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Item No. 12.2.3
Audit & Finance Standing Committee
January 21, 2020

TO: Chair and Members of Audit & Finance Standing Committee

SUBMITTED BY: **- Original Signed -**

Jane Fraser, CFO/Director of Finance, Asset Management & ICT
- Original Signed -

Jacques Dubé, Chief Administrative Officer

DATE: November 7, 2019

SUBJECT: **Dartmouth Family Centre Grant Request**

ORIGIN

At the October 8, 2019 Regional Council meeting, the following motion was approved by Regional Council:

“Motion approved that Halifax Regional Council request a staff report regarding providing a \$100,000 special grant to invest in the critical social infrastructure provided by the Dartmouth Family Centre and Dartmouth North Community Food Centre including details on possible sources of funding”.

LEGISLATIVE AUTHORITY

HRM Charter, S.N.S 2008, c.39

Section 79A

(1) Subject to subsections (2) to (4), the Municipality may only spend money for municipal purposes if

(a) the expenditure is included in the Municipality’s operating budget or capital budget or is otherwise authorized by the Municipality; ...

Audit & Finance Standing Committee Terms of Reference

8.The Audit and Finance Standing Committee shall review and make recommendations on proposals coming to the Council outside the annual budget or tender process including:

...

(d) the commitment of funds where there is insufficient approved budget.

RECOMMENDATION

It is recommended that the Audit & Finance Committee recommend that Regional Council

1. Approve a one-time contribution to the Dartmouth Family Centre in the amount of \$55,000 from the General Contingency Reserve Q421 to fund the design and construction of an outdoor play/programming area in association with the society's community food centre at the Primrose Plaza, 6 Primrose Street, Dartmouth, conditional upon (i) written confirmation from the property owner of permission to the Dartmouth Family Centre to install an outdoor play/programming area for the Centre on the land for a minimum term of five (5) years; and (ii) the execution of a Contribution Agreement between HRM and the Dartmouth Family Centre; and
2. Direct the CAO to negotiate and enter into a Contribution Agreement with the Dartmouth Family Centre in the amount of \$55,000.00 for the design and construction of an outdoor play/programming area in association with the society's community food centre as set out in the discussion section of this report, which shall be substantially of the same form as in Attachment 1 of this report.

BACKGROUND

Incorporated in 1996, the Dartmouth Family Centre ("the society") is a registered non-profit society and Canadian charity. The society's mandate is to provide information and support to parents and their children; this is a family resource centre not a licensed daycare or preschool. Programming includes pre and postnatal support (including home visits and mother/baby clinics in association with the Nova Scotia Health Authority), caregiver/child playgroups, information and referrals, individual or peer support, and opportunities for volunteerism. The family centre has operated out of rented premises on Albro Lake Road; the lease expires December 31, 2022. Operations are sustained by provincial and federal grants supplemented by the United Way, project-specific grants, and fundraising. The society is in a stable financial position, including short-term investments, with strong volunteer participation and corporate assistance.

In 2015, the society established a food security outreach program called the "Dartmouth North Community Food Centre" in premises in the Primrose Plaza, located at 6 Primrose Street, Dartmouth. The society has a 10-year lease agreement with Sobeys Leased Properties Limited (5,330 sf) that expires June 30, 2025, plus access to approximately 20,000 sf of vacant land which was converted in 2016 into a large-scale community garden. Programming at this location includes nutrition education, gardening, a community kitchen, weekly food sales, food and health workshops, walking and yoga groups, and a free meal program three times a week. Programming is supported by a grant from Community Food Centres Canada ("CFCC"). The aim of CFCC is to reduce food insecurity in low-income communities while fostering health and social connectivity. The neighbourhood served by the centre (Dartmouth North) has a census population of approximately 12,700 (2016) with an above average youth and seniors' population and a higher proportion of single-person and lower income households as compared to the region.

