

**TRANSFER PAYMENT AGREEMENT
FOR THE STRATEGIC PRIORITIES INFRASTRUCTURE FUND**

THIS TRANSFER PAYMENT AGREEMENT for a Strategic Priorities Infrastructure Fund Project (the “Agreement”) is effective as of the Effective Date.

B E T W E E N:

**His Majesty the King in right of the Province of Ontario,
as represented by the Minister of Infrastructure**

(the “**Province**”)

- and -

The Corporation of the City of Port Colborne

(CRA# 106984107)

(the “**Recipient**”)

BACKGROUND

The Government of Ontario created the Strategic Priorities Infrastructure Fund to support, in part, large-scale new builds and expansions of community, culture and recreation infrastructure.

The Recipient is eligible to receive funding under the Strategic Priorities Infrastructure Fund.

CONSIDERATION

In consideration of the mutual covenants and agreements contained in this Agreement and for other good and valuable consideration, the receipt and sufficiency of which are expressly acknowledged, the Province and the Recipient agree as follows:

1.0 ENTIRE AGREEMENT

1.1 Schedules to the Agreement. The following schedules form part of the Agreement:

Schedule “A” - General Terms and Conditions

Schedule “B” - Specific Information

Schedule “C” - Project Description, Financial Information, and Project Standards

Schedule “D” - Reports

Schedule “E” - Eligible Expenditures and Ineligible Expenditures
Schedule “F” - Evaluation
Schedule “G” - Communications Protocol
Schedule “H” - Disposal of Assets
Schedule “I” - Indigenous Consultation Protocol
Schedule “J” - Requests for Payment and Payment Procedures
Schedule “K” - Committee

- 1.2 **Entire Agreement.** The Agreement constitutes the entire agreement between the Parties in respect to the subject matter contained in the Agreement and supersedes all prior oral or written representations and agreements.

2.0 CONFLICT OR INCONSISTENCY

- 2.1 **Conflict or Inconsistency.** In the event of a conflict or inconsistency between the provisions of:
- (a) the main body of the Agreement and the provisions of a schedule, the provisions of the main body of the Agreement will prevail to the extent of the conflict or inconsistency;
 - (b) Schedule “A” (General Terms and Conditions) and the provisions of another schedule, the provisions of Schedule “A” (General Terms and Conditions) will prevail to the extent of the conflict or inconsistency.

3.0 COUNTERPARTS

- 3.1 **One and the Same Agreement.** The Agreement may be executed in any number of counterparts, each of which will be deemed an original, but all of which together will constitute one and the same instrument. Counterparts may be executed either in original or other electronic form and the Parties shall adopt any signatures received via e-mail as original signatures of the Parties.

4.0 AMENDING THE AGREEMENT

- 4.1 **Amending the Agreement.** The Agreement may only be amended by a further written agreement duly executed by the authorized representatives of the Parties.

5.0 ACKNOWLEDGEMENT

- 5.1 **Acknowledgement from Recipient.** The Recipient acknowledges that:

- (a) by receiving Funds it may become subject to legislation applicable to organizations that receive funding from the Government of Ontario, including the *Broader Public Sector Accountability Act, 2010* (Ontario), the *Public Sector Salary Disclosure Act, 1996* (Ontario), and the *Auditor General Act* (Ontario);
- (b) His Majesty the King in right of Ontario has issued expenses, perquisites, and procurement directives and guidelines pursuant to the *Broader Public Sector Accountability Act, 2010* (Ontario);
- (c) the Funds are:
 - i. to assist the Recipient to carry out the Project and not to provide goods or services to the Province;
 - ii. funding for the purposes of the *Public Sector Salary Disclosure Act, 1996* (Ontario);
- (d) the Province is not responsible for carrying out the Project;
- (e) the Province is bound by the *Freedom of Information and Protection of Privacy Act* (Ontario) and that any information provided to the Province in connection with the Agreement may be subject to disclosure in accordance with that Act; and
- (f) pursuant to the *Financial Administration Act* (Ontario), any payment of Funds is subject to an appropriation from the Ontario Legislature; if the Province does not receive the necessary appropriation, the Province is not obligated to make any such payment and the Province:
 - (i) will terminate the Agreement immediately without liability, penalty, or costs, by giving Notice to the Recipient;
 - (ii) will cancel further instalments of Funds;
 - (iii) will demand from the Recipient the payment of any Funds remaining in the possession or under the control of the Recipient; and
 - (iv) may determine the reasonable costs for the Recipient to wind down the Project and permit the Recipient to offset such costs against the amount owing pursuant to section 5.1(f)(iii).

5.2 **Acknowledgement from Province.** The Province acknowledges that the Recipient may be bound by the *Municipal Freedom of Information and Protection of Privacy Act* (Ontario) and any information provided to the Recipient in connection with any Project or otherwise in connection with the Agreement may be subject to disclosure in accordance with that Act.

[SIGNATURE PAGE FOLLOWS]

The Parties have executed the Agreement on the dates set out below.

**HIS MAJESTY THE KING IN RIGHT OF ONTARIO as
represented by the Minister of Infrastructure**

<hr/> <p>Date</p>	<hr/> <p>p.p. Jill Vienneau, Assistant Deputy Minister The Honourable Kinga Surma Minister of Infrastructure</p>
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AFFIX
CORPORATE
SEAL

THE CORPORATION OF THE CITY OF PORT COLBORNE

<hr/> <p>Date</p>	<hr/> <p>Name: Title:</p>
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I have authority to bind the Recipient.

<hr/> <p>Date</p>	<hr/> <p>Name: Title:</p>
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I have authority to bind the Recipient.

[SCHEDULE “A” (GENERAL TERMS AND CONDITIONS) FOLLOWS]

SCHEDULE “A” GENERAL TERMS AND CONDITIONS

A.1.0 INTERPRETATION AND DEFINITIONS

A.1.1 Interpretation. For the purposes of interpretation:

- (a) words in the singular include the plural and vice-versa;
- (b) words in one gender include all genders;
- (c) the headings do not form part of the Agreement; they are for information and reference only and will not affect the interpretation of the Agreement;
- (d) any reference to dollars or currency will be in Canadian dollars and currency;
- (e) “include”, “includes”, and “including” denote that the subsequent list is not exhaustive.

A.1.2 Definitions. In the Agreement, the following terms have the following meanings:

“Agreement” means this agreement entered into between the Province and the Recipient, all of the schedules listed in section 1.1, and any amending agreement entered into pursuant to section 4.1.

“Approval Date” means the date on which the Province has approved the Project identified in Schedule “C” (Project Description, Financial Information, and Project Standards).

“Asset” means any real or personal property, or immovable or movable asset, acquired, purchased, constructed, rehabilitated, or improved, in whole or in part, with any of the Funds.

“Authorities” means any government authority, agency, body or department having or claiming jurisdiction over the Agreement or the Project, or both.

“Business Day” means any working day the Province is open for business, Monday to Friday inclusive, excluding statutory and other holidays, namely: New Year’s Day; Family Day; Good Friday; Easter Monday; Victoria Day; Canada Day; Civic Holiday; Labour Day; Thanksgiving Day; Remembrance Day; Christmas Day; Boxing Day; and any other statutory or other holiday on which the Province is not open for business.

“Committee” refers to a Committee established pursuant to section A.28.1 (Establishment of Committee).

“Communications Activities” means, but is not limited to, public or media events or

ceremonies including key milestone events, news releases, reports, web and social media products or postings, blogs, news conferences, public notices, physical and digital signs, publications, success stories and vignettes, photos, videos, multi-media content, advertising campaigns, awareness campaigns, editorials, multi-media products, and all related communication materials under the Agreement.

“Contract” means a contract between the Recipient and a Third Party whereby the Third Party agrees to supply goods or services, or both, in respect of the Project in return for financial consideration.

“Effective Date” means the date of signature by the last signing party to the Agreement.

“Eligible Expenditures” means the costs in respect of the Project that the Recipient has incurred and paid and that are eligible for payment under the terms and conditions of the Agreement, and that are further described in Schedule “E” (Eligible Expenditures and Ineligible Expenditures).

“Environmental Laws” means all applicable governmental laws, regulations, by-laws, orders, rules, policies, or guidelines respecting the protection of the natural environment or the public, and the manufacture, importation, handling, transportation, storage, disposal, and treatment of environmental contaminants.

“Evaluation” means an evaluation in respect of the Project or the Program as described in Article F.1.0 (Project and Program Evaluations).

“Event of Default” has the meaning ascribed to it in section A.13.1 (Events of Default).

“Expiry Date” means the expiry date set out in Schedule “B” (Specific Information).

“Funding Year” means:

- (a) in the case of the first Funding Year, the period commencing on the Effective Date and ending on the following March 31; and
- (b) in the case of Funding Years subsequent to the first Funding Year, the period commencing on April 1 following the end of the previous Funding Year and ending on the following March 31 or the Expiry Date, whichever is first.

“Funds” means the money the Province provides to the Recipient pursuant to the Agreement.

“Holdback” has the meaning as set out in section A.4.12 (Retention of Contribution).

“Indemnified Parties” means His Majesty the King in right of Ontario, and includes His ministers, agents, appointees and employees.

“Indigenous Communities” has the meaning ascribed to it in section I.1.1 (Definitions).

“Indigenous Consultation Record” has the meaning ascribed to it in section I.1.1 (Definitions).

“Ineligible Expenditures” means the costs that are ineligible for payment under the terms and conditions of the Agreement and that are described in Schedule “E” (Eligible Expenditures and Ineligible Expenditures).

“Interest or Interest Earned” means the amount of money earned by the Recipient from placing the Funds in an interest bearing account as set out in section A.4.4 (Interest-Bearing Account), and includes any and all interest or other income generated from the Funds.

“Loss” means any cause of action, liability, loss, cost, damage, or expense (including legal, expert, and consultant fees) that anyone incurs or sustains as a result of or in connection with the Project or any part of the Agreement.

