

ACFA BORROWING MANUAL: APPENDIX S
Master Loan Agreement – Municipalities

THIS AGREEMENT IS MADE EFFECTIVE AS OF THE 5th DAY OF February, 2016 (the “Effective Date”).

BETWEEN:

ALBERTA CAPITAL FINANCE AUTHORITY,
a corporation continued under the *Alberta Capital Finance Authority Act* (Alberta)
("ACFA")

- and -

THE COUNTY OF ST. PAUL NO. 19,
a corporation established under the *Municipal Government Act* (Alberta)
(the “Borrower”)

MASTER LOAN AGREEMENT

WHEREAS:

- A. The Borrower plans to undertake capital projects from time to time;
- B. The Borrower has asked ACFA to finance capital projects from time to time and ACFA is prepared to do so, all upon the terms and conditions herein; and
- C. This agreement sets forth the terms and conditions for the financing of capital projects between the Borrower and ACFA pursuant to one or more debentures incorporating by reference the terms and conditions of this agreement.

NOW THEREFORE the parties agree as follows:

Section 1 – Definitions and Interpretation

- 1.1 In this Agreement, the following words and terms shall have the meanings as set out below:
 - (a) “Agreement” means this agreement, as may be amended by mutual agreement from time to time;
 - (b) “Capital Project” means a capital project of the Borrower approved for financing by ACFA in writing from time to time;
 - (c) “Closing Date” means a date as the parties may mutually determine from time to time in writing with regard to the financing of a Capital Project by ACFA;

- (d) “Debenture” means a document signed and delivered by the Borrower in the form as required by ACFA in respect of the financing of a Capital Project by ACFA, as may be amended by mutual agreement from time to time;
 - (e) “Effective Date” means the date as set out at the top of the first page of this Agreement;
 - (f) “Events of Default” means any event as set out in Section 8.1; and
 - (g) “Principal Amount” means the total amount of monies advanced or to be advanced to the Borrower by ACFA in respect of the financing of a Capital Project and as particularly set out in a Debenture.
- 1.2 This Agreement shall be governed and interpreted in accordance with the laws in force in the Province of Alberta. The parties hereby submit to the exclusive jurisdiction of the Courts of Alberta.
- 1.3 All references to dollar amounts in this Agreement shall be in the lawful currency of Canada.
- 1.4 Time in all respects shall be of the essence of this Agreement.
- 1.5 As the context of this Agreement so requires, words that import the singular shall include the plural, and vice versa, and words that import a particular gender shall include all other genders.
- 1.6 The division of this Agreement into sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement.
- 1.7 Unless otherwise expressly stated, all references to section numbers and schedules herein shall be deemed to mean the section numbers and schedules contained within this Agreement.

Section 2 – Financing of Capital Projects

- 2.1 Subject to the other provisions of this Agreement, ACFA shall loan to the Borrower, and the Borrower shall borrow from ACFA, each Principal Amount on the applicable Closing Date upon the terms and conditions set out in this Agreement and each Debenture.
- 2.2 The Borrower shall only use a particular Principal Amount to finance the planning, design and construction costs of the related Capital Project.
- 2.3 To evidence the Borrower’s obligation to repay a particular Principal Amount and accrued interest thereon, the Borrower shall execute a Debenture and deliver it to ACFA on or before the applicable Closing Date. The terms set out in this Agreement

shall be incorporated into each Debenture by reference. Each Debenture constitutes a separate, distinct and independent:

- (a) financing of a Capital Project; and
- (b) contractual obligation of the Borrower.

2.4 Disbursement of the loan monies by ACFA to the Borrower may occur in instalments as set out in each Debenture.

Section 3 – Interest

3.1 The particular Principal Amount, or any part thereof that remains due and owing to ACFA from time to time, shall bear interest in the manner and at the rate set out in each Debenture.

Section 4 – Payments

4.1 The Borrower shall repay each particular Principal Amount and accrued interest thereon to ACFA in instalments until the maturity date, all as is more particularly set out in each Debenture. Each instalment payment shall be made by preauthorized debit of the Borrower's bank account, or by such other means as may be mutually agreed between the parties, on or before the applicable date set out in the Debenture.

4.2 The Borrower shall not be entitled to prepay the whole or any part of any Principal Amount and accrued interest thereon except as may be permitted by ACFA in its sole discretion, which if permitted shall be subject to such terms and conditions that ACFA may prescribe.

Section 5 – Payment Assurance

5.1 In the event that the Borrower fails to, or is in jeopardy of failing to, make payments as required under Section 4.1, the Borrower shall impose and collect taxes on all taxable property and businesses in its municipality of an amount sufficient to pay to ACFA all amounts in arrears and becoming due and owing under this Agreement or any Debenture.

5.2 In authorizing its borrowing of each Principal Amount, the Borrower's authorizing bylaw shall specifically obligate the Borrower to impose and collect adequate taxes as required under Section 5.1, with such obligation being set out in the form as required by ACFA. Such obligation shall not be amended or rescinded without the prior written consent of ACFA.