In 2019, vacant units in the Primrose Plaza were offered for rent and the society decided to initiate the re-location of the family resource centre and consolidate operations. In September the society entered into a 5-year lease agreement (3,858 sf) for an additional unit that expires November 1, 2024. The building owner will undertake capital improvements to create an opening in an existing masonry fire wall and ancillary fire recess and fixtures that will be charged back to the tenant as additional rent. This change enables the interior connection of the family resource centre and the food program. Other mall tenants currently include the Albro Lake Medical Clinic and Lawton's Drugs.

To the best of the Municipality's knowledge, the ~20,000 square foot community garden area is not included in either of the current lease agreements with the property owner. As such, the Municipality is unaware of

any contractual rights that the society may have to exclusivity, duration of use, termination of use, or of any specific terms and conditions of occupancy.

On October 3, 2019, the society sent a letter of solicitation and campaign brochure to members of Regional Council. On October 4, 2019 a letter from one of the campaign’s two honorary co-chairs was circulated in which the sum of \$100,000 was specified “...matching a contribution of the same size from the provincial government.” The purpose of funding was subsequently amended to that of leveraging a matching private donation.

The society’s correspondence and campaign promotional brochure contain insufficient information with which to evaluate the financial status of both the organization and project, project readiness, and how HRM funding would be expended. To enable an evaluation staff requested documentation with respect to itemized capital costs, construction start and completion dates, copies of the lease agreements, and details as to how municipal funds would be used. The latter distinguishes a project-specific request from generic fundraising.

DISCUSSION

Project Overview: The “*One Roof*” campaign brochure describes the fundraising campaign as “launching a 3-year plan to bring the two sites together to provide a continuum of service in one location”. Subsequent correspondence from the applicant states that the society aims to raise almost \$1.2 million in fiscal 2019/20: \$500,000 for capital costs and \$650,000 for programming. In addition, the society is planning a new “natural” outdoor play space¹ estimated to cost \$55,320. This element is not included in the initial capital estimate of \$500,000 which is for interior leasehold improvements and fit-up to that portion of the premises leased by the society. The request to HRM for \$100,000 is towards projected capital costs only, not programming.

Capital Cost Projections: The project scope is a 4,000sf leasehold fit-up to premises owned by Sobeys Leased Properties Limited. Capital improvements include kitchen and pantry upgrades, meeting/boardroom, a children’s playroom, three washrooms (at least one fully accessible), assorted storage, and eight (8) staff offices, including private consultation space for a community health nurse and legal aid/counselling services. The cost projections include:

- Professional Fees (Architect, Engineering & Design) \$55,000
- Construction (See: Scope of Work in Table 1) \$300,000
- Furniture, Fixtures & Equipment \$145,000¹
- Total \$500,000**

1. Corporate in-kind donations are being sought which if successful could reduce cash expenditures.

Table 1. Projected Scope of Construction Work: Interior Building	
Interior	New partitions, doors and ceilings for offices and portion of programming space; fixed shelving and cabinetry for kitchen and programming space; 3 new washrooms and plumbing; interior finishes throughout (flooring, ceilings, doors, millwork)
Electrical	Lighting fixtures and electrical outlets; connection to existing emergency power and communications systems

¹ This is not a playground open to the general public (the area is to be fenced/locked). A needs assessment requested for this funding review indicates that within an 800metre service area there are five (5) existing public playgrounds: Farrell Street, Harbour View Elementary, Jason MacCollough Memorial Park, Dartmouth North Community Centre, and Pinecrest Park (data as of November 2019).

Mechanical	Plumbing and sanitation fixtures; sprinkler system; HVAC system
Life Safety Systems	Smoke detection and fire alarm system

Note: As of November 19, 2019, itemized costs were not available.

The outdoor “*Children’s Natural Play Space and Secret Garden*” element of the project is estimated to cost \$55,320 which includes:

• Professional Design Fees and Project Management	\$9,030
• Land Preparation and Construction	\$38,700
• Children’s Gardening Equipment and 2 Storage Sheds	\$7,590
Total	\$55,320

Project Timeline: The design phase for the interior leasehold improvements is complete and the society has engaged a construction company. The start-date for the newly leased office and programming area is November 1, 2019 and construction expected to commence within a month. The “substantial completion” date is March 15, 2020. The outdoor play area project will probably commence in the Spring to accommodate weather constraints.

