



Guidelines for Land Trusts wishing to apply to the NCC-Government of Canada Natural Areas Conservation Program

Updated July 2011

Introduction

As part of the NCC-Government of Canada Natural Areas Conservation Program (the "Program"), NCC has the ability to "sub-grant" up to \$15 million of the monies received from the Government of Canada (the "Fund") to provincial and regional land trusts to enable such Organizations to participate in and contribute to the Program.

Up to \$15 million can be made available for "Other Qualified Organizations" (OQOs) to support specific land securement projects that meet requirements under the Program, both those in the Agreement and additional requirements put in place by NCC's Board of Directors and/or Executive Management. In enabling sub-granting to land trusts, NCC and the Government of Canada are aiming to widen NGO engagement in the Program, support key projects and further advance conservation at Priority Natural Areas across southern Canada.

1. Timing of Submissions

Applications for funding are due on:

April 30, 2009

October 30, 2009

June 25, 2010

April 1, 2011

October 31, 2011 – Note that this is the final round of funding under the Program.

One copy of the application including all required documents is to be e-mailed to Rob Wilson, Federal Partnership Program Manager (FPPM), at the NCC National office at rob.wilson@natureconservancy.ca and copied (cc) to Kendra Pauley, Federal Partnership Program Coordinator, at kendra.pauley@natureconservancy.ca

Application and supporting documents and maps may be submitted as Word files or as scanned PDFs at 72 dpi. Applications must be received by 5:00pm Eastern Time on the closing date. Late submissions will not be considered or may be deferred to the next round if applicable. You

will receive a confirmation e-mail when your submission is received and it is up to you to follow up and ensure it has been received if no such e-mail arrives.

2. Organization Eligibility

OQOs applying for funding must be:

- a registered Canadian charity;
- listed on the Environment Canada Ecological Gifts Program website as a charity eligible to receive Ecogifts and
- be or intend to become an Associate member of the Canadian Land Trust Alliance.

3. Other Requirements

Any OQO applying to the Program (an “Applicant”) must be prepared to sign two legal agreements with NCC – a Funding Agreement and a Landholding Agreement.

Funding Agreement – NCC is required to ensure that relevant terms and conditions of its agreement with the Government of Canada apply to any third party receiving funding under the Program. To this end, your Organization must sign a standard Funding Agreement with NCC upon approval of the funding request. A template agreement is attached as Appendix 1 (OQO Funding Agreement). Please review this carefully so that the requirements can be considered and clearly understood prior to moving forward with an application. You will receive a completion version of this document with the letter of funding approval and must submit **one signed original** of the agreement to NCC with the submission of your first invoice.

Landholding Agreement - The Program also requires the Applicant to take title and manage the property for long-term conservation for purposes of achieving the conservation goals as laid out in the approved application. To this end, NCC policy requires that any third party holding title to lands secured with NCC support enter into a Landholding Agreement with NCC. The template for this agreement is attached as Appendix 2. You will receive a completion version of this document with the letter of funding approval and must submit **two signed originals** of the agreement to NCC for signing and registration with the submission of your first invoice.

Finally, in order to fulfill the long-term conservation goals of the Program, Applicants must demonstrate long-term capacity to steward secured lands. This will be achieved through a mandatory contribution to the Applicant’s stewardship endowment fund being part of every project budget. You are therefore required to confirm the existence of such a fund within your Organization at the time you submit your application by providing either a copy of the Board resolution establishing this account or the By-law so doing, or evidence of an equivalent document. Should your Organization not be able to establish or prove the existence of an internal endowment fund, an equivalent arrangement (e.g. endowment held by an external entity) must be arranged and agreed to by NCC. Definitions of a stewardship endowment fund and all other terms can be found in Appendix 3.

Important Note: Due to the restrictions imposed by the Land Titles and Registry Offices of certain Provinces, the form of Landholding and Funding Agreements may require modification;

consequently, the terms and conditions of these Agreements may need to be incorporated within other legal instruments registrable on title in certain jurisdictions.

For example, in Quebec, it is necessary that a Hypothec be registered on title, in addition to the execution of these Agreements which are not specifically registrable on title. In British Columbia, a Mortgage may be registered on title, which incorporates the terms and conditions of these Agreements. Additional legal instruments may be required in any given jurisdiction to reflect the terms and conditions of these Agreements and land trusts are strongly advised to consult with NCC early in the application process to determine how registration of interests will be best put into effect.

4. Property Eligibility

All conservation work under the Program is guided by comprehensive five-year Natural Area Conservation Plans (NACPs), approved by NCC's Board of Directors. This parallels, for example, the wetland conservation work conducted by Ducks Unlimited Canada, which is guided by NAWMP Implementation Plans. For land trusts, the guiding principle for the identification and selection of your property is that it be recognized as a priority for securement within an NACP. To this end you will be expected to contact the NCC staff in your region or province to assess the relevance of your proposed project to the appropriate NACP in order to ensure it meets the terms of the Natural Areas Conservation Program.

Since NACPs are not public documents you will be required to sign a Confidentiality Covenant with the NCC Regional office before having access to an NACP. This is attached as Appendix 4. A list of NCC regional contacts is attached as Appendix 5.

Each NACP focuses on a natural area identified in an ecoregional assessment (Conservation Blueprint) as important to the long term survival of Canada's biodiversity, including species at risk and rare community types. In developing NACPs, NCC staff and partners work with local experts to identify a priority natural area's most significant elements of biodiversity and the key threats to their viability. The plan outlines and maps, at an operational level, the actions required for biodiversity conservation including for example, land protection, biological inventories, invasive species management, habitat restoration, and community outreach. A standardised planning and review process ensures that conservation efforts are strategic, science-based, consistent, and supported by a network of local ecologists, scientific experts and partner organizations. Applications can only be submitted for projects in completed NACPs that have been approved by the NCC Board of Directors. A list of these, to date, is attached as Appendix 6.

5. Project Evaluation and Award

Project proposals will be subject to review by an external advisory panel appointed by NCC. This panel will evaluate criteria such as the conservation priority of the proposed project, how it advances work under the NACP, proposed stewardship plans, and available matching funds (including a contribution to stewardship endowment calculated in accordance with Section 7. Eligible Matching Funds Costs below) and will provide advice and recommendations to NCC's Vice President Conservation, who will be responsible for final funding decisions. Please note that these funding recommendations may result in an organization's application being denied funding or may result in a funding award that is lower than the amounts requested by the

applicant. In no event will the funding award exceed more than one-half of total eligible project costs.

