

THIS AGREEMENT made this 12 day of October, 2021.

BETWEEN:

KNEEHILL COUNTY

a municipal corporation incorporated pursuant to the *Municipal Government Act*
of the Province of Alberta
(hereinafter called the "County")

OF THE FIRST PART

- AND -

TOWN OF TROCHU

a municipal corporation incorporated pursuant to the *Municipal Government Act*
of the Province of Alberta
(hereinafter called the "Town")

OF THE SECOND PART

WHEREAS the Town has committed to supporting the development of the Trochu Seniors Supportive Living Facility Project in the Town of Trochu as further described in Schedule "A" (the "Project"), and proposes to borrow funds in an amount not to exceed \$20,000,000.00 to support the Project (the "Loan");

AND WHEREAS the Town has requested that the County support the Project by guaranteeing repayment of the Loan;

AND WHEREAS the County has passed Bylaw No. 1833, authorizing a guarantee of the Loan, and is prepared to offer such guarantee subject to the terms and conditions set out herein;

NOW THEREFORE this Agreement witnesses that, in consideration of the premises, covenants and agreements herein contained, the County and the Town agree as follows:

1. The County hereby agrees to guarantee the Loan in support of the Project on the following basis:
 - a) The amount of the Loan shall not exceed \$20,000,000.00, inclusive of an interest rate not to exceed 4% over a term not to exceed 5 years; and
 - b) The total amount guaranteed by the County in respect of the Loan shall in no circumstances exceed \$20,000,000.00, and shall remain in effect for no longer than four (4) years.
2. The County's commitment to enter into a guarantee shall be conditional upon:
 - a) Capital grant funding from other levels of government equal to at least \$19,000,000 having first been approved for the Project;

- b) The receipt by the County of evidence that a minimum of 90% of the 24 Life Lease Units associated with the Project shall have been sold prior to the commencement of construction;
 - c) The Town first engaging in open house or information forums open to its residents and ratepayers, which receives positive feedback from the community, as reasonably determined by the Town and confirmed in writing to the County. As part of that public engagement process, the Town must advise its residents and ratepayers that should the Town of Trochu no longer be viable, the County's intention is that all debts incurred by the Town will remain the responsibility of ratepayers and properties within the existing Town of Trochu boundaries; and
 - d) The Town will arrange to allow the County to appoint a board member to the Trochu Housing Corporation Board for a period at least equal to the longer of the duration of construction of the Project or the period in which the guarantee will remain in effect.
3. Subject to the requirements set out herein, the County will agree to enter into a guarantee agreement with the Town's lender on the Project in relation to the Loan, in a form reasonably agreeable to the County and consistent with this Agreement. The Town agrees to comply with the loan agreement and all other applicable laws in relation to its borrowing and other involvement in the Project.
4. The Town acknowledges that it is not the intention of this Agreement for the County to directly contribute to the Project or the Town. To the extent the County is required to pay any amounts to the Town's lender in respect of the guarantee, the Town will be fully responsible for repaying the County in full. Further, the Town shall indemnify and hold harmless the County for any and all costs of any kind incurred by the County in relation to the guarantee provided under this Agreement, including without limitation for any legal costs on a solicitor and own client basis. Any amounts paid to the Town's lender in respect of this guarantee or otherwise incurred by the County in relation to the guarantee shall become a debt due and owing by the Town to the County.
5. Subject to any remaining obligations under the guarantee agreement between the County and the Town's lender, if any, the County may terminate this Agreement and any further commitment to guarantee the Loan:
- a) In the event of any breach of this Agreement by the Town;
 - b) In the event that any assets relating to the Project are assigned or transferred without the County's consent, or are seized, liquidated or otherwise become the subject of any insolvency event including a circumstance where the Town or the Trochu Housing Corporation becomes insolvent, commits an act of bankruptcy, makes a general assignment for the benefit of its creditors or is subject to an appointment of a receiver; or
 - c) Upon the expiry of the four year term of this Agreement.

Such termination shall not in any way limit the Town's obligation to repay any amounts owing to the County in respect of the guarantee or any other obligations of the Town hereunder.

6. Nothing herein shall make the County responsible for or liable for any costs, damages or liabilities associated with the Project, except as specifically required by the terms of the guarantee entered into by the County. The Town agrees to indemnify and hold harmless the County in respect of any and all damages, costs liabilities, actions, claims or costs (including legal costs on a solicitor and his own client basis) claimed against or suffered by the County in relation to or arising from the Project.
7. In consideration for the guarantee offered by the County as set out herein, the Town covenants and agrees that it shall not make any further or other requests to the County for financial or material commitments in relation to the Project, and that there will be no future requests by the Town for the County to provide financial support or requisitions in relation to the operation of the Project.
8. The Town shall ensure that all necessary insurance coverage is in place for the Project prior to commencing construction and maintained throughout the duration of construction and commissioning of the building associated with the Project. The Town shall provide evidence of such insurance coverage to the County upon request.
9. The Town shall not assign or transfer this Agreement or the rights or privileges herein without first obtaining the written consent of the County.
10. This Agreement shall be governed by the laws of the Province of Alberta.
11. Each of the Parties shall, upon the reasonable request of the other Parties, make, do, execute or cause to be made, done or executed all such further and other lawful acts, deeds, things, documents and assurances of whatsoever nature and kind for the better or more perfect or absolute performance of the terms and conditions of this Agreement.
12. This Agreement contains the entire agreement between the Parties hereto and supersedes any prior agreement, either oral or in writing, and may only be amended by a subsequent written instrument signed by the Parties.
13. This Agreement may be executed in counterpart and delivered electronically.

