TO: Mayor and Members  
Committee of the Whole  
WARD(S) AFFECTED: CITY WIDE

COMMITTEE DATE: August 10, 2010

SUBJECT/REPORT NO:  
Dundas Arts Community Foundation’s (DACF) Grant Request for $2.45 Million (FCS10070(a)) (City Wide)

SUBMITTED BY:  
Mike Zegarac, Acting, General Manager  
Finance & Corporate Services

PREPARED BY:  
Charlie Elliott (905) 546-2424 ext. 2162

SIGNATURE:

RECOMMENDATION:

(a) That the Dundas Arts Community Foundation’s (DACF) grant request in the amount of $2.45 million, be approved for the Dundas Valley School of Art renovation / restoration project to be funded from the Hamilton Future Fund “B” Reserve 112247 in the amount of $1.40 million and the Unallocated Capital Reserve 108020 in the amount of $1.05 million;

(b) That the grant be of a matching nature, reflecting a commitment equal to the Federal Government’s funding commitment, to be purposed as per the statement of work, as evidenced by the Federal Government’s “Infrastructure Stimulus Funding Agreement” attached as Appendix “C” to report FCS10070(a);

(c) That the General Manager, Finance and Corporate Services and the City Solicitor be authorized to negotiate the terms of the agreement for execution by the Mayor and City Clerk.
EXECUTIVE SUMMARY

The Dundas Arts Community Foundation (DACF) has committed to restore, renovate and preserve three (3) historic buildings that house the Dundas Valley School of Art, the Carnegie Gallery and the Dundas Historical Museum. The DACF has embarked on a Heart of Dundas Campaign with the goal of raising $11 million to fund the restoration projects.

Infrastructure Canada has announced $2.45 million from the Infrastructure Stimulus Fund for Not-for-Profit Entities to fund the restoration of one (1) of the three (3) properties, the Dundas Valley School of Art (DVSA), with matching contributions required from the local community, for a total of $4.9 million towards the estimated renovation cost of $5 million. The Federal funding criteria is consistent with other stimulus funding requiring the project to be substantially completed by March 31, 2011.

The Federal Government’s current position is that it will pay its full share of eligible project costs incurred before the March 31, 2011 deadline. It is recommended that the City’s contribution be of a matching nature with the Federal funding, therefore the City’s obligation would be 50% of the project’s cost to March 31, 2011 up to a maximum of $2.45 million.

Due to the tight timeframe for project completion (March 31, 2011), it is imperative that the renovations to the DVSA commence almost immediately in order to maximize the Federal funding ($2.45 million). Therefore, a funding commitment from the City is required immediately in order for the project to go forward at this time.

The DACF has also applied for a $2.45 million grant from the Province under the stimulus program to match the Federal contribution. Should the Provincial funding be realized, the City’s proposed grant monies, or portion thereof, may not be required in its entirety for the DVSA project, and could then be re-directed, in part, to the Carnegie Gallery and Dundas Historical Museum restoration/renovation projects. Monies raised through DACF’s fundraising efforts (Heart of Dundas Campaign) would also be used to fund the Carnegie Gallery and Dundas Museum projects. The DACF have a goal of raising $11 million, in total, of which $2.45 million would represent community contributions in addition to matching Federal and potential Provincial and Municipal contributions. To date, the DACF have raised approximately $600,000 from community donations.

The recommendations in this report are that the proposed $2.45 million grant be for the DVSA project, due to the time sensitivity of the project and the uncertainty of the Provincial funding, at this time. Should the proposed City grant of $2.45 million, or part thereof, not be used towards the DVSA project, it is recommended that the DACF be required to make a request to the City that the funds be re-directed from the DVSA.
The Dundas Valley School of Art project is to restore, renovate and enhance the three storey brick heritage building dating from 1836. The project will address accessibility for all, with the addition of a new elevator reaching all levels, and the repair and upgrading of all stairways. HVAC systems will be added and upgraded throughout the building, with environmentally improved services. The project includes interior renovation, storage revamping, work spaces, counters and adding washrooms on each floor. The Gallery space, the administration offices, and some workrooms will be repositioned inside and all lighting will be upgraded. A media centre will be added and the library will be restored. Plumbing upgrades will be addressed throughout the building. Exterior work will include stucco repair, brickwork, sill and trim repair, exterior lighting and an entrance awning.

Appendix A to report FCS10070(a) provides information with regards to DACF, the Dundas Historical Museum, the Dundas Valley School of Art and the Carnegie Gallery.

Appendix B to report FCS10070(a) is a copy of the Press Release announcing the Federal Government’s funding commitment of $2.45 million to the Dundas Valley School of Art.

Appendix C to report FCS10070(a) is a copy of the Federal Government’s funding agreement with the Dundas Valley School of Art.

Appendix D to report FCS10070(a) is a copy of a letter from the Dundas Arts Community Foundation requesting funding.

The DACF proposal, as a whole, includes the renovation and restoration of a series of buildings, offering several benefits to the City and the community including:

- Preservation of 3 historic buildings in downtown Dundas
- Safety and Accessibility improvements including elevators, handrails, ramps, etc.
- Energy efficiencies by replacing HVAC systems, plumbing, windows, etc.
- Enable program enhancements by providing additional and more efficient space
- Economic benefits from increased tourism, the movie business and improvements to surrounding properties from private investment
- Improve facilities for use by community groups

**FINANCIAL / STAFFING / LEGAL IMPLICATIONS** (for Recommendation(s) only)

**Financial:** Regardless of the funding source for the City’s contribution to the DACF for the restoration projects, it will mean a reduction in funding available for other City...
initiatives, either in the short-term or in the future. There is no direct impact on operating budgets or property taxes.

Staff are recommending the City’s contribution of $2.45 million be funded, in part, from the Hamilton Future Fund (HFF) “B” Reserve 112247 in the amount of $1.4 million, with the balance of $1.05 million from the Unallocated Capital Reserve 108020.

The HFF “B” (112247) has an uncommitted balance of approximately $1.4 million that could be used to partially fund the DACF grant.

The Unallocated Capital reserve (108020) balance was $17.3 million at the end of 2009 and has a projected balance of $13.2 million at the end of 2010 not taking the $1.05 million grant to DACF into account.

**Staffing:** N/A

**Legal:** N/A

### HISTORICAL BACKGROUND (Chronology of events)

The following motion brought forward by Councillor Powers was approved at the August 13, 2009, Council:

“That the Finance and Community Services Departments be authorized to investigate options for possible financial involvement by the City in the Dundas Community Arts Foundation proposal.”

Subsequent to the August 13, 2009, Council, the matter was sent to Audit & Administration Committee. The item was then removed from the Audit & Administration Committee’s Outstanding Business List on April 21, 2010, with the addition that the Committee would re-entertain it at any time in the future if they successfully received government funding.

On May 20, 2010, the Federal Government announced $2.45 million from the Infrastructure Stimulus Fund for Not-for-Profit Entities to fund the renovation and restoration of the Dundas Valley School of Art.

