

The following Motions and Documents were considered by the Board Finance and Property Committee at its Tuesday, September 23, 2014 meeting:

Agenda Title: **Board Finance and Property Committee Terms of Reference**

APPROVED MOTION: THAT the Board Finance and Property Committee recommend that the Board of Governors approve the proposed changes to the Committee's Terms of Reference, as set forth in Attachment 1.

Final recommended item: 5.

Agenda Title: **2014-15 Workplan for the Board Finance and Property Committee**

APPROVED MOTION: THAT the Board Finance and Property Committee approve the proposed changes to the Committee's 2014-15 WorkPlan, as set forth in Attachment 1.

Final approved item: 6.

Agenda Title: **Capitalization of Unrestricted Funds to Permanent Restricted Endowments Net Assets**

APPROVED MOTION: THAT the Board Finance and Property Committee recommend that the Board of Governors approve the transfer of \$\$2,500,691.39 of unrestricted net assets to permanent restricted endowment net assets.

Final recommended item: 7.

Agenda Title: **Land Asset Strategy: Trust Deed**

APPROVED MOTION: THAT the Board Finance and Property Committee recommend to the Board of Governors, the approval of the governance model for the University of Alberta Properties Trust Corporation as set forth in attachment 1 (Articles of Incorporation) and attachment 2 (By-law no. 1).

Final recommended item: 8.

Agenda Title: **Conservation Easement: Mattheis Ranch**

APPROVED MOTION: THAT the Board Finance and Property Committee, acting with the delegated authority of the Board of Governors, approve the granting, in perpetuity, of a "conservation easement" over portions (98%) of university land known as the Mattheis Research Ranch, such portions to be approved by the Dean, Faculty of Agricultural, Life and Environmental Sciences, subject to due diligence by the Vice-President (Facilities and Operations) and approval on the terms and conditions of the conservation easement.

Final recommended item: 9.

Agenda Title: **Connaught Drive Land Disposition**

APPROVED MOTION: THAT the Board Finance and Property Committee, acting with the delegated authority of the Board of Governors:

- a) approve the disposition of a single family house at 10416 Connaught Drive, Edmonton Alberta, and approximately .17 acres of land contained within the parcel legally described as Lot 11 Block 84 Plan 2803AF;
- b) make an application to the Minister of Infrastructure for the required approval of the Lieutenant Governor in Council for the granting of the disposition as set forth in Attachment 1.

Final approved item: 10.

Agenda Title: **Peel Collection – Relocate in Rutherford Library: Capital Expenditure Authorization Request (CEAR)**

APPROVED MOTION: THAT the Board Finance and Property Committee, acting under the delegated authority of the Board of Governors, approve a capital expenditure of three million three hundred thousand dollars (\$3,300,000.00) in Canadian funds for the total project cost to modify a portion of the existing historic Rutherford Library to accommodate the significant Peel rare book collection.

Final recommended item: 11.

OUTLINE OF ISSUE

Agenda Title: **Review Committee Terms of Reference**

Motion: THAT the Board Finance and Property Committee recommend that the Board of Governors approve the proposed changes to the Committee's Terms of Reference, as set forth in Attachment 1.

Item

Action Requested	<input type="checkbox"/> Approval <input checked="" type="checkbox"/> Recommendation <input type="checkbox"/> Discussion/Advice <input type="checkbox"/> Information
Proposed by	Dick Wilson, Chair, Board Finance and Property Committee
Presenter	Dick Wilson, Chair, Board Finance and Property Committee
Subject	Review of Committee Terms of Reference

Details

Responsibility	University Governance
The Purpose of the Proposal is (please be specific)	To review the Committee Terms of Reference and approve proposed changes.
The Impact of the Proposal is	The revised Terms of Reference reflect the elimination of the position "Associate Vice-President (Facilities and Operations)" and addition of new Associate Vice-President positions in the Facilities and Operations portfolio.
Replaces/Revises (eg, policies, resolutions)	n/a
Timeline/Implementation Date	Immediately following approval by the Board of Governors
Estimated Cost	n/a
Sources of Funding	n/a
Notes	

Alignment/Compliance

Alignment with Guiding Documents	
Compliance with Legislation, Policy and/or Procedure Relevant to the Proposal (please <u>quote</u> legislation and include identifying section numbers)	<p>1. Post Secondary Learning Act (PSLA), Section 60 (1)(b): "The Board of a public post-secondary institution shall develop, manage and operate, alone or in cooperation with any person or organization, programs, services and facilities for the educational or cultural advancement of the people of Alberta."</p> <p>2. Board of Governors General Terms of Reference, Section b: "The Board has delegated to each Committee responsibility and authority to make decisions on behalf of the Board in the Committee's defined area of responsibility except to the extent that such authority has been specifically limited by the Board in the Terms of Reference for the Committee."</p> <p>...</p> <p>"...issues which remain with the Board or which would be referred by a Committee to the Board would generally be in the nature of...any matter involving an alteration in the mandate, terms of reference, membership, or structure of a Committee;..."</p> <p>3. Board Finance and Property Committee Terms of Reference:</p> <p>3. MANDATE OF THE COMMITTEE</p>

Item No. 5

	<p>Except as provided in paragraph 4 and in the Board's General Committee Terms of Reference, the Committee shall monitor, evaluate, advise and make decisions on behalf of the Board with respect to all strategic and significant financial and property matters and policies of the University. The Committee shall also consider any other matter delegated to the Committee by the Board.</p> <p>Without limiting the generality of the foregoing, the Committee shall:</p> <p>u) annually review the terms of reference for the Committee and recommend to the Board any required changes.</p>
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Routing (Include meeting dates)

Consultative Route	
Approval Route (Governance) (including meeting dates)	Board Finance and Property Committee – September 23, 2014 (for recommendation) Board of Governors – October 24, 2014 (for approval)
Final Approver	Board of Governors – October 24, 2014

Attachments:

1. Board Finance and Property Committee Terms of Reference – showing edits (4 pages)
2. Board Finance and Property Committee Terms of Reference – without edits (4 pages)

Prepared by: Geeta Sehgal, Acting Assistant Board Secretary, geeta.sehgal@ualberta.ca



BOARD FINANCE AND PROPERTY COMMITTEE Terms of Reference

1. AUTHORITY

- a) The Board Finance and Property Committee (the “Committee”) is created by and responsible to the Board of Governors (the “Board”) of the University of Alberta (the “University”).
- b) The Vice-President (Finance and Administration) and the Vice-President (Facilities and Operations) shall provide management support to the Committee.
- c) The Committee shall function in accordance with the Board’s General Committee Terms of Reference.

2. COMPOSITION OF THE COMMITTEE

- a) Voting Members appointed by the Board (ordinarily a maximum of 11 voting members):
 - (1) Two Board members from the membership categories identified by the *Alberta Post-Secondary Learning Act (the Act)* as *general public, alumni* and *Senate*
 - (2) A Board member from the membership category identified by the Act as *academic staff of the University*
 - (3) A Board member from the membership category identified by the Act as *non-academic staff of the University*
 - (4) Two Board members from the membership category identified by the Act as *students nominated by the council of the students association* or as *graduate student nominated by the council of the association*
 - (5) One other member of the Board of Governors
 - (6) A member of the general public with specific expertise in a field of interest to the Committee
 - (7) The Board Chair, by virtue of office
 - (8) The President and Vice-Chancellor, by virtue of office
 - (9) The Chancellor, by virtue of office
- b) Non-Voting Officials appointed by the President
 - (1) Provost and Vice-President (Academic)
 - (2) Vice-President (Facilities and Operations)
 - (3) Vice-President (Finance and Administration)
 - (4) Vice-President (University Relations)
 - (5) University Secretary
 - (6) Committee Secretary
 - (7) Other officers, as determined by the President
- c) One of the members from the Board’s constituencies of general public, or the Senate or the Alumni Association who is a member of the Committee shall also serve as a member of the Audit Committee.
- d) The Board of Governors shall appoint the Committee Chair from the Committee membership category 2(a)(1), upon the recommendation of the Board Chair.

- e) The Committee shall designate the Vice-Chair from the Committee membership upon the recommendation of the Board Chair and the Committee Chair. The Vice-Chair undertakes and discharges all duties of the Chair in the absence of the Chair.

3. MANDATE OF THE COMMITTEE

Except as provided in paragraph 4 and in the Board’s General Committee Terms of Reference, the Committee shall monitor, evaluate, advise and make decisions on behalf of the Board with respect to all strategic and significant financial and property matters and policies of the University. The Committee shall also consider any other matter delegated to the Committee by the Board.

Without limiting the generality of the foregoing, the Committee shall:

Financial

- a) review the quarterly financial statements with respect to operating and capital funds
- b) review and recommend to the Board the Integrated Planning and Budgeting Policy which includes guiding principles for changes to approved budgets and for transfer or reallocation of monies included in approved budgets
- c) review and recommend to the Board the annual and other budgets and major issues of policy related to budgets
- d) review and recommend to the Board tuition and other like fees
- e) approve authorized signing officers in respect of all banking and safekeeping

Facilities and Property

- f) approve original Capital Expenditure Authorization Request (CEAR) or individual Supplemental CEARs up to a maximum of \$7 million and aggregate total CEAR and Supplemental CEARs up to a maximum of \$14 million. The Vice-President (Facilities and Operations) is authorized to approve original CEARs or individual Supplemental CEARs up to \$2 million and aggregate total CEAR and Supplemental CEARs up to \$4 million.
- g) review and recommend to the Board original Capital Expenditure Authorization Requests or individual Supplemental CEARs greater than \$7 million or aggregate total CEAR and Supplemental CEARs up to, but not exceeding \$14 million.
- h) approve the acquisition or disposal of real property, provided always that any such decision of the Committee shall be reported to the Board and shall only be effective or implemented a minimum of 24 hours following the conclusion of the Board meeting at which the decision of the Committee is reported, and provided the Board has not resolved otherwise

Approved Capital Expenditure Authorization is as follows:

Approval level	Original CEAR or individual Supplemental CEAR Approval Limit	Aggregate Total CEAR and Supplemental CEAR’s Limit (not to exceed)
Directors/Executive Directors F&O	Up to \$500,000	\$750,000
Associate Vice-President (Facilities & Operations Ancillary Services; Operations and Maintenance; Planning)	Up to \$1,000,000	\$2,000,000

<u>and Project Delivery; Utilities)</u>		
Vice-President (Facilities & Operations)	Up to \$2,000,000	\$4,000,000
BFPC	Up to \$7,000,000	\$14,000,000
BG	Over \$7,000,000	Over \$14,000,000

Policies

- i) approve policies for intellectual property and technology transfer
- j) approve policies for construction and supply contracts, policies governing the use of space and planning reports for individual capital projects and receive an annual report on these;
- k) recommend to the Board capital expenditure policies for the committee and for the Board;
- l) approve policies for the control and regulation of pedestrian and vehicle traffic on University lands;
- m) review and approve policies on financial risk management for risks which may jeopardize the achievements of the strategic vision of the University
- n) review and recommend to the Board policies regarding the acquisition, management, control and disposition of University buildings, land and equipment and regarding individual project proposals and the implications of these short and long-range capital plans to the strategic vision of the University

Reports, Advice, Trends

- o) Review and provide recommendations on the University’s enterprise-wide risks and risk measures related to the Committee mandate.
- p) monitor trends affecting the University and the implications of those trends on finances and property of the University
- q) annually provide advice to the President, through the Chair of the Board Human Resources and Compensation Committee, with respect to the responsibilities and performance (in relation thereto) of those Vice Presidents whose responsibilities are within the mandate of the Committee
- r) review annual and quarterly reports highlighting progress achieved in implementing the University’s current budget and strategic business plan, including appropriate and relevant performance indicators
- s) review planning reports for individual capital projects and receive a quarterly report on these
- t) receive for review an annual report on donations and gifts and monitor performance against fundraising goals
- u) annually review the terms of reference for the Committee and recommend to the Board any required changes

4. LIMITATIONS ON DELEGATION BY THE BOARD

The general delegation of authority by the Board to the Committee shall be limited as set out in this paragraph. Notwithstanding the general delegation of authority to the Committee set out in paragraph 3, the Board shall:

- a) approve the guiding principles, budgets and changes to approved budgets and the transfer or reallocation of monies included in approved budgets;
- b) approve the annual and other budgets and major issues of policy related to budgets;
- c) approve capital expenditures of more than \$7 million or more or expenditures which, when combined with other expenditures for the same project, would equal more than \$7 million;
- d) approve capital expenditure policies;
- e) approve tuition and other like fees;

- f) approve policies regarding the acquisition, management, control and disposition of University buildings, land and equipment and regarding individual project proposals and the implications of these short and long-range capital plans to the strategic vision of the University;
- g) review all decisions of the Committee with respect to the acquisition or disposal of real property; after any such review the Board may resolve to overturn or vary any such decision.

5. REPORTING TO THE BOARD

As provided in the Board's General Terms of Reference the Committee shall regularly report to the Board with respect to its activities and decisions.

Decision History:

DATE	DECISION-MAKER	DECISION
2006-11-20	Board Finance and Property Committee	Recommended to Board of Governors
2006-12-8	Board of Governors	Approved
2008-06-10	Board Finance and Property Committee	Recommended to Board of Governors
2008-06-20	Board of Governors	Approved
2008-10-03		Editorial Revisions Made as a Result of CEAR Policy Approved by BFPC/Board
2009-09-16	Board Finance and Property Committee	Recommended to Board of Governors
2009-10-02	Board of Governors	Approved
2011-02-01	Board Finance and Property Committee	Recommended to Board of Governors
2011-02-11	Board of Governors	Approved
2011-09-20	Board Finance and Property Committee	Recommended to Board of Governors
2011-10-21	Board of Governors	Approved
2012-07-12		Editorial Revisions Made as a Result of Changes in Title
2013-10-01	Board Finance and Property Committee	Recommended to Board of Governors
2013-10-18	Board of Governors	Approved



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 - (4) Two Board members from the membership category identified by the Act as *students nominated by the council of the students association* or as *graduate student nominated by the council of the association*
 - (5) One other member of the Board of Governors
 - (6) A member of the general public with specific expertise in a field of interest to the Committee
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 - (4) Vice-President (University Relations)
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Facilities and Property

- f) approve original Capital Expenditure Authorization Request (CEAR) or individual Supplemental CEARs up to a maximum of \$7 million and aggregate total CEAR and Supplemental CEARs up to a maximum of \$14 million. The Vice-President (Facilities and Operations) is authorized to approve original CEARs or individual Supplemental CEARs up to \$2 million and aggregate total CEAR and Supplemental CEARs up to \$4 million.
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Vice-President (Facilities & Operations)	Up to \$2,000,000	\$4,000,000
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BG	Over \$7,000,000	Over \$14,000,000

Policies

- i) approve policies for intellectual property and technology transfer
- j) approve policies for construction and supply contracts, policies governing the use of space and planning reports for individual capital projects and receive an annual report on these;
- k) recommend to the Board capital expenditure policies for the committee and for the Board;
- l) approve policies for the control and regulation of pedestrian and vehicle traffic on University lands;
- m) review and approve policies on financial risk management for risks which may jeopardize the achievements of the strategic vision of the University
- n) review and recommend to the Board policies regarding the acquisition, management, control and disposition of University buildings, land and equipment and regarding individual project proposals and the implications of these short and long-range capital plans to the strategic vision of the University

Reports, Advice, Trends

- o) Review and provide recommendations on the University's enterprise-wide risks and risk measures related to the Committee mandate.
- p) monitor trends affecting the University and the implications of those trends on finances and property of the University
- q) annually provide advice to the President, through the Chair of the Board Human Resources and Compensation Committee, with respect to the responsibilities and performance (in relation thereto) of those Vice Presidents whose responsibilities are within the mandate of the Committee
- r) review annual and quarterly reports highlighting progress achieved in implementing the University's current budget and strategic business plan, including appropriate and relevant performance indicators
- s) review planning reports for individual capital projects and receive a quarterly report on these
- t) receive for review an annual report on donations and gifts and monitor performance against fundraising goals
- u) annually review the terms of reference for the Committee and recommend to the Board any required changes

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- c) approve capital expenditures of more than \$7 million or more or expenditures which, when combined with other expenditures for the same project, would equal more than \$7 million;
- d) approve capital expenditure policies;
- e) approve tuition and other like fees;
- f) approve policies regarding the acquisition, management, control and disposition of University buildings, land and equipment and regarding individual project proposals and the implications of these short and long-range capital plans to the strategic vision of the University;

- g) review all decisions of the Committee with respect to the acquisition or disposal of real property; after any such review the Board may resolve to overturn or vary any such decision.

5. REPORTING TO THE BOARD

As provided in the Board's General Terms of Reference the Committee shall regularly report to the Board with respect to its activities and decisions.

