

CANADA-QUEBEC AGREEMENT

RECREATIONAL INFRASTRUCTURE CANADA PROGRAM

BETWEEN: **THE GOVERNMENT OF CANADA** ("Canada"), represented by the Economic Development Agency of Canada for the Regions of Quebec,

AND **THE GOVERNMENT OF QUEBEC** ("Quebec") represented by the Minister of Municipal Affairs, Regions and Land Occupancy and by the Minister responsible for Canadian Intergovernmental Affairs and the Reform of Democratic Institutions.

PREAMBLE

WHEREAS, in its budget of January 27, 2009, Canada provided \$500 million for Canada-wide implementation of the Recreational Infrastructure Canada Program, the objective of which is to reduce the impact of the global recession by increasing the total value of construction activities related to recreational facilities;

WHEREAS, in order to revitalize the economy, funding must be available in the short term and contributions should not exceed the period covered by the 2009-2010 and 2010-2011 fiscal years;

WHEREAS, Canada is allocating an initial amount of \$175 million from the \$500 million total to roll the Program out quickly;

WHEREAS the existing agreement covers Quebec's share of the initial \$175 million and any share of the remaining \$325 million which is subsequently granted to Quebec will require an amendment to sections 3.1.1 and 3.1.7 of the existing agreement;

WHEREAS Quebec delivers its Programme de soutien aux installations sportives et récréatives and the municipal infrastructure programs of the Quebec Department of Municipal Affairs, Regions and Land Occupancy, which target the construction, renovation, development and updating of sports and recreational facilities, and projects approved under the agreement will be implemented by Quebec under these programs;

WHEREAS the Minister of State (Economic Development Agency of Canada for the Regions of Quebec) is authorized to sign this agreement ("the Agreement") on behalf of Canada;

WHEREAS the Government of Quebec, pursuant to order-in-council 670-2009 of June 10, 2009, has approved the terms of the Agreement;

NOW THEREFORE, in accordance with the principles set out above, Canada and Quebec hereby agree as follows.

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1. GENERAL

1.1 Appendices

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

Schedule A - Definitions
Schedule B – Eligible projects and recipients
Schedule C - Project Submission, Review, Selection and Approval
Schedule D - Eligible and Ineligible Costs
Schedule E – Communications Protocol

1.2 Interpretation

The terms used in the Agreement have the meaning given to them in the definitions in Schedule A.

Unless the context dictates otherwise, all accounting and financial terms used in the Agreement that are not defined in Schedule A shall be interpreted and applied in accordance with the accounting principles generally accepted by the Ordre des comptables agréés du Québec. All calculations must be made and all financial data submitted in accordance with these principles.

The singular includes the plural and the plural includes the singular. Similarly, the masculine gender includes the feminine and the feminine includes the masculine.

1.3 Entire Agreement

This Agreement supersedes and invalidates all other commitments, representations and warranties relating to the subject matter hereof which may have been made by the Parties either orally or in writing prior to the date this Agreement is signed, all of which will become null and void from that date.

2. PURPOSE

2.1 Purpose of the Agreement

The purpose of the Agreement is to implement the Recreational Infrastructure Canada Program, intended to accelerate the execution of recreational infrastructure modernization and rehabilitation projects, including the construction of new facilities to supplement or replace existing facilities or their capacities and to define the roles, responsibilities, obligations and commitments of the Parties, as well as the procedures and rules for management and administration of the Agreement.

2.2 Eligible projects and recipients

Eligible projects and recipients are indicated in Schedule B.

3. Financial provisions

3.1 Contribution by the Parties

3.1.1 Subject to the appropriation by the Parliament of Canada and the National Assembly of Quebec of the funds for their respective shares in the Fiscal Year in which payment is required, Canada's total contribution shall not exceed \$37,352,673.

3.1.2 The Parties undertake to make their best efforts to cause the Parliament of Canada and the National Assembly of Quebec to vote the appropriations required to carry out this Agreement.

3.1.3 The Parties acknowledge that no funds can be carried over from one fiscal year to another or to the end of the funding period.