Section 6 – Representations and Warranties

- 6.1 The Borrower hereby represents and warrants to ACFA, and acknowledges that ACFA is relying upon such representations and warranties, that as of the Effective Date and each Closing Date:
- (a) it is a valid and subsisting corporation established under the *Municipal Government Act* (Alberta) ;
 - (b) it has the corporate power and authority to execute, deliver and carry out the terms and conditions of this Agreement and has taken all necessary acts and proceedings to authorize the execution, delivery and performance of this Agreement;
 - (c) the execution, delivery and performance by the Borrower of this Agreement does not contravene or constitute a default under any:
 - (i) provision of its bylaws;
 - (ii) law or regulation which is applicable to the Borrower; or
 - (iii) agreement by which the Borrower is a party or by which it is bound;
 - (d) no event has occurred or is continuing which constitutes an Event of Default;
 - (e) it is not in breach or default of any of the terms or conditions of any other agreement with ACFA or any instrument (including without limitation any debenture) issued to ACFA;
 - (f) this Agreement, when duly executed and delivered, will constitute an authorized, valid and legally binding obligation of the Borrower enforceable in accordance with its terms, subject to the rights of creditors generally and the availability of equitable remedies;
 - (g) each Principal Amount is less than or equal to the estimated total planning, design and construction costs of the applicable Capital Project; and
 - (h) the probable lifetime of each Capital Project upon construction completion is estimated to exceed the term of the loan under the applicable Debenture.

Section 7 – Construction and Completion of the Capital Project

- 7.1 For the purposes of this Section 7, construction of each Capital Project shall be deemed to be complete on the date that the consulting architect or engineer for the project issues a certificate of substantial performance for the entire project, or if no such consultant exists, the date that such certificate is issued by the contractor responsible for the construction of the project.

- 7.2 If required by ACFA from time to time, the Borrower shall provide to ACFA a written progress report on the construction of a Capital Project. Such progress reports shall include such information and supporting documents as may be prescribed by ACFA from time to time. Upon the construction completion of each Capital Project the Borrower shall forthwith provide written notice to ACFA.
- 7.3 If required by ACFA, after construction completion of a Capital Project the Borrower shall deliver to ACFA a certificate from the consulting architect or engineer stating the total costs of planning, design and construction. If no such consultant exists, such certificate shall be issued by the contractor responsible for the construction of the particular project.
- 7.4 The Borrower shall keep and maintain, in accordance with applicable accounting standards, complete and accurate books, records and accounts relating to the planning, design and construction costs of each Capital Project. From time to time upon the written request of ACFA, the Borrower shall provide to ACFA (and any of its representatives) such documents to examine and audit and to make copies and take extracts thereof.
- 7.5 In the event that the final total planning, design and construction costs of a Capital Project or Capital Projects is less than the applicable Principal Amount, then upon becoming aware of such event the Borrower shall either (unless otherwise agreed by ACFA):
- (a) retain the excess amount and use it to make its then next payments on account of the Principal Amount (but not interest) in accordance with Section 4.1 until the excess amount is exhausted; or
 - (b) repay the excess amount to ACFA, but such repayment shall be considered a partial prepayment of the Principal Amount under Section 4.2 and shall therefore be subject to such terms and conditions that ACFA may prescribe.

Section 8 – Default

- 8.1 Upon the occurrence of any one or more of the following "Events of Default", ACFA may, upon written notice to the Borrower, declare to be immediately due and payable the entire amount of any Principal Amount, or any part thereof that remains due and owing to ACFA, together with accrued interest thereon and any other amounts due and owing under this Agreement, whereupon such amounts shall become immediately due and payable without presentment, demand, protest or other notice of any kind, all of which are hereby expressly waived by the Borrower:
- (a) the Borrower fails to make any payments as required pursuant to this Agreement or a Debenture when due and payable;

- (b) the Borrower fails to duly perform and observe any other terms or conditions of this Agreement or any Debenture;
- (c) the Borrower makes an assignment for the benefit of its creditors, or is declared bankrupt or makes a proposal under the *Bankruptcy Act* (Canada), or a custodian, receiver, receiver manager, official administrator or other such official is appointed with respect to the Borrower or the Borrower's property;
- (d) the Borrower is subject to any proposed or actual dissolution or winding-up proceedings, enactment or order;
- (e) any representation or warranty made by the Borrower under this Agreement or any Debenture is untrue or misleading as of the date when made or deemed to have been made; or
- (f) the Borrower is in breach or default of any of the terms or conditions of any other agreement with ACFA or of any debenture issued by the Borrower to ACFA, whether entered into or issued prior to, as of or after the Effective Date.

8.2 The remedies of ACFA set out in this Agreement shall be in addition to, and not in lieu of, any other remedies that ACFA may have in law or equity.

