



**Council - Special Meeting
Agenda**

Monday, June 15, 2020

2:30 p.m.

Council Chambers

Pages

1. CALL TO ORDER
2. ADOPTION OF AGENDA
3. DISCLOSURE OF INTEREST
4. NEW BUSINESS
 - 4.1 Letter of Support - Cold Lake Brewing and Distilling Company - Value-Added Products to Markets Program 2 - 19
5. ADJOURNMENT



STAFF REPORT

Title: Letter of Support - Cold Lake Brewing and Distilling Company - Value-Added Products to Markets Program

Meeting Date: June 15, 2020

Executive Summary:

The Cold Lake Brewing and Distilling Company is seeking a letter of support to accompany their Value-added Products to Markets Program. The Cold Lake Brewing and Distilling Company are applying for funds to for commercial expansion.

Background:

After having been in a rented building in Cold Lake south, the Cold Lake Brewing and Distilling Company is now moving to a brand new location in Cold Lake north close to the lake.

Alternatives:

Council may consider the following options:

1. Motion to provide a letter of support
2. Defeat a motion to provide a letter of support

Recommended Action:

That Council authorize the letter of support to the Cold Lake Brewing and Distilling Company to accompany their Value-added Products to Markets Program for commercial expansion.

Budget Implications (Yes or No):

No.

Submitted by:

Kevin Nagoya, Chief Administrative Officer



OFFICE OF THE MAYOR

June 15, 2020

Value-added Products to Markets Program
Food and Value Added Processing Division
6547 Sparrow Drive
Leduc, Alberta T9E 7C7

To Julie Price:

Re: Letter of Support - Cold Lake Brewing and Distilling Company

On behalf Council it is my pleasure to write a letter in support for the Cold Lake Brewing and Distilling Company, for grant funding under the Value-added Products to Market Program. The Cold Lake Brewing and Distilling Company is undergoing an exciting commercial expansion in our community. After having been in a rented building in Cold Lake south, the Cold Lake Brewing and Distilling Company is now moving to a brand new location in Cold Lake north close to the lake.

The new building is a state of the art design that will allow for increased sales to occur through more space, availability to expand the brew house and canning line, and increase product lines. This is the only type of venture like this in our community with a population of 15,000 people. It is exciting to see a local family stay and invest significant personal monies and put Cold Lake on the brewing map.

The new location is on a piece of property that has sat vacant, and the building will be arguably be one of the premier buildings in Cold Lake north, which is known as a residential community. The Cold Lake Brewing and Distilling Company is going to have a small lounge on the upper floor of the building where tourists and locals can enjoy the view of the lake while having a home grown distilled product to taste.

As the Mayor of a City that is heavily influenced by Canada's largest air force base, 4 Wing Cold Lake, and the second largest oil sands in Alberta, diversifying our economy is something our Council strives for. Your support for the requested grant application from Cold Lake Brewing and Distilling Company would be greatly appreciated. It would allow a helping financial hand to an entrepreneurial business in our City be that much more successful.

The City of Cold Lake Mayor and Council fully support the efforts of the Cold Lake Brewing and Distilling Company as they seek funding. If you have any questions, please contact me at (780) 594-4494.

Sincerely,

Craig Copeland,
Mayor

cc: Council
/vs

VALUE-ADDED PRODUCTS TO MARKETS PROGRAM TERMS AND CONDITIONS

1.0 PURPOSE

The purpose of the Canadian Agricultural Partnership Value-added Products to Markets Program is to support growth of Alberta's value-added Food Processors and Bio-industrial Processors. The Program targets Processors for projects that enable growth of their businesses through increased sales related to development of New Products, adoption of state-of-the art processes, commercialization of products in New Markets, and expansion of their business in local, domestic and international markets.

There is limited funding in the Program. Applications completed to the satisfaction of the Minister will be considered for approval on a case-by-case basis, subject to Program eligibility criteria, assessment criteria, and funding constraints.

If an Application is approved by the Minister, the Applicant must enter into a Grant Agreement with the Minister to be eligible to receive funding under the Program.

2.0 DEFINITIONS: In these Program Terms and Conditions, the following terms have the following meanings:

- 2.1 AF:** means Alberta Agriculture and Forestry.
- 2.2 Agricultural Product:** means
 - a) a plant or plant product;
 - b) a meat or meat product; or
 - c) a product, including any food or drink, wholly or partly derived from an animal and/or a plant.
- 2.3 Applicant:** means the legal entity that submits an Application, and meets the eligibility criteria in section 3.1.
- 2.4 Application:** means the Program application form, and all documents required to be submitted pursuant to that form and the Program Terms and Conditions.
- 2.5 Bio-Industrial Processor:** means an Alberta registered entity that operates a facility in Alberta that manipulates and enhances the value of an Agricultural Product.
- 2.6 Canadian Agricultural Partnership:** means the Federal-Provincial-Territorial Canadian Agricultural Partnership.
- 2.7 Eligible Capital Expenses:** means the capital expenses listed in the Grant Agreement.

