

CANADA – PRIMROSE LAKE COMMUNITY ECONOMIC DEVELOPMENT AGREEMENT

BETWEEN:

Her Majesty the Queen in Right of Canada as represented by the Minister of
Western Economic Diversification

(hereinafter called "Canada" or "the Minister")

- and -

Primrose Lake Economic Development Corporation, a non-profit corporation
incorporated under the laws of the Province of Saskatchewan, with its registered
office located at Beauval, Saskatchewan

(hereinafter called "the Recipient")

WHEREAS:

- A. Canada and the Recipient wish to co-operate in promoting and supporting the long term sustainable economic development of northern Saskatchewan;
- B. Canada and the Recipient agree that innovative approaches are required to encourage and support the full participation of the communities of the Primrose Lake Area of Saskatchewan in the Canadian economy;
- C. the Recipient is a duly-incorporated non-profit corporation under *The Non-profit Corporations Act, 1995* (Saskatchewan), incorporated for the express purpose of implementing this Agreement;
- D. Canada and the Recipient agree that sustainable economic development of the Primrose Lake Area can most effectively be achieved by working in a supportive collaboration with the area's communities and its residents;
- E. Canada and the Recipient agree that communication with the public will best serve Canadians' right to transparency, public accountability, and full information about the benefits of this Agreement and the contributions of each Party;
- F. pursuant to the *Western Economic Diversification Act*, the Minister may, in accordance with terms and conditions approved by the Treasury Board, make grants and contributions in support of programs and projects undertaken by the Minister for the purpose of promoting the economic development and diversification of the economy of Western Canada; and
- G. the Recipient wishes to accept Canada's grant upon the terms and conditions set out in this Agreement.

NOW THEREFORE, in consideration of the promises and payments made herein, the Parties agree as follows:

1. DEFINITIONS

In this Agreement, unless the context requires otherwise:

- 1.1 "Agreement" means this Agreement together with all schedules and attachments and all amendments made in writing between the Parties;
- 1.2 "Board" means the Board of Directors of the Recipient as appointed or elected pursuant to its Bylaws;
- 1.3 "business day" means any day that the offices of the Department of Western Economic Diversification are normally open to the public for business;
- 1.4 "Canada's grant" means the conditional grant from the Minister to the Recipient, as more specifically described in Section 5 of this Agreement;
- 1.5 "Community Banking Arrangement" or "Fund" means a fund, which can include a trust fund, to be established by the Recipient from the conditional grant from Canada. The Fund will restrict the Recipient from encroaching upon the principal amount of Canada's grant for the term of the Agreement but the Recipient will be entitled to utilize the investment proceeds thereof in order to meet the purposes and objectives of this Agreement for the duration of the Fund;
- 1.6 "Economic Development Initiative" or "Economic Development Component" means those categories of Projects or Programs, and the portion of Canada's grant designated for them, which are intended and expected to create, produce, or promote new or increased economic activity or opportunities in the nature of business enterprises, industry, professions and trades, commercial resource development, employment, tourism, transportation and communications, and traditional economies, for the long-term benefit of the communities in the Primrose Lake Area;
- 1.7 "Economic Infrastructure Initiative" or "Economic Infrastructure Component" means those categories of Projects or Programs, and the portion of Canada's grant designated for them, which are intended and expected to result in new or improved infrastructure works within or connecting to the Primrose Lake Area that will facilitate or promote any new or increased economic activity for the long-term benefit of the Primrose Lake Area to occur. Infrastructure shall include roads and highways, public transport service facilities, public or industrial water or sewer service facilities, electronic telecommunication service facilities, pipelines, trades and other employment skills training facilities, any specialized infrastructure for major industrial developments, and any other buildings, facilities, and physical structures of a like nature;
- 1.8 "Eligible Costs" means those costs set out in the attached Schedule A;
- 1.9 "Fiscal Year" means the period commencing on April 1 of any calendar year and terminating on March 31 of the immediately following calendar year;
- 1.10 "Minister" means the Minister of Western Economic Diversification, and includes anyone authorized to act on his/her behalf;
- 1.11 "Party" means Canada or the Recipient, and "Parties" means both of them;

- 1.12 "Performance" means actual achievements towards specific goals under the Agreement;
- 1.13 "Performance Measurement" is the ongoing monitoring of progress towards pre-established goals under the Agreement;
- 1.14 "Primrose Lake Area" or "PLA" means the northern municipalities of Cole Bay, Jans Bay, Beauval, and Île-à-la-Crosse, and any additional geographic area as may be determined by the Board from time to time;
- 1.15 "Project" or "Program" means any activity, undertaking, operation, or work consistent with the purpose and objectives of this Agreement and approved by the Recipient to receive funding from Canada's grant or the Fund to be created from it, in order to be carried out or implemented. Projects or Programs may be pursued in agreement with any Third Party;
- 1.16 "Recipient" means Primrose Lake Economic Development Corporation;
- 1.17 "Results" means the collection of impacts and outcomes associated with the Agreement;
- 1.18 "Third Party" means any person, other than a Party or an Ultimate Recipient, or a person applying to become an Ultimate Recipient, that is involved in a Project or Program under this Agreement;
- 1.19 "Ultimate Recipient" means an individual, corporation, partnership, or other organization approved by the Board to receive any of Canada's grant funding, or any income derived from the Fund, from the Recipient for the purpose of carrying out or implementing an approved Project or Program.