3.1.4 Quebec's contribution shall be at least equal to that of Canada.

3.1.5 Canada's contribution shall not exceed \$1 million per project.

- 3.1.6. Canada's contribution to an Approved Project shall not exceed one third (1/3) of total eligible costs for the Project and shall be supplemented by Quebec and the Recipient. However, total federal funding from all sources for an Approved Project can exceed one third (1/3) of the total eligible costs of the Project, without exceeding 50% of this total.
- 3.1.7 Quebec shall appropriate a maximum of 3% of Canada's contribution described in paragraph 3.1.1, that is, \$1,120,580, to repay 50% of its costs for management of the Agreement. These costs include salaries and costs for employees working for the Agreement, related operating costs such as premises, furnishings, equipment (computers, telephones, faxes and photocopiers), fees for consultants and contractors hired to carry out specialized technical work or conduct studies related directly to the Agreement, communications and cost audit expenses and costs resulting from Quebec's contribution if an evaluation of the Program is carried out at Canada's request, as well as any other expenditure which, in the opinion of the Agreement Oversight Committee, could, on a reasonable basis, be incurred with regard to management of the Agreement.
- 3.2 Monies from Other Sources
- 3.2.1 The Recipient shall notify Quebec, which shall notify Canada, of any monies which the Recipient is offered by a Third Party or receives from a Third Party to cover all or part of its share of eligible costs. The Recipient shall also notify Quebec of any goods or services received free of charge to reduce the eligible costs of the Project. Memoranda of Understanding which Quebec signs with Recipients shall include a provision to this effect.
- 3.2.2 Any other financial assistance, fees or compensation as a result of a court decision, transaction, or negotiations which a Recipient is offered by a Third Party or receives from a Third Party for any eligible portion of an Approved Project can be deducted in their entirety from the contributions of the Parties, thereby reducing the said contribution amounts to comply with the limits related to their contributions under the Agreement. Memoranda of Understanding which Quebec signs with Recipients shall include a provision to this effect.
- 3.2.3 If the other financial assistance, fees and compensation described in the previous paragraph are disbursed to a Recipient after the contributions have been paid out by the Parties, Quebec can require that an amount corresponding to the other financial assistance, fees and compensation be reimbursed to it by the Recipient. Memoranda of Understanding which Quebec signs with Recipients shall include a provision to this effect.
- 3.3 Repayment of Government Contribution
- 3.3.1 Unless otherwise agreed to by the Parties, they agree that their contributions to an Approved Project are conditional on
- i) the Recipient retaining ownership of the asset for which the Parties' contribution was made for a period of at least ten years from the date of receipt by Quebec of the Recipient's final claim with regard to the Project approved for the asset;
 - ii) the asset, during this ten-year period, being operated, used and maintained by the Recipient for the purpose for which the contribution provided by the Parties was intended; and
 - iii) the Recipient giving prior notice to Quebec, which will notify Canada, of any change that contravenes the two above-mentioned conditions.
- 3.3.2 In the event that, at any time within the ten-year period described in paragraph 3.3.1(i), the Recipient sells, leases, encumbers or otherwise disposes of, directly or indirectly, the asset for which funds were contributed by the Parties to a Third Party other than Canada, Quebec or a municipality or their agents or an eligible recipient, all Parties reserve the right to require the Recipient to repay their contribution to this asset, in whole or in part, as indicated in the following table.

If the asset is sold, leased, encumbered or otherwise disposed of, directly or indirectly	Repayment of contribution received from the Parties (in current dollars)
During the 1st or 2nd years of the ten-year period mentioned in paragraph 3.3.1(i)	100%
During the 3rd, 4th or 5th years of the ten-year period mentioned in paragraph 3.3.1(i)	55%
During the 6th, 7th, 8th, 9th or 10th years of the ten-year period mentioned in paragraph 3.3.1(i)	10%
After the ten-year period mentioned in paragraph 3.3.1(i)	not required

3.3.3 At any time during the ten-year period mentioned in paragraph 3.3.1(i), the Recipient shall notify Quebec, which shall notify Canada, of any transaction triggering repayment of the contribution from the Parties under paragraph 3.3.2.

3.3.4 The Memoranda of Understanding which Quebec signs with Recipients shall include the provisions of paragraphs 3.3.1, 3.3.2 and 3.3.3.

3.4 Discrepancies

The Parties agree to promptly correct, through the Agreement Oversight Committee, any discrepancy between the amount payable and the amount paid under this Agreement, and to ensure that any imbalance is rectified and the contribution of each party is equal by March 31, 2011.