The Dundas Arts Community Foundation (DACF) approached the City requesting a grant to assist in their fundraising efforts for the Heart of Dundas Campaign for the purpose of restoring and renovating three historic buildings that house the Carnegie Gallery, the Dundas Valley School of Art and the Dundas Historical Museum.

Subsequent to the HFF meeting, staff had further meetings with the DACF in order to clarify their funding requirements, specifically related to the urgency of receiving a funding commitment from the City due to the March 31, 2011, project completion deadline imposed on the Federal Infrastructure Stimulus Funding. Therefore, the staff recommendations in this report FCS10070(a) have been revised from the recommendations in report FCS10070 by removing the requirement for matching funding from the Province and the Community due to tight timelines.

Staff are also recommending changing the funding source for the grant from what was presented in report FCS10070 to the HFF Board. Staff originally recommended funding the grant from the HFF Reserve 112246. Due to the HFF Board’s reluctance to approve the grant request, staff are now recommending the grant be funded from the uncommitted funds in HFF “B” Reserve 112247 in the amount of $1.4 million and the balance of $1.05 million from the Unallocated Capital Reserve 108020, in this report FCS10070(a).

**POLICY IMPLICATIONS**

N/A.

**RELEVANT CONSULTATION**

Dundas Arts Community Foundation (DACF).

**ANALYSIS / RATIONALE FOR RECOMMENDATION**

(include Performance Measurement/Benchmarking Data, if applicable)

The Federal funding commitment to restore, renovate and enhance the Dundas School of Art heritage building will fund 50% of project costs to a maximum of $2.45 million. Therefore, the DACF requires funding to match the Federal contribution in order to maximize the Federal funding. The Federal Government’s March 31, 2011, deadline for substantial completion of the project necessitates that the project commence immediately, and does not allow time for the DACF to raise funding from the Province or private donations prior to commencement of the project. Therefore, it is recommended
that the City commit funding to the DVSA project to match the Federal funding, so the project can commence immediately for completion by March 31, 2011.

**ALTERNATIVES FOR CONSIDERATION:**

(include Financial, Staffing, Legal and Policy Implications and pros and cons for each alternative)

The grant to DACF could be funded from alternative sources including the 2011 Capital Levy or debt financing, however these funding options would have a direct impact on available funding for capital projects in the short term, including the 2011 Capital Budget.

The grant could be funded from the Hamilton Future Fund (HFF). DACF’s grant request was presented to the HFF Board in report FCS10070 as it was believed the restoration/renovation project being undertaken by DACF is consistent with the HFF’s guiding principles in that the investment will enhance the community’s social fabric and community life. However, the HFF Board advised they were not accepting applications for funding, at this time, and referred DACF’s grant request to Committee of the Whole for consideration.

HFF “A” (Account 112246) had a balance of approximately $63 million at the end of 2009. However, taking into account previously committed amounts to fund capital programs and the Pan Am Stadium, the HFF is forecast to decline to approximately $20 million in the years 2013 and 2014. Table 1 of report FCS10070(a) provides a forecast of the Hamilton Future Fund balances, not accounting for the potential $2.45 million grant to DACF. The HFF reserve balance would decline to approximately $17.5 million by 2014 should the total grant be approved for funding from the HFF “A” reserve.

### Table 1

<table>
<thead>
<tr>
<th>HAMILTON FUTURE FUND A ($ 000's)</th>
<th>Actual 2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
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<tr>
<td>Revenues</td>
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<td></td>
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<td>Investment Income @ 3.5%</td>
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<td>1,394</td>
<td>1,229</td>
<td>649</td>
<td>390</td>
<td>374</td>
<td>701</td>
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<tr>
<td>Loan Repayment (P&amp;I)</td>
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<td>7,868</td>
<td>8,174</td>
<td>8,753</td>
<td>8,961</td>
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<tr>
<td>Expenditures</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Loans to Fund Capital</td>
<td>(7,552)</td>
<td>(17,727)</td>
<td>(3,392)</td>
<td>(6,412)</td>
<td>(2,318)</td>
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<tr>
<td>Pan Am Stadium Funding</td>
<td>(5,573)</td>
<td>(10,569)</td>
<td>(19,569)</td>
<td>(14,485)</td>
<td>(9,804)</td>
<td></td>
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<tr>
<td>Balance - End of Year</td>
<td>63,116</td>
<td>49,078</td>
<td>44,520</td>
<td>27,940</td>
<td>20,488</td>
<td>20,019</td>
<td>29,682</td>
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</tbody>
</table>

Vision: To be the best place in Canada to raise a child, promote innovation, engage citizens and provide diverse economic opportunities.

Values: Honesty, Accountability, Innovation, Leadership, Respect, Excellence, Teamwork
HFF “B” (Account 112247) has an uncommitted balance of approximately $1.4 million that could be used to partially fund the DACF grant.

Alternatives to funding the DACF grant from the HFF “B” 112247 in the amount of $1.4 million and the Unallocated Capital Reserve 108020 in the amount of $1.05 million as recommended in report FCS10070(a) could be to fund the grant entirely from the Unallocated Capital Reserve or the HFF “A”, or a combination of funding from the HFF “A” and HFF “B”.

The various funding options are provided in Table 2 of this report FCS10070(a).

Table 2

Dundas Valley School of Art Project - Funding Options

<table>
<thead>
<tr>
<th>Funding Source</th>
<th>Option 1</th>
<th>Option 2</th>
<th>Option 3</th>
<th>Option 4</th>
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<tbody>
<tr>
<td>Unallocated Capital Reserve (108020)</td>
<td>1.05</td>
<td>2.45</td>
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<tr>
<td>HFF Reserve A (112246)</td>
<td></td>
<td>2.45</td>
<td>1.05</td>
<td></td>
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<td>HFF Reserve B (112247)</td>
<td>1.40</td>
<td></td>
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<tr>
<td>Total</td>
<td>2.45</td>
<td>2.45</td>
<td>2.45</td>
<td>2.45</td>
</tr>
</tbody>
</table>

CORPORATE STRATEGIC PLAN (Linkage to Desired End Results)


**Intergovernmental Relationships**

- Acquire greater share of Provincial and Federal grants (including those that meet specific needs)
- Maintain effective relationships with other public agencies

**Growing Our Economy**

- A visitor and convention destination

**Healthy Community**

- Plan and manage the built environment
- An engaged Citizenry

Vision: To be the best place in Canada to raise a child, promote innovation, engage citizens and provide diverse economic opportunities.

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APPENDICES / SCHEDULES

Appendix “A” - Information regarding DACF, the Dundas Historical Museum, the Dundas Valley School of Art and the Carnegie Gallery.

Appendix “B” – Press Release congratulating Dundas Arts Community on Infrastructure Stimulus Funding.

Appendix “C” – Federal Government’s “Infrastructure Stimulus Funding Agreement with Dundas Valley School of Art.

Appendix “D” – Funding request letter from the Dundas Arts Community Foundation.
Dundas is a valley town in the City of Hamilton

- with a diverse population is primarily middle-aged with 20% under 18
- has historic neighbourhoods and streetscapes that have encouraged movie makers to often use the Town as a setting.
- that unites to support a community concern or issue: Carnegie Gallery; sports arena; town identity.