- 2.8 Eligible Expenses:** means Eligible Capital Expenses and Eligible Non-Capital Expenses.
- 2.9 Eligible Non-Capital Expenses:** means the non-capital expenses listed in the Grant Agreement.
- 2.10 Federal Crown:** means Her Majesty the Queen in Right of Canada.
- 2.11 Fiscal Year:** means the 12-month period beginning April 1 of any year and ending March 31 of the following year.
- 2.12 Food Processor:** means an Alberta registered entity operating in Alberta that is active in the business of changing an Agricultural Product into a value-added product through physical, chemical, or thermal means, including packaging, and:
- a) contracts to have Agricultural Product(s) processed or packaged on its behalf by a facility that is formally registered by federal or provincial inspection authorities; or
 - b) operates one or more processing facilities that are formally registered by federal or provincial inspection authorities, and which markets its Agricultural Products through wholesale distribution channels (eg. to retail or to food service) and does not sell exclusively through an on premise or single company owned retail outlet.
- 2.13 Funding List:** means the Value-added Products to Markets Program Funding List.
- 2.14 Grant Agreement:** means the signed agreement between the Minister and an Applicant stating the rules governing the grant, specifying the details of the grant, describing the Project, and listing the Eligible Expenses, as may be amended.
- 2.15 Industry Organizations:** means not-for-profit agencies, boards, commission, associations or societies whose membership includes individuals or businesses.
- 2.16 Minister:** means the Minister of AF and his authorized representative(s).
- 2.17 New Market:** means a new marketing channel in local, domestic and/or international marketplace.
- 2.18 New Product:** means a product that is new to a marketplace (local, domestic and/or international), or a product that was previously in a marketplace but now consists of a significant reformulation of ingredients, in the sole discretion of the Minister, resulting in new labelling, packaging, etc.
- 2.22 Primary Producer:** means an individual or an Alberta registered entity:
- a) operating in Alberta; and
 - b) that is responsible for the day-to-day management and work on the farm, including responsibility for input costs for agricultural crops or livestock and producing at least \$10,000 worth of commercial agriculture production annually, but does not include a landlord whose only interest in the crop or livestock is that of ownership of the land
- 2.19 Processors:** means Bio-Industrial Processors or Food Processors.

- 2.20 Program:** means the Canadian Agricultural Partnership Value-added Products to Markets Program.
- 2.21 Program Term:** means the time period for the Program, being April 1, 2018 to March 31, 2023.
- 2.22 Program Terms and Conditions:** means the terms and conditions for the Program set out in this document, as may be amended.
- 2.23 Project:** means the activities described in the Grant Agreement that have Eligible Expenses associated with them.
- 2.24 Project Term:** means the period between the start date and the end date stated in the Grant Agreement.
- 2.25 Provincial Crown:** means Her Majesty the Queen in the Right of Alberta.
- 2.26 Reimbursement Claim Form:** means the form to be submitted by the Applicant, together with all documentation required to be submitted pursuant to that form and the Grant Agreement, to request payment from the Program.
- 2.27 Statement of Certification:** means the statement of certification in the Program application form.

3.0 ELIGIBILITY

3.1 Eligible Applicants

- 3.1.1** Subject to s. 3.1.2, Processors are eligible to apply to the Program.
- 3.1.2** To be eligible under the Program, an Applicant must have the necessary capacity (including financial and other resources) to complete the activities included in the Applicant's Application.

3.2 Ineligible Applicants

- 3.2.1** The following entities are not eligible to apply to the Program:
- a) Primary Producers;
 - b) New Entrants;
 - c) Industry Organizations;
 - d) research stations, post-secondary institutions and other organizations funded whole in part by the government;
 - e) federal, provincial, and municipal governments, agencies and institutions;
 - f) retail businesses, restaurants and food establishments; and
 - g) any other person deemed by the Minister to be ineligible.

3.3 Eligible Activities (must be approved by the Minister)

- 3.3.1** Activities that may be included in an Application under the Program are stated in the Funding List.
- 3.3.2** Activities included in an Application must be reasonably appropriate for the capacity (including financial and other resources) of the Applicant. The Minister has the absolute

discretion to:

- a) only approve some activities in an Application if the activities included are not reasonably appropriate for the capacity of the Applicant, in the sole discretion of the Minister; and
- b) reject an Application if the activities in the Application, when considered with activities in other Applications submitted by the Applicant, are not together reasonably appropriate for the capacity of the Applicant, in the sole discretion of the Minister.