2. PURPOSES

- 2.1 The purposes of this Agreement are to assist and promote economic development in the communities within the Primrose Lake Area affected by the establishment of the Primrose Lake Air Weapons Range in 1953 and to enhance the long-term economic viability and sustainability of those communities by:
 - (a) promoting increased community economic activity, economic diversity, and wealth in the Primrose Lake Area;
 - (b) improving the quality of life of residents of the Primrose Lake Area communities;
 - (c) providing long-term economic benefits to the Primrose Lake Area communities for current and future generations; and
 - (d) building the capacity of Primrose Lake Area communities to effectively participate, in a business-like decision-making environment, in the economic development and diversification of the Primrose Lake Area.
- 2.2 It is not the purpose of this Agreement to provide for any direct compensation payment to any individual as claims compensation related to the establishment of the Primrose Lake Air Weapons Range.

3. PRINCIPLES

- 3.1 In order to pursue and achieve the purposes stated in Section 2, the Parties agree to apply the following principles in respect of this Agreement:
- (a) *collaboration*: federal and provincial governments will work in collaboration with the Board and the Primrose Lake Area;
 - (b) *sustainability*: all initiatives must be strategic and provide long-term benefit to one or more of the Primrose Lake Area;
 - (c) *accountability*: all investments and Projects associated with the Economic Development Component must be well-managed and Results-oriented;
 - (d) *inclusive*: all initiatives must directly or indirectly benefit one or more of the Primrose Lake Area and the residents of those communities, present and future; and
 - (e) *Elder independence and participation*: Elders are to be afforded the opportunity to maintain their independence and to actively participate in their communities.

4. DELIVERY MECHANISM

- 4.1 The Recipient shall work towards the primary objective of this Agreement, which is to promote and support the sustainable economic development and diversification of the Primrose Lake Area.
- 4.2 The mechanisms for the Recipient to pursue the primary objective of this Agreement shall include:
- (a) incorporating and maintaining in good standing the Recipient and advisory committees to the Recipient to represent the interests of the Primrose Lake Communities and their residents, with the governance and operating provisions described in its bylaws;
 - (b) establishing a Fund to receive, hold, invest and administer Canada's grant, and distribute only the investment income derived from it, to the Recipient, which shall then further distribute it to Ultimate Recipients to enable them to carry out or implement Projects and/or Programs consistent with the provisions of this Agreement;
 - (c) establishing clear objectives and key Results to be achieved, consistent with the purposes and objectives of this Agreement, and identifying specific and measurable outcomes for all distributions of income derived from Canada's grant;
 - (d) establishing clear methods of communication and accountability to ensure that Primrose Lake Area residents and the Minister are familiar with their activities, as per Schedule B;
 - (e) ensuring all of Canada's grant provided to the Recipient and any other funds provided by other governments for the same purposes are held, managed, and used solely for the economic benefit of the Primrose Lake Area and its residents;

- (f) ensuring that distribution of income derived from Canada's grant, are used to contribute to Economic Development Initiatives, to Economic Infrastructure Initiatives, and to grow the value of the Fund to generate additional income for long term and sustainable economic development; and,

