

TRANSIT BUS SERVICE AGREEMENT

BETWEEN

THE CITY OF EDMONTON

- and -

THE CITY OF SPRUCE GROVE

- and -

PARKLAND COUNTY

EFFECTIVE NOVEMBER 1, 2016

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Schedule "C"	- Maintenance Service
Schedule "D"	- Transit Service Fees
Schedule "E"	- Bus Maintenance Fees
Schedule "F"	- Transit Bus Identification

TRANSIT BUS SERVICE AGREEMENT

THIS TRANSIT BUS SERVICE AGREEMENT made effective November 1, 2016 (the "Effective Date")

BETWEEN:

THE CITY OF EDMONTON,
("Edmonton")

AND:

THE CITY OF SPRUCE GROVE
("Spruce Grove")

AND:

PARKLAND COUNTY
("Parkland")

RECITALS

The following are statements of general background and intent to this Transit Bus Service Agreement:

1. Spruce Grove has acquired six Transit Buses for the purpose of providing public transit service.
2. Edmonton operates a transit service within the municipality of Edmonton and provides regional transit services to neighbouring municipalities on a fee for service basis, including a transit service between the municipalities of Edmonton and Spruce Grove and to the Acheson Industrial Area in Parkland County.
4. Spruce Grove and Parkland would like Edmonton to operate an additional public transit service using three Transit Buses acquired by Spruce Grove.
5. The Capital Region Board has been established and Edmonton, Spruce Grove and Parkland are participating municipalities in the Capital Region Board.

NOW THEREFORE in consideration of the mutual covenants and agreements contained in this Agreement and other good and valuable consideration, the receipt and adequacy of which is hereby acknowledged by each of the Parties, the Parties covenant and agree as follows:

ARTICLE 1 INTERPRETATION

1.1 Definitions.

The following terms as used in this Agreement, including the recitals, shall have the meanings indicated below, unless otherwise indicated or the context otherwise requires:

“Agreement” means this agreement and every schedule, addendum and all amendments hereto and the words “herein”, “hereof”, “hereto”, “hereunder” and similar expressions mean or refer to this agreement.

“Applicable Law” means the law applicable in Alberta, Canada, including any federal, provincial or local statute, ordinance, law, regulation, policy, bylaw, notification, directive, order, customs regulations, instruction, rule, code, intergovernmental agreement (including the Agreement on Internal Trade), license, consent, permit, authorization or other approval, including any conditions attached thereto, having the force of law and with which Edmonton, Spruce Grove, or Parkland is legally obligated to comply, including the common law and the law of equity.

“Approval” means all permits, consents, or authorizations issued by the Province of Alberta for the Transit Service and includes, without limitation:

- (i) Operating Authority Certificate; and
- (ii) Any exemptions or permits issued pursuant to Traffic Safety Act or its Regulations.

“Bus Maintenance Fees” means the amounts payable by Spruce Grove to Edmonton for the Maintenance Service as outlined in Schedule “E”.

“Bus Stop” means a location along the Route at which passengers are permitted to get on and off a Transit Bus.

“Business Day” means any day except Saturdays, Sundays and other days which are statutory holidays in the Province of Alberta.

“Calendar Year” means the time period from 1 January to 31 December.

“Change in Applicable Law” means:

- (i) any enactment or issuance of any new Applicable Law;
- (ii) any change in the judicial interpretation or application of an existing Applicable Law;

- (iii) any amendment, alteration or modification of an existing Applicable Law;
and
- (iv) the repeal and re enactment of any existing Applicable Law;

in any such case subsequent to the Effective Date.

“Change in Approvals” means:

- (i) the introduction of any additional material requirement in connection with either the issuance of any Approval or the renewal, extension or modification of any Approval after such Approval was issued, in either case subsequent to the Effective Date;
- (ii) the imposition of a requirement for an Approval which did not exist on the Effective Date; or
- (iii) the revocation or cancellation of any Approval after the Effective Date.

“Claims” means actions, causes of action, proceedings, claims, demands, complaints, grievances, prosecutions, petitions, proceedings, notices (including a notice of defect or non-compliance), assessments, reassessments, orders, summons, citations, directives, no action letters, tickets, losses, damages, charges, fines, penalties, costs and expenses (including costs on a solicitor and own client full indemnity basis).

“Confidential Information” shall mean all technical or business information, including, without limitation, information related to current or future services, business undertakings or opportunities, trade secrets, techniques, data, specifications, studies, reports, forecasts, technology, software, programs, documentation, customer names or other technical or business material in any form that contain or otherwise reflect information concerning the Transit Service, disclosed by a Party hereto (“Disclosing Party”) to another Party hereto (“Receiving Party”) after the Effective Date, directly or indirectly, orally, in any written form, or in any magnetically or electronically recorded form, or by drawings or inspection of equipment. Any information of third persons disclosed to a Party by another Party in the course of such discussions and negotiations shall be deemed to be the Disclosing Party’s information and such information shall be governed by the terms of this Agreement. Each Party acknowledges that the other Party possesses and will continue to possess information that has been created, discovered, or developed by that Party or which was or shall be provided to it by third parties and in which property rights have been assigned or otherwise conveyed to it, which information has commercial value in its business and is not in the public domain. Except as otherwise specifically provided by the Parties, “Confidential Information” shall mean all such information received by a Party from any other Party to this Agreement which is designated visually or in writing as “Confidential” (or similar designation) at the time of disclosure, which is disclosed in

circumstances of confidence or which would be understood by the Parties, exercising reasonable business judgement at the time of disclosure, to be confidential.

“Disclosing Party” means the Party making disclosure of Confidential Information for purposes of ARTICLE 10.

“Dispute Resolution Process” means the dispute resolution process set forth in ARTICLE 8.

“Effective Date” means November 1, 2016.

“ETS Bus” means a public transit bus owned by Edmonton.

“Event of Force Majeure” means any event or circumstance that prevents or delays a Party from performing any of its obligations under this Agreement within the time required for the performance of such obligation, but only to the extent that (i) the event is not reasonably within the control of the Party (insufficiency of funds not being beyond the reasonable control of a Party) and (ii) despite the exercise of Reasonable Efforts, the event cannot be prevented, avoided or stopped by that Party, it being acknowledged that Events of Force Majeure may include the following: acts of God, strikes, lockouts or other industrial disturbances, acts of the public enemy, terrorism, sabotage, wars (declared or undeclared), blockades, insurrections, riots, diseases or epidemics, landslides, lightning, fire, earthquakes, extreme storms, subsidence, floods, high waters, washouts, drought, low waters, orders or acts of civil or military authorities, civil disturbances, or any other causes, whether of the kind herein enumerated or otherwise; provided that the settlement of strikes, lockouts and other industrial disturbances shall be entirely within the discretion of the particular Party involved therein and such Party may make settlement thereof in such time and on such terms and conditions as it may deem to be advisable and no delay in making such settlement shall deprive such Party of the benefits of this Agreement with respect to an Event of Force Majeure.

“FOIP Act” means the *Freedom of Information and Protection of Privacy Act* (Alberta), as amended from time to time.

“Indemnifying Party” has the meaning ascribed thereto in Section 11.5.

“Indemnitee” has the meaning ascribed thereto in Section 11.5.

“Maintenance Service” means the maintenance and servicing of the Transit Buses in accordance with this Agreement as more specifically outlined in Schedule “B”

“Parties” means Edmonton, Spruce Grove and Parkland and their successors and permitted assigns.

“Reasonable Efforts” means, in relation to the performance of an obligation under this Agreement, efforts that are sensible and practical in a commercial context, and involve the exercise of reasoned and sound judgment, having regard to all of the relevant circumstances.

“Receiving Party” means the Party receiving Confidential Information for purposes of ARTICLE 10.

“Route” means the route as outlined in Schedule “A”.

“Term” has the meaning ascribed thereto in Section 2.1.

“Transit Bus” means a public transit bus owned by Spruce Grove as specifically described in Schedule “F”.

“Transit Fees” means the fees payable by Spruce Grove to Edmonton for the provision of the Transit Service.

“Transit Service” means the public transit service to be provided by Edmonton pursuant to this Agreement along the Route commencing on February 13, 2017.

1.2 Schedules.

The following schedules are attached to and form part of this Agreement:

Schedule “A”	- Transit Route and Timetable
Schedule “B”	- Acceptable Fare and Fare Media
Schedule “C”	- Maintenance Service
Schedule “D”	- Transit Service Fees
Schedule “E”	- Bus Maintenance Fees
Schedule “F”	- Transit Bus Identification

1.3 Sections and Headings.

The division of this Agreement into Articles, Sections and Subsections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement. All references in this Agreement to a designated “Article”, “Section”, “Subsection” or other subdivision or to a Schedule is to the designated Article, Section, Subsection or other subdivision of, or Schedule to, this Agreement.