IN WITNESS WHEREOF the Parties hereto have affixed their corporate seals under the hands of their proper signing officers as of the day and year first above written.

KNEEHILL COUNTY

PER: J. Wittstock

PER: Mark Hays

TOWN OF TROCHU

PER: Bk

PER: Paul [Signature]

**SCHEDULE "A"
PROJECT SUMMARY**

Attached

Trochu Housing Corporation*

*Incorporated as a Canada Not For Profit by the Town of Trochu

Trochu Seniors
Supportive
Living Facility
Project

An Update and Presentation for Kneehill County Council

By Barry Kletke, Mayor of Trochu, Sam Smalldon, President of Trochu Housing Corporation and Sheli Murphy, Senior Operating Officer with Covenant Health

October 13, 2020

Agenda

1. Seniors Housing Project Proposal
2. Project Stakeholder Model
3. Capital Development Process
4. Capital Project Work Plan
5. Project Partnership Models
6. Trochu/County Partnership
7. Next Steps

Seniors Housing Project Proposal

1

- Residents want to stay in their Communities
- THC has completed a Survey of Seniors
- THC has completed a Demand Study
- THC has undertaken a Community-Driven Project Concept Consultation and Development Process
- Seniors Housing demand exists for new independent market, replacement low-income and lodge, and for new supportive living
- THC Project Concept and Business Case is now completed

Project History

1.1

- 2009 it was identified that there was need for additional supportive seniors housing in our area
- 2011 Covenant Health proposed a new facility near the existing St. Mary's. Letters of support were given by the surrounding communities but the ASLI grant for this project was turned down
- During the interim period Covenant Health continued to propose various plans from re-modernization to new builds but had no success
- In November of 2018 the Trochu Housing Corporation was formed; and the current process was started

Project - Site, Design & Budget

1.2

- 12 acres of serviced land in Trochu
- 80 units to meet the needs of Trochu Area
 - 40 units LTC, Supportive Living 4/4D (24x7 Care)
 - 16 units Lodge Living (Accommodation)
 - 24 units Independent Living (Life Lease)
- \$32 Million Estimate for Capital Project
 - \$8 Million Estimate for Take-Out Financing
 - \$5 Million Estimate from Life Lease
 - \$19 Million Estimate for Capital Grants
 - \$20 Million Estimate for Project Financing Limit

Project - Demand Validation

1.3

- In 2018, AHS identified demand for DSL Spaces in Trochu and surrounding communities were named as a priority community
- An independent demand survey was completed by the local Town of Trochu to determine if there was a demand
- The premises was if there was no demand; no project
- But there was significant demand also confirmed by an independent demand study completed by Covenant Health

AHS Demand is Proven

1.4

- AHS has identified Trochu and surrounding communities as Priority Communities in April 2018 (18 of top 23 in Alberta)
- AHS identifies Trochu care need for 15 SL4D and 30 SL4 spaces
- Current 28 LTC spaces in Trochu need replacement



SCHEDULE G
Priority Communities

ZONE	LOCATION	LTC	SL4D	SL4	TOTAL	
North	St. Paul	4	42	73	115	
	Spirit River	6	26	26	52	
	Manora	23		16	16	
North Zone Total					183	
Edmonton	Fort Saskatchewan	1	75	75	150	
	Edmonton Urban	7	135	157	450	
	Westwood / Stony Plain / Spruce Grove	10	130		130	
Edmonton Zone Total		13	130		150	
Central	Drayton valley	2	20	20	40	
	Oxley	8	20	20	40	
	Red Deer	12	75	50	200	
	Drumheller	16		26	26	
	Trochu	18	15	30	45	
	Camrose	19	40		40	
	Vermilion	20	20	20	40	
	Coronation	22	15	25	40	
	Central Zone Total					471
	Calgary	Calgary Urban	3	280	195	650
Arbore		9	40	30	100	
Calgary Zone Total					750	
South	Okotoks	5	10	10	20	
	Medicine Hat	11	36	64	100	
	Bow Island	14	10	20	30	
	Lethbridge	15	48	80	128	
	Brooks	17	9		9	
	Fort Macleod	21	12	48	60	
South Zone Total					347	
PROVINCIAL TOTALS		818	846	986	2651	

For the purposes of this RFP and Schedule C, A "Priority Community" shall include any Indigenous Community as such term is defined in this RFP.