Decision History:

DATE	DECISION-MAKER	DECISION
2006-11-20	Board Finance and Property Committee	Recommended to Board of Governors
2006-12-8	Board of Governors	Approved
2008-06-10	Board Finance and Property Committee	Recommended to Board of Governors
2008-06-20	Board of Governors	Approved
2008-10-03		Editorial Revisions Made as a Result of CEAR Policy Approved by BFPC/Board
2009-09-16	Board Finance and Property Committee	Recommended to Board of Governors
2009-10-02	Board of Governors	Approved
2011-02-01	Board Finance and Property Committee	Recommended to Board of Governors
2011-02-11	Board of Governors	Approved
2011-09-20	Board Finance and Property Committee	Recommended to Board of Governors
2011-10-21	Board of Governors	Approved
2012-07-12		Editorial Revisions Made as a Result of Changes in Title
2013-10-01	Board Finance and Property Committee	Recommended to Board of Governors
2013-10-18	Board of Governors	Approved

OUTLINE OF ISSUE

Agenda Title: **Approval of 2014-15 Committee WorkPlan**

Motion: THAT the Board Finance and Property Committee approve the proposed changes to the Committee's 2014-15 WorkPlan, as set forth in Attachment 1.

Item

Action Requested	<input checked="" type="checkbox"/> Approval <input type="checkbox"/> Recommendation <input type="checkbox"/> Discussion/Advice <input type="checkbox"/> Information
Proposed by	Dick Wilson, Chair, Board Finance and Property Committee
Presenter	Dick Wilson, Chair, Board Finance and Property Committee
Subject	Review of Committee Terms of Reference and Approval of 2014-15 Committee WorkPlan

Details

Responsibility	University Governance
The Purpose of the Proposal is (please be specific)	To review the Committee Terms of Reference and review and approve the 2014-15 Committee WorkPlan
The Impact of the Proposal is	This proposal does not affect the core mandate of the Committee.
Replaces/Revises (eg, policies, resolutions)	Committee-approved 2013-14 WorkPlan
Timeline/Implementation Date	Immediately upon approval
Estimated Cost	
Sources of Funding	
Notes	

Alignment/Compliance

Alignment with Guiding Documents	
Compliance with Legislation, Policy and/or Procedure Relevant to the Proposal (please quote legislation and include identifying section numbers)	<p>1. Post Secondary Learning Act (PSLA), Section 60 (1)(b): "The Board of a public post-secondary institution shall develop, manage and operate, alone or in cooperation with any person or organization, programs, services and facilities for the educational or cultural advancement of the people of Alberta."</p> <p>2. Board of Governors General Terms of Reference, Section b: "The Board has delegated to each Committee responsibility and authority to make decisions on behalf of the Board in the Committee's defined area of responsibility except to the extent that such authority has been specifically limited by the Board in the Terms of Reference for the Committee."</p> <p>...</p> <p>"...issues which remain with the Board or which would be referred by a Committee to the Board would generally be in the nature of...any matter involving an alteration in the mandate, terms of reference, membership, or structure of a Committee;..."</p> <p>3. Board Finance and Property Committee Terms of Reference:</p> <p>3. MANDATE OF THE COMMITTEE</p> <p>Except as provided in paragraph 4 and in the Board's General</p>

Item No. 6

	<p>Committee Terms of Reference, the Committee shall monitor, evaluate, advise and make decisions on behalf of the Board with respect to all strategic and significant financial and property matters and policies of the University. The Committee shall also consider any other matter delegated to the Committee by the Board.</p> <p>Without limiting the generality of the foregoing, the Committee shall:</p> <p>u) annually review the terms of reference for the Committee and recommend to the Board any required changes.</p>
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Routing (Include meeting dates)

Consultative Route	Reviewed by Committee Chair in consultation with Administration and University Governance, Summer 2014.
Approval Route (Governance) (including meeting dates)	Board Finance and Property Committee – September 22, 2014 (for approval) Board of Governors – October 24, 2014 (for information)
Final Approver	Board Finance and Property Committee

Attachments:

1. Board Finance and Property Committee 2014-15 WorkPlan (showing edits - 4 pages)
2. Board Finance and Property Committee 2014-15 WorkPlan (final version - 4 pages)

Prepared by: Geeta Sehgal, Acting Assistant Board Secretary, geeta.sehgal@ualberta.ca



Financial							
a) review the quarterly financial statements with respect to operating and capital funds		x	x		x		
b) review and recommend to the Board the Integrated Planning and Budgeting Policy which includes guiding principles for changes to approved budgets and for transfer or reallocation of monies included in approved budgets		as required					
c) review and recommend to the Board the annual and other budgets and major issues of policy related to budgets	University Budget Briefing (Board, External, and APC members invited)			x			
	CIP Recommendation				x		
d) review and recommend to the Board tuition and other like fees	Tuition Briefing	x					
	Tuition Recommendation		x				
	Differential Tuition Fees		x				
	GSA/SU Fees					x	
	Student Residence Fees		x				
	Parking Fees		x				
	Mandatory Non-Instructional Fees (MNIF) Report (for information)		x				
	MNIF/ Course Based Fees					x	
e) approve authorized signing officers in respect of all banking and safekeeping	BFPC Chair to approve appointment of UofA representative at annual meeting of Alberta Capital Finance Authority (ACFA)	as required					

Facilities and Property

<p>f) approve original Capital Expenditure Authorization Request (CEAR) or individual Supplemental CEARs up to a maximum of \$7 million and aggregate total CEAR and Supplemental CEARs up to a maximum of \$14 million. The Vice-President (Facilities and Operations) is authorized to approve original CEARs or individual Supplemental CEARs up to \$ 2 million and aggregate total CEAR and Supplemental CEARs up to \$4 million.</p>	<p>Review of capital projects</p>	<p style="text-align: center;">As required</p>					
<p>g) Review and recommend to the Board original Capital Expenditure Authorization Requests or individual Supplemental CEARs greater than \$7 million or aggregate total CEAR and Supplemental CEARs up to but not exceeding \$14 million.</p>	<p>Review of capital projects</p>	<p style="text-align: center;">As required</p>					
<p>h) approve the acquisition or disposal of real property, provided always that any such decision of the Committee shall be reported to the Board and shall only be effective or implemented a minimum of 24 hours following the conclusion of the Board meeting at which the decision of the Committee is reported, and provided the Board has not resolved otherwise</p>	<p>Campus Plan</p>	<p style="text-align: center;">As required</p>					
	<p>University of Alberta Land Inventory Update</p>						<p style="text-align: center;">x</p>

Policies		
i) approve policies for intellectual property & technology transfer		As required
j) approve policies for construction and supply contracts, policies governing the use of space and planning reports for individual capital projects and receive an annual report on these		As required
k) recommend to the Board capital expenditure policies for the committee and for the Board		As required
l) approve policies for the control and regulation of pedestrian and vehicle traffic on University lands		As required
m) review and approve policies on financial risk management for risks which may jeopardize the achievements of the strategic vision of the University		As required
n) review and recommend to the Board policies regarding the acquisition, management, control and disposition of University buildings, land and equipment and regarding individual project proposals and the implications of these short and long-range capital plans to the strategic vision of the University		As required

Reports, Advice, Trends							
o) review and provide recommendations on the University's enterprise-wide risks and risk measures related to the Committee mandate	Underlying all discussions and items before the Committee. BFPC-associated risks are: Economic Conditions and Funding, IT Infrastructure (Software & Hardware), and Physical Infrastructure.	x	x	x	x	x	x
	Institutional Risk Summary						x
p) monitor trends affecting the University and the implications of those trends on finances and property of the University	Review Results of Expert Forum	x					
	Community Engagement Report	*	x		x		x
q) annually provide advice to the President, through the chair of the Board Human Resources and Compensation Committee, with respect to the responsibilities and performance (in relation thereto) of those Vice Presidents whose responsibilities are within the mandate of the Committee	Beginning or end of year				x In- camera		
r) review annual and quarterly reports highlighting progress achieved in implementing the University's current budget and strategic business plan, including appropriate and relevant performance indicators	Comprehensive Institutional Plan (CIP)				x		
	Capitalization of Unrestricted Funds to Permanent Net Asset Endowments	As required					
	TEC Edmonton Annual Report					*	x
s) planning reports for individual capital projects and receive a quarterly report on these	Project Management Office Status Reports on University facilities and property (from FAO)	x	x		x		x
t) receive for review an annual report on donations and gifts and monitor performance against fundraising goals.							x
u) annually review the terms of reference for the Committee and recommend to the Board any required changes	Beginning or end of year	x					
Committee Education Opportunities							
Facility Tours:							
• Tour of Garneau Tamarack & Pinecrest Residences		x				*	
Integrated Planning and Budgeting Process Overview				x			
Financial Statements 101		posted to Portal – date TBCx					



Financial							
a) review the quarterly financial statements with respect to operating and capital funds		x	x		x		
b) review and recommend to the Board the Integrated Planning and Budgeting Policy which includes guiding principles for changes to approved budgets and for transfer or reallocation of monies included in approved budgets		as required					
c) review and recommend to the Board the annual and other budgets and major issues of policy related to budgets	University Budget Briefing (Board, External, and APC members invited)			x			
	CIP Recommendation				x		
d) review and recommend to the Board tuition and other like fees	Tuition Briefing	x					
	Tuition Recommendation		x				
	Differential Tuition Fees		x				
	GSA/SU Fees					x	
	Student Residence Fees		x				
	Parking Fees		x				
	Mandatory Non-Instructional Fees (MNIF) Report (for information)		x				
	MNIF/ Course Based Fees					x	
e) approve authorized signing officers in respect of all banking and safekeeping	BFPC Chair to approve appointment of UofA representative at annual meeting of Alberta Capital Finance Authority (ACFA)	as required					

Facilities and Property

<p>f) approve original Capital Expenditure Authorization Request (CEAR) or individual Supplemental CEARs up to a maximum of \$7 million and aggregate total CEAR and Supplemental CEARs up to a maximum of \$14 million. The Vice-President (Facilities and Operations) is authorized to approve original CEARs or individual Supplemental CEARs up to \$ 2 million and aggregate total CEAR and Supplemental CEARs up to \$4 million.</p>	<p>Review of capital projects</p>	<p style="text-align: center;">As required</p>					
<p>g) Review and recommend to the Board original Capital Expenditure Authorization Requests or individual Supplemental CEARs greater than \$7 million or aggregate total CEAR and Supplemental CEARs up to but not exceeding \$14 million.</p>	<p>Review of capital projects</p>	<p style="text-align: center;">As required</p>					
<p>h) approve the acquisition or disposal of real property, provided always that any such decision of the Committee shall be reported to the Board and shall only be effective or implemented a minimum of 24 hours following the conclusion of the Board meeting at which the decision of the Committee is reported, and provided the Board has not resolved otherwise</p>	<p>Campus Plan</p>	<p style="text-align: center;">As required</p>					
	<p>University of Alberta Land Inventory Update</p>						<p style="text-align: center;">x</p>

Policies		
i) approve policies for intellectual property & technology transfer		As required
j) approve policies for construction and supply contracts, policies governing the use of space and planning reports for individual capital projects and receive an annual report on these		As required
k) recommend to the Board capital expenditure policies for the committee and for the Board		As required
l) approve policies for the control and regulation of pedestrian and vehicle traffic on University lands		As required
m) review and approve policies on financial risk management for risks which may jeopardize the achievements of the strategic vision of the University		As required
n) review and recommend to the Board policies regarding the acquisition, management, control and disposition of University buildings, land and equipment and regarding individual project proposals and the implications of these short and long-range capital plans to the strategic vision of the University		As required

Reports, Advice, Trends							
o) review and provide recommendations on the University's enterprise-wide risks and risk measures related to the Committee mandate	Underlying all discussions and items before the Committee. BFPC-associated risks are: Economic Conditions and Funding, IT Infrastructure (Software & Hardware), and Physical Infrastructure.	x	x	x	x	x	x
	Institutional Risk Summary						x
p) monitor trends affecting the University and the implications of those trends on finances and property of the University	Review Results of Expert Forum	x					
	Community Engagement Report		x		x		x
q) annually provide advice to the President, through the chair of the Board Human Resources and Compensation Committee, with respect to the responsibilities and performance (in relation thereto) of those Vice Presidents whose responsibilities are within the mandate of the Committee	Beginning or end of year				x In- camera		
r) review annual and quarterly reports highlighting progress achieved in implementing the University's current budget and strategic business plan, including appropriate and relevant performance indicators	Comprehensive Institutional Plan (CIP)				x		
	Capitalization of Unrestricted Funds to Permanent Net Asset Endowments	As required					
	TEC Edmonton Annual Report						x
s) planning reports for individual capital projects and receive a quarterly report on these	Project Management Office Status Reports on University facilities and property (from FAO)	x	x		x		x
t) receive for review an annual report on donations and gifts and monitor performance against fundraising goals.							x
u) annually review the terms of reference for the Committee and recommend to the Board any required changes	Beginning or end of year	x					
Committee Education Opportunities							
Facility Tours: • Tour of Garneau Tamarack & Pinecrest Residences		x					
Integrated Planning and Budgeting Process Overview				x			
Financial Statements 101		posted to Portal – date TBC					

OUTLINE OF ISSUE

 Agenda Title: **Capitalization of Unrestricted Funds to Permanent Restricted Endowments Net Assets**

Motion: THAT the Board Finance and Property Committee recommend that the Board of Governors approve the transfer of \$\$2,500,691.39 of unrestricted net assets to permanent restricted endowment net assets.

Item

Action Requested	<input type="checkbox"/> Approval <input checked="" type="checkbox"/> Recommendation <input type="checkbox"/> Discussion/Advice <input type="checkbox"/> Information
Proposed by	Vice-President (Finance and Administration)
Presenter	Phyllis Clark
Subject	Approval of the transfer of unrestricted funds to permanent restricted endowment net assets.

Details

Responsibility	Vice-President (Finance and Administration)
The Purpose of the Proposal is (please be specific)	<p>The following faculties have requested capitalization:</p> <ul style="list-style-type: none"> • Agricultural, Life and Environmental Sciences - \$1,000,000.00 Source of funds: Mattheis Ranch revenue from oil & gas and utility right-of-way payments. Purpose: To match a portion of the Conservation Easement grant, and increase the funding available to support rangeland research, education and extension activity. • Medicine and Dentistry - \$52,657.00 Source of funds: Alberta Health Services research and education fund (\$30,000.00); Department of Pharmacology one-time funding (\$22,657.00). Purpose: To increase the number of students registered in Pharmacology MSc and PhD programs. • Science - \$345,000.00 Source of funds: Undesignated donations Purpose: To increase the principal of the SCI fund to provide an ongoing source of funding that will enable the faculty to focus financial resources on critical priorities. • Vice-President (Finance and Administration) - \$1,103,034.39 Source of funds: WCB Special Dividends Purpose: To increase the principal of the WCB fund to provide an ongoing source of funding that will enable the university to fund various health and safety initiatives.
The Impact of the Proposal is	Transfer of \$2,500,691.39 of unrestricted net assets to permanent restricted endowment net assets.
Replaces/Revises (eg, policies, resolutions)	None
Timeline/Implementation Date	Effective upon approval by the Board of Governors.