6. Eligible Natural Areas Conservation Fund Costs

You can apply for **up to one half of the total eligible costs of your project** from the Natural Areas Conservation Fund.

The following costs are eligible:

- purchase price of land and/or perpetual interest in land (including Conservation Agreements and development rights) as determined by an AACI-accredited appraisal; (**Important Note:** As outlined in greater detail in NCC's appraisal policy, appraisals conducted by qualified AACI-accredited appraisers are required in order to substantiate the fair market value of the lands being acquired under the Program. Further, if the value of the land is \$2 Million or greater, a second qualified Appraiser or Certified Appraisal Reviewer shall review the appraisal to confirm fair market value, as outlined in greater detail in NCC's appraisal policy. Please review the NCC appraisal policy in detail prior to engaging an appraisal in order to ensure that your organization complies with the specific requirements which are based on the type of transaction and value of lands being acquired. The appraisal requirements are outlined in the appraisal policy attached to the Natural Areas Conservation Program page on NCC's website (see link: http://science.natureconservancy.ca/federalprogram_en.html)
- associated costs including AACI appraisal(s), survey¹, legal services, land transfer fees (including land transfer taxes and applicable goods and services taxes);
- staff time and/or consultant time for securement at up to \$350 per day for a maximum of 15 days;
- staff time/and or consultant time to develop a Baseline Documentation Report (BDR) for a conservation agreement at up to \$350 per day for a maximum of 5 days;
- staff time/and or consultant time for a Property Management Plan (PMP), to be completed within 12 months of registering title, at up to \$350 per day for a maximum of 15 days;
- signage and fencing capital costs only;
- project financial audit costs;
- other direct costs necessary for the securement of a property that may be agreed to in writing by NCC from time to time upon confirmation from Environment Canada.

7. Eligible Matching Funds Costs

The requested amount from the Fund must be matched at least 1:1 with eligible matching contributions, all of which must be in place prior to closing. Also, it is important to note that no other sources of federal government funds may be used as Matching Funds for the project, other than amounts disbursed under this Program. Representations from successful applicants to these

¹ Some points to consider in determining whether a survey is advisable include:

Whether a survey is required for registration purposes, such as when a current legal description is no longer registerable, or if a new parcel is being created and if a severance is required. (If in doubt as to whether it is required, obtain appropriate legal advice.), what boundary evidence is already in existence, whether the land trust already owns abutting lands, whether there are buildings on or near the property line, if there are indications that fence lines may not follow property lines, if there are indications of a potential boundary dispute.

effects will be required. **These matching funds must include a minimum contribution to your Organization’s stewardship endowment fund or approved equivalent arrangement in accordance with the following schedule:**

<u>Land Value</u>	<u>Stewardship Endowment Contribution</u>
Less than \$2 Million	15%
\$2 million - \$10 Million	15% on first \$2 Million (maximum of \$300,000), plus 5% on remaining land value (maximum of \$300,000), to a maximum cap of \$600,000 per project
Greater than \$10 Million	Amount calculated to cover expected annual long-term stewardship costs in accordance with NCC stewardship standards

You will be asked to identify this amount in the project budget on the application form.

The following expenses qualify as matching funds:

- the receipted value of the donated land or Conservation Agreement of a property being donated in full or in part. Please note that if the donation is being made under Environment Canada’s Ecological Gifts Program (EGP), the value of the land must meet all of the EGP requirements, including certification of the fair market value of the land or partial interest in land by the Minister of the Environment;
- communications and science costs that are directly related to the project;
- any of the costs that are eligible for the Natural Areas Conservation Fund but are being paid for from non-federal sources and
- a contribution to stewardship endowment.

Appendix 7 is a checklist of the above costs. It will help to ensure you are asking for eligible costs to be covered by the Natural Areas Conservation Fund and that your matching costs are eligible to be counted as such.

8. The Application and Approval Process

You can download the application form from the NCC website at http://science.natureconservancy.ca/federalprogram_en.html

- After the submission deadline, submitted applications will be reviewed for completeness by NCC with particular attention paid to matching funds, including the stewardship endowment contribution. NCC will follow up with you should any questions exist or further information be required. It is in your best interest to submit a complete application to prevent a delay in your application moving forward.
- Completed applications will be reviewed by the external advisory panel with final decisions made by NCC’s Vice President Conservation.
- The funding decision will be communicated to you by mail and e-mail. NCC will make every effort to provide such notification within 60 days of the submission deadline. If your application receives funding approval you will receive two copies of the Landholding Agreement and one copy of the OQO Funding Agreement for signature.

If an application does not meet the criteria, or is unacceptably incomplete, it will not be forwarded to the panel for review and will be returned along with a written explanation. Depending on the reason for rejection, an Applicant may address the issue and re-apply in the next funding round. Any re-application will be considered a new submission.

9. Grant Payment

Approved funding is disbursed in three instalments. The invoicing procedure can be found in Appendix 8.

First instalment:

- The first instalment is paid no more than 15 and no less than 5 business days prior to the property closing date;
- payment shall not exceed the amount of funding requested in the application to support the purchase price, the land transfer tax and goods and services tax, the cost of the appraisal and the survey;
- payment is made to your lawyer in trust.

Note: If the property is a donation then the first invoice is for the appraisal, survey and land transfer tax only.

Second instalment:

- The second instalment is paid after the closing date;
- payment is for the balance of the approved funds, less the amount for the development of a Property Management Plan, and the audit costs;
- payment is made to your Organization;
- no increase in costs that may have occurred between approval and acquisition will be considered;
- if the actual and estimated costs are less than the approved funding the balance will not be provided.

Final payment:

- The final payment is made once the Property Management Plan has been completed and a copy submitted to NCC and the project audit statement has been received;
- payment is for the Property Management Plan and the audit costs;
- payment is made to your Organization

Note: should the first instalment be provided and then the property closing not occur as scheduled, the Applicant must immediately contact NCC (FPPM). NCC, at its discretion, may either require that the instalment be returned, or that it be held by the Applicant's lawyer (in trust) pending closing. Interest earned on the first instalment, held in trust, will be deducted from the amount invoiced for the second instalment.

