

**Inter-Municipal Cooperation Agreement
Between
The Town of Peace River
and
The Municipal District of Peace No. 135**

PREAMBLE

WHEREAS the Signatories to this Agreement recognize the importance of municipal autonomy and the right of municipal self-determination;

AND WHEREAS the Signatories recognize that their common interests are far greater than their differences and that the advancement of their shared region will benefit all communities;

AND WHEREAS the Signatories acknowledge that the advancement of their shared region is best accomplished through effective and ongoing cooperation, collaboration, coordination and communication;

AND WHEREAS the Signatories therefore commit to promoting, fostering and embodying cooperation, collaboration, coordination and communication in their relationships with each other and to base that relationship on the principle of mutual respect;

AND WHEREAS the Signatories recognize that they each, separately and together with the other Signatory, have a significant role to play in the success of their region and will ultimately share both the risk and the reward of regional success or failure;

AND WHEREAS the Signatories are committed to the principle of “Mutual Benefit”;

AND WHEREAS the Signatories want to provide quality of life to their ratepayers by ensuring that a range of regional assets, programs and services that are effectively, efficiently and economically delivered, are reasonably available to the residents of their region;

AND WHEREAS the Signatories want to take cooperative advantage of the natural, geographic and built assets of their region to promote and effectively position them competitively in a global economic environment;

NOW THEREFORE THIS AGREEMENT BEARS WITNESS that the Signatories agree as follows:

1. SIGNATORIES

- 1.1 The Signatories to this Agreement are the Town of Peace River and the Municipal District of Peace No. 135 (MD of Peace).
- 1.2 The terms “*Signatory*”, “*Signatory Municipalities*”, “*Partner*” and “*Partner Municipalities*” are used interchangeably in this Agreement.

2. DEFINITIONS

- 2.1 “**Regional**” means the geographic area of the Signatory Municipalities and the assets, programs and services in which they have a mutual interest. Notwithstanding the specific circumstances of their Cooperation Agreement, the Municipalities recognize that it is not restrictive or exclusive of future discussions with other municipalities.
- 2.2 “**Mutual Benefit**” means equality and respect within the relationship between the Partners and agreements that achieve win-win outcomes. Achieving mutual benefit means engaging in regular and ongoing communications; establishing agreements that maintain or enhance regional services, programs, assets and land-use planning; and through both, improving the social, economic and environmental well-being of the region.
- 2.3 “**Equitable**” means treating each Partner in accordance with each Partner’s needs, abilities and capacities.
- 2.4 “**Term**” means the duration of this Agreement as described in Article 5.

3. PREAMBLE and SCHEDULES

- 3.1 The Signatories confirm and ratify the contents, matters and commitments contained and referred to in the body, preamble and schedules to this Agreement.
- 3.2 The Preamble and Schedules are part of this Agreement.

4. PURPOSE

- 4.1 The purpose of this Agreement is to create the opportunity to better serve and provide quality of life to the residents of the MD of Peace and the Town of Peace River through joint land-use planning and the sharing of the operating costs of regional assets, programs and services that have mutual benefit.

5. TERM, RENEGOTIATION and TERMINATION

- 5.1 **Term.** The initial term of this Agreement is to be eight (8) years from the date of its signing so as to provide predictability, stability and certainty by spanning municipal election cycles. The Agreement will be automatically renewed for subsequent three (3) year terms unless there is a replacement agreement in place or it has been terminated under Section 5.3.

- 5.2 **Renegotiation.** Signatories may request renegotiation of all or part of this Agreement by providing a written request to the other Signatory within a ninety (90) day period that begins one year prior to the expiry of the initial eight (8) year term or one (1) year prior to the subsequent three (3) year anniversary dates thereafter. Schedule "A" outlines relevant dates.

To ensure that the aim of providing predictability, stability and certainty is achieved, it is the intent of the Signatories that this Agreement not be easy to renegotiate and that the provisions of the first paragraph of this Article be the normal process for renegotiation. Notwithstanding this intent, in exceptional cases when there is a significant change of circumstances, including those set out in Article 5.4, the Signatories may mutually agree to renegotiate the Agreement in whole or in part outside of the normal process and timelines outlined in Schedule "A".