Estimated Cost	n/a
Sources of Funding	n/a
Notes	None

Alignment/Compliance

<p>Alignment with Guiding Documents</p>	<p>Dare to Discover: A Vision for a Great University Dare to Deliver: The University of Alberta Academic Plan 2011-2015</p>
<p>Compliance with Legislation, Policy and/or Procedure Relevant to the Proposal (please <u>quote</u> legislation and include identifying section numbers)</p>	<p><u>1. Post-Secondary Learning Act</u> Under the <i>Post-Secondary Learning Act</i>, the University’s Board of Governors has the <i>capacity, rights, powers and privileges of a natural person</i> (Section 59(1), and the Board is tasked with <i>managing and operating the University in accordance with its mandate</i> (Section 60). Thus, like any other owner of property, the governors of the University can create a trust by declaration whereby it yields up its ownership interest and becomes a trustee of the subject property, with beneficial ownership of the property residing elsewhere.</p> <p>This is equally so in terms of the creation of true permanent endowments (charitable purpose trusts) whereby the University can declare a trust that results in its taking on a trustee role for the property (in substitution for its prior ownership role) and whereby the beneficiaries of the trust become the equitable owners of the trust (i.e. in the case of a charitable purpose trust, the objects or purposes to which the endowment is devoted).</p> <p><u>2. University Policy and Procedure On-Line (UAPPOL)</u></p> <p>Board-approved Capitalization of Unrestricted Funds to Endowment Policy and relevant procedure.</p> <p><u>3. Board of Governors General Terms of Reference, Section 1.b. states:</u></p> <p><i>The Board has delegated to each Committee responsibility and authority to make decisions on behalf of the Board in the Committee’s defined area of responsibility except to the extent that such authority has been specifically limited by the Board in the Terms of Reference for the Committee.</i></p> <p><u>4. The Board Finance and Property Committee Terms of Reference</u> <i>Section 3</i> <i>Except as provided in paragraph 4 and in the Board’s General Committee Terms of Reference, the Committee shall monitor, evaluate, advise and make decisions on behalf of the Board with respect to all strategic and significant financial and property matters and policies of the University. The Committee shall also consider any other matter delegated to the Committee by the Board.</i></p> <p><i>Without limiting the generality of the foregoing, the Committee shall:</i></p> <ul style="list-style-type: none"> <i>a) review the sources of and application of financial resources</i> <i>b) review and recommend to the Board the guiding principles for changes to approved budgets and for transfer or reallocation of monies included in approved budgets.</i> <i>c) review and recommend to the Board the annual and other budgets and major issues of policy related to budgets</i> <p>4. <u>LIMITATIONS ON DELEGATION BY THE BOARD</u></p> <p><i>The general delegation of authority by the Board to the Committee shall be limited as set out in this paragraph. Notwithstanding the general delegation of authority to the Committee set out in paragraph 3, the Board shall:</i></p>

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	(a) <i>approve the guiding principles, budgets and changes to approved budgets and the transfer or reallocation of monies included in approved budgets;</i>
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Routing (Include meeting dates)

Consultative Route (parties who have seen the proposal and in what capacity)	
Approval Route (Governance) (including meeting dates)	Board Finance and Property Committee – For Recommendation – September 23, 2014 Board of Governors – For Approval – October 24, 2014
Final Approver	Board of Governors

Attachments:
None

Prepared by: Martin Coutts, Associate Vice-President, Finance and Supply Management Services
(martin.coutts@ualberta.ca, 492-3436)
Michele Pearce, Director, Financial Accounting and Reporting, Financial Services
(michele.pearce@ualberta.ca, 492-0877)

OUTLINE OF ISSUE

Agenda Title: **LAND ASSET STRATEGY– University of Alberta Properties Trust Inc. governance model**

Motion: THAT the Board Finance and Property Committee recommend to the Board of Governors, the approval of the governance model for the University of Alberta Properties Trust Corporation as set forth in attachment 1 (Articles of Incorporation) and attachment 2 (By-law no. 1).

Item

Action Requested	<input type="checkbox"/> Approval <input checked="" type="checkbox"/> Recommendation <input type="checkbox"/> Discussion/Advice <input type="checkbox"/> Information
Proposed by	Don Hickey, Vice-President (Facilities and Operations) and Phyllis Clark Vice-President (Finance and Administration)
Presenter	Don Hickey, Vice-President (Facilities and Operations)
Subject	Governance model by which the trust will carry out its business

Details

Responsibility	Facilities and Operations
The Purpose of the Proposal is (please be specific)	Administration seeks BFPC members' recommendation that the Board of Governors approve the governance model proposed for the University subsidiary in connection with it serving as corporate Trustee of the intended Land Trust.
The Impact of the Proposal is	Subject to Board of Governors' approval, the Order in Council approving the University's incorporation of the subsidiary will be submitted to Innovation and Advanced Education (IA&E).
Replaces/Revises (eg, policies, resolutions)	
Timeline/Implementation Date	Depending on the timing of the approval of the Order in Council, the appointed Directors will meet to organize and to start the process of recruiting a CEO.
Estimated Cost	(2014-2015) \$200,000.00 and (2015-2018) \$500,000.00 each of 3 years
Sources of Funding	Internal funding (loan to Trust)
Notes	<p>At the June 20 Board of Governors meeting the following motion was approved:</p> <p>THAT, subject to the prior approval of the Minister of Innovation and Advanced Education, under section 77 of the Post-secondary Learning Act and approval of the Lieutenant Governor in Council under section 80 of the Financial Administration Act, the Board of Governors authorizes and approves the incorporation of a subsidiary corporation, University of Alberta Properties Trust Inc., to act as the trustee of a trust for the purpose of holding and developing lands.</p> <p>Administration committed at that time to return to the Board of Governors meeting October 24, 2014, with a governance model suitable for a land trust. The proposed governance model is based on the principles contained in the Alberta Public Agencies Governance Act and known best practices of governance.</p>

<p>Alignment with Guiding Documents</p>	<p>Dare to Discover, Dare to Deliver, Comprehensive Institutional Plan, Long Range Development Plan 2002, Post-Secondary Learning Act (PSLA) 2003, Appendix XIX – South and North Campus LRDP amendments 2013, The President’s Change Agenda – Sustainable Financial Operations.</p>
<p>Compliance with Legislation, Policy and/or Procedure Relevant to the Proposal (please <u>quote</u> legislation and include identifying section numbers)</p>	<p>Post-Secondary Learning Act (PSLA) – Section 77 states: “a board must obtain the approval of the Minister for an incorporation prior to seeking Lieutenant Governor in Council approval under the Financial Administration Act”.</p> <p>Financial Administration Act (FAA) Section 80 states: “No person shall incorporate a Provincial corporation or Crown controlled organization without the approval of the Lieutenant Governor in Council”.</p> <p>UAPPOL – Creation of a Legal Entity “The University’s participation in the creation of legal entity, it must undertake appropriate due diligence to ensure that it has an understanding of the legal, financial and other issues associated with its involvement in the legal entity”</p> <p>Board Finance and Property Committee Terms of Reference 3. MANDATE OF THE COMMITTEE Except as provided in paragraph 4 and in the Board’s General Committee Terms of Reference, the Committee shall monitor, evaluate, advise and make decisions on behalf of the Board with respect to all strategic and significant financial and property matters and policies of the University. The Committee shall also consider any other matter delegated to the Committee by the Board. Without limiting the generality of the foregoing, the Committee shall: [...] n) review and recommend to the Board policies regarding the acquisition, management, control and disposition of University buildings, land and equipment and regarding individual project proposals and the implications of these short and long-range capital plans to the strategic vision of the University[...]</p> <p>4. LIMITATIONS ON DELEGATION BY THE BOARD The general delegation of authority by the Board to the Committee shall be limited as set out in this paragraph. Notwithstanding the general delegation of authority to the Committee set out in paragraph 3, the Board shall: [...] f) approve policies regarding the acquisition, management, control and disposition of University buildings, land and equipment and regarding individual project proposals and the implications of these short and long-range capital plans to the strategic vision of the University; g) review all decisions of the Committee with respect to the acquisition or disposal of real property; after any such review the Board may resolve to overturn or vary any such decision.</p>

Routing (Include meeting dates)

<p>Consultative Route (parties who have seen the proposal and in what capacity)</p>	<p>March 2013-August 2014 – Land Asset Management Advisory Task Force January 23, 2014, May 8, 2014, August 7, 2014 – President’s Executive</p>
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	<p>Committee – Strategic (PEC-S), February 13, 2014 and May 8, 2014, President’s Executive Committee – Operational (PEC-O), March 13, 2014 PEC O – Communications Workshop led by University Relations on leveraging assets</p> <p>June 20, 2013 – South Campus Long Range Development Plan (LRDP) Amendment, February 25, 2014 and North Campus LRDP Amendment – Board Finance and Property Committee</p> <p>2014 – Community Engagement report to the Board</p> <p>Faculty of Agricultural, Life and Environmental Sciences (ALES) – Dean and Chairs consultation November 2013 – March 2014</p> <p>May 21, 2014 – Deans’ Council and Community Consultation May 27, 2014 – Board Finance & Property May 30, 2014 – Board University Relations June 20, 2014 – Board of Governors approves the incorporation of a subsidiary corporation, University of Alberta Properties Trust Inc. September 19, 2014 – Presentation to Senate</p>
<p>Approval Route (Governance) (including meeting dates)</p>	<p>Board Finance and Property Committee (BFPC) – September 23, 2014 – for recommendation to the Board of Governors on governance model Board Human Resources Committee – September 23, 2014- for recommendation to the Board of Governors on the slate of Directors for the Trust</p>
<p>Final Approver</p>	<p>Board of Governors (BG) – October 24, 2014</p>

Attachments:

1. Attachment 1 – Articles of Incorporation (3 pages)
2. Attachment 2 – By-law no. 1 (8 pages)
3. Attachment 3 – Briefing Note and Information (includes Trust Deed, Supplemental Trust Deed, Members’ Resolution and Statement of Trust, all of which are provided for information only, solely for background and context) (30 pages)

Prepared by:
 Mary Paul
 Senior Administrative Officer
 Office of the Vice-President (F&O)
 mpaul@ualberta.ca

Articles Of Incorporation

Business Corporations Act, Alberta
Section 6

1. Name of Corporation

Alberta Corporate Access No.:

University of Alberta Properties Trust Inc.

2. The classes of shares, and any maximum number of shares that the corporation is authorized to issue:

See Schedule "A" attached hereto.

3. Restrictions on share transfers (if any):

None

4. Number, or minimum and maximum number, of directors that the corporation may have:

The Corporation may have a minimum of one (1) director and a maximum of eleven (11) directors.

5. If the corporation is restricted FROM carrying on a certain business, or restricted TO carrying on a certain business, specify the restriction(s):

None

6. Other rules or provisions (if any):

See Schedule "B" attached hereto.

7. Date authorized by Incorporators:

Year/Month/Day

Incorporator

Name of Person Authorizing (please print & sign)	Address: (including postal code)

This information is being collected for the purposes of corporate registry records in accordance with the Business Corporations Act. Questions about the collection of this information can be directed to the Freedom of Information and Protection of Privacy Coordinator for Alberta Registries, Research and Program Support, Box 3140, Edmonton, Alberta T5J 2G7, (780) 427-7013
REG 3047 (2001/09)

SCHEDULE "A"

2. THE CLASSES OF SHARES, AND ANY MAXIMUM NUMBER OF SHARES THAT THE CORPORATION IS AUTHORIZED TO ISSUE:

The Corporation is authorized to issue an unlimited number of Class A Common shares having attached thereto, as a class, the following rights, privileges, restrictions and conditions:

- (a) The right to vote at any meeting of the shareholders of the Corporation;
- (b) The right to receive dividends as, when, and if declared on the Class A Common shares by the Corporation; and
- (c) The right to receive the remaining property of the Corporation upon dissolution.

SCHEDULE "B"

6. OTHER RULES OR PROVISIONS (IF ANY):

- (a) The Corporation shall have a lien on all shares registered in the name of a shareholder or his legal representative for any debt of that shareholder to the Corporation.
- (b) The Directors of the Corporation shall be elected and shall retire in rotation. At the first Annual General Meeting, the shareholders shall elect:
 - (i) up to four (4) Directors, each serving a term that ends at the close of the third Annual General Meeting following the Annual General Meeting at which those Directors were elected;
 - (ii) up to four (4) Directors, each serving a term that ends at the close of the second Annual General Meeting following the Annual General Meeting at which those Directors were elected;
 - (iii) up to three (3) Directors, each serving a term that ends at the close of the next Annual General Meeting following the Annual General Meeting at which those Directors were elected;
 - (iv) thereafter at each Annual General Meeting Directors shall be elected to fill the positions of those Directors whose term of office has expired and each director so elected shall hold office until the third Annual General Meeting after election; and
 - (v) Directors shall be eligible for re-election, and may serve up to a maximum of ten (10) years.

BY-LAW NO. 1

A BY-LAW RELATING GENERALLY TO THE TRANSACTION OF THE BUSINESS AND AFFAIRS OF UNIVERSITY OF ALBERTA PROPERTIES TRUST INC.

Section 1 INTERPRETATION

1.01 Definitions

In these and any other by-laws of the Corporation, if any, unless the context otherwise requires:

- (a) "Act" means the *Business Corporations Act* (Alberta), R.S.A. 2000, c.B-9, as from time to time amended, and any statute that may be substituted therefor;
- (b) "Articles" means the articles attached to the certificate of the Corporation as from time to time amended or restated;
- (c) "Board" means the board of directors of the Corporation;
- (d) "Corporation" means the corporation which has adopted these by-laws and to which the same apply; and
- (e) "Recorded Address" means in the case of a shareholder his or her address as recorded in the share register; and in the case of joint shareholders the address appearing in the share register in respect of such joint holding or the first address so appearing if there are more than one; and in the case of a director, officer, auditor or member of a committee of the Board, his or her latest address as recorded in the records of the Corporation.

1.02 Interpretation

Save as aforesaid, words and expressions defined in the Act have the same meanings when used herein; words importing the singular number include the plural and vice versa; words importing gender include the masculine, feminine and neuter genders.

Section Two DIRECTORS

2.01 Number of Directors

The Board shall consist of the number of directors provided in the Articles, or, if a minimum and maximum number is so provided, not fewer than the minimum number and not more than the maximum number of directors provided in the Articles.

2.02 Composition of the Board

Of the directors to be appointed to the Board, the shareholders shall appoint to the Board not more than four (4) of the following individuals: i) the Chair of the Board of Governors of the University of Alberta, or his/her designate at the time of the appointment, ii) the President of the University of Alberta, or his/her designate at the time of the appointment, iii) a Vice-President of the University of Alberta; or iv) a public member of the Board of Governors of the University of Alberta. At no time shall the directors who are members of the Board of Governors of the University of Alberta or officers of the University of Alberta constitute a majority of the Board.

2.03 Meetings by Telephone

A director may participate in a meeting of the Board or of a committee of the Board by means of telephone or other communications facilities that permit all persons participating in the meeting to hear each other.

2.04 Calling of Meetings

Meetings of the Board shall be held from time to time at such time and at such place as the Board, the Chairperson of the Board, the President, the Secretary, or any two directors may determine.

2.05 Notice of Meetings

Notice of the time and place of each meeting of the Board shall be given to each director not less than 48 hours before the time when the meeting is to be held. This notice may be delivered to the Recorded Address of the directors. A notice of a meeting of directors need not specify the purpose of or the business to be transacted at the meeting except where the Act requires such purpose or business to be specified.

2.06 Chairperson

The chairperson of any meeting of the Board shall be the first mentioned of such of the following officers as have been appointed and who is a director and is present at the meeting: Chairperson of the Board, or Vice-Chairperson of the Board. If no such officer is present, the directors present shall choose one of their number to be the chairperson.

2.07 Quorum

One director, or, if there is more than one director elected at the last meeting of the shareholders, one half of that number of directors, or if such number is an odd number, a majority of the number of directors elected at the last meeting of shareholders shall constitute a quorum of the Board.

2.08 Votes to Govern

At all meetings of the Board every question shall be decided by a majority of the votes cast on the question.

2.09 Remuneration of Directors

Directors shall receive no remuneration for acting as such but, by resolution of the Board, a director may be reimbursed for reasonable expenses incurred by him or her in the performance of his or her duties.

Section Three OFFICERS

3.01 Appointment

Subject to the Articles and any unanimous shareholder agreement, the Board may from time to time appoint a Chairperson of the Board, a Vice-Chairperson of the Board, a President, one or more Vice-Presidents (to which title may be added words indicating seniority or function), a Secretary, a Treasurer and such other officers as the Board may determine, including one or more assistants to any of the officers so appointed. The Board may specify the duties of such officers and, in accordance with this by-law and subject to the Act, delegate to such officers powers to manage the business and affairs of the Corporation.

3.02 Powers and Duties

Subject to a unanimous shareholder agreement and the authority of the Board:

- (a) the Chairperson of the Board must be a director, may be a member of the Board of Governors of the University of Alberta, and shall not be an individual who is an officer of the University of Alberta;
- (b) the President shall have general supervision of the business of the Corporation and shall not be a director;
- (c) the Secretary shall:
 - (i) attend and be the secretary at all meetings of the Board, Committee of directors, and shareholders and shall enter or cause to be entered in records kept for that purpose minutes of all proceedings thereat;
 - (ii) give or cause to be given all notices to shareholders, directors, officers and auditors;
 - (iii) be the custodian of any corporate seal of the Corporation and of all books, papers, records, documents and instruments belonging to the Corporation;
- (d) the Treasurer shall:
 - (i) keep or cause to be kept proper accounting records in compliance with the Act;
 - (ii) be responsible for the deposit of money, the safekeeping of securities and the disbursement of funds of the Corporation; and
 - (iii) render to the Board an account of all transactions and of the financial position of the Corporation;
- (e) an officer ceases to hold the office when that officer dies, resigns, is removed by the Board or ceases to be an individual of full capacity, whichever shall first occur; and
- (f) the powers and duties of any officer may be varied, added to or limited by the Board.

Section Four

PROTECTION OF DIRECTORS AND OFFICERS

4.01 Indemnity

Subject to the Act, the Corporation does hereby indemnify any director or officer or former director or officer or any person who acts or acted at the Corporation's request as an officer or director of a body corporate of which the Corporation is or was a shareholder or creditor, and their heirs and legal representatives, against all costs, charges and expenses, including an amount paid to settle an action or to satisfy a judgment, reasonably incurred by them in respect of any civil, criminal or administrative action or proceeding to which they are made a party by reason of being or having been a director or officer of the Corporation or body corporate, if:

- (a) they acted honestly and in good faith with a view to the best interests of the Corporation; and
- (b) in the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, they had reasonable grounds for believing that their conduct was lawful.