3.3.3 In completing a Project under the Program, the Applicant must:

- a) comply with all applicable laws and regulations; and
- b) obtain all required governmental approvals prior to commencing the Project, including those related to public health and safety, labour codes and standards, care and use of animals in research, wildlife habitat, and environmental protection.

3.3.4 Acceptance of an Application under the Program creates no obligations on the part of the Provincial Crown or Federal Crown to provide licenses, permits, authorizations, or approvals under any legislation.

3.4 Ineligible Activities

3.4.1 The following activities are not eligible under the Program and must not be included in an Application:

- a) construction of walls, floors, ceilings or ancillary buildings;
- b) labels and packaging design that is not in relation to New Products or for New Markets (for example stock keeping unit replacement with a retailer/wholesaler, a package size change, or a price comparison or price competition strategy);
- c) advertising;
- d) promotions (for example coupons, rebates, product giveaways);
- e) activities associated with aquaculture, aquaponics, or seafood processing, with the exception of activities related to the international marketing of fish and seafood products which are eligible and may be included in an Application;
- f) activities that provide support for province-specific branding, promotion or marketing activities that are detrimental to another province or territory; and
- g) any other activity deemed by the Minister to be ineligible.

3.5 Eligible Expenses (must be approved by the Minister)

3.5.1 Expenses that may be included in an Application are the expenses identified in the Funding List with respect to each eligible activity.

3.5.2 All travel expenses incurred by the Applicant in conducting the Project must be:

- a) for travel outside of Alberta; and
- b) in accordance with the Canadian Agricultural Partnership Travel Expense Policy posted on the Alberta Canadian Agricultural Partnership website (<https://cap.alberta.ca/CAP/index.html>).

3.5.3 In incurring Eligible Expenses, the Applicant must follow a process that is transparent, fair, and promotes the best value for the money expended. Eligible Expenses incurred by the Applicant must be at competitive prices that are no greater than fair market value.

3.5.4 If the Minister, in his sole discretion, considers the amount of any Eligible Expense claimed by the Applicant to be unreasonable, the Minister may adjust the amount of that Eligible Expense to an amount the Minister considers reasonable.

3.5.5 If an Applicant is approved, all Eligible Expenses must be incurred by the Applicant during the Project Term.

3.6 Ineligible Expenses

3.6.1 Expenses that are not eligible for payment under the Program and which must not be included in an Application include:

- a) training costs;
- b) installation costs;
- c) costs of lease of office furniture, space and equipment;
- d) costs of equipment attached to buildings such as sinks, walls, doors;
- e) costs associated with equipment attached to the building such as plumbing, framing, flooring, and insulation;
- f) normal operation, salary and maintenance costs;
- g) staff or consulting expenses for product sale activities, or in market representation for existing products;
- h) advertising expenses (including radio, vehicle wraps, billboards, signage);
- i) promotional material not associated with entering New Markets or selling New Products
- j) sponsorship;
- k) donation of product;
- l) listing fees, distribution fees or shelf stocking fees;
- m) website hosting, domain registration or ongoing website maintenance;
- n) skills training;
- o) Goods and Services Tax (GST);
- p) costs incurred outside of the Project Term, as determined by the Minister; and
- q) any other expense deemed ineligible by the Minister.

4.0 PROGRAM ASSESSMENT CRITERIA

4.1 Program assessment criteria by which Applications will be assessed are:

- a) the extent to which the Project aligns with the following outcomes:
 - i. support growth of the Applicant's business by increasing sales;
 - ii. remove barriers to growth and market entry; and
 - iii. facilitate capacity to develop New Products, adopt state-of the art processes, commercialize new products and/or enter New Markets;
- b) the extent to which the Project supports justified market demand, for example as illustrated by a marketing plan, market feasibility studies, and/or market research, or capacity increases linked to established market demand shown by listings or letters of support;
- c) the extent to which the Application shows strategies to access local, domestic and international markets (evidence of market readiness may include business plans, strategic partnerships, letters of support, distribution, export plan, certifications needed, current processing capacity);

- d) if the Project involves the development of a New Product and/or processes, the extent to which the Project supports the need and plans for development of New Product and/or processes (for example business plan and/or market plan);
- e) the extent to which the Project aligns with AF priorities as described in the AF Business Plan (2018-2021) and Government of Alberta priorities as described in the Government of Alberta Strategic Plan (2018-2021) posted on the Government of Alberta website;
- f) the extent to which the Application demonstrates the Applicant's capacity and readiness to execute the Project based on available financial resources, necessary experience and skills (in-house team and 3rd party expertise to manage, lead and execute the Project), and detailed Project timelines that are realistic and attainable; and
- g) the impact of the Project relative to the overall Project investment.