The Dundas Arts Community Foundation

- DACF has committed to restore, renovate, and preserve the historic buildings that house the Carnegie Gallery, the Dundas Valley School of Art and the Dundas Historical Museum, all solvent and active.
- The Heart of Dundas Campaign, celebrating arts, culture and heritage in Ontario, has a goal $11 million. $2.45 million has been committed as a matching grant to DVSA from Infrastructure Canada.

The Arts and Heritage programs through the Dundas Museum, the Dundas School of Art and Carnegie Gallery:

- supports 230 artists and artisans, through work space, gallery presentations and displays;
- supplies programming for well over 4000 children and over 2500 adults annually;
- hosts over 67,000 visitors each year, creating $3,685,000 in economic impact in the Hamilton area using the one-day multiplier effect;
- assists with the Potter's Guild twice annual show that attract 40,000 people from around the Province, and that brings over $2,000,000 to the community during this 2-day event and extended juried show;
- each organization has worked in the community for over 30 years;
- have a membership of 895, some of which are international artists;
- have 675 volunteers that provide 33,700 hours of community work, annually;
- have had documents borrowed by the ROM;
- archives and manages Dundas historical records from 1837 for the City of Hamilton;
celebrates having one of the longest standing artist-run gallery in Canada;

- have educated artists working across Canada who celebrate their Dundas start;

- have developed cross-Canada shows such as the *White Line*, and a Carl Beam show that circulated through Hamilton-Wentworth schools; (both multi-year)

- developed the Artists Connection" throughout the Hamilton Wentworth School System, for two years, featuring the work of 13 local artists with the artists available to the schools as speakers and workshop leaders.

- develops special programs for children and youth at the request of individual schools, both public and private, working directly with teachers and schools to deliver the specific educational programming they request.

- supported, the very successful project *On the Edge*, which focused attention on the natural environments of the Hamilton Region;

- worked with local architects since inception, to present an “home” design sale to support the homeless in Hamilton with their Out of The Cold event;

- live in buildings that they share with the community for speakers events, authors’ evenings, seasonal and local music making as well as HPO programs and Brott Summer Music, theatre productions, special demonstrations;

- work in partnership with each other as well as the Art Bus, Art Walk, Local church community programs, Hamilton and Region Potters Guild, Clearly Classic Concerts, Arts Dundas Weekend, Freewheelin Concerts
FOR IMMEDIATE RELEASE

MP Sweet congratulates Dundas Arts Community on Infrastructure Stimulus Funding

Dundas, Ontario – May 20, 2010 – David Sweet, Member of Parliament for Ancaster-Dundas-Flamborough-Westdale offered congratulations to the Dundas arts community today on Federal infrastructure funding designed to help bolster Dundas as a thriving arts hub.

As part of the Federal Infrastructure Stimulus fund allocated to support job-creating and community investment projects led by not-for-profit organizations, the Dundas Valley School of Art (DVSA) will receive $2.45 million from the Government of Canada, to be matched by the DVSA, for critical renovations to the 174-year-old building on Ogilvie Street.

"Take a look at the number of studios, not just in Dundas, but in the surrounding area in Greensville, Lynden, Rockton, Troy and more. Artists working with a whole range of media are creating inspiring works,” said MP David Sweet. “The Dundas Valley School of Art has been a catalyst in making this happen for 35 years.”

Tom Bontje, Chair of the DVSA board, said “DVSA is proud to be part of the creative community in the Valley Town and we’re encouraged by today’s announcement.” He went on to acknowledge that DVSA is part of the larger Heart of Dundas campaign that includes renewal of the historic homes of the Carnegie Gallery and the Dundas Historic Museum.

“The arts are integral to the fabric of Canadian life and community and this investment in the arts community in Dundas helps take it to the next level,” said Bontje.

Sweet also emphasized the value of preserving a heritage building of the genre for which Dundas is well-known. “I’m also pleased that the funds will help restore a beautiful building that embodies the colonial architecture that is very much part of the character of Dundas and has been used in Hollywood movies, filming for TV programs and also as inspiration for painters, photographers and artists.”

Sweet notes that the purpose of the infrastructure funding that has been taking place since the 2009 Federal Budget is to stimulate the economy by investing in projects that will serve communities well in the long term. Sweet is pleased that over the course of the past year a number of local infrastructure projects have been announced for a variety of purposes – including, renewing wastewater infrastructure,
recreation facilities, local campuses and the facilities that not-for-profit organizations use to serve urgent needs in the Hamilton area.

David Sweet has been the Conservative Member of Parliament for Ancaster-Dundas-Flamborough-Westdale since January 2006.

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For more information, contact:

David Sweet, M.P.
Constituency Office
(905) 627-9169
This Agreement made as of June 17, 2010

BETWEEN: HER MAJESTY THE QUEEN IN RIGHT OF CANADA ("Canada"), represented by the Minister of Transport, Infrastructure and Communities ("the Minister"),

AND: Dundas Valley School of Art (Ontario Corporation Number 99-1568) incorporated as a corporation without share capital ("the Recipient"),

each being a "Party" or collectively "Parties".

WHEREAS the Government of Canada, as part of Canada's Economic Action Plan, has established the new $4 billion Infrastructure Stimulus Fund to minimize the repercussions of the global economic recession, by increasing the total number of project construction activities that can start and largely be completed during the 2009–2010 and 2010–2011 fiscal years;

THEREFORE the Parties agree as follows:

1. INTERPRETATION

1.1. Definitions

A capitalized term has the meaning given to it in this section, unless the context clearly alters this meaning.

"Agreement" means this Agreement between Canada and the Recipient regarding the Infrastructure Stimulus Fund, and all of its schedules.

"Asset" means any fixed or other asset constructed, rehabilitated or improved, in whole or in part, with Funds contributed by Canada under the terms of this Agreement.

"Audit Report" means a financial audit report of the Project prepared by a duly qualified licensed auditor authorized to act in Ontario in accordance with Subsections 7.5 and 10.2 of this Agreement.

"Authorized Engineer" means a professional engineer licensed to practice in Ontario, hired and paid by the Recipient for the purposes of the Solemn Declaration of Substantial Completion.

"Authorized Representative" means a member of the Recipient’s organization, who is duly authorized, hired and paid by the Recipient to certify claims.

"Contract" means an agreement between the Recipient and a Third Party whereby the latter agrees to supply a product or service to the Project in return for financial consideration.

"Eligible Costs" and "Ineligible Costs" mean incurred and paid costs described in Schedule C.

"Funds" means funds made available to the Recipient by Canada under the terms of this Agreement.

"Infrastructure Stimulus Fund" means the Infrastructure Stimulus Fund program under which this Agreement is signed.

"Minister" means the Minister of Transport, Infrastructure and Communities.

"Progress Report" means a report that the Recipient must write and submit to Canada, in accordance with Section 10.1 of this Agreement.