5. FINANCIAL PROVISIONS

- 5.1 Subject to clause 5.2, the total amount of Canada's grant under this Agreement shall not exceed fifteen million dollars (\$15,000,000), which Canada shall deliver to the Recipient on or before April 30, 2007. Of this total amount, the Recipient shall, over the term of this Agreement, distribute from investment income earned seven million five hundred thousand dollars (\$7,500,000) for Economic Development Initiatives and seven million five hundred thousand dollars (\$7,500,000) for Economic Infrastructure Initiatives.
- 5.2 The payment of Canada's grant shall be subject to the Parliament of Canada having appropriated sufficient funds for this Agreement by March 31, 2007. No amount shall be delivered by the Minister until authorized by the Parliament of Canada. No interest shall be payable by the Minister on any portion of Canada's grant.
- 5.3 In the event that the Parliament of Canada does not authorize the appropriation of funds for the purpose of this Agreement by March 31, 2007, this Agreement shall be null and void.
- 5.4 The Recipient acknowledges, covenants and agrees that Canada's grant shall be placed in the Fund to hold, invest and administer Canada's grant, and disburse all income derived from it, to the Recipient for further distribution to Ultimate Recipients for Projects and Programs in accordance with the provisions of this Agreement.
- 5.5 The Recipient shall disclose as part of its annual reports all proposed sources of funding, including sources and amounts from federal, provincial, or municipal governments for any activity, objective, or Project or Program to be undertaken in the Fiscal Year that falls within the scope of this Agreement. The Recipient shall also certify in writing within ninety (90) days of the end of each Fiscal Year of the Agreement, or upon completion or termination of this Agreement, a detailed summary of the actual sources of funding that the Recipient has received for the completion of any activity, Project, or Program funded under this Agreement.
- 5.6 The Recipient may draw from the annual income generated by the Fund to pay for the reasonable operating costs pertaining to the implementation and administration of this Agreement, including administration, salaries, accounting, auditing, legal, and other operating costs of the Recipient, but not including any fees for trustee and investment management fees. Operating costs shall not exceed one hundred fifty thousand dollars (\$150,000) per year for each of the first five years of this Agreement, and shall not exceed fifteen per cent (15%) of the annual income generated by the Fund thereafter for the duration of the Agreement. These limits may be revised if requested by the Recipient and approved in writing by the Minister.

6. RECIPIENT'S RESPONSIBILITIES

- 6.1 The Recipient shall be responsible for observing and performing those responsibilities and obligations of the Recipient as set out more fully in Article 7 and Schedule B to this Agreement.
- 6.2 The Recipient shall, prior to disbursing any investment income from Canada's grant to an Ultimate Recipient, require the Ultimate Recipient to enter into an agreement with the Recipient that restricts the use or application of funds from Canada's grant to only Projects and Programs under this Agreement and only for those Eligible Costs described in Schedule A.
- 6.3 The Recipient shall provide at the time of execution of this Agreement, for review by the Minister, the proposed bylaws that it shall adopt, and once reviewed by the Minister, the Recipient shall formally adopt these bylaws. For the duration of this Agreement, the Recipient shall notify the Minister of any cancellation, alteration, or amendment to its corporate articles and bylaws pertaining to objects, membership, Board of Directors, and administration of the Fund, as those bylaws and articles existed as at the date of adoption.
- 6.4 The Recipient shall be responsible for maintaining separate and identifiable accounts for income received from Canada's grant and the provincial contribution to the Fund.
- 6.5 The Recipient shall be responsible for maintaining separate and identifiable accounts for the principal and income received from Canada's grant or the Fund, including separate and identifiable accounts for funds disbursed to economic infrastructure projects and those disbursed to economic development projects.
- 6.6 The Recipient shall ensure that any agreement or instrument in which it enters into or grants in respect of the creation, establishment, maintenance and operation of the Fund, and any distribution of funds from it, and any ultimate dissolution or winding up of the Fund shall enable it to comply with the terms and conditions of this Agreement. More specifically, the Recipient shall ensure that such an agreement or instrument provides that in the event of any material default of the Recipient under this Agreement, Canada shall have the right to demand and to be forthwith repaid directly from the Fund the undistributed portion of Canada's grant.
- 6.7 The Recipient shall ensure that the agreements or instruments that the Recipient shall enter into may not be amended or altered so that the Recipient is not able to comply with all of terms of this Agreement. The Recipient shall provide to Canada for review prior to execution copies of all agreements or instruments which it proposes to enter into or grant in respect to the creation, establishment, maintenance and operation of the Fund, and shall provide to Canada forthwith upon execution signed copies of all such agreements or instruments.
- 6.8 The Recipient shall provide financial information requested by Canada or the Auditor General of Canada and shall ensure any agreement or instrument which it enters into for the creation, establishment, maintenance and operation of the Fund will allow access to the information requested by Canada and/or the Auditor General.

7. INVESTMENT MANAGEMENT FRAMEWORK

7.1 PRUDENT PERSON PRINCIPLE

- a. The Recipient shall ensure the Fund is invested and managed according to investment policies, standards and procedures that a prudent person would exercise in making investment decisions regarding property belonging to others.

7.2 FINANCE AND INVESTMENT COMMITTEE

- a. The Recipient shall establish a Finance and Investment Committee that oversees all matters related to the investment and management of the Fund. The Committee should be composed of at least three directors who are not officers or employees of the Recipient. Members of the Committee shall be financially literate and have broad knowledge or experience in investment matters.
- b. Without limiting the generality of Article 1, the Recipient shall ensure that the principal amount of the Fund that has not been disbursed or committed shall be invested in accordance with the Prudent Person Principle. Investment decisions shall be made with the principal objective being the preservation of the principal amount over the long-term.
- c. Until the Board approves the Investment Policy and appoints an Investment Manager for the Fund, the Board shall ensure that the principal amount of the Fund is invested in low-risk, liquid short-term securities denominated in Canadian dollars.