“Maximum Funds” means the maximum Funds amount set out in Schedule “B” (Specific Information).

“Notice” means any communication given or required to be given pursuant to the Agreement.

“Parties” means the Province and the Recipient.

“Party” means either the Province or the Recipient.

“Percentage of Provincial Support” has the meaning ascribed to it in section C.2.2.

“Person” means, without limitation, a person, the Recipient, a Third Party, a corporation, or any other legal entity, and their officers, servants, employees, or agents.

“Proceeding” means any action, claim, demand, lawsuit, or other proceeding that anyone makes, brings, or prosecutes as a result of or in connection with the Project or with any other part of the Agreement.

“Project” means the undertaking described in Schedule “C” (Project Description, Financial Information, and Project Standards).

“Records Review” means any assessment the Province conducts pursuant to

section A.7.4 (Records Review).

“Remedial Period” means the period of time within which the Recipient is required to remedy an Event of Default, pursuant to paragraph A.13.3 (b), and includes any such period or periods of time by which the Province extends that time in accordance with section A.13.4 (Recipient Not Remediating).

“Reports” means the reports described in Schedule “D” (Reports).

“Requirements of Law” means all applicable requirements, laws, statutes, codes, acts, ordinances, approvals, orders, decrees, injunctions, by-laws, rules, regulations, official plans, permits, licences, authorizations, directions, and agreements with all Authorities, and includes the Environmental Laws.

“Substantial Completion” or **“Substantially Completed”** means that the Project can be used for the purpose for which it was intended.

“Term” means the period of time described in section A.3.1 (Term).

“Third Party” means any person or legal entity, other than a Party, who participates in the implementation of the Project by means of a Contract.

“Total Eligible Expenditures” has the meaning ascribed to it in section C.2.1.

A.2.0 REPRESENTATIONS, WARRANTIES, AND COVENANTS

A.2.1 General. The Recipient represents, warrants, and covenants that:

- (a) it is, and will continue to be, a validly existing legal entity with full power to fulfill its obligations under the Agreement;
- (b) it has, and will continue to have, the experience and expertise necessary to carry out the Project;
- (c) it is in compliance with, and will continue to comply with, all Requirements of Law related to any aspect of the Project, the Funds, or both;
- (d) unless otherwise provided for in the Agreement, any information the Recipient provided to the Province in support of its request for Funds (including, without limitation, any information relating to any eligibility requirements) was true and complete at the time the Recipient provided it and will continue to be true and complete.

A.2.2 Execution of Agreement. The Recipient represents and warrants that it has:

- (a) the full power and authority to enter into the Agreement; and
- (b) taken all necessary actions to authorize the execution of the Agreement, including passing a municipal by-law or band council resolution authorizing the Recipient to enter into the Agreement.

A.2.3 Governance. The Recipient represents, warrants, and covenants that it has, will maintain in writing, and will follow:

- (a) a code of conduct and ethical responsibilities for all persons at all levels of the Recipient's organization;
- (b) procedures to enable the Recipient's ongoing effective functioning;
- (c) decision-making mechanisms for the Recipient;
- (d) procedures to enable the Recipient to manage Funds prudently and effectively;
- (e) procedures to enable the Recipient to complete the Project successfully;
- (f) procedures to enable the Recipient to identify risks to the completion of the Project and strategies to address the identified risks, all in a timely manner;
- (g) procedures to enable the preparation and submission of all Reports required pursuant to Article A.7.0; and
- (h) procedures to enable the Recipient to address such other matters as the Recipient considers necessary to enable the Recipient to carry out its obligations under the Agreement

A.2.4 Supporting Proof. Upon the request of the Province, the Recipient will provide the Province with proof of the matters referred to in this Article A.2.0 (Representations, Warranties, and Covenants).

A.3.0 TERM OF THE AGREEMENT AND SUBSTANTIAL COMPLETION

A.3.1 Term. The term of the Agreement will commence on the Effective Date and will expire on the Expiry Date unless terminated earlier pursuant to section 5.1(f), Article A.12.0 (Termination on Notice) or Article A.13.0 (Event of Default, Corrective Action, and Termination for Default).

A.3.2 Substantial Completion. The Recipient will ensure that the Project is Substantially Completed on or before March 31, 2027.

A.4.0 FUNDS AND CARRYING OUT THE PROJECT

A.4.1 Funds Provided. The Province will:

- (a) provide the Recipient funding up to the Maximum Funds for the sole purpose of carrying out the Project;
- (b) provide the Funds to the Recipient in accordance with Schedule “J” (Requests for Payment and Payment Procedures); and
- (c) deposit the Funds into an account the Recipient designates, provided that the account:
 - (i) resides at a Canadian financial institution; and
 - (ii) is in the name of the Recipient.

A.4.2 Limitation on Payment of Funds. Despite section A.4.1 (Funds Provided):

- (a) in addition to any other limitation under the Agreement on the payment of Funds, the Province is not obligated to provide:
 - (i) any Funds to the Recipient until the Recipient fulfils the special conditions listed in section A.30.1 (Special Conditions); and
 - (ii) any Funds to the Recipient until the Province is satisfied with the progress of the Project;
- (b) the Province may adjust the amount of Funds it provides to the Recipient in any Funding Year based upon the Province’s assessment of the information the Recipient provides to the Province pursuant to section A.7.2 (Preparation and Submission); and
- (c) the Province is not obligated to provide any Funds to the Recipient until it is satisfied that its duty to consult with Indigenous Communities and, if applicable, duty to accommodate any Indigenous Communities, have been met.

A.4.3 Use of Funds and Carry Out the Project. The Recipient will do all of the following:

- (a) carry out the Project in accordance with the Agreement;
- (b) use the Funds only for the purpose of carrying out the Project;
- (c) spend the Funds only on Eligible Expenditures that are necessary to carry out the Project on and after the Approval Date; and
- (d) not use the Funds to cover any Eligible Expenditure that has or will be funded or reimbursed by one or more of any third party, or ministry, department, agency, or

organization of the Government of Ontario.

- A.4.4 **Interest-Bearing Account.** If the Province provides Funds before the Recipient's immediate need for the Funds, the Recipient will place the Funds in an interest-bearing account solely in the name of the Recipient at a branch of a Canadian financial institution in Ontario.
- A.4.5 **Interest.** If the Recipient earns any interest on the Funds, the Province may do either or both of the following:
- (a) deduct an amount equal to the interest from the Funds; or
 - (b) demand from the Recipient the payment of an amount equal to the Interest Earned.
- A.4.6 **Maximum Funds and Recovery of Excesses.** The Recipient acknowledges that:
- (a) the Funds available to it pursuant to the Agreement will not exceed the Maximum Funds; and
 - (b) if the total contribution from all provincial sources in respect of the Project exceeds 73.3% of Total Eligible Expenditures, the Province may recover the excess from the Recipient or reduce the amount of Funds it provides to the Recipient under the Agreement by an amount equal to the excess.
- A.4.7 **Disclosure of Other Financial Assistance.** The Recipient will inform the Province promptly of any financial assistance received in respect of the Project.
- A.4.8 **Rebates, Credits, and Refunds.** The Province will, in respect of the Project, calculate Funds based on the actual costs to the Recipient to carry out the Project, less any costs for which the Recipient has received, will receive, or is eligible to receive, a rebate, credit, or refund.
- A.4.9 **Recipient's Acknowledgement of Responsibility for Project.** The Recipient will, in respect of the Project, assume full responsibility for the Project, including, without limitation:
- (a) complete, diligent, and timely Project implementation within the costs and timelines specified in the Agreement and in accordance with all other terms and conditions of the Agreement;
 - (b) all of the costs of the Project, including, without limitation, unapproved expenditures, Ineligible Expenditures, and cost overruns, if any;
 - (c) subsequent operation, maintenance, repair, rehabilitation, construction, demolition, or reconstruction, as required and in accordance with industry standards, and any related costs for the full lifecycle of the Project; and

(d) the engineering work being undertaken in accordance with industry standards.

A.4.10 Increase in Project Costs. If, at any time during the Term, the Recipient determines that it will not be possible to complete the Project unless it expends amounts in excess of all funding available to it (a “**Shortfall**”), the Recipient will immediately notify the Province of that determination. If the Recipient so notifies the Province, it will, within 30 days of a request from the Province, provide a summary of the measures that it proposes to remedy the Shortfall. If the Province is not satisfied that the measures proposed will be adequate to remedy the Shortfall, then the Province may exercise one or more of the remedies available to it pursuant to section A.13.4 (Recipient Not Remediating).

A.4.11 Recipient’s Request for Payment and Payment Procedures. The Recipient agrees to submit its requests for payment in accordance with the payment procedures provided for in Schedule “J” (Requests for Payment and Payment Procedures).

A.4.12 Retention of Contribution. The Province will retain a maximum of 10% of the Funds in respect of the Project (“**Holdback**”) up until the following conditions have been met:

- (a) the Recipient has fulfilled all of its obligations under the Agreement for the Project; and
- (b) the Parties have jointly carried out a final reconciliation, as set out in J.6.0 (Final Reconciliation and Adjustments), and made any adjustments required in the circumstances.

A.5.0 RECIPIENT’S ACQUISITION OF GOODS OR SERVICES, CONTRACT PROVISIONS, AND DISPOSAL OF ASSETS

A.5.1 Acquisition. If the Recipient acquires goods, services, or both with the Funds, it will:

- (a) do so through a process that is fair, transparent, competitive, and consistent with value for money principles, or in a manner otherwise acceptable to the Province; and
- (b) comply with the *Broader Public Sector Accountability Act, 2010* (Ontario), including any procurement directive issued thereunder, to the extent applicable.

A.5.2 Non-Compliance with Acquisition Requirements. If the Province determines that a Contract is awarded in a manner that is not in compliance with the requirements in section A.5.1 (Acquisition), upon giving Notice to the Recipient, the Province may consider the expenditures associated with the Contract to be an Ineligible Expenditure.