Section Five DIVIDENDS AND RIGHTS

5.01 Unclaimed Dividends

Any dividend unclaimed after a period of 6 years from the date on which the same has been declared to be payable shall be forfeited and shall revert to the Corporation. There shall be no obligation upon the Corporation to earmark or set aside any unclaimed dividend at any time after it has been declared and prior to this forfeiture and reversion to the Corporation.

5.02 Method of Payment

A dividend may be paid by mailing a cheque to the Recorded Address of the shareholder. Every such cheque shall be payable to the order of the person to whom it is sent. The payment of any such cheque by the Corporation, if purporting to be endorsed by the person to whom it was made payable, shall be a good discharge to the Corporation, notwithstanding that such signature is not in fact genuine.

Section Six MEETINGS OF SHAREHOLDERS

6.01 Chairperson, Secretary and Scrutineers

The chairperson of any meeting of shareholders shall be the first mentioned of such of the following officers who is present at the meeting: Chairperson of the Board, or Vice-Chairperson of the Board. If no such officer exists or is not present within 15 minutes from the time fixed for holding the meeting, the persons present and entitled to vote shall choose one of their number to be chairperson. If the Secretary of the Corporation is absent, the chairperson shall appoint some person, who need not be a shareholder, to act as secretary of the meeting. If desired, one or more scrutineers, who need not be shareholders, may be appointed by a resolution, or by the chairperson with the consent of the meeting.

6.02 Persons Entitled to be Present

Subject to the Act, the only persons entitled to be present at a meeting of shareholders shall be those entitled to notice thereof. Other persons may be admitted only on the invitation of the chairperson of the meeting with the consent of the meeting.

6.03 Quorum

A quorum for the transaction of business at any meeting of shareholders shall be one or more persons present in person, each being either a shareholder entitled to vote thereat, or a duly appointed proxyholder or representative for a shareholder so entitled, representing in the aggregate **51%** of the issued shares of the Corporation entitled to vote at such meeting.

6.04 Votes to Govern

At any meeting of shareholders every question shall, unless otherwise required by the Articles or by-laws or by the Act, be determined by a majority of the votes cast on the question.

6.05 Adjournment

If a quorum was present at the opening of any meeting of the shareholders, the chairperson at any such meeting may, with the consent of the meeting and subject to such conditions as the meeting may decide, adjourn the meeting from time to time and from place to place.

6.06 Meetings by Telephone

A shareholder may participate in a meeting of the shareholders by means of telephone or other communication facility that permits all persons participating in the meeting to hear each other.

Section Seven DEBTS TO THE CORPORATION

7.01 Enforcement of Lien

The Corporation may enforce a lien on a share or shares registered in the name of a shareholder of the Corporation or the shareholder's legal representative for any debts of that shareholder to the Corporation by:

- (a) the Corporation repurchasing such shares for cancellation from that shareholder or the shareholder's legal representative; or
- (b) the Corporation selling the shares subject to the lien in any manner and to any person that the Board sees fit.

7.02 Exercise of Right of Sale

No repurchase or sale pursuant to clause 7.01 shall occur until:

- (a) a written demand for payment has been served to the registered holder of the shares subject to the lien,
- (b) a notice of intention to repurchase or sell has been given to the registered shareholder no sooner than fourteen (14) days after the written demand for payment was served, and
- (c) the debt has remained outstanding, in whole or in part, for at least seven (7) days after the notice of intention to repurchase or sell was given.

7.03 Proceeds of Sale

The proceeds of the sale of shares subject to a lien shall be applied:

- (a) first, to satisfy the cost to the Corporation of selling or repurchasing the shares and,
- (b) second, to satisfy the debt upon which the lien was based,
- (c) with the balance, if any, to the debtor or his legal representative, whomever is shown on the register.

7.04 Title of Purchaser

The Board shall appoint a person who is empowered to execute a transfer of the shares sold pursuant to this section 7. The purchaser shall not be affected by any irregularities in the sale proceedings or in the application of the purchase money. Upon the purchaser's registration as the holder of the shares, the purchaser's title may not otherwise be impeached by anyone and

any remedies of the debtor or the debtor's legal representative shall be in damages only and against the Corporation exclusively.

7.05 Eligibility of Dividends

The Corporation may also apply any dividends declared on the share or shares subject to a lien to discharge the debt.

MADE by the Directors the ____ day of _____, 2014.

CONFIRMED by the shareholders in accordance with the Act the ____ day of _____, 2014.

Board Committee Briefing

Land Asset Strategy- University of Alberta Properties Trust Corporation

This briefing highlights key elements from the Business Case on the proposal brought forward by senior administration to the Board of Governors on June 20, 2014, and provides a high-level summary of the governance model and progress updates.

Board Human Resources and Compensation will be asked to recommend approval to the Board of Governors on the slate of directors put forward to sit on the board of directors of the corporation.

Board Finance and Property Committee will be asked to recommend approval to the Board of Governors of the governance model of the subsidiary corporation in connection with it serving as corporate Trustee of the intended Land Trust.

Business Case Summary

The University of Alberta seeks to establish a Land Trust that will develop university lands in a manner complementary to the long-term vision for the university. Income from the Land Trust is intended to provide ongoing revenues for the institution, thereby also advancing its economic agenda.

The university has received tax advice that to best maintain its charitable organization status under the Income Tax Act, it needs to ensure it only conducts “related business”—with the commercial development of university lands potentially being an “unrelated business.” The establishment of a Land Trust to develop university lands addresses this concern and provides for the generation of revenue from lands in a manner that is consistent with the institution’s mandate and does not detract from the university’s core business of academic and research priorities.

To ensure the Land Trust is established in a way that minimizes risk for the institution while maximizing the opportunity of monetizing land assets, the university has sought the advice of legal counsel, sought tax experts and completed a risk assessment. In addition, a basic preliminary cost-benefit analysis has been completed.

The university’s model enlists a corporation established by the university to act as trustee. Use of an arm’s-length corporate trustee allows for the introduction of land development expertise and efficiencies, and allows for maximum flexibility in meeting the mandate established for the development of such lands.

Ministerial approval of the incorporation of the university subsidiary that will serve as trustee is required under section 77 of the Post-secondary Learning Act. An order-in-council is also required under section 80 of the Financial Administration Act. For placement of lands by the university into the trust, an order-in-council will be required pursuant to section 67 of the Post-secondary Learning Act.

The university currently owns more than 26,000 acres of land in Alberta. These lands have been acquired through the Crown, or purchased or donated. Most (but not all) university land use is guided by the Long Range Development Plans (LRDP) first approved by the Board of Governors in 2002 with the South Campus LRDP amendment occurring in 2013 and the North Campus LRDP amendment in 2014. An LRDP forecasts land use needs and requirements to support the longer-term priorities of the university. Such plans are the result of extensive internal and external consultation and discussions between the university and neighbouring communities. Lands identified in the LRDP are classified into three categories:

- Lands used primarily for academic and research purposes
- Lands used primarily for research purposes
- Lands not needed for the core purposes of the institution, namely teaching and research

For example, based on the existing South Campus LRDP amendment, the part of South Campus typically referred to as the West 240 consists of lands being considered for development by the institution and are lands contemplated for placement into the Land Trust. Other campus land parcels owned by the university may also be appropriate to move into the Land Trust. Decisions regarding which lands will be moved to the trust will be guided by the potential to maximize the benefits of those lands in conjunction with the strategic needs of the institution.

The university's model is patterned after the University of British Columbia's land trust, which has been operating successfully since 1988. In Alberta, University of Calgary (UC), Olds College (OC) and Keyano College (KC) have all set up corporate subsidiaries for the purposes of land development. UC has established a land trust, with a corporate trustee, for the development of its 185-acre West Campus lands.

The University of Alberta's Land Trust allows for the university to advance its entrepreneurial opportunities and enhance future sustainability.

Progress Updates

At the June 20 Board of Governors meeting the following motion was approved:

THAT, subject to the prior approval of the Minister of Innovation and Advanced Education, under section 77 of the Post-secondary Learning Act and approval of the Lieutenant Governor in Council under section 80 of the Financial Administration Act, the Board of Governors authorizes and approves the incorporation of a subsidiary corporation, University of Alberta Properties Trust Inc., to act as the trustee of a trust for the purpose of holding and developing lands.

Administration committed at that time to return to the Board of Governors meeting October 24, 2014, with a governance model suitable for a land trust. The proposed governance model is based on the principles contained in the Alberta Public Agencies Governance Act and known best practices of governance.

July and August

The Land Asset Management Advisory Task Force composed of Gordon Clanachan, Marc de la Bruyère, Jerry Naqvi, Ralph Young, Phyllis Clark, Debra Pozega Osburn, Don Hickey and Brad Hamdon, met on two

occasions to review a proposed composition and a high-level overview of the governance model. A matrix was created with a focus on expert knowledge with strong fiduciary competencies from which to evaluate potential candidates from the public and corporate sector to act as directors of the university's subsidiary corporation that will be acting as corporate trustee of the Land Trust. A search firm was selected through an RFP process to approach potential candidates to confirm qualifications and to deem whether there was an expression of interest. The Task Force has given input regarding the foregoing.

University of Alberta Properties Trust Corporation

The university will be the sole shareholder of the subsidiary corporation that will serve as corporate trustee and it will be entitled to appoint the directors of the corporation's governing board.

In terms of the composition of that board, the university will appoint up to four of the following individuals: the chair of the Board of Governors of the University of Alberta (or their designate), the president of the University of Alberta (or their designate), a vice-president of the University of Alberta, or a public member of the Board of Governors of the University of Alberta. At no time will these individuals constitute a majority of the board. The remaining members of the board will consist of individuals with expertise in land development and other areas which will complement the board. As trustee, the corporation and its board will be responsible for administering the Land Trust in accordance with the terms and mandate of the Land Trust and, specifically, to meet and support the best interests of the university.

The University of Alberta Properties Trust (the "Land Trust")

The trust deed provides that any income from the trust is allocated to the university itself (as beneficiary of the trust) or to a companion endowment (of which the university is trustee) established as an additional or alternative second beneficiary (the "University Properties General Endowment").

Through a supplemental trust deed, the University of Alberta Properties Trust Corporation is made trustee of the trust. The trust terms are also varied so as to reflect a specific mandate for the trustee with respect to any lands placed by the university into the trust. In accordance with the terms of the trust deed, both this trustee appointment and the trust variance require the approval of the members of the Board of Governors. Note that, by design, these powers are not exercised directly by the Board of Governors itself; instead, they are exercised by its members as the group of individuals appointed under the trust deed for such purposes.

Under the specific mandate that will be incorporated into the trust deed, the trustee is obligated to manage and develop those university-owned lands that are placed into the trust:

- In accordance with the trust deed, and with any agreements entered into as between the university and the trustee regarding such lands (as contemplated to be entered into as and when lands are placed into the trust); and
- In alignment with any applicable Long Range Development Plans (as amended from time to time), to which lands placed into the trust are subject.

The trust deed provides the trustee with broad powers to invest and manage. The beneficiaries of the trust have the ability to terminate the trust at any time.

Next Steps

Should the Board of Governors approve the motions brought forward to the October 24 Board of Governors meeting, the next steps will be the following:

- To have the members of the Board of Governors convene at the same time (October 24) to approve, via the supplemental trust deed:
 - the substitution of the subsidiary corporation as trustee
 - the variance of the trust to provide the mandate for the development of university lands placed into the trust
- To obtain the requisite approvals from the Province and incorporate the subsidiary corporation
- For the corporation to meet to organize and start the process of recruiting a president/CEO
- To place lands into the trust, including by:
 - attaining the requisite approval of the Province
 - entering into formal agreement with the trustee concerning the form and substance of such placement (envisaged to be by long-term lease)

THE UNIVERSITY OF ALBERTA PROPERTIES TRUST

TRUST DEED

THE TRUST DEED is made on and effective the ____ day of _____, 2014.

BETWEEN:

Jennifer J. Oakes, an individual resident in the city of
Edmonton, in the Province of Alberta (the “**Settlor**”)

OF THE FIRST PART

AND:

Greg A. Harding, an individual resident in the city of
Edmonton, in the Province of Alberta (the “**Trustee**”)

OF THE SECOND PART

WHEREAS the Settlor intends to establish a Trust for the benefit of the beneficiaries identified herein and has entered into this Trust Deed to witness the creation of the same, to establish the terms of the Trust, and to define the rights and obligations of the Trustee:

1. CREATION OF THE TRUST

- 1.1 Name of the Trust. The Trust created by this Deed shall be known as **The University of Alberta Properties Trust** (the “Trust”), or such other name as the Trustee may from time to time determine.
- 1.2 Settlement of the Trust. The Settlor hereby settles upon the Trustee the property described in Schedule “A” attached hereto.
- 1.3 Acceptance of the Trust. The Trustee, by joining in the execution of this Deed, signifies receipt of the property described in Schedule “A” and acceptance of this Trust and the duties and obligations contained here.
- 1.4 Irrevocability of the Trust. The Trust shall be irrevocable by the Settlor, but may be terminated in accordance with the power provided for in Part 10 hereof.

2. PURPOSES

2.1 Definitions. For the purposes of this Deed:

- (a) “**Associate of the Trustee**” means:

- (i) Any subsidiary or associated corporation of a Trustee;
 - (ii) Any corporation of which a Trustee is directly or indirectly an associated corporation;
 - (iii) Any holding corporation of a Trustee or of any corporation included in Clause 2.1(a)(ii) above; and
 - (iv) Any subsidiary or associated corporation of any corporation included in Clause 2.1(a)(iii) above;
- (b) **“Beneficiaries”** means:
- (i) The University of Alberta, a university duly created under the laws of the Province of Alberta; and,
 - (ii) The University Properties General Endowment, an existing charitable purpose trust of which the University of Alberta is trustee.
- (c) **“Benefit”** means any benefit whatsoever including, without limitation, any payment or transfer for the purposes of education, teaching, research, development of intellectual property, administrative and operational service, maintenance, support, advancement, or any one or more such purposes;
- (d) **“Deed”** means this Trust Deed and any supplementary deed writing;
- (e) **“Discretion”** means absolute and uncontrolled discretion to the extent enabled by law;
- (f) **“Division Date”** means the first to occur of the following dates:
- (i) Twenty-one (21) years after the date of death of the last surviving issue of Her Majesty, Queen Elizabeth II, alive on the date of this Deed; and
 - (ii) Such day prior to the day described in Clause 2.1(f)(i) as the Trustee in its Discretion may select as the Division Date;
- (g) **“Net Income”** of the Trust for a particular calendar year means the amount that would be the income of the Trust for purposes of the *Income Tax Act* (Canada) including, without limitation, any capital gains derived from deemed dispositions of property of the Trust and any other deemed income, before deducting any amount pursuant to subsection 104(6) of the *Income Tax Act* (Canada) (or pursuant to any provision which may be substituted therefor or of similar effect);

- (h) **“Person”** means person or any word or expression descriptive of a person and includes any body corporate and politic, any individual, trust, partnership, organization, association or entity whatsoever;
- (i) **“Person Entitled to Appoint a Trustee”** means the members of the Board of Governors of the University of Alberta as duly appointed and elected from time to time pursuant to the *Post-secondary Learning Act* (Alberta), R.S.A. 2000, c. P-19.5 (including as subsequently amended), or its delegate. The Person Entitled to Appoint a Trustee may adopt any rules or policies which it may from time to time deem proper to govern its procedure in appointing a Trustee provided that any decision made by said members to themselves appoint a Trustee or exercise any other power provided to them hereunder, shall be made by majority decision;
- (j) **“Tax Act”** means the *Income Tax Act* (Canada) and the regulations promulgated thereunder, as amended from time to time;
- (k) **“Trust Fund”** means:
- (i) The property declared to be held in trust in Clause 1.2;
 - (ii) All other assets in which the property declared to be held in trust in Clause 1.2 may be converted and invested by the Trustee;
 - (iii) All other assets which are now or which at any time during the continuance of may be acquired by or assigned, transferred or appointed to the Trust and which the Trustee may be willing to accept and hold upon the trusts hereof and which may be invested or converted by the Trustee; and
 - (iv) Any income, including capital gains, derived from the assets, or from dispositions of assets, comprising the Trust Fund which is accumulated by the Trustee,
- but excludes all amounts which have been paid or disbursed therefrom pursuant to the provisions of this Trust;
- (l) **“Trustee”** means the original Trustee herein, and any other trustee from time to time acting under this Trust and shall include any successor Trustee appointed pursuant to Part 6 hereof.

2.2 For the purposes of interpretation and construction of this Deed, the singular shall mean and include the plural and vice versa and any gender shall mean and include all of the genders. The titles and sub-titles of this Deed are inserted and included for the purpose of convenience only and should not be used in the interpretation or construction of this Deed.