5.0 APPLICATIONS

- 5.1 There is limited funding in the Program. Applications will be considered for approval on a case-by-case basis, subject to the Program eligibility criteria, assessment criteria, and funding constraints.
- 5.2 Applications must include:
 - a) a completed Program application form, signed by an authorized representative, and all documents required to be submitted pursuant to that form;
 - b) all documents required to demonstrate that the Applicant has the necessary capacity (including financial and other resources) to complete the activities included in the Application; and
 - c) any supplementary documentation requested by the Minister.
- 5.3 Applications must be delivered to: AF.AG-GRANTS@gov.ab.ca or to:
Value-added Products to Markets Program
Food and Value Added Processing Division
6547 Sparrow Drive, Leduc AB T9E 7C7
- 5.4 Applications must be received by AF or postmarked on or before the date specified on the Program website.
- 5.5 Applicants are generally expected to complete Projects themselves, but it is recognized that they may have to contract with other entities to complete parts of the Project.
 - 5.5.1 If an Applicant knows when submitting their Application that they will be contracting with other entities to complete parts of the Project, the Applicant must include the following in their Application:
 - a) a description of the parts of the Project that will be completed by other entities; and
 - b) rationale for why it is necessary for the Applicant to contract with other entities to complete these parts of the Project.
 - 5.5.2 If an Applicant decides to contract with other entities to complete parts of the Project once the Applicant has entered into a Grant Agreement, the Applicant must give written notice to the Minister that includes the information described sections 5.5.1(a) and (b).

- 5.6 The Minister may reject any Application that is inaccurate, incomplete or ineligible in the sole discretion of the Minister.
- 5.7 The Minister will not approve an Application for which the total grant request is \$50,000 or less.
- 5.8 Applications must be signed by or on behalf of a properly authorized representative. The Minister may require evidence of authorization. Designates are not permitted to sign Applications unless they have Power of Attorney (submitted with the Application). Either executors or administrators can sign on behalf of estates.
- 5.9 An Application will not be considered complete unless the Statement of Certification is signed.
- 5.10 Submission of an Application does not entitle an Applicant to a grant under the Program.
- 5.11 The Applicant acknowledges that the grant may not be sufficient to cover the entire cost of the Project, and that the Applicant shall be solely responsible for raising funds from other sources to complete the Project. The Applicant acknowledges that the grant is the only financial assistance the Minister will provide under the Program to the Applicant for the Project.
- 5.12 If an Application is approved by the Minister, the Applicant must enter into a Grant Agreement with the Minister to be eligible to receive funding under the Program.

6 FUNDING LEVELS

- 6.1 The Program provides grants on a cost-shared basis to cover Eligible Expenses for approved Projects up to a maximum of \$500,000 per Applicant per Fiscal Year, based on Applicants reaching acceptable milestones and providing the required reports.
- 6.2 Eligible Expenses will be cost-shared as follows, subject to any maximum amounts stated in the Funding List:
 - a) Eligible Capital Expenses shall be cost-shared at 25% grant and 75% Applicant; and
 - b) Eligible Non-Capital Expenses shall be cost-shared at 50% grant and 50% Applicant.
- 6.3 Funding received through any other Canadian Agricultural Partnership programs may not be used toward the cost-share requirements of the Program.
- 6.4 Funding received through other federal, provincial and municipal governments cannot exceed 100% of the Eligible Expenses claimed by the Applicant and paid under the Program. The amount of the grant shall be adjusted so that the total government funding for Eligible Expenses does not exceed 100% of these expenses.
- 6.5 In the event that federal or provincial funding levels are changed to the extent that the money available to the Minister to make the grant is reduced or eliminated, the Minister may, in his sole discretion, cancel or reduce the amount of the grant.