3.5 Debts

Any amount owed by one Party to another under this Agreement will constitute a debt due to one Party from the other, which the Party will reimburse forthwith, on demand.

4. AGREEMENT OVERSIGHT COMMITTEE

4.1 Establishment

Within 30 days of the signing of this Agreement, Canada and Quebec shall establish an Agreement Oversight Committee made up of two senior officials from each Party. The federal ministers will appoint the two members for Canada and the Quebec ministers will appoint the two members for Quebec. The Parties will notify each other of the appointments in the same timeframe. The Agreement Oversight Committee will operate until all terms of this Agreement have been fulfilled.

4.2 Co-Chairs

The Agreement Oversight Committee will be headed by two co-chairs chosen from its members: one federal co-chair chosen by the federal ministers and one Quebec co-chair, chosen by the Quebec ministers. If one co-chair is absent or unable to act, he or she will be replaced by the other member appointed by Canada or the other member appointed by Quebec, as the case may be.

4.3 Meetings and Administrative Matters

The Agreement Oversight Committee

- a) meets regularly, as agreed by the co-chairs; quorum will consist of the two co-chairs; and
- b) establishes rules and procedures with respect to its meetings and those of its sub-committees.

4.4 Mandate and Duties

The mandate of the Agreement Oversight Committee, generally, is to oversee the management and implementation of the Agreement.

The duties of the Agreement Oversight Committee include:

- ensuring that the project review, selection and approval process and the project

amendment process are monitored as provided for in Schedule C;

- implementing the rules, internal procedures and guidelines deemed necessary to fulfil the purpose of the Agreement; and
- ensuring that costs incurred are verified in accordance with the provisions of section 8 of this Agreement.

4.5 Recommendations and Decisions

All decisions and recommendations of the Agreement Oversight Committee must be consensual and recorded in writing.

5. IMPLEMENTATION

5.1 Governing Law

The Agreement is governed by the acts and regulations in force in Quebec. Parties, Recipients and Third Parties shall comply with these acts and regulations, particularly with regard to the environment and lobbying, and Memoranda of Understanding that Quebec signs with Recipients shall include a provision to this effect. Notwithstanding any other provision of the Agreement, all obligations entered into by Canada under the Agreement are subject to the Financial Administration Act of Canada, and all obligations entered into by Quebec under the Agreement are subject to the Financial Administration Act or any other related Quebec legislation.

5.2 Project Submission, Review, Selection and Approval

Projects shall be submitted, reviewed, selected and approved as stipulated in Schedule C to the Agreement.

5.3 Memoranda of Understanding

5.3.1 All Memoranda of Understanding entered into by Quebec with a Recipient and all contracts entered into by a Recipient with a Third Party to carry out an Approved Project shall include, in addition to the terms and conditions set forth in sections 3.2 and 3.3 above, the relevant provisions of the Agreement. Without limiting the scope of the foregoing, these provisions shall specify:

- a) that the Recipient shall complete its Project and claim the costs from Quebec so that Quebec can, itself, claim them from Canada before March 31, 2011, failing which the recourse provided for in the Memorandum of Understanding may be taken by Quebec;
- b) that proper and accurate files, accounts and records be kept by the Recipient and Third Parties linked to it by contract with regard to the Approved Project and retained for a period of at least three years following receipt by Quebec of the Recipient's final claim with regard to the Approved Project receiving a contribution from the Parties;
- c) that representatives designated by Quebec can examine, at all reasonable times and as they deem useful, the worksite, contracts, files, accounts and records kept by the Recipient or a Third Party with regard to an Approved Project, so as to collect the data required under the Agreement, conduct audits and monitor the Approved Project;
- d) that Recipients and Third Parties will assume sole responsibility and that Canada and Quebec, their officers, employees or agents will be indemnified and saved harmless from and against all claims and demands, loss, damages and costs in any manner based upon, or occasioned by, any injury to or death of persons, damage to or loss of property caused by or arising directly or indirectly from
 - i) the Agreement
 - ii) the performance of the Memorandum of Understanding or any resulting contract or the breach of any term or condition of them by a Third Party and any of its officers, employees or agents;
 - iii) operation, maintenance or repairs to an Approved Project; or
 - iv) any omission or other wilful or negligent act of a Third Party's officers,

employees or agents.