- 5.3 **Termination.** Recognizing that this Agreement helps to define the relationship between the Signatory Municipalities and that they wish to provide predictability, stability and certainty across municipal election cycles while balancing their right to terminate the Agreement if necessary, Signatories may terminate it by providing notice in writing to that effect to the other Signatory within a ninety (90) day period that begins one year prior to the expiry of the initial eight (8) year term or one (1) year prior to the subsequent three (3) year anniversary dates thereafter.

A Notice to Terminate will automatically trigger the Dispute Resolution steps outlined in Article 6. Should Dispute Resolution be unsuccessful, the Agreement will then

terminate as of the next anniversary date of its signing following the completion of the final step of the Dispute Resolution process. Schedule “A” outlines relevant dates.

- 5.4 **Changes to Federal or Provincial Legislation.** In the event that a change in Federal or Provincial Legislation has significant material adverse impact on the ability of one or more of the Signatory Municipalities to fulfill their obligations under this Agreement, they may request an extraordinary meeting of the Signatories to determine what implications the change(s) may have for the Agreement and to negotiate any necessary changes to it.

In the event that Provincial Legislation changes the term of office for Municipal Elected Officials, the Signatories agree that they will amend those Sections and Schedules of this Agreement that relate to renegotiation and termination to ensure that renegotiation or termination notice and subsequent discussions take place in the middle year(s) of a Council’s term.

6. DISPUTE RESOLUTION

- 6.1 In the event of a dispute between the Signatories about the interpretation or application of any of the terms, covenants or conditions contained within this Agreement or when a Notice to Terminate has been given, the Signatories shall follow the following Dispute Resolution steps:
- a. Step One – Negotiation (between the parties);
 - b. Step Two – Mediation and/or Facilitation in accordance with Schedule “F”;
and
 - c. Step Three – Arbitration in accordance with Schedule “F”.

7. FORCE and EFFECT

- 7.1 This Agreement has force and effect from the date of its signing by both Signatories (the “Effective Date”).

8. INTER-MUNICIPAL COOPERATION COMMITTEE

- 8.1 To foster open, meaningful and ongoing communication, the Signatories agree to establish a joint *Inter-Municipal Cooperation Committee* (the “Committee”) with the

broad mandate of fostering effective communication between them and providing a forum both for dealing with issues before they become problems and taking advantage of opportunities that might arise in a mutually beneficial and timely fashion.

- 8.2 The Committee is to be established as of the effective date of this Agreement and subsequently perpetuated at respective Organizational Meetings of each Signatory Municipality on an annual basis as long as the Agreement is in effect.
- 8.3 Membership of the Committee is to be the Reeve/Mayor, Deputy Mayor/Reeve and CAOs of each Municipality.

9. MEETINGS

- 9.1 **Councils.** Full Councils of the Signatories are to meet together at least once a year with the primary intent of maintaining and building their relationship.
- 9.2 **Inter-Municipal Cooperation Committee.** The Inter-Municipal Cooperation Committee is to meet at least once every six (6) months with an "issues" and "opportunities" focussed agenda.
- 9.3 **Joint Post-Election Orientation.** Recognizing the importance of this Agreement to their relationship and of ensuring that each Council as a whole and each member of Council individually have a common understanding of its provisions, the Signatories agree to hold a joint orientation to the Agreement for their Councils and senior administrative staff within two (2) months of a Municipal Election.

10. JOINT LAND-USE PLANNING

- 10.1 Recognizing that it is in the long term best interests of their respective Municipalities, the Signatories agree to undertake joint land-use planning based on the principle of mutual benefit.
- 10.2 The Signatories also agree to fair and equitable cost and benefit sharing for any joint development or service provision that might be undertaken as a result of joint land-use planning.
- 10.3 The Signatories recognize that at any given time, the terms of the most current Inter-municipal Development Plan (IDP) in effect at that time, continue to apply unless they have been waived in whole or in part by mutual agreement of the Signatories.

