to the Recipient under Loan Agreements entered into with Borrowers by sale of its Loan Agreement rights and interests to a third party satisfactory to the Minister, or by other means satisfactory to the Minister, and to remit the net proceeds of such liquidation to WD.

3. Recipient's Obligations

When the Recipient has received one or more of the above notices from the Minister the Recipient shall promptly act to comply with and carry out the provisions contained in it / them and shall complete same within 30 days of its receipt of such notice(s) or within any further time as may be granted by WD.

4. Satisfaction of Debt to Canada

The Minister shall accept that the debt owing to Canada by virtue of the demands contained in the Minister's various notices delivered to the Recipient will have been paid in full when the Recipient has fully satisfied the demands and requirements set out in the delivered notices.

III PROJECT PERFORMANCE MEASUREMENT and REPORTING - INVESTMENT FUND

1. Performance Indicators and Standards – Investment Fund

WD may prescribe Performance Indicators and associated standards after receiving and reviewing the Recipient's initial annual Operating Plan and may prescribe revised Performance Indicators for subsequent years. The Recipient shall provide targets for all prescribed Performance Indicators in its annual Operating Plan.

2. Performance Reports – Investment Fund

- a) The Recipient shall provide, semi-annually, in a format provided or approved by the Minister, its quarterly Performance Reports and, annually, in a format provided or approved by the Minister, its Annual Performance Reports regarding its achievement and shall continue to do so until the provision of the Final Reporting Date.
- b) The Performance Reports shall report the following matters unless advised otherwise by WD:
 - a) a summary of any milestones completed;
 - b) the extent to which Performance Indicators were achieved;
 - c) an explanation, if any, for any Performance Indicator targets not achieved;
 - d) a description of the results and benefits realized to date; and
 - e) any other Investment Fund achievements of interest to the Minister pertaining to the measurement of the Recipient's performance and/or evaluation of the CF Program.
- c) The Recipient shall inform its Service Clients and Borrowers that representatives of Canada are permitted access to its Service Client and Borrower files for CF Program and Project monitoring, evaluation, and auditing purposes and that its Service Clients and Borrowers may be contacted from time to time by Canada's representatives for these purposes.

SCHEDULE "D"

To Contribution Agreement between

HER MAJESTY the QUEEN in right of CANADA

As represented by the Minister Responsible for Western Economic Diversification

And

Lac La Biche Regional Community Development Corporation

REFLECTING COMMUNITY, TRANSPARENCY, AND ACCOUNTABILITY

1. The Recipient commits that its Board will be representative of the Community in Alberta and will reflect their interests.
2. The Recipient will ensure that Board members receive appropriate orientation and corporate governance and legal ethics training to carry out their duties in a lawful and ethical manner.
3. The Recipient will develop, maintain and abide by corporate policies that are consistent with this Agreement and with federal and provincial laws and regulations and shall provide copies of its policies to the Minister, upon request.
4. The Recipient shall:
 - a) ensure that its internal governance documents, policies and procedures include provisions pertaining to the following:
 - i. the duration and term of office for both directors and officers;
 - ii. the maximum number of consecutive terms that an individual may serve as a member of the Board or as a member of the Investment Review sub-committee of the Board, with a provision that the maximum tenure an individual may serve as a member of the Board should not exceed nine (9) consecutive years;
 - iii. that after having served the maximum tenure of nine (9) consecutive years, an individual must wait for a minimum of one year before becoming eligible for re-appointment to the Board;
 - iv. creating and maintaining an up-to-date list of the members of the Board, along with each of their terms served, their respective geographic representation and/or their respective sector / area of expertise;
 - v. description of succession planning of members of the Board to retain corporate memory (i.e. rotation of terms, timing of new individuals to become members to replace exiting retiring members; and
 - vi. recruitment strategy for new Board members;
 - b) ensure that its conflict of interest policies include, at a minimum, the conflict of interest provisions described in this Agreement; provided that the Recipient may adopt conflict of interest rules that may be more stringent or onerous than such provisions;
 - c) ensure transparency to its clients, stakeholders, communities and the public generally by including the following information and elements on the Recipient's website:
 - i. the names of the current Board members;
 - ii. a profile of the Board composition, including geographic representation, sector / area of expertise, gender, and other matters of interest, and Board recruitment and nomination processes;