A.5.3 Exemptions to Competitive Awarding. The Province may consent to the provision of exemptions from competitive awarding of Contracts on a case-by-case basis, in its

sole and absolute discretion, if the Recipient provides a written request indicating the business case rationale for the exemption, in advance of the Contract being awarded.

A.5.4 Contract Provisions. The Recipient will ensure that all Contracts are consistent with and incorporate the relevant provisions of the Agreement, including its insurance provisions. More specifically, but without limiting the generality of the foregoing, the Recipient agrees to include provisions in all Contracts to ensure:

- (a) that proper and accurate accounts and records are kept and maintained as described in the Agreement including, but not limited to, in paragraph A.7.3(a);
- (b) that all applicable Requirements of Law including, without limitation, labour and human rights legislation, are complied with; and
- (c) that the Contract secures the respective rights of the Province, and any authorized representative or independent auditor identified by the Province, and the Auditor General of Ontario to:
 - (i) inspect and audit the terms of any Contract, record or account in respect of the Project; and
 - (ii) have free and timely access to the Project sites and facilities, and any records, documentation or information, as contemplated pursuant to section A.7.5 (Inspection and Removal).

A.5.5 Disposal of Assets. The Recipient will not, unless in accordance with the terms and conditions set out in Schedule “H” (Disposal of Assets), sell, lease, encumber, or otherwise dispose, directly or indirectly, of any Asset.

A.6.0 CONFLICT OF INTEREST

A.6.1 Conflict of Interest Includes. For the purposes of this Article A.6.0 (Conflict of Interest), a conflict of interest includes any circumstances where:

- (a) the Recipient or any person who has the capacity to influence the Recipient’s decisions has outside commitments, relationships, or financial interests that could, or could be seen by a reasonable person to interfere with the Recipient’s objective, unbiased, and impartial judgment in respect of the Project or the use of the Funds, or both; or
- (b) a former public servant or public office holder to whom any post-employment, ethics and conflict of interest legislation, guidelines, codes, or policies apply will derive a direct benefit from the Agreement, unless the provision or receipt of such benefits complies with such legislation, guidelines, policies, or codes.

A.6.2 No Conflict of Interest. The Recipient will carry out the Project and use the Funds without an actual, potential, or perceived conflict of interest unless:

- (a) the Recipient:
 - (i) provides Notice to the Province disclosing the details of the actual, potential, or perceived conflict of interest; and
 - (ii) requests the consent of the Province to carry out the Project with an actual, potential, or perceived conflict of interest;
- (b) the Province consents in writing to the Recipient carrying out the Project with an actual, potential, or perceived conflict of interest; and
- (c) the Recipient complies with any terms and conditions the Province may prescribe in its consent.

A.7.0 REPORTING, ACCOUNTING, AND REVIEW

A.7.1 Province Includes. For the purpose of sections A.7.4 (Records Review), A.7.5 (Inspection and Removal) and A.7.6 (Cooperation), “Province” includes any auditor or representative that the Province may identify.

A.7.2 Preparation and Submission. The Recipient will:

- (a) submit to the Province at the address referred to in section A.16.1 (Notice in Writing and Addressed):
 - (i) all Reports in accordance with the timelines and content requirements provided for in Schedule “D” (Reports); and
 - (ii) any other reports in accordance with any timelines and content requirements the Province may specify from time to time; and
- (b) ensure that all Reports and other reports are:
 - (i) completed to the satisfaction of the Province; and
 - (ii) signed by an authorized signing officer of the Recipient.

A.7.3 Record Maintenance. The Recipient will keep and maintain for a period of seven years after the Expiry Date:

- (a) proper and accurate financial accounts and records, kept in a manner consistent with generally accepted accounting principles, including but not limited to its

contracts, invoices, statements, receipts, and vouchers and any other evidence of payment relating to the Funds or otherwise to the Project; and

- (b) all non-financial records and documents relating to the Funds or otherwise to the Project.

A.7.4 Records Review. The Province may, at its own expense, upon 24 hours' Notice to the Recipient and during normal business hours, enter upon the Recipient's premises to conduct an audit or investigation of the Recipient regarding the Recipient's compliance with the Agreement, including assessing any of the following:

- (a) the truth of any of the Recipient's representations and warranties;
- (b) the progress of the Project;
- (c) the Recipient's allocation and expenditure of the Funds.

A.7.5 Inspection and Removal. For the purposes of any Records Review, the Province may take one or more of the following actions:

- (a) inspect and copy any records or documents referred to in section A.7.3 (Record Maintenance); and
- (b) remove any copies the Province makes pursuant to section A.7.5(a).

A.7.6 Cooperation. To assist the Province in respect of its rights provided for in section A.7.5 (Inspection and Removal), the Recipient will cooperate with the Province by:

- (a) ensuring that the Province has access to the records and documents wherever they are located;
- (b) coordinating access with any Third Party;
- (c) assisting the Province to copy the records and documents;
- (d) providing to the Province, in the form the Province specifies, any information the Province identifies; and
- (e) carrying out any other activities the Province requests.

A.7.7 No Control of Records. No provision of the Agreement will be construed so as to give the Province any control whatsoever over the Recipient's records.

A.7.8 Auditor General. The Province's rights under this Article A.7.0 (Reporting, Accounting, and Review) are in addition to any rights provided to the Auditor General of Ontario pursuant to section 9.1 of the *Auditor General Act* (Ontario).

- A.7.9 **Evaluation.** The Recipient agrees to participate in any Evaluation and comply with the requirements for such Evaluation that are set out in Schedule “F” (Evaluation).
- A.7.10 **Calculations.** The Recipient will make all calculations and prepare all financial data to be submitted in accordance with the generally accepted accounting principles in effect in Canada. These will include, without limitation, those principles and standards approved or recommended from time to time by the Chartered Professional Accountants of Canada or the Public Sector Accounting Board, as applicable, or any successor institute, applied on a consistent basis.
- A.7.11 **Adverse Fact or Event.** The Recipient will inform the Province immediately of any fact or event of which it is aware that has or will compromise, wholly or in part, the Project.

A.8.0 COMMUNICATIONS REQUIREMENTS

- A.8.1 **Communications Protocol.** The Parties agree to be bound by the terms and conditions of the communications protocol provided for in Schedule “G” (Communications Protocol).

A.9.0 INDIGENOUS CONSULTATION

- A.9.1 **Indigenous Consultation Protocol.** The Parties agree to be bound by the terms and conditions of the Indigenous Consultation Protocol provided for in Schedule “I” (Indigenous Consultation Protocol).
- A.9.2 **Legal Duty to Consult.** Until the Province is satisfied that any legal duty to consult and, where appropriate, to accommodate Indigenous Communities has been, and continues to be met:
- (a) no site preparation, removal of vegetation or construction will occur in respect of the Project; and
 - (b) the Province has no obligation to pay any Eligible Expenditures that are capital costs, as determined by the Province; and, for any Project requiring consultation, the Province must be satisfied that:
 - (i) Indigenous Communities have been notified and, if applicable, consulted;
 - (ii) where consultation has occurred, the Recipient has provided a summary of consultation or engagement activities, including a list of Indigenous Communities consulted, concerns raised, and how each of the concerns have been addressed or, if not addressed, an explanation as to why not;
 - (iii) the Recipient is carrying out accommodation measures, where appropriate;

and

- (iv) any other information has been provided which the Province may deem appropriate.

A.9.3 Archaeological Assessments. The Recipient will undertake archaeological assessments on the sites upon which the Project will occur where ground disturbance is proposed.

A.10.0 INDEMNIFY

A.10.1 Indemnify. The Recipient will indemnify and hold harmless the Indemnified Parties from and against any Loss and any Proceeding, unless solely caused by the negligence or wilful misconduct of the Indemnified Parties.

A.10.2 Recipient's Participation. The Recipient will, at its expense, to the extent requested by the Province participate in or conduct the defence of any Proceedings against any of the Indemnified Parties and any negotiations for their settlement.

A.10.3 Province's Election. The Province may elect to participate in, or conduct the defence of, any Proceeding by providing Notice to the Recipient of such election, without prejudice to any other rights or remedies of the Province under the Agreement, at law or in equity. If the Province or the Recipient, as applicable, participates in the defence, it will do so by actively participating with the other's counsel.

A.10.4 Settlement Authority. The Recipient will not enter into a settlement of any Proceeding against any of the Indemnified Parties unless the Recipient has obtained from the Province prior written approval or a waiver of this requirement. If the Recipient is requested by the Province to participate in or conduct the defence of any Proceeding, the Province will cooperate with and assist the Recipient to the fullest extent possible in the Proceeding and any related settlement negotiations.

A.10.5 Recipient's Cooperation. If the Province conducts the defence of any Proceeding, the Recipient will cooperate with and assist the Province to the fullest extent possible in the Proceeding and any related settlement negotiations.

A.11.0 INSURANCE

A.11.1 Recipient's Insurance. The Recipient represents, warrants, and covenants that it has, and will maintain, at its own cost and expense, with insurers having a secure A.M. Best rating of B+ or greater, or the equivalent, all the necessary and appropriate insurance that a prudent person carrying out a project similar to the Project would maintain, including commercial general liability insurance on an occurrence basis for third party bodily injury, personal injury, and property damage, to an inclusive limit of

not less than \$2,000,000.00 per occurrence, which commercial general liability insurance policy will include the following:

- (a) the Indemnified Parties as additional insureds in respect of liability arising in the course of performance of the Recipient's obligations under, or otherwise in connection with, the Agreement;
- (b) a cross-liability clause;
- (c) contractual liability coverage; and
- (d) a 30-day written notice of cancellation.

