TO: CHAIR AND MEMBERS
BOARD OF CONTROL
FROM: J. T. HOBBS
DIRECTOR, FLEET FACILITIES & DEPARTMENTAL RESOURCES
SUBJECT: CONTRIBUTION AGREEMENT WITH NATURAL RESOURCES CANADA
MEETING ON FEBRUARY 14, 2007

RECOMMENDATION

That on the recommendation of the Director of Fleet Facilities & Departmental Resources; the Mayor and City Clerk BE AUTHORIZED to execute the attached Contribution Agreement (Appendix "A") with Natural Resources Canada (NRCan) pertaining to the previously approved 2005 Facilities Energy Management Program.

PERTINENT REPORTS RELATED TO THIS MATTER


BACKGROUND

Purpose:
The purpose of the report is to seek Council approval authorizing the Mayor and City Clerk to execute the attached Contribution Agreement (CA) with NRCan.

Context:
At its meeting of November 1st, 2004, Council resolved in part;

"(a) the Facility Energy Management Program (2005) attached hereto as Appendix "A" with a total value of $756,230 BE ENDORSED IN PRINCIPLE; it being noted that the Capital Project has been submitted as part of the 2005 budget review process;

(b) an application BE MADE to Natural Resources Canada and/or any other available sources for approval of the project and to secure available outside funding;"

Discussion
Following submission of its application, the City has received approval in principal from NRCan for the project. By entering into this agreement, the City will be eligible for up to $55,455 in funding, subject to the implementation of energy reduction measures as identified in the agreement.

ACKNOWLEDGEMENTS

This report was prepared by B. Campbell with input by J. Hobbs.

SUBMITTED BY: RECOMMENDED BY:

B. CAMPBELL
DIVISION MANAGER
FACILITIES, DESIGN & CONSTRUCTION

J. T. HOBBS
DIRECTOR
FLEET FACILITIES AND DEPARTMENTAL RESOURCES

Attachments – Appendix "A" Contribution Agreement

c. P. W. Steblin, General Manager Environmental & Engineering Services & City Engineer
DEPARTMENT OF NATURAL RESOURCES
ENERGUIDE FOR EXISTING BUILDINGS
EXISTING BUILDING INITIATIVE
CONTRIBUTION AGREEMENT

THIS AGREEMENT is made in duplicate

BETWEEN:
HER MAJESTY THE QUEEN IN RIGHT OF CANADA
("Canada"), represented by the Minister of Natural Resources,

AND:
CORPORATION OF THE CITY OF LONDON incorporated under
the laws in force in the Province of Ontario, (the "Proponent").

WHEREAS Canada wishes to encourage the adoption of energy efficiency and
renewable energy technologies in all sectors of the Canadian economy and has established the Efficiency
and Alternative Energy Program for this purpose;

WHEREAS the Proponent has submitted to the Minister a Proposal for the funding of a
Project called Energy Retrofit Assistance for Implementation (ERA-I) which qualifies for support under
the Program/Initiative;

WHEREAS the Minister issued a letter of Conditional Approval to the Proponent on
September 1, 2005 authorizing them to commence the Retrofit Project for Eligible Costs and activities
related to the retrofit of existing buildings;

WHEREAS Canada and the Proponent agree that in order for the Proponent to develop
and implement the Project as described in Schedule A, the Proponent will require financial assistance
from Canada;

AND WHEREAS Canada is willing to provide financial assistance toward the Eligible
Costs of the Project in the manner and upon the terms and conditions hereinafter set forth;

NOW, THEREFORE, Canada and the Proponent agree as follows:

1. INTERPRETATION

1.1 In this Agreement:

"Agreement" means this Agreement and the attached Schedules A, B, and C;

"Completion Date" means the date that the Proponent shall complete the Project as specified in
Paragraph 4.2;

"Conditional Approval" means a Letter of Conditional Approval from Canada to inform the
Proponent that the Project was approved, and to authorize the Proponent to commence incurring
Eligible Costs;

"Eligible Costs" means any costs incurred by the Proponent in accordance with the terms and
conditions of this Agreement and which are listed in Schedule B;

"Facility" means the facilities owned or occupied or managed by the Proponent, which is (are)
the object of the Retrofit;
"Fiscal Year" means the period beginning on April 1st of any year and ending on March 31st in the next year;

"Intellectual Property" means any intellectual property right recognized by the law, including any intellectual property right protected through legislation, such as that governing patents, copyright, trade-marks, and industrial designs), or arising from the protection of information as a trade secret or as confidential information;

"Minister" means the Minister of Natural Resources and includes any duly authorized officers or representatives;

"Retrofit" "Project" means the retrofit or project described in Schedule A and submitted by the Proponent in the Proposal; and

"Proposal" means a written proposal including a detailed description of the Project; the expected investment cost of the Project; a certification by a professional engineer that any projected energy savings of the Project can be met with the Retrofit measures described; and the Data Reporting Form attached hereto as Schedules A and C (Tables 1A and 1B) with the first completed column estimating the energy usage after the Retrofit;

2. REPRESENTATIONS AND WARRANTIES

2.1 The Proponent represents and warrants that all factual matters contained in the Proposal and all supporting material submitted are true and accurate, and that all estimates, forecasts and other related matters involving judgement were prepared in good faith and to the best of its ability, skill and judgement.

