

**SAMPLE AFFORDABLE HOUSING PARTNERSHIP PROGRAM
CAPITAL GRANT AGREEMENT
(the "Agreement")**

This Agreement is made effective the _____ day of _____, 202____
(the "Effective Date").

BETWEEN:

ALBERTA SOCIAL HOUSING CORPORATION

("ASHC")

- and -

[INSERT NAME OF THE GRANT RECIPIENT]

(the "Recipient")

BACKGROUND

- A. **WHEREAS** the Affordable Housing Partnership Program ("AHPP"), in alignment with the objectives outlined in *Stronger Foundations*, Alberta's 10-year strategy to improve and expand Affordable Housing, is intended to support individuals and families living in core housing need who may have barriers to accessing Adequate, safe, and Suitable housing accommodations on their own; and
- B. **WHEREAS** the ASHC has the authority to provide a Provincial Contribution under the *Ministerial Grants Regulation*, Alberta Regulation 215/2022 (the "**Grants Regulation**"); and
- C. **WHEREAS** the Recipient is a [management body or Society or Organization] formed pursuant to [Ministerial Order No. H:###/## and the *Alberta Housing Act*, RSA 2000, c A-25 (the "**Act**") (if it's an HMB) OR established pursuant to Alberta Statute if the recipient is a Society or Organization], and as amended from time to time, and has been approved to receive a Provincial Contribution in the form of the Capital Grant subject to the terms and conditions herein; and
- D. **WHEREAS** the Recipient intends to [insert a brief project description], in [enter name of the city/town], [expand on the project scope] (the "**Project**"), and more specifically set out in **Schedule "A"**; and
- E. **WHEREAS** the Recipient is responsible for carrying out the Project and the ASHC will provide a Provincial Contribution to the Recipient for the Project with terms and conditions established for the purpose of the Capital Grant, and the use of the funds, set out herein.

THEREFORE in consideration of the terms and conditions set out in this Agreement, the ASHC and the Recipient agree as follows:

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1. INTERPRETATION

1.1. In this Agreement, these expressions have the following meanings:

- 1.1.1. **“Adequate”** means housing that is not in need of material repair and is not lacking the services and facilities necessary for a basic standard of accommodation, which includes heat, water, sewer or a septic system, a stove and a refrigerator, but does not include electricity.
- 1.1.2. **“Affordable Housing”** means housing that is Adequate and that has rents or payments below Median Market Rent in the community or area in which the Housing Unit is located;
- 1.1.3. **“Affordable Housing Accommodation”** means a housing accommodation designated by the Minister as an Affordable Housing Accommodation under clause 31.1(1) of the *Alberta Housing Act*;
- 1.1.4. **“Affordable Housing Provider”** means the owner or operator of an Affordable Housing Accommodation;
- 1.1.5. **“Agreement”** means this document, including the Background and all Schedules hereto, as the same may be amended from time to time;
- 1.1.6. **“Audited Financial Statement”** means an audited financial statement from an accountant independent of the Recipient, with a Chartered Professional Accountant designation in good standing and prepared according to GAAP;
- 1.1.7. **“Building Permit”** means the written conditional permission to construct a building, granted by an authority having jurisdiction under the applicable building code, in accordance with drawings and specifications for that building;
- 1.1.8. **“Capital Costs”** means the costs to acquire, construct or renovate a capital asset, including material, labour, land, design development and detailed design, soft costs such as permits, surveys, servicing costs, and any costs required to bring a site, building or Housing Unit into compliance with all applicable codes and legislation, including environmental legislation;
- 1.1.9. **“Construction Progress Report”** means a construction progress report from a quantity surveyor independent of the Recipient that is a member of the Association of Quantity Surveyors of Alberta or Canadian Institute of Quantity Surveyors in good standing, as is more particularly described in **Schedule “D”** attached to and forming part of this Agreement;
- 1.1.10. **“Core Housing Need”** means a household is in core housing need if: (a) it is unable to acquire or maintain Adequate or Suitable accommodation without paying more than 30% of its total annual income for accommodation, and (b) it has a total annual income below the income thresholds for the municipality

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where the Affordable Housing is located and for which the household makes application.

- 1.1.11. **“Development Permit”** means the written conditional permission granted by an authority having land use jurisdiction which provides approval for development on a given piece of land;
- 1.1.12. **“Effective Date”** means the date first above written;
- 1.1.13. **“Eligible Expenses”** is defined under **Schedule “A”**;
- 1.1.14. **“GAAP”** means the Canadian Generally Accepted Accounting Principles as issued by the Chartered Professional Accountants of Canada, or such other future standards of financial accounting and reporting as may be required or commonly accepted by the Chartered Professional Accountants of Canada or such other future regulatory body charged with setting financial accounting and reporting standards;
- 1.1.15. **“Grant Security Agreement”** means the agreement granting ASHC an option to purchase the Project lands if the Recipient breaches this Agreement, the Operating Agreement, or the terms of the Grant Security Agreement, a copy of which is included in **Schedule “F”**;
- 1.1.16. **“Grants Regulation”** means the *Ministerial Grants Regulation*, Alberta Regulation 215/2022, as amended from time to time;
- 1.1.17. **“Housing Unit”** means a dwelling, suite, or residential unit, within the Project, which the Recipient permits, or is intended, to be leased, rented, or otherwise occupied for residential accommodation by one household. Commercial units or non-residential spaces do not count as a unit;
- 1.1.18. **“Ineligible Expenses”** is defined under **Schedule “A”**;
- 1.1.19. **“Median Market Rent”** means the rent for the specific Housing Unit type as determined by the most recent Canada Mortgage and Housing Corporation’s annual *Rental Market Survey* (for Alberta urban communities with populations over 10,000), or Alberta’s *Apartment Vacancy and Rental Rate* survey (for rural communities with populations between 1,000 and 10,000) for the municipality where the Project is located. If the municipality is not listed, then the median market rent for the next closest community included in the survey applies;
- 1.1.20. **“Mixed-Income Housing”** refers to housing developments or a portfolio of developments with Housing Units with different rent rates to accommodate households with different income levels, and includes a proportion of Housing Units at the rent rates of Affordable Housing;
- 1.1.21. **“Mixed-Use Development”** refers to any type of development, including space rented or owned in addition to housing, such as commercial and retail spaces;