Fundraising Campaign: As of October 24, 2019, the society had raised just over \$300,000 as follows:

Government of Nova Scotia		
Department of Community Services: Disability Support Program	\$50,000	(10%)
Department of Communities, Culture & Heritage: Strategic Funding Initiatives	\$50,000 ²	(10%)
Community Food Centres Canada	\$25,000	(5%)
Grants (foundations/assorted programs)	\$27,000	(5.4%)
Fundraising/Donations	\$160,000	(32%)
Total	\$312,000	62.4%

The total to date excludes a potential private donation of \$100,000 and on-going fundraising. Capital expenditures could be reduced through the in-kind donation of goods and services. As a registered charity the society is eligible to apply for a partial HST rebate.

Precedence: Although not common practice, HRM has provided monetary contributions for leasehold improvements to property not owned by a non-profit or charity. However, these projects are not considered comparable to the society’s request in that (i) the leasehold improvements were to government-owned property³ or (ii) HRM’s contribution was to a large-scale, multi million-dollar capital project that included a substantial investment by the property owner and the duration of the lease was 20 years or more⁴. Further, the value of HRM’s contribution was not tied to the value of funding sought or received from another level of government or a private donor. Rather, HRM’s financial contribution was contingent on the applicant’s ability to secure the necessary financing and proceed in a timely manner. In contrast, the society’s lease is

² Application has been made to the Department of Communities, Culture & Heritage: Building Vibrant Communities Program (poverty reduction initiatives) for expanding a peer advocate program in 2020. This provincial program funds only project-specific expenditures, not capital projects.

³ The City Market of Halifax Cooperative Limited/Halifax Port Authority (Seaport Farmers Market), Citadel Theatre Society/Halifax Regional School Board (Spatz Theatre), and Halifax West Theatre Association/Halifax Regional School Board (Bella Rosa Theatre).

⁴ Examples include Discovery Centre (2014) and The Link Performing Arts Centre (2019). In both cases HRM’s contribution as a percentage of total estimated costs (10% and 7.5% respectively) was substantially lower than the provincial government’s (32% and 35%).

for a 5-year term. If during the term of the lease the society quits the premises, or the lease is not renewed, the tenant's capital improvements become the property of the landlord. Although the society aspires to continued tenancy or ownership there is no confirmed plan or timeline for acquisition. In 2019, the assessed value of Primrose Plaza was \$1,425,900.

In preference to reviewing the society's request in relation to matching a provincial government award or leveraging a private donation, staff have used the following criteria:

- eligibility for project-specific funding in whole or in part under an existing municipal program;
- a public benefit that furthers a Council strategic outcome; and
- the project's ability to achieve measurable and sustainable results that are incremental and would not otherwise occur.

Review of Funding Options: Can the Dartmouth Family Centre's Funding Request be Accommodated under an Established Municipal Program?

- *Community Grants Program* – this annual grant program does not fund leasehold improvements but on a case-by-case basis modest funding has been provided for non-fixed assets. For example, commercial-grade kitchen appliances or equipment. In 2019, the society's application to this program for a project grant of \$4,943.67 to fully fund an outdoor play space (shed, sod, fencing and "outdoor toys") was declined primarily due the inclusion of fixed leasehold improvements.

For this review the society was asked to provide an update on this element of the site's development. The society's response indicates that a move from Albro Lake Road necessitates a new outdoor play area and what was initially a simple chain link fence, a shed and some toys has been developed further: *"We are now working with an outdoor play space designer and landscape architect on a play and program space, which includes a small secret garden/natural learning space. This vision includes hiring a designer, grading the space, removing unwanted shrubbery from children's areas, and creating privacy in the back area which abuts another property"*.

Both the interior fit-up and outdoor site improvements are ineligible for funding. However, non-fixed assets such as furniture, furnishings, garden shed(s), children's gardening or play equipment, and commercial-grade energy efficient appliances have been considered on a case-by-case basis. Should the society anticipate a future application to the Community Grants Program it is recommended they contact staff with respect to identifying a funding category, eligible expenditures, and alignment with the program/category funding priorities.