1.4 Extended Meanings.

- (a) Where the context so requires, words importing the singular number include the plural and vice-versa; words importing the masculine gender include the feminine and neutral genders.
- (b) The words “herein”, “hereof”, and “hereunder” and other words of similar import refer to this Agreement as a whole and not to any particular Article, Section, Subsection, or other subdivision of, or Schedule to, this Agreement.
- (c) Any accounting term not otherwise defined has the meaning assigned to it and all accounting matters will be determined in accordance with generally accepted accounting principles, applied on a consistent basis.
- (d) A reference to a time or date is to the local time or date at Edmonton, Alberta.
- (e) A reference to an approval, authorization, consent, designation, waiver or notice means written approval, authorization, consent, designation, waiver or notice.

1.5 Currency.

All references to currency in this Agreement refer to Canadian dollars.

1.6 Legislative Enactments.

Except as expressly provided herein, any reference to any legislative act shall be deemed to include any amendment, replacement or re-enactment thereof for the time being in force and to include any delegated legislation, orders, notices, directions, consents or permissions made thereunder and any condition attaching thereto.

1.7 Date for Any Action.

Unless otherwise specifically provided in this Agreement, in the event that any date on which any action is required to be taken hereunder by any of the Parties hereto is not a Business Day, such action shall be required to be taken on the next succeeding day which is a Business Day.

1.8 Financial Responsibility.

Financial responsibility relating to a particular function lies with the Party who has the responsibility of performing that function unless otherwise indicated in this Agreement.

1.9 Exercise of Discretion.

Whenever a Party is entitled to act in its discretion under this Agreement, such Party shall act reasonably and not arbitrarily in exercising such discretion, except where expressly specified otherwise.

1.10 Limitation of Authority.

Notwithstanding any other provision contained in this Agreement, any right, power or authority to be exercised by Edmonton, Spruce Grove or Parkland or any of their departments, authorities, boards or tribunals pursuant to this Agreement shall be exercised in accordance with, and subject to, any applicable law including without limitation the *Municipal Government Act* (Alberta), and Edmonton, Spruce Grove and Parkland shall only be bound to comply with and carry out the provisions contained herein insofar as they can legally do so and, accordingly, nothing herein contained shall operate as a waiver or abrogation by Edmonton, Spruce Grove or Parkland of their respective rights under any applicable law and for greater clarity, and without limiting the generality of the foregoing, nothing herein contained shall fetter the discretion of the respective Councils of Edmonton, Spruce Grove or Parkland with respect to the rights and duties of the respective Councils pursuant to any Applicable Law.

**ARTICLE 2
TERM**

2.1 Term.

Subject to earlier termination as hereinafter provided, this Agreement shall commence on the Effective Date and, subject to Section 13.17, will expire on December 31, 2017 (the "Term").

2.2 Extension of Term.

The parties may agree to an extension of the Term for a further period of up to three years upon the provision by Edmonton of revised Schedules "D" and "E" for any extended period and upon written confirmation by Spruce Grove and Parkland that the revised Schedule "D" and "E" are acceptable.

ARTICLE 3 TRANSIT BUSES

3.1 Nominal Lease

Spruce Grove leases to Edmonton and Edmonton leases from Spruce Grove the Transit Buses described in Schedule "F" for the Term subject to the provisions of this Agreement. Title to the Transit Buses shall at all times be vested in Spruce Grove.

3.2 Transit Buses

The Transit Buses shall be used by Edmonton exclusively for the purposes of providing the Transit Service.

3.3 Equipment

Spruce Grove shall be responsible for the provision and installation of equipment for the Transit Buses as may be required. At the request and expense of Spruce Grove, Edmonton shall install or acquire and install any such equipment. For greater certainty, although smart bus technology may, at the request of Spruce Grove, be installed in a Transit Bus, it is the responsibility of Spruce Grove and Parkland to arrange for all associated mapping which may be required to implement the smart bus technology.

3.4 Bus Camera Surveillance

If camera surveillance equipment is installed in the Transit Buses pursuant to Section 3.3, such installation will be completed in accordance with Applicable Laws, including the requirements of the FOIP Act. Edmonton will maintain and monitor the surveillance and maintain any associated records in accordance with Edmonton's standard practice and in compliance with the requirements of the FOIP Act.

3.5 Insurance and Registration

Edmonton will arrange for vehicle registration and insurance for the Transit Buses.

3.6 Branding and Advertising

Branding and advertising on the Transit Buses will be at the expense and discretion of Spruce Grove. For greater certainty, Spruce Grove shall be entitled to receive all revenue associated with the branding and advertising of the Transit Buses.

ARTICLE 4 TRANSIT SERVICE

4.1 Approvals

Edmonton, Spruce Grove, and Parkland shall obtain all necessary Approvals required by either Party in order to be able to fulfill their respective obligations pursuant to this Agreement and will fulfill their respective obligations pursuant to this Agreement in compliance with Applicable Laws.

4.2 Routes

Commencing on February 13, 2017, Edmonton will use the Transit Buses to provide the Transit Service along the Route and in accordance with the timetable outlined in Schedule "A" and subject to revisions to the Route as outlined in this Agreement.

4.3 Timetable

Edmonton provides no warranty or representation that the Transit Service will conform exactly to the timetable noted in Schedule "A". In particular, the Transit Service may be affected or interrupted by traffic delays, accidents and equipment failures, weather or other unforeseen events.

4.4 Changes to Route

- (a) If a Bus Stop in the municipal boundaries of Edmonton being used for the Transit Service becomes temporarily or permanently unusable for whatever reason, Edmonton may change the location of the Bus Stop for the Transit Service immediately by providing written notice to Spruce Grove and Parkland.
- (b) Spruce Grove or Parkland may request a change, addition or deletion to the Route, scheduled time, frequency of service, use of a Bus Stop or use of a bay in a terminal within Spruce Grove or Parkland by providing written notice of the request to Edmonton six months in advance of the proposed implementation date. No changes will be implemented to the Transit Service until Edmonton has approved the requested change and implementation date in writing. Any such modification constitutes an amendment to Schedule "A" on the date of written approval, and is incorporated as part of this Agreement. Edmonton will endeavor to accommodate these changes at the earliest and most appropriate time within the six month notification period.

4.5 Route Maintenance

- (a) Spruce Grove and Parkland shall keep the pavement on that portion of the Route within Spruce Grove's and Parkland's respective control in good and substantial repair.
- (b) Spruce Grove and Parkland shall provide written notice to Edmonton at least five Business Days in advance of any construction or repairs which will affect the Route. Emergency repairs shall be made promptly with notice given to Edmonton as soon as reasonably possible.
- (c) Spruce Grove and Parkland shall keep that portion of the Route and Bus Stop waiting areas within Spruce Grove's and Parkland's respective control reasonably free of snow, ice, dirt, and debris, and apply sand or alternative material as seasonal requirements dictate.
- (d) Spruce Grove and Parkland shall take necessary measures to enforce "no stopping" of vehicles in the Bus Stops within Spruce Grove's and Parkland's respective control.
- (e) Edmonton will identify and report any issues related to safe operations within that portion of the Route within Spruce Grove's and Parkland's control for resolution.
- (f) Edmonton shall not be responsible for damage or repair, maintenance or replacement of the pavement on that portion of the Route within Spruce Grove's and Parkland's control or any portion thereof arising out of the proper and reasonable operation of the Transit Service.

4.6 Fare and Fare Media

Edmonton will collect fares or fare media from each patron as outline in Schedule "B" unless the patron provides a pass issued by Spruce Grove.

4.7 Cash Fares

Edmonton will reimburse Spruce Grove for the cash fares collected by Edmonton for the Transit Service on a monthly basis. Edmonton will supply Spruce Grove with any available survey results and other information related to revenue calculations on a monthly basis.

4.8 Cost and Revenue Sharing

The Parties acknowledge that Spruce Grove and Parkland will enter into a separate agreement defining the cost and revenue sharing between them for the Transit Service. Any such agreement or the failure of Spruce Grove and Parkland to enter into an agreement will not affect the rights of Edmonton pursuant to this Agreement.

4.9 Suspension of Transit Service

Edmonton may suspend the provision of Transit Service pursuant to this Agreement at any time by providing written notice 48 hours in advance of the suspension if:

- (a) Either the Transit Service or the Transit Buses are rendered non-compliant with an Approval or Applicable Law as a result of a Change in Approval or a Change in Applicable Law;
- (b) Edmonton is unable to develop adequate operating practices to address a Change in Applicable Law or a Change in Approval; or
- (c) Issues relating to safe operation of the Transit Service along that portion of the Route within Spruce Grove's or Parkland's control identified by Edmonton are not remedied by Spruce Grove or Parkland.