3. COMING INTO FORCE

3.1 This Agreement comes into force when signed by the parties.

4. CONDUCT OF PROJECT

4.1 The Proponent shall carry out the Project promptly, diligently and in a professional manner and in accordance with the terms and conditions of this Agreement.

4.2 The Proponent shall complete the Project one year from the signature of the Agreement by Canada, unless terminated earlier pursuant to the provisions of this Agreement.

4.3 The Proponent shall comply with all applicable federal, provincial and municipal laws in relation to the Project.

5. CONTRIBUTIONS

5.1 Notwithstanding any other provision of this Agreement, Canada's liability under this Agreement shall not in any circumstances exceed fifty-five thousand, four hundred and fifty-five dollars ($55,455).

5.2 Subject to the terms and conditions of this Agreement, Canada shall make a contribution to the Proponent toward the Eligible Costs of the Retrofit in accordance with this Agreement.

5.3 Energy efficiency measures, and the resulting energy savings, funded under NRCan's Renewable Energy Deployment Incentive (REDI), are ineligible for the Energy Retrofit Assistance. Costs incurred for any proposed project seeking funding under the Commercial Buildings Incentive Program are ineligible for funding under the EEB Energy Retrofit Assistance.

5.4 Subject to the terms and conditions of this Agreement, in order to be eligible to receive a full contribution as described herein, the Proponent must submit Part 2 Schedule C, within one hundred and twenty (120) calendar days after the Project Completion Date and submit Part 3 Schedule C.
5.5 Notwithstanding any other provision of this Agreement, Canada may reduce or cancel its financial contribution to the Project upon written notice to the Proponent in the event that the Project does not meet expected energy consumption savings within a fifteen per cent (15%) variance.

5.6 Subject to the terms and conditions of this Agreement, Canada may reduce its contribution by such an amount as the Minister may decide, if the Proponent receives contributions or payments in respect of the Project covered by this Agreement in addition to, or from sources other than, those named in its Proposal.

5.7 The Proponent shall declare to the Minister any amounts owing under any legislation or contribution agreements by the Proponent to Canada and Canada may set-off any such amounts owing to the Government of Canada.

6. METHOD OF PAYMENT

6.1 Subject to the terms and conditions of this Agreement, following receipt of a claim, acceptable to the Minister, for payment of Eligible Costs incurred by the Proponent, accompanied by copies of invoices, vouchers, and any other documents that the Minister may require, Canada shall pay its contribution towards the Eligible Costs of the Project.

6.2 Notwithstanding any other provision of this Agreement, the Proponent shall also provide the following documentation to Canada:

i. Part I of Schedule C, completed to the satisfaction of the Minister, and accompanied by a completed data estimation sheet which has been certified by an engineer with a valid certification in Canada;

ii. No later than March 19, 2007, documentation, acceptable to the Minister, in support of actual costs demonstrating that 25% or more of the Proponent’s Total Eligible Costs OR 100% of Canada’s contribution towards the Eligible Costs of the Project were incurred, whichever is greater; and

iii. Any other documentation that the Minister may require.

6.3 Following receipt of the documentation described in Paragraph 6.2, Canada shall pay to the Proponent an amount not to exceed 50% of its contribution towards the Eligible Costs of the Project.

6.4 Within one hundred and twenty (120) calendar days after the Completion Date of the Project, the Proponent shall provide the Minister with:

i. Part 2 of Schedule C, completed to the satisfaction of the Minister, and certified by a professional engineer with valid certification in Canada;

ii. Documentation, acceptable to the Minister, and verified by the Proponent’s Chief Financial Officer, demonstrating Eligible Costs incurred; and

iii. Any other documentation that the Minister may require.

6.5 Within one year and one hundred and twenty (120) calendar days after the Completion Date of the Project, the Proponent shall provide the Minister with:

i. Part 3 of Schedule C, completed to the satisfaction of the Minister, and certified by a professional engineer with valid certification in Canada; and

ii. Any other documentation that the Minister may require.

7. ACCOUNTS AND AUDIT

7.1 Prior to the Completion Date of the Project and for three (3) years thereafter the Proponent shall:

a) keep proper books, accounts, and records of its revenue received and expenses incurred and paid in connection with the Project and shall keep its invoices, receipts, and vouchers relating thereto;
b) keep proper and accurate records relating to the environmental impact (if any) of the Project;

c) on demand, make available to the Minister such books, accounts, records, invoices, receipts, and vouchers referred to above and permit the Minister to examine and audit and take copies and extracts from such documents; and

d) prior to final payment, allow the Minister, at the Minister’s discretion, to conduct a technical audit to verify that the proposed measures outlined in Schedule A were implemented in accordance with this Agreement.