- iii. a copy of the Recipient's most recent annual audited financial statements;
 - iv. performance results from the previous year in a format approved by the Minister;
 - v. the Recipient's Investment Fund application appeals process; and
 - vi. a referral reference to the FEDO to make it known to members of the public that business services for Francophone entrepreneurs are available.
- d) ensure that members of the Board confirm in writing their agreement to maintain the confidentiality of documents and/or information which is of a confidential nature or which they are advised as being of a confidential nature.

SCHEDULE "E"

IRREVOCABLE AUTHORITY TO DISCLOSE RECORDS TO WD

To Whom It May Concern:

Lac La Biche Regional Community Development Corporation hereby irrevocably authorizes you to promptly disclose to the Department of Western Economic Diversification ("WD"), copies of all records, accounts, documents and other information pertaining to its receipt of financial assistance from WD and its application, use, spending and accounting of same and its incurring of Eligible Costs during the Period, as these terms are defined below.

Dated this _____ day of _____, 20_____.

RECIPIENT NAME

Signature of duly-authorized Signing Officer

Name:

Title:

Period means: Date to Date

Eligible Costs include:

- a) real property rent, lease payments and leasehold improvements;
- b) employee salaries and benefits;
- c) office equipment purchase and lease payments;
- d) office supplies;
- e) municipal property taxes;
- f) utility services;
- g) information management services and information technology acquisitions;
- h) acquisitions of propriety processes and systems;
- i) cleaning and office maintenance services and cleaning supplies;
- j) bank interest, fees and charges;
- k) vehicle operating expenses and insurance and other transportation and shipping services;
- l) professional fees for legal, accounting, administrative and consulting services ordinarily required;
- m) real property, chattel goods, business disruption and general commercial liability insurances,
- n) capital improvements related to projects as may be approved in writing by the Minister; and
- o) other expenses incurred for day-to-day operations and directly attributable to activities necessary to the purpose of the Agreement.

Schedule "F"
To Contribution Agreement between

HER MAJESTY the QUEEN in right of CANADA
As represented by the Minister Responsible for Western Economic Diversification
And
Lac La Biche Regional Community Development Corporation

Conflict of Interest¹ Provisions

1. Each director, officer, Investment Review Sub-Committee member, and employee shall act in the best interest of the Recipient and shall disclose the material facts regarding their interest in a proposed transaction where it gives rise to an actual conflict of interest or the perception of a potential conflict of interest. A transaction proposed to be made with an Immediately Related Party² shall be presumed to create a conflict of interest.
2. No director, officer, Investment Review Sub-Committee member and employee of the Recipient or any Related Entity shall enter into any transaction with the Recipient, including the acceptance of a loan and the granting of a loan to an Immediately Related Party, either directly or indirectly.
3. Transactions for the purpose of granting loans to an Other Related Party³ may be permitted provided that:
 - a) the decision to approve such loans, irrespective of the existing delegation of lending authority, is made by the Board, only;
 - b) the conflict of interest has been declared in writing by the director, officer, Investment Review Sub-Committee member or employee of the Recipient and shall be recorded in the minutes of the Board meeting; and
 - c) the director, officer, Investment Review Sub-Committee member or employee having the conflict of interest and no Immediately Related Party may participate in the decision to authorize the transaction and shall not attempt to influence, lobby or persuade the Board in any way.
4. Notwithstanding the above provisions, contracts for the provision of goods or services to the Recipient by a director, officer, Investment Review Sub-Committee member and employee or by an Immediately Related Party are permitted provided that:

¹ For the purposes of this policy, **Significant Interest** means owning, whether directly, indirectly or beneficially, more than 10% of the capital stock of a corporation or holding shares or debentures to which are attached more than 10% of the voting shares of that corporation. It may also mean holding more than a 10% interest in a business partnership.

² For the purposes of this policy, an **Immediately Related Party** means the spouse or child of any director, officer, Investment Review Sub-Committee member, or employee of the Recipient and any legal entity or organization in which such person has a Significant Interest, substantial investment, or some degree of control.