If Edmonton suspends the provision of Transit Service pursuant to this s. 4.2, Edmonton will provide Spruce Grove and Parkland with written notice of any additional costs or changes to the Transit Service that will be required in order to resume the Transit Service.

4.10 Transit Service Information

- (a) Edmonton will respond, through its information centre, to all transit scheduling information requests relating to the Transit Service. Scheduling inquiries received by Spruce Grove and Parkland will be referred to Edmonton's information centre.
- (b) Spruce Grove and Parkland will respond to all non-scheduling transit inquiries and complaints. Inquiries of this nature received by Edmonton's information centre will be referred to Spruce Grove and Parkland.
- (c) Edmonton will provide route brochures for the Transit Service and include the Transit Service in its public information relating to transit service generally. Edmonton will consult with Spruce Grove and Parkland in the development of route brochures and information about the Transit Service.

4.11 Special Transit Bus Services

- (a) Spruce Grove or Parkland may request that Edmonton make a Transit Bus available for use by Spruce Grove or Parkland for promotional events by submitting a written proposal to Edmonton at least 15 Business Days in advance of the date on which the Transit Bus is requested. The proposal should include all the relevant details with respect to the event and the nature and timeframe for which the Transit Bus is requested.
- (b) Within five Business Days of receiving the proposal, Edmonton shall provide Spruce Grove and Parkland with:
 - (i) Advice as to whether the provision of the Transit Bus for use by Spruce Grove or Parkland will likely result in the need for Backup Bus Service pursuant to the provisions of ARTICLE 6; and
 - (ii) An estimate as to the nature and amount of costs to be incurred by Edmonton to provide the Transit Bus for the event.
- (c) Edmonton will provide the Transit Bus as outlined in the proposal provided that Spruce Grove and Parkland provide written confirmation that the costs incurred by Edmonton will be paid by Spruce Grove or Parkland. For greater certainty, the payment of costs shall be on the basis of cost incurred by Edmonton not on the basis of the estimate provided by Edmonton.

ARTICLE 5 MAINTENANCE SERVICE

5.1 Standard Maintenance and Repair Service.

The Transit Buses will be maintained by Edmonton in like manner to ETS Buses as generally outlined in Schedule "C".

5.2 Tires

Edmonton will provide and maintain all tires necessary for the operation of the Transit Buses.

5.3 Inspections

Edmonton will ensure that the Transit Buses receive all applicable inspections as may be required by Applicable Law.

5.4 Fuel and Lubricants

Edmonton will provide all necessary fuel and lubricants for the operation of the Transit Buses.

5.5 Spare Parts

Edmonton will provide all necessary spare parts as more specifically outlined in Schedule "C".

5.6 Depreciation and Refurbishment

- (a) The parties acknowledge that Transit Buses may deteriorate through time and use despite proper maintenance. Edmonton will not be responsible for the deterioration of the Transit Buses through normal wear and tear. It is the responsibility of Spruce Grove to provide for replacements or refurbishment for the Transit Buses as required throughout the Term.
- (b) Edmonton's maintenance for ETS Buses includes refurbishment for engine as well as body components which are meant to extend the life of the Transit Buses. At Spruce Grove's request, Edmonton will provide this refurbishment for the Transit Buses.

ARTICLE 6 BACKUP BUS SERVICE

6.1 Transit Bus Limits

The parties acknowledge that the Transit Service is limited as a result of the availability of the Transit Buses. If Transit Buses are not available as may be required to provide the Transit Service or to address changes that Spruce Grove and Parkland may request to the Transit Service, then Spruce Grove and Parkland may request that Edmonton provide ETS Buses for the Transit Service.

6.2 ETS Buses

If insufficient Transit Buses are available for Edmonton to provide the Transit Service, Edmonton will provide written notice to Spruce Grove and Parkland. If Spruce Grove and Parkland request, Edmonton will determine whether ETS Buses are available to provide the Transit Service requested giving due consideration to Edmonton's operations needs for its own public transit service. If Edmonton determines that ETS Buses are available to provide the Transit Service, then Edmonton shall utilize the available ETS Buses to provide the Transit Service.

6.3 Limited Transit Service

For greater certainty, if insufficient Transit Buses are available for Edmonton to provide the Transit Service, then Edmonton may amend the Transit Service so that it can be provided using the Transit Buses that are available unless Spruce Grove or Parkland requests and Edmonton is able to provide ETS Buses for the Transit Service.

Edmonton does not make any warranty or representation with respect to the adequacy of the Transit Service for the patrons of the Transit Service. In particular, without limitation, the Transit Service may not be able to accommodate all patrons and, depending on the demand for the Transit Service which may be imposed by the Operating Authority or other applicable provincial or federal regulations, Edmonton may be required to deny Transit Service to certain patrons.

6.4 Transit Buses Requiring Repair, Maintenance or Refurbishment

Without limiting the generality of Section 6.3, if Edmonton determines, acting reasonably, that certain repairs, maintenance or refurbishment is required for proper operation of a Transit Bus but those repairs, maintenance or refurbishment are not authorized by Spruce Grove, then that Transit Bus shall be considered unavailable.

ARTICLE 7 TRANSIT SERVICE FEES AND BUS MAINTENANCE FEES

7.1 Transit Service Fees and Bus Maintenance Fees

Spruce Grove will pay to Edmonton

- (a) for Transit Service, the Transit Service Fees outlined in Schedule "D"; and
- (b) for Maintenance Services, the Bus Maintenance Fees outlined in Schedule "E".

Edmonton will invoice Spruce Grove for the Transit Service Fees and the Bus Maintenance Fees on a monthly basis. Payment of the invoice is due within 30 days of the date on the invoice.

7.2 Bus Stop Signage

If requested by Spruce Grove or Parkland, Edmonton may provide Bus Stop signage for the Transit Service. Spruce Grove or Parkland will pay all costs incurred by Edmonton when service requested by Spruce Grove or Parkland results in the installation of transit poles and signage or changing of tabbing for the new transit zones as may be required to conduct the Transit Service.

7.3 Route Changes

If construction or repairs undertaken by Spruce Grove or Parkland affect the Route or changes to the Route are implemented pursuant to section 4.4 of this Agreement and the changes to the Route result in an increase in the hours of service, then Spruce Grove will pay Edmonton, for those additional hours of service in accordance with the fees noted in Schedule "D".

ARTICLE 8 DISPUTE RESOLUTION

8.1 Resolution of Issues.

The Parties acknowledge that from time to time during the Term there may arise between them issues in dispute regarding the Parties' rights, duties and obligations, including without limitation, issues arising as a result of changes in circumstances, which are not reasonably anticipated as of the Effective Date. Accordingly, the Parties have agreed to implement a dispute resolution mechanism to resolve issues in dispute in a timely and effective manner.

8.2 Appointment of Contract Managers.

Each Party shall appoint and maintain, throughout the Term, a representative who will be responsible for the overall responsibility and accountability for that Party's obligations under this Agreement (a "Contract Manager" and together, the "Contract Managers").

8.3 Contract Managers – Responsibilities.

The responsibilities of the Contract Managers include the following:

- (a) ensure sufficient and continued communications between the Parties;
- (b) attempt to resolve disputes by mutual agreement, with escalation whenever necessary to the Executive Committee;
- (c) undertake such other responsibilities as the Parties may agree upon from time to time.

8.4 Executive Committee.

The Executive Committee shall consist of the Manager of Edmonton Transit for Edmonton and the General Manager of Planning and Infrastructure for Spruce Grove, and the General Manager of Infrastructure Services for Parkland with such additional advisory members as the Executive Committee determines is appropriate.

8.5 Executive Committee – Responsibilities.

The responsibilities of the Executive Committee include the following:

- (a) attempt to resolve by mutual agreement any disputes escalated pursuant to Subsection 8.7(c),
- (b) review and attempt to resolve any major issues that could have a serious impact on the mutual business relationship of Edmonton and Spruce Grove.

8.6 Resolution by Negotiation.

Any dispute between or among the Parties with respect to (i) the interpretation of any provision of this Agreement; (ii) the performance by any Party under this Agreement; or (iii) any other matter which arises in connection with this Agreement, including the validity, construction, meaning, performance or effect of this Agreement or the rights and liabilities of the Parties or any other matter arising out of or connected with this Agreement, shall be resolved promptly and in an amicable manner by negotiation between the Parties.

