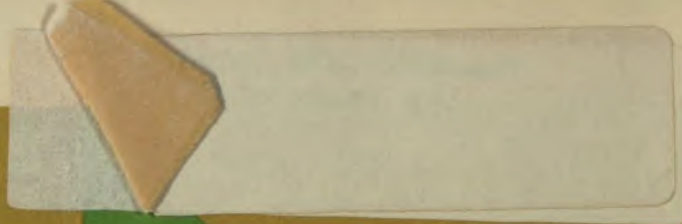


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 REGIONAL ECONOMIC EXPANSION CANADA
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THIS AGREEMENT made this 5th. day of November, 1971

BETWEEN: THE GOVERNMENT OF CANADA,
(hereinafter called "Canada"),

OF THE FIRST PART,

AND: THE GOVERNMENT OF THE PROVINCE OF
NEWFOUNDLAND, (hereinafter called
"the Province").

OF THE SECOND PART.

THIS AGREEMENT is entered into on behalf of Canada by the Minister of Regional Economic Expansion and on behalf of the Province by the Minister of Community and Social Development;

WHEREAS Canada and the Province have agreed that in the interest of the economic development of the Province, the sections of highways listed in Schedule "B" attached will be constructed on the basis set out in this Agreement;

AND WHEREAS His Excellency the Governor General in Council by Order in Council P.C. 1971-14/2171 dated the 19th day of October, 1971 has authorized the Minister of Regional Economic Expansion to execute the Agreement on behalf of Canada;

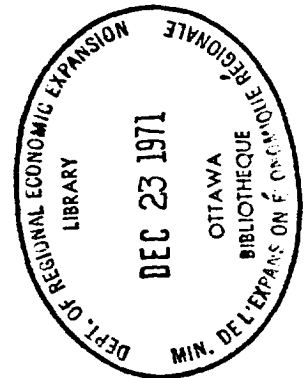
AND WHEREAS by Order in Council 1106 dated the 5th. day of November, 1971, the Minister of Community and Social Development is authorized to enter into this Agreement on behalf of the Province;

NOW THEREFORE the parties hereto mutually agree as follows:

1. In this Agreement:

- (a) "Federal Minister" means the Minister of Regional Economic Expansion of Canada and includes anyone authorized to act on his behalf;
- (b) "Provincial Minister" means the Minister of Community and Social Development of the Province and includes anyone authorized to act on his behalf;
- (c) "Ministers" means the Federal Minister and the Provincial Minister;
- (d) "Liaison Committee" means the committee referred to in Section 1(f) of the Special Areas Agreement;

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- (e) "Special Areas Agreement" means the Federal-Provincial Agreement on Special Areas entered into between Canada and the Province dated the 9th day of August, 1971;
- (f) "project" means a project for the construction of a highway listed in Schedule "B" of this Agreement;
- (g) "term of this Agreement" means the period April 1, 1971 to March 31, 1973.

SUBJECT MATTER

2. The Schedules attached to and forming part of this Agreement are:

Schedule "A": The general specifications of highways.

Schedule "B": A list of projects of highway construction that the Province will carry out under this Agreement with the assistance of contributions made by Canada through the Department of Regional Economic Expansion.

3. Canada will finance the projects listed in Schedule "B" by contributions to the extent and in the manner specified in the said Schedule.

4. (1) The Province will undertake or will endeavour to arrange for a municipality to undertake during the term of this Agreement the projects listed in Schedule "B".

(2) The Province or the municipality concerned, as the case may be, will acquire all lands or interest in lands that are required for the project.

(3) The financing by Canada of the projects provided for by this Agreement does not confer upon Canada any proprietary interest in the physical assets constructed or acquired pursuant to this Agreement, which shall be and remain the property of the Province or the municipality as the case may be, which will take over each physical project on completion and will thereafter accept full responsibility for its operation, maintenance and repair, except where other Federal-Provincial arrangements may apply.

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5. It is understood and agreed that where a project mentioned in this Agreement is to be undertaken by a municipality, the Province will make such arrangements with the municipality as are necessary to enable the Province to implement its undertakings under this Agreement.

6. The Province will commence or will endeavour to arrange for the municipalities concerned, to commence actual implementation during the term of this Agreement of all projects listed in Schedule "B" that have not already been commenced. Unless the Federal Minister on the recommendation of the Liaison Committee otherwise agrees, Canada will not be responsible for any expenditures incurred after the term of this agreement nor will Canada pay any claim which is not received within three months after the term of this Agreement.