- 10.4 The framework for joint land-use planning between the Signatories is attached as Schedule “B”.
- 10.5 The initial area identified for joint land-use planning is attached as Schedule “C”.

11. ANNEXATION

- 11.1 The Signatories agree that so long as this Agreement is in effect, the Town of Peace River will not initiate annexation proceedings for land within the MD of Peace unless it is by mutual agreement.

12. ACCESS to REGIONAL ASSETS, PROGRAMS and SERVICES

- 12.1 Signatory Municipalities will provide access to regional assets, programs and services to each other’s residents in a manner that does not discriminate between them.

13. INITIAL COST-SHARING CONTRIBUTION

- 13.1 The initial total cost-sharing base for a range of mutually beneficial assets, programs and services under this Agreement is \$61,823 calculated using the formula outlined in Schedule “D” applied to the categories reflected in Schedule “E”. It is to this initial cost-sharing base that an annual adjustment as defined in Article 14 will apply.
- 13.2 Within 90 days of the Effective Date of this Agreement, the MD of Peace will pay to the Town of Peace River a pro-rated contribution calculated from the date on which the Agreement is signed to 31 December, 2010 using the initial total cost-sharing base of \$61,823.

$$\$61,823 \times 155/365 \text{ days} = \text{MD Pro-rated Payment to the Town for 2010}$$

14. SUBSEQUENT COST-SHARING CONTRIBUTION

- 14.1 In 2011 and beyond, the MD of Peace shall pay to the Town of Peace River the cost sharing base for the previous year increased by the annual Alberta consumer price index (CPI) for “all goods” as calculated by Statistics Canada for the most recent one year period as of 31 December of the previous calendar year.

14.2 For 2011 and beyond, the cost-sharing contribution is to be paid on or before 1 July each year.

15. GENERAL PROVISIONS

- 15.1 **Further Assurances.** The Signatories covenant and agree to do such things and execute such further documents, agreements and assurances as may be necessary or advisable from time to time to carry out the terms and conditions of this Agreement in accordance with their true intent.
- 15.2 **Assignment of Agreement.** No Signatory will assign its interest in this Agreement or any part thereof, in any manner whatsoever without having first received written consent from the other Signatory. Such consent is not to be unreasonably withheld, provided that in no event will any assignment which may have been consented to, release or relieve the assignor from its obligations to fully perform all of the terms, covenants and conditions of this Agreement or its parts.
- 15.3 **Notices.** Any notice required to be given hereunder by any Signatory will be deemed to have been well and sufficiently given if it is delivered personally or mailed by pre-paid registered mail to the address of the party for whom it is intended. A notice or other document sent by registered mail will be deemed to be sent at the time when it was deposited in a post office or public letter box and will be deemed to have been received on the fourth day after it was postmarked.
- 15.4 **Entire Agreement.** The Agreement constitutes the entire agreement between the Signatories relating to the subject matter hereof and supersedes all prior agreements, understandings, negotiations and discussions, whether oral or written, of the Signatories in relation to the subject matter hereof. There are no warranties, representations or other agreements among the Signatories in connection with the subject matter hereof except as specifically set forth herein.
- 15.5 **Unenforceable Terms.** If any term, covenant or condition of this Agreement or the application thereof to any Signatory or circumstance will be invalid or unenforceable to any extent, the remainder of this Agreement or application of such term, covenant or condition to a Signatory or circumstance other than those to which it is held invalid or unenforceable, will not be affected thereby and each remaining term, covenant or condition of this Agreement will be valid and enforceable to the fullest extent permitted by law.