8.7 Escalation.

- (a) Upon written request of one of the Parties, the Contract Managers, or their respective designates, will meet for the purpose of endeavouring to resolve each dispute.
- (b) Subject to the time periods hereinafter set forth, the Contract Managers will meet to gather and furnish to each other all information with respect to the matter in issue which is appropriate and relevant in connection with its resolution. The Contract Managers will discuss the problem and negotiate in good faith in an effort to resolve the dispute without the necessity of any further formal proceeding. During the course of such negotiation, all reasonable requests made by one of the Parties to the other for information specifically related to the issue in dispute, will be honoured in order that each of the Parties may be fully advised of the other Party's position. The specific format for such discussions will be left to the discretion of the Contract Managers but may include the preparation of agreed upon statements of fact or written statements of position furnished to the other Party.
- (c) If the Contract Managers cannot resolve the dispute within fifteen (15) Business Days of it being referred to them, then subject to any contrary agreement being made between the Parties, the dispute will be escalated to the Executive Committee for its review and resolution. The Executive Committee representatives will communicate with each other promptly following the escalation by the Contract Managers for the purpose of endeavouring to resolve

such dispute. The Executive Committee will discuss the problem and negotiate in good faith in an effort to resolve the dispute without the necessity of any formal proceeding relating thereto. If requested by a Party, the Executive Committee will be provided with a non-binding independent assessment by an agreed third party to assist with the Executive Committee's negotiations. Any costs associated with engaging such third party shall be borne by the Parties equally.

- (d) If the dispute has not been resolved by the Executive Committee within fifteen (15) Business Days of it being referred to them, then unless the Parties agree in good faith that the time period for negotiations should be extended, or agree that the matter should be referred directly to arbitration, then a Party may initiate mediation pursuant to Section 8.8 below.
- (e) Notwithstanding anything to the contrary in this ARTICLE 8, if the issue(s) being addressed pursuant to this Section 8.7 involves a matter, in the determination of any of the Parties, that requires urgent resolution, the Parties agree that the Contract Manager of a Party may escalate the issue(s) to the Executive Committee for resolution at any time and for any reason.

8.8 Mediation.

In the circumstances contemplated by Subsection 8.7(d) or at any other time upon mutual agreement of the Parties, the issue in dispute may be referred to a mediator appointed by the Parties who will within fifteen (15) Business Days of the matter being referred to it assist the Parties in resolving the dispute on a mutually satisfactory basis.

8.9 Conduct of Arbitration.

If a dispute has not otherwise been resolved in accordance with this ARTICLE 8, any of the Parties may submit the dispute to arbitration in accordance with the *Arbitration Act* (Alberta), as amended from time to time.

8.10 Arbitration.

For purposes of this section, Spruce Grove and Parkland shall together be treated as one Party and Edmonton as the other Party. This provision shall not apply to disputes between Spruce Grove and Parkland. A Party may invoke arbitration to settle a dispute between it and the other Party where the dispute relates to, or is in respect of, this Agreement, and in which case the following process shall apply and shall prevail where there is any conflict or inconsistency with the *Arbitration Act* (Alberta), as amended from time to time:

- (a) The Party desiring arbitration shall nominate one (1) arbitrator and shall notify the other Party in writing of such nomination. Such notice shall set forth a brief description of the matter submitted for arbitration and, if appropriate, the

Article(s) of this Agreement pursuant to which such matter is so submitted. Such other Party shall, within twenty (20) Business Days after receiving such notice, nominate an arbitrator and the two (2) arbitrators shall then select a chairman of the arbitration tribunal to act jointly with them.

- (b) If the nominated arbitrators are unable to agree on the selection of a chairman within ten (10) Business Days after the second arbitrator is nominated, or if the arbitrators have allowed their original time for making an award, as provided in the *Arbitration Act* (Alberta), as amended from time to time, to expire without making an award, or if the chairman shall have delivered to the Parties to the arbitration a notice in writing stating that the arbitrators cannot agree or if there is not a majority of arbitrators in agreement, the Parties or either one of them may apply to a Justice of the Court of Queen's Bench to appoint an umpire who shall have full power and authority to act in the reference and to make an award as if he had been duly appointed by all the Parties to the submission and by the consent of all of the Parties who originally appointed the arbitrators thereto. If such an umpire is appointed, such umpire shall make an award within one month after the original or extended time appointed for making the award of the arbitrators has expired or on or before any later date to which the Parties to the reference, by any writing signed by them, may from time to time enlarge the time for making the award, or if the Parties have not agreed, then within such time as the Court or Justice appointing such umpire may deem proper.
- (c) If the Party receiving notice of the nomination of an arbitrator by the Party desiring arbitration fails within the said twenty (20) Business Days to nominate an arbitrator, then the arbitrator nominated by the Party desiring arbitration may proceed alone to determine the dispute in such manner and at such time as the arbitrator deems appropriate, and such decision shall, subject to the provisions of this Agreement, be binding upon the Parties.
- (d) Any arbitration conducted pursuant to this Agreement shall take place in the city of Edmonton, in the Province of Alberta and the chairman shall fix the time and place in the city of Edmonton for the purpose of hearing such evidence and representations as either of the Parties may present and, subject to the provisions of this Agreement, the decision of the arbitrator or arbitrators and chairman as the case may be, or of any two (2) of them, in writing, shall be binding upon the Parties. The arbitrators and chairman shall, after hearing any evidence and representations that the Parties to the arbitration may submit, make their decision and reduce such decision to writing and deliver one (1) copy to each of the Parties. The majority of the chairman and arbitrators may determine any matters of procedure for the arbitration not specified herein. Both Parties shall present evidence within ten (10) Business Days after the appointment of the chairman. The decision of the arbitration panel shall be issued within thirty (30) Days of the chairman being appointed.

- (e) Judgment upon the award rendered in any such arbitration may be entered in any Court of competent jurisdiction, or application may be made to such Court for a judicial acceptance of the award and enforcement, as the law of such jurisdiction may require or allow.
- (f) Notwithstanding the foregoing, any arbitration may be carried out by a single arbitrator if the Parties so agree, in which event the provisions of this Article shall apply, modified as necessary to reflect the use of a single arbitrator.
- (g) The costs of the arbitration shall be borne by the Parties as may be specified in the arbitrator's decision, provide that if the arbitrator's decision indicates that one Party to the dispute is substantially more successful than the other Party, the arbitrator shall order the less successful Party to pay the full costs associated with the arbitration.
- (h) Notwithstanding anything else in this Section 8.10, where the arbitrator(s) conduct(s) a hearing or otherwise receive(s) evidence from any Party to the arbitration or their respective employees, agents, consultants, Subcontractors or advisors ("Advisors"), such evidence shall be treated as Confidential Information of the Party on whose behalf the evidence is presented and the Advisors shall enter into a form of non-disclosure agreement in a form acceptable to the disclosing Party as a precondition to receiving, reviewing or auditing any Confidential Information of the disclosing Party in the arbitration.

8.11 Arbitration Final and Binding.

The determination resulting from the arbitration process shall be final and binding upon the Parties to the arbitration.

8.12 Performance Notwithstanding Dispute.

Notwithstanding the invoking of this ARTICLE 8, the Parties shall continue the performance of their respective obligations under this Agreement during any period of arbitration, unless and until this Agreement is terminated or expires in accordance with its terms.

8.13 Matters Excluded from Arbitration.

In addition to any matters that are specifically excluded from arbitration elsewhere in this Agreement, the following matters shall be excluded from arbitration under this Article:

- (a) a decision by a Party to terminate this Agreement in accordance with its terms;
- (b) any law suits involving third parties;

- (c) Intellectual Property claims, whether initiated by third parties or by the Parties to this Agreement; and
- (d) any breach or alleged breach of ARTICLE 10, Confidentiality, by any Party.

ARTICLE 9 TERMINATION

9.1 Termination for Convenience.

Either Spruce Grove and Parkland together or Edmonton may terminate this agreement by providing notice to the other Parties at least 120 days in advance of the date of termination. The Party who terminates the Agreement will be responsible for all costs incurred by the other Parties for advertising that may be required under any Approval obtained by either Party for the Transit Service.

9.2 Transit Buses

At the end of the Term or earlier termination, Edmonton shall return the Transit Buses to Spruce Grove in a condition consistent with the Transit Buses having received the Maintenance Service throughout the Term and utilized in the provision of the Transit Service.

9.3 Capital Region Board

The Agreement shall terminate within 120 days of notice by Edmonton, Spruce Grove, or Parkland that the Agreement does not conform to the Capital Region Growth Plan prepared by the Capital Region Board. If the Agreement is terminated pursuant to this Article, then the Parties shall equally share the costs incurred by either Party for advertising that may be required under any Approval obtained by either Party for the Transit Service.