10. Communications

You are required to cooperate with NCC, as per the OQO Funding Agreement, in regard to any public communications about the Project and the Program and to accommodate involvement and recognition of the Government of Canada, as facilitated by NCC.

11. Documentation

All documentation will be required electronically (*scanned as a PDF at 72 dpi is acceptable*) with the exception of the signed Agreements.

With the application:

- a) Signed appraisal letter from the AACI appraisal for the proposed property, clearly showing property value and acres appraised. Land trusts are strongly encouraged to contact NCC staff in advance of conducting appraisals to ensure that appraisals are properly prepared and qualify for the Program. Please note that under NCC's appraisal policy, the effective date of an appraisal must be no more than one year prior to the date of registration of the transfer (i.e. date of closing). Otherwise, a letter of update from the appraiser is necessary. Appraisals must be completed within one year of the date of the signed purchase and sale or transfer agreement. The full appraisal(s) must be issued in accordance with NCC's appraisal policy as attached to the Natural Areas Conservation Program page on NCC's website (see link: http://science.natureconservancy.ca/federalprogram_en.html).
- b) A copy of your Board resolution or By-law establishing an endowment fund, or evidence of an equivalent arrangement.
- c) A copy of your Organization's most recent financial audit.

With the first invoice and **no less than 30 days before the property closing date:**

- a) The signed Purchase and Sale Agreement or, for land/Conservation Agreement donations, signed Letter of Intent to Donate.
- b) A copy of the survey (if applicable).
- c) The Baseline Documentation Report (if applicable).
- d) The preliminary title report from your lawyer confirming there will be no encumbrances in priority to the Landholding Agreement and an undertaking to hold funds in trust in accordance with the application and guidelines.
- e) The signed OQO Funding Agreement (printed and mailed).
- f) The signed Landholding Agreement (printed and mailed).
- g) A letter from the Canadian Land Trust Alliance confirming your Organization's Associate Membership.
- h) A representation from a senior officer of the Other Qualifying Organization that all matching funds are in place.
- i) A representation from a senior officer of the Other Qualifying Organization that, other than amounts disbursed by NCC under the OQO Program, no other federal government funds have been used as Matching Funds for this Project, as required under the Funding Agreement.

With the second invoice:

- a) Proof of endowment fund transfer (bank statement or statement of fund transfer).

- b) A report of all approved Natural Areas Conservation Fund expenses incurred to date, including the Statement of Adjustment, and the balance owing broken down by securement costs (i.e., purchase price, associated costs and staff time), and short-term stewardship costs (i.e., staff time for BDR or PMP, signage, fencing and document production).
- c) The registered copy of the Transfer/Deed confirming the applicant as owner of the property or, in the case of conservation agreements, title documents showing the Applicant as holder of the encumbrance on title.
- d) The registered copy of the signed Landholding Agreement.

Note: if the funds from the from the first instalment have been held in trust, you must provide the closing statement from the lawyer that details all interest earned and deduct this from the balance owing.

With the final invoice:

- a) A copy of the audit, inclusive of the Property Management Plan invoice receivable.
- b) A copy of the Property Management Plan.
- c) A copy of the receipt for the audit cost.

12. Reporting

The project application, the submitted documentation, the invoices and the project financial audit provide the required reporting information. The project financial audit is required to be delivered to NCC within one year of the registration of the Transfer/Deed. NCC may contact you for any communications information on the property or other information that might be required for the October annual progress report to the Government of Canada.

OQO FUNDING AGREEMENT

This Agreement is made as of the day of , 2011

BETWEEN **THE NATURE CONSERVANCY OF CANADA**
(Hereinafter referred to as “NCC”)

AND
(Hereinafter referred to as the “Organization”)

WHEREAS:

- (a) By agreement made as of the 30th day of March, 2007 (hereinafter called the “Funding Agreement”), Her Majesty the Queen in Right of Canada as represented by the Minister of the Environment (hereinafter called “EC”) agreed with NCC to provide to NCC an amount (hereinafter called the “Fund”) to be used to support the delivery of a land conservation initiative which will accelerate and increase the volume of private land conservation, specifically the acquisition of lands, conservation easements, development rights (i.e., mineral, timber and exploration rights) and other interests in land (hereinafter called the “Program”);
- (b) EC and NCC agreed that NCC may transfer an amount from the Fund not exceeding \$15,000,000 in the aggregate to other qualified organizations, to be used in accordance with the terms of the Funding Agreement and to support the Program; and
- (c) NCC has agreed to provide to the Organization the Amount (defined in Section 4.01 below) conditional upon NCC having received such amount from EC, to be provided to and used by the Organization to support the Program in accordance with the Application attached as Schedule 1 to this Agreement and this Agreement.

Now, therefore, in consideration of the sum of \$2 and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and of the mutual promises and agreements hereinafter set out, NCC and the Organization (hereinafter called the “Parties”) agree as follows:

TABLE OF CONTENTS

- 1.0 DEFINITIONS
- 2.0 PURPOSE
- 3.0 REPRESENTATIONS & WARRANTIES
- 4.0 FUNDING BY NCC
 - 4.01 FUNDING APPROVAL
 - 4.02 AMOUNT & USE
 - 4.03 FUNDING TO THE ORGANIZATION
 - 4.04 ALLOWABLE EXPENSES
 - 4.05 METHOD OF PAYMENT
 - 4.06 MATCHING FUNDS
 - 4.07 DONATIONS
- 5 ACTIVITIES & SELECTION CRITERIA
- 6 LAND OWNERSHIP
- 7 AUDIT, EVALUATION & REPORTING
- 8 DEFAULT AND REMEDIES
- 9 CONFLICT OF INTEREST
- 10 PUBLIC COMMUNICATIONS
- 11 MISCELLANEOUS

Schedules:

Schedule 1: Application

Schedule 2: Guidelines

Schedule 3:

Board Policy No.: B – 6 – 2008

Application of Science in Support of NCC Mission

Board Policy No.: B – 7 – 2008

Project Implementation and Long-Term Stewardship Responsibilities

Board Policy No.: B – 8 – 2008

Approval Process Related to NACPs and Securement Activities

collectively, NCC Conservation Policies

1.0 DEFINITIONS

1.01 Definitions. In this Agreement, unless something in the subject matter or context is inconsistent therewith, all capitalized terms shall have the meanings set out in the Guidelines attached as Schedule 2.