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- 1.1.22. **“Occupancy Permit”** means the written permission under a Building Permit which allows a building to be occupied after construction, alteration, or a change in occupancy of the building;
- 1.1.23. **“Occupancy”** means the point in time when the Project is in a state that it may be used for the intended uses, as evidenced by the issuance of an Occupancy Permit;
- 1.1.24. **“Operating Agreement”** is the contractual obligation on the parameters of use of the Project upon completion, including required rental rates, commercial and residential uses, number of Housing Units, as defined in **Schedule “G”**;
- 1.1.25. **“Parties”** means, collectively, ASHC and the Recipient, and **“Party”** means any one of them;
- 1.1.26. **“Permitted Encumbrances”** means those interests and encumbrances set forth in **Schedule “B”**.
- 1.1.27. **“Project”** means the [insert project details as outlined under Project Description in Schedule “A”], for which the Recipient has been approved by the ASHC, as detailed in **Schedule “A”** attached to and forming part of this Agreement;
- 1.1.28. **“Provincial Contribution”** means Capital Grant funds paid by ASHC to the Recipient under this Agreement up to the maximum amount set out in clause 3.1 of this Agreement, and includes any accrued interest on such Capital Grant funds that may be realized by the Recipient as a result of holding or investing any or all of such funds in an interest-bearing account or security; and may include a capital contribution in the form of land and buildings such as the transfer of ownership or a long-term lease of an ASHC-owned asset;
- 1.1.29. **“Substantial Performance”** means the Project, or a substantial part of it, has achieved Occupancy, is ready for use, or is being used;
- 1.1.30. **“Suitable”** means housing that has enough bedrooms for the size (number of people) and makeup (gender, single/couple, etc.) of the household and meets their needs, according to National Occupancy Standard requirements; and
- 1.1.31. **“Term”** has the meaning given to that Term in subclause 2.1 of this Agreement.

1.2. The following Schedules are attached hereto and form part of this Agreement:

- 1.2.1. Schedule “A” – Project;
- 1.2.2. Schedule “B” – Permitted Encumbrances;
- 1.2.3. Schedule “C” – Financial Reporting Template;

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- 1.2.4. Schedule “D” – Construction Progress Report;
- 1.2.5. Schedule “E” – Audited Financial Statement of Final Capital Costs Requirements;
- 1.2.6. Schedule “F” – Affordable Housing Grant Security Agreement; and
- 1.2.7. Schedule “G” – Affordable Housing Partnership Program Operating Agreement.

2. TERM

- 2.1. Notwithstanding the date of signing this Agreement, the Parties agree that the Term of this Agreement is from the Effective Date at the beginning of this Agreement up to and including [insert term end date] (the “Term”), unless extended in writing by ASHC.
 - 2.1.1. Upon issuance of an Occupancy Permit by the authority having jurisdiction, the Recipient’s Operating Agreement becomes effective and the Project shall be used for Affordable Housing purposes for a period of 20 years, continuously from the date of Occupancy, or such period as may be agreed to in writing by the ASHC and the Recipient.

3. PROVINCIAL CONTRIBUTION

- 3.1. ASHC agrees to contribute funding towards the cost of the Project, in an amount of up to \$ CAD (the “Capital Grant”) which represents no more than one third of the total Capital Costs.
 - 3.1.1. The Provincial Contribution will be in the form of [select which is applicable] the Capital Grant and/or a capital contribution in the form of land and building such as the transfer of ownership or a long-term lease of an ASHC-owned asset.
- 3.2. The Provincial Contribution includes any accrued interest on such Capital Grant funds that may be realized by the Recipient as a result of holding or investing any or all of such funds in an interest-bearing account or security.
- 3.3. The Recipient acknowledges that the Capital Grant shall not exceed more than one third of the total Capital Costs and the amount stated in clause 3.1 above may be reduced to reflect the actual Capital Costs.
- 3.4. Payment of the Provincial Contribution to the Recipient will be made as soon as reasonably possible after the Recipient has provided written evidence that the following conditions have been met:

	Conditions	Amount
(a)	(i) Full execution of this Agreement; and	An amount not exceeding 10%