7 PAYMENTS

- 7.1** Grant payments will be made on a reimbursement basis based on the Eligible Expenses incurred and claimed by the Applicant and approved by the Minister pursuant to the Grant Agreement during the Project Term.
- 7.2** The only Eligible Expenses for which the Applicant may make a claim for reimbursement are the Eligible Expenses listed in the Grant Agreement which are directly incurred by the Applicant in completing the Project during the Project Term, unless otherwise authorized by the Minister.
- 7.3** To make a claim for reimbursement, the Applicant must submit:
- a) a completed Reimbursement Claim Form with copies of all documentation (eg. invoices, receipts, proof of payments, or other supporting documentation) necessary to establish, to the satisfaction of the Minister, that the Applicant incurred and paid all Eligible Expenses claimed;
 - b) a status report or final report for the Eligible Expenses incurred and paid in the period covered by the report; and
 - c) any supplementary documentation requested by the Minister.
- 7.4** The Grant Agreement will specify when the Reimbursement Claim Form and all required supporting documentation must be submitted. The completed Reimbursement Claim Form and all supporting documentation must be submitted to the Minister by the date(s) stated in the Grant Agreement.
- 7.5** The determination of whether an expense incurred by the Applicant constitutes an Eligible Expense that is eligible for payment is at the sole discretion of the Minister.
- 7.6** Eligible Expenses shall be calculated based on the actual out of pocket cost to the Applicant (i.e. cost of the Eligible Expense less any rebates, discounts, incentives and/or credits, whether provided at the time of purchase or at a later date).
- 7.7** Projects and Eligible Expenses qualify only once for payment under the Program.
- 7.8** The amount of the grant stated in the Grant Agreement shall be adjusted based on the Eligible Expenses claimed by the Applicant and approved by the Minister, but shall not exceed the amount stated in the Grant Agreement.
- 7.9** Applicants cannot assign or defer any payment under this Program.
- 7.10** Payments may be considered farm support payments, and AGR-1 tax slips will be issued in the name of the Applicant, if applicable.
- 7.11** The Applicant shall not return for refund any items for which the Applicant has received a payment under the Program.
- 7.12** With the exception of items that are permanently affixed to the Applicant's land and the Applicant sells their land, the Applicant shall not sell or trade any items for which the Applicant has received a payment under the Program for at least three years after the end of the Project Term.

8 REPORTING REQUIREMENTS

- 8.1** Unless otherwise specified by the Minister, the Applicant shall provide the Minister with status reporting, to the Minister's satisfaction and by the dates specified by the Minister in the Grant Agreement, detailing:
- a) the status of the Project, including the estimated percentage of the work completed and the estimated date of completion, and a financial report detailing all the expenditures to date;
 - b) any other grants or funds from any level of government in respect to the Project;
 - c) any material events, developments or circumstances arising in relation to the Project; and
 - d) any other information requested by the Minister.

The Minister may require that any status report be reviewed, assessed, and reported on by the Applicant's auditors. Upon request by the Minister, the Applicant will in a timely manner elaborate on any particular aspect of any status report.

- 8.2** Unless otherwise specified by the Minister, the Applicant shall provide the Minister with a final report, in the form provided by the Minister and completed to the Minister's satisfaction, by the date specified by the Minister in the Grant Agreement or by no later than 30 days after the earlier termination of the Grant Agreement, whichever occurs first, detailing:
- a) a list of activities (including but not limited to market development activities, market readiness activities, and capital investment activities) completed by the Applicant in relation to the Project;
 - b) a report of the Applicant's success in meeting the Project's objectives;
 - c) a description of the successful aspects of the Project, as well as any recommendations for improvements;
 - d) a narrative of any value-added benefits of the Project (including but not limited to number and description of products developed, the commercial status of products developed, increased availability of Alberta products and/or ingredients, increased production in kilograms or liters);
 - e) a narrative of any impacts of the Project on the Applicant's business (including but not limited to increased sales, job creation and/or retention, and increased profitability);
 - f) a signed declaration detailing the launch of New Products into the marketplace, if applicable;
 - g) a signed declaration detailing expansion of and/or entry into New Markets, if applicable;
 - h) a list of any market information and/or intelligence products created, updated, or disseminated, if applicable;
 - i) copies of any publications for industry, if applicable;
 - j) a financial report, detailing all expenditures of the Project, the expenditures attributed to the grant, and the expenditures attributed to other funding sources for the Project, including the Applicant's contribution; and
 - k) any other information requested by the Minister.

The Minister may require that the final report be reviewed, assessed, and reported on by the Applicant's auditors. Upon request by the Minister, the Applicant will in a timely manner elaborate on any particular aspect of the final report.

- 8.3** The Minister may request the Applicant to submit additional reports during the Project Term which the Applicant shall submit, to the Minister's satisfaction, by the dates specified by the Minister.

- 8.4** The Applicant agrees to cooperate with the Minister in the completion of any audit, evaluation, or inspection of the Project or of the grant.