1.02 Accounting Terms and Principles. Unless otherwise expressly stated, all accounting terms and principles applicable to this Agreement shall be interpreted and applied in accordance with generally accepted accounting principles.

1.03 Statutes and Regulations. Any reference in this Agreement to all or any part of any statute or regulation shall, unless otherwise expressly stated, be a reference to that statute or regulation or the relevant part thereof, as amended, substituted, replaced, or re-enacted from time to time.

2.0 PURPOSE

2.01 The Purpose of this Agreement: The purpose of this Agreement is to enable the Organization to participate in and support the delivery of the Program by helping to conserve areas of high ecological significance across southern Canada.

2.02 Focus of the Program: The Program as supported by this Agreement will focus on the perpetual conservation of lands identified as high priority through science-based conservation planning and the application of related ecological criteria as further described in Article 5.0.

3.0 REPRESENTATIONS & WARRANTIES

3.01 Representations and Warranties of the Organization. The Organization represents and warrants to NCC that:

- (a) it is a registered Canadian charity that is an approved recipient of ecological gifts under Environment Canada's Ecological Gifts program;
- (b) it is a Charter or Associate member of the Canadian Land Trust Alliance;
- (c) it is proposing to secure Land or a perpetual interest in Land located at a Natural Area within a Priority Site under this Agreement, that has been identified as nationally or provincially significant through the approval by the Board of a Natural Area Conservation Plan;
- (d) the information contained in the Application attached as Schedule 1 was when completed and is now accurate, true and complete and sets out fully all the

facts necessary to enable NCC to make an informed decision to fund the project described therein (the "Project");

- (e) it has the requisite power to own its assets and to carry on its activities as contemplated by this Agreement;
- (f) the execution and delivery of this Agreement by it, and the carrying out by it of all of the activities contemplated hereby, have been duly authorized by all requisite action of its Board of Trustees;
- (g) it has full power to execute and deliver this Agreement and to perform its obligations hereunder;
- (h) this Agreement constitutes a legally binding obligation of the Organization, 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;
- (i) the execution and delivery of this Agreement and the performance by the Organization 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 Organization's by-laws, any other corporate governance document subscribed to by the Organization or any resolution of its Board of Trustees;
 - (ii) violate any judgement, decree, order or award of any court, government agency, regulatory authority or arbitrator made in respect of the Organization; or
 - (iii) conflict with or result in the breach or termination of any material term or provision of, or constitute a default under or cause any acceleration under, any licence, permit, concession, franchise, indenture, mortgage, lease, equipment lease, contract, deed of trust or any other instrument or agreement by which it is bound; and
- (j) (i) there are no actions, suits, investigations or other proceedings pending or, to the knowledge of the Organization, threatened against the Organization and, (ii) to the best of the Organization's knowledge, there is no order, judgment or decree of any court or governmental agency against it, in either case which could materially and adversely affect the activities contemplated by this Agreement and the performance by the Organization of its duties and obligations under this Agreement.

3.02 Representations and Warranties of NCC. NCC represents and warrants to the Organization that:

- (a) the execution and delivery of this Agreement by it, and the carrying out by it of all of the activities contemplated hereby, have been duly authorized by all requisite action of its Board;
- (b) it has full power to execute and deliver this Agreement and to perform its obligations hereunder;
- (c) this Agreement constitutes a legally binding obligation of NCC, enforceable against it in accordance with its terms.

3.03 Survival: All representations and warranties will survive the execution of this Agreement.

4.0 FUNDING BY NCC

4.01 Funding Approval: The parties acknowledge that the Organization has submitted to NCC the Application attached as Schedule 1 and that NCC has delivered to the Organization a Funding Approval.

4.02 Amount and Use. NCC agrees to disburse an amount of up to \$ (the "Amount") to the Organization within the timeframes set out in the Guidelines and/or Funding Approval upon the terms and conditions set out in the Funding Approval provided that the Organization is, at the time of such disbursement, in compliance with its obligations under this Agreement and the Organization agrees to use the Amount in accordance with and for the purposes set out in the Application, the Funding Approval and this Agreement.

4.03 Funding to the Organization

- (a) The Organization acknowledges that NCC agreed in the Funding Agreement to ensure that all the terms and conditions of the Funding Agreement would apply to Other Qualified Organizations which access funds provided hereunder, and that NCC agreed in the Funding Agreement to manage and oversee this further distribution.
- (b) The Organization acknowledges that NCC is required to provide certain confirmation to EC about further distribution of the Fund and, in respect of such confirmation:

- (i) the Organization agrees that the public purpose of the Program and the need to provide transparent, fair and equitable service shall be respected.
 - (ii) the Organization agrees with the expectations pertaining to the results outlined in this Agreement.
 - (iii) the Organization agrees to carry out its financial and non-financial roles and responsibilities under this Agreement in a manner that permits NCC to meet its related obligations under the Funding Agreement.
 - (iv) the Organization agrees that the decisions made between it and NCC will be transparent and open, having regard to their legitimate interests in protecting their proprietary rights and their rights of privacy.
 - (v) the Organization agrees that EC's and NCC's requirements for selecting and managing projects, as set out in Section 5 of this Agreement, will be met.
 - (vi) the Organization acknowledges and agrees with EC's right to conduct an audit of Program performance by NCC and the Organization as set out in this Agreement.
 - (vii) the Organization agrees that EC may obtain from NCC a copy of all signed agreements between NCC and the Organization relating to the Fund, the Amount, and the Program.
 - (viii) the Organization agrees that EC may assess the Organization's performance to ensure that it is in line with EC's and NCC's expectations.
- (c) The Organization agrees with NCC to provide to EC such right of access to documents and premises as may be necessary.
- (d) The Organization shall indemnify and hold harmless NCC from and against all claims, losses, damages, costs, expenses, actions and other proceedings made, sustained, brought, prosecuted, threatened to be brought or prosecuted in any manner, based upon, occasioned by, attributable to, or arising from any wilful or negligent act, omission or delay on the part of the Organization, or the directors, members, officers, employees or agents of the Organization relating to the use of the Amount and the delivery of the Program related thereto.
- (e) The Organization agrees that it will at all times comply with the provisions of the Application save where to do so would cause it to contravene one or more provisions of this Agreement.
- (f) The Organization agrees with NCC to provide to NCC and to EC such documents and further assurances in respect of its agreements in this Article 4.0 and elsewhere in this Agreement as NCC and/or EC may reasonably require.