- 15.6 **Amendments.** This Agreement may only be altered or amended in any of its provisions when any such changes are put in writing and signed by all of the Signatories.
- 15.7 **Remedies Not Exclusive.** No remedy herein conferred upon any Signatory is intended to be exclusive of any other remedy available to that Signatory but each remedy will be cumulative and will be in addition to every other remedy given hereunder or now or hereafter existing by law or in equity or by statute.
- 15.8 **No Waiver.** No consent or waiver, express or implied, by any Signatory to or of any breach or default by any other Signatory, in the performance by such other Signatory of their obligations hereunder will be deemed or construed to be a consent or waiver to or of any other breach or default in the performance of obligations hereunder by such Signatory. Failure on the part of any Signatory to complain of any act or failure to act of another Signatory or to declare such Signatory in default, irrespective of how long such failure continues, will not constitute a waiver by such Signatory of its rights hereunder.
- 15.9 **Counterparts.** This Agreement may be executed in several counterparts each of which when so executed, will be deemed to be an original. Such counterparts will constitute the one and same instrument and notwithstanding their date of execution, will be deemed to bear the date as of the Effective Date of this Agreement.
- 15.10 **Governing Law.** This Agreement will be governed by and construed in accordance with the laws of the Province of Alberta.
- 15.11 **Time.** Time will be of the essence for this Agreement.
- 15.12 **Enurement.** This Agreement will enure to the benefit of and be binding upon the Signatories and their respective successors and permitted assigns.

16. LIST OF SCHEDULES

- 16.1 The following Schedules are part of this Agreement:
- a. Schedule A – Renegotiation and Termination Dates;
 - b. Schedule B – Joint Land-Use Planning Framework;
 - c. Schedule C – Joint Planning Area (JPA) and Joint Benefitting Area (JBA);
 - d. Schedule D – Operating Cost-Sharing Funding Formula;
 - e. Schedule E – 2010 Base Operating Cost-Sharing Funding Level;

- f. Schedule F – Mediation/Facilitation and Arbitration; and
- g. Schedule G – First Year Milestones.

IN WITNESS WHEREOF the Signatories have hereunto executed this Agreement under their respective corporate seals and by the hands of their proper officers duly authorized in that regard.

Signed this ____ day of _____, 2010 in _____, Alberta.

MUNICIPAL DISTRICT OF PEACE NO. 135

TOWN OF PEACE RIVER

Per: _____

Per: _____

Reeve Veronica Bliska

Mayor Iris Callioux

Per: _____

Per: _____

CAO Lyle McKen

CAO Norma MacQuarrie

SCHEDULE “A”

Renegotiation and Termination Dates

29 Jul 10 – Agreement signed.

29 Jul 17 – On this date a ninety (90) day window opens during which a Request for Renegotiation or a Notice of Termination can be filed. If the latter, Dispute Resolution as outlined in Article 6 is triggered.

29 Jul 18 – Agreement renews for an additional three (3) year term unless: the Agreement has been amended or a new Agreement has been negotiated in response to a Request for Renegotiation; or, Dispute Resolution in response to a Notice of Termination has been unsuccessful, in which case the Agreement terminates.

29 Jul 20 – On this date a ninety (90) day window opens during which a Request for Renegotiation or a Notice of Termination can be filed. If the latter, Dispute Resolution as outlined in Article 6 is triggered.

29 Jul 21 – Agreement renews for an additional three (3) year term unless: the Agreement has been amended or a new Agreement has been negotiated in response to a Request for Renegotiation; or, Dispute Resolution in response to a Notice of Termination has been unsuccessful, in which case the Agreement terminates.

29 Jul 23 – On this date a ninety (90) day window opens during which a Request for Renegotiation or a Notice of Termination can be filed. If the latter, Dispute Resolution as outlined in Article 6 is triggered.

29 Jul 24 – Agreement renews for an additional three (3) year term unless: the Agreement has been amended or a new Agreement has been negotiated in response to a Request for Renegotiation; or, Dispute Resolution in response to a Notice of Termination has been unsuccessful, in which case the Agreement terminates.

The elements outlined above continue to repeat on a three year cycle unless the Agreement in place at the time has been terminated.