7.2. If 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.

8. INTELLIGUAL PROPERTY

8.1 All Intellectual Property that arises in the course of the Project shall vest in the Proponent.

8.2 The Proponent hereby grants to Canada a non-exclusive, irrevocable, world-wide, royalty-free licence in perpetuity to use or sublicense the use of any such Intellectual Property for governmental purposes.

8.3 The Proponent shall supply to Canada the reports and documents described in Schedule C or as otherwise required by the Minister under Article 12 (Reports), and the Proponent hereby grants to Canada a non-exclusive, irrevocable, world-wide, royalty-free licence in perpetuity to use and modify such reports and documents.

9. INDEMNITY

9.1 The Proponent shall indemnify and save harmless Canada and its ministers, employees and agents, from any and all claims, demands, losses, costs (including lawyers' fees), damages, actions or proceedings resulting from or related to any willful misconduct or negligent act or omission of the Proponent or its employees and agents in the performance of this Agreement, except to the extent caused by a breach of duty of Canada or its ministers, employees and agents.

9.2 The Proponent shall indemnify and save harmless Canada and its ministers, employees and agents, from any and all claims, demands, losses, costs (including lawyers’ fees), damages, actions or proceedings resulting from or related to any claim, demand or action made by a third party against them or any of them based upon Canada’s capacity as a provider of financial assistance under this Agreement, including, without limitation, any claim in respect of materials or services provided by a third party to the Proponent or to a subcontractor of the Proponent.

9.3 In the case that the Proponent is an enterprise which leases or manages but is not the owner of the facility which is the subject of the Retrofit, the Proponent shall have the building owner execute the release attached as Schedule D, and the Proponent agrees that this Agreement shall not come into effect until the building owner has executed the aforementioned release.

10. DEFAULT

10.1 If, in the opinion of the Minister, there has been a misrepresentation or a breach of warranty under Article 2 (Representations and Warranties) or the Proponent fails to proceed diligently with the Project, or is otherwise in default in carrying out any of the terms, conditions, covenants, or obligations of this Agreement, or if the Proponent becomes bankrupt or insolvent, or has a receiving order made against it (either under the Bankruptcy and Insolvency Act or otherwise), or a receiver is appointed, or the Proponent makes an assignment for the benefit of creditors, or if an Order is made or a Resolution passed for the winding up of the Proponent, or if the Proponent takes the benefit of any statute for the time being in force relating to bankrupt or insolvent debtors, the Minister may, by giving notice in writing to the Proponent, exercise any or all of the following remedies:

a) terminate the whole or any part of this Agreement;
b) terminate the obligation on the part of Canada to pay any moneys in respect of the Project, including moneys due or accruing due; and

c) direct the Proponent to repay forthwith all or any part of moneys paid by Canada pursuant to this Agreement and that amount is a debt due to Canada and may be so recovered.

10.2 In the event of the termination of this Agreement by the Minister under Paragraph 10.1, Canada may, in the discretion of the Minister, pay to the Proponent Canada's share of the Eligible Costs of the Project completed to the date of termination.

11. ACCESS

11.1 The Proponent shall ensure that the Minister has access during normal working hours to any premises or place where the Project is being carried out for the purposes of inspecting and assessing the progress of the Project and all matters pertaining thereto.

12. REPORTS

12.1 The Proponent shall submit reports annually satisfactory to the Minister, in accordance with the form set out in Schedule C, or as otherwise requested by the Minister, which set out the results in energy usage and costs, for the Retrofit upon completion of the Retrofit and one year from the date of completion of the Retrofit. The reports shall be submitted within one hundred twenty (120) days of the completion of the year for which the data is reported.

12.2 Upon completion of the Project, the Proponent shall provide the Minister with a declaration as to whether the Proponent received contributions or payments in respect of the Project in addition to, or from sources other than, those named in its Proposal.

13. DISPOSITION OF PROPERTY

13.1 Notwithstanding any other provision of this Agreement, if the Proponent is the owner of the Facility, the Proponent hereby undertakes to:

a) notify any prospective purchaser of the Facility of this Agreement and the Proponent's obligations set out herein;

b) provide a copy to any prospective purchaser who makes an offer to purchase the Facility;

c) require as a condition of sale of the Facility that this Agreement be assigned to the purchaser, and that the purchaser agrees to be bound by the terms and conditions of this Agreement;

d) assign this Agreement to the purchaser on the sale of the Facility.

13.2 If the Proponent is not the owner of the Facility, notwithstanding any other provision of this Agreement, the Proponent undertakes to immediately a) bring to the attention of the building owner the contractual obligation of the Proponent to have the Retrofit completed; b) request the owner to:

a) notify any prospective purchaser of the Facility of this Agreement and the Proponent's obligations set out herein;

b) provide a copy of the Agreement to any prospective purchaser who makes an offer to purchase the Facility;

c) require as a condition of sale of the Facility that this Agreement be assigned to the purchaser, and that the purchaser agrees to be bound by the terms and conditions of this Agreement;

d) assign this Agreement to the purchaser on the sale of the Facility.
13.3 If the Proponent sells, leases, or otherwise disposes of any property other than Intellectual Property, where the cost of the property is part of the Eligible Costs under the Project to which Canada has contributed under this Agreement, the Proponent shall immediately notify the Minister in writing of the disposition and, if the Minister so requires, the Proponent shall share with Canada the proceeds of the disposition in the same ratio as that of Canada's contribution to the purchase of the property, except that Canada's share shall not exceed its contribution under this Agreement.