7.3 STATEMENT OF INVESTMENT POLICY

- a. The Board shall establish a written statement of Investment Policy in respect to the Fund's portfolio of investments for approval of the Board. The Committee shall ensure that the Board is regularly made aware of any significant financial risks facing the Recipient, including the consequences of potential significant losses of investments of any part of the entire Fund. The statement of Investment Policy shall be reviewed at least once per year. The statement of Investment Policy shall include the following components:
 - i. long-term return objectives and expectations;
 - ii. diversification policy of the investment portfolio, including various quantitative limits on investments;
 - iii. asset allocation strategy including specific range for short-term fluctuation for each asset class and the long-term targeted asset mix;
 - iv. permitted investment instruments and trading activities;
 - v. prohibited investment instruments and trading activities;
 - vi. policy on the use of derivatives;
 - vii. liquidity policy outlining how the Fund's liquidity needs will be addressed;
 - viii. risk management policies outlining procedures to manage and mitigate various types of risks that the Recipient faces;

- ix. policy on the lending of cash or securities;
 - x. the retention or delegation of voting rights acquired through investments;
 - xi. policy on socially responsible investing; and
 - xii. performance measurement and monitoring procedures.
- b. The Committee shall also establish and approve an investment strategy, describing the means used by the Recipient to best implement the statement of Investment Policy. The investment strategy shall define the style of investment management, such as active versus passive managers, as well as specific investment instruments that would be used. The investment strategy shall be reviewed at least once per year.

7.4 INVESTMENT ADVISOR AND INVESTMENT MANAGER

- a. The Committee shall recommend to the Board for their approval the appointment of one or more independent, external investment advisors to provide investment advice. The Committee may also recommend to the Board the appointment of one or more professional Investment Managers to invest the Fund consistent with the approved statement of Investment Policy and the investment strategy.

7.5 CONFLICT OF INTEREST CONCERNING INVESTMENT MANAGEMENT

- a. The Board shall ensure that all investment advisors or Investment Managers who are involved in the investment management of the Fund disclose in writing, on a timely basis, the nature and extent of his/her interest, including any material interest in any entity that is a party of a transaction with the Board.
- b. The Board shall also ensure that the Recipient's conflict of interest policies and procedures cover, among others, voting, prohibited transactions, continuing disclosure and avoidance standards.
- c. Recipient shall not accept contributions to the Fund that are offered with conditions that are contrary to the purposes and objectives stated in this Agreement.

7.6 BORROWING

- a. The Fund shall not borrow money, issue any debt obligation, or give any guarantees to secure a debt or other obligation of another entity.

7.7 QUANTITATIVE LIMITS ON INVESTMENT HOLDINGS

- a. Investments in the securities of any one issuer, or two or more affiliated entities shall be limited to no more than ten per cent (10%) of the Fund's investment portfolio's assets.

- b. Section 7.7(a) does not apply in respect to:
 - i. investments in securities issued by the Government of Canada or the government of a province, or the government of the United States, or securities that carry the full faith and credit of either; and
 - ii. any index, segregated, mutual or pooled fund.
- c. Investments in the equities of any one issuer shall be limited to no more than ten per cent (10%) of the outstanding stock (or of any single class thereof) of the issuer.
- d. Investments in alternative assets (including hedge funds, fund of hedge funds, venture capital, private equity, real estate and other non-traditional asset classes) shall be limited to no more than ten per cent (10%) of the Fund's investment portfolio.
- e. The Fund shall maintain a minimum of two per cent (2%) of the investment portfolio in cash or cash equivalent instruments to meet the Fund's liquidity needs.

7.8 PROHIBITED INVESTMENTS AND TRADING ACTIVITIES

The Recipient undertakes not to engage or instruct the Fund's assets to be invested in the following:

- a. fixed-income instruments rated below BBB- by Standard & Poors or Fitch Ratings, Baa3 by Moody's or BBB- by DBRS;
- b. derivatives or any instruments that have derivative holdings other than for risk mitigating purposes;
- c. non-marketable securities;
- d. commodities; and
- e. repurchase agreements against securities that are not permitted to be held in the portfolio.

7.9 DIRECTOR GOVERNANCE

- a. The Recipient shall ensure that no member of the House of Commons and the Senate be admitted to any share or part of the funding or to any benefit under this Agreement as an eligible recipient. The members of the House of Commons and the Senate shall not be appointed as Directors on the Board.