2.3 Purposes. The Trustee shall and it hereby agrees to hold the Trust Fund in trust and administer it for the following purposes:

(a) Net Income Interest

Until the Division Date, the Trustee shall pay, transfer, or accrue as payable all of the Net Income arising in any calendar year, to or for the Benefit of the Beneficiaries, at such time or times and in such manner, and divided into such amounts amongst the Beneficiaries as the Trustee in its Discretion shall determine. For greater certainty, the Trustee shall have the Discretion to allocate all of such Net Income to one of the Beneficiaries and not the other. For further greater certainty, and to ensure and confirm that all of the Net Income arising in any calendar year shall be duly distributed as mandated by this Clause 2.3(a), the Trustee may in its Discretion at any time in a particular calendar year direct that any Net Income of the Trust arising in that calendar year which has not been so paid, transferred or accrued as payable prior to the end of that calendar year or which is not determinable until a time after the end of that calendar year, be paid, transferred, or accrued as payable on December 31 of that calendar year, or on demand prior to that date by one of or both Beneficiaries.

(b) Discretionary Capital Interest

Until the Division Date, the Trustee may in its Discretion encroach upon the capital of the Trust Fund including to pay or transfer any amount or amounts of the Trust Fund to or for the Benefit of one or both Beneficiaries, at such time or times and in such manner as the Trustee in its Discretion shall determine.

(c) Extent of Encroachment

Notwithstanding the generality of Clause 2.3(b), the Trustee may in its Discretion encroach upon the Trust Fund to such an extent that the Trust Fund is completely distributed.

(d) Distribution on Division Date

Upon the Division Date, the Trustee shall distribute the Trust Fund to the Beneficiaries of the Trust at that time and in such manner, and in such amounts, as between the Beneficiaries as the Trustee in its Discretion shall determine. For greater certainty, the Trustee shall have the Discretion to allocate all of such distribution to one of the Beneficiaries and not the other.

3. DISTRIBUTIONS TO BENEFICIARIES

- 3.1 Any power hereby or by law conferred on the Trustee to distribute, pay, transfer, appropriate or apply any or all of the Net Income and the Trust Fund to or for the Benefit of the Beneficiaries may at the Discretion of the Trustee be validly exercised:
- (a) By distributing the same, in the Trustee's Discretion, by way of cash, kind or by delivery of a promissory note of the Trust; and
 - (b) By paying or transferring the same to the trustees of any settlement, the provisions of which are, in the Discretion of the Trustee, for the benefit of one of or both Beneficiaries, notwithstanding that such settlement may also contain trusts, powers or provisions, discretionary or otherwise, in favour of some other person or persons or objects, provided that no such payment or transfer shall be made so as to infringe upon the rule against perpetuities, if any, applicable to this Trust. The receipt by such trustees of such settlement shall be a full and sufficient discharge to the Trustee.

4. POWERS AND AUTHORITIES OF THE TRUSTEE

- 4.1 Without in any way limiting or derogating from the powers, authorities, discretions and immunities otherwise howsoever available to the Trustee, whether under any statute or at law, the Trustee hereunder shall have and be invested with the following powers, authorities, discretions and immunities, as to which its judgment shall be final and conclusive upon all interested parties, and no person dealing with the Trustee and the Trust shall be charged with any duty to enquire into the propriety of its actions, that is to say:
- (a) Without restriction, to make or retain any investment or investments that it considers advisable, and to invest in property of any kind, and in any manner as if the Trustee was absolutely entitled to the Trust Fund, and the Trustee shall not be responsible for any loss which may be occasioned by reason of the making of such investments or the retention of the same;
 - (b) Without restricting the generality of Clause 4.1(a), to invest without diversification; and to make or retain any investment or investments in speculative assets, wasting assets, or assets which yield little or no income; and to make or retain any investment or investments in one or more mutual funds (with any such investment not being an unauthorized delegation of any power, authority, or discretion of the Trustee);
 - (c) To manage real or leasehold property entrusted to it or either of the Beneficiaries or from time to time held by one or both Beneficiaries, and to make such ordinary and extraordinary repairs and such alterations and improvements thereon as the

Trustee shall deem advisable; to raise buildings and erect new buildings; to subdivide and plot real property; to lay out and dedicate ways, roads and public places; to grant or release easements and to enter into partition, party wall or boundary line agreements and agreements of any kind with respect to real property; to make any payment for such repairs, alterations and improvements or services or in connection with such management out of the Trust Fund or the Net Income in such proportions as the Trustee in its Discretion considers advisable; to renew and hold renewed any mortgage or mortgages; to borrow money for refunding any mortgage or mortgages; and generally to manage any such real or leasehold property;

- (d) To lease at any time and from time to time real property or any interest in real property entrusted to the Trustee by one of or both of the Beneficiaries, or from time to time held by the Trustee or one of or both of the Beneficiaries for such term or terms of months or years, to begin presently or in the future, as it may deem proper, even though such lease or leases may be for a term or terms exceeding that authorized by law and may extend beyond the time of the termination of the Trust or any trust estate herein created. The Trustee in its Discretion may enter into such leases with such options to the lessees as it shall deem proper including, without limiting the generality thereof, terms for renewal and/or purchase upon such covenants, terms, conditions, agreements and provisions as it shall deem proper, and in connection therewith may make, execute, acknowledge and deliver any and all instruments that may be necessary, proper or desirable;
- (e) To permit one of or both of the Beneficiaries to occupy or reside in or upon any real or immovable property or to have the use and enjoyment of any moveable property for the time being held upon the Trustee hereof at a rent to be determined by the Trustee and generally upon such terms as the Trustee shall in its Discretion think fit;
- (f) To carry on, participate or invest in any corporation, partnership, joint venture or co-operative and to enter into such leases, contracts or other undertakings relating to the assets comprising the Trust Fund, or any part thereof, as the Trustee shall in its Discretion deem advantageous, notwithstanding that such leases, contracts or undertakings extend or may extend beyond the termination of the Trust;
- (g) To deal in any way with any and all of the assets comprising the Trust Fund from time to time in the same manner as it might personally do if it were the beneficial owner of the assets comprising the Trust Fund;
- (h) To execute and deliver agreements, assignments, bills of sale, contracts, deeds, notes, powers of attorney, receipts and any and all other instruments in writing necessary or appropriate in the Discretion of the Trustee for the administration of the Trust, and to execute any such instrument without warranty by or without recourse to the Trustee;

- (i) To open and operate such financial institution account or accounts as may be expedient in the Discretion of the Trustee and to deposit any cash balances in the hands of the Trustee at any time in such financial institution as the Trustee shall decide and, for the purposes of the Trust, to draw, make, endorse, deposit or deal in cheques, bills of exchange, promissory notes, drafts or any other mercantile, commercial or security documents of any nature or kind, and to enter into contracts or agreements of any nature or kind with such financial institution, and all such forms as may be required to open financial institution accounts, operate same related matters shall be completed in the required manner and on the forms required by such financial institution account, and to designate any person or persons as the signing authority for any such financial institution account or accounts opened by the Trustee;
- (j) To vote all shares and stocks forming part of the Trust Fund and to exercise all rights incidental to the ownership of the shares, stocks, bonds, debentures or other securities or investments forming part of the Trust Fund and to issue proxies therefor to others; to vote for the election to any executive or other board or committee of any such corporation or association and to serve in any such office or on any such board or committee and accept and receive remuneration for such services without diminution of compensation to the Trustee as fiduciary hereunder and without being liable to account for such remuneration; to sell or exercise any subscription rights and in connection with the exercise of such subscription rights to use any portion of the Trust Fund for such purpose; to consent to and join in any plan for reconstruction, reorganization, amalgamation, consolidation or readjustment in respect of any corporation whose shares, stocks, bonds, debentures or other securities for the time being form part of the Trust Fund or for the sale of the assets and undertaking, or a substantial portion thereof, of any such corporation and in pursuance of any such plan to accept shares, stocks, bonds, debentures or other securities then forming part of the Trust Fund; and in respect of any securities or investments forming part of the Trust Fund, generally to act as fully and effectually as if the same were not part of the Trust Fund but always in such manner as the Trustee shall in its Discretion consider to be in the best interest of the Beneficiaries;
- (k) To appoint any person or persons to be its proxy to vote such shares and stocks as may form part of the Trust Fund;
- (l) To borrow money in its Discretion on security or without security from time to time for any purpose connected with the administration of the Trust Fund upon such terms and conditions as the Trustee may deem advisable, and as security therefor it may mortgage, pledge, hypothecate or otherwise charge the Trust Fund or any part thereof and may make, execute and deliver under seal or otherwise such notes, bonds, mortgages or other obligations as may be required. For greater certainty such borrowings may be made from one of or both Beneficiaries;

- (m) In the case of an investment purchased or sold at a premium or discount or in the case of any moneys received, to determine in its Discretion whether such premium, discount or amount received shall be credited to or charged against capital or income;
- (n) In the case of a receipt of stock dividends or subscription rights from stocks held as an asset of the Trust Fund, to determine in its Discretion whether such stock dividends or subscription rights, or the proceeds thereof if the same should be sold, shall be credited to capital or income;
- (o) To enter into any partnership or limited partnership agreement or agreements;
- (p) To incorporate any corporation or corporations under the laws of the Province of Alberta or any other jurisdiction in Canada or elsewhere at the expense of the Trust Fund for the purpose of investing the whole or any part of the Trust Fund in shares or other securities of such corporation or corporations.
- (q) To employ and compensate agents, accountants, solicitors, brokers, investment advisors and other employees, assistants and advisors deemed by the Trustee to be helpful for the proper settlement or administration of the Trust, and to do so without any liability for any neglect, omission, misconduct or default of any such employed person provided they were selected and retained with reasonable care;
- (r) To make any payments, provisions, apportionments or distributions which may be determined or required under the terms of this Trust, in whole or in part, in money, securities or other property comprising the assets of the Trust Fund, including in the form of payment of interest, or repayment of capital or repayment of debt owing and every apportionment, distribution and valuation therefor which the Trustee in its Discretion shall consider equitable shall be final, conclusive and binding upon all person interested hereunder;
- (s) To carry on any business or businesses for such length of time and either alone or in partnership as the Trustee in its Discretion shall consider to be in the best interest of the Trust including, without restricting the generality thereof, partnership or in any other capacity with any corporation or corporations in which the Trustee is directly or indirectly interested either in its own right or in its capacity as Trustee or in any other capacity, and in connection therewith to make, execute, negotiate and arrange all matters of payments, commercial credits, bills of exchange and all other necessary authorities to bankers and others from the Trust Fund or the Net Income in such proportions as the Trustee in its Discretion considers advisable for the purpose of carrying on such business or businesses. The Trustee shall be indemnified by the Trust for any loss, liability, costs or expenses suffered or incurred by reason of carrying on such business or businesses;

- (t) To exercise, or concur in exercising, the voting and other rights attaching to any securities for the time being forming part of the assets comprising the Trust Fund so that a Trustee who becomes a director or other officer or employee of any corporation is paid reasonable remuneration for such services to that corporation without being liable to account to the Trust therefor;
- (u) To grant options for such proper consideration and exercisable at such time or times or within such period as the Trustee may think fit for the purchase of any property or for the acquisitions of any interest therein;
- (v) To waive or agree to waive, in whole or in part, unpaid accrued interest or accumulated dividends of any investment which may be held by it at any time, or to release any person, firm or corporation from any obligation to the Trust, with or without compensation therefor;
- (w) To advance moneys or any part of the assets comprising the Trust Fund by way of loan to any person, including the Trustee or one of or both Beneficiaries, with or without interest, upon such terms as to payment, and with or without security, as the Trustee in its Discretion deems advisable;
- (x) To carry insurance against hazards, including public liability, in such amounts and in any type of insurance company as the Trustee in its Discretion deems advisable;
- (y) To make any designation, allocation or apportionment and without restricting the generality thereof in respect of capital cost allowance or other tax depreciation, depletion allowance, capital gains or losses, capital dividends, stock dividends or taxable dividends to or between the Beneficiaries and the Trust itself as is required or permitted under the relevant provisions of any taxing statute affecting the Trust;
- (z) To make, or refrain from making, in the Trustee's Discretion, any election, determination or designation permitted by any taxing statute affecting the Trust, and such exercise of Discretion by the Trustee is conclusive and binding upon both Beneficiaries;
- (aa) To pay out of the Trust Fund or the Net Income in such proportions as the Trustee in its Discretion from time to time considers advisable, any taxes or other imposts payable in connection with the Trust Fund or payable by either of the Beneficiaries in respect of the Trust Fund or any part thereof;
- (bb) To make any designation, allocation, apportionment and election permitted by any taxing statute affecting the Trust, and such exercise of the Discretion by the Trustee is conclusive and binding upon both Beneficiaries provided that any such designation, allocation, apportionment and election made in favour of one of or both the Beneficiaries for purposes of a taxing statute shall not have the effect,

unless otherwise determined in the Trustee's Discretion, of vesting any Net Income or the Trust Fund in favour of the such Beneficiaries for any other purpose;

- (cc) To retain, in its Discretion, all or any of the shares or any other rights or interests in or over any property or private corporation, limited partnership, or joint-venture the stocks, shares, debentures, or interests in which shall at any time or from time to time form part of the Trust Fund (which for the purpose of this Clause 4.1(cc) only is referred to as the "**Corporation**" and which shall include the Corporation, any other corporation controlled by the Corporation, and any corporation with which the Corporation is merged or amalgamated and any other corporation which is controlled by such Corporation) for so long as the Trustee may consider advisable, notwithstanding any professional advice to the contrary, and;
- (i) the Trustee shall not be bound or required to exercise any control the Trustee may have over or to interfere in or become involved in the administration, management or conduct of the business or affairs of the Corporation and in particular, but without prejudice to the generality of the foregoing, the Trustee shall not be bound or required to exercise any voting powers or rights of representation or intervention conferred on the Trustee by any share, right or interest held in respect of the Corporation;
- (ii) the Trustee shall leave the administration, management and conduct of the business and affairs of the Corporation to the directors, officers and other persons authorized to take part in the administration, management or conduct thereof and the Trustee shall not be bound or required to supervise such directors, officers or other persons so long as the Trustee shall not have actual knowledge of any dishonesty relating to such business and affairs on the part of any of them;
- (iii) the Trustee shall assume at all times that the administration, management and conduct of the business and affairs of the Corporation is being carried on competently, honestly, diligently and in the best interests of the Trustee in its capacity as shareholder or howsoever it is interested therein and the Trustee shall also assume, until such time as it has actual knowledge to the contrary, that persons appearing to be or who act as the directors, officers and other persons authorized to take part in the aforesaid administration, management and conduct are duly appointed and authorized;
- (iv) the Trustee shall not be bound or required at any time to take any steps at all to ascertain whether or not the assumptions contained in Clause 4.1(cc)(iii) are correct;
- (v) without prejudice to the generality of the foregoing, the Trustee shall not be bound or required:

- A. to exercise any rights or powers, whether as a shareholder, debenture holder or otherwise howsoever, enabling it to appoint, elect or remove a director, officer or other person authorized to take part in the administration, management or conduct of the business affairs of the Corporation and in particular shall not be bound to take any steps to see that the Trustee or any officer(s) or nominee(s) of the Trustee becomes a director or other officer of the Corporation; and,
 - B. to exercise any power to require the payment of a dividend or other distribution of profit, whether of an income or capital nature;
- (vi) the Beneficiaries shall not be entitled in any way whatsoever to compel, control or forbid the exercise in any particular manner of any powers, discretions or privileges, including any voting rights, conferred on the Trustee by reason of any shares or other rights of whatsoever nature in or over the Corporation;
 - (vii) the Trustee shall not be liable in any way whatsoever for any loss to the Corporation or the Trust Fund or the income thereof arising from any act or omission of the directors, officers or other persons taking part (whether or not authorized) in the administration, management and conduct of the business or affairs of the Corporation, whether or not any such act or omission by any such foregoing persons shall be dishonest, fraudulent or negligent;
 - (viii) without prejudice to the generality of Clause 4.1(cc)(vii), the Trustee shall not be rendered responsible in any way whatsoever for any default or other act or omission by the directors, officers or other persons referred to in Clause 4.1(cc)(vii) by any express notice or intimation of such default or other act or omission and the Trustee shall not be obliged or required to make or enforce any claim in respect of such default or other act or omission and neither of the Beneficiaries shall be entitled to compel the making of such claim, but the Trustee may be required to lend its name for the purpose of proceedings brought by either of the Beneficiaries in respect of any such default, act or omission upon being given a full and sufficient indemnity against all costs and expenses of such proceedings;
 - (ix) the provisions contained in this Clause 4.1(cc) shall apply equally to any shares or participations in the Corporation which comprise at any time an asset in the Trust Fund;
 - (x) the Trustee shall not be bound or required to obtain or to seek in any way whatsoever or obtain any information regarding the administration, management or conduct of the business or affairs of the Corporation from

the persons involved in the administration, management or conduct or from the shareholders of the Corporation;

- (xi) the Trustee shall assume that such information as is supplied to it by any person relating to the Corporation is accurate and truthful unless the Trustee shall have actual knowledge to the contrary and the Trustee shall not be bound or required at any time to take any steps at all to ascertain whether or not the information is accurate and truthful;
- (xii) the Trustee shall not be liable in any way whatsoever for any loss sustained by the Trust Fund or the income thereof arising as a result of the Trustee not taking all or any possible steps to obtain any information referred to in Clause 4.1(cc)(x) or to verify the accuracy and truthfulness of such information as is supplied to the Trustee;
- (xiii) neither of the Beneficiaries shall be entitled to compel the Trustee to take any steps to obtain any information referred to in Clause 4.1(cc)(x) or to verify the accuracy and truthfulness of such information as is supplied to the Trustee;
- (dd) To be at liberty, in the exercise of its investment powers under this Trust Deed, to invest in any account and place cash or other moneys or deposits for the time being subject to the trusts hereof with any financial institution in any part of the world and upon such terms as to maturity as the Trustee may in its Discretion think fit. Further, and without limiting the generality of the foregoing, the Trustee in exercising the aforesaid powers may in its Discretion use the services of any Associate of the Trustee and the Trustee itself, including the placing of any account, time or other deposit with the same or investing in notes or debentures or other obligations of the same from time to time and to employ and place moneys with any of the same which carry on the business of managing or investing moneys and funds and the same may retain and keep all profits, fees, commissions, bonuses and perquisites arising in connection with any such account, deposit, note, debenture, obligation, employment, placement or business and may charge and be paid from the Trust Fund or the Net Income, in such proportions as the Trustee in its Discretion considers advisable, all fees, charges and expenses customarily charged by any of the same.