A.11.2 Proof of Insurance. The Recipient will:

- (a) provide to the Province, either:
 - (i) annually, certificates of insurance that confirm the insurance coverage as provided in section A.11.1 (Recipient's Insurance); or
 - (ii) other proof that confirms the insurance coverage as provided for in section A.11.1 (Recipient's Insurance); and
- (b) at the Province's request, the Recipient will provide to the Province a copy of any of the Recipient's insurance policies that relate to the Project or otherwise to the Agreement or both.

A.12.0 TERMINATION ON NOTICE

A.12.1 Termination on Notice. The Province may terminate the Agreement at any time without liability, penalty, or costs upon giving at least 30 days' Notice to the Recipient.

A.12.2 Consequences of Termination on Notice by the Province. If the Province terminates the Agreement pursuant to section A.12.1 (Termination on Notice), the Province may take one or more of the following actions:

- (a) direct the Recipient not to incur any costs for the Project without the Province's prior written consent;
- (b) cancel further instalments of Funds;
- (c) demand from the Recipient the payment of any Funds plus Interest Earned remaining in the possession or under the control of the Recipient; and
- (d) determine the reasonable costs for the Recipient to wind down the Project and do either or both of the following:

- (i) permit the Recipient to offset such costs against the amount the Recipient owes pursuant to paragraph A.12.2(c); and
- (ii) subject to paragraph A.4.1(a), provide Funds to the Recipient to cover such costs.

A.13.0 EVENT OF DEFAULT, CORRECTIVE ACTION, AND TERMINATION FOR DEFAULT

A.13.1 Events of Default. Each of the following events will constitute an Event of Default:

- (a) in the opinion of the Province, the Recipient breaches any representation, warranty, covenant, or other material term of the Agreement, including failing to do any of the following in accordance with the terms and conditions of the Agreement:
 - (i) carry out the Project;
 - (ii) use or spend Funds; or
 - (iii) provide, in accordance with section A.7.2 (Preparation and Submission), Reports or such other reports as the Province may have requested pursuant to paragraph A.7.2(b);
- (b) the Recipient's operations, its financial condition, or its organizational structure or its control, changes such that it no longer meets one or more of the eligibility requirements of the program under which the Province provides the Funds;
- (c) the Recipient makes an assignment, proposal, compromise, or arrangement for the benefit of creditors, or a creditor makes an application for an order adjudging the Recipient bankrupt, or applies for the appointment of a receiver;
- (d) the Recipient ceases to operate.

A.13.2 Consequences of Events of Default and Corrective Action. If an Event of Default occurs, the Province may, at any time, take one or more of the following actions:

- (a) initiate any action the Province considers necessary in order to facilitate the successful continuation or completion of the Project;
- (b) provide the Recipient with an opportunity to remedy the Event of Default;
- (c) suspend the payment of Funds for such period as the Province determines appropriate;

- (d) reduce the amount of the Funds;
- (e) cancel all further instalments of Funds;
- (f) demand from the Recipient the payment of any Funds remaining in the possession or under the control of the Recipient plus Interest Earned;
- (g) demand from the Recipient the payment of an amount equal to any Funds the Recipient used plus Interest Earned, but did not use in accordance with the Agreement;
- (h) demand from the Recipient the repayment of an amount equal to any Funds the Province provided to the Recipient plus Interest Earned;
- (i) demand from the Recipient the payment of an amount equal to the costs the Province incurred or incurs to enforce its rights under the Agreement, including the costs of any Records Review and the costs it incurs to collect any amounts the Recipient owes to the Province; and
- (j) upon giving Notice to the Recipient, terminate the Agreement at any time, including immediately, without liability, penalty, or costs to the Province.

A.13.3 Opportunity to Remedy. If, pursuant to section A.13.2(b), the Province provides the Recipient with an opportunity to remedy the Event of Default, the Province will provide Notice to the Recipient of:

- (a) the particulars of the Event of Default; and
- (b) the Remedial Period.

A.13.4 Recipient Not Remediating. If the Province provides the Recipient with an opportunity to remedy the Event of Default pursuant to paragraph A.13.2(b), and:

- (a) the Recipient does not remedy the Event of Default within the Remedial Period;
- (b) it becomes apparent to the Province that the Recipient cannot completely remedy the Event of Default within the Remedial Period; or
- (c) the Recipient is not proceeding to remedy the Event of Default in a way that is satisfactory to the Province,

the Province may extend the Remedial Period or initiate any one or more of the actions provided for in sections A.13.2(a), (c), (d), (e), (f), (g), (h), (i) and (j).

A.13.5 When Termination Effective. Termination under this Article A.13.0 (Event of Default,

Corrective Action, and Termination for Default) will take effect as provided for in the Notice.

A.14.0 FUNDS UPON EXPIRY

A.14.1 **Funds Upon Expiry.** Upon expiry of the Agreement, the Recipient will pay to the Province any Funds plus Interest Earned remaining in its possession, under its control, or both.

A.15.0 DEBT DUE AND PAYMENT

A.15.1 **Payment of Overpayment.** If at any time the Province provides Funds in excess of the amount to which the Recipient is entitled under the Agreement, the Province may:

- (a) deduct an amount equal to the excess Funds plus Interest Earned from any further instalments of Funds; or
- (b) demand that the Recipient pay to the Province an amount equal to the excess Funds plus Interest Earned.

A.15.2 **Debt Due.** If, pursuant to the Agreement:

- (a) the Province demands from the Recipient the payment of any Funds, an amount equal to any Funds, or any other amounts under the Agreement; or
- (b) the Recipient owes to the Province any Funds, an amount equal to any Funds, or any other amounts under the Agreement, whether or not the Province has demanded their payment,

such amounts will be deemed to be debts due and owing to the Province by the Recipient, and the Recipient will pay the amounts to the Province immediately, unless the Province directs otherwise.

A.15.3 **Interest Rate.** The Province may charge the Recipient interest on any money owing to the Province by the Recipient under the Agreement at the then-current interest rate charged by the Province of Ontario on accounts receivable.

A.15.4 **Payment of Money to Province.** The Recipient will pay any money owing to the Province by cheque payable to the “Ontario Minister of Finance” and delivered to the Province at the address set out in Schedule “B” (Specific Information).

A.15.5 **Failure to Repay.** Without limiting the application of section 43 of the *Financial Administration Act* (Ontario), if the Recipient fails to pay any amount owing under the Agreement, His Majesty the King in right of Ontario may deduct any unpaid amount from any money payable to the Recipient by His Majesty the King in right of Ontario.

A.16.0 NOTICE

A.16.1 Notice in Writing and Addressed. Notice will be:

- (a) in writing;
- (b) delivered by email, postage-prepaid mail, personal delivery, or courier; and
- (c) addressed to the Province and the Recipient as set out in Schedule “B” (Specific Information), or as either Party later designates to the other by Notice.

A.16.2 Notice Given. Notice will be deemed to have been given:

- (a) in the case of postage-prepaid mail, five Business Days after the Notice is delivered; and
- (b) in the case of email, personal delivery, or courier, on the date on which the Notice is delivered.

A.16.3 Postal Disruption. Despite paragraph A.16.2(a), in the event of a postal disruption:

- (a) Notice by postage-prepaid mail will not be deemed to be given; and
- (b) the Party giving Notice will provide Notice by email, personal delivery, or courier.

A.17.0 CONSENT BY PROVINCE AND COMPLIANCE BY RECIPIENT

A.17.1 Consent. When the Province provides its consent pursuant to the Agreement:

- (a) it will do so by Notice;
- (b) it may attach any terms and conditions to the consent; and
- (c) the Recipient may rely on the consent only if the Recipient complies with any terms and conditions the Province may have attached to the consent.

A.18.0 SEVERABILITY OF PROVISIONS

A.18.1 Invalidity or Unenforceability of Any Provision. The invalidity or unenforceability of any provision of the Agreement will not affect the validity or enforceability of any other provision of the Agreement.

A.19.0 WAIVER

A.19.1 **Waiver Request.** Either Party may, by Notice, ask the other Party to waive an obligation under the Agreement.

A.19.2 **Waiver Applies.** If in response to a request made pursuant to section A.19.1 (Waiver Request) a Party consents to a waiver, the waiver will:

- (a) be valid only if the Party that consents to the waiver provides the consent by Notice; and
- (b) apply only to the specific obligation referred to in the waiver.

A.20.0 INDEPENDENT PARTIES

A.20.1 **Parties Independent.** The Recipient is not an agent, joint venturer, partner, or employee of the Province, and the Recipient will not represent itself in any way that might be taken by a reasonable person to suggest that it is, or take any actions that could establish or imply such a relationship.

A.20.2 **No Authority to Represent.** Nothing in the Agreement is to be construed as authorizing any Person, including a Third Party, to contract for or to incur any obligation on behalf of the Province, or to act as an agent for the Province. The Recipient will take the necessary action to ensure that any Contract between the Recipient and a Third Party contains a provision to that effect.

A.21.0 ASSIGNMENT OF AGREEMENT OR FUNDS

A.21.1 **No Assignment.** The Recipient will not, without the prior written consent of the Province, assign any of its rights or obligations under the Agreement.

A.21.2 **Agreement Binding.** All rights and obligations contained in the Agreement will extend to and be binding on:

- (a) the Recipient's successors and permitted assigns; and
- (b) the successors to His Majesty the King in right of Ontario.

A.22.0 GOVERNING LAW

A.22.1 **Governing Law.** The Agreement and the rights, obligations, and relations of the Parties will be governed by and construed in accordance with the laws of the Province of Ontario and the applicable federal laws of Canada. Any actions or proceedings arising in connection with the Agreement will be conducted in the courts of Ontario,

which will have exclusive jurisdiction over such proceedings.

A.23.0 FURTHER ASSURANCES

A.23.1 Agreement into Effect. The Recipient will:

- (a) provide such further assurances as the Province may request from time to time in respect to any matter to which the Agreement pertains; and
- (b) do or cause to be done all acts or things necessary to implement and carry into effect the terms and conditions of the Agreement to their full extent.