SCHEDULE “B”

Joint Land-Use Planning Framework

Statement of Intent and Opportunity

The Partner Municipalities acknowledge that the Town of Peace River is a regional service centre and fears being geographically hemmed in with insufficient non-residential assessment to offset the costs of the assets, programs and services that it provides to residents of the region. They also acknowledge that the MD of Peace is primarily an agriculture based community with a wide range of natural capital and fears forced annexation of lands that are likely to see non-residential development and therefore a diversification of its assessment base in the future.

They further acknowledge that the success of one enhances the success of the other.

The Signatories therefore recognize that good, collaborative and timely land-use planning is a precondition for orderly, efficient, economical and well-managed development that in turn achieves their respective social, environmental and economic goals. They further recognize that good land-use planning is one of the central responsibilities of local governments and one of the key activities that municipalities can undertake to ensure that ratepayers get value for their tax dollars when development occurs. It has low risk and a potentially high payoff.

The Signatories want to be competitive, remain viable as communities, position themselves to meet the challenges and take advantage of the opportunities that the future will bring and in so doing, better meet the future needs of their ratepayers. They want to get optimum value from their limited resources and recognize that in all likelihood, they will not be in a position to go it alone when opportunities for economic development and by extension, enhanced quality of life for their residents present themselves. By working and planning together they see an increased opportunity that services can be extended sooner and in a more orderly manner than might otherwise be the case and that the potential to diversify each Partner’s assessment base might also be realized sooner than anticipated. This in turn, has the potential to make a wider range of goods, services and education and employment opportunities available to the residents of both communities while minimizing costly duplication. The Signatories see joint land-use planning as being separate and distinct from joint development or servicing. Planning comes

first and sets the stage and conditions for orderly and economical development to occur when circumstances permit.

The Signatories share the philosophy that to the greatest extent possible, development should pay for itself.

Guiding Principles

The following Principles are meant to guide the Signatories' joint land-use planning efforts:

- **Respect** individual distinct identities and jurisdictions.
- **Act** for the greater good in the interest of the Public at large:
 - Social;
 - Environmental; and
 - Economic.
- **Respect** each other and each other's obligations.
- **Fairness** between Partners:
 - One Partner does not seek advantage over the other without agreement; and
 - Consideration for those potentially impacted.
- **Support** each other in finding mutually beneficial solutions:
 - Cooperation not conflict.
- **Understand** each other's growth aspirations by providing full disclosure and factual information.
- **Seek** to achieve mutual benefit.

Joint Land-Use Planning Approach

Within six (6) months of the signing of this Agreement, the CAOs of each Signatory Municipality will develop an approach for joint land-use planning that implements the intent of this Agreement and is in accordance with relevant Provincial legislation.

Joint Planning Area (JPA)

The Partner Municipalities acknowledge that they must "walk before they run" and that their joint land-use planning efforts will be incremental. They further acknowledge that they must establish a basis of trust and both build on success and learn from each instance as they go.

The Partners agree to designate an initial area that logically lends itself to joint planning. This area roughly equates to ½ mile on either side of their shared inter-municipal boundary and one mile on either side of Highway 2 from the Town limits to Range Road 224 in the MD. The initial Joint Planning Area is identified in Schedule “C”.

The Signatories agree that either of them can, through the Inter-Municipal Cooperation Committee, provide notice of a desire to designate an additional area for joint planning. Such a notice shall clearly define the mutual benefit anticipated and the rationale for the request to undertake joint planning. The Partners agree to make reasonable and best efforts to reach agreement on how to proceed. Should such agreement not be achieved within 180 days of the date of the Notice, the Dispute Resolution process outlined in Article 6 will be triggered. The Partners may, by mutual consent, suspend the process at Step One (1) to provide more time for negotiation.

The Signatories agree that the joint planning for the areas governed by Area Structure Plans (ASPs) in existence as of the Effective Date of this Agreement will recognize and adopt the land uses identified within those ASPs.

Joint Benefitting Area (JBA)

The Signatories agree to designate an area within the Joint Planning Area that logically lends itself to joint cost and benefit sharing. This Joint Benefitting Area roughly equates to ½ mile on either side of Highway 2 from the Town limits to Range Road 224 in the MD. The initial JBA is identified in Schedule “C”.