9 AMENDING GRANT AGREEMENTS

- 9.1** A Grant Agreement may be amended as follows during the Project Term:
- a) The Applicant may submit a written request to the Minister outlining and justifying the proposed amendments for the following:
 - i. activities described in s. 3.3.1 be added to the Grant Agreement, or that approved activities described in the Grant Agreement be removed;
 - ii. expenses described in s. 3.5.1 be added to the Grant Agreement, or that Eligible Expenses listed in the Grant Agreement be removed; or
 - iii. the Project Term be changed.
 - b) If the Minister approves a proposed amendment, the Minister will enter into an amending agreement with the Applicant.
- 9.2** The Minister is not required to approve any proposed amendment to a Grant Agreement.
- 9.3** Prior to the Applicant entering into an amending agreement with the Minister, any activities undertaken by the Applicant or expenses incurred by the Applicant that are not described in the Grant Agreement are undertaken and incurred by the Applicant at the Applicant's own risk as they may not be approved or funded by the Minister.

10 VERIFICATION

- 10.1** The Applicant must submit documentation to establish, to the satisfaction of the Minister, that the Applicant incurred and paid all of the Eligible Expenses claimed. Documents the Applicant may provide to do this include:
- a) invoices for the claimed Eligible Expenses that are in the Applicant's name; and
 - b) proof of payment for the claimed Eligible Expenses.
- The Applicant must also provide any other documentation requested by the Minister that the Minister requires to be satisfied that the Applicant incurred and paid all the Eligible Expenses claimed.
- 10.2** All items on an invoice submitted by the Applicant must be listed separately, and the cost for each Eligible Expense must be clearly identified.
- 10.3** The Applicant consents to the Minister releasing any information contained in the Application, or related to it, and obtained by the Minister in the course of verifying the Application, to any other government department, agency or other body for the purposes of verifying the Application, determining the Applicant's eligibility for the Program, or both. The Applicant expressly authorizes the Minister to obtain information from any government department, agency or other body to verify the contents of the Application and to determine the Applicant's eligibility for this Program.
- 10.4** The Applicant shall carry out its financial functions under the Grant Agreement in accordance with generally accepted accounting principles.
- 10.5** The Applicant agrees to give the Minister and representatives of the Minister access to examine their operation from the effective date of the Grant Agreement until six years following the end of the Project Term. The Applicant agrees to make available to the Minister all records, books of account, income tax returns, invoices, databases, and audit and evaluation reports in relation to the Project that are necessary for the audit and

evaluation of the Project. If the Applicant fails to provide such information within a reasonable time on reasonable notice, as determined by the Minister, the Applicant may be required to refund any payments received for the Project under the Program, as well as forfeit any future payments for the Project under the Program.

- 10.6** From the effective date of the Grant Agreement until six years following the end of the Project Term, the Applicant shall maintain separate accounting records for the Project and make them available for inspection by the Minister and representatives of the Minister (including the Auditor General of Alberta or any other auditor of the Project engaged by the Minister at its own expense) at all reasonable times upon reasonable notice.

11 INSPECTION

- 11.1** If an Application is approved, from the effective date of the Grant Agreement until three years following the end of the Project Term, the Minister is entitled, at reasonable times and upon reasonable notice to the Applicant, to attend the operation of the Applicant for the purpose of examining items pertinent to the Project in order to assess whether the Applicant is in compliance with the Grant Agreement.

12 NON-COMPLIANCE

- 12.1** Any one or more of the following shall constitute an event of default ("Event of Default"):
- a) failure of the Applicant to make satisfactory progress on the Project pursuant to the Grant Agreement, in the sole discretion of the Minister;
 - b) failure of the Applicant to comply with any of its obligations under the Grant Agreement, in the sole discretion of the Minister;
 - c) the Applicant ceases to carry out the Project during the Project Term, in the sole discretion of the Minister;
 - d) the Applicant becomes insolvent or ceases to carry on its operations during the Project Term; and
 - e) a resolution is passed or an application is made for winding up, dissolution, liquidation or amalgamation of the Applicant during the Project Term.
- 12.2** Upon the occurrence of an Event of Default:
- a) in addition to any other remedy under the Grant Agreement or at law, the Minister may do one or more of the following:
 - i. withhold payments of the grant to the Applicant;
 - ii. demand that the Applicant immediately repay to the Minister up to the full amount of the grant. Any such amount shall be a debt due to and recoverable by the Minister;
 - iii. terminate the Grant Agreement; and
 - b) the Minister may require the Applicant to do one or more of the following, and depending on the requirement, the Applicant shall immediately:
 - i. make no further commitments for expenditures and make no further disbursements that would be Eligible Expenses, except with the Minister's prior written approval;
 - ii. pay to the Minister the amount demanded pursuant to s. 12.2(a)(ii); and
 - iii. provide an accounting of the full amount of the grant with an audit report.