- e) that the Recipient or a Third Party assuming responsibility for an Approved Project shall be solely responsible for operation, maintenance and repairs to the resulting infrastructure, except where Canada and Quebec have made other arrangements in this regard; and
- f) that the Recipient shall not, for a period of at least ten years from the date of receipt by Quebec of the Recipient's final claim with regard to the Project, transfer or assign its rights or obligations under the Memorandum of Understanding without the prior written consent of the Parties. Any attempt to assign any of the rights, duties or obligations of this Memorandum of Understanding without the express written consent of the Parties shall be null and void.

5.3.2 Prior to seeking any remedy under a Memorandum of Understanding, Quebec agrees to advise the Agreement Oversight Committee.

5.3.3 Quebec shall provide Canada with examples of the Memoranda of Understanding to be used.

5.4 Files, Accounts and Records

5.4.1 Each Party shall keep appropriate and accurate files, accounts and records with regard to management of the Agreement and maintain them according to the provisions of their respective legislation applicable in this regard.

5.4.2 Each Party agrees, upon reasonable notice, to make its complete files, accounts and records available for inspection by the other Party.

5.5 Indemnification

Canada agrees at all times to indemnify and save harmless Quebec and Quebec agrees to indemnify and save harmless Canada, from and against all claims and demands, loss, costs, damages, actions, suits or other proceedings by whomsoever brought or prosecuted in any manner in respect of any matter arising from this Agreement, except claims and demands, loss, costs, damages, actions, suits or other proceedings resulting from the negligence of any of their officers, servants, employees or agents.

6. PAYMENT TERMS AND CONDITIONS

6.1 Upon submission by Quebec of claims for eligible costs incurred and paid for the purpose of the Agreement, Canada shall promptly make the payments owed to Quebec. The claims shall be submitted to Canada's satisfaction.

6.2 To facilitate provisional funding for an Approved Project, Canada may pay Quebec provisional amounts, in accordance with the Treasury Board of Canada's Policy on Transfer Payments, upon claims for repayment submitted by Quebec, based on an estimate of the costs incurred and certified by the authorized Quebec official. Provisional amounts shall not exceed 25% of the federal contribution per project.

6.3 Quebec shall account for any provisional amount received from Canada by submitting, within ninety days of receiving such amount, a detailed statement of the eligible costs paid, certified by the authorized Quebec official. The Parties shall promptly settle any discrepancy noted between the provisional payments from Canada and the eligible costs paid by Quebec.

- 6.4 Notwithstanding any provision of subsection 6.2, Quebec cannot receive a provisional payment during a given Fiscal Year until it has repaid or accounted for, to Canada's satisfaction, all provisional payments received during the previous Fiscal Year.
- 6.5 All requests for final payment must be made no later than 90 days after March 31, 2011. Any claims received after this date will not be eligible for payment.
- 6.6 Canada will not share project costs incurred after March 31, 2011, for projects which are not substantially completed by that date. Canada will not be reimbursed for any amount paid or due with regard to eligible costs committed prior to April 1, 2011, if Quebec undertakes to complete these projects as soon as possible.

7. DISPUTE RESOLUTION

7.1 Dispute Resolution

The Parties agree to keep each other informed of any disagreement or contentious issue through the Agreement Oversight Committee, which will attempt to resolve such issues.

7.2 Referral

Any disagreement or contentious issue that cannot be resolved by the Agreement Oversight Committee will be submitted to the ministers for resolution.

7.3 Waiver

A Party may waive any right under this Agreement only in writing. Any tolerance or indulgence demonstrated by a Party will not constitute waiver of such right. Unless a waiver is executed in writing, a Party will be entitled to seek any remedy that it may have under this Agreement or under the law.

8. REPORTING, FINANCIAL AUDIT AND EVALUATION

8.1 Reporting

The information and reports that Quebec will publish concerning its approaches, recreational infrastructure intervention strategies and reporting will be sent to Canada at the time of publication.

In addition to Canada's usual reporting procedures, Canada shall report to Parliament every three months on progress made in implementing the Program. To this end, Quebec shall provide Canada with the following information so that Canada can report on performance indicators:

For each project, at the start of the project or when an amendment is made:

- a) Total estimated cost of the work;
- b) Planned start and completion dates for the work;
- c) Number of projects under way;
- d) Number of projects completed.