"Project" means the Project described in Schedule B, Statement of Work.

"Recipient" means the Dundas Valley School of Art, a non-profit organization in the private sector, executing an eligible Project and incurring Eligible Costs.

"Third Party" means any person or legal entity, other than a Party, who participates in the Project.
1.2. **Entire Agreement**  
This Agreement comprises the entire agreement between the Parties. No prior document, negotiation, provision, undertaking or agreement in relation to the subject of the Agreement has legal effect, unless incorporated by reference into this Agreement. No representation or warranty express, implied or otherwise, is made by Canada to the Recipient except as expressly set out in this Agreement.

1.3. **Term of Agreement**  
This Agreement shall commence on the date it is signed by all of the Parties ("commencement date") and shall expire on March 31, 2012, unless it may be subject to early termination under the terms of this Agreement.

1.4. **Survival**  
The Parties' rights and obligations, which by their nature extend beyond the expiration or termination of this Agreement, will survive any expiration or termination of this Agreement.

1.5. **Schedules**  
The following schedules are attached to form part of this Agreement:
- Schedule A – List of Projects
- Schedule B – Statement of Work
- Schedule C – Eligible and Ineligible Costs
- Schedule D – Communications Protocol
- Schedule E – Solemn Declaration of Substantial Completion of the Project

1.6. **Precedence**  
In the event of a conflict or inconsistency, the part of this Agreement that precedes the signatures of the Parties will take precedence over the Schedules.

1.7. **Application of the Recipient**  
The formal on-line application form for the Infrastructure Stimulus Fund (Application) is hereby incorporated by reference and the Recipient represents and warrants that all factual matters contained in the Application are true and accurate, and that all relevant facts related to the Project were disclosed.

2. **PURPOSE OF THE AGREEMENT**

a) The purpose of this Agreement is to provide funding to implement the Project. By funding this Project, Canada and the Recipient provide a timely, targeted and temporary stimulus for the Canadian economy.

b) The Parties acknowledge that Canada's role in the Project is limited to making a financial contribution to the Project and that Canada will have no involvement in the Project or its subsequent operation. Canada is neither a decision maker nor an advisor to the Project.

3. **FUNDING PROVISIONS**

3.1 **Subject to the terms and conditions of this Agreement, Canada agrees to fund the Recipient, for the Project, an amount not exceeding the lesser of the following:**

a) a maximum amount of $2,450,000 and Canada's liability under this Agreement shall not in any circumstances exceed this amount; or

b) 50% of the Total Eligible Costs.

The Recipient agrees that Schedule A must be amended to reflect the final contribution amount for this project.

3.2 **Notwithstanding Canada's obligation to make any payment under this Agreement, this obligation does not arise if, at the time when a payment under this Agreement becomes due, the Parliament of Canada has not passed an appropriation that is sufficient and constitutes lawful authority for making the payment. Canada may reduce or terminate any payment under this Agreement in response to the reduction of appropriations or departmental funding levels in respect of transfer payments, the program under which this Agreement was made or otherwise, as evidenced by any appropriation act or the government's main or supplementary estimates expenditures. Canada will not be liable for any direct, indirect, consequential, exemplary or punitive damages, regardless of the form of action, whether in Contract, tort or otherwise, arising from any such reduction or termination of funding.**

3.3 **The Recipient agrees to inform Canada promptly of any other financial assistance received for the Project, if the total financial assistance contributed by Canada for the Project exceeds the amounts specified in section 3.1 above, or if total financial assistance from all sources combined, received or due in relation to Eligible Costs, exceeds 100% of these Eligible Costs, Canada may recover the excess amount**
from the Recipient or reduce the Fund provided by an amount equal to the excess amount.

3.4 If, at any time during the term of this Agreement, the Recipient deems that it will be unable to complete the construction of a Project without committing funds above and beyond the funding available for the Project, the Recipient shall immediately inform Canada thereof. After having so informed Canada, the Recipient must provide a summary of its proposed remedial measures. If Canada is not satisfied with the proposed remedial measures, and does not believe they will adequately remedy the situation, Canada may terminate or suspend the payment of Funds until measures deemed adequate by Canada are proposed to remedy the lack of funding, whereupon Canada will discharge its obligations.

4. USE OF FUNDS

4.1 The Recipient agrees that Funds may be used only for the Eligible Costs (described in Schedule C) that it incurs for the Project.

4.2 Under the terms of this Agreement, the Recipient must Incur all Eligible Costs by March 31, 2011.

5. DEFAULT AND REMEDIES

5.1 Project Commencement Date

The Recipient agrees to commence the implementation of the Project within thirty (30) days of the date the Contribution Agreement is signed by both Parties, failing which Canada may terminate the Agreement by a notice in writing to the Recipient.

5.2 Default

Canada may make a declaration of default if the Recipient:

a) has not completed the project under the terms and conditions of this Agreement;

b) has submitted false or misleading information to Canada, or made a false or misleading representation or statement, with the exception of an error in good faith, which will be incumbent upon the Recipient to demonstrate to Canada’s satisfaction;

c) has not complied with an obligation, condition, undertaking or term of this Agreement;

d) has neglected or failed to meet its obligation to pay to Canada any amount due in accordance with this Agreement;

e) is adjudged insolvent or bankrupt, applies for the benefit of any law relating to bankruptcy and insolvent debtors, or goes into receivership or bankruptcy;

f) is liquidated or dissolved; or

g) has failed any step of the milestones attached in the Schedule B “Statement of Work”.

Canada will not declare that a default has occurred under paragraphs a) to g) unless it has given written notice to the Recipient of the condition or occurrence which, in Canada’s opinion, constitutes an event of default, and the Recipient is unable, within thirty (30) days of receipt of the notice, to correct the condition or event of default or to demonstrate, to Canada’s satisfaction, that it has taken such steps as are necessary to correct the condition and gives Canada notice of this remedy.

5.3 Remedies on Default

If Canada has declared the Recipient to be in default, Canada may exercise one or more of the following remedies:

a) suspend its obligation to pay, or to continue to pay the Eligible Costs, including any obligation to pay any amount due prior to the date of suspension, if it is related to the event of default;

b) terminate any obligation to pay, or to continue to pay the Eligible Costs, including any obligation to pay any amount due prior to the date of termination, if it is related to the event of default; and

c) require the Recipient to reimburse to Canada all or part of the Fund received by the Recipient.

5.4 Waiver

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

a) Unless otherwise agreed to by the Parties, the Recipient shall retain title to, and ownership of, the asset resulting from the used Funds for ten (10) years after the completion of the Project.

b) If, at any time within ten (10) years from the date of completion of a Project, the Recipient sells, leases, or otherwise disposes of, directly or indirectly, any Asset acquired, constructed, rehabilitated or renovated, in whole or in part, under this Agreement, other than to Canada or with consent of the Federal Minister, the Recipient may be required to reimburse Canada in whole or in part the Funds received for the Project.