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	Conditions	Amount
	(ii) The Recipient has obtained, to ASHC's reasonable satisfaction, current letter(s) of credit or confirmation from the Recipient's financial institutions or funding partners verification of the commitment for funding by such entities to the Recipient towards the Project in an amount not less than the difference between the anticipated Capital Cost to complete the Project and the Provincial Contribution; and (iii) Full execution of the Affordable Housing Grant Security Agreement; and (iv) A true copy of the Development Permit; and (v) Full execution of the Operating Agreement; and (vi) A copy of the fully executed contract with the prime contractor for the Project, certified copies of such contractor's performance bond and labour & material payment bond, certificate of insurance evidencing wrap-up liability and builder's risk insurance, as required in Section 11 of this Agreement.	of the Capital Grant
(b)	(i) A true copy of the Building Permit; and (ii) Achieving 30% construction progress as certified by the Prime Consultant or a Professional Quantity Surveyor; and	An amount not exceeding 30% of the Capital Grant
(c)	(i) Achieving 60% construction progress as certified by the Prime Consultant or a Professional Quantity Surveyor; and	An amount not exceeding 40% of the Capital Grant
(d)	(i) A copy of the Occupancy Permit issued by the authority having jurisdiction.	An amount not exceeding 20% of the Capital Grant

3.5. The Provincial Contribution will be withheld if at any time the Recipient is not compliant with the Reporting Requirements under Section 8 of this Agreement.

3.6. The Parties acknowledge that ASHC's role in the Project is limited to making the Provincial Contribution to the Recipient and that ASHC has no formal contractual obligation or responsibility related to the implementation, coordination or design of the Project. Following Occupancy, the Project shall be used for [Insert Project Type] for a period of 20 [or insert the number of years Recipient noted in their application] years, continuously from the date of Occupancy or for such other period as agreed to in writing by the Parties, as per the Operating Agreement in **Schedule "G"**. Failure to comply or meet the requirements of the Operating Agreement will be considered a breach of the conditions of this Agreement.

3.7. Upon breach of any term of this Agreement, ASHC may, on written notice to the Recipient, delay or withhold payment of the Capital Grant, or any portion thereof, to

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the Recipient until such time as the said breach has been rectified by the Recipient to the satisfaction of ASHC, in its sole and unfettered discretion.

- 3.8. ASHC reserves the right to disallow and recover from the Recipient all or part of the Provincial Contribution where it is determined, in ASHC's sole and unfettered discretion, that the Recipient:

- 3.8.1. provided false, misleading, or inaccurate information to obtain the Provincial Contribution; or
- 3.8.2. failed to comply with the terms and conditions of this Agreement; or
- 3.8.3. failed to comply with the terms and conditions of the Operating Agreement for the duration of the Term of the Operating Agreement.

4. USE OF PROVINCIAL CONTRIBUTION

- 4.1. The Recipient hereby acknowledges that the Capital Grant provided under this Agreement is subject to the Grants Regulation and shall comply with all provisions of the Grants Regulation.
- 4.2. The Recipient covenants and agrees that it is and will be, in relation to the use of the Provincial Contribution, bound by the terms and conditions of this Agreement and the Act, including all applicable regulations thereto.
- 4.3. The Recipient shall use the Provincial Contribution only for the Capital Costs incurred with respect to the Project as described in **Schedule "A"** and the Recipient shall not use the Provincial Contribution for any other purpose without prior written consent of ASHC.
- 4.4. The Recipient covenants and agrees not to use any of the Provincial Contribution as part of any operational or ongoing capital maintenance or renewal costs as the Project is expected to be financially sustainable.
- 4.5. The Recipient acknowledges that it is liable for the full amount of the Provincial Contribution subject to the terms and conditions of this Agreement, and will ensure appropriate use of any portion of the Provincial Contribution paid to any third party.
- 4.6. The value of the Provincial Contribution, including the appraised value of any provincial land contribution if applicable and the amount of the Capital Grant, must not be in excess of one-third of the Capital Costs in respect of the Project. The remaining two-thirds of the capital funding is to be provided directly by the Recipient or other funders as listed under **Schedule "A"** of this Agreement.

5. REPRESENTATIONS AND WARRANTIES

- 5.1. The Recipient represents and warrants to ASHC that:

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- 5.1.1. the Recipient has the capacity and authority to enter into this Agreement, to carry out the Project and that the Agreement does not contravene any law, regulation, or agreement binding or affecting the Recipient; and
- 5.1.2. all information submitted to ASHC pursuant to this Agreement is true, accurate and was prepared in good faith to the best of the Recipient’s abilities.

6. OBLIGATIONS

- 6.1. The obligations of the ASHC pursuant to this Agreement are restricted solely to the payment of the Provincial Contribution. The Recipient acknowledges and agrees that the Recipient shall be responsible for all costs of the Project, including any cost overruns, if necessary.
- 6.2. The Recipient agrees, by signing this Agreement, to be designated as an Affordable Housing Provider under the Act.
- 6.3. The Recipient shall be responsible for obtaining all necessary approvals and permits respecting the Project.
- 6.4. The Recipient shall not sell, assign or transfer any portion of its ownership of the Project without giving ASHC at least 6 months’ written notice of its request for prior written approval to do so, and the Recipient shall conduct the approved assignment or transfer in a manner that is agreeable to ASHC.
- 6.5. The Recipient shall comply with all applicable laws and regulations and all requirements of all regulatory bodies having jurisdiction over the subject matter of the Project, including but not limited to all:
 - 6.5.1. approvals, Development Permits, Building Permits and Occupancy Permits required to complete the Project;
 - 6.5.2. all requirements of the *Workers’ Compensation Act*, RSA 2000, c. W-15 and the *Occupational Health and Safety Act*, RSA 2000, c. 0-2.2, as amended from time to time; and
 - 6.5.3. the *Prompt Payment and Construction Lien Act*, RSA 2000, c .P-26.4, (“**PPCLA**”) as amended from time to time, and
 - 6.5.4. obligations as an Affordable Housing Provider under the Act.
- 6.6. The Recipient warrants that no liens or other encumbrances are registered on title to the lands upon which any work for the Project shall occur, except for Permitted Encumbrances as per **Schedule “B”**.
- 6.7. ASHC will register an option to purchase, in the form of the Grant Security Agreement, for the Project land on title to the Project land for the period of time the Housing Units are to remain as Affordable Housing [or other project type, i.e. Specialized or Mixed-Income].