8.2 Financial audit

Information on costs or on any other financial matter for transmission to Canada from Quebec will first have been audited to confirm its accuracy and completeness, in line with prevailing Quebec practice, in particular certain tests applied by the Auditor General of Quebec.

In addition, Quebec will ensure that accurate and appropriate accounts and records are kept for projects initiated under the Agreement and undertakes to allow Canada to audit these accounts and records on reasonable notice.

8.3 Evaluation

The Parties acknowledge that Canada must be able to prepare a report on the results of the Program. Canada may evaluate the Agreement and Quebec shall provide it with the available data. The costs of the evaluation will be borne by Canada.

9. COMMUNICATIONS

The Parties shall comply with the Communications Protocol in Schedule E.

10. MISCELLANEOUS

10.1 Commencement and Expiry Dates

This Agreement will be effective when signed by the Parties and will end on March 31, 2012.

10.2 Survival

The Parties' rights and obligations set out in Sections 7 (Dispute Resolution), 8 (Reporting, Financial Audit and Evaluation) and 10 (Miscellaneous) and subsections 3.2 (Monies from Other Sources), 3.3 (Repayment of Government Contribution), 3.4 (Discrepancies), 3.5 (Debts), 5.3 (Memoranda of Understanding), 5.4 (Files, Accounts and Records) and 5.5 (Indemnification) of the Agreement, as well as in any other section, subsection or schedule which is required to give effect to the termination or to its consequences, will survive the expiry or early termination of this Agreement.

10.3 No Benefit

No member of the House of Commons, the Senate of Canada or the National Assembly of Quebec will be admitted to any share or part of any Contract made pursuant to this Agreement or to any benefits arising therefrom. Memoranda of Understanding which Quebec signs with Recipients shall include a provision to this effect.

10.4 Values and Ethics Code

No person governed by the federal Values and Ethics Code for the Public Service or by Quebec's Regulation respecting ethics and discipline in the public service will derive a direct benefit from this Agreement unless that person complies with the applicable provisions.

10.5 Fees for Lobbyist and Agents

The Parties warrant that any person who makes or has made representations on their behalf in order to obtain the contributions set out in this Agreement, or any benefit hereunder, is duly registered pursuant to the legislation in effect, including the Lobbyists Registration Act (Canada) and the Lobbying Transparency and Ethics Act (Quebec). Furthermore, Quebec warrants that no compensation or benefit based on a percentage of Canada's contribution will be paid or granted to a lobbyist.

10.6 No Agency

It is understood, recognized and agreed that no provision of this Agreement and no action by the Parties will establish or be deemed to establish a partnership, joint venture, principal-agent relationship, or employer-employee relationship in any way or for any purpose whatsoever between Canada and Quebec or between Canada, Quebec and a Recipient or Third Party. Memoranda of Understanding which Quebec signs with Recipients shall include a provision to this effect.

10.7 No Authority To Represent

Nothing in this Agreement is to be construed as authorizing one Party to contract for or to incur any obligation on behalf of the other or to act as agent for the other. Nothing in this Agreement is to be construed as authorizing any Recipient or Third

Party to contract for or to incur any obligation on behalf of either Party or to act as agent for either Party. Memoranda of Understanding which Quebec signs with Recipients shall include a provision to this effect.

10.8 Severability

If for any reason a provision of this Agreement is found to be invalid or unenforceable, in whole or in part, it will be deemed to be severable and will be deleted from this Agreement, but all the other terms and conditions of this Agreement will continue to be valid and enforceable.

10.9 Amendments to the Agreement

This Agreement may only be amended in writing and with the Agreement of both Parties, subject to the necessary approval.

10.10 Notice

Any notice, information or document provided for under this Agreement will be effectively given if delivered or sent by letter, postage or other charges prepaid. Any notice that is delivered will have been received on delivery; and any notice mailed will be deemed to have been received eight calendar days after being mailed.