5. PRIVILEGES, RIGHTS AND DUTIES OF THE TRUSTEE

- 5.1 The expenses in connection with the administration of this Trust, the investment and re-investment of any part of the Trust Fund and the collection of income and other sums derivable therefrom shall be charged and be paid by the Trustee from the Trust Fund or the Net Income in such proportions as the Trustee in its Discretion considers advisable including, without limiting the generality thereof, the remuneration and charges of the Trustee hereinafter provided for.

- 5.2 The Trustee shall have the authority to determine the amount of its reasonable compensation, to pay the same and to reimburse itself as it in its Discretion considers proper and to further reimburse itself as it considers proper for all other necessarily incurred expenses in the administration of this Trust.
- 5.3 The appointment of any Trustee of this Trust which shall be a trust corporation or a corporation authorized to undertake trusteeship shall be upon the Trustee's terms and conditions last published before the date thereof. The Trustee shall be entitled to charge at such rates as the Trustee determines from time to time and be paid from the Trust Fund or the Net Income in such proportions as the Trustee in its Discretion considers advisable remuneration, fees and charges for its services calculated in accordance with such terms and conditions, in addition to reimbursement of its necessarily incurred expenses. The Trustee shall also have power from time to time to charge remuneration, fees and charges in accordance with any later published terms and conditions of the Trustee in force from time to time.
- 5.4 The Trustee shall be entitled to retain any profit or other benefit arising by way of fees, brokerage commissions, perquisites or otherwise obtained or received by it in connection with any account, investment, deposit, note, debenture, obligation, employment, placement, business or transaction carried out on behalf of the Trust for its own personal use and benefit without being liable to account therefor to any person, notwithstanding that such fees, brokerage commissions or perquisites arose directly or indirectly by virtue of or in connection with the Trustee having acted as Trustee of this Trust.
- 5.5 The Trustee shall have the right and privilege to enter into any transactions authorized or empowered hereunder, whether expressed or implied, with persons related to either of the Beneficiaries including corporations in which the Trustee, either of the Beneficiaries, or related persons are interested, or with any or all of the assets comprising the Trust Fund, provided that such transactions are on the same basis as might reasonably be negotiated with any stranger. In addition to the foregoing, the Trustee is authorized to receive any remuneration or compensation for acting as an employee, partner or director, or in any other similar capacity in any entity dealing with the Trust, without accounting therefor or without diminution of the entitlement of the Trustee to fees hereunder.
- 5.6 If the Trustee hereunder is a chartered accountant or a solicitor or is engaged in any other profession or business, he or she may charge and be paid all usual professional and other charges for work done by such Trustee or any member of his or her Firm in relation to the administration of this Trust in the same manner in all respects as if he or she were not the Trustee hereof, including reasonable charges and disbursements for all work and business done and all time spent in connection with matters arising hereunder, including matters which might or should have been attended to in person by a Trustee not being a chartered accountant or a solicitor or other professional person but which said Trustee might reasonably require to be done by a chartered accountant or a solicitor or other professional person.

- 5.7 The Trustee may adopt any rules and policies which it may from time to time deem proper to govern its procedure. Any agreements, deeds, transfers, assignments, contracts, obligations, bills of lading, powers of attorney, promissory notes, securities, bills of exchange, receipts, and other instruments of any nature or description (referred to in this Clause 5.8 as a "Document") shall be signed, executed, drawn, endorsed and negotiated by:
- (a) the Trustee for the time being in office; or
 - (b) any other person or persons whom the Trustee may, from time to time, duly appoint and delegate the power to serve as an authorized signatory or signatories in respect of a Document (referred to in this Clause 5.8 as an "Authorized Signatory") on behalf of the Trust. For greater certainty, such appointment and delegation of an Authorized Signatory:
 - (i) may be on such terms and conditions as the Trustee may in its Discretion consider appropriate and necessary; and
 - (ii) may relate to an existing, specific Document or a future Document which is not in existence at the date of such appointment and delegation.
- 5.8 The Trustee shall not be liable or responsible for any error in judgment or for any act or omission or commission not amounting to actual fraud in the management and administration of the Trust Fund. The Trustee shall not be personally liable for any moneys to become due from or by any claims against the Trust Fund or for any investment executed by a Trustee under the provisions hereof. The Trustee shall have the power to bind the Trust Fund without rendering the Trustee personally liable. The legal title to all assets comprising the Trust Fund shall be and remain vested in the Trustee and its successors.
- 5.9 The Trustee shall be indemnified out of the Trust Fund in respect of any loss, cost or expense (including legal expenses on a solicitor and own client basis) suffered by it in connection with it acting in good faith as Trustee hereof, except where such loss, cost or expense is incurred as a result of its own wilful default.
- 5.10 Should the Trustee, for any reason, fail to assess or report or pay any taxes that may be subject to assessment or payment during the currency of this Trust for which the Trustee might be responsible, the Trustee shall not be liable for any such failure; and in the event that the Trustee should be called upon to pay any such taxes, penalties or other charges thereon, any such moneys so paid out by the Trustee shall be returned to it out of the Trust Fund or the Net Income in such proportions as the Trustee in its Discretion considers advisable. This provision for indemnity and reimbursement shall also extend and apply to any other fines levies, assessments and damages levied against the Trustee, whether by a court or otherwise, in respect of or arising out of any matter or thing done or

omitted to be done in connection with the management, operation, administration and carrying out of this Trust.

- 5.12 Any successor Trustee shall not be required or under any duty to examine, question, verify or audit the books, records, accounts or proceedings of any predecessor Trustee.
- 5.13 If the Trustee is a corporation, it may exercise or concur in exercising any discretion or power hereby conferred on the Trustee by a resolution of such corporation or by a resolution of its board of directors or governing body, or may delegate the right and power to exercise or concur in exercising any such discretion or power to one or more members of its board of directors or governing body or any of its officers or employees or any representative appointed from time to time by the said board of directors or governing body for that purpose.
- 5.14 The Trustee shall be under a duty not to act or make any omission in contravention of this Deed.

6. APPOINTMENT OF SUCCESSOR TRUSTEE

- 6.1 The Trustee shall continue to act as Trustee of the Trust until the first to occur of the following events ("Material Event"):
- (a) such Trustee resigns upon THIRTY (30) DAYS written notice to the Person Entitled to Appoint a Trustee, or upon such shorter notice as the Person Entitled to Appoint a Trustee may accept as sufficient;
 - (b) such Trustee becomes subject to the bankruptcy laws of the jurisdiction in which the Trustee resident;
 - (c) such Trustee, being a corporation, enters into liquidation, whether compulsory or voluntary (not being merely a voluntary liquidation for the purposes of amalgamation or reconstruction);
 - (d) such Trustee is declared mentally incompetent by a proper authority; or
 - (e) such Trustee dies;
 - (f) the Person Entitled to Appoint a Trustee decides to exercise the Discretion and power it shall have, by written notice, to discharge such Trustee and appoint a substitute Trustee,

and for the purposes of this Part 6 only, such Trustee shall be referred to as the "Retiring Trustee".

- 6.2 If the Person Entitled to Appoint a Trustee receives a notice given pursuant to Clause 6.1(a), Clause 6.3(a), or Clause 6.4, or exercises its power pursuant to Clause 6.1 (f), then

the Person Entitled to Appoint a Trustee will be entitled to appoint, subject to Clause 6.5, by Deed, revocable or irrevocable, with such appointment to have immediate effect or to be postponed in its effect or contingent upon any event or lapse of time, any person or corporate Trustee as a substitute Trustee to fill any vacancy occurring in the office of the Trustee, and for greater certainty, any such appointment by Deed will be fully effective even if such Deed may have been duly executed by the Person Entitled to Appoint a Trustee prior to any event initiating such Trustee appointment.

- 6.3 If the Material Event is the event described in Clause 6.1 (a) and if the Person Entitled to Appoint a Trustee fails to appoint a person to act as Trustee within THIRTY (30) DAYS following such initial notification as provided by Clause 6.1 (a), such Retiring Trustee shall appoint a person or corporate trustee to act as Trustee, subject to the limitations set out in Clause 6.5, upon giving the Person Entitled to Appoint a Trustee notice of such appointment.
- 6.4 If the Material Event is one of the events described in Clauses 6.1 (b) to 6.1 (e) inclusive, the duly appointed personal representative, committee or attorney, as the case may be (for the purposes of this Part 6 only referred to as the "Personal Representative"), appointed to act on behalf of the Retiring Trustee as a result of such Material Event shall forthwith provide notice to the Person Entitled to Appoint a Trustee of the occurrence of the Material Event.
- 6.5 The Person Entitled to Appoint a Trustee or the person given the power to appoint a Trustee in accordance with the provisions of this Part 6, as the case may be, shall not exercise its power of appointment as described in this Part 6 if such appointment would result in the number of resulting Trustees acting hereunder to be in excess of ONE (1).
- 6.6 Notices of all changes in Trusteeship shall be endorsed or attached to this Deed, signed by the Retiring Trustee, if available, and the new Trustee, and every such notice shall be sufficient evidence to any person having dealings with this Trust as to the fact to which it relates.
- 6.7 Any newly appointed Trustee hereunder shall, upon appointment, be vested with the assets comprising the Trust Fund and with all the trusts, powers and authorities herein contained without further assignment, transfer or conveyance of any kind or any order of any court or tribunal whatsoever.
- 6.8 A Trustee shall not be required to give any bond or other security in respect of the performance of duties hereunder.

7. NOTICE IN WRITING

- 7.1 Any notice or other communications required or permitted hereunder shall be sufficiently given if delivered personally or sent by registered or certified mail, postage prepaid, or by facsimile transmission or other electronic transmission, addressed to the parties at the last known address delivered to a party and such notice shall be deemed to have been given as

of the date so delivered or deposited in the mail or faxed or sent by electronic transmission as the case may be. Any party may from time to time advise by notice in writing in accordance with this Part 7 of a change of its address for notice.

8. CONFIDENTIALITY

- 8.1 Without prejudice to any right under the laws applicable to this Trust empowering the Trustee to refuse disclosure of any document, it is hereby declared that the Trustee shall not (unless compelled to do so by an order of a court) be bound to disclose to any person:
- (a) any document disclosing any deliberations of the Trustee as to the manner in which the Trustee should exercise any power or discretion conferred upon it by this Trust Deed or disclosing the reasons for any particular exercise or non-exercise of any such power of discretion;
 - (b) any other document relating to the exercise or proposed exercise of any such power or discretion (not being a Deed or other written instrument which actually exercises or merely records the exercise of any such power or discretion and not being legal advice obtained by the Trustee at the cost of the capital or income of the Trust Fund); or
 - (c) any document relating to the creation and foundation of the Trust.
- 8.2 Except as is otherwise provided hereunder or by applicable law or as shall be necessary or desirable in connection with the administration of this Trust, the Trustee shall keep confidential all information regarding the state and amount of the Trust Fund or the conduct of administration of this Trust.
- 8.3 The Trustee shall be entitled to pay out of the Trust Fund any costs or liabilities incurred by it, whether in the course of litigation or defending against potential legal proceedings in furtherance of its duties as stipulated in Clause 8.1.

9. POWER TO AMEND

- 9.1 Subject to Clauses 9.2 and 9.3, the Trustee shall have the power by Deed (a "Deed of Variation") to alter, revoke, amend or add to any of the provisions of this Trust and to make new provisions to the exclusion of or in addition to any of the provisions hereof for the time being in force, and any such alteration, revocation, amendment or addition to the provisions of this Trust shall be subject in like manner to be altered, revoked, amended or added to by a subsequent Deed of Variation, provided that the same does not violate the law against perpetuities applicable to this Trust.
- 9.2 Any proposed alteration, revocation, amendment or addition shall not have effect if:

- (a) such alteration, revocation, amendment or addition affects the beneficial entitlement to any amount ascertained as payable to either of the Beneficiaries prior to the date of the alteration, revocation, amendment or addition;
- (b) the Deed of Variation whereby such alteration, revocation, amendment or addition is effected does not provide that the provisions of this Part 9 or provisions to the like effect shall apply to the trusts, terms and conditions upon which the Trust Fund or the part the subject of such Deed of Variation are thenceforth held; or
- (c) the Person Entitled to Appoint a Trustee has not previously approved and consented to the Deed of Variation whereby such alteration, revocation, amendment or addition is effected, which approval and consent must be evidenced by Deed executed by the Person Entitled to Appoint a Trustee and delivered to the Trustee.

9.3 The Trustee shall not alter, revoke or add to any of the provisions of this Part 9.

9.4 The powers granted by Clause 9.1 are in addition to and not in derogation from any applicable statutory power whereby the trusts of this Trust or the trusts upon which the Trust Fund or any part thereof from time to time held may be varied.

9.5 Notices of any Deed of Variation shall be endorsed or attached to this Trust Deed and signed by the Trustee then in office, and every such notice shall be sufficient evidence to any person having dealings with this Trust as to the fact to which it relates.

10. POWER TO REVOKE

10.1 Notwithstanding any other provision hereunder, the Trustee shall have the Discretion, including but not limited to the Trustee determining that the further administration of the Trust would defeat or fail or serve the Settlor's purposes in creating the Trust, or be otherwise impractical, or be otherwise not in the best interests of one or both of the Beneficiaries, and in full discharge of the duties of the Trustee and without judicial accounting, approval or consent, to terminate the Trust by distributing and allocating the then remaining Trust Fund to one of or between the Beneficiaries, and upon such distribution and allocation the Beneficiaries interest in the Trust, and the Trust itself, shall be terminated and the Trustee discharged and relieved of all liabilities with respect to the Trust.

11. TRUSTEE INDEPENDENCE

11.1 The Trustee is vested with full power and discretion in respect of the Trust Fund so that the judgment and discretion of the Trustee will prevail, and every determination which may be made by the Trustee under this Deed, and every power, trust power, and discretion given to the Trustee, may be made or exercised in the Trustee's Discretion. Without limitation, in deciding whether and how to exercise any power, trust power, or discretion hereunder, the Trustee is entitled, acting in good faith, to ignore any request or

wish, whether verbal or in writing, made to the Trustee by the Settlor, either of the Beneficiaries, or any other person.

12. GENERAL

- 12.1 Interpretation. This Trust shall be interpreted and governed according to the laws in force in the Province of Alberta.
- 12.2 Certified Copies. Any person dealing with this Trust may rely upon a copy of this Deed and of any notices or schedules endorsed thereon or attached thereto certified by the Trustee or the Trustee's lawyer before a notary public to the same extent as the original might be relied upon.

IN WITNESS WHEREOF the parties hereto have hereunto set their hands and seals.

Witness

JENNIFER J. OAKES Q.C. (Settlor)

Witness

GREG A. HARDING Q.C. (Trustee)

SCHEDULE "A"

One (1) 5 Dollar Canadian Pure Gold Coin 2014 "O Canada – Grizzly Bear" (Mintage No. 1231/4000).