7. CLAIMS AND PAYMENTS

7.1. Payments will be made on the basis of the Eligible Costs.

7.2. Canada will make payments to the Recipient if they are payable under the terms of this Agreement.

7.3. Claims will be submitted to Canada at least every three (3) months, in a form acceptable to Canada, and will include the following:

a) a cover letter specifying the expenditure period for which reimbursement is claimed, as well as the total amount of the claims, and confirming receipt of payment for previous claims;

b) attestation signed by the Authorized Representative that all expenditures claimed are Eligible Costs under the terms of the Agreement, and certifying the accuracy of the information provided in support of the claim;

c) the breakdown of Eligible Costs;

d) a copy of all supporting documentation for the Recipient’s expenditures and payments relating to the claim (supporting documentation may include at a minimum, but is not limited to, awarded Contracts and purchase orders, invoices and proof of payment of invoices);

e) the quarterly progress report submitted under the terms of Section 10.1 of this Agreement;

f) confirmation that the appropriate environmental mitigation measures have been or are being implemented.

7.4. The Recipient agrees to submit its first claims for Eligible Costs by June 11, 2010; subsequent claims will be submitted monthly thereafter, and an estimate of all remaining Eligible Costs for March 31, 2011 must be submitted to Canada no later than January 31, 2011.

7.5. The final claim must be accompanied by an Audit Report in respect of Eligible Costs and, for the, a Solemn Declaration of Substantial Completion of the Project, in accordance with Schedule E, duly completed and signed by an authorized engineer.

7.6. Canada may pay the Recipient up to 90% of its contribution under the terms of this Agreement. The remaining 10% of Funds ("holdback") will be released when the Recipient has fulfilled all remaining obligations under the terms of this Agreement.

7.7. All final claims must be made no later than 90 days after March 31, 2011. Any claim received after that date will not be eligible for reimbursement.

7.8. If a form of Solemn Declaration of Substantial Completion is not completed and on file at the time of final payment (within 90 days following March 31, 2011), Canada will not be responsible for any costs incurred after March 31, 2011.

7.9. Should the Project not be substantially completed by March 31, 2011, the Recipient shall undertake to have it completed by December 31, 2011 at the latest and provide Canada with a signed Declaration of Substantial Completion, using the form in Schedule E, by no later than January 31, 2012. Failure to comply with this requirement will constitute a default under this Agreement.

8. CONTRACTING PROCEDURES

a) The Recipient will ensure that all Contracts are awarded and managed in accordance with its policies and procedures. Notwithstanding the foregoing, the Recipient agrees that Contracts will be awarded in a way that is transparent, competitive and consistent with value for money principles; and in accordance with the Agreement on Internal Trade. Canada may require that a Contract be re-tendered if, in Canada’s opinion, it was not awarded in compliance with the foregoing.

b) The Recipient will ensure that all Contracts with a Third Party related to a Project are awarded and managed in accordance with its policies and procedures. Notwithstanding the foregoing, the Recipient will ensure that Contracts will be awarded in a way that is transparent, competitive and consistent with value for money principles;
c) If Canada determines that the Recipient has awarded a Contract in a manner that is not in 
compliance with the foregoing, upon notification to the Recipient:

i. Canada may require that the Contract be re-tendered; or

ii. Canada may consider the costs associated with the Contract to be ineligible.

If Canada requires that a Contract be re-tendered, Canada will not reimburse the Recipient for any costs 
associated, directly or indirectly, with said Contract re-tendering.

9. ROLE OF THE RECIPIENT

The Recipient agrees to:

a) execute the Project in accordance with the terms and conditions of this Agreement and all the 
terms of applicable legislation;

b) monitor the progress of the Project at all times;

c) submit duly attested claims, Progress Reports and an Audit Report in accordance with this 
Agreement;

d) ensure that all provisions and Schedules of this Agreement are complied with at all times.

10. RESPONSIBILITY

10.1. Progress Reports

The Recipient must provide Canada with attested Quarterly Progress Reports (in compliance with the 
Budget Implementation Act, 2009, and subsequent requirements), a description to Canada’s satisfaction 
of the progress made in implementing the Project, and include the following information:

a) amounts allocated to the Project by Canada as listed in Schedule A and any other department 
or agency of the Government of Canada;

b) amounts spent on the Project, including the total federal share of Eligible Costs and the total 
share of costs incurred by the Recipient, with a breakdown for the Project;

c) the progress of the Project against the milestones, including actual construction start date, 
dates of tenders, and other significant Project implementation steps.

10.2 Audit and Evaluation

The Parties agree that auditing and reporting activities will be undertaken in accordance with this 
Agreement:

a) An Audit Report will be required in accordance with Section 7.5 of this Agreement.

b) The Recipient recognizes that the Auditor General of Canada ("the Auditor General") may, 
at his or her expense, after consulting with the Recipient, conduct the inquiry prescribed in 
paragraph 7.1(1) of the Auditor General Act regarding the use of Funds. For the purposes 
of such an inquiry, the Recipient must provide, upon request and in a timely manner, to 
the Auditor General or to anyone acting on his or her behalf:

(i) all records held by the Recipient, or by the Recipient's agents or suppliers, 
regarding this Agreement and the use of Funds;

(ii) any additional information and explanations that may be requested by the Auditor 
General, or any person acting on his or her behalf, regarding this Agreement or 
the use of Funds.

(iii) The Recipient agrees that it will maintain proper and accurate accounts and 
records regarding the Agreement, for at least six (6) years after the Agreement 
end date, and will make them available to Canada for consultation upon 
reasonable notice.

(iv) Any report and any audit, provided or written under the terms of this Agreement, 
may be made available to the public pursuant to the provisions of the Access to 
Information Act.

c) Canada may also conduct, at its expense, a compliance audit of all Projects related to 
this Agreement.

d) Canada may conduct, at its expense, an evaluation of the Infrastructure Stimulus Fund, 
for which the Recipient agrees to provide all data and information available for this 
activity.

e) The Recipient agrees to allow representatives of Canada access to its facilities and to 
Project sites upon request to make ad hoc site visits.

f) If, at any time, any discrepancy is identified between the amounts paid by Canada and the
amounts actually payable under this Agreement, the appropriate adjustments shall be promptly made between the Parties. If there has been an overpayment by Canada, the amount of the overpayment shall constitute a debt due to Canada and may be so recovered.