A.24.0 JOINT AND SEVERAL LIABILITY

A.24.1 Joint and Several Liability. Where the Recipient is comprised of more than one entity, each entity will be jointly and severally liable to the Province for the fulfillment of the obligations of the Recipient under the Agreement.

A.25.0 RIGHTS AND REMEDIES CUMULATIVE & JOINT AUTHORSHIP

A.25.1 Rights and Remedies Cumulative. The rights and remedies of the Province under the Agreement are cumulative and are in addition to, and not in substitution for, any of its rights and remedies provided by law or in equity.

A.25.2 Joint Authorship Of Agreement. The Parties will be considered joint authors of this Agreement and no provision herein will be interpreted against one Party by the other Party because of authorship. No Party will seek to avoid a provision herein because of its authorship through recourse to a third-party, court, tribunal or arbitrator.

A.26.0 FAILURE TO COMPLY WITH OTHER AGREEMENTS

A.26.1 Other Agreements. If the Recipient:

- (a) has failed to comply with any term, condition, or obligation under any other agreement with His Majesty the King in right of Ontario or one of His agencies (a “**Failure**”);
- (b) has been provided with notice of such Failure in accordance with the requirements of such other agreement;
- (c) has, if applicable, failed to rectify such Failure in accordance with the requirements of such other agreement; and

(d) such Failure is continuing,

the Province may suspend the payment of Funds for such period as the Province determines appropriate and may deduct amounts owing as a result of such Failure from the Funds owing under this Agreement.

A.27.0 ENVIRONMENTAL REQUIREMENTS AND ASSESSMENTS

A.27.1 Environmental Requirements. Without limitation to the Recipient's obligations to comply with Environmental Laws and for greater clarity:

- (a) no form of site preparation, removal of vegetation or construction shall occur in respect of the Project; and
- (b) the Province will have no obligation to pay any Eligible Expenditures that are capital costs, as determined by the Province,

until it is satisfied that all applicable environmental assessment legislation that is or may come into force during the term of the Agreement has been met and continues to be met.

A.28.0 COMMITTEE

A.28.1 Establishment of Committee. The Province may, at its sole discretion, require the establishment of a committee to oversee the Agreement (the "Committee").

A.28.2 Notice of Establishment of Committee. Upon Notice from the Province, the Parties will hold an initial meeting to establish, in accordance with Schedule "K" (Committee), the Committee described in section A.28.1 (Establishment of Committee).

A.29.0 DISPUTE RESOLUTION

A.29.1 Contentious Issues. The Parties will keep each other informed of any issues that could be contentious.

A.29.2 Examination by the Committee and Parties. If a contentious issue arises and a Committee has been established under section A.28.1 (Establishment of Committee), the Parties will refer the contentious issue that may arise to the Committee for examination. In the absence of a Committee, the Parties will examine the contentious issue.

A.29.3 Potential Dispute Resolution by Committee. The Committee or the Parties, as the case may be, will attempt, reasonably and in good faith, to resolve disputes as soon

as possible and, in any event, within, for the Committee, 30 days, or, for the Parties, 90 days of receiving Notice of a contentious issue.

- A.29.4 **Dispute Resolution by the Parties.** If the Committee cannot agree on a resolution, the matter will be referred to the Parties for resolution. The Parties will provide a decision within 60 Business Days of the Notice.
- A.29.5 **Alternative Mechanisms for Dispute Resolutions.** Where the Parties cannot agree on a resolution, the Parties may use any alternative dispute resolution mechanisms available to them to resolve the issue.
- A.29.6 **Suspension of Payments.** The Province may suspend any payments related to any contentious issue or dispute raised by either Party, together with the obligations related to such issue, pending resolution.

A.30.0 SPECIAL CONDITIONS

A.30.1 **Special Conditions.** The Province's funding under the Agreement is conditional upon,

- (a) on or before the Effective Date, the Recipient having provided the Province with:
 - (i) a copy of the by-law(s), council resolution(s) or both or any other necessary instrument applicable to the Recipient authorizing its entry into the Agreement;
 - (ii) the certificates of insurance or any other proof the Province may request pursuant to section A.11.2 (Proof of Insurance);
 - (iii) banking information, such as a void cheque or a bank letter, for an interest-bearing account in the name of the Recipient at a Canadian financial institution, into which the Province may transfer Funds electronically; and
 - (iv) any other Reports requested by the Province in the format specified.
- (b) prior to submitting a request for payment in respect of the Project under the Agreement, the Recipient having provided the Province with written confirmation that:
 - a. the Recipient is in compliance with all Environmental Laws, including the Recipient's obligations under section A.27.1 (Environmental Requirements), and has obtained all necessary approvals and permits;
 - b. the Recipient has met any requirements under Article A.9.0 (Indigenous Consultation) that may apply to the Project; and

- c. the Recipient has title to and ownership of any real property necessary for the completion of the Project.
- (c) the Recipient having submitted, in a format and with such content as may be requested by the Province, to the Province, at the address referred to in section A.16.1 (Notice in Writing and Addressed), an asset management planning questionnaire on or before the Effective Date, and, thereafter, on or before February 1 in each of the years 2024 and 2025, unless the Project has reached Substantial Completion before such date.
- (d) on or before December 31, 2022, the Recipient having submitted to the Province, at the address referred to in section A.16.1 (Notice in Writing and Addressed):
 - (i) a weblink to the publicly available website where the Recipient's strategic asset management policy has been posted, pursuant to Ontario Regulation 588/17 (Asset Management Planning for Municipal Infrastructure), as may be amended from time to time.
 - (ii) a weblink to the publicly available website where the Recipient's asset management plan has been posted, pursuant to Ontario Regulation 588/17 (Asset Management Planning for Municipal Infrastructure), as may be amended from time to time.

For greater certainty, if the Province provides any Funds to the Recipient before the conditions set out in this Article A.30.0 (Special Conditions) have been met, and unless the Province has waived compliance with such condition in writing, the Province may exercise one or more of the remedies available to it pursuant to section A.13.2 (Consequences of Event of Default and Corrective Action).

A.31.0 SURVIVAL

A.31.1 Survival. Any rights and obligations of the Parties that, by their nature, extend beyond the termination of the Agreement will continue in full force and effect for a period of seven years from the date of expiry or termination of the Agreement. Surviving provisions include, without limitation, the following Articles, sections and paragraphs, and all applicable cross-referenced Articles, sections, paragraphs, schedules, and sub-schedules: Articles 1.0 (Entire Agreement), 2.0 (Conflict or Inconsistency), 5.1 (Acknowledgement from Recipient), A.1.0 (Interpretation and Definitions) and any other applicable definitions, paragraphs A.2.1(a), A.4.2(c), sections A.4.4 (Interest-Bearing Account), A.4.5 (Interest), A.4.6 (Maximum Funds and Recovery of Excesses), A.4.8 (Rebates, Credits, and Refunds), A.4.9 (Recipient's Acknowledgement of Responsibility for Project), A.5.5 (Disposal of Assets), A.7.1 (Province Includes), A.7.2 (Preparation and Submission) (to the extent that the Recipient has not provided the Reports or other reports as may have been requested to the satisfaction of the Province), A.7.3 (Record Maintenance), A.7.4 (Records Review), A.7.5 (Inspection and

Removal), A.7.6 (Cooperation), A.7.7 (No Control of Records), A.7.8 (Auditor General), A.7.9 (Evaluation), A.7.10 (Calculations), Articles A.8.0 (Communications Requirements), A.10.0 (Indemnify), sections A.12.2 (Consequences of Termination on Notice by the Province), A.13.1 (Events of Default), paragraphs A.13.2(d), (e), (f), (g), (h) and (i), A.14.0 (Funds Upon Expiry), A.15.0 (Debt Due and Payment), A.16.0 (Notice), and A.18.0 (Severability of Provisions), section A.21.2 (Agreement Binding), and Articles A.22.0 (Governing Law), A.24.0 (Joint and Several Liability), A.25.0 (Rights and Remedies Cumulative), A.27.0 (Environmental Requirements and Assessments), A.30.0 (Special Conditions) and A.31.0 (Survival).

[SCHEDULE “B” (SPECIFIC INFORMATION) FOLLOWS]

**SCHEDULE “B”
SPECIFIC INFORMATION**

B.1.0 EXPIRY DATE

B.1.1 **Expiry Date.** The Expiry Date is March 31, 2028.

B.2.0 MAXIMUM FUNDS

B.2.1 **Maximum Funds.** Maximum Funds means \$ 827,712.38, rounded to two decimal places.

B.3.0 ADDRESSEES

B.3.1 **Addressees.** All Reports and Notices under the Agreement will be submitted to the Province at the address listed below:

Contact information for the purposes of Notice to the Province	<p>Address: Ministry of Infrastructure Infrastructure Program Delivery Branch 777 Bay Street, Floor 4, Suite 425 Toronto, Ontario, M7A 2J3</p> <p>Attention: Manager, Program Delivery Unit</p> <p>Email: ICIPculture@ontario.ca</p>
Contact information for the purposes of Notice to the Recipient	<p>Address: The City of Port Colborne 66 Charlotte Street/Rue Port Colborne, Ontario, L3K 3C8</p> <p>Attention: Gary Long, Manager of Strategic Initiatives</p> <p>Email: gary.long@portcolborne.ca</p>

[SCHEDULE “C” (PROJECT DESCRIPTION, FINANCIAL INFORMATION, AND PROJECT STANDARDS) FOLLOWS]

SCHEDULE “C”

PROJECT DESCRIPTION, FINANCIAL INFORMATION, AND PROJECT STANDARDS

C.1.0 PROJECT DESCRIPTION

This project, Enhancing Port Colborne's Core Waterfront Cluster, will enhance Port Colborne's core waterfront cluster by completing the following activities/work:

- Improve experiences of visiting Nickel Beach by purchasing an all-in-one mobile trailer unit complete with space for washrooms, first-aid and administrative work, as well as ramps for people of all abilities;
- Enhance the recreational and cultural characteristics of West Street by repairing the promenade and installing signage as well as various streetscaping elements;
- The existing wood planking along the promenade has met its life span and is now causing safety concerns as the wood panels break free from their framing and cause tripping hazards along the main walkway on West Street. This activity will entail replacing the wood planking with concrete in order to create a long-term solution.
- The project components of streetscaping on West Street will include but are not limited to new and updated wayfinding signage and interpretative boards, new walkways and outdoor lighting for improved accessibility and safety, and landscaping features, amenities, and furnishings.