9.4 Termination for cause

If a Party is in breach of their obligations under this Agreement, any of the other Parties may provide written notice to that Party of the breach and require that the breach be remedied. If the breach is not remedied within 15 Business Days, then either of the Parties not in breach may terminate the agreement by providing written notice. Termination of the Agreement does not limit any Party in seeking further remedy for the breach which gave rise to the termination.

9.5 Termination without proper notice

For greater certainty,

- (a) if Spruce Grove and Parkland terminates this Agreement without providing the notice as outlined in Section 9.1, or if Edmonton terminates the Agreement pursuant to Section 9.4, then Spruce Grove and Parkland shall be responsible for any additional costs or expenses incurred by Edmonton as a result of the short notice, including but not limited to, costs relating to the planning and scheduling of the Transit Service and any costs incurred by Edmonton for advertising that may be required under any Approval.
- (b) if Edmonton terminates this Agreement without providing the notice as outlined in Section 9.1, or if Spruce Grove and Parkland terminates the Agreement pursuant to Section 9.4, then Edmonton shall be responsible for any additional costs or expenses incurred by Spruce Grove and Parkland as a result of the short notice, including but not limited to, costs relating to the implementation of a replacement for the Transit Service during the notice period and any costs incurred by Spruce Grove and Parkland for advertising that may be required under any Approval

9.6 Termination following Suspension

If the provision of Transit Services has been suspended pursuant to Section 4.9 and Edmonton and Spruce Grove are not able to agree on amendments to the Transit Service or Transit Service Fees to address additional costs, then this Agreement will terminate, at the option of Edmonton, 90 days following written notice provided by Edmonton and Spruce Grove and Parkland shall be responsible for any costs incurred by Edmonton for advertising that may be required under any Approval.

ARTICLE 10 CONFIDENTIALITY

10.1 Obligations Arising from Disclosure.

Each Party will use the same care to prevent disclosing to third parties the Confidential Information of the other as it employs to avoid disclosure, publication or dissemination of its own information of a similar nature but shall use not less than reasonable care and the Receiving Party shall use such Confidential Information solely for the purpose of exercising its rights and performing its obligations under this Agreement. Notwithstanding the foregoing, any Party may publicly disclose this Agreement

10.2 Exceptions.

Notwithstanding the foregoing, the obligations in this ARTICLE 10 will not apply to any Confidential Information that the Receiving Party can demonstrate:

- (a) shall become generally known through no act of the Receiving Party or is in the public domain or subsequently enters the public domain other than through unauthorized disclosure by the Receiving Party;
- (b) was disclosed to the Receiving Party on a non-confidential basis by a third party having lawful possession and the right to make such disclosure, who, to the Receiving Party's knowledge, was not under an obligation of confidence regarding the Confidential Information, who was not identified to the Receiving Party as an agent of the Disclosing Party and provided that the Receiving Party would not reasonably expect that such third party had obtained such Confidential Information in a confidential manner from the Disclosing Party;
- (c) was in legitimate possession of the Receiving Party prior to its disclosure hereunder, as evidenced by appropriate records;
- (d) is independently developed by the Receiving Party without use of the Confidential Information, as evidenced by appropriate records; or
- (e) is approved in writing by the Disclosing Party for release or other use by the Receiving Party according to the terms set out in such written approval.

10.3 Disclosure Under Law.

The Parties acknowledge that they are each subject to the access to information and protection of privacy requirements of the FOIP Act as it relates to all records within their control. The compliance with any requirement to disclose records pursuant to FOIP by any Party shall not be considered a breach of the Section 10.1.

ARTICLE 11 LIABILITY AND INDEMNIFICATION

11.1 Indemnification by Spruce Grove.

On and after the Effective Date, Spruce Grove agrees to indemnify Edmonton and Parkland against and hold Edmonton and Parkland harmless from any and all losses, damages, costs, claims, expenses and liabilities, including reasonable legal costs as between a solicitor and his own client, which may be made or brought against Edmonton and Parkland or which Edmonton and Parkland may suffer or incur as a result of, in respect of or arising out of any negligent, willful, or wrongful acts or omissions of the

Spruce Grove, its officers, agents, employees and representatives whether or not they constitute a breach of this Agreement.

11.2 Indemnification by Parkland

On and after the Effective Date, Parkland agrees to indemnify Edmonton and Spruce Grove against and hold Edmonton and Spruce Grove harmless from any and all losses, damages, costs, claims, expenses and liabilities, including reasonable legal costs as between a solicitor and his own client, which may be made or brought against Edmonton and Spruce Grove or which Edmonton and Spruce Grove may suffer or incur as a result of, in respect of or arising out of any negligent, willful, or wrongful acts or omissions of the Parkland, its officers, agents, employees and representatives whether or not they constitute a breach of this Agreement.

11.3 Indemnification by Edmonton.

On and after the Effective Date, Edmonton agrees to indemnify Spruce Grove and Parkland against and hold Spruce Grove and Parkland harmless from any and all losses, damages, costs, claims, expenses and liabilities, including reasonable legal costs as between a solicitor and his own client, which may be made or brought against Spruce Grove and Parkland or which Spruce Grove and Parkland may suffer or incur as a result of, in respect of or arising out of any negligent, willful, or wrongful acts or omissions of Edmonton, its councilors, officers, agents, employees and representatives whether or not they constitute a breach of this Agreement.

11.4 Mutual Waiver of Indirect and Consequential Damages.

Notwithstanding any other provision of this Agreement, none of Edmonton, Spruce Grove or Parkland shall be liable to the other for any lost profits, lost business revenue, failure to realize expected savings or other commercial or economic loss of any kind whether or not a Party is advised of the possibility of such losses or damages, and regardless of the form of action, whether in contract or in tort including negligence.

11.5 Indemnification Procedures.

The indemnities set forth in Sections 11.1, 11.2, and 11.3 and elsewhere in this Agreement will not apply unless the Party claiming indemnification (the "Indemnatee") (i) reasonably promptly notifies Spruce Grove, Parkland or Edmonton, as the case may be (the "Indemnifying Party"), of any matters in respect of which the indemnity may apply and of which the Indemnatee has knowledge and (ii) gives the Indemnifying Party full opportunity to control the response thereto and the defense thereof, including without limitation any agreement relating to the settlement thereof; provided, however, that the Indemnatee's failure to provide such reasonably prompt notice will relieve the Indemnifying Party of its indemnity obligations hereunder only to the extent that the rights of the Indemnifying Party are prejudiced by such failure. The Indemnatee may

participate, at its own expense, in such defense and in any settlement discussions directly or through counsel of its choice. The Indemnatee shall fully cooperate with the Indemnifying Party at the Indemnifying Party's request in defending any claim. The Indemnifying Party shall, upon payment of an indemnity in full under this Agreement, be subrogated to all rights of the Indemnatee with respect to the claims to which such indemnification relates without the prior written consent of settlement or compromise of a claim involving: (i) any action on the part of the Indemnatee, (ii) any equitable relief affecting the Indemnatee, or (iii) any payment of money by the Indemnatee. In addition to the foregoing, each Party will have a right of contribution against the other Party or Parties with respect to any claim by a third party to the extent that the Party against which such right of contribution is asserted contributed to the events, acts or omissions that gave rise to such third party claim. The Indemnifying Party shall not have a right of contribution against the Indemnatee for any claim settled or compromised by the Indemnifying Party unless the Indemnifying Party obtained the prior written consent of the Indemnatee to such settlement or compromise. The indemnities set forth in Sections 11.1, 11.2, and 11.3 shall not obligate the Indemnifying Party to hold harmless the Indemnatee from any damage, liability, cost or expense to the extent such damage, liability, cost or expense is based upon the Indemnatee's intentional misconduct, wrongful misconduct or negligence.

11.6 Included Parties.

Unless otherwise expressly stated, an Indemnatee under this ARTICLE 11 includes its Subcontractors, directors, officers, consultants, agents and employees, and others for whom the Party is responsible at law, as applicable.

ARTICLE 12 INSURANCE

12.1 Insurance.

- (a) Throughout the Term, the Parties shall maintain in full force and effect General Liability insurance in an amount not less than Five Million Dollars (\$5,000,000.00) per occurrence for personal injury and/or property damage. Such policies shall be endorsed to include the following:
 - (i) Contractual Liability (including this Agreement),
 - (ii) Non-Owned Automobiles,
 - (iii) Independent Contractors (as applicable),
 - (iv) Products and Completed Operations (as applicable), and

- (v) Cross Liability.
- (b) Edmonton will maintain Standard Owned Automobile Liability insurance in an amount not less than Five Million Dollars (\$5,000,000.00) per accident for bodily injury and/or property damage.
- (c) Edmonton will be responsible for liability and property damage consistent with the Alberta Standard Garage Automobile Policy (SPF#4).
- (d) The aforementioned insurance policies shall be endorsed to provide the Parties with thirty (30) days prior written notice of cancellation or material change.