11. COMPLIANCE WITH ENVIRONMENTAL LEGISLATION

a) If, in the opinion of Canada, an environmental assessment (EA) of a Project is required to be conducted in accordance with the Canadian Environmental Assessment Act (CEAA), the Recipient agrees that construction of that Project will not be undertaken or will be suspended and no funds or additional funds will become or will be payable by Canada to the Recipient unless and until:

i. An EA of that Project has been conducted in accordance with the CEAA; and

ii. Where, taking into account the implementation of any mitigation measures that Canada considers appropriate, that Project is not likely to cause significant adverse environmental effects or is likely to cause significant adverse environmental effects that can be justified in the circumstances and in accordance with the CEAA.

b) Notwithstanding if an EA of a Project is not required to be conducted in accordance with the CEAA, the Recipient will, upon a written request by Canada to be given to the Recipient before the construction of that Project, conduct as early as practicable in the planning stages of that Project and before irrevocable decisions are made, an EA of that Project in accordance with the terms and conditions of this Agreement and the CEAA.

c) The Recipient will comply with all conditions arising out of an EA conducted in accordance with the CEAA as a result of a Project, including the implementation, at its own expense, of mitigation measures and any follow up program. Failure to comply with the conditions, the implementation of any mitigation measures and any follow up program may be a cause for default in respect of that Project in accordance with Section 9 (Default).

d) The Recipient will allow Canada and its agents, employees or contractors to access and enter at any time during reasonable hours upon any real property under the ownership or control of the Recipient for the purpose of ensuring that mitigation measures and any follow up program are implemented for a Project.

e) Notwithstanding any other provisions of this Agreement, should the EA conducted under the CEAA be revisited or should a subsequent EA be conducted in accordance with the CEAA for a Project, the Recipient agrees that all of Canada's obligations pursuant to this Agreement in respect of that Project will be suspended from the moment that Canada informs the Recipient and such situation will remain until Canada has decided that, taking into account the implementation of any mitigation measures that Canada considers appropriate, that Project is not likely to cause significant adverse environmental effects or is likely to cause significant adverse environmental effects that can be justified in the circumstances and in accordance with the CEAA. The Recipient will continue to be responsible under this Agreement to comply with all conditions, to implement any mitigation measures and any follow up program arising out of the revisited EA or the subsequent EA conducted in accordance with the CEAA for that Project.

12. CONSULTATION OF ABORIGINAL PEOPLES

a) No construction of a Project will occur and Canada has no obligation to reimburse Eligible Costs until Canada is satisfied that any legal obligation to consult with, and where appropriate, accommodate Aboriginal groups has been met.

b) If, as a result of changes to a Project or otherwise, Canada should determine that further consultation is required, the Recipient will work with Canada to ensure consultation, and where appropriate, accommodation obligations are met to Canada's satisfaction.

c) The Recipient will consult with Aboriginal groups that might be affected by a Project, explain the Project to them, including Canada's role and will provide a report to Canada, which include a:

i. List of all Aboriginal groups contacted;

ii. Summary of all communications to date with the Aboriginal groups, indicating which groups support or object to the Project, and whether their positions are final, preliminary or conditional in nature;

iii. Summary of any issues or concerns that the Aboriginal groups have raised and an indication of how the Recipient has addressed or proposes to address those issues or concerns.

iv. Any other information Canada may deem appropriate.
13. **COMMUNICATIONS**

The Parties hereby agree to follow the terms of the Communications Protocol set out in Schedule D. Canada will provide the Recipient with guidelines, graphics and branding requirements to be used in all communications regarding this Agreement, the Project and the Infrastructure Stimulus Fund. Within 15 days of the signing of this Agreement, the Recipient agrees to produce and erect temporary signage at the project site acknowledging the federal government's contribution to the project, the costs of which will be an eligible cost under the Agreement. The signage will be produced in accordance with the design requirements to be provided by Canada, will be at least equivalent in size and prominence to other partners' project signage and remain in place until 90 days after the construction is completed.

14. **MISCELLANEOUS**

14.1 **Binding Obligations**

Each Party declares to the other that the signing and execution 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.

14.2 **Governing law**

This Agreement and the Project are governed by the laws applicable in Ontario.

14.3 **Amendment**

This Agreement may only be amended in writing.

14.4 **Debts Due to Canada**

Any amount owed to Canada under this Agreement will constitute a debt due to Canada, which the Recipient will reimburse forthwith, on demand, to Canada.

14.5 **Interest on Debts Due to Canada**

Debts due to Canada will accrue interest in accordance with the *Interest and Administrative Charges Regulations*.

14.6 **Set-off by Canada**

Any debt owed to Canada by the Recipient may be set-off against any amounts payable by Canada to the Recipient.

14.7 **Counterpart Signature**

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

14.8 **Severability**

If, for any reason, a provision of this Agreement that is not a fundamental term is found to be or becomes invalid or unenforceable, in whole or in part, it will be deemed to be severable and will be deleted from this Agreement, but all other terms and conditions of this Agreement will continue to be valid and enforceable.

14.9 **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 Third Party to contract for, or to incur any obligation on behalf of either Party, or to act as agent for either Party.

14.10 **Official Languages**

The Parties agree that all communication with the public will be in both official languages, in accordance with the *Official Languages Act*.
14.11 Lobbyists and Agent Fees

The Recipient:

(a) warrants that any person it has hired, for payment, to speak to or correspond with an employee or other person representing Canada on the Recipient's behalf, concerning any matter relating to the contribution under this Agreement, or any benefit hereunder, and who is required to be registered pursuant to the Lobbying Act, as amended, is registered pursuant to that Act;

(b) warrants that no person or entity that is negotiating the whole or part of the terms of the Agreement receives any payment or other compensation that is contingent upon or calculated upon the contribution hereunder.

14.11 No Agency

No provision of the Agreement and no action by the Parties will establish or be deemed to establish a partnership, a joint venture, principal-agent relationship or employer-employee relationship in any way or for any purpose between Canada and the Recipient. Moreover, nothing in this Agreement is to be construed as authorizing a Third Party to contract for, or to incur any obligation on behalf of, a Party or to act as agent for a Party.

14.12 Indemnification

The Recipient will at all times indemnify and save harmless Canada, its officers, servants, employees and/or agents, from and against all actions, whether in Contract, tort, or otherwise, claims and demands, losses, costs, damages suits or other proceedings by whomsoever brought or prosecuted in any manner based upon, or occasioned by any injury to persons, damage to or loss or destruction of property, economic loss or infringement of rights caused by, in connection with, or arising directly or indirectly from:

a) the Project;

b) the performance of this Agreement or the breach of any term or condition of this Agreement by the Recipient or Third Party and their respective officers, servants, employees or agents;

c) the design, construction, operation, maintenance and repair of any part of the Project;

d) any omission or other willful or negligent act of the Recipient or Third Party and their respective servants, employees, officers, or agents;

e) the entering into by the Recipient or its officers, servants, employees and agents, of a loan, capital lease or other long term obligation in relation to the Project;

f) any decision of a court that prevents Canada from performing any obligation under this Agreement, except to the extent to which such claims, demands, losses, costs, damages, actions, suits, or other proceedings relate to the negligence of an officer, servant, employee, or agent of Canada in the performance of his or her duties.