C.2.0 FINANCIAL INFORMATION

C.2.1 Total Eligible Expenditures. “Total Eligible Expenditures” means \$1,128,750.00, rounded to two decimal places.

C.2.2 Percentage of Provincial Support. “Percentage of Provincial Support” means 73.33%, rounded to two decimal places.

C.3.0 TIMELINES

C.3.1 Approval Date. Approval Date means March 6, 2022.

C.4.0 PROJECT STANDARDS

C.4.1 Energy and Accessibility Standards. In addition to any other standards that the Recipient must meet or exceed for the Project, the Recipient will ensure the Project meets or exceeds the following:

- (a) any applicable energy efficiency standards for buildings outlined in Canada's *Pan-Canadian Framework on Clean Growth and Climate Change* provided by Canada at www.canada.ca/en/services/environment/weather/climatechange/pan-canadian-framework.html, or at any other location the Province may provide; and
- (b) the accessibility requirements of the highest accessibility standards published in Ontario, in addition to accessibility requirements in applicable provincial building codes and relevant municipal by-laws.

C.5.0 CHANGES TO THE PROJECT DESCRIPTION, FINANCIAL INFORMATION, AND PROJECT STANDARDS

- C.5.1 Province's Consent.** Any change to the Project will require the Province's prior written consent. When seeking to make a change in respect of the Project, the Recipient will submit updated Project information and any other information that the Province may require to the satisfaction of the Province.

[SCHEDULE "D" (REPORTS) FOLLOWS]

SCHEDULE “D” REPORTS

D.1.0 REPORTS

D.1.1 Reports. The Recipient shall submit the Reports set out in Article D.2.0 (Reporting Requirements) to the Province in a format and with such content requirements as may be specified by the Province, and in accordance with the timelines set out in Article D.2.0 (Reporting Requirements) in respect of the Project.

D.2.0 REPORTING REQUIREMENTS

D.2.1 Reporting Requirements. The Recipient will submit to the Province the following Reports:

- (a) on or before the Effective Date, an Initial Report that will include:
 - i. the Recipient's forecast of the timelines and costs (expenditure forecast) to the completion of the Project;
 - ii. the sources of Recipient funds; and
 - iii. other pertinent information regarding the Project.
- (b) for the period from the Effective Date to the date the Project is Substantially Completed, semi-annual Progress Reports to be submitted on or before dates to be prescribed by the Province that will include, without limitation and at the sole discretion of the Province, the following information in respect of the Project:
 - i. The Province's and the Recipient's respective forecasted contributions to the Project by Funding Year;
 - ii. the construction start date and the construction end date (forecasted and actual where applicable);
 - iii. the percentage of the Project that has been completed;
 - iv. risks and mitigation strategies;
 - v. confirmation that the Project is on track to achieve expected results; and
 - vi. confirmation that all required signage for the Project has been installed.
- (c) within 60 Business Days of Substantial Completion, a Final Report that will include:

- i. a summary of the Project's final timelines, costs, and outcomes; and
- ii. if requested by the Province, a declaration of Substantial Completion and a declaration of completion.

D.2.2 Attestation. The Recipient will include in each Report an attestation that confirms that the information in the Report is accurate.

D.3.0 INDIGENOUS CONSULTATION RECORD

D.3.1 Inclusion of Indigenous Consultation Record. The Recipient will include an updated Indigenous Consultation Record, if consultation with any Indigenous Community is required, in a format and in accordance with timelines to be provided by the Province.

D.4.0 COMPLIANCE AUDIT(S)

D.4.1 Compliance Audit(s). Without limiting the generality of section A.7.4 (Records Review), if requested by the Province, the Recipient will, at its own expense, retain an independent third-party auditor to conduct one or more compliance audits of the Recipient. The audit will be conducted in accordance with Canadian Generally Accepted Auditing Standards, as adopted by the Canadian Institute of Chartered Accountants, applicable as of the date on which a record is kept or required to be kept under such standards. The audit will assess the Recipient's compliance with the terms of the Agreement and will address, without limitation, the following:

- (a) whether the Funds were spent in accordance with the Agreement and with due regard to economy, efficiency, and effectiveness;
- (b) the Project's progress or state of completion;
- (c) whether the financial information the Recipient provided is complete, accurate, and timely, and in accordance with the Agreement;
- (d) whether the Recipient's information and monitoring processes and systems are adequate to identify, capture, validate, and monitor the achievement of intended benefits of the Project;
- (e) the overall management and administration of the Project;
- (f) recommendations for improvement or redress; and
- (g) whether prompt and timely corrective action is taken on prior audit findings.

D.4.2 **Submission of Compliance Audit(s).** The Recipient will submit a copy of the report for the compliance audit carried out in accordance with section D.4.1 (Compliance Audit(s)) to the Province within 30 days of the report's completion.

**[Schedule "E" (ELIGIBLE EXPENDITURES AND INELIGIBLE EXPENDITURES)
FOLLOWS]**

SCHEDULE “E”

ELIGIBLE EXPENDITURES AND INELIGIBLE EXPENDITURES

E.1.0 ELIGIBLE EXPENDITURES

E.1.1 Scope of Eligible Expenditures. Eligible Expenditures are the direct costs that are, in the Province’s sole and absolute discretion, properly and reasonably incurred and paid to an arm’s length party. Eligible Expenditures only include the following costs:

- (a) costs incurred on or after the Approval Date and paid on or before March 31, 2027;
- (b) all costs considered by the Province to be directly necessary for the successful completion of the Project, which may include, unless excluded under Article E.2.0 (Ineligible Expenditures), acquisition, planning, environmental assessment, design and engineering, project management, material, construction or renovation costs;
- (c) costs evidenced by invoices, receipts or other records that are satisfactory to the Province, in its sole and absolute discretion;
- (d) the incremental costs of the Recipient’s staff or employees provided that:
 - (i) the Recipient is able to demonstrate that it is not economically feasible to tender a Contract that ensures the acquisition of the required goods or services at the best value for money; and
 - (ii) the arrangement is approved in advance in writing by the Province.
- (e) any other cost that is determined by the Province, in its sole and absolute discretion, to be an Eligible Expenditure.

E.2.0 INELIGIBLE EXPENDITURES

E.2.1 Scope of Ineligible Expenditures. Unless a cost is considered an Eligible Expenditure pursuant to section E.1.1 (Scope of Eligible Expenditures), such cost will be considered an Ineligible Expenditure. Without limitation, the following costs are Ineligible Expenditures:

- (a) Costs incurred prior to the Approval Date;
- (b) Costs incurred and paid after March 31, 2027;
- (c) All expenditures related to Contracts awarded or executed prior to the Approval Date;

- (d) Costs incurred for terminated or cancelled Projects;
- (e) Costs related to developing a business case or proposal or application for funding;
- (f) Costs associated with the acquisition, expropriation or leasing of:
 - (i) Land,
 - (ii) Buildings, or
 - (iii) Other facilities
- (g) Costs associated with the acquisition or leasing of equipment other than equipment directly related to the construction, improvement, repair, rehabilitation or reconstruction of the Project where the Province has not provided its prior written approval;
- (h) Costs that have not been claimed for reimbursement by March 31st of the year following the year in which the costs were incurred;
- (i) Costs that have not been submitted for reimbursement on or before the date that is 60 Business Days following Substantial Completion of the Project;
- (j) Capital costs, including site preparation and construction costs, until the Province has confirmed in writing that Indigenous consultation obligations have been fully met and continue to be fully met, if applicable;
- (k) Costs related to any component of the Project other than its approved scope;
- (l) Real estate fees and related costs;
- (m) Costs incurred for the general operation, repair and regularly scheduled maintenance of the Project;
- (n) Services or works normally provided by the Recipient, incurred in the course of implementation of the Project, except those specified as Eligible Expenditures;
- (o) Expenditures related to any goods and services which are received through donations or in-kind contributions;
- (p) Any overhead costs, including salaries and other employment benefits of any employees of the Recipient, its direct or indirect operating or administrative costs, and more specifically its costs related to planning, engineering, architecture, supervision, management and other activities normally carried out by its staff, except in accordance with the list of Eligible Expenditures above;
- (q) Unreasonable meal, hospitality or incidental costs or expenses of any Third Party;
- (r) Any amount for which the Recipient has received, will receive or is eligible to receive, a rebate, credit or refund, in full or in part;
- (s) Taxes of any kind;
- (t) Costs of relocating entire communities;
- (u) In the Province's sole discretion, the costs of communication activities undertaken by the Recipient that did not conform with the requirements of the Communications Protocol in Schedule "G";

- (v) Any amounts incurred or paid by the Recipient to an entity that is not at arm's length from the Recipient;
- (w) Costs incurred contrary to Article A.5.0 (Recipient's Acquisition of Goods or Services, and Disposal of Assets) of Schedule "A" (General Terms and Conditions) of this Agreement;
- (x) Costs, charges, penalties or fees incurred or paid by the Recipient in the process of having a cost determined to be an Ineligible Expenditure.
- (y) Costs, charges, penalties or fees incurred or paid by the Recipient that are a result of late or non-payment, rush requests, or Contract termination or non-compliance;
- (z) Legal fees, financing charges and loan interest payments, including those related to easements (e.g., surveys);
- (aa) Costs of furnishings and non-fixed assets which are not essential for the operation of the funded Asset or Project, as well as all costs associated with moveable assets or rolling stock;
- (bb) Any other cost which is not specifically listed as an Eligible Expenditure under Article E.1.0 (Eligible Expenditures) and which, in the opinion of the Province, is considered to be ineligible.