7.10 REPORTING

- a. The Recipient will provide corporate plans annually to the Minister at least two months before the fiscal year begins. Such corporate plans will include, but not be limited to:
 - i. short and medium term outcomes, (updated as applicable) per the Recipient's strategic plan;
 - ii. reference to the Recipient's previous year's corporate plan, especially its successes and remaining challenges;
 - iii. details of the Fund and its management;

- iv. planned expenditures for the upcoming year, including, but not limited to, the amount of revenue to be drawn from the Fund's income for the fiscal year;
 - v. planned activities for the upcoming year;
 - vi. the anticipated results of those activities;
 - vii. the anticipated revenues from other sources;
 - viii. risk assessments and mitigation strategies; and
 - ix. ongoing performance monitoring strategies.
- b. A copy or a summary of these plans will be submitted by the Recipient to the responsible Minister and may be tabled in Parliament.
- c. The Recipient shall provide the Minister, within four (4) months after the end of each fiscal year, an annual report approved by its Board and its members in both official languages of its activities during the year.
- d. The financial statements must be audited by an Auditor who:
- i. is a member in good standing of an institute or association of accountants incorporated by or under an act of the legislature of a province;
 - ii. has at least five years experience at a senior level in carrying out audits;
 - iii. is ordinarily resident in Canada; and
 - iv. is independent of the Board, each of the Directors and each of the officers of the Recipient; or
 - v. a firm of accountants at least one of whose members meets the qualifications set out in paragraph (ii).
- e. The Annual Report shall include:
- i. the financial statements of the Recipient, prepared in accordance with Generally Accepted Accounting Principles, for the year as approved by the Board including:
 - ii. its balance sheet as at the end of the fiscal year;
 - iii. a statement of income for the fiscal year;
 - iv. a statement of change in financial position for the fiscal year;
 - v. a statement of investment portfolio;
- f. the report of the Auditor for the year in respect of the annual financial statements and the books and records of the Recipient for the year, and any other reports of the Auditor respecting the financial circumstances of the Recipient in the year;

- g. a statement of the Recipient's objectives for that year and a statement on the extent to which the Recipient has met those objectives;
- h. a statement of the Recipient's objectives for the next year and for the foreseeable future;
- i. a statement of the Recipient's investment policies, standards and procedures;
- j. a list of eligible Projects or Programs, funding provided detailed by expenditure type, and a description of progress achieved to date;
- k. criteria applied to select eligible Projects or Programs;
- l. results of a program evaluation or performance audit; and
- m. the total remuneration paid to the Directors in that year by the Recipient, including any fee, allowance or other benefit.
- n. The Annual report of the Recipient for the fiscal year shall be made public and a copy shall be sent to the Minister who may cause the copy of the report to be laid before each House of Parliament on any of the first fifteen (15) days on which that House is sitting after the Minister receives it.

7.11 AUDIT AND EVALUATION

- a. The accounts and financial transactions of the Recipient shall be audited by an independent auditor on an annual basis.
- b. The Recipient agrees at their own cost, to have carried out, no less frequently than every 5 years for the duration of the Agreement, by an independent third-party using Treasury Board Policy standards, an evaluation of its activities and projects according to a framework and time to be approved by the Board. The evaluation will measure the overall performance of the Recipient in achieving the outcomes identified in the Agreement.
- c. The evaluation report shall be made public and a copy shall be sent to the Minister.
- d. The Recipient agrees at their own cost, to have carried out an independent performance (value-for money) audit to ensure the economy, efficiency and effectiveness with which funds have been used.
- e. The report shall be made public and a copy shall be sent to the Minister.
- f. The Minister may cause the copy of the report to be laid before each House of Parliament on any of the first fifteen (15) days on which the House is sitting after the Minister receives it.

- g. Each of Canada and the Auditor General of Canada may, at their own cost, after consultation with the Recipient, conduct performance (value-for-money) and compliance audits with respect to the use of funds received from Her Majesty in right of Canada. The auditor (each of Canada and the Auditor General of Canada) will provide the Recipient with a description of the scope and criteria of the performance and compliance audits. The auditor will be entitled to such information as, in his/her opinion, is necessary for the fulfilment of its responsibilities. The Recipient will cooperate and provide access to the appropriate records and staff to the auditor to conduct such audits. The auditor will share a copy of the resulting report with the Recipient and with the Minister when the auditor is the Auditor General of Canada. The auditor will discuss at his/her discretion any concerns raised in the performance and compliance audits with the Recipient, and with the Minister when the auditor is the Auditor General of Canada. Where the Auditor General of Canada conducts the audits, the results may be reported to Parliament in a Report of the Auditor General. Where the Minister conducts the audit, the Minister may make the results public and report them to Parliament.
- h. The Minister may, after consultation with the Recipient, choose to conduct his/her own evaluation, by an evaluator(s) of his/her choosing, of the Agreement as an instrument of policy of the Government of Canada, at his/her own cost. The Recipient will cooperate and provide access to the appropriate records to conduct such an evaluation. The Minister may share a copy of the resulting report with the Recipient and agrees to discuss any concerns raised in the evaluation with the Recipient.