7. (1) Subject to subsection (2), the costs to be paid by Canada under this Agreement are:

- (a) all direct costs, except administrative, survey, engineering and architecture costs, that in the opinion of the Liaison Committee had been reasonably and properly incurred after the 31st day of March, 1971 for the implementation of the projects by the Province or the municipality concerned, as the case may be, and
- (b) ten percent of the costs payable pursuant to paragraph (a) as an allowance towards all other costs, one-half of which allowance, based on the estimated cost of the project in Schedule "B" may be paid when the Liaison Committee has approved the preliminary design of the project and the adjusted remainder of which shall be paid with the final payment in respect of the implementation of the project.

(2) The costs to be financed by Canada do not include any cost relating to the acquisition of lands or interests in lands or costs arising from conditions of acquisition.

8. (1) Canada's obligation with respect to the financing of each project shall be limited to the estimated cost specified for such project in Schedule "B" unless the Federal Minister agrees, on the recommendation of the Liaison Committee that a higher cost is reasonable and warranted and that the costs for any other project or projects will be lower than that estimated for such project or projects in an amount that would make the extra cost available for the project with a cost higher than estimated.

(2) If at any stage of a project it appears to the Province that the cost thereof will exceed the estimated cost specified for such project in Schedule "B", the Province shall promptly so inform the Liaison Committee and state the reasons for such increase.

9. Notwithstanding anything in this Agreement, the total amount payable by Canada under this Agreement shall not exceed \$20,000,000.

10. Canada and the Province agree to provide the Liaison Committee with all information necessary for the performance of its functions.

PAYMENT PROCEDURE

11. Subject to section 12, payments by Canada shall be promptly made to the Province on the basis of progress claims setting out the costs actually incurred and paid for the project, submitted in a form and verified in a manner satisfactory to the Federal Minister.

12. (1) In order to assist with the interim financing of projects, Canada may, if the Province so requests, make interim progress payments to the Province not exceeding 90% of Canada's share of claims submitted, based on estimates of expenditures actually incurred as certified by a senior officer of the Province.

(2) The Province will account for each such interim progress payment by submitting to Canada, within the quarter following such payment, a detailed statement of the actual expenditures concerned, verified in a manner satisfactory to the Federal Minister.

Any discrepancy between the amounts paid by Canada by way of interim progress payments and the amounts actually payable by Canada shall be promptly adjusted between Canada and the Province.

(3) If so requested by the Province, the Federal Minister may, at his discretion, following the award of a contract, authorize an advance payment by Canada to the Province in an amount not exceeding 75% of Canada's share of the estimated amount payable under such contract. Advances made under this subsection will be accounted for by the Province by way of monthly progress claims submitted in the form and verified in the manner required under section 11.

13. The Province will make appropriate financial arrangements with the municipalities concerned in respect of payment for projects which it arranges for the municipalities to undertake..

RECORDS AND AUDIT

14. The Province will ensure that proper and accurate accounts and records relating to each project are maintained by the Province or the municipality, as the case may be, and the Province will be responsible for auditing and certifying the cost of the projects for the purpose of progress claims in respect of projects undertaken by municipalities.

15. Canada may audit the amounts of all progress claims, and the Provincial accounts and records relating thereto, and any discrepancy between the amounts paid by Canada and the amounts actually payable by Canada under this Agreement shall be promptly adjusted between Canada and the Province.

CONSTRUCTION AND IMPLEMENTATION PROCEDURE

16. (1) The financing by Canada of the projects listed in Schedule "B" is conditional upon the observance of the procedures set out in paragraphs (a) to (k) of subsection 19(1) of the Special Areas Agreement.

(2) Paragraphs (e), (h) and (j) of subsection 19(1) of the Special Areas Agreement do not apply to contracts that involve only the administrative, survey, engineering or architecture costs referred to in section 7(1)(a) of this Agreement.

(3) Contracts and purchases made and work done prior to the date of this Agreement are accepted as complying with the provisions of this section if they are approved in writing by the Federal Minister on the recommendation of the Liaison Committee.

17. The provisions of sections 20, 21, 30, 31, 32 and 33 of the Special Areas Agreement apply to this Agreement.

18. In the event of any dispute between the parties hereto on any question of law or fact arising out of this Agreement or the performance thereof, it shall be submitted to and determined by the Federal Court of Canada pursuant to the Federal Court Act of Canada.

19. The provisions of financing by Canada and the Province under this Agreement is subject to Parliament and the House of Assembly in Newfoundland having provided funds for such financing in the fiscal year in which financing is to be provided.

AMENDMENTS

20. This Agreement, including the Schedules thereto, may be amended from time to time by the agreement of the Ministers expressed in writing, except that any amendment to the total amount of \$20,000,000 specified in section 9, and any deletion or substitution to the list of projects set out in Schedule "B" requires the approval of the Governor in Council.

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IN WITNESS WHEREOF this Agreement has been executed
on behalf of Canada by the Minister of Regional Economic Expansion
and on behalf of the Province by the Minister of Community and
Social Development of the Province.

In the presence of

GOVERNMENT OF CANADA

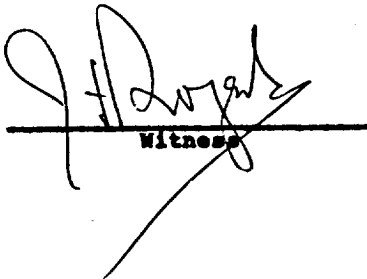


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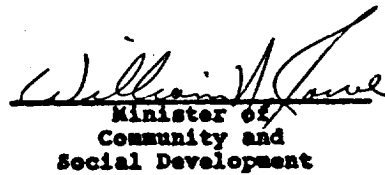


Minister of
Regional Economic Expansion

GOVERNMENT OF THE PROVINCE
OF NEWFOUNDLAND



Witness



Minister of
Community and
Social Development

SCHEDULE "A"

GENERAL SPECIFICATIONS OF THE HIGHWAY

The planning and design of highways listed in Schedule "B" projects should be based on the highway classifications according to service function and the recommended minimum standards for each classification set forth in the Canadian Good Roads Association Manual of Geometric Design Standards for Canadian Roads and Streets, 1963, or any amendments thereto, except where the Liaison Committee agrees to modifications.

ROAD DESIGN CLASSIFICATION

| <u>Location</u> | <u>Class</u> | <u>Type</u> | <u>Design Speed</u> | <u>Code Number</u> |
|-----------------|--------------|-------------|---------------------|--------------------|
| Urban | Freeway | Divided | 70 | UFD 70 |
| " | " | " | 60 | UFD 60 |
| " | " | " | 50 | UFD 50 |
| " | Arterial | Divided | 60 | UAD 60 |
| " | " | " | 50 | UAD 50 |
| " | " | " | 40 | UAD 40 |
| " | " | Undivided | 50 | UAU 50 |
| " | " | " | 40 | UAU 40 |
| " | " | " | 30 | UAU 30 |
| " | Collector | Divided | 50 | UCD 50 |
| " | " | " | 40 | UCD 40 |
| " | " | " | 30 | UCD 30 |
| " | " | Undivided | 50 | UCU 50 |
| " | " | " | 40 | UCU 40 |
| " | " | " | 30 | UCU 30 |
| " | Local | Undivided | 30 | ULU 30 |
| Rural | Freeway | Divided | 80 | RFD 80 |
| " | " | " | 70 | RFD 70 |
| " | " | " | 60 | RFD 60 |
| " | Arterial | Divided | 70 | RAD 70 |
| " | " | " | 60 | RAD 60 |
| " | " | " | 50 | RAD 50 |
| " | " | Undivided | 70 | RAU 70 |
| " | " | " | 60 | RAU 60 |
| " | " | " | 50 | RAU 50 |

SCHEDULE "A"...(continued)

| <u>Location</u> | <u>Class</u> | <u>Type</u> | <u>Design Speed</u> | <u>Code Number</u> |
|-----------------|--------------|-------------|-------------------------|------------------------|
| Rural | Collector | Divided | 60 | RCD 60 |
| " | " | " | 50 | RCD 50 |
| " | " | " | 40 | RCD 40 |
| " | " | Undivided | 60 | RCU 60 |
| " | " | " | 50 | RCU 50 |
| " | " | " | 40 | RCU 40 |
| " | Local | " | 60 | RLU 60 |
| " | " | " | 50 | RLU 50 |
| " | " | " | 40 | RLU 40 |

HIGHWAYS AGREEMENT

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SCHEDULE "B"

| Project Description | Estimated Cost of Project (a) Direct Cost (b) 10% Allowance (\$'000) | Maximum DREE Funding 1971-72 (\$'000) | Balance of DREE Funding (\$'000) | SUB PROJECT DETAIL Description | Total Estimated Cost |
|---|---|---|-------------------------------------|---|---|
| <p>1. <u>Burin Peninsula Road</u> (Classification RNU 50 - 40)</p> <p>T.C.H. (Goobies) to near John the Bay (i.e., 5 miles south of Parker's Cove Intersection to Red Harbour), approx. 67 miles, base course, paving and ancillary works and overpass to Townsite Road, Marystown.</p> | 5,400 | 3,300 | 2,100 | <p>1) TCH (Goobies)-Black River Bridge, Mile 0-11, base course, paving and ancillary works.</p> <p>2) Black River Bridge - Piper's Hole River Bridge, base course, paving and ancillary works. Mile 11.3-18.5</p> <p>3) Sandy Harbour River Bridge to Clam Brook Bridge Mile 32.3 - 51.1, base course, paving and ancillary works.</p> <p>4) Clam Brook Bridge to Bay l'Argent Intersection to Parker's Cove. Mile 51.1 - 67.7, base course, paving and ancillary works.</p> <p>5) Parker's Cove Intersection to Red Harbour. Mile 6.7.-80.1, base course, paving and ancillary works.</p> <p>6) Marystown Overpass to Townsite Road. Structure - Overpass.</p> | <p>631,950</p> <p>355,300</p> <p>1,019,095</p> <p>1,538,020</p> <p>1,436,765</p> <p>150,000</p> |

H I G H W A Y S A G R E E M E N T

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SCHEDULE "B"

| Project Description | Estimated Cost of Project (a) Direct Cost (b) 10% Allowance (\$'000) | Maximum DREE Funding 1971-72 (\$'000) | Balance of DREE Funding (\$'000) | <u>SUB PROJECT DETAIL</u> Description | Total Estimated Cost |
|---|--|--|---|--|----------------------------|
| <p>2. <u>St. Lawrence Road</u> (Classification - RCU 40)</p> <p>From the end of the pavement in Lewin's Cove to the beginning of pavement in St. Lawrence. Base course, paving and ancillary works, approx. 16 miles.</p> | 1,250 | 850 | 400 | <p>1) Lewin's Cove to St. Lawrence, completion of grading.</p> <p>2) Lewin's Cove to St. Lawrence. Base course paving and ancillary works.</p> | 1,250,000 |

H I G H W A Y S A G R E E M E N T

1971 - 73

SCHEDULE "B"

| Project Description | Estimated Cost of Project (a) Direct Cost (b) 10% Allowance (\$'000) | Maximum DREE Funding 1971-72 (\$'000) | Balance of DREE Funding (\$'000) | <u>SUB PROJECT DETAIL</u> Description | Total Estimated Cost |
|---|--|--|---|---|----------------------------|
| 3. <u>Lethbridge - Bonavista Road</u> (Classification - RCU 40) | 3,400 | 1,200 | 2,200 | 1) Lethbridge-Lockston. Approximately 20 miles. Completion of base course, paving and ancillary works. | 1,850,000 |
| From the end of the pavement at Lethbridge to Port Union. Grading, base course, paving and ancillary works, approx. 37 miles. | | | | 2) Lockston-Port Union. Approximately 17 miles. Completion of base course, paving and ancillary works. | 1,350,000 |

HIGHWAYS AGREEMENT

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SCHEDULE "B"

| Project Description | Estimated Cost of Project (a) Direct Cost (b) 10% Allowance (\$'000) | Maximum DREE Funding 1971-72 (\$'000) | Balance of DREE Funding (\$'000) | SUB PROJECT DETAIL Description | Total Estimated Cost |
|---|---|---|-------------------------------------|---|----------------------|
| <p>4. <u>Deer Lake to Park Boundary (Wiltondale)</u> <u>(Classification - RCU 40)</u></p> | 4,100 | 800 | 3,300 | 1) TCH (Deer Lake) to White Hill Brook. Grading and base course with minor bridge works, Mile 0-11.5 | 2,000,000 |
| <p>From the TCH at Deer Lake to the Park Boundary near Wiltondale. The construction, grading and base course, approx. 21.5 miles.</p> | | | | 2) White Hill Brook to Park Boundary at Wiltondale. Grading and base course with minor bridge works. Mile 11.5 - 21.5 | 1,600,000 |
| | | | | 3) Bridge at Humber River. | 500,000 |

H I G H W A Y S A G R E E M E N T

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SCHEDULE "B"

| Project Description | Estimated Cost of Project (a) Direct Cost (b) 10% Allowance (\$'000) | Maximum DREE Funding 1971-72 (\$'000) | Balance of DREE Funding (\$'000) | <u>SUB PROJECT DETAIL</u> Description | Total Estimated Cost |
|--|--|--|---|--|---------------------------------|
| <p>5. <u>Hawke's Bay-Port aux Choix</u> (Classification - RCU 40)</p> <p>From Hawke's Bay to Port aux Choix inclusive and including the local road in Port Saunders and the Big East River Bridge. The design, construction, grading, base course, paving and ancillary works, approx. 17.5 miles.</p> | 2,800 | 500 | 2,300 | <p>1) Road construction from Hawke's Bay to Port aux Choix.</p> <p>2) Big East River Bridge.</p> | <p>2,600,000</p> <p>200,000</p> |

H I G H W A Y S A G R E E M E N T

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SCHEDULE "B"

| Project Description | Estimated Cost of Project (a) Direct Cost (b) 10% Allowance (\$'000) | Maximum DREE Funding 1971-72 (\$'000) | Balance of DREE Funding (\$'000) | <u>SUB PROJECT DETAIL</u> Description | Total Estimated Cost |
|--|--|--|---|--|----------------------------|
| <p>6. <u>Carbonear to Harbour Grace</u> (Classification - RCU 40)</p> <p>From the end of the reconstruction in Harbour Grace to Rossiter's Pond Bridge in Carbonear (approx. 3.2 miles). Granular base courses, paving and ancillary works. The recapping and shouldering of the existing highway from Rossiter's Pond to the Town Centre (0.7 miles).</p> | 657 | 350 | 307 | <p>1) From Carbonear to Harbour Grace, granular base course, paving and ancillary works.</p> <p>2) From Rossiter's Pond to the Town Centre, the recapping and shouldering of the existing highway.</p> | 657,000 |

H I G H W A Y S A G R E E M E N T

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SCHEDULE "B"

| Project Description | Estimated Cost of Project (a) Direct Cost (b) 10% Allowance (\$'000) | Maximum DREE Funding 1971-72 (\$'000) | Balance of DREE Funding (\$'000) | <u>SUB PROJECT DETAIL</u> Description | Total Estimated Cost |
|--|--|--|---|--|----------------------------|
| <p>7. <u>Gander Bay Road</u> (Classification - RCU 40)</p> <p>Complete grading base and paving, mile 10 - 16 (6 miles)</p> | 700 | - | 700 | | 700,000 |

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SCHEDULE "B"

| Project Description | Estimated Cost of Project (a) Direct Cost (b) 10% Allowance (\$'000) | Maximum DREE Funding 1971-72 (\$'000) | Balance of DREE Funding (\$'000) | <u>SUB PROJECT DETAIL</u> Description | Total Estimated Cost |
|--|--|--|---|--|---------------------------------|
| <p>8. <u>Burnt Islands - Rose Blanch Road</u> (Classification - RLU 40)</p> <p>Bridge, design and construction at two locations.</p> | <p>400 100</p> | <p>100 -</p> | <p>300 100</p> | <p>1) Grady's Brook Bridge and approaches.</p> <p>2) Rose Blanche Bridge</p> | <p>400,000 100,000</p> |

H I G H W A Y S A G R E E M E N T

1971 - 73

SCHEDULE "B"

| Project Description | Estimated Cost of Project (a) Direct Cost (b) 10% Allowance (\$'000) | Maximum DREE Funding 1971-72 (\$'000) | Balance of DREE Funding (\$'000) | <u>SUB PROJECT DETAIL</u> Description | Total Estimated Cost |
|--|--|--|---|--|----------------------------|
| <p>9. <u>Forest Access Roads</u></p> <p>The design and construction of forest access roads as part of an agreed program for the rationalisation and management of forest resources in Newfoundland.</p> | 1,000 | | | | 1,000,000 |