- *Capital District Fund* – cash grants to non-profit and charitable organizations are permitted under Part II, Section 18 of Administrative Order 2017-009-ADM District Discretionary Funds. There is no stated maximum value of grant. Over the past 5 years (2015 to 2019) the society has received a combined total of \$43,000 from District Discretionary Funds used primarily in relation to the community garden. With respect to the *"One Roof"* campaign, capital improvements to private property cannot be funded as per Section 21 of Administrative Order 2017-009-ADM: a capital grant cannot be spent on land or buildings unless owned by the applicant, HRM, or the Crown.

The District Capital Fund could provide funding towards with the purchase of non-fixed assets such as furniture and equipment.

- *Centre Plan: Incentive or Bonus Zoning Cash in Lieu* – Although the disbursement of funds generated by cash in lieu of bonus zoning is not an established program as of the timing of this report 6 Primrose Street, Dartmouth, is located within the "Regional Centre" as defined in the Centre Plan "Package A" Municipal Planning Strategy and Land Use By-law. Section 10.2 of the MPS permits expenditure of these funds on public benefits including subsection (d) "affordable community or cultural indoor space". As of the date of this report the mechanism and associated

policy as to priorities and how these funds will be dispersed has not been determined. Consequently, potential for funding from this source cannot be confirmed in advance of Council's approval of policy in fiscal 2020/2021.

- *Reserves or Annual Budget Process:* Typically, projects considered outside an established municipal program may be characterized by one or more of the following attributes:
 - the dollar amount of funding requested exceeds an established grant program's funding threshold and/or budget capacity;
 - the organization, type of project or expenditure is not eligible under an existing program's policy;
 - the project is time-sensitive and cannot be accommodated in the Municipality's annual budget deliberations: the society has undertaken a re-location in response to the availability of rental space in Primrose Mall and consider the opportunity for consolidation an organizational priority.

Summary: The society's campaign has realized the capacity to commence interior leasehold improvements. Conceivably, the purchase of furniture and equipment could be phased⁵ or assisted under the Capital District Fund or a future application to the Community Grants Program. The unbudgeted expense of a new outdoor play space could be assisted through a reserve withdrawal or referred for Council's consideration in the 2020/2021 operating budget.

Does the Request for \$100,000 Align with HRM's Strategic Outcomes?

The society initially indicated that the \$100,000 requested from HRM would complete the fundraising campaign and leverage an additional private donation. Staff requested further clarification with respect to how municipal funding might target a specific element of the project. The society's initial preference was to use municipal funds for the construction of two offices used to provide medical support such as well baby clinics in partnership with the IWK Health Centre or private, one-to-one legal aid or counseling services. However, the development of an outdoor play area, although not included in the initial \$500,000 capital campaign is of significant importance given the location's proximity to a street with high traffic volume and the mall's public parking area.

As of the date of this report HRM has not finalized a Social Policy Framework⁶ or a Food Security Strategy. Therefore, the strategic outcomes examined are from the Building Poverty Solutions - Ideas for Action Report (2018), a joint project of HRM and the United Way⁷, and the HRM Public Safety Strategy⁸ (2017).

Building Poverty Solutions – the scope of the report includes employment and income, transportation, food security, homelessness and housing, access to health services, and education. People living in poverty experiencing difficulty in identifying health care and support services may benefit from

⁵ The campaign material states this is a 3-year plan.

⁶ Report to Regional Council meeting of April 16, 2019, Update on Development of Social Policy Framework, dated March 20, 2019.

⁷ As noted previously, the United Way provides funding to the society. The United Way has also announced the creation of a *United Way Neighbourhood Kitchen Fund* with \$600,000 in corporate funding from BMO Financial Group and Medavie which could be a source of project funding. Application information is available online.

⁸ Report to Regional Council meeting of January 15, 2019, HRM Public Safety Strategy Update, dated January 11, 2019.

“navigation” assistance, referrals, and case management. Barriers to food security include income, transportation, and accessibility.