³ For the purpose of this policy, an **Other Related Party** means the grandchild, parent, sibling or other relative, by blood or through marriage, of any director, officer, Investment Review Sub-Committee member, or employee of the Recipient and any legal entity or organization in which such person has a Significant Interest, substantial investment, or some degree of control.

- a) the decision authorizing such contract, irrespective of the existing delegation of contracting authority, is made by the Board, only;
 - b) the conflict of interest has been declared in writing by the director, officer, Investment Review Sub-Committee member or employee of the Recipient and shall be recorded in the minutes of the Board meeting;
 - c) no director, officer, Investment Review Sub-Committee member or employee having the conflict of interest and no Immediately Related Party may participate in the decision to authorize the transaction and shall not attempt to influence, lobby or persuade the Board in any way;
 - d) a minimum of three competitive bids for the proposed contract have been obtained, where practicable; and
 - e) the Board is satisfied that the contract being approved and selected represents the lowest cost or the best value to the Recipient.
5. Each director, officer, Investment Review Sub-Committee member and employee shall sign and deliver to the Recipient a declaration acknowledging their understanding and acceptance of these Conflict of Interest Provisions.

SCHEDULE "G"

To Contribution Agreement between

HER MAJESTY the QUEEN in right of CANADA
As represented by the Minister Responsible for Western Economic Diversification
And
Lac La Biche Regional Community Development Corporation

Investment Fund Administration Terms and Conditions

The Recipient will assist SMEs to access capital through use of its Investment Fund and other activities. In administering its Investment Fund, the Recipient shall adhere to the following:

1. Repayable financial assistance in the form of loans or loan guarantees, or equity investments shall only be provided to SMEs:
 - a) where the principals have or will have a financial involvement to a degree that the Recipient deems reasonable in relation to the principals' own wealth and to the funding requirements of the venture;
 - b) that shall predominantly create or maintain local jobs outside of metropolitan areas, and
 - c) that, in the judgement of the Recipient, have a reasonable expectation of economic viability.
2. The Recipient is responsible for assessing and approving Loan applications. This responsibility shall ultimately rest with its Board. However, the Board may delegate this assessment and approval function to its duly authorized delegates, as permitted by the Recipient's corporate bylaws, other governance documents or Board resolution. The Board and its delegates must respect and comply with the Board's conflict of interest and related transparency policies and practices, and the Board shall establish and exercise appropriate practices to ensure this.
3. Multiple Loans may be granted to an Applicant, provided that the maximum total Loan principal shall not (normally) exceed \$150,000 per Borrower at any one time. Two or more Local CFs may collaborate to provide financial assistance to SMEs or Social Enterprises in cases where there is a demonstrated benefit to their communities. Each participating Local CF may provide Loan principals up to \$150,000 in such situations.
4. In exceptional circumstances, the Recipient may provide financial assistance to an SME or Social Enterprise in excess of \$150,000 if the following conditions are met:
 - a) the exceptional circumstances must be demonstrated;
 - b) the Recipient must establish policies allowing for this exception;
 - c) to mitigate risk, all Loans to a single Borrower cannot exceed the greater of 15% of the Recipient's total Investment Fund assets, and approving all such Loans over \$150,000 must not raise the total outstanding value to greater than 30% of the value of the Recipient's total Investment Fund at the date of the approval of the Loan;
 - d) the Recipient has recorded on file all unsuccessful attempts to collaborate funding to the SME or Social Enterprise from other lenders to ensure that the Recipient's Loan only exceeds \$150,000 where necessary;