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6.8. The Recipient shall, at its sole cost, ensure that:

6.8.1. all contracts and subcontracts necessary for the completion of the Project are in place and are in compliance with recognized construction practices, this Agreement, and all applicable legislation in Alberta; and

6.8.2. the Project is completed in a proper and workmanlike manner, complete in all respects, in accordance with the plans and specifications for the Project and all applicable building codes and recognized construction practices.

6.9. Where the Recipient is subject to the *New West Partnership Trade Agreement* ("NWPTA") or the *Canadian Free Trade Agreement* ("CFTA"), or if it distributes any portion of the Provincial Contribution to an entity that is subject to NWPTA or CFTA, any procurement or subsequent procurement of goods and/or services by the Recipient or such other entity shall be completed in accordance with the requirements of NWPTA and CFTA, as applicable.

7. DEVELOPMENT COMMENCEMENT AND COMPLETION DATES

7.1. Unless otherwise extended by ASHC in writing, acting reasonably, the following dates shall apply to the Project:

7.1.1. The Recipient shall obtain the Development Permit and Building Permit required for the Project within 6 months subsequent to the Effective Date of this Agreement;

7.1.2. The Recipient shall obtain an Occupancy Permit for the Project on or before **[insert date]**.

(a) Upon issuance of an Occupancy Permit by the authority having jurisdiction, the Recipient's Operating Agreement prescribed in **Schedule "G"** becomes effective and the Project shall be used for Affordable Housing purposes for a period of 20 years, continuously from the date of Occupancy, or such period as maybe agreed to in writing by the ASHC and the Recipient.

8. REPORTING AND MONITORING REQUIREMENTS

8.1. The Recipient shall provide ASHC with the following reporting and monitoring information with respect to the Project:

8.1.1. meetings will be held quarterly between the Recipient and ASHC representatives or at any time at the request of ASHC to discuss progress updates and any issues regarding the Project;

8.1.2. financial year quarterly Construction Progress Reports, in the form prescribed in **Schedule "D"**, that include, without limitation, information respecting all activities relating to the Project's scope, schedule, budget, risks, photographs,

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and such other information as requested by ASHC, to be submitted no later than the 15th day of the following month and can be combined with quarterly reports on the months described in clause 8.2 below;

- 8.1.3. financial year quarterly reports, including a financial report prepared in accordance with GAAP for all payments, and expenditures made with the Capital Grant and all revenue received with respect to the Project, in the form prescribed in **Schedule "C"** and certified by a senior financial officer of the Recipient stating that the information submitted is true and accurate;
 - 8.1.4. financial year quarterly financial reports shall list the expenses against the Capital Grant including any portion of the Provincial Contribution paid to any third party and any accrued interest in the form prescribed in **Schedule "C"** from the Effective Date to the current date or the time the Project is completed;
 - 8.1.5. all Development Permits, Building Permits, Occupancy Permits, and confirmation of Substantial Performance upon receipt. Following receipt of all Occupancy Permits and confirmation of Substantial Performance, the Recipient shall provide an Audited Financial Statement of Final Capital Costs in the form outlined in **Schedule "E"**, at the Recipient's sole expense;
 - 8.1.6. any other information as reasonably requested by ASHC in order to assess the Recipient's compliance with this Agreement; and
 - 8.1.7. upon the request of ASHC, arrange for ASHC's representative to have access to the business premises of the Recipient and to the site(s) where the Project activities are being carried out to verify their progress.
- 8.2. Financial year quarterly reports shall be due no later than the 15th of each month after each quarter ends as follows:
- April – June: first quarter reports due July 15;
 - July – September: second quarter reports due October 15;
 - October – December: third quarter reports due January 15; and
 - January – March: fourth quarter reports due April 15.