7.12 ACCESS TO INFORMATION

- a. The Recipient will provide public access to information to the greatest extent possible, excluding proprietary information of clients, or other external organizations, groups or individuals.

8. ENVIRONMENT

- 8.1 The Recipient shall obtain all certificates, consents, permits, and approvals required for compliance with all applicable federal and provincial legislation and regulations pertaining to the conservation and protection of the environment and wildlife, and shall observe and comply with all such legislation and regulations.
- 8.2 The Recipient shall, before disbursing any funds from Canada's grant or income derived therefrom, include provisions in a grant or contribution agreement which require all Ultimate Recipients to obtain all certificates, consents, permits, and approvals that may be required in respect of a Project or Program for compliance with all applicable federal and provincial legislation and regulations pertaining to the conservation and protection of the environment and wildlife, and shall require all Ultimate Recipients to observe and comply with all such legislation and regulations.

9. NOTICES

- 9.1 Any notice or communication authorized or permitted with respect to this Agreement shall be effectively given if:
- (a) delivered by hand;
 - (b) sent by letter; or
 - (c) sent by facsimile.
- 9.2 Any notice that is delivered by hand shall be deemed to have been received on delivery.
- 9.3 Any notice which has been mailed shall be deemed to have been received five (5) business days after being mailed.
- 9.4 Any notice sent by facsimile shall be deemed to have been received on the date that is printed on the sender's delivery confirmation report, and if that is not a business day, then the first business day thereafter.
- 9.5 The Minister's address for notice shall be:
- Western Economic Diversification
P.O. Box 2025
601, 119 – 4th Avenue South
Saskatoon, SK S7K 3S7
- Fax No.: (306) 975-5484
- The Recipient's address for notice shall be:
- Primrose Lake Economic Development Corporation
c/o Northern Village of Beauval
P.O. Box 19
Beauval, Saskatchewan
S0M 0G0
- Fax No.: (306) 288-2348
- 9.6 Either the Minister or the Recipient may change the address and other information stipulated above, provided that a written change of address notice is served upon the other Party.

10. INDEMNIFICATION AND LIMITATION OF LIABILITY

- 10.1 The Recipient shall indemnify and hold harmless Canada from and against all claims, losses, damages, costs, expenses, actions, and other proceedings made, sustained, brought, prosecuted, threatened to be brought or prosecuted in any manner, based upon, occasioned by, attributable to, or arising from any willful or negligent act, omission, or delay on the part of the Recipient, or the directors, members, officers, employees, or agents of the Recipient. Notwithstanding anything to the contrary contained herein, neither of the Parties will be liable for the indirect or consequential damages of the other Party nor for the loss of revenues or profits. Therefore, the Parties expressly acknowledge and agree that they will not be liable for each other's indirect or consequential damages or for damages for lost profits or lost revenues under this Agreement, regardless of whether such a liability arises *in tort* (including negligence), contract, fundamental breach or breach of a fundamental term, misrepresentation, breach of warranty, indemnification, or otherwise.

11. NO PARTNERSHIP OR AGENCY

- 11.1 This Agreement shall not serve to create a partnership, agency, joint venture, or employer/employee relationship between the Parties; and the Recipient shall not represent itself or hold itself out as being a lawful partner or agent of Canada, including in any Agreement with a Third Party or Ultimate Recipient. Neither Party shall have any right to obligate or bind the other Party in any manner.

12. DEFAULT

- 12.1 The following shall constitute events of default:

- (a) if the Recipient becomes bankrupt or insolvent, goes into receivership, or takes the benefit of any statute from time to time in force relating to bankrupt or insolvent debtors;
- (b) an order is made or resolution passed for the winding-up of the Recipient or the Recipient is dissolved;
- (c) the Recipient has knowingly submitted materially false or misleading information with an intent to deceive, or has made misrepresentations of a material nature to the Minister;
- (d) the Recipient knowingly makes a materially false or misleading statement with the intent to deceive concerning support by the Minister or the Government of Canada in any internal or public communication;
- (e) the Recipient ceases its activities or substantially changes the nature of its business; or
- (f) the Recipient has not met or satisfied any of the material terms and conditions of this Agreement, including, specifically, if the Recipient provides funds from Canada's grant or income derived therefrom, for any purpose that is not consistent with this Agreement.

- 12.2 The events of default in paragraphs 12.1 (c), (d), (e) and (f) shall only be considered events of default if the Recipient has been notified in writing by the Minister of the alleged default and the Recipient has not rectified the default to the satisfaction of the Minister within thirty (30) days of written notice thereof, or some further time period as permitted by the Minister.

- 12.3 Where the Minister is concerned about the probability of an imminent default by the Recipient under this Agreement, the Minister may notify the Recipient in writing and the two Parties will discuss the concerns, with the Recipient thereafter being required to take such remedial action within thirty (30) days as the Minister may by notice in writing require, or such further time period as the Minister may permit.