Any notice to Canada shall be sent to:

Director General, Business and Northern Development and Infrastructure
Canada Economic Development
1255 Peel Street, 9th floor
Montreal, Quebec H3B 2T9

Any notice to the Quebec Department of Education, Recreation and Sport shall be sent to:

Fonds pour le développement du sport et de l'activité physique
Department of Education, Recreation and Sport
200 St Foy Road, Suite 4.40
Quebec City, Quebec G1R 6B2

Any notice to the Quebec Department of Municipal Affairs, Regions and Land Occupancy shall be sent to:

Quebec Department of Municipal Affairs, Regions and Land Occupancy
10 Pierre Olivier Chauveau Street
Quebec City, Quebec G1R 4J3

Either Party may change the address that it has stipulated by notifying the other party of the new address in writing.

11. SIGNATURES

11.1 Obligations

The Parties declare that the signing of this Agreement was duly and validly authorized, and that each has incurred a legal and valid obligation in accordance with the terms and conditions of the Agreement.

11.2 Counterpart Signature

This Agreement may be signed in counterpart, and the signed copies will, when attached, constitute the original Agreement.

The Agreement is signed on behalf of Canada by the Minister of State (Economic Development Agency of Canada for the Regions of Quebec), and on behalf of Quebec by the Minister of Education, Recreation and Sport, the Minister of Municipal Affairs, Regions and Land Occupancy and the Minister responsible for Canadian Intergovernmental Affairs and the Reform of Democratic Institutions.

GOVERNMENT OF CANADA
Original Signed by:

GOVERNMENT OF QUEBEC
Original Signed by:

Denis Lebel
Minister of State (Economic
Development Agency of Canada for
the Regions of Quebec)

Michelle Courchesne
Minister of Education, Recreation and Sport

On _____

On _____

Claude Bécharde
Minister Responsible for Canadian
Intergovernmental Affairs and the
Reform of Democratic Institutions

Laurent Lessard
Minister of Municipal Affairs, Regions and Land
Occupancy

On _____

On _____

Schedule A Definitions

For the purposes of the Agreement, the terms below have the meaning given to them by the corresponding definition, unless the context clearly dictates otherwise.

"Agreement Oversight Committee" means the committee created pursuant to section 4 of the Agreement.

"Agreement" means this Agreement, including all schedules.

"Amendment" means any change in the location, scope or timing of eligible work or its costs or in the financial assistance allocated to this work under the Program.

"Application" means a funding request for a Project officially submitted in Quebec by an Applicant pursuant to the Agreement

"Approved Project" means a Project that will receive government funding as part of the Agreement.

"Asset" means public or private fixed capital assets for public use or benefit in Quebec, built, rehabilitated, restored or purchased, in full or in part, with government funds contributed under the terms of this Agreement.

"Contract" means a Contract between a Recipient and a Third Party whereby the latter agrees to contribute a product or service to a Project in return for financial consideration that may be claimed as an Eligible Cost

"Eligible Costs" means the Eligible Costs indicated in Schedule D to the Agreement.

"Federal Co-chair" means the representative of the Government of Canada appointed by the Federal Minister to sit on the Agreement Oversight Committee.

"Federal Ministers" means the Minister of Public Works and Government Services Canada and Minister responsible for the Economic Development Agency of Canada for the Regions of Quebec and the Minister of State (Economic Development Agency of Canada for the Regions of Quebec) and includes anyone authorized to act on their behalf.

"Fiscal Year" means the period beginning April 1 of a year and ending March 31 of the following year.

"Ineligible Costs" means the Ineligible Costs indicated in Schedule D to the Agreement.

"Infrastructure" means publicly- or privately-owned capital Assets in Quebec for public use or benefit.

"Memorandum of Understanding" means a Contribution Agreement made between Quebec and a Recipient that sets out the terms and conditions of a government contribution to a Project approved under the Agreement.

"Minister responsible for implementing the Agreement in Quebec" means the Minister of Education, Recreation and Sport or any Minister subsequently mandated to implement the Agreement, including anyone authorized to act on her behalf.

"Ministers" means the Federal Minister and Quebec Ministers, and includes anyone authorized to act on their behalf.

"Municipality" means a local municipality (municipality, city, town, parish, township, united township), a regional county municipality (including unorganized territory), a metropolitan community, an intermunicipal board, a northern village or the Kativik Regional Government.

"Parties" means Canada and Quebec.

"Party" means either Canada or Quebec.