- e) during the assessment and approval process, the Board should consider and document their rationale as to whether enhanced due diligence, such as outside review of business plan or independent appraisal of business assets is required.
 - f) the decision to approve any financial assistance over \$150,000 is made by the Board itself (rather than a sub-committee) irrespective of any delegated approval that may exist, and is clearly recorded in signed minutes of a duly constituted Board meeting;
 - g) the Recipient must provide information related to these Loans through their Annual Performance Reports;
 - h) the Recipient has clearly documented all of the above in their Borrower files; and
 - i) the audited financial statements must clearly state the number and value of any loans over \$150,000.
5. In granting Loans, the Recipient shall abide by its various corporate policies, procedures and by-laws.
6. Assistance in the form of equity investments shall only be provided from the Investment Fund to incorporated SMEs authorized to issue share capital and shall not exceed 49% of the outstanding shares. Assistance provided must be the subject of formal agreements that meet all requirements under the applicable securities legislation in their respective Province.
7. No grants, contributions or forgivable loans shall be made from the Investment Funds.
8. A portion of the Investment Fund may be lent to Investment Fund Pools.
9. The Recipient shall ensure that each Applicant has made and taken reasonable and diligent efforts to access other sources of funding, including banks and other commercial lending institutions in Canada, prior to granting a Loan to an Applicant.
10. All Loans shall be repayable with Interest. Notwithstanding the foregoing, Recipients may establish lower interest rates for Social Enterprises or for EDP clients.
11. In exceptional circumstances, the Recipient may use interest rates between prime and prime plus two percent if the following conditions are met:
- a) the exceptional circumstances must be demonstrated;
 - b) the Recipient must establish policies allowing for this exception;
 - c) during the assessment and approval process, the Board should consider and document their rationale as to whether enhanced due diligence such as an outside review of the business plan or an independent appraisal of business assets is required;
 - d) the decision to approve using interest rates between prime and prime rate plus two percent is made by the Board of Directors (rather than a sub-committee) irrespective of any delegated approval that may exist, and is clearly recorded in signed minutes of a duly constituted Board meeting;
 - e) the Recipient must provide information related to these loans through their Annual Performance Reports;
 - f) the Recipient has clearly documented all of the above in their Borrower files; and
 - g) the audited financial statements must clearly state the number and value of any loans with interest rates between prime and prime plus two percent.
12. Loan repayments received by the Recipient from Borrowers shall be allocated to and deposited into the Investment Fund account.
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13. The Recipient shall ensure that a minimum of 75% of its Investment Fund is maintained in active business loans at all times. For purposes of this agreement, active business loans include Loans provided to Borrowers as well as loans provided to Investment Fund Pools. Should the Recipient have less than 75% in active business loans, the Recipient must deposit excess amounts into the Investment Fund Pool within 15 days of a request from their CFA.
14. The Recipient shall establish a transparent appeal / review process for Loan Applicants whose application was initially declined. This review process must be independent from the original Loan application decision-maker.
15. The Recipient will also work collaboratively with their provincial CFA to design a review process for cases that cannot be resolved at the Local CF level, which process must include an independent review of the application. The ultimate responsibility for assessing and approving investment applications shall remain with the Recipient's Board.

SCHEDULE "H"

To Contribution Agreement between

HER MAJESTY the QUEEN in right of CANADA

As represented by the Minister Responsible for Western Economic Diversification

And

Lac La Biche Regional Community Development Corporation

RRRF Contribution Terms and Conditions

- 1) The provisions in this Schedule are supplemental to the provisions of the attached Schedule "C" – Statement of Work – Investment Fund and Schedule "G" – Investment Fund Administration Terms and Conditions. The provisions in those documents shall generally apply to the RRRF Investment Fund, except where those provisions are contrary to or inconsistent with the provisions in this Schedule that are intended to apply specifically to the RRRF Investment Fund. The provisions in this Schedule shall govern and prevail in such case.
- 2) **Terms and Conditions of Funding**
 - a) **Purpose of RRRF Contribution:**
 - i) RRRF Investment funds borrowed from the provincial CF Association Investment Pool shall be for RRRF Loans and the Recipient shall accept and make use of the Investment Fund Contribution to provide Loans to SMEs in Western Canada specifically to recover from the adverse impacts of the COVID-19 pandemic.
 - b) **Reporting:**
 - i) the Recipient shall account for and report on the receipt, use, disbursement, repayment, and collections of all RRRF Contribution funds separately from all other Contribution funds received;
 - ii) WD may prescribe Performance Indicators and associated standards related to RRRF. The Recipient shall provide to WD, in a format provided or approved by the Minister, the extent to which Performance Indicators were achieved; an explanation, if any, for any Performance Indicators not achieved, and any other Project achievements of interest to the Minister and pertaining to the RRRF Contribution.
 - c) **Interest transfers:**
 - i) No interest transfer to the Recipient's Operating Fund account is permitted under the RRRF.
- 3) **RRRF Investment Fund -- Eligible Applicants**