- The community food centre model diminishes the stigma often attached to the use of conventional food banks and uses a more holistic and inclusive approach with clients.
- Access to recreational opportunities is a challenge for lower income individuals and families. The development of an outdoor play/programming area will not only provide access to outdoor play amenities for children, many of whom reside in rental accommodations with limited, if any, play structures but the provision of child-minding by centre staff will enable caregivers to participate in programming. Enclosure of the area is a prudent safety measure and the conceptual design suggests that the finished product will contribute to neighbourhood beautification.

HRM Public Safety Strategy – the report recognizes that criminalization and anti-social behaviour have complex and interconnected antecedents. Although broad in scope, the strategy encourages support for parenting and food security. With respect to parenting and family resource centres (Action #42 and #43) HRM’s role is complementary (not direct service delivery) but unspecified.

- The society’s consolidation of parenting support services and access to food in one location supports HRM’s Public Safety Strategy goals through service integration and enhanced child development space. The food centre program addresses food insecurity (Action #44 and #45) through community gardening, the sale of fresh produce, cooking instruction, and free meals.

HRM Diversity & Inclusion Framework – Although not a municipal or ‘public’ asset, the play/program area for children upholds the principle of access, in this particular case for children from a traditionally underserved/marginalized community, and inclusion in terms of decreasing or removing a barrier to participation for adults with young children wanting to participate in the centre’s gardening program or to those wishing to volunteer.

Will Municipal Funding Realize an Incremental Impact?

The society’s campaign suggests that the “*One Roof*” project is a 3-year plan to merge the two program delivery sites. With a construction start date of November/December and completion goal of March 2020 there appears to be sufficient funds raised to complete the construction aspect (\$300,000 plus a potential \$100,000 private donation). Conceivably, elements of the project could be phased as the fundraising campaign continues, for example the purchase of new furniture and furnishings. However, the development of an outdoor play/programming space was not included in the projected \$500,000 and as such represents a niche opportunity for municipal funding. The development of outdoor amenities for young children is considered incremental in the absence of funds designated for this purpose.

Funding Rationale

Given the neighbourhood’s demographic and socioeconomic profile, the development of a centralized service hub in close proximity to public transit and established medical amenities could advance Council’s discretionary interest in community “well-being”. Of note, the food centre’s community garden has evolved into a central hub for community residents to gather and learn. An enclosed area would enable children to participate in gardening activities and/or a safe place for caregivers to leave children under the care of centre staff while they garden, receive service, or volunteer at the centre. The addition of this amenity will have an incremental benefit in enhancing access to a large-scale community garden and neighbourhood beautification.

Notwithstanding the perceived benefits of a designated and secure outdoor play/programming space for children, the absence of a lease or license agreement for the outdoor area used for the community garden poses additional risk. Therefore, it is recommended that any municipal contribution towards this capital

improvement be conditional upon the Society obtaining the property owner's written consent in advance of issuing a grant for this specific element of the co-location project. The consent would need to permit the installation of the play/programming area on the land for use by the Centre for a minimum term of five (5) years.

FINANCIAL IMPLICATIONS

Budget Summary: General Contingency Reserve Q421

Projected Net Available Balance as of October 31, 2019	\$5,204,044
Withdrawal as per recommendation (this report)	<u>\$ 55,000</u>
Net Available Balance as of March 31, 2020	\$5,149,044

Risk Reserve – General Contingency Reserve Q421 is to receive the annual operating surplus of the Municipality as prescribed by the Provincial Financial Accounting and Reporting Manual, and can be used to fund operating costs, offset deficits, or fund new operating and/or capital expenditures. This is an unbudgeted withdrawal from the reserve, but it will not affect the approved 2019/2020 reserve budgeted withdrawals.

RISK CONSIDERATION

Moderate. The term of the new lease is 5-years. Although the society have indicated an interest in acquiring property ownership there is no established plan or budget at this time. Presently, the Centre relies on provincial and federal operating funding that supports core operations, primarily salaries and wages. However, the society's strong fundraising base and established programming suggest that operations are well managed. The risks identified in relation to HRM funding are (1) the relatively short duration of the lease, and (2) if the lease is terminated by either party or the property sold without assignment of existing leases the investment of public money in leasehold improvements may not realize the intended purpose.