14.13 Representations and Warranties of the Recipient

The Recipient hereby represents and warrants to Canada that:

a) The Recipient is a Corporation created on January 4, 1967 by Letters Patent, under the Companies Act of Ontario, to be carried out without the purpose of gain to its members.

b) The Recipient is in good standing under the laws or the jurisdiction in which it is incorporated;

c) The Recipient has the requisite power (corporate and other) to carry out the activities as contemplated by this Agreement.

d) The execution and delivery of this Agreement by the Recipient, and its carrying out of all of the activities as contemplated hereby by the Recipient, have been duly authorized by all requisite corporate action;

e) The Recipient has full power to execute and deliver the Agreement and to perform its obligations hereunder.

f) This Agreement constitutes a legally binding obligation of the Recipient, enforceable against it in accordance with its terms, subject as to enforcement of remedies to applicable bankruptcy, insolvency, reorganization and other laws affecting generally the enforcement of the rights of creditors and subject to a court's discretionary authority with respect to the granting of a decree ordering specific performance or other equitable remedies.

g) The execution and delivery of this Agreement, and the performance by the Recipient of its obligations hereunder, will not, with or without the giving of notice or the passage of time, or both:

i) violate the provisions of the Recipient's by-laws, any other corporate governance document subscribed to by the Recipient or any resolution of the Recipient;

ii) violate any judgement, decree, order or award of any court, government agency, regulatory
authority or arbitrator; or

iii. conflict with or result in the breach or termination or any term or provision of, or constitute a default under, or cause any acceleration under, any license, permit, concession, franchise, indenture, mortgage, hypothec, lease, equipment lease, contract, permit, deed of trust or any other instrument or agreement by which it is bound.

h) There are no actions, suits, investigations or other proceedings pending or, to the knowledge of the Recipient, threatened and there is no order, judgement or decree of any court or governmental agency which could or may restrict or interfere with the Recipient's capacity to carry out the activities set out under the terms of this Agreement.

14.14 No Benefit

No former public office holder or public servant, to whom the Conflict of Interest Act, the Conflict of Interest and Post Employment Code for Public Office Holders or the Values and Ethics Code for the Public Service applies, may receive a direct benefit from this Agreement, unless the provision or receipt of such benefits is in compliance with such legislation and codes, and no member of the House of Commons or of the Senate of Canada will be admitted to any share or part of this Agreement, or to any benefit arising from it, that is not otherwise available to the general public.

14.15 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, or by facsimile or email. Any notice that is delivered will have been received in delivery; and any notice mailed will be deemed to have been received eight (8) calendar days after being mailed.

All correspondence and any notice to Canada must be sent to:
Infrastructure Stimulus Fund Office
605-90 Sparks Street
Ottawa, Ontario K1P 5B4

All correspondence and any notice to the Recipient will be addressed to:
Dundas Valley School of Art
21 Ogilvie Street
Hamilton, Ontario
L9H 2S1

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

15. DISPUTE RESOLUTION

a) The Parties agree to use best efforts to resolve potential in good faith and reasonably. If an issue arises, the may attempt to resolve any dispute arising out of or pursuant to this Agreement by recourse to the dispute resolution methods identified in the following sequence, although steps may be by-passed by mutual consent.

1) negotiations;

2) non-binding mediation; or

3) binding arbitration; or

b) If the Parties cannot agree on any of the foregoing dispute resolution mechanisms, either Party may, at any time, elect to have such dispute resolved by litigation in the proper judicial forum in Canada.

c) Any Party may within fifteen (15) days take the dispute to the next step if the Parties fail to agree on the appointment or procedure referred to in this article.

d) When mediation is selected by the Parties, they shall jointly appoint one impartial expert mediator or conciliator to undertake the process according to mutually agreed upon procedures.
e) If the Parties decide to submit a dispute to arbitration, it shall be carried out pursuant to the Commercial Arbitration Act of Canada. The arbitral award shall be in terms of money only, and shall not include punitive damages, costs, or interim measures. The Parties shall attempt to appoint jointly one impartial expert arbitrator. If the Parties cannot agree within thirty (30) days on the choice of an arbitrator, each Party shall appoint, at its own cost, one impartial expert arbitrator and those two arbitrators shall appoint an expert third arbitrator as chairperson of an arbitral tribunal.

f) When one of the above steps in 15.1 a) (2) or (3) is selected to resolve a dispute, the Parties shall jointly enter into a Contract with the required mediator, Third Party, arbitrator or arbitrators, as the case may be, to pay the costs for the desired services and to bear their own costs of participating in the process involved. The Contracts referred to and contemplated by this article shall be in the form and content as proposed by Canada.

Any payments related to the issue in dispute will be suspended, together with the obligations related to such issue, pending resolution.
SIGNATURES

This Agreement has been executed on behalf of Canada by the Minister of Transport, Infrastructure and Communities, and on behalf of the Recipient by Arthur Greenblatt, Executive Director, Dundas Valley School of Art.

HER MAJESTY THE QUEEN IN RIGHT OF CANADA
Original signed by:

Dundas Valley School of Art
Original signed by:

[Signature]
Minister of Transport, Infrastructure and Communities

[Signature]
Executive Director, Dundas Valley School of Art
### SCHEDULE A

#### PROJECTS

<table>
<thead>
<tr>
<th>Assets Category</th>
<th>Project Name</th>
<th>Project Category</th>
<th>Total Eligible Costs</th>
<th>Federal Share</th>
<th>Provincial Share</th>
<th>Municipal Share</th>
<th>Other Share</th>
<th>Construction</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-Profit Private</td>
<td>Dundas Valley School of Art</td>
<td>Heart of Dundas</td>
<td>$4,900,000</td>
<td>$0</td>
<td>$2,450,000</td>
<td>$2,450,000</td>
<td>n/a</td>
<td>$2,450,000 2010/07/01 2011/03/31</td>
</tr>
</tbody>
</table>

**TOTALS**

|                   |                      |                        | $4,900,000           | $0            | $2,450,000       | $2,450,000      | n/a         | $2,450,000                          |

All Projects listed above are consistent with the Infrastructure Stimulus Fund Project Application Form and any document appended thereto. Each Project list made in a form similar to the above and bearing the Parties signature and date of approval forms part of Schedule A.

---

**Federal Minister**

Date: JUN 08 2010

**Executive Director, Dundas Valley School of Art**

Date: June 17, 2010
1. The application form filled by the Recipient

(Appears as an appendix to this Schedule)

Attached in PDF format

2. Description of the project

This project falls under the "Cultural Infrastructure" category.

The Dundas Valley School of Art project is to restore, renovate, and enhance the three story brick heritage building dating from 1836, in which the DVSA lives. DVSA has been extant in Dundas for over 40 years with no significant deficit. The building, dating from 1836, faces many challenges. This project will address accessibility for all, with the addition of a new elevator reaching all levels, and the repair and upgrading of all stairways. HVAC systems will be added and upgraded throughout the building, with environmentally improved services. This project includes interior renovation, storage revamping, work spaces and counters, and adding washroom spaces on each floor. The Gallery space, the administration offices, and some work rooms will be repositioned inside and all lighting will be upgraded. A media centre will be added for budding photographers and for community use. The library area will be restored and repositioned to create a community resource while visitors have a coffee or tea. Plumbing upgrading will be addressed throughout the building. The exterior work will include stucco repair, brick work and repointing, sill and trim repair and finishing, exterior lighting and an entrance awning. The Heart of Dundas Fundraising Campaign supports this major cultural building project in the historical Town of Dundas.