14. SUBCONTRACTS

14.1 The Proponent shall not subcontract all or any part of the Project funded by Canada unless the Proponent has obtained the prior written consent of the Minister, or except as provided in the Proposal. Every subcontract entered into by the Proponent shall provide that the subcontractor shall comply with the terms and conditions of this Agreement, which are applicable to the subcontract.

15. LEGAL RELATIONSHIP

15.1 Nothing contained in this Agreement shall create the relationship of principal and agent, employer and employee, partnership or joint venture between the Parties.

15.2 The Proponent shall not make any representation that:

a) the Proponent is an agent of Canada; or

b) could reasonably lead any member of the public to believe that the Proponent or its contractors are agents of Canada.

16. ACKNOWLEDGEMENT

16.1 The Proponent will acknowledge the financial support of Canada in all public information produced as part of the Project.

17. TIME OF ESSENCE

17.1 Time is of the essence under this Agreement.

18. MEMBERS OF THE HOUSE OF COMMONS

18.1 No Member of the House of Commons shall be admitted to any share or part of this Agreement or to any benefit arising therefrom.

19. CONFLICT OF INTEREST

19.1 It is a term of this Agreement that no individual, for whom the post-employment provisions of the Conflict of Interest and Post-Employment Code for Public Office Holders or the Values and Ethics Code for the Public Service apply, shall derive a direct benefit from this Agreement unless that individual is in compliance with the applicable post-employment provisions.

20. FORCE MAJEURE

20.1 The Parties shall not be in default or in breach of this Agreement due to any delay or failure to meet any of their obligations caused by or arising from any event beyond their reasonable control or without their fault or negligence, including any act of God or other cause which delays or frustrates the performance of this Agreement (a “force majeure event”). If a force majeure event frustrates the performance of this Agreement, Canada will only be liable for its proportionate share of the Eligible Costs incurred and paid to the date of the occurrence of the event.
21. **GOVERNING LAW**

21.1 This Agreement shall be interpreted in accordance with the applicable federal laws and the laws in force in the Province of Ontario.

22. **ASSIGNMENT**

22.1 This Agreement shall not be assigned in whole or in part by the Proponent without the prior written consent of the Minister and any assignment made without that consent is void and of no effect.

23. **NOTICES**

23.1 The claims for payment, requests, notices, and information referred to in this Agreement shall be sent in writing or by any method of telecommunication and, unless notice to the contrary is given, shall be addressed to the Party concerned at the following address:

**To Canada:**

Elizabeth Westbrook-Trenholm
EnerGuide for Existing Buildings Officer
Natural Resources Canada
1 Observatory Crescent
Building #3
Ottawa, Ontario
K1A 0E4

Telephone: (613) 995-5094
Facsimile: (613) 947-4121
E-mail: ewestbro@nrcan.gc.ca

**To the Proponent:**

Bill Campbell
Division Manager – Facilities Design & Construction
Corporation of the City of London
300 Dufferin Avenue
P.O. Box 5035
London, Ontario
N6A 4L9

Telephone: (519) 661-2500 ext. 4612
Facsimile: (519) 661-2354
E-mail: bcampbel@london.ca

23.2 Notices, requests and documents are deemed to have been received, if sent by registered mail, when the postal receipt is acknowledged by the other Party; by facsimile or electronic mail, when transmitted and receipt is confirmed; and by messenger or specialized courier agency, when delivered.

24. **AMENDMENTS**

24.1 No amendment of this Agreement nor waiver of any of its terms and conditions shall be deemed valid unless effected by a written amendment signed by the Parties.

24.2 Only amendments to measures included in the Retrofit or eligible Facilities will be considered. No amendments will be made to extend the Completion Date, or to increase Canada’s share of the Eligible Costs of the Project.
25. **DISPUTE RESOLUTION**

25.1 The Parties shall 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 conciliation;
3) non-binding mini-trial; or
4) binding arbitration.

25.2 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.

25.3 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.

25.4 When mediation or conciliation 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.

25.5 When a mini-trial is selected for resolution of a dispute, the Parties shall jointly appoint one impartial third party who shall preside at a brief hearing at which the Parties present their respective positions to the impartial third party and to the highest level manager available from each Party authorized to settle the dispute. If the mini-trial does not lead the Parties to a settlement of the dispute, either Party may ask the third party to prepare and deliver to them within fifteen (15) days a non-binding award that recommends the most fair and reasonable full settlement of the dispute.

25.6 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.

25.7 When one of the above steps 25.1(2), (3) or (4) is selected to resolve a dispute, the Parties shall jointly enter into a contract with the required mediator or conciliator, 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.