12.2 Evidence of Coverage.

Each Party shall provide evidence of the insurance required upon request by the other Party in the form of a Certificate of Insurance which will be duly completed by the respective Party's broker or insurer.

12.3 Self insured retentions

The required insurance may be provided by a policy of insurance, self insured retention or a combination of the two.

12.4 Premiums and Deductibles

Each Party shall be responsible for the payment of all premium and deductible amounts relating to any insurance policies obtained and maintained by that Party.

12.5 Force Majeure Damage

For greater certainty, Edmonton shall not be responsible for any damage or the repair of any damage to Transit Buses resulting from an Event of Force Majeure.

12.6 Breach Fundamental

Breach of any requirement under this Article shall be considered a fundamental breach of this Agreement, and the Parties may exercise any or all remedies available in the event of default.

ARTICLE 13 GENERAL

13.1 Waiver.

The failure of any Party at any time to enforce any of the provisions of this Agreement or any right under this Agreement, or to exercise any option provided, will in no way be construed to be a waiver of the provisions, rights, or options, or in any way to affect the validity of this Agreement. The failure of any Party to exercise any rights or options under the terms or conditions of this Agreement shall not preclude or prejudice the exercising of the same or any other right under this Agreement.

13.2 Entire Agreement.

This Agreement constitutes the entire agreement between the Parties respecting the subject matter hereof and supersede all prior agreements, understandings, negotiations and discussions whether written or oral. The Parties acknowledge that Edmonton provides, under a separate agreement between the parties dated September 1, 2016, a separate public transit service to Spruce Grove and Parkland.

13.3 Amendment.

No amendment of this Agreement is effective unless made in writing and signed by a duly authorized representative of each of the Parties. No waiver of any provision of this Agreement is effective unless made in writing, and any such waiver has effect only in respect of the particular provisions or circumstances stated in the waiver. No representation by any Party with respect to the performance of any obligation under this Agreement is capable of giving rise to an estoppel unless the representation is made in writing.

13.4 Governing Law.

This Agreement and their application and interpretation shall be governed exclusively by the laws prevailing in the Province of Alberta and the federal laws of Canada applicable therein. The courts of the Province of Alberta shall have exclusive jurisdiction over all matters arising in relation to this Agreement and each Party hereby submits to the jurisdiction of the courts of the Province of Alberta.

13.5 Force Majeure.

No Party shall be deemed to be in default hereunder, nor shall it be held responsible for any cessation, termination, or delay in the performance of its obligations hereunder due an Event of Force Majeure; provided, however, that the Party relying upon this Section:

- (a) shall give the other Party written notice thereof promptly; and

- (b) shall make Reasonable Efforts necessary under the circumstances to mitigate the effects of the Event of Force Majeure upon which such notice is based.

13.6 Notices.

Any notice required or permitted to be given hereunder shall be in writing and shall be effectively given if (i) delivered personally, (ii) sent by prepaid courier service or mail, or (iii) sent by facsimile, or other similar means of electronic communication, in each case as follows:

To Edmonton:

Attention: Manager Edmonton Transit Systems
5th Floor, Scotia Place
Tower 1, 10060 Jasper Avenue
Edmonton, Alberta, T5J 3R8
Fax: (780) 496-4244

To Spruce Grove:

Attention: General Manager of Planning & Infrastructure
The City of Spruce Grove
315 Jespersen Avenue
Spruce Grove, Alberta, T7X 3E8
Fax: (780) 962 – 1062

To Parkland:

Attention: General Manager Infrastructure Services
Parkland County
53109A HWY 779
Parkland County, Alberta, T7Z 1R1
Fax: (780) 968-8413

Any notice so given shall be deemed conclusively to have been given and received when so personally delivered or sent by facsimile or other electronic communication or on the fifth day following the sending thereof by mail. A Party may change any particulars of its address for notice by notice to the other Parties in the manner aforesaid.

13.7 Compliance.

All Parties shall comply with all laws, rules and regulations applicable to the Parties and no provision of this Agreement shall be interpreted, construed or enforced so as to require a Party to breach or contravene any laws, rules or regulations binding upon such Party.

13.8 Assignment.

None of the Parties hereto may assign their rights or obligations under this Agreement without the consent in writing of the other Parties.

13.9 Severability.

If any of the terms and conditions of this Agreement or the application of such terms and conditions to any Party or circumstance shall be held invalid by any court or other regulatory authority having jurisdiction, the remainder of this Agreement and the application of terms and conditions contained therein to the Parties or circumstances other than those as to which it is held invalid, shall be deemed to be severable and shall not be affected thereby.

13.10 Counterparts.

This Agreement may be executed in any number of counterparts transmitted by telecopier transmission, or sent by electronic mail, each of which when so executed shall be deemed to be original and all of which taken together shall be deemed to constitute one and the same instrument.

13.11 Public Announcements.

No Party shall make, issue or authorize any public announcement concerning the subject matter of this Agreement without the prior approval of the other Parties, not to be unreasonably withheld or delayed, as to form, content and timing.

13.12 Time of the Essence.

Time shall be the essence of this Agreement and every part thereof.

13.13 Enurement.

This Agreement shall enure to the benefit of and be binding upon the Parties and their respective successors and permitted assigns.

13.14 Remedies Not Exclusive.

Except as otherwise provided in this Agreement, the remedies set forth in this Agreement are not exclusive.

13.15 Relationship of the Parties.

Nothing in this Agreement shall be construed as establishing or implying any trust, agency, partnership or joint venture relationship between the Parties.

13.16 Cumulative Rights.

All rights and remedies specified in this Agreement shall be cumulative.

13.17 Survival.

The terms and conditions of this Agreement that are intended to survive termination of this Agreement, including without limitation, terms and conditions relating to limitation of liability, confidentiality, governing law and indemnities, shall survive the termination of this Agreement.

IN WITNESS WHEREOF the Parties have executed this Agreement effective on the date first mentioned above.

Signed for Parkland:

PARKLAND COUNTY

Per: _____

Chief Administrative Officer

Date _____

Signed for the Spruce Grove:

CITY OF SPRUCE GROVE

Per: _____

Mayor

Date _____

Signed for the Edmonton:

CITY OF EDMONTON

Legally Reviewed and

Approved as to Form: _____

Law Branch – C. Pooli

Approved as to Content: _____

Service Development

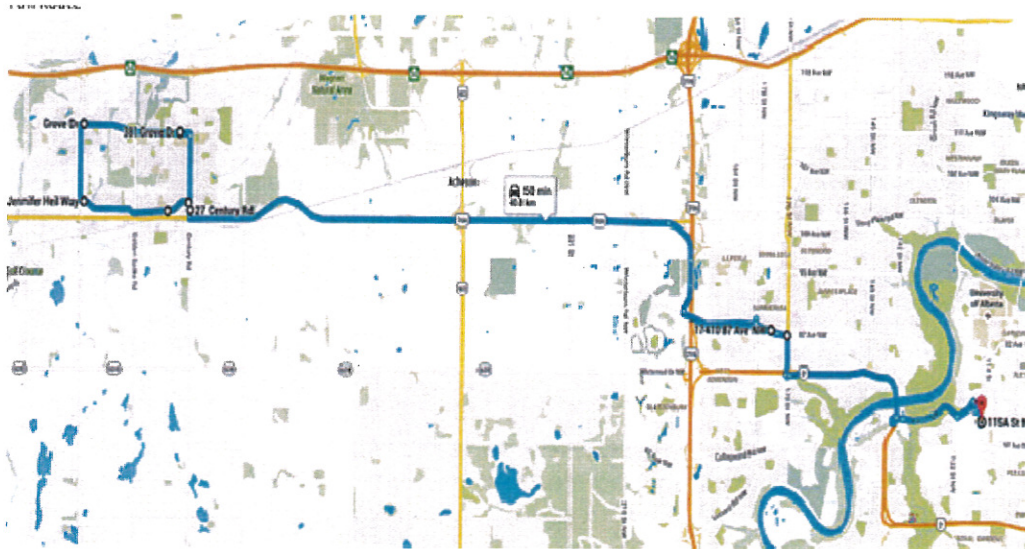
Per: _____

Eddie Robar, Manager, Edmonton Transit
Services, City Operations

Date _____

SCHEDULE “A”
TRANSIT ROUTE AND TIMETABLE

1. TRANSIT ROUTE



2. TRANSIT TIMETABLE

ROUTE ID:SEP1562 MITCHELL DIVISION ROUTE: 562 Weekday EFFECTIVE DATE:2016/09/04 TP= 9 RADIO 1

TRP	ST	SOTH	WEM	HW60	CENT	JHWY	CENT	HW60	175	SOTH			
NTE	AVE	CAMP	87	ACHR	MCLD	TTL	MCLD	ACHR	87	CAMP			
	BL#	2708	5014	9819	8537	8584	8164	9819	5219R	2708			
	DIR	57	71	71	13	57	57	71	35	57			
	OUT	DSB	WB	WB	NB	SB	SB	WB	EB	ASB	GOTO	IN	
8	56201	509		540	554	605	616	625		644	656		
8	56202	555		626	640	651	702	711		730	742		
8	56201		702	717	731	742	753	802		821	833	GAR	902
8	56202		746	801	815	826	837	846		905	917	GAR	946