9. ACCOUNTING, RECORDS, AND AUDITS

- 9.1. The Recipient shall:
 - 9.1.1. deposit and maintain the Capital Grant under a separate program code within their accounting system, separate from all other monies, unless otherwise agreed to in writing by the ASHC;
 - 9.1.2. maintain adequate financial records relating to the Provincial Contribution and the Project. It shall keep proper books, accounts and records of the cost of the materials, services, or resources related to the Project, in accordance with GAAP, and have them available at all times during the Term of this Agreement and for 7 years after the termination or expiry of this Agreement;

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- 9.1.3. during the Term and for 7 years after the termination or expiry of this Agreement, produce on demand to any representative of ASHC or the Auditor General of Alberta any of the financial records referred to in clause 8.1.3 and 8.1.4, and shall permit such representative to examine and audit these books, accounts, and records and take copies and extracts of them to determine if the Provincial Contribution have been properly spent and assets are adequately maintained;
- 9.1.4. upon request of ASHC, arrange for ASHC or its representative to have access to the Recipient's business premises, the Project's construction site (subject to applicable law), and to any other sites connected to the performance of this Agreement in order for ASHC to verify progress of the Project and compliance with the terms and conditions of this Agreement; and
- 9.1.5. subject to any applicable laws, the Recipient shall provide ASHC with access to or copies of any data or information acquired, collected, or produced under this Agreement.
- 9.2. The Recipient shall cooperate with ASHC in the conduct of any evaluation or audit or inspection of the Project during or after the Term of this Agreement.
 - 9.2.1. Notwithstanding anything to the contrary contained herein, ASHC may withhold any further payments of Capital Grant that would otherwise be payable to the Recipient until such time as the issues arising from the audit are resolved to ASHC's satisfaction, up to and including final resolution of disputes through a legal process.
- 9.3. Upon completion of the Project, the Parties will jointly carry out a final reconciliation of all claims and payments in respect of the Project and make any adjustments required in the circumstances.
- 9.4. This Section 9 shall survive the termination or expiration of this Agreement.

10. FREEDOM OF INFORMATION AND PROTECTION OF PRIVACY ACT

- 10.1. The Recipient acknowledges that this Agreement and all reports and other records submitted to ASHC will be subject to the access and disclosure provisions of the *Freedom of Information and Protection of Privacy Act* ("**FOIP**").

11. PROJECT INSURANCE

- 11.1. The Recipient must obtain and maintain or cause to be obtained and maintained by its contractors, at its own expense and without limiting its liabilities herein, the following insurance in accordance with the Alberta *Insurance Act* for the duration of the Project:
 - 11.1.1. project specific general liability wrap-up insurance in an amount not less than \$5,000,000 per occurrence and in the aggregate with respect to products and completed operations, insuring against bodily injury, personal

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injury and property damage including loss of use thereof. ASHC shall be named as an additional insured and provided with 30 days notice of cancellation.

11.1.2. builder's risk policy on a replacement cost basis, insuring not less than the sum of the amount of the Project and the full value of products specified for incorporation into the work. ASHC shall be shown as a loss payable, as its interest may appear and provided with 30 days notice cancellation.

11.1.3. boiler and machinery / equipment breakdown insurance insuring not less than the replacement value of the Project and covering boilers, pressure vessels, and other objects insurable under a boiler and machinery insurance policy and forming part of the Project. ASHC shall be shown as a loss payable, as its interest may appear and provided with 30 days notice cancellation.

11.2. All proceeds from the Recipient's builder's risk insurance or boiler and machinery insurance required under this section in respect of any loss or damage to Project must be applied by the Recipient to repair, reinstate and replace each part or parts of the Project in respect of which the proceeds are payable.

11.3. The Recipient must obtain and maintain for the duration of the Project a performance bond that guarantees the construction contractor's faithful performance of the construction contract in an amount no less than 50% of the Project price, and a labour and material payment bond for the purpose of covering prompt payment of all monies due and owing to all subcontractors having a direct contract with the construction contractor for labour and materials used or reasonably required for use in the performance of the construction of the Project in an amount of no less than 50% of the Project price.

12. INDEMNITY AND LIABILITY

12.1. The Recipient shall indemnify and hold harmless ASHC, its officers, servants, employees and agents against and from all actions, claims, demands, losses, costs and damages, including legal costs on a solicitor-client full indemnity basis, whether in contract, tort (including negligence) or otherwise, arising directly or indirectly from any act or omission of the Recipient, or those for whom the Recipient is legally responsible, with respect to the performance of its obligations under this Agreement or on the Project, except to the extent to which such actions, claims, demands, losses, costs or damages are caused by the gross negligence or breach of the terms of this Agreement by ASHC.

12.2. The Recipient shall indemnify and hold harmless the ASHC, its officers, servants, employees and agents against and from any and all third party claims, demands, actions or costs, including legal costs on a solicitor and own client full indemnity basis, to the extent arising from:

12.2.1. the Recipient's breach of this Agreement; or

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- 12.2.2. the negligence, other tortious act or willful misconduct of the Recipient, or those for whom it is legally responsible, in relation to the performance of its obligations under this Agreement.