13 COMMUNICATIONS

- 13.1** The Applicant shall not make any public announcement or issue any press release regarding the entering into of the Grant Agreement, the making of the grant, or activities

under the Grant Agreement, except in consultation with the Minister and with the approval of the Minister as to the content of the announcement or press release, which approval shall not be unreasonably withheld.

- 13.2** Communications and communication material related to the Program must be approved by the Minister.
- 13.3** The Applicant shall adhere to the Canadian Agricultural Partnership communication standards as amended for all communications related activities related to the Project, by ensuring that:
- a) the Canadian Agricultural Partnership graphic standard, the official mark Alberta, and the official mark Canada are applied and represented in this order; and
 - b) the official mark Canada and the official mark Alberta are applied equally. Electronic copies of the Canadian Agricultural Partnership graphic standard, the official mark Alberta, and the official mark Canada may be obtained from the Minister upon request.
- 13.4** The Applicant acknowledges and agrees that the Minister may disclose the Grant Agreement and its contents by any means chosen by the Minister, including without limitation tabling it before the Legislature.
- 13.5** The Applicant acknowledges that information and records maintained by the Minister relating to the Grant Agreement are subject to the *Freedom of Information and Protection of Privacy Act* (Alberta). This Act allows any person a right of access to records in the custody or under the control of a public body, subject to limited and specified exceptions.

14 INTELLECTUAL PROPERTY

- 14.1** The Applicant shall own any intellectual property, including copyright, trademarks and patents over the materials developed or arising from the course of carrying out the Project, unless otherwise specified in the Grant Agreement.
- 14.2** Although the Minister is not intended to have ownership of copyright or any other intellectual property generated by the Applicant in the course of completing the Project, the Minister shall be entitled to make such non-commercial use of any intellectual property delivered in the Applicant's reporting as it sees fit (including excerpts therefrom), and the Applicant shall, upon request, provide to the Minister any specific licenses or authorizations as may be required, including if necessary the supply of waivers of moral rights as may be required for the use of excerpts from the intellectual property.

15 INDEMNITY, LIABILITY AND INSURANCE

- 15.1** The Applicant shall indemnify and hold harmless the Minister, its employees and agents from any and all third party claims, demands, actions, or costs (including legal costs on a solicitor-client basis) in relation to the Project arising from the negligence, other tortious act or willful misconduct by the Applicant, or those for whom the Applicant is legally responsible. This section shall survive the conclusion or termination of the Grant Agreement.
- 15.2** The Applicant acknowledges that the Provincial Crown and Federal Crown are not liable to the Applicant, the Applicant's heirs, administrators and assigns for the personal injury,

property damage, or any other damage, injury, claim or loss whatsoever arising out of the Program and the Applicant's participation in it.

- 15.3** The Applicant, at its own expense and without limiting its obligations under this Agreement, shall insure its operations under a policy of general liability insurance in an amount not less than \$2,000,000 inclusive per occurrence, insuring against bodily injury, personal injury and property damage including loss of use thereof and which shall include products liability.
- 15.4** The Minister may require evidence of the required insurance in a form satisfactory to the Minister prior to the commencement of the Project. All required insurance shall be endorsed to provide the Minister with 30 days advance written notice of cancellation or material change restricting coverage.

16 REFUNDS

- 16.1** The Applicant shall immediately refund to the Provincial Crown any payment received under the Program not in accordance with the Grant Agreement upon notice being provided to the Applicant by the Minister. Failure to make repayment as required by the Minister creates a debt owing to the Provincial Crown that can be set off against any money the Provincial Crown owes to the Applicant.

17 RIGHT OF SET-OFF

- 17.1** The Applicant agrees that the Minister may set-off against any other grant or amount payable to the Applicant under any programs administered within AF any amounts that become repayable by the Applicant to the Minister under this Program.

18 FALSE OR MISLEADING INFORMATION

- 18.1** An Applicant who provides false or misleading information under this Program forgoes all rights to benefit from this Program.

19 DEBTS TO PROVINCIAL CROWN OR FEDERAL CROWN

- 19.1** The Minister has the right to deduct from the Applicant's entitlement any amount due and owing to the Provincial Crown or Federal Crown.