3. Timeframe and Milestones

A. Accessibility and Interior Connections (July 1, 2010 to September 30, 2010)

B. HVAC (November 1, 2010 to January 5, 2011)

C. Interior Renovations (October 4, 2010 to January 28, 2011)

D. Exterior Renovations (June 7, 2010 to December 30, 2010)

E. Project Close-Out (December 30, 2010 to February 4, 2011)

4. Name and title of the authorized representative of the Recipient

Arthur Greenblatt, Executive Director, is the authorized representative of the Recipient.

5. Subject to the terms and conditions of this Agreement, Canada agrees to fund the Recipient, for the Project, an amount not exceeding the lesser of the following:

a) a maximum amount of $2,450,000 and Canada’s liability under this Agreement shall not in any circumstances exceed this amount; or

b) 50% of the Total Eligible Costs.

The Recipient agrees that Schedule A must be amended to reflect the final contribution amount for this project.
Appendix "C" to Report FCS10070(a)  Page 14 of 16

SCHEDULE C
ELIGIBLE AND INELIGIBLE COSTS

1. Eligible Costs
Eligible Costs are those costs considered by the Minister to be direct and necessary for the successful and timely implementation of the Project, but excludes those costs identified below under the heading 'Ineligible Costs.'

2. Ineligible Costs
The following costs shall be deemed to be Ineligible Costs:

a) any costs incurred prior to the date established by the Federal Minister in a letter to the Recipient for eligibility consideration, or, where such a letter does not exist, the date the Project is announced or the date the Schedule where a Project is listed is signed by all parties, whichever is earlier;

b) any costs incurred after March 31, 2011;

c) land acquisition, leasing land, buildings, equipment and other facilities, real estate fees and related costs (including those related to easements, e.g. surveys);

d) financing charges, loan interest payments and legal fees;

e) the value of any goods or services received through donations or in kind;

f) unless otherwise approved by the Minister in advance, employee wages and benefits, overhead costs as well as other direct or indirect operating, maintenance and administrative costs incurred by the ultimate recipient for the eligible project(s), and more specifically costs relating to services delivered directly by permanent employees of the ultimate recipient, or a Crown corporation or corporation owned and controlled by the ultimate recipient; and

g) any provincial sales tax or Goods and Services Tax in respect of which the Recipient is eligible for a rebate, and any other costs eligible for rebates.
SCHEDULE D
COMMUNICATIONS PROTOCOL

1. SCOPE

1.1 This schedule applies to communications activities carried out jointly or separately by the signatories to this Agreement.

2. GUIDING PRINCIPLES

2.1 Canada and the Recipient agree to undertake joint communications activities and will collaborate on preparing products for those activities to ensure open, transparent, proactive and effective communications with Canadians. This transparency and accountability will be achieved through appropriate public communications activities that recognize the contributions of both Parties to this Agreement.

2.2 Whenever possible, planning for such events requires fifteen days. The Parties agree to do everything possible to hold these joint events in a timely manner or agree on other means to effect that communication. Costs for such events will be equally shared.

2.3 The Parties agree that all communications products produced pursuant to Article 2.1 above will include the overarching Government of Canada brand as provided by Canada. All such material shall fairly reflect the contribution of the Parties to this Agreement. This includes ensuring equal recognition and prominence where words, logos, symbols and other types of identification are incorporated into materials. Finally, all such public information material will be produced in both Official Languages (English and French).

2.4 The Parties can carry out their own communications activities relating to their infrastructure investments that are part of or include the work to be done under this Agreement. However, such communications should nonetheless recognize and emphasize the Parties to this Agreement and the general nature of the Eligible Project to be carried out. The Recipient’s submission of the reports called for in section 10.1 of the Agreement will assist Canada in communicating progress under the Agreement through its various means.

3. COMMUNICATING WITH THE PUBLIC

3.1 Public Communications

a) Canada and the Recipient agree to work together on an event to announce the signing of this Agreement or at another milestone during the construction of the project.

b) Canada and the Recipient may, from time to time, hold joint communications events during the life of this Agreement to outline milestones or important accomplishments.

c) In organizing these events, the Parties shall use the Table of Precedence of Canada, as established by Canadian Heritage (http://www.pch.gc.ca/pgm/ceem-cced/prtl/precedence-eng.cfm), or other mutually agreed protocol. Messages and public statements for such events should be mutually agreed upon.

3.2 Signage and reporting

Canada and the Recipient will provide a template for a permanent, English and French sign acknowledging the Government’s contribution that the Recipient shall install upon the completion of the project.

3.3 Project communication

a) The Recipient is solely responsible for operational communications including calls for tender, construction, and public safety notices. Such operational communications are not subject to official language requirements.

b) During project construction, the Recipient will ensure information is promptly shared with Canada on significant emerging media and stakeholder issues relating to the Project. Such issues could include serious injury, environmental issues, land ownership issues etc.

4. COST ALLOCATION

Unless otherwise agreed, the Parties will each bear their own direct costs, e.g., staff time, transportation, per diems, etc. associated with the application of this Schedule.
SCHEDULE E

SOLEMN DECLARATION OF SUBSTANTIAL COMPLETION OF THE PROJECT

With respect to the Agreement signed between Her Majesty the Queen in right of Canada, represented by the Minister of Transport, Infrastructure and Communities, and Dundas Valley School of Art, represented by XXX, on _____________, 20XX

1. _____________, of the City of _____________ in the Province of Ontario, hereby make the following solemn declaration:

2. That I am a qualified (architect or professional engineer), licensed to practice in the Province (name of province). In this capacity, I have knowledge of the facts described in this affidavit.

3. The work designated as the Project in this Agreement was substantially completed, as described in Schedule B, on _____________, 200_.

   a. was performed by (name the prime contractor) between (start date) and (completion date);
   b. was supervised and inspected by qualified personnel;
   c. corresponds to the plans, specifications and other documents concerning the work;
   d. was completed in accordance with the prescribed and recommended environmental impact mitigation measures, where applicable.

Declaration made at _____________, in the Province of Ontario, on ____________.

(Name, Title)

(Name, Title of Witness)

Name: ___________________________  
Title: ___________________________

No.: ___________________________
Tuesday August 3, 2010

To: Mayor Fred Eisenberger and Members of Hamilton City Council,

The Dundas Arts Community Foundation asks that the City of Hamilton will consider our request for a grant in the amount of $2,450,000.00 to assist funding our Heart of Dundas Campaign.

If successful, these funds will be used to leverage the $2,450,000.00 already awarded under the Federal Government’s Infrastructure Stimulus Fund to the Dundas Valley School of Art (DVSA). These funds will be used to restore the condition of the DVSA’s building to more modern standards and/or to renovate the Carnegie Gallery and Dundas Museum.

The Dundas Arts Community Foundation is currently negotiating a similar request for $2,450,000.00 from the Province of Ontario through the office of Ted McMeekin, M.P.P. Ancaster – Dundas – Flamborough – Westdale.

Thank you in advance for your consideration of this important community project.

Yours truly,

Thomas Van Zuiden
Chair, Dundas Arts Community Foundation