- 4.04 Allowable expenditures. The Amount can be used to support:
- (a) The direct costs of securing land or perpetual interests in land located at Natural Areas within Priority Sites, including:
 - (i) purchase price of the Land and/or perpetual interests in the Land (including Conservation Agreements and development rights) as determined by an AACI-accredited appraisal, or, if the value of the Land is \$2,000,000 or greater, a Narrative appraisal report prepared by a qualified Appraiser and a second qualified Appraiser or Certified Appraisal Reviewer who has demonstrated experience appraising Ecological Gifts, shall be contracted to review the appraisal and confirm the fair market value has been reasonably determined and meets all standards of their certifying body and the Guidelines for Appraisers published by Environment Canada for the Eco-gift Program, all such appraisals to be conducted in full accordance with NCC appraisal policy, a copy of which is hereby acknowledged as having been provided to the Organization;
 - (ii) associated costs, including appraisals, surveys, legal services, land transfer fees (including land transfer taxes and applicable goods and services taxes)
 - (iii) staff time and/or consultant time for securement at up to \$350 per day for a maximum of 15 days;
 - (iv) staff time and/or consultant time to develop a Property Management Plan for up to 15 days or a Baseline Documentation Report for up to 5 days, in each case at up to \$350 per day;
 - (v) signage and fencing costs;
 - (vi) project financial audit costs; and
 - (vii) other direct costs necessary for the securement of a property that may be agreed to in writing by NCC from time to time upon confirmation from EC.
 - (b) Long Term Stewardship. The Organization acknowledges and agrees that no part of the Amount may be used for long-term stewardship of the Land.
 - (c) Fundraising: The Organization acknowledges and agrees that no part of the Amount may be used to support fundraising efforts of, or lobbying activities directed towards any level of government.

4.05 Method of Payment: Within the limits of and subject to the terms of the Funding Approval and this Agreement, the Amount will be disbursed by NCC to the Organization in the manner set out in the Guidelines and/or Funding Approval.

4.06 Matching funds. The Organization is expected to raise matching funds in a ratio of 1:1, through non-federal donations of money and perpetual interests in land. Matching funds could include and/or support;

- (a) the receipted value of the donated Land and/or Conservation Agreements as set out in the Guidelines;

- (b) costs described in Section 4.04 of this Agreement as allowable expenditures;
- (c) contributions to stewardship endowment; and
- (d) other costs, i.e., communications and science costs that have been incurred by the Organization and are directly related to the Program.

4.07 Donations. The Organization shall not accept donations in support of the Program offered with conditions that are contrary to the purposes and objectives stated in this Agreement or in the Funding Agreement

5.0 ACTIVITIES & SELECTION CRITERIA

5.01 Natural Areas. A list of Priority Sites for Land Securement Activity under the Program will be maintained by NCC in accordance with Section 7.03 of the Funding Agreement. A list of Natural Areas within Priority Sites will also be maintained by NCC.

5.02 Land Securement Activity. Land Securement Activity by the Organization shall, as set out in the Funding Agreement, be conducted in accordance with NCC Conservation Policies, copies of which are attached hereto as Schedule 3 insofar as such NCC Conservation Policies outline NCC policies related to project implementation and long-term stewardship responsibilities.

5.03 Program Oversight. The Organization acknowledges that NCC is required by the Funding Agreement to establish a Program Committee, to be approved by the Board, to oversee Program implementation and use of the Fund in accordance with the Funding Agreement, that the Program Committee is to review and provide advice on the list of Priority Sites and review, monitor progress and provide advice with respect to delivery of the Program and that the program Committee is governed by the policies of NCC generally and as set out in the Funding Agreement.

6.0 LAND OWNERSHIP

6.01 Land Holding: Land, Conservation Agreements and/or other development rights and interests in land (in this Section, collectively "Interests in Land") secured by the Organization under the Program are to be held for the purposes of perpetual conservation. Land secured by the Organization under the Program shall be subject to a Landholding Agreement in favour of NCC.

6.02 Transfers: Such Interests in Land shall remain the property of the Organization and shall only be transferred to other conservation organizations carrying out similar work in Canada in accordance with NCC Conservation Policies and with the prior written consent of NCC.

7.0 AUDIT, EVALUATION & REPORTING

7.01 Project Financial Audit. The Organization agrees to commission an independent third-party audit by an external professional auditor of the allowable expenditures related to the Project as per Section 4.04 of this Agreement and the receipt and expenditure of matching funds as per Section 4.06 of this Agreement. The Organization will deliver the above-noted audited financial statements to NCC no later than one year after the registration of the Transfer/Deed.

The financial statements must be audited by an auditor who:

- (a) is a natural person;
- (b) is a member in good standing of an institute or association of accountants incorporated by or under an act of the legislature of a province,
- (c) has at least five years experience at a senior level in carrying out audits,
- (d) is ordinarily resident in Canada, and
- (e) is independent of the Board of Trustees, and each of the directors and each of the officers of the Organization; or
- (f) is a firm of accountants at least one of whose Members meets the qualifications set out in paragraph (b).

7.02 Review of Fund Operations. The Organization agrees that NCC and EC may choose to conduct their own reviews of the expenditures of the Amount. NCC may also undertake to conduct independent audits of the expenditures of the Amount to ensure compliance with the Funding Agreement. The Organization will co-operate and provide access to the appropriate records to enable NCC and, if required by NCC, EC, to conduct these reviews and audits. Should NCC and/or EC choose to conduct these reviews and audits, they will be responsible for the cost thereof.

7.03 EC to Request a Performance Audit. The Organization acknowledges that each of EC and the Auditor General of Canada may, at their own cost, after consultation with NCC, conduct performance (value-for-money) and compliance audits with respect to the use of funds received by NCC from EC. NCC will provide the Organization with a description of the scope and criteria of the performance and compliance audits required by each of the auditors; the auditor will be entitled to such information as, in his/her opinion, is necessary for the fulfilment of its responsibilities. The Organization agrees to cooperate and provide access to the appropriate records and staff to the auditor to conduct such audits. The auditor will share a copy of the resulting report with NCC, and with EC when the auditor is the Auditor General of Canada and NCC will share with the Organization excerpts thereof, if any, relevant to the Project. The auditor is expected to discuss at his/her discretion any concerns raised in the performance and compliance audits with the Organization and NCC, and with EC when the auditor is the Auditor General of Canada. The Organization acknowledges that where the audits are conducted by the Auditor General of Canada, the results may be reported to Parliament in a Report of the Auditor General, and that where the audit is conducted by EC, EC may make the results public and report them to Parliament.