Notwithstanding anything else in this RFP, with respect to an Indigenous Community which does not have a provincial priority ranking as provided for above, AHS shall, in its sole discretion and subject to financial and budgetary limitations, be entitled to make an award to a Proprietor willing to provide Deliverables in such Indigenous Community

Project Stakeholder Model

- Town of Trochu and Surrounding Communities
- Trochu Community Seniors Advisory Committee
- Trochu Seniors Housing Society
- Kneehill County
- Covenant Health
- Kneehill Housing Management Body
- Federal Government (CMHC, MPs)
- Provincial Government (Seniors Housing, AHS, MLAs)

2.1

Government Relations

- The Town and THC has held briefing meetings to present the project proposal with the MLA and MP and highly both support the project
- The Minister of Health Tyler Shandro recently toured the existing St. Mary's facility and met with members of Town Council, THC and Covenant Health for a briefing and presentation of the project proposal.
- The Minister seemed very impressed and looking forward to the THC application when the ASLI capital grant call is announced, expected this fall 2020.

Capital Development Process

3

- Project Planning
- Project Construction
- Project Commissioning
- Project Opening

**MVSH PROCESS FOR CAPITAL DEVELOPMENT:
PLANNING, CONSTRUCTION MANAGEMENT &
COMMISSIONING**

Presentation to ASCHA Conference in Edmonton - March 22, 2017

Our Vision - We enhance lives by providing quality care and self-sustainable living through innovative leadership.

Mountain View
Seniors' Housing

1

Capital Project Work Plan

- Project Concept and Planning Work
- Government Relations
- Partnerships
- Sources of Capital Funding
- Business Planning

- Project Approval
- Project Design, Tender and Contracts
- Project Construction
- Project Commissioning
- Project Opening



THC Project Concept Complete

4.1



TROCHU SENIORS SUPPORTIVE LIVING FACILITY



IBI GROUP
237 11 Avenue SW
Calgary, AB T2R 1R9, Canada
PH: 403.270.9000 Fax: 403.270.9010
ibi@ibigroup.com



Trochu Seniors Supportive Living Facility
Trochu, Alberta

COVER PAGE
Trochu Seniors Supportive Living Facility
Trochu, Alberta



Issue: FINAL SET
Date: SEP. 09, 2019
Project No: 119340
Scale: NTS

A0

Project - Planning and Site Work

4.3

- An architectural firm was hired and open houses were held so the public could have a say in what was needed and wanted
- The proposal was modeled after a successful facility in Sundre but was adjusted to meet the local needs
- The Town agreed to provide a parcel of land of sufficient size to accommodate this facility
- A engineering firm and a planning group were hired to research and draft an ASP plan. The plan has been completed and is in the Bylaw and public hearing phase

Project Planning Updates

4.4

- THC met with Kneehill County on November 26, 2019 to ask for partnership for financial backing for the project borrowing; there is no request for the County to borrow any funding
- At that time, the County requested the Town look at getting a debt limit extension
- Town of Trochu has formally requested approval from the ADM Municipal Affairs for a debt limit extension from 4.5 million to 23 million (this includes the whole project)

Project Planning Updates

4.5

- The ADM office clarified this would be the largest percentage of debt limit extension ever given out and Municipal Affairs want to ensure our business plan will be successful
- Our last discussion with the ADM's office was we may have reached out to them for a debt limit extension earlier than required
- The ADM has confirmed the information provided will be beneficial for them to make a decision, the outstanding confirmation which still needs to be addressed is written confirmation from AHS of capital grants and operational support for the project

Project Planning Updates

4.6

- AHS will be able confirm both of these requirements in formal terms at the end of ASLI capital grant call expected this fall
- When making an application for the ASLI grant a business case with a funding plan will have to be provided
- Prior to the ASLI application another open house of the local taxpayers in Trochu (not just seniors) will be held as consultation for the possible extra taxpayer burden which may occur in the worst case scenario.

Project Planning Updates

4.7

- The Town continues work on the ASP-1st reading has been passed and the public hearing has been scheduled
- Covenant Health has agreed to be care partner and partner as operator of the Lodge facility
- Council and the THC feel that the business plan is sound but Trochu does not currently have the borrowing debt limit to proceed.

Project Partnership Models

- Town of Trochu incorporated THC
- Town of Trochu requests Kneehill County support for borrowing (Nov. 2019 and Oct. 2020)
- Town of Trochu requests partnership with Covenant Health and AHS (MOU with Covenant, ASLI)
- Town of Trochu requests partnership with Kneehill Housing Management Body (Offer extended)
- THC applies for Capital Grants from Province and CMHC (In Progress)
- THC will plan, build and Covenant Health will operate the Project (Project can be “Shovel Ready” for 2021)

Trochu/County Partnership

6

- Project will serve Town of Trochu and Surrounding Communities (County Residents)
- Project will add Seniors Housing Capacity for Kneehill County
- Borrowing for the Project will exceed Debt Ratios of the Town
- A letter of support backing with by Town and County together will permit borrowing within Debt Ratios
- The County would be provided with a seat on the Trochu Housing Corporation Board as oversight

Next Steps

7

- THC will continue relationship development under the Project Partnership and Stakeholder Models
- THC will apply for Provincial ASLI and Affordable Housing Grants as well as Federal CMHC Capital Grants
- THC will complete the Project and Business Case Planning for Grants and Partnerships
- THC will ensure Project Budget Approval before Construction starts