When development occurs within the Joint Benefitting Area, the Signatories agree that it would be to their mutual benefit to enter into specific agreements relating to the sharing of the costs and benefits of the servicing of the development. The Signatories further agree that such specific agreements will be based on the principles contained within this Schedule (Schedule “B”) of the Agreement and that they will reflect the intention that:

- Each Partner should be reimbursed for any capital costs incurred;
- The ongoing operations and maintenance costs be identified and that each Partner be reimbursed for any of these ongoing costs that it will bear; and
- The net benefits should be shared between the Signatories on a “50-50” basis.

The Signatories agree that the sharing of net benefits will be triggered by the extension of municipal services into the JBA.

Coordinated Land-Use Bylaws and Policies

The Signatories agree to coordinate land-use policies and develop complementary land-use bylaws as appropriate and jointly agreed for those areas designated for joint land-use planning. This includes the Joint Benefitting Area that is within the Joint Planning Area.

Dispute Resolution

The Dispute Resolution provisions specified in Article 6 apply to joint land-use planning, joint development and joint servicing.

SCHEDULE "C"

Joint Planning Area (JPA) and Joint Benefitting Area (JBA)

The Signatories agree that the areas identified in blue on the attached map are the Joint Planning Area (JPA).

The Signatories further agree that the areas identified by diagonal cross-hatching on the attached map are the Joint Benefitting Area (JBA).

The Signatories also agree that the identification of the Joint Planning Area and the Joint Benefitting Area does not prevent them from agreeing to identify other areas for either or both purposes in the future.

Attachment: Schedule "C" Map Insert

SCHEDULE “D”

OPERATING COST SHARING FUNDING FORMULA

Step 1 – Municipalities compiled a list of assets, programs and services based on the Principle of Mutual Benefit.

Step 2 – From that list, Municipalities agreed on those that should be cost-shared.

Step 3 – The operating cost of the mutually beneficial asset or of delivering the program or service was determined.

Step 4 – Any revenue accruing to the asset, program or service was subtracted from the operating cost.

Step 5 - The Municipality that was not the prime deliverer of the asset, program or service was given credit for any expenditure that it incurred for similar assets, programs or services and this credit was subtracted from the operating cost. This yielded a net operating cost.

Step 6 - In the case of the MD of Peace, it was determined that based on population and the desire to ensure access for its residents to various regional assets, programs and services, a fair and reasonable percentage share of the net operating costs was 4.25%.

Step 7 – This agreed percentage, 4.25%, was then applied to the net operating cost to yield a dollar figure for the respective regional asset, program or service.

SCHEDULE "E"

2010 Base Operating Cost-Sharing Funding Level

Note: The net operating deficit was calculated by taking the total cost of each "activity", subtracting any related revenue, giving the MD credit for any expenditure related to the activity or similar activities and then reaching consensus that the resulting number was a fair reflection of what is really taking place.

Item	Net Operating Cost	Remarks
Peace River Regional Airport	\$628,596	The Airport was deemed to be a special case for which there is a separate process in place under the auspices of the Peace River Airport Review Committee. It is therefore, not part of this Agreement.
Libraries	\$106,600	Any contribution to the Town of Peace River Library will flow through the MD of Peace Cooperative Library Board.
Recreation, Parks and Culture Assets, Programs and Services	\$1,338,648	MD's 4.25% Cost share = \$56,892 (Note: MD credit in calculating net cost = \$260,025).
Ski Hill	\$260,000	The Ski Hill was deemed to be a special case. It is therefore, not part of this Agreement.
FCSS Programs	\$116,012	MD's 4.25% Cost share = \$4931 (Note: MD credit in calculating net cost = \$3,974)

SCHEDULE “F”

Mediation/Facilitation and Arbitration

Notwithstanding the provisions laid out in this Schedule (Schedule “F”) for the Mediation/Facilitation and Arbitration steps of the Dispute Resolution process specified in Article 6, nothing in this Agreement shall prevent the Signatories from using other mutually agreed methods of resolving the dispute.