8.0 DEFAULT AND REMEDIES

8.01 Events Of Default

The following shall constitute events of default:

- (a) if the Organization becomes bankrupt or insolvent, goes into receivership or takes the benefit of any statute from time to time in force relating to bankrupt or insolvent debtors;
- (b) an order is made or resolution passed for the winding-up of the Organization or the Organization is dissolved;
- (c) the Organization has submitted materially false or misleading information or has made misrepresentations of a material nature to NCC, other than in good faith;
- (d) the Organization makes a materially false or misleading statement concerning support by NCC or EC in any internal and/or public communication, other than in good faith;
- (e) the Organization ceases its activities or substantially changes the nature of its business;
- (f) the Organization has not met or satisfied any of the material terms and conditions of this Agreement.

8.02 Rectification Period.

- (a) The events of default in Subsections 8.01 c), d), e) and f) shall only be considered events of default if the Organization has been notified in writing by NCC of the alleged default and the Organization has not rectified the default within thirty (30) days of written notice thereof.
- (b) Where NCC is concerned about the probability of imminent default as outlined in the Subsection 8.02 (a), of this Agreement, NCC will notify the Organization in writing and the two Parties will discuss the concerns, with the Organization rectifying any default within thirty (30) days of written notice thereof.
- (c) If an event of default as outlined in Section 8.01 of this Agreement has occurred, or in the reasonable opinion of NCC, is likely to occur, and the Organization has not rectified as in Section 8.02, NCC may require the Organization to repay, to the extent it has not otherwise committed or spent the monies, all or part of the Amount and any related revenue not otherwise committed or spent.
- (d) The fact that NCC refrains from exercising a remedy it is entitled to exercise under this Agreement will not be considered to be a waiver of such right and, furthermore, partial or limited exercise of a right conferred on NCC will not prevent NCC in any way from later exercising any other right or remedy under this Agreement or other applicable law, unless NCC waives such right in writing.

9.0 CONFLICT OF INTEREST

9.01 Parliament: The Organization shall ensure that no member of the House of Commons and the Senate be admitted to any share or part of the funding under this Agreement or to any benefit arising thereof. The members of the House of Commons and the Senate shall not be appointed as Directors on the Board of Trustees of the Organization.

9.02 Federal Policies: The Organization shall ensure that no former federal public officer or public servant who is not in compliance with the federal Conflict of Interest and Post-employment Code for Public Office Holders or Conflict of Interest and Post-Employment Code for the Public Service, respectively, be admitted to any share or part of the funding under this Agreement or to any benefit arising thereof.

9.03 NCC Policies: The Organization shall ensure that no member of its Board of Trustees, staff or other representative who is not in compliance with NCC's Conflict of Interest Policies, (as they exist at the time of the signing of this Agreement, governing Board members, staff or other representatives of NCC) be admitted to any share or part of the funding under this Agreement or to any benefit arising thereof.

10.0 PUBLIC COMMUNICATIONS

10.01 Communications. The Organization, with respect to the Amount and the Program, shall provide its communications and services to the public in both official languages of Canada (French and English) where a significant demand exists.

10.02 Public Recognition. The Organization shall provide appropriate recognition of the contribution of NCC and EC in its programs, advertising, events and public communications related to the Program. Recognition of EC's support to the Organization will be in accordance with the Federal Identity Program.

10.03 Public Acknowledgement. The Organization shall give reasonable prior notice to NCC of any proposed public announcement or ceremonies relating to its activities under the Program and NCC shall ensure that EC, or a designated representative, shall be invited to participate in such announcements or ceremonies. Where EC or other designated representative wishes to participate in such an announcement or ceremony, the Organization shall co-operate with NCC and the representatives of EC during such announcement or ceremony.

10.04 Costs: Direct costs associated with special events or announcements requested specifically by EC (i.e., communications that would not otherwise be undertaken by the Organization in its regular course of business and promotion of the Program), such as venue costs, catering, newswire services, etc., shall not be the responsibility of the Organization. Dates for such events or announcements shall be mutually agreed upon by the Parties and EC.

10.05 Public Awareness: NCC and the Organization both recognize that public awareness of Land Securement Activities enabled by the Amount are mutual objectives insofar as such awareness does not impact negatively on their ability to acquire other lands for conservation.

11.0 MISCELLANEOUS

11.01 Severability. If any provision of this Agreement is determined to be invalid or unenforceable by an arbitrator or a court of competent jurisdiction from which no further appeal lies or is taken, that provision shall be deemed to be severed therefrom and the remaining provisions of this Agreement shall not be affected thereby and shall remain valid and enforceable; provided that in the event that any portion of this Agreement shall have been so determined to be or become invalid or unenforceable (the "offending portion"), the Parties shall negotiate in good faith such changes to this Agreement as will best preserve for the Parties the benefits and obligations of such offending portion.

11.02 Amendments. This Agreement may only be amended, modified or supplemented by a written agreement signed by both of the Parties.

11.03 Waiver. No waiver of any of the provisions of this Agreement by either Party shall be deemed to constitute a waiver of such provision by the other Party or a waiver by such Party of any other provision (whether or not similar); nor shall such waiver constitute a continuing waiver unless otherwise expressly provided in writing duly executed by the Party to be bound thereby.

11.04 Governing Law. This Agreement shall be governed by and interpreted and enforced in accordance with the laws of the Province in which the Land is located and the laws of Canada applicable therein.

11.05 Entire Agreement. Except as otherwise provided for herein, this Agreement constitutes the entire agreement between the Parties pertaining to the matters contemplated hereby and supersedes all prior agreements, understandings, negotiations and discussions, whether oral or written, of the Parties in respect of the Amount and the Program.

11.06 Public Access to Information. NCC may provide public access to information related to results and accomplishments achieved under the Program.

11.07 Relationship of the Parties. Nothing contained in this Agreement shall be construed to place the Parties in the relationship of partners or joint ventures and neither Party shall have any right to obligate or bind the other Party in any manner.