26. **APPROPRIATION**

26.1 The payment of monies by Canada under this Agreement is subject to there being an appropriation by Parliament for the Fiscal Year in which the payment of monies is to be made.

26.2 Notwithstanding any other provision of this Agreement, Canada may reduce or cancel its financial contribution to the Project upon written notice to the Proponent in the event that the funding levels for the Department of Natural Resources are changed by Parliament during the term of this Agreement. In the event that Canada reduces or cancels its financial contribution, the Parties agree to amend the Project and the Eligible Costs of the Project, namely this Agreement, to take into account the reduction or cancellation of Canada's financial contribution.

27. **LOBBYIST REGISTRATION ACT**

27.1 The Proponent shall ensure that any person lobbying on behalf of the Proponent is registered pursuant to the Lobbyist Registration Act and that the fees paid to the lobbyist are not to be related to the value of the financial contribution pursuant to the terms of this Agreement.

28. **SUCCESSORS AND ASSIGNS**

28.1 This Agreement shall enure to the benefit of and be binding on the Parties and their respective representatives, successors and assigns.
29. OFFICIAL LANGUAGES

29.1 This Agreement is drawn in English at the request of the Parties. Les Parties ont convenu que le présent Accord soit rédigé en Anglais.

29.2 All public information documents related to the Project prepared or paid in whole or in part by Canada must be made available in both official languages, when the Department of Natural Resources judges that this is required under the Official Languages Act. Tout document d'information publique préparé ou payé en tout ou en partie par le Canada ayant trait au Projet doit être offert dans les deux langues officielles, lorsque le Ministère des Ressources Naturelles le juge pertinent, conformément à la Loi sur les langues officielles.

30. FUNDS

30.1 The Proponent shall not make any direct or indirect reference to this Agreement for the purpose of entering into a loan, a capital lease or other long term obligation in relation to the Project for which the contribution is provided by Canada without the prior written approval of the Minister.

31. ENTIRE AGREEMENT

31.1 This Agreement constitutes the entire Agreement between the Parties with respect to the subject matter of this Agreement and supersedes all previous negotiations, communications, and other agreements, whether written or verbal between the parties.

IN WITNESS WHEREOF this Agreement has been executed on behalf of Her Majesty the Queen in right of Canada by an officer duly authorized by the Minister of Natural Resources and on behalf of the Proponent, by an officer duly authorized on its behalf.

HER MAJESTY THE QUEEN IN RIGHT OF CANADA

Date

Carol Buckley, Director General
Office of Energy Efficiency, Natural Resources Canada

CORPORATION OF THE CITY OF LONDON

Date

Bill Campbell
Division Manager – Facilities Design and Construction
Anne Marie DeCicco-Best
Mayor

Date

Kevin Bain
City Clerk
SCHEDULE A

To the Agreement between

HER MAJESTY THE QUEEN IN RIGHT OF CANADA
and
CORPORATION OF THE CITY OF LONDON

STATEMENT OF WORK

1. BACKGROUND

The Corporation of the City of London proposes to undertake an Energy Retrofit Project that will affect nine municipal buildings located in London, Ontario. The measures that will comprise the body of the Project are; Project Development & Management, Lighting and Electrical Systems, Energy Management Systems and Controls, Water Heating, Heating, Ventilation, and Air Conditioning, Building Envelope, and Monitoring and Tracking. The buildings affected by this Retrofit are as follows:

<table>
<thead>
<tr>
<th>Name</th>
<th>Location/ Address</th>
</tr>
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<tbody>
<tr>
<td>1) City Hall</td>
<td>300 Dufferin Avenue, London, Ontario</td>
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<tr>
<td>2) Centennial Hall</td>
<td>550 Wellington Road, London, Ontario</td>
</tr>
<tr>
<td>3) Medway Arena and Community Center</td>
<td>119 Sherwood Forest Square, London, Ontario</td>
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<tr>
<td>4) North London Optimists Community Center</td>
<td>1345 Cheapside Street, London, Ontario</td>
</tr>
<tr>
<td>5) Lambeth Arena and Community Center</td>
<td>7112 Beattie Street, London, Ontario</td>
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<tr>
<td>6) A.J. Tyler Operations Center</td>
<td>663 Bathurst Street, London, Ontario</td>
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<tr>
<td>7) Grosvenor Lodge</td>
<td>1017 Western Road, London, Ontario</td>
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<tr>
<td>8) Fire Hall #1</td>
<td>400 Horton Street East, London, Ontario</td>
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<tr>
<td>9) Fire Hall #9</td>
<td>746 Wellington Road, London, Ontario</td>
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</tbody>
</table>

2. OBJECTIVE/PURPOSE

The objective of this contribution agreement is to financially assist the Proponent to implement an energy efficiency project in an effort to reduce the Proponent's operating costs while helping Canada to reduce greenhouse gas (GHG) emissions.