There is additional risk associated with expansion of the community garden through an outdoor play/programming area in association with the society's community food centre insofar as the ~20,000 sf area is not included in the lease agreement with the property owner. As such, the society has no contractual rights to exclusivity, duration of use, or specific terms and conditions of occupancy. To reduce this risk and confirm if the grant is viable, the property owner's support is to be obtained, in writing, prior to the issue of any municipal funding towards the outdoor garden/play area.

The primary risk associated with cash grants are representational (accuracy and completeness of information), financial misappropriation or loss, and reputational risk to the Municipality. A Contribution Agreement reduces this risk in establishing the terms and conditions of funding but HRM would have limited recourse to recover funds if invested in leasehold improvements to private property.

COMMUNITY ENGAGEMENT

Not applicable. This report addresses an unsolicited request for municipal funding.

ENVIRONMENTAL IMPLICATIONS

Not Applicable.

ALTERNATIVES

1. The Audit and Finance Standing Committee could recommend that Regional Council:
 - a. decline to provide a contribution to fund the design and construction of an outdoor play/programming area in association with the society's community food centre at the Primrose Plaza; or
 - b. provide a contribution of a different amount to fund the design and construction of an outdoor play/programming area in association with the society's community food centre at the Primrose Plaza; or
 - c. provide a contribution of a different amount to fund the capital costs associated with the "One Roof" campaign leasehold improvements and authorize the CAO to negotiate and execute a contribution agreement to reflect the change of use for the contribution.

If the Audit & Finance Standing Committee recommend alternative 1(c) the terms and conditions of the Contribution Agreement would require amendment.

2. The Audit & Finance Standing Committee could recommend that Regional Council direct consideration of the Dartmouth Family Centre's funding request as part of the 2020/2021 budget deliberations.

ATTACHMENTS

1. Draft Contribution Agreement: Dartmouth Family Centre.

A copy of this report can be obtained online at halifax.ca or by contacting the Office of the Municipal Clerk at 902.490.4210.

Report Prepared by: Peta-Jane Temple, Team Lead Grants & Contributions, 902.490.5469

CONTRIBUTION AGREEMENT

Between

Halifax Regional Municipality

A municipal corporation in the Province of Nova Scotia (“HRM”)

-and-

Dartmouth Family Centre

A society incorporated in Nova Scotia (the “Society”)

RECITALS:

Whereas the Dartmouth Family Centre intends to undertake leasehold improvements and fit-up of premises located at 6 Primrose Street, Dartmouth (the “Facility”) to support the operations of the family centre and community food centre; and

Whereas the Society requested that HRM provide it with a grant to be used towards its construction and fit-up costs; and

Whereas on [day] [year], Halifax Regional Council passed a resolution to provide a grant in the amount of [amount] dollars [\$amount] to the Society for the purpose of the design and construction of an outdoor enclosed children’s play area/garden in association with the Society’s community garden, and conditional on the execution of a formal contribution agreement and written confirmation from the property owner of permission to the Society to install an outdoor play/programming area for the Centre on the land for a minimum term of five (5) years.

Therefore, the parties hereto covenant and agree as follows:

SECTION ONE CONTRIBUTION OF FUNDS

Section 1.01 Amount of Contribution

- a) Subject to the terms and conditions of this Agreement, HRM shall make a one-time contribution to the Community Association in the amount of [amount] dollars [\$amount] (the “**Contribution Amount**”) to be used by the Society for the design and construction of an outdoor play/programming area for children and equipment associated therewith at 6 Primrose Street, Dartmouth (the “Work”), and for no other purpose.
- b) The Contribution Amount is a firm-fixed amount and HRM will not be liable for any losses incurred by the Society in relation to the leased premises or operation of the Facility.
- c) The Contribution Amount represents HRM’s complete financial commitment to the Society under this Contribution Agreement, and HRM will not be obligated to provide any supplemental or incremental funding to the Society.