11.08 Indemnification and Limitation of Liability. The Organization shall indemnify and hold harmless NCC from and against all claims, losses, damages, costs, expenses, actions and other proceedings made, sustained, brought, prosecuted, threatened to be brought or prosecuted in any manner, based upon, occasioned by, attributable to, or

arising from any wilful or negligent act, omission or delay on the part of the Organization, or the directors, members, officers, employees or agents of the Organization relating to the use of the Amount and the delivery of the Program. Notwithstanding anything to the contrary contained herein, neither of the Parties will be liable for the indirect, or consequential damages of the other Party nor for the loss of revenues or profits. Therefore, the Parties expressly acknowledge and agree that they will not be liable for each other's indirect, or consequential damages or for damages for lost profits or lost revenues under this Agreement, regardless of whether such a liability arises in tort (including negligence), contract, fundamental breach or breach of a fundamental term, misrepresentation, breach of warranty, breach of fiduciary duty, indemnification or otherwise.

11.09 Further Assurances. The Parties will, from time to time during the course of this Agreement or upon its expiry and without further consideration, execute and deliver such other documents and instruments of clarification, transfer, conveyance and assignment and take such further action as the other may reasonably require to effect the activities contemplated thereby or to otherwise advance the objectives of this Agreement.

11.10 Notices. Any notice, direction or other instrument required or permitted to be given under this Agreement shall be in writing (including telecopier, telex or any other means of communication by which words are capable of being visibly and instantaneously reproduced at a distant point of reception) and given by delivering it or sending it by telecopy or other similar means of communication addressed:

- (a) if to NCC, at:

The Nature Conservancy of Canada
36 Eglinton Avenue West, Suite 400
Toronto, Ontario
M4R 1A1

Telecopier: 416 932-3208

Attention:

- (b) if to the Organization at:

Telecopier:

Attention:

Any such notice, direction or other instrument given as aforesaid shall be effective upon receipt, unless received on a day, which is not a business day. Either Party may change its address for service from time to time by notice given in accordance with the foregoing and any subsequent notice shall be sent to the Party at its changed address.

11.11 Time of the Essence. Time shall be of the essence in this Agreement.

11.12 Third Party Beneficiaries. Each Party intends that this Agreement shall not benefit or create any right or cause of action in or on behalf of any Person, other than the Parties and no Person, other than the Parties, shall be entitled to rely on the provisions hereof in any action, suit, proceeding, or hearing or other forum.

11.13 Assignment and Successors. This Agreement and any rights or duties hereunder may not be transferred, assigned or delegated to any other person, firm, corporation or other entity by either Party without the express prior written consent of the other Party to this Agreement, such consent not to be unreasonably withheld. This Agreement shall inure to the benefit of and be binding upon, the Parties, their successors and permitted assigns.

11.14 Remedies Cumulative. All rights, powers and remedies provided under this Agreement or otherwise available in respect thereof at law or in equity shall be cumulative and not alternative and the exercise or beginning of the exercise of any thereof by either Party shall not preclude the simultaneous or later exercise of any other such right, power or remedy by such Party.

11.15 Costs and Expenses. Except as otherwise or expressly provided in this Agreement, each Party shall pay its own costs and expenses incurred in authorizing, preparing, executing and performing this Agreement and the activities contemplated thereunder including, without limitation, all fees and expenses of legal counsel, auditors, accountants, investment advisors or other representatives or consultants.

11.16 Execution in Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original and all of which, taken together, shall constitute one and the same instrument.

11.17 Excusable Delays. The dates and times by which either Party is required to perform any obligation under this Agreement shall be postponed automatically to the extent, for the period of time, that the Party is prevented from so performing by circumstances beyond its reasonable control. Said circumstances shall include acts of nature, strikes, lockouts, riots, acts of war, epidemics, government regulations imposed after the fact, fire, communications failures, power failures, earthquakes or other disasters.

11.18 Termination. This Agreement is in effect until the Amount has been spent for the purposes of this Agreement, and all audit, evaluation and reporting obligations of the Organization under Article 7.0 of this Agreement and of NCC under Article 9.0 of the Funding Agreement are satisfied.

IN WITNESS WHEREOF the Parties have caused their duly authorized representatives to execute this Agreement effective as of the date first above written.

THE NATURE CONSERVANCY OF CANADA

President and Chief Executive Officer

THE ORGANIZATION

Executive Director

THIS AGREEMENT dated this ____ day of _____, 2011

B E T W E E N :

THE NATURE CONSERVANCY OF CANADA

(hereinafter called "NCC")

- and -

THE

(hereinafter called the "Organization")

WHEREAS:

- (a) NCC is a not-for-profit corporation incorporated under the laws of Canada, the purposes and objects of which include the acquisition of natural areas for conservation;
- (b) the Organization is also a not-for-profit organization whose purposes and objects include the acquisition of natural areas for conservation;
- (c) the lands more particularly described in Schedule A hereto annexed (hereinafter called the "Land") have been acquired by the Organization with the financial support of NCC and Her Majesty the Queen in right of Canada as represented by the Minister of the Environment (hereinafter referred to as "EC") acting through Environment Canada's Natural Areas Conservation Program (the "Program"), with the goal of protecting the Land for the purpose of long-term conservation;
- (d) the Land is within a Natural Area Conservation Plan (as defined below) known as the _____ Natural Area Conservation Plan (hereinafter referred to as "the NACP") ;
- (e) the Organization has paid or has received as donated value the total amount of _____ (herein called the "Organization Contribution") for the acquisition and the stewardship of the Land;
- (f) NCC has agreed to pay to the Organization from a fund used to support the delivery of land conservation under the Program the total amount of _____ (herein called the "NCC Contribution") for the acquisition of the Land;
- (g) the parties have agreed that the Organization shall acquire title to and

manage the Land for long-term conservation, subject to the terms and conditions hereinafter set out.

NOW THEREFORE in consideration of the premises, other good and valuable consideration, the Organization Contribution, the NCC Contribution and the sum of \$2 now paid by each party to the other (the receipt whereof is hereby by each acknowledged) the parties hereby agree as follows:

1. The following words and phrases as used in this Agreement shall be deemed to have the following meanings unless the context otherwise indicates:

“Conservation Organization” means an organization approved to receive ecological gifts as described in S.110.1(1)(d) of The Income Tax Act of Canada.