3. DESCRIPTION OF THE PROJECT (TECHNICAL INFORMATION)

<table>
<thead>
<tr>
<th>Measures</th>
<th>Costs</th>
<th>Cost Savings</th>
<th>Energy Savings (GJ)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project Development &amp; Management $102,638</td>
<td>$0</td>
<td>0</td>
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<tr>
<td>o Project management</td>
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<tr>
<td>o Commissioning</td>
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<tr>
<td>o Engineering</td>
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<tr>
<td>Description: Project management and engineering for the implementation of the energy efficiency measures. Commissioning of the equipment and system is to ensure proper operation and optimal energy consumption.</td>
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<tr>
<td>Lighting and Electrical Systems $18,762</td>
<td>$9,369</td>
<td>397</td>
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<tr>
<td>o Efficient lamps (T-8, etc.)</td>
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<tr>
<td>o Compact florescent Lamps</td>
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<tr>
<td>o Light-emitting diodes (LED)</td>
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<tr>
<td>Description: Replacement of T12 Lamps with T8 lamps. Replace incandescent exit signs with LED. Replace incandescent lamps with compact florescent lamps. Replace mercury vapor lamps with H.P. Sodium. Replace metal halide lamps with energy efficient lamps.</td>
<td></td>
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<tr>
<td>Buildings affected: All</td>
<td></td>
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<tr>
<td>Energy Management Sys. &amp; Controls $151,770</td>
<td>$24,515</td>
<td>1,940</td>
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<tr>
<td>o Energy management systems (EMS)</td>
<td></td>
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<tr>
<td>o Direct digital controls (DDC)</td>
<td></td>
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<tr>
<td>o Thermostats</td>
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<tr>
<td>Description: Install programmable thermostats, controls for roof top systems. Have CO2 monitor turn on Fire Hall exhaust fans. Set up controls only for operating times. Control snow melt cables automatically</td>
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<tr>
<td>Buildings affected: North London Optimists Community Center, Medway Arena, Fire Hall #1, Fire Hall #9, Grosvenor Lodge, A.J. Tyler Operations Center.</td>
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</tbody>
</table>
Water heating

- Efficient water heaters

*Description:* Replace electric domestic hot water heater with gas in Grosvenor Lodge.

**HVAC Systems**

- Controls for radiator, boiler, blowdowns, valves, dampers etc.
- Efficient boilers
- Heat exchangers
- Roof top units
- Condensate heat recovery

*Description:* Install desiccant dehumidifiers. Replace old gas furnaces. Replace electric AHU with gas. Install condensate heat recovery system. Replace force flows with infra red heaters. Replace leading MUA damper.

**Buildings Affected:** North London Optimists Community Center, City Hall, A.J. Tyler Operations Center, Lambeth Arena and Community Center, Fire Hall #1, Fire Hall #9

**Building Envelope**

- Insulation
- Windows and doors

*Description:* Install low 'E' ceiling. Replace O/H doors with insulated doors.

**Buildings Affected:** Lambeth Arena and Community Center, Fire Hall #1, Fire Hall #9, A.J. Tyler Operations Center

**Monitoring and Tracking**

- Utility Review
- Metering

*Description:* The Corporation of the City of London monitoring and tracking program will consists of tracking energy use on a monthly basis and compare it to the established weather corrected baselines for the energy consumptions and costs. Variances from the targets and any anomalies will be identified and investigated.

**Buildings Affected:** All

4. **DESCRIPTION OF THE METHODOLOGY FOR MONITORING AND TRACKING ENERGY**

The Corporation of the City of London monitoring and tracking program will consists of tracking energy use on a monthly basis and comparison to the established weather corrected baselines for the energy consumptions and costs. Metrics utility accounting software will be used for the energy analysis. Variances from the targets and any anomalies will be identified and investigated.

5. **BENEFITS**

It is estimated that the project will result in a reduction in operating costs, energy consumption, and greenhouse gas emissions. The Proprietor will be playing a role in addressing Canada’s commitment to reduce GHG emissions as a part of a Made in Canada approach to climate change. Equally as important the improvements may enhance occupant comfort which may lead to an increase in productivity, and as well improve the local economy. Canada does not guarantee the scope and extent of these reductions.
To the Agreement between

HER MAJESTY THE QUEEN IN RIGHT OF CANADA and
CORPORATION OF THE CITY OF LONDON

ELIGIBLE COSTS

1. Subject to the terms and conditions of this Agreement, the Proponent shall be reimbursed by Canada for Eligible Costs incurred following successful completion of Project requirements. Subject to the terms and conditions of this Agreement, Canada shall pay to the Proponent an amount equal to the lesser of the dollar or percentage amount of the Eligible Costs of the Project as indicated below. Eligible Costs shall be approved in accordance with Treasury Board Guidelines associated with the execution of the various Tasks as described in Schedule A.

2. Subject to the terms and conditions of this Agreement, Canada shall make a contribution to the Proponent toward the Eligible Costs of the Project incurred by the Proponent, in relation to the Project and in accordance to Schedule B, during the period between September 1, 2005 and one year from the date of signature of this Agreement by Canada, unless terminated earlier pursuant to the provisions of this Agreement.