"Program" means the Recreational Infrastructure Canada Program.

"Quebec Co-chair" means the representative of the Government of Quebec appointed by the Minister responsible for implementation in Quebec to sit on the Agreement Oversight Committee

"Quebec Ministers" means the Quebec Ministers who signed the Agreement, and includes anyone authorized to act on their behalf.

"Recipient" means means an Eligible Applicant whose Project is approved to receive a contribution from the Parties under the Agreement.

"Related charges" means the costs of notary, broker and surveyor services, zoning changes, and registration and transfer fees related to the purchase of land, servitudes or rights of way.

"Third Party" means any person, other than a Party to the Agreement or a Recipient, who participates in the implementation of the Approved Project.

Schedule B

ELIGIBLE PROJECTS AND RECIPIENTS

1. Eligible Projects:

Eligible Projects relate to:

- arenas;
- gymnasias;
- pools;
- sports fields;
- tennis, basketball, volleyball or other sport-specific courts;
- parks and trails intended for physical activity, including bicycle paths;
- any other multi-purpose recreational facility used mainly for physical activities.

Eligible Projects must:

- fall under one of the above categories;
- involve facilities accessible to the public;
- be intended to modernize or repair existing infrastructure, including the construction of new infrastructure to supplement or replace existing infrastructure or its capacities;
- start and be completed by March 31, 2011;
- involve work which would not have been done without the financial assistance of the two Parties;
- comply, where applicable, with the environmental assessment requirements of Canada and Quebec;
- identify planned sources of funding.

2. Eligible recipients

Eligible recipients include:

- a) municipalities;
- b) public sector organizations belonging to a municipality;
- c) corporations or public sector organizations established pursuant to an act or regulation of the Government of Quebec or owned exclusively by the latter, and which can provide municipal services, including:
 - school boards;
 - CEGEPs;
 - universities listed in paragraphs 1 to 11 of the Act Respecting Educational Institutions at the University Level [R.S.Q., c. E14.1] or organizations in which the power to confer degrees, diplomas, certificates or other attestation of university studies is vested by an Act of Parliament with regard to the university studies they offer;
- d) not-for-profit organizations;

but do not include:

- e) departments of the Government of Canada or the Government of Quebec;
- f) public-sector corporations or organizations, except those covered by paragraph c) above;

Schedule C
PROJECT REVIEW, SELECTION, APPROVAL AND
AMENDMENT

The project review, selection approval and amendment process shall include the following steps:

- a) Projects and Project Amendments shall be sent to Quebec, which shall inform the Federal Co-chair as they are received;
- b) the approval process is started by the Quebec co-chair, who submits a summary of the results of the analysis of Projects and Project Amendments which Quebec considers as priorities and has identified to the federal co-chair for review of their compliance with the Agreement, approval and registration under the Agreement;
- c) where appropriate, the Federal Co-chair will forward his comments on the proposed Projects and Amendments to the Quebec Co-chair;

Although a Project or a Project Amendment can be approved by the Parties, it shall not create obligations for the Parties or an eligible Recipient as long as the Government of Quebec and the said Recipient have not signed a Memorandum of Understanding concerning the Project or Project Amendment.

SCHEDULE D ELIGIBLE AND INELIGIBLE COSTS

1. ELIGIBLE COSTS

Eligible Costs are all direct costs that are properly and reasonably incurred by a Recipient by March 31, 2011, under a Contract for goods or services that is solely and specifically intended for the implementation of an Approved Project.

Eligible Costs include only the following:

- a) Costs for the rehabilitation or repair of existing infrastructure, including new construction that adds to or replaces existing infrastructure or its capacity;
- b) Fees paid to professionals, technical personnel and consultants specifically engaged to undertake the surveying, design, engineering or supervision for the rehabilitation, repair or construction of infrastructure and related facilities and structures;
- c) Costs of environmental assessments and monitoring and follow-up programs which may be required under the Canadian Environmental Assessment Act and the Quebec Environment Quality Act;
- d) Costs related to the public announcement and official ceremony, or to any temporary or permanent signage;
- e) Other costs considered direct and necessary to the success of the project and which have been approved in advance by the Agreement Oversight Committee.