13. TERMINATION

- 13.1. ASHC may terminate this Agreement upon providing written notice to the Recipient, if:
 - 13.1.1. the Recipient has not commenced construction within 1 year subsequent to the Effective Date of this Agreement;
 - 13.1.2. the Recipient uses or expends any portion of the Provincial Contribution for any unauthorized purpose;
 - 13.1.3. construction of the Project is not completed and Occupancy granted by **[enter the date]**;
 - 13.1.4. the Recipient becomes bankrupt or insolvent, has a receiving order made against it, goes into receivership, takes the benefit of any statute relating to bankrupt or insolvent debtors, or makes an assignment for the benefit of creditors;
 - 13.1.5. an order is made or resolution passed for the winding up of the Recipient, or the Recipient is dissolved; or
 - 13.1.6. the Recipient breaches any other provision of this Agreement or the Grants Regulation, including breach of the Operating Agreement at any time during the term of the Operating Agreement.
- 13.2. Upon termination of this Agreement pursuant to section 13, the Recipient shall forthwith repay to ASHC the entire Provincial Contribution or any portion of the Provincial Contribution which has been advanced to the Recipient. The amount of the Provincial Contribution repayable to ASHC under this clause shall be determined by ASHC in its sole discretion, and shall be repayable within 30 days of the demand made by ASHC pursuant to this clause. Failure of the Recipient to repay any amount determined by ASHC pursuant to this Agreement will be considered a default of this Agreement and will be a triggering event under the Grant Security Agreement between the parties, allowing ASHC to exercise its option to purchase the Project lands as provided for in that agreement.
- 13.3. Upon the Recipient's receipt of notice of termination pursuant to section 13, the Recipient shall not make or commit any further expenditure of the Provincial Contribution without the prior written consent of ASHC, and shall provide any and all reports as may be required under this Agreement.
- 13.4. This Agreement shall expire at the end of the Term, unless extended by the Parties in writing, in advance.

14. SURPLUS

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- 14.1. The Recipient shall, within 90 days of the expiry or termination of this Agreement, repay the ASHC:
 - 14.1.1. any portion of the Provincial Contribution not actually used and applied or committed for the purpose of the Project as of the end of the Term; and
 - 14.1.2. any portion exceeding one-third of the total Capital Costs of the Project that was previously advanced; confirmed by a statement of final construction costs.
- 14.2. The Recipient will be required to forthwith repay the portion of the Provincial Contribution exceeding one third of the total Capital Cost of the Project.

15. PARTIES' REPRESENTATIVES

- 15.1. The ASHC designates the Manager, Capital Grants, Housing Capital Programs Branch, Alberta Seniors, Community and Social Services, Housing Division, to be the ASHC's representative to maintain a continuing liaison with the Recipient in matters relating to this Agreement.
- 15.2. The Recipient designates the [insert title of recipient's designated representative] to be the Recipient's representative to maintain a continuing liaison with ASHC in matters relating to this Agreement.
- 15.3. Either Party may change its designated representative above by sending written notice to the other Party of such change.

16. NOTICES

- 16.1. All notices required or permitted to be given or submitted by one Party to the other under this Agreement must be in writing and delivered by personal delivery, regular mail, or registered mail, as follows:

If to ASHC:

Alberta Social Housing Corporation
 c/o Alberta Seniors, Community and Social Services
 Housing Division
 3rd Floor, 44 Capital Boulevard
 10044 - 108 Street
 Edmonton, Alberta T5J 5E6

Attention: Executive Director, Housing Capital Programs Branch

If to the Recipient:

[name of the organization]
 [Enter P.O. Box] OR

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[Enter physical address]
[City], Alberta [Enter postal code]

Attention: [enter title of the designated representative]

16.2. The address of any Party may be changed by notice in writing to the other Party in accordance with subclause 16.1. Any notice personally delivered shall be deemed to have been received on the date of delivery. Any notice sent by regular mail shall be deemed to have been received 7 days after the date it is postmarked. Any notice sent by email shall be deemed to have been received on the day of sending, if sent during business hours, but if it is not a business day or is sent after business hours, on the next business day. Any notice sent by registered mail shall be deemed to be received 4 days after the date it is postmarked. If normal mail service is interrupted by strike, slow down, *force majeure* or other cause after the notice has been sent, the notice will not be deemed to be received until actually received. The Party sending such notice shall at all times attempt another service which has not been so impaired or should deliver the notice in order to ensure prompt receipt thereof.

17. COMMUNICATIONS PROTOCOL

17.1. The Recipient will not make any announcements about the Project, its progress or the Provincial Contribution made under this Agreement without the prior written consent of the ASHC. This extends to the Recipient’s contractors completing planning, design and construction services on the Project.

17.2. The Recipient agrees that ASHC’s written approval is required before developing promotional material or public events for the Project including: information kits, brochures, public reports, and website material recognizing and/or informing the public about the Project or the Provincial Contribution made under this Agreement.

17.3. The Recipient agrees that ASHC’s written approval and participation is required for any official event in respect of the Project, such as ground-breaking, openings, plaque unveiling, funding announcements or any similar event to which the public may be invited. A minimum of 8 weeks advance written notice must be provided to ASHC for an official event.

17.4. The Recipient may pursue fundraising activities for the Project site(s).

18. SIGNAGE

18.1. If the Recipient wishes to install a sign with respect to the Project, it will recognize the provincial contribution from the Government of Alberta. Signage will be mutually agreed upon by the Parties and will include consideration of current provincial signage guidelines.

19. ASSIGNMENT

19.1. This Agreement may not be assigned by the Recipient without the prior express written consent of ASHC, which may be withheld within ASHC’s sole discretion.

Initials:

Recipient:
ASHC:

20. LAWS OF ALBERTA

20.1. This Agreement shall be governed in accordance with the laws of Alberta, and the Parties agree to the jurisdiction of the Courts of Alberta.

21. GENERAL

21.1. Time is of the essence with respect to this Agreement.

21.2. In the case of conflicts or discrepancies among this document and the schedules and any schedules attached to this document, the documents shall take precedence and govern in the following order:

21.2.1. the body of this document, and

21.2.2. the schedules to this document.