3. CANADA'S TOTAL OBLIGATION AND CONTRIBUTION is the lesser of twenty-five percent (25%) of the Eligible Costs or fifty-five thousand, four hundred and fifty-five dollars ($55,455).

Other Contributors:

Other Sources: $0
Proponent the remaining of total Eligible Costs

4. Budget Description by Task

<table>
<thead>
<tr>
<th>Project Category</th>
<th>Budget Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project Development and Management</td>
<td>$102,638</td>
</tr>
<tr>
<td>Monitoring and Tracking (M &amp; T)</td>
<td>$12,960</td>
</tr>
<tr>
<td>Energy Management Systems and Controls</td>
<td>$151,770</td>
</tr>
<tr>
<td>Lighting and Electrical Systems</td>
<td>$18,762</td>
</tr>
<tr>
<td>Water Heating</td>
<td>$11,000</td>
</tr>
<tr>
<td>Heating, ventilating, and air conditioning (HVAC)</td>
<td>$295,300</td>
</tr>
<tr>
<td>Building Envelope</td>
<td>$133,800</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$924,570</strong></td>
</tr>
</tbody>
</table>

5. Eligible Costs:

- salaries and benefits for staff involved in an energy management project;
- professional fees for data collection and analysis, project development, and monitoring and tracking;
- professional fees related to coordinating, implementing and managing a project;
- administrative costs;
- capital costs of systems or equipment that affect energy use;
- labour costs for implementing and commissioning energy efficiency retrofits;
- costs of energy monitoring and tracking systems; and
- all capital costs and the salaries, fees or remuneration to professional technical personnel, consultants and contractors directly involved in the design, engineering and construction/renovation required to develop and complete the project.
6. Non Eligible Costs:

- All costs resulting from a project under NRCan’s Renewable Energy Deployment Incentive (REDI) and Commercial Buildings Incentive Program (CBIP).
- Property Taxes
- Purchase of Land
- Financing and Performance Guarantee
- Goods and Services Tax and Provincial Sales Tax

7. Provided Canada’s total contribution of fifty-five thousand, four hundred and fifty-five dollars ($55,455) is not exceeded, and provided that the incentive is based on Eligible Costs rather than GJ saved, the funds allocated for any project item listed in Schedule C, Table 1B may be adjusted by the Proponent up to and including a maximum of twenty-five percent (25%), provided that the representative for Canada identified in Article 23 (Notices) agrees in writing and that the Proponent submits a revised budget upon invoicing.
# Schedule C

To the Agreement between

HER MAJESTY THE QUEEN IN RIGHT OF CANADA

and

CORPORATION OF THE CITY OF LONDON

REPORTS

## Part 1

DATA REPORTING FORM 1: PRE-RETROFIT UTILITY AND PROJECT DATA

### Table 1A: Estimated Utility Data

<table>
<thead>
<tr>
<th>Description</th>
<th>Data Source &amp; Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of buildings</td>
<td>9</td>
</tr>
<tr>
<td>Total area of buildings (m²)</td>
<td>45,938</td>
</tr>
<tr>
<td>Description of the selection of the pre-retrofit (baseline) data</td>
<td>Latest full year of data</td>
</tr>
<tr>
<td>Baseline year (month/year)</td>
<td>January 2003 – December 2003</td>
</tr>
<tr>
<td>Electricity (GJ)</td>
<td>22,670</td>
</tr>
<tr>
<td>Gas (GJ)</td>
<td>19,649</td>
</tr>
<tr>
<td>Oil (GJ)</td>
<td>N/A</td>
</tr>
<tr>
<td>Steam (GJ)</td>
<td>9,775</td>
</tr>
<tr>
<td>Other (specify) (GJ)</td>
<td>N/A</td>
</tr>
<tr>
<td>Total energy consumption (GJ)</td>
<td>52,094</td>
</tr>
<tr>
<td>Total energy cost ($)</td>
<td>$938,385</td>
</tr>
<tr>
<td>Latest full year of data</td>
<td>2003</td>
</tr>
<tr>
<td>Electricity (GJ)</td>
<td>20,753</td>
</tr>
<tr>
<td>Gas (GJ)</td>
<td>14,961</td>
</tr>
<tr>
<td>Oil (GJ)</td>
<td>N/A</td>
</tr>
<tr>
<td>Steam (GJ)</td>
<td>8,985</td>
</tr>
<tr>
<td>Other (specify) (GJ)</td>
<td>N/A</td>
</tr>
<tr>
<td>Total energy consumption (GJ)</td>
<td>44,699</td>
</tr>
<tr>
<td>Total energy cost ($)</td>
<td>$829,965</td>
</tr>
<tr>
<td>Latest full year of data</td>
<td>2003</td>
</tr>
<tr>
<td>Electricity (GJ)</td>
<td>1,917</td>
</tr>
<tr>
<td>Gas (GJ)</td>
<td>4,688</td>
</tr>
<tr>
<td>Oil (GJ)</td>
<td>N/A</td>
</tr>
<tr>
<td>Steam (GJ)</td>
<td>790</td>
</tr>
<tr>
<td>Other (specify) (GJ)</td>
<td>N/A</td>
</tr>
<tr>
<td>Total energy savings (GJ)</td>
<td>7,395</td>
</tr>
<tr>
<td>Total energy cost savings ($)</td>
<td>$108,420</td>
</tr>
</tbody>
</table>
### Table 1B: Estimated Eligible Project Cost Summary