Section 9 – Costs, Expenses and Damages

- 9.1 All out-of-pocket expenses and costs incurred by ACFA in relation to the granting and disbursement of a loan pursuant to Section 2.1 shall be reimbursed to ACFA within 30 days of the receipt of written notice by the Borrower.
- 9.2 The Borrower shall pay to ACFA forthwith on demand all costs, expenses and damages, including without limitation all legal fees on a solicitor and his own client basis, incurred or suffered by ACFA in relation to:
 - (a) any breach or default of the terms or conditions of this Agreement or any Debenture by the Borrower; and
 - (b) the enforcement of ACFA's rights and interests under this Agreement.
- 9.3 For greater certainty, the Borrower hereby acknowledges and agrees that in the event of any prepayment of the whole or any part of any Principal Amount and accrued interest thereon, whether pursuant to Section 4.2 with the consent of ACFA or by reason of an Event of Default, ACFA shall be entitled to claim and demand from the Borrower all losses and damages that ACFA suffers in relation to the termination or unwinding of any derivative transactions (including without limitation interest rate swap transactions) with third parties that ACFA has entered into (whether directly or through its agent Her Majesty the Queen in right of Alberta) in relation to this Agreement or any Debenture. The amount of such losses and damages shall be paid to ACFA forthwith on demand.

Section 10 – Deliverables

- 10.1 Prior to the disbursement of any Principal Amount (or as applicable, the initial instalment) by ACFA to the Borrower, the Borrower (or its solicitors) shall deliver to ACFA (or its solicitors) original duly signed copies of the following documents:
- (a) this Agreement (2 copies, if not previously provided to ACFA);
 - (b) the applicable Debenture (1 copy); and
 - (c) a pre-authorized debit form authorizing ACFA to debit the Borrower's bank account for instalment payments in the form as required by ACFA (if not previously provided to ACFA).

Section 11 – Conditions Precedent

- 11.1 The obligation of ACFA to disburse any Principal Amount (or as applicable, the initial instalment) is subject to the satisfaction of the following conditions precedent:
- (a) ACFA shall have received all documents described in paragraph 10.1 as applicable to each loan, each in form and substance satisfactory to ACFA;
 - (b) All representations and warranties of the Borrower contained in this Agreement are true and correct as at the date of each advance of any Principal Amount (or as applicable, the initial instalment); and
 - (c) No Event of Default as set out in paragraph 8.1 of this Agreement has occurred and is continuing.

Section 12 - Notices

- 12.1 Any notice, consent, request, approval or other communication under any provision of this Agreement must be in writing to be effective, and is effective when delivered by any means, including fax transmission or e-mail, to the following respective addresses:

To: ACFA

Alberta Capital Finance Authority
Suite 2160 Sun Life Place
10123 – 99th Street NW
EDMONTON, Alberta, T5J 3H1
Fax: 780-422-2175

Attention: President
E-mail: troy.holinski@gov.ab.ca

To: the Borrower (name and address):

COUNTY OF ST. PAUL NO. 19
5015-49 Avenue
St. Paul, Alberta T0A 3A4

Attention: Sheila Kitz, CAO
E-mail: skitz@county.stpaul.ab.ca

- 12.2 Either party may change its address information by giving notice to the other in the above manner. The onus shall be on a party asserting delivery of a notice, consent, approval or other communication to establish that it was delivered in accordance with the foregoing, provided that in the case of e-mail such onus shall be discharged by proof that an e-mail sent to the designated e-mail address was received and opened at that e-mail address.

Section 13 - General

- 13.1 No failure or delay by ACFA in exercising any right, power or privilege as set out in this Agreement shall operate as a waiver thereof, nor shall any single or partial exercise thereof preclude any other or further exercise thereof or any other right, power or privilege.
- 13.2 ACFA shall be entitled to grant any extensions of time or other indulgences, give up security, compromise, grant releases and discharges, and otherwise deal with the Borrower without prejudice to its rights herein.
- 13.3 This Agreement may not be amended except by written agreement. No waiver of any provision of this Agreement shall be effective unless such waiver is in writing.
- 13.4 The parties shall with reasonable diligence take all action, do all things, attend or cause their representatives to attend all meetings and execute all further documents, agreements and assurances as may be required from time to time in order to carry out the terms and conditions of this Agreement in accordance with their true intent.
- 13.5 This Agreement, together with the provisions of the applicable Debenture, constitutes the entire agreement between the parties with respect to the subject matter of this Agreement and supersedes all prior agreements and understandings relating to the same subject matter.
- 13.6 The Borrower shall not assign this Agreement or any part thereof or any rights hereunder, without the prior written consent of ACFA.
- 13.7 This Agreement shall enure to the benefit of and be binding upon the parties' respective successors and permitted assigns.
- 13.8 This Agreement may be executed in counterparts, and the counterparts together shall constitute one agreement. Communication of an executed copy of this

Agreement, or of any counterparts thereto, by facsimile transmission or electronically in portable document format (PDF) shall constitute good and effective delivery.

WHEREFORE the parties hereto have signed this Agreement effective as of the Effective Date.

**ALBERTA CAPITAL
FINANCE AUTHORITY**

COUNTY OF ST. PAUL NO. 19
(Name of Corporation)

Per: _____
Troy Holinski, President

Per: _____

Name: Sheila Kitz

Title: Chief Administrative Officer

Per: _____

Name: Steve Upham

Title: Reeve