21.3. In this Agreement words in the singular include the plural and words in the plural include the singular.

21.4. A Party may waive any of its rights under this Agreement only in writing. Any tolerance or indulgence demonstrated by the Party will not constitute a waiver of any other or future rights.

21.5. This Agreement may be amended when such amendments are in writing and signed by the authorized representatives of both of the Parties.

21.6. This Agreement, along with the Operating Agreement and the Grant Security Agreement constitute the entire agreement between the Parties and no understandings, representations or agreements, oral or otherwise, exist between the Parties with respect to the subject matter of this Agreement, except as expressly set out in this Agreement.

21.7. Each provision of this Agreement is distinct and severable and a declaration of invalidity, illegality or unenforceability of any such provision or part thereof by a court of competent jurisdiction shall not affect the validity or enforceability of any other provision of this Agreement.

21.8. Rights and obligations of the Parties which expressly or by their nature survive the termination or expiration of this Agreement shall continue despite such termination or expiration until they are satisfied or by their nature expire. For greater clarity and without limiting the foregoing, the following clauses shall survive termination or expiration of this Agreement:

Clause 3.6
Clause 3.8
Clauses 9.1, 9.2, 9.3, 9.4

Continued use of the Project;
Recovery of Provincial Contribution;
Accounting, Records and Audits;

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ASHC:

Clause 10.1	Freedom of Information and Protection of Privacy;
Clauses 12.1, 12.2	Indemnity and Liability; and
Clauses 13.1, 13.2, 13.3, 13.4	Termination.

21.9. This Agreement shall be for the benefit of and binds the successors and permitted assigns of the Parties.

21.10. This Agreement is not intended to and does not:

21.10.1. constitute either Party as the agent or employer of any other for any purpose, or otherwise create any relationship of agency or employment;

21.10.2. constitute or create any joint venture; or

21.10.3. constitute or create any partnership; and

neither Party shall allege or assert for any purpose that this Agreement constitutes or creates a relationship of agency, joint venture, or partnership.

SAMPLE

Initials:

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ASHC:

21.11. This Agreement may be signed or executed in several counterparts, may be executed electronically, and may be delivered originally or by electronic transmission and each such counterpart, when so executed and delivered, will be deemed to be an original and all of which taken together will constitute one and the same Agreement.

IN WITNESS WHEREOF this Agreement has been duly executed by the Parties as of the Effective Date.

ALBERTA SOCIAL HOUSING CORPORATION

[GRANT RECIPIENT NAME]

Signature

Signature

Print Name and Title

Print Name and Title

SAMPLE

Initials:

Recipient:
ASHC:

SCHEDULE “A”

PROJECT

1. Project Description:

The purpose of the Capital Grant is to contribute to the Affordable Housing Project [insert project description details including address, unit numbers, and further applicable details].

2. Project Design:

The new Affordable Housing Project will consist of [insert number of Housing Units and if required a breakdown of etc.]

3. Budget Allocation

Project Funding Sources	
Alberta Social Housing Corporation Capital Grant Funds and/or a capital contribution in the form of land and building such as the transfer of ownership or a long-term lease of an ASHC-owned asset	\$
	\$
	\$
Total Estimated Capital Cost	\$

*** The Recipient shall be responsible for contributing any additional funding required for the Project that exceeds the Provincial Contribution amount, including any costs that exceed the estimated total Capital Costs for the Project.**

4. Eligible Expenses:

Eligible Expenses must pertain to the following activities:

- Land acquisition;
 - Proposals can include a request for the sale or transfer of ASHC-owned lands for Project development. The appraised value of the land would be considered as part of the Provincial Contribution.
- Permits, re-zoning, and development;
- Architectural consulting fees;
- Construction material and labour for new Housing Units, or the purchase and renovation of existing Housing Units and the conversion of non-residential space to residential Housing Units;
- Demolition of Housing Units for reconstruction;
- Appraisal, geotechnical, building condition assessments, and legal fees as needed;
- Insurance and bonding;
- Required professional reports; and
- Site improvements, such as landscaping.

Note: Commercial spaces or any other portion of the Project that is not Affordable Housing proposed under Mixed-Use Development models, including Housing Units at or above Median Market Rent will **not** be included in the calculation of the total Eligible Expenses.

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ASHC:

5. Ineligible Expenses:

- Costs incurred prior to the date on the Minister’s approval letter are ineligible;
- Initial planning (seed funding) and schematic design;
- Furnishings, fixtures, and equipment;
- Amortization;
- Financing costs;
- Administrative costs/internal staff costs borne by the Recipient;
- The provision of support services or any costs associated with operating the completed Project;
- Costs incurred prior to Effective Date (i.e. applications cannot seek provincial funds to reimburse capital expenditures of projects completed or near completion at the time of application);
- Fines or penalties;
- Losses on other projects or investments; and
- The Provincial Contribution shall not be applied toward any operational or ongoing capital maintenance or renewal costs.

Note: These costs must be funded through other sources outside the AHPP.

6. Contact Person for the Project:

First name Last name, Title
Grant recipient name
Physical address
City, AB Postal Code

Telephone:
Email Address:

SAMPLE

Initials:

Recipient:	<input type="checkbox"/>
ASHC:	<input type="checkbox"/>

SCHEDULE "B"

PERMITTED ENCUMBRANCES

1. [insert existing encumbrances; if none then state Not Applicable]

SAMPLE

Initials:

Recipient:

ASHC:

SCHEDULE "D"

Construction Progress Report

The Recipient must use this template for reporting and an electronic version will be sent out once the Agreement has been fully executed.