THE UNIVERSITY OF ALBERTA PROPERTIES TRUST

Supplemental Trust Deed #1

**DEED OF VARIATION, RESIGNATION OF TRUSTEE, AND
APPOINTMENT OF SUCCESSOR TRUSTEE**

WHEREAS:

- A. Greg Harding (the "Trustee") is Trustee of THE UNIVERSITY OF ALBERTA PROPERTIES TRUST (the "Trust") as created and established by Trust Deed dated _____, 2014 (the "Trust Deed");
- B. The Trustee has given notice and hereby confirms:
- a. an intention, pursuant to Clause 9 of the Trust Deed, to vary, by this Deed of Variation, the terms of the Trust -- the three intended amendments being those identified in Schedule "A" hereto; and,
 - b. that effective upon and subject to the due incorporation of *University Of Alberta Properties Trust Inc.* (as pending) he wishes to resign and retire as Trustee and to have a successor trustee appointed (the "Successor Trustee");
- C. As incorporated *University Of Alberta Properties Trust Inc.* will be well-suited to serving as Successor Trustee and administering the Trust in accordance with its terms (including as amended by this Deed of Variation);
- D. Clause 9.2(c) of the Trust Deed requires the consent and approval of the members of the Board of Governors of the University of Alberta (the "Members") to any Deed of Variation;
- E. Clause 2.1(i) and Part 6 of the Trust Deed also provides that the Members are the "Person Entitled to Appoint a Trustee" upon the resignation of the Trustee;
- F. The Members:
- a. are accepting of the amendments to the Trust set out in this Deed of Variation;
 - b. are accepting of the resignation of the retiring Trustee as tendered; and
 - c. wish to appoint, subject to the terms hereof, *University Of Alberta Properties Trust Inc.* as Successor Trustee.

TAKE NOTICE THAT:

1. Subject to and effective upon its due incorporation and its acceptance of the said trusteeship (as to be noted at the foot hereof) *University Of Alberta Properties Trust Inc.* SHALL BE APPOINTED as Successor Trustee to the retiring Trustee Greg Harding, and shall be vested with all funds and assets of the Trust and with all the trusts, powers and authorities contained within the Trust Deed (including as amended by this Deed of Variation) without further assignment, transfer of conveyance of any kind.

2. Greg Harding HEREBY AFFIRMS his RESIGNATION as Trustee subject to and to be effective upon the appointment of the Successor Trustee as provided for herein.

3. The Members HEREBY CONSENT TO AND APPROVE the amendments to the Trust Deed set out in Schedule "A" hereto and this Deed of Variation.

DATED at the City of Edmonton, in the Province of Alberta, this _____, day of _____, 2014.

ON BEHALF OF THE MEMBERS OF THE BOARD OF GOVERNORS OF THE UNIVERSITY OF ALBERTA:

Per: _____

TRUSTEE GREG A. HARDING, Q.C.:

CONSENT of UNIVERSITY OF ALBERTA PROPERTIES TRUST INC., this _____ day of _____, 2014.

Per: _____

CERTIFIED this _____ day of _____, 2014, by Field LLP, legal counsel to the Trust, as SUPPLEMENTAL TRUST DEED #1.

Per: _____

SUPPLEMENTAL TRUST DEED #1**SCHEDULE "A" (Deed of Variation)**Amendment #1:

The words in italics be added as Clause 2.1(m)

"University Lands" means any interest in land which at any time during the continuance of the Trust may be assigned, transferred, or appointed to the Trust by the University of Alberta.

Amendment #2:

The words in *italics* be added to existing Clause 2.1(k)(iii):

All other assets which are now or which at any time during the continuance of may be acquired by or assigned, transferred or appointed to the Trust, *including any University Lands* , and which the Trustee may be willing to accept and hold upon the trusts hereof and which may be invested or converted by the Trustee; and

Amendment #3

The words in *italics* be added as Clause 4.2:

Provided always that in the case of University Lands, the Trustee shall be subject to and charged with the following additional mandate in its administration of the Trust:

(a) to manage and develop University Lands in accordance with any agreements with the University of Alberta concerning the same becoming Trust Property; and

(b) to manage and develop University Lands in alignment with any Long Range Development Plans (as amended from time to time), to which the same may be subject.

IN THE MATTER OF THE UNIVERSITY PROPERTIES TRUST

RESOLUTION OF THE MEMBERS OF THE BOARD OF GOVERNORS OF THE UNIVERSITY OF ALBERTA

WHEREAS:

A. The members of the Board of Governors (the "Members") exercise and enjoy certain third party powers with respect to THE UNIVERSITY OF ALBERTA PROPERTIES TRUST (the "Trust") as created and established by Trust Deed dated _____, 2014 (the "Trust Deed");

B. The existing Trustee of the Trust has advised:

(a) of an intention, pursuant to Clause 9 of the Trust Deed, to vary the terms of the Trust by Deed of Variation, with the intended amendments being those identified in Schedule "A" to the Supplemental Trust Deed #1 affixed hereto (the "Supplemental Trust Deed"); and,

(b) that effective upon and subject to the incorporation of University Of Alberta Properties Trust Inc. he wishes to resign and retire as Trustee and to have a successor trustee appointed (the "Successor Trustee");

C. Clause 9.2(c) of the Trust Deed requires the consent and approval of the Members to any Deed of Variation;

D. Clause 2.1(i) and Part 6 of the Trust Deed provides that the Members are the "Person Entitled to Appoint a Trustee" upon the resignation of the Trustee; and,

E. The Members do verily believe:

(a) that the Deed of Variation is in the best interests of the named Beneficiaries of the Trust; and

(b) that upon and subject to its incorporation University Of Alberta Properties Trust Inc. would be well-suited to serve as Successor Trustee and to administer the Trust in accordance with its terms, including as amended by the referenced Deed of Variation.

NOW THEREFORE BE IT RESOLVED THAT the Members consent to and approve and the Supplemental Trust Deed AND THAT _____ be authorized to sign and execute the Supplemental Trust Deed on behalf of all of the Members recorded as convened and in attendance and this __ day of _____, 2014.

Donor Information

Name Jennifer Oakes

Address c/o 2000, 10235 – 101 Street NW

City Edmonton

Province Alberta

Postal Code T5J 3G1

2 This Endowment, to be known as **The University Properties General Endowment**, may be used, at the absolute and uncontrolled discretion of the University, to benefit any University of Alberta purpose, including without limitation, any payment or transfer for the purposes of education, teaching, research, development of intellectual property, administrative and operational service, maintenance, support, advancement, or any one or more such purposes.

The property of this Endowment may be augmented by other donors, including the University, at any time, provided the purpose of the Endowment is not restricted in any way.

In the event that future circumstances render the continuation of the Endowment impractical, the principal or income of the Endowment, including the entirety of the same, may be used by the University for such other purposes as will, in its opinion, honour, as nearly as practical, the original intent of the Donor.

1 I hereby donate to The Governors of the University of Alberta (the "University"), as trustees, for the purposes of establishing an endowment and charitable purpose trust, the property described in attached Schedule "A" ("the Endowment").

3 This Endowment is to be administered by the University in accordance with the *Post-Secondary Learning Act* and such policies and procedures it may have in place from time to time for the administration of endowments, including its current *Unitized Endowment Pool (UEP) Spending Policy* and *University Funds Investment Policy*.

Signature

Signature of the donor dated effective this ____ day of _____, 2014

Jennifer Oakes
Printed name of donor

Signature of donor

Receipt of property and acceptance of trust terms acknowledged by the University as Trustee

Dated this ____ day of _____, 2014.

Printed Name of Vice-President (Advancement)

Signature of Vice-President (Advancement)

Printed Name of Vice-President (Finance and Administration)

Signature of Vice-President (Finance and Administration)

SCHEDULE "A"

One (1) 5 Dollar Canadian Pure Gold Coin 2014 "The Polar Bear" (Mintage No. 2567/4000).

OUTLINE OF ISSUE

 Agenda Title: **Conservation Easement - Mattheis Research Ranch**

Motion: THAT the Board Finance and Property Committee, acting with the delegated authority of the Board of Governors, approve the granting, in perpetuity, of a “conservation easement” over portions (98%) of university land known as the Mattheis Research Ranch, such portions to be approved by the Dean, Faculty of Agricultural, Life and Environmental Sciences, subject to due diligence by the Vice-President (Facilities and Operations) and approval on the terms and conditions of the conservation easement.

Item

Action Requested	<input checked="" type="checkbox"/> Approval <input type="checkbox"/> Recommendation <input type="checkbox"/> Discussion/Advice <input type="checkbox"/> Information
Proposed by	Don Hickey, Vice-President (Facilities and Operations)
Presenter	Don Hickey, Vice-President (Facilities and Operations)
Subject	Conservation easement, in perpetuity, on portions (98%) of the Mattheis Research Ranch

Details

Responsibility	Vice-President (Facilities and Operations)
The Purpose of the Proposal is (please be specific)	To grant a conservation easement, in perpetuity, over portions of the Mattheis Research Ranch in exchange for \$3.795 million from the Alberta Land Trust Grant Program through Western Sky Land Trust Society.
The Impact of the Proposal is	See attached briefing notes “Key Features of the Conservation Easement” for impacts of the proposal.
Replaces/Revises (eg, policies, resolutions)	N/A
Timeline/Implementation Date	Mid-2015 upon completion of negotiation of the terms and conditions of the conservation easement.
Estimated Cost	Less than \$100,000.00 for appraisals, studies and legal fees.
Sources of Funding	Faculty funds.
Notes	

Alignment/Compliance

Alignment with Guiding Documents	Dare to Discover, Dare to Deliver, Comprehensive Institutional Plan.
Compliance with Legislation, Policy and/or Procedure Relevant to the Proposal (please <u>quote</u> legislation and include identifying section numbers)	<p>The Mattheis Research Ranch was donated to the university in 2010 and falls under the definition of donated land for the purposes of the Post-Secondary Learning Act (PSLA).</p> <p>Post-secondary Learning Act PSLA Section 67 (1.1)(a): “A board shall not, without the prior approval of the Lieutenant Governor in Council,. . . (a) sell or exchange any interest in land, other than donated land, that is held by and being used for the purposes of the board”</p> <p><i>BFPC Terms of Reference – Sections 3 and 4 state:</i></p> <p>3. <u>MANDATE OF THE COMMITTEE</u></p> <p><i>Except as provided in paragraph 4 and in the Board’s General Committee</i></p>

	<p><i>Terms of Reference, the Committee shall monitor, evaluate, advise and make decisions on behalf of the Board with respect to all strategic and significant financial and property matters and policies of the University. The Committee shall also consider any other matter delegated to the Committee by the Board.</i></p> <p><i>Without limiting the generality of the foregoing, the Committee shall:</i></p> <p><i>h) approve the acquisition or disposal of real property, provided always that any such decision of the Committee shall be reported to the Board and shall only be effective or implemented a minimum of 24 hours following the conclusion of the Board meeting at which the decision of the Committee is reported, and provided the Board has not resolved otherwise</i></p> <p>4. <u>LIMITATIONS ON DELEGATION BY THE BOARD</u></p> <p><i>The general delegation of authority by the Board to the Committee shall be limited as set out in this paragraph. Notwithstanding the general delegation of authority to the Committee set out in paragraph 3, the Board shall:</i></p> <p><i>g) review all decisions of the Committee with respect to the acquisition or disposal of real property; after any such review the Board may resolve to overturn or vary any such decision.</i></p> <p>UAPPOL: <i>Real Property Compliance Policy, Real Property Disposition Procedure:</i> https://policiesonline.ualberta.ca/PoliciesProcedures/Policies/Real-Property-Compliance-Policy.pdf</p>
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Routing (Include meeting dates)

Consultative Route (parties who have seen the proposal and in what capacity)	Vice-President, Facilities and Operations – May 1, 2014 President’s Executive Committee – Operational (PEC-O) Meeting – May 8, 2014 (for approval)
Approval Route (Governance) (including meeting dates)	Board Finance and Property Committee (BFPC) Meeting – September 23, 2014 (for approval)
Final Approver	Board Finance and Property Committee

Attachments:

1. Attachment 1 – Briefing Notes – (3 pages)
2. Attachment 2 – Funding Scenario for Mattheis Ranch Conservation Easement – (1 page)

Prepared by:

R. Craig Moore
 Director, Real Estate Services
 Phone: 780.492.4164
 Email: craig.moore@ualberta.ca

University of Alberta Mattheis Research Ranch Plan for Conservation Easement – Faculty of Agricultural, Life and Environmental Sciences

Background

The University of Alberta Mattheis Research Ranch is a 12,300 acre ranch situated 30 km north of Brooks, Alberta, in the Mixedgrass Prairie Region. This land base provides a critical source of infrastructure to the University of Alberta (and other collaborating scientists with Alberta Agriculture and Food, Agriculture and Agri-Food Canada, and other colleges/universities) to facilitate rangeland research, education, and public outreach and technology transfer, in support of the environmentally and economically sustainable management of public and private rangelands across southern and central Alberta. The Mattheis Research Ranch was acquired in 2010 through a major gift to the University of Alberta from Edwin and Ruth Mattheis.

The Rangeland Research Institute (RRI) was established in 2011 to draw attention to rangeland management issues in Alberta, western Canada, and internationally, as well as to promote use of the University of Alberta land bases for rangeland research, teaching and outreach activities. The vision of the RRI is to address a wide variety of issues pertinent to rangeland ecology and livestock management, including applied grassland ecology, wildlife-livestock integration, rangeland reclamation, beef production efficiency, adaptive grazing systems to mitigate environmental stresses (such as climate change), and the establishment, production, harvesting and storage of forages. Additionally, a growing focus of rangeland research is the environmental and economic benefits private rangelands contribute to ecological goods and services, such as carbon sequestration, water purification and the provision of wildlife habitat for consumptive and rare or endangered species. These activities are being undertaken by the RRI by providing strategic seed support for novel and emerging research priorities, and through the development of progressive communication strategies.

An important goal of both the University of Alberta and the Rangeland Research Institute is to ensure perpetual access to adequate and stable financial resources for the ongoing support of research, teaching and outreach activities. This is particularly important given the coarse temporal (long-term) and spatial (landscape level) scales needed to adequately address questions relating to rangeland ecosystems. To achieve this, a Rangeland Ecology and Management Endowment is being created by the Faculty of Agricultural, Life & Environmental Sciences (ALES) and the Rangeland Research Institute, that will provide the financial resources necessary to support future efforts in this area. The objective is to generate an endowment of at least \$8.0M, which, in turn, will generate income sufficient to cover projected ongoing costs associated with research, teaching, and outreach activities.

The University of Alberta, working in conjunction with Western Sky Land Trust, a registered not-for-profit land trust organization in Alberta, has been approved to have a conservation easement on portions (98%) of the Mattheis Research Ranch, under the provincial government Alberta Land Trust

Grant Program, subject to final ratification of a Conservation Easement Agreement by both parties (U of A and Western Sky) and university board approval. The Alberta Land Trust Grant Program focuses on conserving ecologically important areas to prevent habitat fragmentation, maintain biodiversity and preserve native landscapes. Under this program, grants are available to land trust organizations, such as Western Sky, for the purchase of conservation easements. The funding paid for the conservation easement to the U of A by Western Sky (\$3.795M with an additional \$635K going to Western Sky for a Stewardship Endowment and other costs), will enable the U of A to accelerate development of the Rangeland Ecology and Management Endowment.

Key Features of the conservation easement

- a) The easement will have almost no effect on the management and operations of the Mattheis Research Ranch, or on research, teaching and outreach potential, because existing land use activity, including agricultural crop and cow/calf production, will continue unabated.
- b) The conditions of the conservation easement are consistent with the commitment that the U of A made to Edwin and Ruth Mattheis when they donated the land.
- c) The conservation easement will not impact the revenues generated by the Mattheis Research Ranch that currently flow into the university from agricultural activity, such as grazing leases or crop/animal production; and/or surface compensation from oil and gas activity, and utility right of way payments.
- d) The U of A can continue to maintain or expand existing infrastructure necessary to support ongoing research, teaching and outreach. Key development areas of the Mattheis Research Ranch, such as land around the existing headquarters operations, have been removed from the agreement and will not be subject to the terms of the easement.
- e) Core land use restrictions for rangelands resulting from the easement are no different than the long term land management and research objectives of the Faculty of ALES; they reflect a basic “no break, no drain, no fragment” philosophy, with the following fundamentals:
 - No cultivation of existing (previously uncultivated) rangeland, with the exception of areas needed to facilitate targeted research (e.g. prairie reclamation) or rangeland rehabilitation/improvement.
 - No drainage of existing natural wetlands, excepting cultivated land influenced by excess moisture during above normal rainfall and artificial flooding.
- f) The easement will constitute a registered caveat on affected lands, and will be in place in perpetuity, effectively protecting both the agricultural lands and their use by the U of A.
- g) Should the U of A sell the land at a future date, it is free to do so, but the caveats will follow the sale and new owners will be subject to the easement conditions.
- h) Opportunities for research, teaching and outreach by U of A staff and instructors will not be reduced by the easement.