To be eligible for Loans from the RRRF Investment Fund, in addition to being an eligible SME pursuant to Schedule "G", Applicants must also satisfy the following additional requirements:

 - a) the business enterprise was established prior to March 1, 2020;
 - b) the business enterprise was adversely impacted by the COVID-19 pandemic;

- c) the business enterprise was financially viable and not experiencing financial insolvency pressures prior to March 1, 2020; and
 - d) the Applicant was and is ineligible for, was previously rejected for, and/or was not or is not receiving financial support under the Canada Emergency Business Account (“CEBA”) Program or any other federal relief supports for any of the same Eligible Costs described in this Agreement.
- 4) **Prohibitions on Grants and Non-Repayable Contributions re: RRRF Investment Fund**
RRRF Investment Funds may not be used to provide grants or non-repayable contribution funding to any Applicant or other Person, but may be used to provide forgivable loans in part. Investment funds may not be used to pre-pay any existing loan debt of a Borrower.
- 5) **Conditions Specific to RRRF Investment Fund Loans to Borrowers**
RRRF Investment Fund Loans granted by the Recipient to Borrowers must be subject to the following specific terms and conditions:
- a) the application deadline for RRRF Investment Fund Loans is March 31, 2021 – applications received after this date will not be considered;
 - b) All Loan disbursements to Borrowers must be completed by June 30, 2021;
 - c) the maximum Loan amount shall be \$60,000;
 - d) the Loan shall bear no interest before December 31, 2022;
 - e) repayment of the principal sum shall not be required until after December 31, 2022, but nothing shall prevent a Borrower from making a Loan repayment at any time prior to that date;
 - f) on the first \$40,000 portion of the Loan, provided that at least 75% of the Loan principal is repaid on or before December 31, 2022, the remaining balance, to a maximum of 25% of the Loan principal or \$10,000, whichever is less, shall be forgiven and the Borrower shall be released from the obligation to repay same;
 - g) the Borrower shall not be eligible for loans greater than \$40,000 unless the Borrower has first utilized or committed to utilize the initial \$40,000;
 - h) On the portion of the Loan between \$40,000 and \$60,000 if applicable (herein the “Additional Loan Monies”), provided that 50% of the Additional Loan Monies is repaid on or before December 31, 2022, the remaining 50% balance of the Additional Loan Monies, to a maximum of \$10,000, shall be forgiven and the Borrower shall be released from the obligation to repay same;
 - i) Subject to the above provisions for partial repayment and Loan forgiveness, if the Borrower has not repaid the Loan by December 31, 2022, then the balance of the Loan then outstanding shall become immediately repayable and shall bear interest from and after January 1, 2023 until paid in full at a rate not exceeding 5% per annum; and
 - j) Subject to the above provisions, the Loan principal, plus accumulated interest, must be fully repaid on or before December 31, 2025.

For greater certainty, all repayments made prior to December 31, 2022, up to \$30,000, shall be allocated to the first \$40,000 portion of the Loan. Once \$30,000 has been repaid by the Borrower, any further payments made prior to December 31, 2022 shall be allocated to repayment of the Additional Loan Monies.

6) **Recipient to Establish RRRF Investment Fund Criteria**

The Recipient shall apply established specific RRRF Investment Fund eligibility criteria in accordance with the provisions of this Schedule for assessing Applicants for RRRF Loan Investment Loans.

7) **Allocation of Repayments to RRRF Investment Fund Pool**

All RRRF Investment Funds remaining or recovered from SMEs' RRRF loan repayments must be returned to the RRRF provincial CFA Investment Fund Pool.

8) **Uncommitted Investment Funds**

The Recipient shall return to the CFA any uncommitted RRRF Investment Funds remaining at the end of the disbursement period ending June 30, 2021, no later than July 31, 2021.