13. REMEDIES

- 13.1 If an event of default as outlined in Section 12 has occurred, or in the reasonable opinion of the Minister, is likely to occur, and the Recipient has not rectified the default or taken remedial action to the satisfaction of the Minister, Canada may terminate this Agreement, may require the Recipient to repay all or any part of Canada's grant, may appoint by instrument in writing any person or persons to act as a receiver manager of the Recipient for up to a period of one year or such longer period by order of a court of competent jurisdiction, and/or take any other legal action against the Recipient as may be permitted by law, including the dissolution and the winding up of the Fund and the return of the undistributed portion of Canada's grant to Canada..

14. TERMINATION AND EXPIRATION

- 14.1 This Agreement may be terminated at any time by the mutual Agreement of the Parties, expressed in writing, or by the Minister as one of Canada's remedies in the event of a default.
- 14.2 The Agreement shall expire once the Recipient has disbursed to Ultimate Recipients for Eligible Costs for Projects or Programs as contemplated by this Agreement an amount earned in investment income that is equal to the amount of Canada's grant.
- 14.3 Notwithstanding the termination and expiration of this Agreement, the Recipient shall use the principal amount of Canada's grant to support economic development projects and/or economic infrastructure projects consistent with the original purpose of the grant. This provision of this section of the Agreement shall survive the termination and expiration of this Agreement.

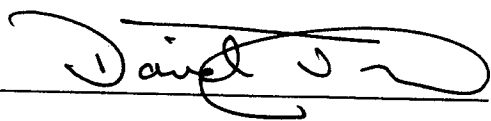
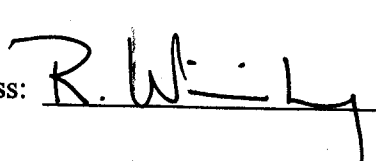
15. GENERAL

- 15.1 No member of the House of Commons of Canada or the Senate of Canada shall be admitted to any share or part of the Agreement or to any benefit to arise therefrom.
- 15.2 As a condition of receiving Canada's grant, the Recipient shall comply with the Conflict of Interest and Post-Employment Code for Public Office Holders and the Values and Ethics Code for the Public Service at all times during the currency of this Agreement.
- 15.3 The Recipient declares that any person who has been lobbying or will be lobbying on its behalf to obtain this Agreement or Canada's grant, or any aspect of the implementation or enforcement of this Agreement and who is required to be registered pursuant to the *Lobbyists Registration Act* was registered pursuant to such Act at the time the lobbying occurred. For greater certainty, Canada acknowledges that any elected member of the Saskatchewan Legislature or any person employed by the Government of the Province of Saskatchewan who has been or will be lobbying, is required to be registered under the *Lobbyists Registration Act*.
- 15.4 This Agreement and the Schedules referred to in it contain the entire Agreement between the Parties with respect to the subject matter hereto and shall supersede all previous negotiations, representations, and documents in relation hereto made by either of the Parties.
- 15.5 Time is of the essence in this Agreement.

- 15.6 All information provided by the Recipient to the Minister will be treated in accordance with the Access to Information Act and the Privacy Act. These laws govern, protect, and limit the collection, use, and disclosure of personal, financial, and technical information by federal government departments and agencies. In addition to and notwithstanding the above, the Minister reserves the right to make information relating to this Agreement available to the public, including providing limited information on a public website as part of a list of all Projects funded by the Recipient. The Recipient hereby represents that they have authority to consent and consents to the information being made available to the public. The Recipient agrees that, for the purposes of Section 20 of the *Access to Information Act*, information that the Recipient provides to Canada under this Agreement is not information obtained in confidence from it, unless any particular information is specifically designated, in writing, to be confidential information. Canada undertakes to ensure that any public disclosure shall respect all legal requirements to protect personal information and confidential Third Party information.
- 15.7 This Agreement may only be amended, modified or supplemented by written Agreement of the Recipient and the Minister.
- 15.8 This Agreement may be executed in counterparts, each of which when so executed shall be deemed to be an original and such counterparts together shall constitute one and the same instrument and shall be effective as of the formal date hereof.

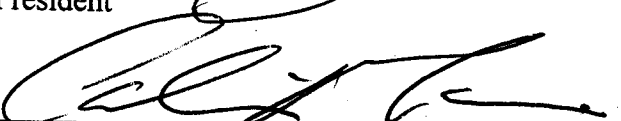
IN WITNESS WHEREOF this Agreement has been executed by the Parties by their duly authorized officers this 30th day of March, 2007.