[SCHEDULE "F" (EVALUATION) FOLLOWS]

SCHEDULE “F” EVALUATION

F.1.0 PROJECT AND PROGRAM EVALUATIONS

- F.1.1 Recipient’s Participation in Project and Program Evaluations.** The Recipient understands that the Province may ask the Recipient to participate in one or more evaluations in respect of the Project for a period of up to six years after March 31, 2028. The Recipient agrees, if asked and at its own expense, to provide Project-related information to the Province for any evaluation.
- F.1.2 Results of Project and Program Evaluations.** The result of any evaluation carried under section F.1.1 (Recipient’s Participation in Project and Program Evaluations) will be made available to the public, subject to all applicable laws and policy requirements.

[SCHEDULE “G” (COMMUNICATIONS PROTOCOL) FOLLOWS]

SCHEDULE “G” COMMUNICATIONS PROTOCOL

G.1.0 DEFINITIONS

G.1.1 **Definitions.** For the purposes of this Schedule “G” (Communications Protocol):

“**Joint Communications**” means events, news releases, and signage that relate to the Agreement that are not operational in nature, and that are collaboratively developed and approved by the Province and the Recipient.

G.2.0 PURPOSE

G.2.1 **Purpose.** This communications protocol outlines the roles and responsibilities of each of the Parties to the Agreement in respect of Communications Activities related to the Project.

G.2.2 **Guidance.** This communications protocol will guide all planning, development and implementation of Communications Activities with a view to ensuring efficient, structured, continuous, consistent, and coordinated communications to the public.

G.2.3 **Application to Communications Activities.** The provisions of this communications protocol apply to all Communications Activities related to the Agreement and the Project.

G.3.0 GUIDING PRINCIPLES

G.3.1 **Information to public.** Communications Activities undertaken through this communications protocol should ensure that the public is informed about the Project’s benefits, including the ways in which the Project helps improve their quality of life.

G.3.2 **Factors to Consider.** The scale and scope of Communications Activities undertaken for any Project will take into consideration the financial value, scope and duration of the Project and the feasibility of Joint Communications for such Communications Activities.

G.3.3 **Deficiencies and Corrective Actions.** The Province will communicate to the Recipient any deficiencies or corrective actions, or both, identified by the Province or, as applicable, the Committee.

G.3.4 **Approval of Communications Material.** The announcement or publication of the Project must be approved by the Parties prior to being carried out.

G.3.5 **Costs of Communication Activities.** With the exception of advertising campaigns outlined in Article G.9.0 (Advertising Campaigns), the costs of

Communication Activities and signage will follow the eligibility rules established in Schedule “E” (Eligible Expenditures and Ineligible Expenditures).

G.4.0 JOINT COMMUNICATIONS

- G.4.1 **Subject Matter.** The Parties may have Joint Communications about the funding and status of the Project.
- G.4.2 **Prior Knowledge and Agreement.** Joint Communications in respect of the Project should not occur without the prior knowledge and agreement of the Parties.
- G.4.3 **Recognition of the Province’s Contributions.** All Joint Communications material must be approved by the Province and will recognize the Province’s contribution received in respect of the Project.
- G.4.4 **Notice and Timing.** The Recipient and the Province may request Joint Communications. The Party requesting the Joint Communications will provide at least 15 Business Days’ Notice to the other Party. If the Communications Activity is an event, it will take place at a date and location mutually agreed to by the Parties.
- G.4.5 **Participation and Representatives.** The Party requesting a Joint Communications will provide the opportunity for the other Party to choose to participate and, if they do so choose, their own designated representative (in the case of an event).
- G.4.6 **English and French.** The Province has an obligation to communicate in English and French. Communications products related to events must be bilingual in many instances. In such cases, the Province will provide the translation services and final approval on products.

G.5.0 INDIVIDUAL COMMUNICATIONS

- G.5.1 **The Province’s Obligations.** Notwithstanding Article G.4.0 (Joint Communications), the Parties agree that the Province has the right to communicate information to Ontarians about the Agreement and the use of Funds to meet its legislated and regulatory obligations through their respective own Communications Activities.
- G.5.2 **Restrictions.** Each Party may include an overview in respect of the Project in their own Communications Activities. The Province and the Recipient will not unreasonably restrict the use of, for their own purposes, Communications Activities related to the Project and, if the communications are web- or social-media based, the ability to link to it.

- G.5.3 **Publication.** The Recipient will indicate, in respect of the Project-related publications, whether written, oral, or visual, that the views expressed in the publication are the views of the Recipient and do not necessarily reflect those of the Province.
- G.5.4 **Recognition in Documents.** In respect of the Project where the deliverable is a document, such as but not limited to plans, reports, studies, strategies, training material, webinars, and workshops, the Recipient will clearly recognize the Province's financial contribution for the Project.
- G.5.5 **Acknowledgement of Support.** Unless the Province directs the Recipient to do otherwise, the Recipient will, in respect of the Project-related publications, whether written, oral, or visual, acknowledge the Province's support for the Project.

G.6.0 OPERATIONAL COMMUNICATIONS

- G.6.1 **Responsibility of Recipient.** The Recipient is solely responsible for operational communications in respect of the Project, including but not limited to calls for tender, Contract awards, and construction and public safety notices.

G.7.0 MEDIA RELATIONS

- G.7.1 **Significant Media Inquiry.** The Province and the Recipient will share information promptly with the other Party if significant media inquiries are received or emerging media or stakeholder issues arise in respect of a Project.

G.8.0 SIGNAGE

- G.8.1 **Recognition of Funding Contribution.** The Parties agree that the Province and the Recipient may each have signage recognizing their funding contribution in respect of the Project.
- G.8.2 **Funding Recognition.** Unless otherwise agreed by the Province the Recipient will produce and install a sign to recognize the funding contributed by the Province at the Project site in accordance with the Province's current respective signage guidelines. Provincial sign design, content, and installation guidelines will be provided by the Province.
- G.8.3 **Permanent Plaque.** Where the Recipient decides to install a permanent plaque or another suitable marker in respect of the Project, the Recipient will:
- (a) on the marker, recognize the Province's contribution; and
 - (b) prior to installing the marker, seek the prior written approval of the Province for its content and installation.

- G.8.4 **Notice of Sign Installation.** The Recipient will inform the Province of sign installations, including providing the Province with photographs of the sign, once the sign has been installed.
- G.8.5 **Timing for Erection of Sign.** If erected, signage recognizing the Province's contribution will be installed at the Project site(s) 30 days prior to the start of construction, be visible for the duration of the Project, and remain in place until 30 days after construction is completed and the infrastructure is fully operational or opened for public use.
- G.8.6 **Size of Sign.** If erected, signage recognizing the Province's contribution will be at least equivalent in size and prominence to Project signage for contributions by other orders of government and will be installed in a prominent and visible location that takes into consideration pedestrian and traffic safety and visibility.
- G.8.7 **Responsibility of Recipient.** The Recipient is responsible for the production and installation of Project signage, or as otherwise agreed upon.

G.9.0 ADVERTISING CAMPAIGNS

- G.9.1 **Notice of Advertising Campaigns.** Recognizing that advertising can be an effective means of communicating with the public, the Recipient agrees that the Province may, at its own cost, organize an advertising or public information campaign in respect of the Project or the Agreement. However, such a campaign will respect the provisions of the Agreement. In the event of such a campaign, the Province will inform the Recipient of its intention no less than 21 Business Days prior to the campaign launch.

[SCHEDULE "H" (DISPOSAL OF ASSETS) FOLLOWS]

SCHEDULE “H” DISPOSAL OF ASSETS

H.1.0 DEFINITIONS

H.1.1 **Definitions.** For the purposes of this Schedule “H” (Disposal of Assets):

“Asset Disposal Period” means the period commencing on the Effective Date and ending five (5) years after the Expiry Date.

H.2.0 DISPOSAL OF ASSETS

H.2.1 **Asset Disposal Period.** Unless otherwise agreed to by the Province, the Recipient will maintain the ongoing operations and retain title to and ownership of any Asset acquired in respect of the Project for the Asset Disposal Period.

H.2.2 **Disposal of Asset and Payment.** If, at any time within the Asset Disposal Period, the Recipient sells, leases, encumbers, or otherwise disposes, directly or indirectly, of any Asset other than to the Province, or a municipal or regional government established by or under provincial statute, the Province may require the Recipient to reimburse the Province for any Funds received for the Project

[SCHEDULE “I” (INDIGENOUS CONSULTATION PROTOCOL) FOLLOWS]

SCHEDULE “I” INDIGENOUS CONSULTATION PROTOCOL

I.1.0 DEFINITIONS

I.1.1 **Definitions.** For the purposes of this Schedule “I” (Indigenous Consultation Protocol):

“**Indigenous Communities**” include First Nation, Métis, and Inuit communities or peoples of Canada.

“**Indigenous Consultation Plan**” means the Indigenous Consultation Plan described in section I.2.1 (Development of Plan).

“**Indigenous Consultation Record**” means a document that records and describes, as the Province may require, the consultation activities carried out during the Project and the results of that consultation.

I.2.0 INDIGENOUS CONSULTATION PLAN

I.2.1 **Development of Plan.** The Province, based on the scope and nature of the Project, may require the Recipient, in consultation with the Province, to develop and comply with an Indigenous consultation plan (“Indigenous Consultation Plan”).

I.2.2 **Procedural Aspects of Consultation.** If consultation with Indigenous Communities is required, the Recipient agrees that:

- (a) the Province may delegate certain procedural aspects of the consultation to the Recipient; and
- (b) the Province will provide the Recipient with an initial list of the Indigenous Communities the Recipient will consult with.