Funding Impact

- a) Funding received by the U of A from Western Sky as a result of the purchase of the easement (\$3.795M) will be used to accelerate creation of the Rangeland Ecology and Management Endowment, thereby providing long-term security for the U of A (and Rangeland Research

Institute) in its ability to meet its strategic mandate. This represents the easement having an assessed impact of 26% on the market value of the Mattheis Research Ranch. In September 2014, the value of the Mattheis Research Ranch was appraised to be \$14.603M before the conservation easement, and \$10.808M after the conservation easement, the difference being the \$3.795M that would be paid to the U of A for the conservation easement.

- b) The Alberta Land Trust Grant Program requires a 2:1 match for the total easement grant funding, or, \$8.86M. This match has to be secured by March 31, 2017. Eligible expense can be retroactive back to September 2012.
- c) A major portion of the match will be the creation of a Rangeland Ecology and Management Endowment which the Faculty plans to grow into an \$8.0M endowment over the next 10 years. Funding paid into the endowment that would qualify as part of the match includes: the easement grant paid to the University (\$3.795M); and oil and gas, and utility right of way payments (\$1.7M). The Faculty will use these funds to also leverage additional external donations for the endowment. As well, the faculty proposes to continue to transfer oil and gas revenue into the endowment to build it to at least an \$8.0M endowment within ten years.
- d) Other major sources of funding that will be used for the match include \$2.3M of externally funded rangeland related research that will occur at the U of A within the eligible time frame for the match, and \$1.0M Rangeland Research Institute, Mattheis Chair and other costs.

In conclusion, the proposed conservation easement is consistent with the vision of the university, faculty and the RRI for the use of the Mattheis Research Ranch and will result in an immediate influx of major funding to create a Rangeland Ecology and Management Endowment to provide ongoing support of key rangeland related research, teaching, and outreach activities.

Funding Scenario for Mattheis Ranch Conservation Easement

Total acreage = 11,786.

Land and Conservation Easement Values CE Assessed Valuation	
	CE value (26%)
Appraised Value (May 2014) Prior to Conservation Easement	\$ 14,603,000
Appraised Value (May 2014) After Conservation Easement	\$ 10,808,000
Appraised Value (May 2014) of Conservation Easement	\$ 3,795,000

Western Sky Stewardship Costs*	\$ 635,000
Total Grant	\$ 4,430,000
Total Match Required (2:1)	\$ 8,860,000

Western Sky Costs	
Staffing	\$ 105,000
Admin	\$ 40,000
Envir Assess	\$ 20,000
Baseline Survey	\$ 60,000
WS Extension	\$ 10,000
Stewardship	\$ 400,000
Total	\$ 635,000

Matching funds	Sept/12-Mar/13	Apr/13-Mar/14	Apr/14-Mar/15	Apr/15-Mar/16	Apr/16-Mar/17	Total
Oil & Gas/Utility Right of Way Revenue			\$ 1,000,000	\$ 350,000	\$ 350,000	\$ 1,700,000
CE grant			\$ 3,795,000			\$ 3,795,000
Donations		\$ 50,000				\$ 50,000
Total						\$ 5,545,000
Other Matching						
Rangeland research	\$ 300,000	500000	500000	500000	\$ 500,000	\$ 2,300,000
RRI Admin Costs		\$100,000	\$100,000	\$100,000	\$100,000	\$ 400,000
Mattheis Chair		\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 100,000
GIS Data	\$ 100,000					\$ 100,000
Envir Survey (original)	\$ 211,000					\$ 211,000
Legal cost		\$ 5,000	\$ 5,000	\$ 10,000		\$ 20,000
Land appraisal/survey		\$ 35,000				\$ 35,000
DUC inputs	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000		\$ 60,000
WS Volunteers	\$ 3,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 43,000
WS Office Space	\$ 46,000					\$ 46,000
Total	\$ 675,000	\$ 740,000	\$ 5,450,000	\$ 1,010,000	\$ 985,000	\$ 8,860,000

Endowment	Matching Funds for the CE			Proposed Additional Oil & Gas Revenue Transfer						
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Initial Capital	\$ 4,845,000	\$ 5,195,000	\$ 5,545,000	\$ 5,895,000	\$ 6,245,000	\$ 6,595,000	\$ 6,945,000	\$ 7,295,000	\$ 7,650,000	\$ 8,000,000
Spending account		\$ 188,955	\$ 202,605	\$ 216,255	\$ 229,905	\$ 243,555	\$ 257,205	\$ 270,855	\$ 284,505	\$ 298,350

OUTLINE OF ISSUE

 Agenda Title: **Connaught Drive House: Disposition of Land Resolution and Order in Council**
Motion: THAT the Board Finance and Property Committee, acting with the delegated authority of the Board of Governors:

- a) approve the disposition of a single family house at 10416 Connaught Drive, Edmonton Alberta, and approximately .17 acres of land contained within the parcel legally described as Lot 11 Block 84 Plan 2803AF;
- b) make an application to the Minister of Infrastructure for the required approval of the Lieutenant Governor in Council for the granting of the disposition as set forth in Attachment 1.

Item

Action Requested	<input checked="" type="checkbox"/> Approval <input type="checkbox"/> Recommendation <input type="checkbox"/> Discussion/Advice <input type="checkbox"/> Information
Proposed by	Facilities and Operations
Presenter	Don Hickey, Vice-President (Facilities and Operations)
Subject	The Disposition of University Land, 10416 Connaught Drive, Edmonton Alberta

Details

Responsibility	Vice-President (Facilities and Operations)
The Purpose of the Proposal is (please be specific)	10416 Connaught Drive is owned by the University of Alberta and is the primary residence of the outgoing president. The house will be placed on the market in the spring of 2015. The approximate value of the property is \$1 million.
The Impact of the Proposal is	No impact
Replaces/Revises (eg, policies, resolutions)	n/a
Timeline/Implementation Date	Spring/Summer 2015
Estimated Cost	
Sources of Funding	n/a
Notes	The sale of this property is considered a land disposition by the Minister of Infrastructure and, therefore, requires the approval of the Lieutenant Governor in Council.

Alignment/Compliance

Alignment with Guiding Documents	Dare to Discover, Academic Plan (Dare to Deliver), Long Range Development Plan
Compliance with Legislation, Policy and/or Procedure Relevant to the Proposal (please quote legislation and include identifying section numbers)	<p><u>Post-secondary Learning Act</u></p> <p><i>Post-secondary Learning Act (PSLA), Section 67(1.1) A board shall not, without the prior approval of the Lieutenant Governor in Council, (a) sell or exchange any interest in land, other than donated land, that is held by and being used for the purposes of the board.</i></p> <p><u>BFPC Terms of Reference – Sections 3 and 4 state:</u></p> <p>3. <u>MANDATE OF THE COMMITTEE</u></p> <p><i>Except as provided in paragraph 4 and in the Board's General Committee Terms of Reference, the Committee shall monitor, evaluate, advise and make decisions on</i></p>

	<p><i>behalf of the Board with respect to all strategic and significant financial and property matters and policies of the University. The Committee shall also consider any other matter delegated to the Committee by the Board.</i></p> <p><i>Without limiting the generality of the foregoing, the Committee shall:</i></p> <p><i>h) approve the acquisition or disposal of real property, provided always that any such decision of the Committee shall be reported to the Board and shall only be effective or implemented a minimum of 24 hours following the conclusion of the Board meeting at which the decision of the Committee is reported, and provided the Board has not resolved otherwise</i></p> <p>4. <u>LIMITATIONS ON DELEGATION BY THE BOARD</u></p> <p><i>The general delegation of authority by the Board to the Committee shall be limited as set out in this paragraph. Notwithstanding the general delegation of authority to the Committee set out in paragraph 3, the Board shall:</i></p> <p><i>g) review all decisions of the Committee with respect to the acquisition or disposal of real property; after any such review the Board may resolve to overturn or vary any such decision.</i></p> <p>UAPPOL: Real Property Compliance Policy, Real Property Acquisition Procedure, Real Property Disposition Procedure: https://policiesonline.ualberta.ca/PoliciesProcedures/Policies/Real-Property-Compliance-Policy.pdf</p>
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Routing (Include meeting dates)

Consultative Route (parties who have seen the proposal and in what capacity)	President’s Executive Committee – Operational – August 21, 2014
Approval Route (Governance) (including meeting dates)	Board Finance and Property Committee – September 23, 2014 (for approval) Board of Governors – October 24, 2014 (for information)
Final Approver	Board Finance and Property Committee

Attachments

- Attachment 1 – Land Disposition Board Resolution (1 page)

Prepared by:

R. Craig Moore, Director
Real Estate Services
University of Alberta
Email: craig.moore@ualberta.ca

RESOLUTION OF The Governors of The University of Alberta
("Board of Governors")

IT IS HEREBY RESOLVED:

THAT, subject to the prior approval of the Lieutenant Governor in Council under section 67 of the *Post-secondary Learning Act*, The Governors of The University of Alberta authorizes and approves to sell its interest in 10416 Connaught Drive, Edmonton Alberta and the land which is contained within the parcel legally described as Lot 11 Block 84 Plan 2803AF.

I hereby certify that this resolution has full force and effect on the ____ day of _____, 20_____.

Chair, The Governors of The University of Alberta.

OUTLINE OF ISSUE

Agenda Title: **Peel Collection – Relocate in Rutherford Library: Capital Expenditure Authorization Request (CEAR)**

Motion: THAT the Board Finance and Property Committee, acting under the delegated authority of the Board of Governors, approve a capital expenditure of three million three hundred thousand dollars (\$3,300,000.00) in Canadian funds for the total project cost to modify a portion of the existing historic Rutherford Library to accommodate the significant Peel rare book collection.

Item

Action Requested	<input checked="" type="checkbox"/> Approval <input type="checkbox"/> Recommendation <input type="checkbox"/> Discussion/Advice <input type="checkbox"/> Information
Proposed by	Don Hickey, Vice-President, Facilities and Operations
Presenter	Don Hickey, Vice President, Facilities and Operations
Subject	Peel Collection – Relocate in Rutherford Library: Capital Expenditure Authorization Request (CEAR)

Details

Responsibility	Facilities and Operations																		
The Purpose of the Proposal is (please be specific)	To obtain approval for the expenditures to modify the existing historic Rutherford Library to accommodate the significant Peel rare book collection. Modifications would include building envelop, interior air/environment conditioning, as well as other infrastructure modifications.																		
The Impact of the Proposal is	There is a risk to damage/loss by not relocating the existing rare book collection to a more appropriate space.																		
Replaces/Revises (eg, policies, resolutions)	n/a																		
Timeline/Implementation Date	The project is anticipated to commence construction upon Board Finance and Property Committee (BFPC) approval and is targeted to reach substantial completion in 2016.																		
Estimated Cost	Total project cost is estimated at \$3,300,000.00.																		
Sources of Funding	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th colspan="3" style="text-align: center;">CEAR Funding Information</th> </tr> <tr> <th style="text-align: center;">Number</th> <th style="text-align: center;">Funding Source</th> <th style="text-align: center;">Amount</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">14-023</td> <td>Chief Library</td> <td style="text-align: right;">\$825,000.00</td> </tr> <tr> <td></td> <td>Provost AVP's Academic</td> <td style="text-align: right;">\$825,000.00</td> </tr> <tr> <td></td> <td>Facilities Operating Grant (FOG)</td> <td style="text-align: right;">\$1,650,000.00</td> </tr> <tr> <td></td> <td style="text-align: right;">TOTAL</td> <td style="text-align: right;">\$3,300,000.00</td> </tr> </tbody> </table>	CEAR Funding Information			Number	Funding Source	Amount	14-023	Chief Library	\$825,000.00		Provost AVP's Academic	\$825,000.00		Facilities Operating Grant (FOG)	\$1,650,000.00		TOTAL	\$3,300,000.00
CEAR Funding Information																			
Number	Funding Source	Amount																	
14-023	Chief Library	\$825,000.00																	
	Provost AVP's Academic	\$825,000.00																	
	Facilities Operating Grant (FOG)	\$1,650,000.00																	
	TOTAL	\$3,300,000.00																	
Notes	BFPC will be notified of any substantive changes as outlined in the motion.																		

Alignment/Compliance

Alignment with Guiding Documents	Dare to Discover, Academic Plan (Dare to Deliver), Long Range Development Plan
Compliance with Legislation, Policy and/or Procedure Relevant to the Proposal (please quote legislation and include identifying section numbers)	<p>PSLA Act, Section 60 (1) (b) refers:</p> <p><i>The Board of a public post-secondary institution shall develop, manage, and operate, alone or in co-operation with any person or organization, programs, services and facilities for the educational or cultural advancement of the people of Alberta.</i></p>

	<p>BFPC Terms of Reference, Section 3) g states:</p> <p>3. MANDATE OF THE COMMITTEE <i>Except as provided in paragraph 4 and in the Board's General Committee Terms of Reference, the Committee shall monitor, evaluate, advise and make decisions on behalf of the Board with respect to all strategic and significant financial and property matters and policies of the University. The Committee shall also consider any other matter delegated to the Committee by the Board.</i></p> <p><i>Without limiting the generality of the foregoing, the Committee shall:</i></p> <p><i>f) approve original Capital Expenditure Authorization Request (CEAR) or individual Supplemental CEARs up to a maximum of \$7 million and aggregate total CEAR and Supplemental CEARs up to a maximum of \$14 million. The Vice-President (Facilities and Operations) is authorized to approve original CEARs or individual Supplemental CEARs up to \$2 million and aggregate total CEAR and Supplemental CEARs up to \$4 million.</i></p> <p><i>g) review and recommend to the Board original Capital Expenditure Authorization Requests or individual Supplemental CEARs greater than \$7 million or aggregate total CEAR and Supplemental CEARs up to, but not exceeding \$14 million.</i></p> <p>4. LIMITATIONS ON DELEGATION BY THE BOARD</p> <p><i>The general delegation of authority by the Board to the Committee shall be limited as set out in this paragraph. Notwithstanding the general delegation of authority to the Committee set out in paragraph 3, the Board shall:</i></p> <p><i>(c) approve capital expenditures of more than \$7 million or expenditures which, when combined with other expenditures for the same project, would equal more than \$7 million;</i></p>
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Routing (Include meeting dates)

Consultative Route (parties who have seen the proposal and in what capacity)	Vice- President, Facilities and Operations
Approval Route (Governance) (including meeting dates)	Board Finance and Property Committee (BFPC) – September 23, 2014
Final Approver	Board Finance and Property Committee (BFPC) – September 23, 2014

Attachments

- Briefing Note (1 page)

Prepared by:

Todd Werre, Director
 Project Management Office
 Planning and Project Delivery
 Facilities and Operations
 Telephone: 780-492-5525
 Email: todd.werre@ualberta.ca

Peel Collection – Relocate in Rutherford Library Capital Expenditure Authorization Request (CEAR)

Background

The South Rutherford Library, located on the University of Alberta campus, is a three-storey building with two basement levels. The building is used as a library, student study area and for offices. The proposal is to move the Bruce Peel Special Collections Library, a rare book collection presently located in the building basement to the upper library mezzanine tiers. There is a need to relocate items currently housed in the mezzanine tiers to storage, or Rutherford North, in order to do the work and provide growth space for the Peel Special Collection Library (an area identified for targeted growth).

A rare book collection often consists of a variety of media that are simply designated as “rare books” to signal the need for special protection, or are especially valuable or irreplaceable. These collections may include media such as photographic negatives, colour prints, and magnetic media that require different preservation conditions than paper. Within this collection there is a variety of formats including books, folios, manuscripts, and file material, but all are paper and require the same environmental criteria. The conditions we are trying to provide are uniform throughout the area designated for this collection. In addition, the same conditions should be provided for any reading or processing areas in which these materials will be used.

Issues

To modify the existing historic Rutherford Library to accommodate the significant Peel rare book collection, would include building envelop, interior air/environment conditioning, as well as other infrastructure modifications.

Other factors identified and taken into consideration in developing the preferred option were air purity, fire protection, water infiltration, handling/moving of books and security. Numerous options were proposed through a feasibility study done by Dialog. The accepted option is an accessible enclosure (conditional buffer space), sized to fit the space currently occupied by the end row of stacks (<3 feet), and will be constructed along the South wall, and will return on both the West and East portion of the exterior wall.

The “buffer space” will be operated at a slightly negative pressure relative to where the collections are and conditioned with a good supply of heated but non-humidified air.

To avoid unwanted moisture migration from the collection space into the buffer area, the “buffer space” enclosure will be separated from the “collection space” with an interior partition and door as near airtight as possible.

Recommendation

That the Board Finance and Property Committee approve the capital expenditure for the construction to modify the existing historic Rutherford Library to accommodate the significant Bruce Peel Special Collections Library