HER MAJESTY THE QUEEN IN RIGHT OF CANADA
As represented by the Minister of Western Economic Diversification

Per:  Witness: 

PRIMROSE LAKE ECONOMIC DEVELOPMENT CORPORATION

Per: 
President

And: 
Vice-President

Corporate
Seal

**CANADA – PRIMROSE LAKE
COMMUNITY ECONOMIC DEVELOPMENT AGREEMENT**

SCHEDULE A

ELIGIBLE COSTS

“Eligible Costs” means all reasonable costs incurred on or after the signing of this Agreement, for the purposes of this Agreement that are directly attributable to Projects and Programs under this Agreement for the purpose of defining the federal contributions to Projects and Programs, unless expressly permitted in this Agreement.

“Eligible Costs” may include:

- Operations, maintenance;
- Personnel salary and benefits;
- Equipment purchase and lease;
- Information management and information technology acquisitions;
- Legal, administrative, accounting, licensing, permits, consulting fees;
- Rents, leases, leasehold improvements;
- Acquisitions of proprietary processes;
- Interest charges, insurance, fees, taxes;
- Supplies, transportation;
- Capital improvements related to projects; and
- Other costs that are reasonable, incremental and directly attributable to activities necessary to achieve desired results.

Costs which are not considered “Eligible Costs” include:

- Costs of land or costs of acquiring land;
- Costs that involve only a change of ownership;
- Costs in respect of salaries, benefits, travel or any other related expenses for any employee of Canada or Saskatchewan;
- Any fee for the use by either of these Parties of any capital assets which are the property of or are in the control of either Party;
- Any costs for accommodations, utilities or related services in any of the premises of Canada or Saskatchewan; and
- Stipend or honoraria to Recipient Board members or any non-Third Party advisors to the Recipient.

Contributions may be made to:

- Non-profit organizations;
- Post-secondary institutions;
- Hospitals and regional health care centers, for purposes of undertaking research, and for development of new technology;
- Individuals, for purposes of undertaking research, or those engaged in operating a business;
- Co-operatives;
- Legally incorporated, for-profit enterprises;
- Indian Bands, as represented by their Chief and Council;
- Federal Crown Corporations;
- Provincial Government Departments, agencies and Crown Corporations such as provincially owned telecommunications companies; and
- Municipal Governments and organizations created by them.

Contributions will be made towards projects that enhance the long-term economic viability and sustainability of Primrose Lake communities. Activities funded will be in support of the Recipient's strategic objectives in the areas of economic development and economic infrastructure, such as:

- Attracting investment to the Primrose Lake Area;
- Supporting the viability of the local economy and increasing the participation of community members;
- Supporting community adjustment to economic realities;
- Promoting community planning and strategies;
- Supporting the creation of physical assets;
- Conducting economic and business research;
- Supporting investment in skills, knowledge and competencies development in support of strategic objectives;
- Enhancing technology commercialization and adoption;
- Improving business productivity [i.e. new machinery, training, business information];
- Developing new or enhancing existing markets [supplier, domestic, international];
- Addressing systemic business issues; and,
- Otherwise increasing the development and diversification of the Primrose Lake Area economy.

Payments made to Ultimate Recipients by the Recipient shall be paid, on the basis of documented claims for eligible costs incurred and paid and/or the fulfillment of conditions specified in the agreement between the Recipient and Ultimate Recipient. Financial claims are to be accompanied by a report in the form and frequency prescribed by the Recipient. The Recipient may request at any time that the Ultimate Recipient provide satisfactory evidence to demonstrate that the results claimed have been achieved and that all eligible costs incurred, on which a contribution was based, have been paid.

**CANADA – PRIMROSE LAKE
COMMUNITY ECONOMIC DEVELOPMENT AGREEMENT**

SCHEDULE B

COMMUNICATIONS

1. The Recipient shall:
 - a. ensure that any nation-wide communication aimed at the general public is provided in both official languages;
 - b. ensure, when it is appropriate, that the agreements awarding funding to Ultimate Recipients provide for a linguistic clause regarding the recipients' communications to the public, where a significant demand exists for services from an Ultimate Recipient to the public in either official language;
 - c. consents to a public announcement by or on behalf of the Minister in the form of a news release, or news conference. The Minister will inform the Recipient promptly in writing of the date on which the public announcement is to be made, and the Recipient shall maintain the confidentiality of this Agreement until such date;
 - d. consents to the participation by the Minister or the Minister's representative at any such official ceremony and to have the ceremony take place on a day mutually agreed upon by the Recipient and the Minister;
 - e. in all of its publications, news releases and presentations regarding the Primrose Lake Economic Development Corporation, or making mention thereof, including its annual reports, acknowledge if recommended by the Minister, that financial support has been provided by Western Economic Diversification and the other participating government agencies. Any such use of Western Economic Diversification's name or its logos requires the prior written approval of the Minister;
 - f. agree to the implementation of appropriate communication activities, which the Minister or the Recipient may initiate, such as a feature story, official opening, ceremonies, celebrations. The Minister and the Recipient will cooperate in these activities.