8	56203	1430	1508	1521		1540	1552	1605	1615	1633	1645		
8	56204	1557	1635	1648		1707	1719	1732	1742	1800	1812		
8	56203		1648	1701		1720	1732	1745	1755	1813		GAR	1835
8	56204		1818	1831		1850	1902	1915	1925	1943		GAR	2005

3. SERVICE DAYS

3.1 The Transit Service will operate on all weekdays throughout the Term, with the following exceptions:

- Monday, February 20
- Friday, April 14
- Monday, May 22
- Monday, August 7
- Monday, September 4
- Monday, October 9
- Monday, December 25
- Tuesday, December 26

SCHEDULE "B"

ACCEPTABLE FARE AND FARE MEDIA

- 1. FARE – FEBRUARY 13, 2017 TO AUGUST 30, 2017**
- 1.1 Cash Fare (one way) for Transit Service between the Cities of Spruce Grove and Edmonton and the Acheson Industrial Area (South) with no transferability to ETS service:
 - a. All Patrons (\$6.00)
- 1.2 Cash Fare for travel on Transit Service within the City of Spruce Grove:
 - a. Adult (\$2.50)
 - b. Youth, ages 6 – 17 years (\$2.50)
 - c. Seniors (\$2.50)
- 1.3 Single fare tickets, in packets of ten (\$50.00)
- 1.4 Monthly Commuter Pass between the Cities of Spruce Grove and Edmonton with no transferability to ETS service:
 - a. All Patrons (\$130.00)
- 1.5 Monthly Integrated Pass between the Cities of Spruce Grove and Edmonton with transferability to ETS Service:
 - a. All Patrons (\$168.00)
- 1.6 Monthly Student Pass between the Cities of Spruce Grove and Edmonton with no transferability to ETS service:
 - a. All students who are residents of the City of Spruce Grove (\$95.00)
- 1.7 Students with a valid U-Pass can use the Transit Service without paying a fare.
- 1.8 Holders of a CNIB ID card can travel on Transit Service without paying a fare. The ID card must be shown at the time of boarding to be exempt from paying a fare.
- 1.9 ETS ID is not fare media accepted for travel.

2. FARE - SEPTEMBER 1, 2017 TO DECEMBER 31, 2017

- 2.1 Cash Fare (one way) for Transit Service between the Cities of Spruce Grove and Edmonton and Acheson Industrial Area (South) with no transferability to ETS service:
- b. All Patrons (\$6.25)
- 2.2 Cash Fare for travel on Transit Service within the City of Spruce Grove:
- d. Adult (\$2.75)
- e. Youth, ages 6 – 17 years (\$2.75)
- f. Seniors (\$2.75)
- 2.3 Single fare tickets, in packets of ten (\$54.00)
- 2.4 Monthly Commuter Pass between the Cities of Spruce Grove and Edmonton with no transferability to ETS service:
- b. All Patrons (\$135.00)
- 2.5 Monthly Integrated Pass between the Cities of Spruce Grove and Edmonton with transferability to ETS Service:
- b. All Patrons (\$176.00)
- 2.6 Monthly Student Pass between the Cities of Spruce Grove and Edmonton with no transferability to ETS service:
- b. All students who are residents of the City of Spruce Grove (\$100.00)
- 2.7 Students with a valid U-Pass can use the Transit Service without paying a fare.
- 2.8 Holders of a CNIB ID card can travel on Transit Service without paying a fare. The ID card must be shown at the time of boarding to be exempt from paying a fare.
- 2.9 ETS ID is not fare media accepted for travel.

3. CHANGES TO FARES

- 3.1 The above fares are subject to amendment at the discretion of the party to whom the fare relates. Without limiting the generality of the foregoing, the Edmonton portion of the Integrated Monthly Pass may be amended by Edmonton and all other fares may be amended by Spruce Grove.

- 3.2 The parties shall provide notice to the other parties at least 21 days prior to the any amendment in fares taking effect. The parties shall work cooperatively to coordinate changes in fares with timing for operator sign ups and printing of route brochures.

SCHEDULE "C"

MAINTENANCE SERVICE

1. MAINTENANCE SERVICES

- 1.1 Edmonton will provide primary maintenance requirements to keep the Transit Buses operational. Using the manufacturer's recommended servicing schedules, Edmonton will build a maintenance plan that provides coverage to meet or exceed industry standards. Maintenance Services include the following:

Service	Description
Preventive Maintenance & Repair	<i>Services Include:</i> Maintenance program identified for each Transit Bus based on usage or calendar; Scheduling within pre-set time parameters (facility/technician/parts); Inspections (specified per maintenance plan and general inspection); Identification of mechanical issues and correction; Authorization from Spruce Grove for over-limit repairs; and Completion of scheduled maintenance activities (minor & major services) including documentation for each Transit Bus.
Breakdown Repair	<i>Services Include:</i> Inspection of the Transit Bus to identify cause of breakdown; Authorization from Spruce Grove for over limit repairs; and Completion of repair or identification for future work (based on discussion(s) with Spruce Grove). Edmonton's "Mobile Service Unit" is also available to provide on-road assistance with breakdowns.
Modification and Refurbishment	Edmonton will coordinate all Transit Bus and equipment modifications and refurbishments. <i>Services Include:</i> Review and evaluation of equipment identified for refurbishment (with Spruce Grove representatives);

Service	Description
	Rebuilding of major components; Addition of new equipment; Coordination of estimates; Coordination of all materials and supplies; and Review of proposal (cost, specifications and timelines) with Spruce Grove (direction set by Spruce Grove; confirmed with Edmonton through a formal quote process including sign off by Spruce Grove).
Fabrication and Welding - Vehicle and Equipment	Edmonton will coordinate all Transit Bus repair fabrication and welding needs. <i>Services Include:</i> Review and evaluation of requirements (with Spruce Grove representatives); Coordination of quotes; Coordination of required materials and supplies; and Review of service proposal (cost, specifications and timelines) with Spruce Grove (direction set by Spruce Grove; confirmed with Edmonton through a formal quote process including sign off by Spruce Grove).
Inspections (Vehicle Safety, Emissions and Other)	<i>Services Include:</i> Identification of all required inspections; Coordination of inspection times/locations with the Spruce Grove representatives; Inspection reporting and tracking of all inspections conducted; Certifications (as required); and Completion of repairs discovered as part of the inspection process and re-certification.
Towing & Transporting	<i>Services Include:</i> Dispatch service available 24-hours per day; Hook up and towing; Recovery (ditch removal); Transporting to specified location; and Boosting.

Service	Description
Tire Services	<p>Through a contract with Goodyear, expert tire opinion and problem diagnosis. Dedicated software reports and tracks all tires. Services include:</p> <p>24 x 7 dispatch; Supply of new tires, repaired tires, new and useable tire rims, mounted tires and tire torque (including history for safety purposes); Tire installation; Tire repair; Tire balancing; Tire rotation; Seasonal changeovers; Tire replacement (in consultation with Spruce Grove representative); and Wheel re-torques.</p>
Road Testing	<p><i>Services Include:</i></p> <p>Road test or appropriate operations test on the repaired defect to ensure proper repair.</p>
Procuring, Stocking and Parts Disbursement	<p>Identification and stocking of highly utilized parts; Contracts with external parts providers; Parts disbursement and tracking for all work orders; Core tracking and reimbursement; and Quality control on parts.</p>
Maintenance Reporting	<p>Written documentation on repairs; Billing reports including details; Availability tracking; Utilization tracking and reporting; Audit of repairs and documentation related to legislation.</p>
Cleaning	<p>Daily- floors are swept or vacuumed, all stanchion poles, grab rails and loops, seat backs, window sills, wheel wells and dashboard are wiped with a solution of water and disinfectant.</p> <p>Every 60 days - floors are scrubbed and all areas up to and including the stanchion grab rails are disinfected. All passenger seats are</p>

Service	Description
	<p>inspected and either brushed off, vacuumed or removed for washing depending on their condition.</p> <p>Every 120 days - interior cleaning that includes washing of all items in the floor and the walls and ceilings</p> <p>Washing and disinfecting of vomit or other bodily fluids occurs as required and before returning to service.</p>

2. PLANNING AND SCHEDULING OF MAINTENANCE

2.1 The Transit Buses shall be maintained in a manner consistent with the maintenance by Edmonton of the ETS Buses except for any differences that may be required based on the difference between the Transit Service and the Edmonton Transit System. Edmonton will develop a maintenance schedule for each Transit Bus. These maintenance schedules are created based on the following resources:

- a) Manufacturer's recommendations;
- b) Past experience servicing busses similar to the Transit Bus;
- c) Results from oil analysis testing; and
- d) Historical data (indicating possible trends and time-sensitive repairs).