Section 1.02 Approvals

- a) Prior to commencing the Work funded under this Contribution Agreement, the Society shall obtain any and all required approvals and permits from any government authority having jurisdiction over the work, including Halifax Regional Municipality, the Nova Scotia Department of the Environment, and the Halifax Water Commission as applicable.

Section 1.03 Payment Schedule

- a) Subject to the terms and conditions of this agreement, and to receipt of written confirmation, to the sole satisfaction of HRM, from the owner of the land on which the Work is to be situated of its permission to the Society to undertake the Work to install an outdoor play/programming area for the Centre on the land for a period of five (5) years, HRM shall pay the Contribution Amount to the Society in one installment, which shall be payable within sixty (60) days of receipt of the property owner's written occupancy agreement for the land, a confirmed project commencement date and projected completion date.

Section 1.04 Scope of Work

- a) The Work funded under this Contribution Agreement includes the following:
 - (i) professional fees and project management;
 - (ii) site preparation;
 - (iii) grading of land, purchase and installation of sod;
 - (iv) installation of stone pathways including the purchase of materials;
 - (v) construction of new and improvements to existing fencing;
 - (vi) the construction or purchase of children's play amenities and gardening equipment;
 - (vii) the purchase and installation of two garden sheds;
 - (viii) signage; and
 - (ix) Harmonized Sales Tax.

Section 1.05 Reporting

The Society shall submit written confirmation to HRM Finance & Asset Management that the scope of work identified in Section 1.04 has been completed within twelve (12) months of receipt of payment from HRM.

Section 1.06 Restrictions

- a) The Contribution Amount is to be used by the Society solely towards the outdoor play/program area associated with the Dartmouth Community Food Centre Program. For clarity, the Work shall exclude the purchase of furniture, fixtures or capital improvements to that portion of Primrose Mall leased by the Society.
- b) No portion of the Contribution Amount is to be used for the payment of goods or services that are unrelated to the Work.

- c) No portion of the Contribution Amount shall be paid to employees, volunteers, officers or directors of the Society (i.e., salary, wage, stipend, honorarium, gift, or commission).
- d) Any unused portion of the Contribution Amount shall be returned by the Society to HRM within sixty (60) days of the Society's reporting to HRM as required by Section 1.05 of this Agreement.

SECTION TWO FINANCES, RECORDS AND INFORMATION SERVICES

Section 2.01 Registry of Joint Stocks

- a) The Society shall maintain active status as a Society pursuant to the Societies Act and as a Canadian charitable organization pursuant to the Income Tax Act (Canada) during the term of this agreement.

Section 2.02 Accounting Records

- a) The Society shall maintain a complete and proper set of accounting records regarding its operations.

Section 2.03 Municipal Audit

- a) HRM shall have the right, at its own expense, and with reasonable notice, to audit or examine the books of account and records maintained by the Society pursuant to this agreement and the right to make copies thereof and take extracts therefrom.

SECTION THREE LIABILITY AND INDEMNITY

Section 3.01 Risk

- a) The Society agrees that its activities, including undertaking the Work, shall be at its sole risk and expense.

Section 3.02 Limitation of Liability

- a) HRM is not a guarantor of the Society or the Facility and in no event will HRM be liable for any direct, indirect, consequential, exemplary or punitive damages in relation to the renovation or construction work undertaken by the Society, regardless of the form of action, whether in contract, tort or otherwise.

Section 3.03 Indemnification

- a) The Society will at all times indemnify and save harmless HRM, its Mayor and Councillors, officers, servants, employees or agents, from and against all actions, claims and demands whatsoever which may be brought against or made upon HRM and against all loss, liability, judgments, claims, costs, demands or expenses which HRM

may sustain or suffer, resulting from or arising out the Society's operations or out of HRM's contribution of the Contribution Amount to the Society.

SECTION FOUR TERMINATION

Section 4.01 Events of Default

- a) Each of the following events constitute an event of default ("Event of Default") under this Agreement:
 - (i) the Society has not complied with one or more of the terms and conditions of this Agreement; or
 - (ii) the Society has submitted false or misleading information to HRM or made a false or misleading representation in respect of the Work or in this Agreement, except for an error in good faith, demonstration of which is incumbent on the Society, to HRM's reasonable satisfaction.