<table>
<thead>
<tr>
<th>Project Line Item</th>
<th>Project Cost 1A to be Used</th>
<th>Project Cost 1B Total</th>
<th>Final Completion of the Project</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project Development and Management</td>
<td>$102,658</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Monitoring and Tracking (M &amp; T)</td>
<td>$12,960</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Energy Management Systems and Controls</td>
<td>$151,770</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lighting and Electrical Systems</td>
<td>$18,762</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Water Heating</td>
<td>$11,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Heating, ventilating, and -air conditioning (HVAC)</td>
<td>$296,300</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Building Envelope</td>
<td>$133,800</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$755,000</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Table 1C: Projected Cashflow for the first 3 months of the Project:

<table>
<thead>
<tr>
<th>Month</th>
<th>Project Line Item</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Month 1</td>
<td>Project Development, management &amp; engineering design</td>
<td>$25,000</td>
</tr>
<tr>
<td>Month 2</td>
<td>HVAC and controls equipment pre-purchase and design</td>
<td>$50,000</td>
</tr>
<tr>
<td>Month 3</td>
<td>Implementation of energy efficiency measures</td>
<td>$75,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>$150,000</strong></td>
</tr>
</tbody>
</table>

### Table 1D: Anticipated or Actual Funding from Other Contributors (e.g. government programs or utilities):

<table>
<thead>
<tr>
<th>Source of Funding</th>
<th>Description</th>
<th>Amount of Funding</th>
</tr>
</thead>
<tbody>
<tr>
<td>Federal</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Provincial</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Territorial</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Municipal</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other (specify)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

I hereby certify that the utility and Project data set out in Table 1A and 1B are accurate:

__________________________________________________________

(Professional Engineer)  Date (day/month/year)

Include Engineer's stamp or registration number

I hereby certify that the costs of the Retrofit set out in Table 1B and 1C are accurate and that the source(s) of funding listed in Table 1D are complete and accurate:

__________________________________________________________

(Authorized Financial Signing Authority)  Date (day/month/year)
DATA REPORTING FORM 2: CURRENT ESTIMATES AT COMPLETION OF THE PROJECT

Table 2A: Utility Data for the Project

<table>
<thead>
<tr>
<th>Metric Information</th>
<th>January 2003 - December 2003</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of buildings</td>
<td>9</td>
</tr>
<tr>
<td>Total area of buildings (m²)</td>
<td>45,938</td>
</tr>
</tbody>
</table>

**ERA-1 Grandfathered CA Template, NRCan, Legal Services, October 10, 2006**

**Numbers in this second column should differ from the first column only if measures from the original planned retrofit, and set out in Schedule A and Schedule C (Table 1B) of this Agreement, vary significantly from the actual measures implemented, and affect energy savings.**
Table 2B: Eligible Project Cost

<table>
<thead>
<tr>
<th>Project Item</th>
<th>Actual Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project Development and Management</td>
<td>$102,638</td>
</tr>
<tr>
<td>Monitoring and Tracking (M &amp; T)</td>
<td>$12,960</td>
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<td>$133,800</td>
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</tbody>
</table>

Explain any significant differences between the estimated and actual data:

Completion Date of Project (day/month/year):

Table 2C: Sources of Funding for the Project from Other Contributors (e.g. government programs or utilities)

<table>
<thead>
<tr>
<th>Source of Funding</th>
<th>Amount of Funding</th>
</tr>
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<td>Federal</td>
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<tr>
<td>Other (specify)</td>
<td></td>
</tr>
</tbody>
</table>

I hereby certify that the actual project costs of the Project set out in Table 2B and the sources of funding set out in Table 2C are accurate:

(Professional Engineer)  
Include Engineer's stamp or registration number  
Date (day/month/year)

I hereby certify that the utility and Project data set out in Table 2A and 2B are accurate:

(Professional Engineer)  
Include Engineer's stamp or registration number  
Date (day/month/year)
DATA REPORTING FORM 3: ONE YEAR AFTER COMPLETION OF PROJECT

Table 3A: Utility and Project Data (One year after completion of the Retrofit)

<table>
<thead>
<tr>
<th>Item</th>
<th>Project Thru Jan 28, 2004</th>
<th>Latest full year of data</th>
<th>Percent change from other completion of the change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of buildings</td>
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<td></td>
<td></td>
</tr>
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<td></td>
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<tr>
<td>Total energy cost saving ($)</td>
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<td></td>
<td></td>
</tr>
</tbody>
</table>

ERA-I, Grandfathered CA Template, NRCan, Legal Services, October 10, 2006.