2.2 Preventative maintenance schedules are entered into Edmonton's fleet management information system, establishing a baseline for expected service. The maintenance schedule is determined by fuel consumption, calendar based, kilometers driven, or hours of use. Actual vehicle and equipment use is captured using the fueling system records. Edmonton's staff will bundle non-safety related service work orders to better plan for parts availability and minimize downtime.

3. REPORTING

3.1 Edmonton's fleet-based information system has various reports that will be provided to Spruce Grove on a monthly basis, to allow for detailed statistical analysis, historical, daily and forecast reporting including the following categories:

- a) Work order status report, which provides a summary of work orders processed by type of repairs and comparison;
- b) Labour hours reporting that details labor hours into preventative maintenance, repairs and/or other projects;

- c) Breakdown reports, proving a summary of mechanical breakdowns of in-service vehicles including year-to-date totals;
 - d) Total and overall maintenance cost reporting, showing a year-to-date maintenance cost summary (kilometer or year) of each Transit Bus;
 - e) External service work is included in the fleet information system and included in the monthly reporting for one source for payment, reporting and forecasting;
 - f) Fuel transaction monitoring and reporting;
 - g) Safety reporting for incidents involving vehicles and equipment, including trending information; and
 - h) Financial billing (Edmonton's invoices are separated into three specific areas - labour, parts and external services).
- 3.2 Edmonton will work with Spruce Grove to explore opportunities to ensure reporting needs are met.

4. SUBCONTRACTING

- 4.1 Edmonton contracts with service providers and suppliers for various services and products. Edmonton pays all of these service providers and suppliers as part of the provision of Maintenance Services and incorporates the service transactions and fees into the fleet management information system. This provides Edmonton's fleet system with a full record of events on the Transit Buses, which enables more comprehensive reporting, a single billing transaction with full transactions details (monthly billing) and better budget management and projections for Spruce Grove.

5. WARRANTY WORK

- 5.1 Edmonton will coordinates all warranty recovery work for the Transit Buses. The manufacturer will conduct most warranty work; however, some work can be undertaken by Edmonton. Edmonton relies on its frontline technical staff to identify repairs covered under warranty. Edmonton will schedule inspections prior to the warranty expiry to minimize repair costs borne by Spruce Grove.
- 5.2 Edmonton is committed to ensuring that all warranty repair work has been completed according to warranty agreements. Where warranty work has been completed through means other than the manufacturer Edmonton will collect any applicable warranty amounts from the manufacturer and apply such amounts as a credit to the monthly billing.

6. SERVICE PERSONNEL

- 6.1 Competence (Licensing and Certification). Edmonton's service personnel are provincially certified. Edmonton monitors certification expiry dates to ensure that there is no lapse in the credentials.
- 6.2 Edmonton's professional engineers identify technical training that is required based on changes to vehicle and equipment technology. The repair technicians are then trained in the latest repair techniques and systems.

7. PARTS AVAILABILITY

- 7.1 Edmonton will procure and furnish all parts, materials, supplies and fluids required for the operation and maintenance of the Transit Buses. All remanufactured parts will conform to the manufacturer's reconditioning standards.

8. ENGINE AND BODY REFURBISHMENT

- 8.1 For ETS Buses, Edmonton completes an engine refurbishment at approximately 500,000 kilometres and a body refurbishment at approximately nine years.
- 8.2 Edmonton will provide engine and body refurbishment at the request of Spruce Grove for the Transit Buses as required.

SCHEDULE "D"

TRANSIT SERVICE FEES

1. SERVICE DAY FEE

- 1.1 Spruce Grove will pay to Edmonton the following fee for each day of Transit Service:
- a) \$1,201.00 plus GST per service day where each service day is 16.53 hours.
- 1.2 For reference and transparency purposes only, the service day fee has been calculated by Edmonton as follows:
- a) Operator Cost \$59.90 per service hour x 16.53 service hours
 - b) Administration Cost \$9.89 per service hour x 16.53 service hours
 - c) Admin Assistant Portion \$47.28 per service day

2. ADDITIONAL HOURLY SERVICE FEE

- 2.1 When service hours in addition to 16.53 hours per service day are required Spruce Grove will pay Edmonton, in addition to the service day fee outlined above:
- a) \$70.00 plus GST per hour.

3. BACKUP ETS BUS SERVICE FEE

- 3.1 When Edmonton provides an ETS Bus to provide the Transit Service, Spruce Grove will pay to Edmonton the following fees
- a) ETS Bus costs of \$182.00 plus GST per day plus
 - b) Operating costs of \$109.00 plus GST for each hour of service and any applicable inspection time.

SCHEDULE “E”

BUS MAINTENANCE FEES

1. FEE FOR SERVICE

1.1 Maintenance Services will be payable based on the following rates:

Category	Cost Type	Rate
Work order - preventative maintenance, repairs due to failure, tires, towing	Mechanic rate- Mechanical and Body	\$160/Hour
	Parts	Cost plus 25%
	Work Order Fee	10% or max of \$65 per order
External work	Vendor work	Cost plus 10%
Work order - other services	Bus Cleaning (Floor Wash)	\$65/Hour
	Bus Cleaning (Full Interior Wash)	\$65/Hour
	Daily Clean/Fueling/Recycling	\$20.30/Transit Bus/Day
Infrastructure	Facility Occupancy Fee	\$584/Transit Bus/Month
Engineering services	Example: Failure Analysis	\$181.50/Hour
Fuel Costs	Fuel Costs	Cost plus \$0.08/litre surcharge
Transit Bus Insurance	Vehicle Insurance	\$187.02/Transit Bus/Month
Transit Bus Registration	Vehicle Registration	\$84.45/Transit Bus/Year
CVA Inspections	Inspections (10 per year)	\$400/Transit Bus
CVIP Inspections	Inspections (2 per year)	\$560/Transit Bus

- 1.2 For reference purposes only, the following is representative of the average cost for Maintenance Services for a Transit Bus for one year:

	Year 1	Year 2	Year 3
Maintenance	\$6,900	\$11,900	\$21,100
Transit Bus Cleaning	\$8,011	\$8,011	\$8,011
Facility Occupancy Fee	\$7,000	\$7,000	\$7,000
Average Per Transit Bus Cost	\$21,911	\$26,511	\$36,111

- 1.3 For further reference purposes only, the following is representative of a worst case cost for Maintenance Services for a Transit Bus for one year:

	Year 1	Year 2	Year 3
Maintenance	\$23,314	\$21,671	\$26,569
Transit Bus Cleaning	\$8,011	\$8,011	\$8,011
Facility Occupancy Fee	\$7,000	\$7,000	\$7,000
Average Per Transit Bus Cost	\$38,325	\$36,682	\$41,580

2. ADDITIONAL SERVICES

- 2.1 Spruce Grove will pay all applicable fees associated for APC, Camera and Smart Bus technology which is included on the Transit Buses.

3. REFURBISHMENT

- 3.1 Edmonton will provide an estimate for the costs of refurbishing engines and bodies when Edmonton determines that a Transit Bus requires it. If Spruce Grove requests that Edmonton provide the refurbishment, then Spruce Grove will pay Edmonton as follows for the refurbishment:

Category	Cost Type	Rate
Work order	Mechanic rate- Mechanical and Body	\$160/Hour
	Parts	Cost plus 25%
	Work Order Fee	10% or max of \$65 per order
External work	Vendor work	Cost plus 10%

SCHEDULE “F”

TRANSIT BUS IDENTIFICATION

The following table describes the Transit Buses leased by Spruce Grove to Edmonton pursuant to this Agreement:

Transit Bus Unit #	VIN#	Equipment	Serial Number(s)	Other
To Be Determined				

Spruce Grove and Edmonton will update and replace this Schedule “F” once the details are known to the parties.