Section 4.02 Declaration of Default

- a) HRM may declare a default has occurred if:
 - (i) one or more of the Events of Default occurs;
 - (ii) HRM gave written notice to the Society of the event which in HRM's opinion constitutes an Event of Default; and,
 - (iii) The Society has failed, within thirty (30) days of receipt of the above notice, either to remedy the Event of Default or to notify and demonstrate, to the satisfaction of HRM, that it has taken such steps as are necessary to remedy the Event of Default.

Section 4.03 HRM Remedies for Default

- a) In the event HRM declares a default under 4.02, HRM may exercise one or more of the following remedies, without limiting any remedy available to it at law:
 - (i) suspend any obligation by HRM to make the Contribution Amount;
 - (ii) terminate any obligation of HRM to make the Contribution Amount;
 - (iii) require the Society to reimburse HRM all or part of the Contribution Amount paid by HRM to the Society; or
 - (iv) terminate this Agreement.

SECTION FIVE GENERAL PROVISIONS

Section 5.01 Notices

- a) All notices, demands, requests, approvals or other communication of any kind which the parties may be required or may desire to serve on each other in connection with this agreement shall be delivered by registered mail to:

Halifax Regional Municipality

Attention: Chief Administrative Officer
Halifax Regional Municipality
P.O. Box 1749
Halifax, NS B3J 3A5

Dartmouth Family Centre

Attention: President
Dartmouth Family Centre
107 Albro Lake Road
Dartmouth, NS B2A 3Y7

- b) Except in the event of a postal service strike or lockout (in which event the parties hereto agree to temporarily utilize other reasonable methods of communicating any notices), service of any notice or demand so made by registered mail shall be deemed complete on the date of actual delivery as shown by the registry receipt or at the expiration of the seventh business day after the date of mailing, whichever is earlier in time. Either party may from time to time, by notice in writing served upon the other party as aforesaid, designate a different mailing address or different or additional persons to which all such notices or demand are thereafter to be addressed.

Section 5.02 Confidentiality

- a) The Society acknowledges that this agreement is a public document and that any information, document, or record, in any form, provided to HRM by the Society pursuant to this agreement may be subject to disclosure in accordance with Part XX of the *Municipal Government Act* ("Freedom of Information and Protection of Privacy").

Section 5.03 Governing Law

- a) This agreement shall be governed by and interpreted in accordance with the laws of Nova Scotia.
- b) The parties hereby attorn to the exclusive jurisdiction of the courts of Nova Scotia to resolve any disputes arising out of this agreement.

Section 5.04 Effective Date

- a) This agreement will become effective when both parties have signed it. The date of this agreement will be the date this agreement is signed by the last party to sign it (as indicated by the date associated with that party's signature).

Section 5.05 Representations and Warranties

- a) The Society represents and warrants that:
 - i. All information submitted to HRM, including design plans and cost estimates, is true, accurate, and prepared in good faith to the best of the Society's ability, skill, and judgment; and
 - ii. It has full power and authority to enter into and has taken all necessary measures to authorize the execution of, this agreement.

Section 5.06 Entire Agreement

- a) This agreement comprises the entire agreement between the parties in relation to the subject of the agreement. No prior documentation, negotiation, provision, undertaking or agreement has legal effect, unless incorporated by reference into this agreement. No representation or warranty express, implied or otherwise, is made by HRM to the Society except as expressly set out in this agreement.

Section 5.07 Assignment

- a) The Society will not transfer or assign its rights or obligations under this Agreement without the prior written consent of HRM. Any attempt by the Society to assign any of its rights, duties or obligations of this Agreement without HRM's express written consent is void.

[Remainder of this page intentionally left blank. Signature page to follow]

The parties have executed this agreement through authorized representatives on the date stated opposite each party's signature.

DARTMOUTH FAMILY CENTRE

Witness

Name:
Title:

Witness

Name:
Title:

Date Signed

HALIFAX REGIONAL MUNICIPALITY

Witness

Jacques Dubé, CAO

Date Signed