2. INELIGIBLE COSTS

The following costs are ineligible:

- a) Costs incurred before January 27, 2009, the announcement date of Budget 2009;
- b) Mobile equipment purchasing costs;
- c) The cost of general/routine repairs or maintenance;
- d) The cost of services or work normally provided by the Recipient;
- e) Salaries and other employment benefits for employees of a municipality;
- f) Recipient's overhead costs, direct or indirect operating or administrative costs and, more specifically, costs related to planning, engineering, architecture, supervision, management and other activities normally carried out by the Recipient's staff;
- g) Costs of feasibility and planning studies;
- h) Portions of taxes such as the GST and the QST for which the Recipient is eligible for a tax rebate and any other costs eligible for a rebate;
- i) Costs of purchasing land or any interest therein and related costs;
- j) Cost of leasing of equipment by the community;
- k) Legal fees;
- l) Costs of routine maintenance;
- m) Goods and services which the Recipient receives or will receive free of charge from a third party.

SCHEDULE E

COMMUNICATIONS PROTOCOL

1. GENERAL

This communications protocol sets out the principles and practices guiding any announcement or event related to this Agreement.

Canada and Quebec agree on the importance of communicating with citizens in an open, transparent, effective and proactive manner through appropriate public information activities.

All public information material shall fairly reflect the contribution of all Parties to the Project. This includes ensuring equitable recognition and prominence where words, logos, symbols and other types of identification are incorporated into materials. This material shall be produced in French, and a translation into English under separate cover shall be made available by Canada as needed and upon request.

The Parties may carry out their own non-Project specific communications activities concerning infrastructure funding under this Agreement, but such communications should recognize the partnership and financial contributions of the Parties and other significant funding contributors, if any.

The Oversight Committee is responsible for co-ordinating and monitoring communications under this Agreement, and will establish a Communications Sub-Committee comprised of one provincial and one federal representative to provide Oversight Committee members with advice and support on such matters.

Furthermore, Quebec recognizes the legitimate expectation that Canada receive appropriate credit and visibility when public announcements are made concerning federal funding allocated pursuant to this Agreement.

All communications products produced pursuant to this Agreement shall comply with the Federal Identity Program (FIP) and relevant Quebec requirements. Canada will provide specific branding standards and graphic guidelines to guide the development of communications products and activities.

2. PROJECT COMMUNICATIONS

2.1 Project promotion

Recipients will ensure appropriate mention of the Parties' contributions in annual reports and speeches as well as in all other promotional opportunities.

Recipients are solely responsible for operational communications, including calls for tender, construction and public safety notices.

Recipients and Parties will promptly share information with Quebec and Canada about significant emerging issues or media inquiries related to the Project (e.g., joint management questions or serious safety matters).

Quebec and Canada undertake to inform each other of any communications activity concerning the announcement of federal investments or the achievement of key steps in a Project carried out with federal funds contributed as part of this Agreement.

2.2 Press conferences, public announcements, official events and joint ceremonies

Unless the Parties agree otherwise in a specific case, the Parties shall organize events jointly and will do everything possible to choose a mutually convenient date and location so as to facilitate the participation of Ministers or their representatives.

Quebec and Canada undertake to inform each other of any communications activity concerning the announcement of investments made pursuant to this Agreement at least seven working days in advance, so that both parties have the time to agree on appropriate

communications activities.

To facilitate the organization of these public events, the Communications Sub-Committee shall develop an operating procedure which defines individual responsibilities in terms of the preparation of communications products and the organization of public events (decision making, prior notice, routing of information between the two Parties, etc).

The Table of Precedence for Canada, as established by Canadian Heritage (http://www.pch.gc.ca/progs/cpsc-ccsp/pe/precedence_e.cfm) or any other mutually acceptable protocol should be followed.

2.3 Signage

Where circumstances permit, fixed signs or billboards shall be installed on the sites of investments funded under this Agreement, acknowledging the contributions of each of the partners. All signs or billboards shall be placed so that they are easily visible to users, visitors and passers-by for the duration of the work and for a maximum period of one year after completion of the Project.

Upon completion of the Project, Canada and Quebec can, by mutual agreement, provide and install a plaque or permanent sign bearing an appropriate inscription. The design, wording and specifications must be approved by the Oversight Committee.

3. COST SHARING

Unless otherwise agreed, the Parties will each bear their own direct costs associated with communications activities.