20 REPRESENTATIONS AND WARRANTIES

- 20.1** By submitting an Application, the Applicant represents and warrants that:
- a) the Applicant is an eligible applicant pursuant to s. 3.1 the Program Terms and Conditions;
 - b) the person signing the Application is duly authorized to make the Application to the Program on behalf of the Applicant;
 - c) no Application has been made for the same activities by any other person, including without limitation, a person who is not arms-length or a related person as defined by the Income Tax Act (Canada) or by a shareholder, member or partner who is actively carrying on farming or business on behalf of a corporation;
 - d) the Applicant has made full, true and plain disclosure to the Minister of all facts relating to the activities that are material to its Application, including without limitation all sources of funding from federal, provincial and municipal governments;

- e) the Applicant has the necessary financial resources to complete the activities listed in the Application;
- f) no member of the House of Commons or the Senate shall derive any financial advantage from the grant that would not be permitted under the Parliament of Canada Act;
- g) no current or former federal public office holder or federal public servant to whom the Conflict of Interest Act, the Conflict of Interest Code for Members of the House of Commons, or the Values and Ethics Code for the Public Sector and the Policy on Conflict of Interest and Post-Employment applies shall derive any advantage or benefit from the grant unless the provision or receipt of such advantage or benefit is in compliance with such legislation, codes and policies;
- h) any person lobbying, as that term is defined in the Lobbyists Registration Act (Canada), on the Applicant's behalf is registered pursuant to that Act;
- i) the Applicant is not aware of any discussions to effect a sale, transfer, assignment or pledge of interest which would result in a change of the control of the Applicant or of the disposition of all or substantially all the assets of the Applicant;
- j) the Applicant has adequate human resources, experience and skills to carry out the activities described in the Application;
- k) there is presently no action, suit, or proceeding being brought or pending or threatened against or affecting the Applicant which could result in the expropriation of any property of the Applicant, or which could affect its operations, properties, financial condition, or its ability to complete the activities described in the Application;
- l) if activities described in the Application require authorization by an agency, the Applicant has obtained such approval prior to the commencement of the activities;
- m) the Applicant is in compliance with all laws, orders and authorizations which relate to or affect the Applicant, and is not subject to any order of any court or other tribunal affecting the Applicant's operations;
- n) the Applicant has the power and authority and all necessary licenses and permits to own and operate its properties and carry on its operations, to make the Application, and to completed the activities described in the Application; and
- o) the execution of the Statement of Certification has been duly and validly authorized by the Applicant in accordance with applicable law, and shall constitute a binding legal obligation of the Applicant.

21 CHANGE IN CONTROL

- 21.1** From the effective date of the Grant Agreement until three years after the end of the Project Term, the Applicant shall not, without the prior written consent of the Minister, cause or suffer to exist any sale, transfer, assignment or pledge of interest which would result in a change of control of the Applicant, or of the disposition of all or substantially all of the assets of the Applicant.

22 GRANT REGULATION AND DISCLOSURE OF GRANT RECIPIENT INFORMATION

- 22.1** Payments under this Program are grants subject to the Agriculture and Rural Development Grant Regulation. The Applicant acknowledges that, in addition to complying with the Grant Agreement, the Applicant must comply with the Agriculture and Rural Development Grant Regulation.
- 22.2** The Applicant acknowledges and agrees that AF publicly discloses the following information for all grant recipients: the grant recipient name, the amount of the grant, the program the grant is paid under, and the payment date. The Applicant also acknowledges

and agrees that the Federal Crown is authorized to publicly release the grant recipient's name, the amount of the grant, and the program the grant is paid under.

23 SURVIVAL

- 23.1** Despite any other provision of the Grant Agreement, those sections which by their very nature continue after the conclusion or termination of the Grant Agreement shall continue after such conclusion or termination.

24 ASSIGNMENT

- 24.1** The Applicant may not assign the Grant Agreement or any right or benefit under it.

25 GOVERNING LAW

- 25.1** The Grant Agreement shall be construed, interpreted, and applied in accordance with the laws and in the courts of the Province of Alberta.

26 NO AGENCY

- 26.1** Nothing in the Grant Agreement is intended to constitute the parties as an agent of the other for any purpose, or to create any relationship of agency, partnership or joint venture.

27 SEVERABILITY

- 27.1** The terms and conditions of the Grant Agreement are severable, and any term or condition determined to be void or unenforceable in whole or in part shall not be deemed to affect or impair the validity of the Grant Agreement or any other term or condition of it.

28 HEADINGS

- 28.1** The headings in these Program Terms and Conditions are for convenience of reference only and do not affect the interpretation of the Program Terms and Conditions.

29 CHANGE TO THE PROGRAM OR PROGRAM TERMS AND CONDITIONS

- 29.1** The Minister may change or terminate the Program at any time without notice. If the Minister changes the Program, the revised Program Terms and Conditions will be posted on the Program website.

30 MINISTERIAL DISCRETION

- 30.1** The Minister has the absolute discretion to determine the eligibility of any Applicant under this Program and any payment due under the Program. The decision of the Minister is final.