Mediation/Facilitation

Mediation is the second step in the Dispute Resolution process outlined in Article 6 of this Agreement. It assumes that both Signatories will act reasonably and make best efforts to understand the interests of the other and to reach consensus on a resolution to the issue(s), dispute or disagreement that brought them to the table. When Mediation/Facilitation is triggered, the following initiating process will apply:

- If the Signatories, acting reasonably, have been unable to resolve an issue, dispute or disagreement in the first step of the Dispute Resolution process laid out in Article 6 of this Agreement, either of them may request in writing that the matter be referred to Mediation/Facilitation.
- Within twenty (20) business days of the receipt of a written request to submit a matter to Mediation/Facilitation, the Signatories shall agree upon a mediator/facilitator to assist them.
- Mediation/Facilitation will begin within fifteen (15) business days of the engagement of the mediator/facilitator.

“Cooling Off” Period

In the event that Mediation/Facilitation is unsuccessful in resolving the issue(s), dispute or disagreement, there will be a “cooling off” period of thirty (30) days before the Arbitration step of the Dispute Resolution process begins. This thirty (30) day “cooling off” period will

commence on the day following the final day of the mediator/facilitator's engagement under Article 6 of this Agreement.

Arbitration

In the event of a dispute or disagreement, Arbitration is the third and final step of the Dispute Resolution process outlined in Article 6 of this Agreement. When Arbitration is triggered, the following process will apply:

- Thirty (30) days after Mediation/Facilitation has ended, if no consensus has been reached on a mutually acceptable resolution to the issue(s), dispute or disagreement that triggered the Dispute resolution process, the Arbitration step will automatically commence.
- The issue(s), dispute or disagreement will be referred to a single arbitrator.
- Within fifteen (15) business days of the start of this step (Arbitration), each Signatory will provide the other with a list naming three (3) persons that they would accept to act as a single arbitrator.
- If the Signatories can agree on an acceptable arbitrator from their initial combined list of six candidates, they shall jointly appoint that arbitrator within fifteen (15) business days of agreeing on the name.
- If none of the initial six arbitrator candidates are acceptable to both Signatories, then each Signatory will provide the other with a list of three (3) alternative persons that they would accept to have act as a single arbitrator.
- If the Signatories can agree on an acceptable arbitrator from their second combined list of six candidates, they shall jointly appoint that arbitrator within fifteen (15) business days of agreeing on the name.
- If the Signatories cannot agree on an arbitrator from the two combined lists of six candidate arbitrators, they shall within five (5) business days exchange prioritized lists of their respective top five preferences and choose an arbitrator from the prioritized lists.
- Both Signatories must act reasonably throughout.

- If the Signatories have been unable to agree on an arbitrator in accordance with the above procedure, either Partner may proceed on application to the Court of Queen's Bench of Alberta to have the issue(s), dispute or disagreement decided by a Justice of the Court of Queen's Bench.
- Once the arbitrator has been appointed and has accepted the appointment, each Signatory will provide the arbitrator and the other Signatory with a written submission outlining their respective positions on the issue(s), dispute or disagreement within twenty (20) business days of the appointment of the arbitrator.
- Each Signatory will provide both the arbitrator and the other Signatory with a written response to the initial written submission of the other Signatory within twenty (20) business days of receipt of that initial submission.
- Thereafter the arbitrator may hear oral submissions.
- Within fifteen (15) business days of the receipt of the Signatories' written responses to each other's initial written submissions or of the conclusion of oral submissions if oral submissions are provided, the arbitrator shall deliver his/her decision which shall be binding on the Signatories.
- The Signatories agree that they shall pay the cost of the arbitration equally unless the arbitrator determines otherwise and so indicates in his/her decision.

SCHEDULE "G"

First Year Milestones

Activity	Timeframe	Remarks
Post-Election joint orientation to the Agreement for both Councils	30 Nov 2010	
Inter-Municipal Cooperation Committee Meeting	January 2011	
Draft Approach to Joint Planning Completed	January 2011	Jointly developed by the CAOs of the Town and the MD