PROJECT STATUS REPORT

PROJECT NAME	
---------------------	--

PROJECT MANAGER	DATE	PERIOD COVERED	PROJECTED DATE OF COMPLETION

PROJECT STATUS THIS QUARTER - Achieving percentage of construction progress as certified by the Prime Consultant or a Professional Quantity Surveyor.

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SUMMARY

Initials:

Recipient:

ASHC:

MILESTONES - refer to Clause 3.4 and its subclauses:1st Milestone – Clause 3.4 (a) (ii), (iv) and (vi):

Condition	Forecasted Date (MM/DD/YYYY)
The Recipient has obtained, to ASHC's reasonable satisfaction, current letter(s) of credit or confirmation from the Recipient's financial institutions or funding partners verification of the commitment for funding by such entities to the Recipient towards the Project in an amount not less than the difference between the anticipated Capital Cost to complete the Project and the Provincial Contribution	
A true copy of the Development Permit	
A copy of the fully executed contract with the prime contractor for the Project, certified copies of such contractor's performance bond and labour & material payment bond, certificate of insurance evidencing wrap-up liability and builder's risk insurance, as required in Section 11 of this Agreement.	

2nd Milestone – Clause 3.4 (b) (i) and (ii):

Condition	Forecasted Date (MM/DD/YYYY)
A true copy of the Building Permit	
Achieving 30% construction progress as certified by the Prime Consultant or a Professional Quantity Surveyor	

3rd Milestone – Clause 3.4 (c) (i):

Condition	Forecasted Date (MM/DD/YYYY)
Achieving 60% construction progress as certified by the Prime Consultant or a Professional Quantity Surveyor	

4th Milestone – Clause 3.4 (d) (i):

Condition	Forecasted Date (MM/DD/YYYY)
A copy of the Occupancy Permit issued by the authority having jurisdiction	

Initials:

 Recipient:
 ASHC:

PROJECT COMPONENTS

COMPONENT	STATUS	MILESTONES/CONCERNS	NOTES
SCOPE			
SCHEDULE			
BUDGET			
RESOURCES			
RISKS/CHALLENGES			

SAMPLE

Photos of Project

Initials:

Recipient:

ASHC:

SCHEDULE "E"**AUDITED FINANCIAL STATEMENT OF THE FINAL AUDITED CAPITAL COSTS REQUIREMENTS**

1. The Audited Financial Statement of final audited Capital Costs must contain a comparison of:
 - a) originally budgeted Capital Costs submitted in the AHPP grant application for the Project; along with,
 - b) the final actual Capital Costs of the Project with an explanation of variances of more than 10% between these costs.

2. The Audited Financial Statement of final audited Capital Costs must be in sufficient detail to allow ASHC to determine:
 - a) that the Provincial Contribution did not exceed one third of the Capital Costs; and
 - b) if the audit determines the Provincial Contribution is greater than one third of the final Capital Costs, the Recipient must repay the difference between the total Capital Grant advanced and one third of the final Capital Costs to ASHC forthwith.

3. The Audited Financial Statement of final audited Capital Costs shall be in a form satisfactory to ASHC and shall include, but is not limited to, the following items for the Project, including those projected Capital Costs outlined in the Recipient's application for funding:

Example

ITEM	PROJECT COSTS		
	Estimated Cost	Actual Cost	Variance
Architect Fees	\$	\$	\$
Audit/Legal Fees	\$	\$	\$
Consultant/Inspection Fees	\$	\$	\$
Interest	\$	\$	\$
Letter of Credit	\$	\$	\$
Municipal Fees	\$	\$	\$
Signage	\$	\$	\$
Construction, including commissioning	\$	\$	\$
Site Servicing	\$	\$	\$
Landscaping	\$	\$	\$
Total GST	\$	\$	\$
Less GST Rebate	\$	\$	\$
Net GST	\$	\$	\$
Other (Specify)	\$	\$	\$
Other (Specify)	\$	\$	\$
Total Project Cost	\$	\$	\$

Initials:

Recipient: ASHC:

ITEM	PROJECT COSTS		
	Eligible Capital Costs	Non-Eligible Capital Costs	Total Capital Costs
Provincial Funding Contribution	\$	\$	\$
Federal Funding Contribution	\$	\$	\$
Municipal Funding Contribution	\$	\$	\$
Municipal Fee Rebate/Reduction	\$	\$	\$
Donations	\$	\$	\$
- Cash	\$	\$	\$
- Fundraising	\$	\$	\$
- Land/Building	\$	\$	\$
- Supplies/Services	\$	\$	\$
- Furniture/Equipment	\$	\$	\$
- Gifts-In-Kind	\$	\$	\$
Other Sources (Specify)	\$	\$	\$
Total Financing/Funding	\$	\$	\$

SAMPLE

Initials:

Recipient:

ASHC:

SCHEDULE "F"

AFFORDABLE HOUSING GRANT SECURITY AGREEMENT

SAMPLE

Initials:

Recipient:
ASHC:

SCHEDULE "G"

AFFORDABLE HOUSING PARTNERSHIP PROGRAM OPERATING AGREEMENT

SAMPLE

Initials:

Recipient:

ASHC: