

CONTRIBUTION AGREEMENT

This Agreement dated effective the __ day of _____, _____.

BETWEEN:

SOUTHERN INTERIOR DEVELOPMENT INITIATIVE TRUST, a trust established under legislation enacted by the government of the Province of British Columbia and having an office located at _____

(“SIDIT”)

AND:

having an office located at _____

(“Recipient”)

WHEREAS:

- A. SIDIT has a mandate that includes the giving of grants for the purpose of supporting investment in the southern interior of British Columbia for matters such as forestry, pine beetle recovery, transportation, tourism, mining, Olympic opportunities, small business, economic development, energy and agriculture;
- B. The Recipient is a not-for-profit organization and has made the application to SIDIT attached hereto as Schedule “A” (the “Application”) for a grant for the purposes described in the Application (the “Project”);
- C. SIDIT wishes to make the grant, and the Recipient wishes to receive the grant, on the terms and conditions described in this Agreement.

NOW THEREFORE this Agreement witnesses that in consideration of the respective agreements and commitments set forth herein, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by each of the parties, SIDIT and the Recipient hereby agree as follows:

ARTICLE 1 – CONTRIBUTION

- 1.1 SIDIT shall grant to the Recipient a maximum of \$_____ (the “Grant”) to fund the Project in accordance with the terms and conditions described in this Agreement, including without limitation those terms and conditions described in Schedule B.
- 1.2 All funds provided by SIDIT to the Recipient under this Agreement are paid to the Recipient as a grant from SIDIT.
- 1.3 SIDIT is not obligated to pay to the Recipient any amount in excess of the Grant.

1.4 Any interest earned by the Recipient on the Grant will be used for purposes consistent with the Project.

1.5 Unless SIDIT otherwise requires, SIDIT's contribution to the Project will be acknowledged in all promotional and written materials relating to the Project. For the purpose of clarity, the following is an example of an acceptable acknowledgement statement: "[insert name of the Recipient] gratefully acknowledges the financial support of the Southern Interior Development Initiative Trust, a trust created and funded by the Province of British Columbia to encourage, promote and support economic development in the Southern Interior of British Columbia." Unless SIDIT otherwise requires, SIDIT's logo must appear on all of the Recipient's promotional materials relating to the Project. Prior to the Recipient releasing any promotional or written materials relating to the Project to the public, the Recipient will first obtain SIDIT's prior written approval of such promotional or written materials.

1.6 The Recipient shall report to SIDIT with respect to the Project in the manner set out in Schedule C hereto.

ARTICLE 2 – TERM

2.1 The obligations of the Recipient under this Agreement and all schedules attached hereto commence upon the date that the Recipient executes this Agreement and expire upon SIDIT's acknowledgement of receipt of the Completion Report from the Recipient. "Completion Report" means the last required report pursuant to Schedule C of this Agreement.

ARTICLE 3 – REPRESENTATIONS AND WARRANTIES OF THE RECIPIENT

3.1 The Recipient represents and warrants to SIDIT that:

- a) The Recipient is duly incorporated or constituted in accordance with the applicable legislation and is in good standing with respect to the making of Annual Reports as required by the legislation applicable to the Recipient.
- b) The Recipient has the power and authority to enter into this Agreement and this Agreement creates a valid and binding obligation upon the Recipient in accordance with its terms.
- c) The Recipient has taken all necessary action to authorize this Agreement and this Agreement has been duly executed and delivered by the Recipient to SIDIT.
- d) All of the information and statements made by the Recipient to SIDIT, including without limitation all information and statements contained in the Application, are true, accurate and complete.
- e) The Recipient is not permitted by legislation or the Recipient's constating documents to engage in any activity for the primary purpose of making a profit and any revenues realized from the Project shall accrue to the Recipient or to another non-profit entity or to a local government.

ARTICLE 4 – COVENANTS

4.1 Throughout the term of this Agreement the Recipient covenants and agrees with SIDIT that:

- a) in the event that the Recipient is a corporate entity, including without limitation, a Society incorporated pursuant to the laws of the Province of British Columbia or an extra-provincially

registered non-profit entity, or a creature of statute, the Recipient will maintain its existence in good standing throughout the term of this Agreement;

- b) throughout the term of this Agreement the Recipient will retain the Recipient's status as a non-profit entity, including without limiting the generality of the foregoing, the Recipient shall not amend the Recipient's constituting documents to amend, delete or alter any requirement of the Recipient to remain a non-profit entity;
- c) the Recipient will carry out the Project and use the Grant in accordance with good and ethical business practices;
- d) the Recipient will diligently carry out the Project using its best reasonable efforts;
- e) the Recipient will not make any material changes to the Project or the budget for the Project without the prior written consent of SIDIT;
- f) the Recipient will maintain current and accurate financial records along with the receipts incurred for the Project, and will provide same to SIDIT forthwith upon SIDIT's demand;
- g) the Recipient will report to SIDIT on the Project in the manner set out in Schedule C;
- h) the Recipient will provide to SIDIT, SIDIT's agents and/or SIDIT's auditors any information, including copies of any documents, related to the Project upon SIDIT's written demand;
- i) the Recipient shall in all respects fully cooperate with the reasonable requests of SIDIT's auditors;
- j) the Recipient will pay all costs for the delivery and implementation of the Project;
- k) the Recipient must only apply the Grant to the Project and shall not apply the Grant towards any other cost or expense unrelated to the Project or undisclosed in Schedule A;
- l) the Recipient and the Recipient's contractors must remit the required amounts to the Canada Revenue Agency for Canada Pension Plan remittances, Employment Insurance remittances, Goods and Services Tax and Income Tax, as required. The Recipient and the Recipient's Contractors shall obtain and maintain sufficient Workers Compensation Board coverage throughout the course of the Project and the Recipient shall supply SIDIT with confirmation of such coverage upon written demand from SIDIT;
- m) the Recipient will comply with all federal, provincial and municipal government legislation, regulations, by-laws, orders, notices and directions with respect to the implementation and maintenance of the Project. Without limiting the generality of the foregoing, the Recipient shall comply with its obligations under the Criminal Records Review Act in the event that the Recipient engages any persons who shall be working with minors, and comply with the terms of the Workers Compensation Act;
- n) the Recipient will obtain all necessary licenses, permits and approvals required for the Project by applicable laws, regulations, by-laws, notices, rules and orders;

- o) the Recipient shall obtain appropriate insurance coverage for the Project, shall maintain such insurance in full force and effect until the termination of this Agreement and shall provide evidence of such insurance coverage to SIDIT from time to time upon SIDIT's request.
- p) the Recipient shall comply with all of SIDIT's reasonable requests made by SIDIT in order to assist SIDIT in evaluating the Project and the Recipient's performance pursuant to this Agreement;
- q) the Recipient shall not use all or any part of the Grant outside of the southern interior of British Columbia unless expressly stated in the Application and approved by SIDIT.

ARTICLE 5 – INDEMNITY

5.1 The Recipient will indemnify and save harmless SIDIT, SIDIT's officers, directors, employees, servants and agents from and against all and any claims, demands, costs, expenses, disbursements, petitions, judgments, fees and penalties, including those for any personal injury, death or for damage to or loss of property, arising from the Recipient's implementation and maintenance of the Project.

ARTICLE 6 – CONFIDENTIALITY

6.1 The Recipient will keep any information disclosed by SIDIT to the Recipient which is otherwise not available to the public (the "Information") confidential, unless required by law to release such information.

6.2 The Recipient acknowledges that SIDIT has duties and obligations pursuant to the Southern Interior Development Initiative Trust Act to report to the public, and such reporting may include the disclosure of information relating to the Recipient and to the Project. The Recipient therefore agrees that any part of this Agreement, and any information received by SIDIT from the Recipient relating to this Agreement, including any information contained in any application by the Recipient to SIDIT for the Grant, may be disclosed by SIDIT to the public and the Recipient hereby consents to the release of such information.

ARTICLE 7 – LICENSE

7.1 The Recipient hereby grants to SIDIT a non-exclusive non-expiring license for SIDIT to use all of the products, work, trademarks and copyrights arising from the Project in support of SIDIT's purpose in the sole discretion of SIDIT including without limitation any advertising or promotions that SIDIT may engage in from time to time. Notwithstanding the foregoing, SIDIT shall not exploit the license granted herein for a commercial purpose, other than as described in this section 7.1, without the prior written consent of the Recipient.

ARTICLE 8 - ASSIGNMENT

8.1 The Recipient may not assign this Agreement in whole or in part without the prior written consent of SIDIT. The parties acknowledge and agree that they have entered into this Agreement based on the Application and SIDIT may therefore require any such assignee to provide all or any part of the information contained in the Application for the consideration of SIDIT before SIDIT shall consent to any such assignment.

ARTICLE 9 – DEFAULT AND TERMINATION

9.1 The following shall be deemed to be events of default (an “Event of Default”) pursuant to this Agreement:

- a) a party fails to comply with their obligations pursuant to Schedule B by the date specified in Schedule B;
- b) a party commits a material breach of its obligations pursuant to this Agreement other than as described in Section 9.1(a) and fails to rectify such breach within 14 days;
- c) a representation or warranty made pursuant to this Agreement or any schedule attached hereto is materially false, misleading or fraudulent;
- d) the Recipient fails to apply the Grant or any part of the Grant to the Project;
- e) a party becomes insolvent, bankrupt or is assigned into bankruptcy; or
- f) a party is otherwise unable to perform its obligations pursuant to this Agreement, including pursuant to any Schedules attached hereto.

9.2 If a party commits an Event of Default then the other party may terminate this Agreement by giving written notice.

9.3 In addition to the remedy contained in Section 9.2 for an Event of Default, if the Recipient commits an Event of Default SIDIT may:

- a) require the Recipient to deliver to SIDIT a written report evaluating the condition of the Recipient and the Recipient’s ability to perform its obligations pursuant to this Agreement;
- b) extend the time for the Recipient to perform some or all of the Recipient’s obligations pursuant to this Agreement;
- c) elect to perform any or all of the Recipient’s unperformed obligations pursuant to this Agreement, and in such case the Recipient shall immediately reimburse and indemnify SIDIT for all costs incurred by SIDIT;
- d) suspend, postpone or stop any further grants or advances of the Grant pursuant to this Agreement;
- e) require the Recipient to account for the expenditure of the Grant by the Recipient;
- f) require the Recipient to immediately repay all or part of the Grant;
- g) pursue any and all remedies available to SIDIT in law and in equity.

ARTICLE 10 – ARBITRATION

10.1 If a dispute should arise between the parties pursuant to this Agreement then the parties will use their reasonable commercial efforts to resolve such dispute in a reasonable and amicable manner.

10.2 In the event that the parties are unable to resolve a dispute within 7 days of the dispute arising the parties agree that they will refer the dispute to arbitration where the parties will name a single

arbitrator. If the parties are unable to agree upon a single arbitrator within 7 days, then each party will select one arbitrator and a third arbitrator will promptly be agreed to by the two selected arbitrators. If either party fails to select an arbitrator, the arbitrator selected by the other party will act as the sole arbitrator.

10.3 Any arbitration will be governed by the terms of the *Commercial Arbitration Act* (British Columbia) or any successor legislation. The decision of a majority of the arbitrators or the sole arbitrator, as the case may be, including any decisions as to costs, will be final and binding on the parties, but will not be a precedent in any subsequent arbitration under this Agreement.

10.4 Each party will bear its own fees, costs and expenses of the arbitration proceeding and its own legal expenses, attorney fees and costs of all experts and witnesses; provided, however, that if the claim of either party is upheld by the arbitrator in all material respects, the arbitrator may apportion between the parties as the arbitrator may deem equitable of the costs incurred by the prevailing party.

ARTICLE 11 – NOTICE

11.1 Any notice required or permitted to be given under this Agreement may be given in writing if sent by personal delivery, facsimile, email or registered mail to the other party at the addresses given above or as provided by one party to the other from time to time. If notice is delivered by personal delivery, facsimile or email notice shall be deemed to be received that day. If notice is sent by registered mail notice shall be deemed to be received three days after mailing.

ARTICLE 12 – GENERAL

12.1 The rights and obligations contained in sections 1.4, 1.5, 4.1(h), 4.1(i), 5.1, 6.1 and 7.1 shall continue and shall not terminate upon the termination of this Agreement.

12.2 Time shall be of the essence.

12.3 The parties agree that the recipient, and the recipient's employees, personnel, directors, officers, contractors and agents are not employees, servants or agents of SIDIT, and do not have the power or authority to bind SIDIT.

12.4 Nothing contained herein shall create a partnership or joint venture between SIDIT and the Recipient.

12.5 SIDIT's responsibilities with respect to the Project are limited to providing the Grant to the Recipient on the terms contained herein.

12.6 Any changes, amendments or additions to this Agreement must be agreed to in writing by both SIDIT and the Recipient.

12.7 There are no representations, warranties, covenants or agreements except as set out in this Agreement.

12.8 This Agreement will enure to the benefit of the permitted successors and assigns of the parties.

12.9 The Agreement shall be governed by the laws of British Columbia and the laws of Canada applicable therein. The parties agree to return to the jurisdiction of the courts of the Province of British Columbia.

12.10 This Agreement replaces any and all previous agreements which have been entered into between SIDIT and the Recipient in relation to the Project.

12.11 This Agreement may be signed in counterparts and each such counterpart will constitute an original document of such counterparts and all such counterparts taken together will constitute one and the same instrument.

The offer contained in this Agreement shall remain open to the Recipient for acceptance until the ___ day of _____, _____, at 3:00 p.m. The Recipient shall only be deemed to have accepted the offer if the Recipient has duly executed and delivered this Agreement, unamended, to SIDIT by such time, and upon such delivery the Recipient’s acceptance shall be irrevocable and this Agreement shall be binding upon the Recipient on the terms and conditions set out herein.

This Agreement executed by SIDIT this ___ day of _____, _____.

SOUTHERN INTERIOR DEVELOPMENT INITIATIVE TRUST

Per: _____
Authorized Signatory

Per: _____
Authorized Signatory

This Agreement executed by the Recipient this ___ day of _____, _____.

[Print full legal name of the Recipient]

by its authorized signatory(ies):

Per: _____
Title:

Per: _____
Title:

SCHEDULE A

Application

SCHEDULE B

Grant Conditions

In the event that the Grant shall be a single advance, SIDIT shall not be obligated to pay the Grant to the Recipient until the Recipient has satisfied SIDIT or unless SIDIT has waived the obligation(s) described below (the "Obligations"), such declaration of satisfaction or waiver to be given in writing. If SIDIT has not declared the Obligations satisfied or waived on or before the applicable date(s), then SIDIT may elect to terminate this Agreement by giving notice in writing to the Recipient.

1. _____

_____ to be declared, satisfied or waived on or before the __ day of _____, _____.

2. _____

_____ to be declared, satisfied or waived on or before the __ day of _____, _____.

3. _____

_____ to be declared, satisfied or waived on or before the __ day of _____, _____.

4. _____

_____ to be declared, satisfied or waived on or before the __ day of _____, _____.

In the event that the Grant shall be made by SIDIT to the Recipient by Advances (as such term is defined below) then SIDIT shall not be obligated to pay the applicable Advance until the Recipient has satisfied SIDIT or unless SIDIT has waived the obligation(s) that apply to the Advance in question (the "Obligations"), in SIDIT's sole discretion, such declaration of satisfaction or waiver to be given in writing. If SIDIT has not declared the obligations satisfied or waived on or before the applicable date(s), then SIDIT shall have no obligation to make any further Advances to the Recipient and SIDIT may elect to terminate this Agreement by giving notice in writing to the Recipient.

1. _____

_____ to be declared, satisfied or waived on or before the __ day of _____, _____.

2. _____

_____ to be declared, satisfied or waived on or before the __ day of _____, _____.

3. _____

_____ to be declared, satisfied or waived on or before the __ day of _____, _____.

4. _____

_____ to be declared, satisfied or waived on or before the __ day of _____, _____.

Grant Terms

1. If the Grant shall be a single advance by SIDIT to the Recipient then SIDIT will advance the Grant following the execution and delivery of this Agreement, subject to the confirmation of the satisfaction of the terms and conditions contained herein. The Grant shall be a single advance in the amount shown in section 1.1 of the Agreement if the authorized signatories of each of SIDIT and the Recipient have initialed this section 1 of Schedule B, and the balance of this Schedule B shall not apply.

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2. If the Grant shall be comprised of more than one advance by SIDIT to the Recipient then each advance of the Grant (an "Advance" and collectively the "Advances") shall be made by SIDIT to the Recipient in accordance with the balance of this Schedule B (exclusive of section 1). The Grant shall be comprised of the Advances to a maximum of the amount shown in Section 1.1 if the authorized signatories of each of SIDIT and the Recipient have initialed this section 2 of Schedule B.

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3. The Advances shall be made by SIDIT to the Recipient as follows:

- a. The first Advance of \$_____ shall be made by SIDIT to the Recipient this Agreement, subject to the confirmation of the satisfaction of the terms and conditions contained herein.
- b. The second Advance of \$_____ shall be made by SIDIT to the Recipient upon the Recipient confirming to SIDIT in writing, and, if so required by SIDIT, providing a sworn declaration of the Recipient, that the Recipient has completed the _____ (the "First Milestone"). If the Recipient has not provided SIDIT with satisfactory confirmation of the completion of the First Milestone by the __ day of _____, 20__, then SIDIT may elect to treat this as an Event of Default pursuant to the Agreement and shall be entitled to all of the remedies contained in Sections 9.2 and 9.3 of the Agreement.
- c. The third Advance of \$_____ shall be made by SIDIT to the Recipient upon the Recipient confirming to SIDIT in writing, and, if so required by SIDIT, providing a sworn declaration of the Recipient, that the Recipient has completed the _____ (the "Second Milestone"). If the Recipient has not provided SIDIT with satisfactory confirmation of the completion of the Second Milestone by the __ day of _____, 20__, then SIDIT may elect to treat this as an Event of Default pursuant to the Agreement and shall be entitled to all of the remedies contained in Sections 9.2 and 9.3 of the Agreement.

SCHEDULE C

Reporting

1. The Recipient shall report (a "Report") to SIDIT in writing on the progress of the Project in a form satisfactory to SIDIT acting reasonably not less than every six months throughout the Term of this Agreement. Without limiting the generality of the foregoing, each Report should address issues such as a summary of milestones completed, the extent to which performance indicators have been achieved, a description of the benefits accrued to date (including the economic benefits of the Project) and financial statement or report of the Recipient.
2. Notwithstanding the requirements of Section 1 of this Schedule C, the Recipient must provide SIDIT with a Report each time that the Recipient requests an advance.
3. Upon the earlier of the completion of the Project or an Event of Default resulting in either party electing to terminate this Agreement the Recipient shall provide SIDIT with a completion report (the "Completion Report") with respect to the Project. The Completion Report shall contain a comprehensive summary of the entire Project including all of the requirements of a Report and shall contain a summary of all actual or anticipated economic benefits to the southern interior of British Columbia, the actual and anticipated number of jobs created and sustained by the Project and the direct benefits received by SIDIT, including promotional benefits. For the purposes of clarity, the obligation of delivering the Completion Report shall be deemed to have arisen prior to the termination of this Agreement and shall not be extinguished upon the termination of this Agreement. Notwithstanding any other provision of this Agreement, if the Recipient has committed an Event of Default, SIDIT may in its sole discretion elect to waive the requirement of the Completion Report and declare this Agreement terminated.
4. Upon each and every anniversary of the delivery of the Completion Report by the Recipient to SIDIT for a period of ____ years, the Recipient will provide a written performance report stating the actual measured benefits of the Project relative to the estimated benefits of the Project stated in the Application. The benefits described in such a report may include, but are not limited to, the number of permanent and seasonal full time and part time jobs created by the Project, the incremental revenue generated by the Project and the measurable economic diversification caused by the Project.