I.2.3 **Provision of Plan to Province.** If, pursuant to section I.2.1 (Development of Plan), the Province provides Notice to the Recipient that an Indigenous Consultation Plan is required, the Recipient will, within the timelines provided in the Notice, provide the Province with a copy of the Indigenous Consultation Plan.

I.2.4 **Changes to Plan.** The Recipient agrees that the Province, in the sole discretion of the Province and from time to time, may require the Recipient to make changes to the Indigenous Consultation Plan.

I.3.0 INDIGENOUS CONSULTATION RECORD

I.3.1 **Requirements for Indigenous Consultation Record.** If consultation with an Indigenous Community is required, the Recipient will maintain an Indigenous Consultation Record and provide such record to the Province, and any update to it,

as part of its reporting to the Province pursuant to section D.3.1 (Inclusion of Indigenous Consultation Record).

I.4.0 RESPONSIBILITIES OF THE RECIPIENT

I.4.1 Notification to and Direction from the Province. The Recipient will immediately notify the Province:

- (a) of contact by Indigenous Communities regarding the Project;
- (b) of the outcomes of any archaeological assessments undertaken on the sites upon which the Project will occur; or
- (c) of any Indigenous archaeological resources that are discovered in relation to the Project,

and the Recipient agrees that the Province may direct the Recipient to take such actions as the Province may require. The Recipient will comply with the Province's direction.

I.4.2 Direction from the Province and Contracts. In any Contract, the Recipient will provide for the Recipient's right and ability to respond to direction from the Province as the Province may provide in accordance with section I.4.1 (Notification to and Direction from the Province).

[SCHEDULE "J" (REQUESTS FOR PAYMENT AND PAYMENT PROCEDURES) FOLLOWS]

SCHEDULE “J”

REQUESTS FOR PAYMENT AND PAYMENT PROCEDURES

J.1.0 DEFINITION

J.1.1 **Definition.** For the purposes of this Schedule “J” (Requests for Payment and Payment Procedures):

“**Final Payment**” means the final payment by the Province to the Recipient in respect of the Project as described in and to be paid in accordance with Article J.7.0 (Final Payment).

J.2.0 PROCEDURES AND TIMING FOR REQUESTS FOR PAYMENT

J.2.1 **Procedures.** The procedures provided for in Article J.3.0 (Procedures for Requests for Payment for Eligible Expenditures) of this Schedule “J” will apply to requests for payment that the Recipient submits to the Province under the Agreement.

J.2.2 **Diligent and Timely Manner.** The Recipient will submit its requests for payment to the Province in a diligent and timely manner.

J.3.0 PROCEDURES FOR REQUESTS FOR PAYMENT FOR ELIGIBLE EXPENDITURES

J.3.1 **Timing, Reports and Documents.** The Recipient will submit a request for payment for Eligible Expenditures in respect of the Project to the Province no more than quarterly and no less than twice a year, unless an alternative request for payment schedule has been requested in advance by the Recipient and the Province has agreed to the request in writing, if costs have been incurred, and, if the Province so requested pursuant to paragraph K.4.1(f), after review by the Committee. If no costs have been incurred within the previous six months, the Recipient will notify the Province that no claim is being submitted for that period. The Recipient agrees to submit, for each of the circumstances listed below, the following reports and documents:

(a) for each request for payment, including the Final Payment:

- i. a report in a format prescribed by the Province;
- ii. a detailed breakdown of invoices that are being claimed for reimbursement;
- iii. copies of invoices and associated documentation that may be required to validate the eligibility of expenditures, including but not limited to proof of payment;

- iv. an attestation by an authorized representative in a format acceptable to the Province that confirms that the Eligible Expenditures claimed in the request for payment have been paid and incurred in accordance with the terms and conditions of the Agreement;
 - v. such other information as the Province may request.
- (b) for each request for Final Payment, a Final Report, acceptable to the Province; and
- (c) such other information as the Province may request.

J.4.0 PAYMENTS

- J.4.1 **Payment by the Province.** Subject to the terms and conditions of the Agreement, upon receipt of a request for payment fully completed in accordance with this Schedule “J” (Requests for Payment and Payment Procedures), the Province will use its reasonable efforts to pay Funds to the Recipient based on the Recipient’s Eligible Expenditures up to the Maximum Funds. Claims will be reimbursed based on the Percentage of Provincial Support as set out in Schedule “C”.
- J.4.2 For greater certainty and without limitation, before the Province makes a payment to the Recipient, the following terms and conditions of the Agreement must be met, in the opinion of the Province:
- (a) the conditions set out in paragraph A.4.2(c) of Schedule “A”;
 - (b) the special conditions listed in section A.30.1 (Special Conditions);
 - (c) receipt and acceptance by the Province of all required Reports and other reports, as applicable;
 - (d) compliance with all applicable audit requirements under the Agreement; and
 - (e) applicable communications requirements, as set out Schedule “G” (Communications Protocol).
- J.4.3 The Province will under no circumstances be liable for interest for failure to make a payment within the time limit provided for in this Article J.4.0 (Payments).

J.5.0 TIME LIMITS FOR REQUESTS FOR PAYMENTS

- J.5.1 **Timing.** The Recipient will submit all requests for payment on or before the date that is 60 Business Days following Substantial Completion.
- J.5.2 **No Obligation for Payment.** The Province will have no obligation to make any

payment for a request for payment submitted after the date that is 60 Business Days following Substantial Completion.

J.6.0 FINAL RECONCILIATION AND ADJUSTMENTS

J.6.1 **Final Reconciliation and Adjustments.** For the Project, following the submission of the Final Report and any other requested Reports, the Province may carry out a final reconciliation of all requests for payments and payments in respect of the Project and make any adjustments required in the circumstances.

J.7.0 HOLDBACK

J.7.1 **Holdback.** The Province may hold back funding in accordance with section A.4.12 (Retention of Contribution).

J.7.0 FINAL PAYMENT

J.7.1 **Final Payment.** Subject to paragraph 5.1(f), the Province will pay to the Recipient the remainder of its contribution under the Agreement, including the Holdback, after all of the conditions under section A.4.12 (Retention of Contribution) of Schedule “A” (General Terms and Conditions) have been met.

[SCHEDULE “K” (COMMITTEE) FOLLOWS]

SCHEDULE “K” COMMITTEE

K.1.0 ESTABLISHMENT OF COMMITTEE

K.1.1 Establishment and Term of Committee. If the Province requires the establishment of a Committee to oversee the Agreement, pursuant to section A.28.1 (Establishment of Committee), the Parties will, within 60 days of the Province providing Notice, hold an initial meeting to establish the Committee. The Committee’s mandate will expire on the Expiry Date of the Agreement.

K.2.0 COMMITTEE MEMBERS, CO-CHAIRS, AND OBSERVERS

K.2.1 Appointments by the Province. The Province will appoint two persons as members of the Committee.

K.2.2 Appointments by the Recipient. The Recipient will appoint two persons as members of the Committee.

K.2.3 Chairs of the Committee. The Committee will be headed by co-chairs chosen from its members, one appointed by the Province and one appointed by the Recipient. If a co-chair is absent or otherwise unable to act, the member of the Committee duly authorized in writing by the Province or the Recipient, as applicable, will replace him or her and will act as co-chair in his or her place.

K.2.4 Non-committee Member Staff. The Parties may invite any of their staff to participate in Committee meetings.

K.3.0 MEETINGS AND ADMINISTRATIVE MATTERS

K.3.1 Rules of Committee. The Committee will:

- (a) meet at least two times a year, and at other times at the request of a co-chair; and
- (b) keep minutes of meetings approved and signed by the co-chairs as a true record of the Committee meetings.

K.3.2 Quorum. A quorum for a meeting of the Committee will exist only when both co-chairs are present.

K.4.0 COMMITTEE MANDATE

K.4.1 Mandate. Provided that no action taken by the Committee will conflict with the rights of the Parties under the Agreement, the mandate of the Committee will include, but not be limited to:

- (a) monitoring the implementation of the Agreement including, without limitation, the implementation of Schedule “G” (Communications Protocol), for compliance with the terms and conditions of the Agreement;
- (b) acting as a forum to resolve potential issues or disputes and address concerns;
- (c) reviewing and, as necessary, recommending to the Parties amendments to the Agreement;
- (d) approving and ensuring audit plans are carried out as per the Agreement;
- (e) establishing sub-committees as needed;
- (f) at the request of the Province, reviewing requests for payments; and
- (g) attending to any other function required by the Agreement, including monitoring Project risk and mitigation measures, or as mutually directed by the Parties.

K.4.2 Committee Decisions. Decisions of the Committee will be made as follows:

- (a) the co-chairs will be the only voting members on the Committee; and
- (b) decisions of the Committee must be unanimous and recorded in writing.

K.5.0 ROLE OF THE RECIPIENT

K.5.1 Requirements. The Recipient undertakes to fulfill, in addition to any other requirements provided for in this Schedule “K” (Committee), the following:

- (a) establish a fixed location where the Agreement will be managed, and maintain it until the expiry of the Committee’s mandate and, if relocation is required, establish a new location;
- (b) prepare and retain, at the location described in paragraph K.5.1(a), and make available to the Committee, all documents needed for the work of the Committee, including payment request forms, approval documents, Contracts, and agendas and minutes of meetings of the Committee and its subcommittees;
- (c) ensure that any audit required of the Recipient pursuant to the Agreement is carried out and the results are reported to the Committee;

- (d) ensure that administrative and financial systems are developed and implemented for the Project and the work of the Committee;
- (e) promptly inform the Committee of all proposed changes in respect of the Project; and
- (f) provide the Committee, as requested and within the timelines set by the Committee, and to the Committee's satisfaction, Project status information related to Schedule "D" (Reports).