“Natural Area Conservation Plan”, means a comprehensive landscape scale conservation plan developed for a Natural Area that NCC has determined to be a priority to achieve conservation based on biodiversity, opportunity and threat. Natural Area Conservation Plans set priorities for the acquisition of properties, identify key actions to achieve conservation success in the Natural Area and present a five-year implementation plan and budget for conservation action.

“Natural Area” means a land mass where adjacent and nearby properties contain the same or similar species or habitats. A Natural Area is a biophysical unit exemplifying typical or unique vegetation and associated biotic, edaphic, geological and aquatic features.

"Property Management Plan", means a plan for the lands, including the Land, which identifies conservation goals and actions for single or multiple properties with similar natural attributes and how a Conservation Organization plans to achieve such goals. Property Management Plans are consistent with the goals of the Natural Area Conservation Plan; they identify the regional, provincial, national and global biodiversity values of the Land, the biodiversity targets the Conservation Organization chooses to conserve on the Land, the threats to those targets, and the conservation management goals, objectives, strategies and actions to enhance the selected targets and/or mitigate the threats to those targets. A Property Management Plan includes a schedule of management activities, including monitoring and important property administration activities, over a multi-year period.

"Stewardship of the Land" or "stewardship" means the monitoring, protection (legal and physical), preservation, maintenance, and may include the restoration, rehabilitation and enhancement of the natural features of the Land and includes all activities related to the Land referred to in the Property Management Plan to be prepared pursuant to paragraph 5 below.

2. The Organization acknowledges that upon acquisition of the Land it will hold the sum of (herein referred to as the “Capital”) for stewardship of the Land or, if not

fully required for stewardship of the Land, then for stewardship of the Land together with that of other Natural Areas located within the NACP and which are owned by the Organization or other Conservation Organizations.

3. The Organization agrees that the Capital will be held in trust and invested and, unless otherwise agreed by the parties, the income earned therefrom shall be used for the stewardship of the Land or, if not fully required for stewardship of the Land, then for stewardship of the Land together with that of other Natural Areas located within the NACP and which are owned by the Organization or other Conservation Organizations. Any income not so used annually may be carried forward for disbursement for a maximum of 5 full calendar years at which time any income not so used shall be added to the Capital unless otherwise agreed to by the parties in writing at the time. The Organization will maintain complete and accurate records for the Capital at all times showing how the Capital is invested, the rate of investment return from time to time, the amount of income earned, and details of the disbursements made from the Capital. The Organization will make such records available for inspection by NCC upon request and will provide copies of such records to NCC upon request without charge. The Organization will not encroach on the Capital for any reason without the express written consent of NCC.

4. The Organization shall hold title to the Land and Capital so long as the Organization uses the Land for long-term conservation in accordance with the Property Management Plan to be prepared for the Land as set out in paragraph 5.

5. The Organization shall forthwith prepare a Property Management Plan in consultation with and for the approval of NCC, which shall set out the manner in which each part of the Land shall be managed, protected and monitored to achieve the purpose of long-term conservation. The Organization and NCC shall use their best efforts to reach agreement on the Property Management Plan and execute same as soon as reasonably possible and in any event within one year of the date hereof. Further, the Organization and NCC shall use their best efforts to review, report on and, if required, up-date the Property Management Plan at least every 5 years. The Organization shall use commercially reasonable efforts to manage, protect and monitor the Land in accordance with the Property Management Plan subject to any amendments thereto as may be agreed upon by the parties from time to time, acting reasonably. Until such Property Management Plan is executed, and during any period for which there is no approved Property Management Plan in effect, the Organization shall maintain the Land in a natural condition provided any new management initiatives, control of access and erection of signs, fences or gates and the construction of buildings and other improvements which have received the prior written approval of NCC may be completed by the Organization in accordance with such approval(s).

6(a). In the event of a material default by the Organization in its obligations under the terms of this Agreement, NCC may, at its option, and without affecting any other remedies available to it, give the Organization reasonable written notice and details of the breach and, if the breach can be remedied, stating what is necessary to remedy the breach,

and thereafter shall permit the Organization a reasonable time, (taking into account access issues relevant to the Land and the breach), to remedy the breach. In the event that the Organization fails to remedy the breach within the time set out in the notice above to the satisfaction of NCC or if the breach cannot be remedied, then on giving a further 90 days written notice to the Organization, NCC may require the Organization to convey good and marketable title to the Land and the Capital or the part thereof remaining, to NCC provided that NCC shall agree to hold the Land solely for long-term conservation and to enter into a landholding agreement in favor of the Organization on substantially the same terms and conditions as this Agreement (which shall be registered on title to the Land).

6(b) If at the time of execution or registration of this Agreement the Organization retained, or if the Organization subsequently acquires the fee or the equity of redemption in, or a power or a right to grant, assign or exercise a power of appointment in respect of, any land abutting the Land, other than land that is the whole of one or more lots or blocks within one or more registered plans of subdivision, within the meaning of the Planning Act R.S.O. 1990 c. P.13 (“the Planning Act”), then in order to comply with the provisions of paragraph 6(a), the Organization must obtain consent under the Planning Act. In such case the Organization agrees to execute such documents as may be necessary to obtain the consent and effect the conveyance and the Organization hereby appoints the Conservancy as its agent to so do.

7(a). Subject to paragraph 7(b) below, NCC and its agents may enter upon the Land from time to time on reasonable notice to the Organization and may conduct biological inspections and evaluations and monitor and inspect actions taken under this Agreement and the Property Management Plan provided that NCC shall be responsible for any damage or default arising from its activities or the activities of its agents.

7(b) If at the time of execution or registration of this Landholding Agreement the Organization retained, or if the Organization subsequently acquires the fee or the equity of redemption in, or a power or a right to grant, assign or exercise a power of appointment in respect of, any land abutting the Land, other than land that is the whole of one or more lots or blocks within one or more registered plans of subdivision, within the meaning of the Planning Act, the following provisions apply and the provisions of paragraph 7(a) do not apply.

Should NCC desire access to the Lands to conduct biological inspections and evaluations and monitor/inspect actions taken under this Landholding Agreement and the Management Plan, the following provisions shall apply:

(i) NCC and its agents shall so notify the Organization and request permission to enter upon the Land,

(ii) Provided there are no commercially reasonable reasons to refuse a request for access, the Organization shall grant NCC and its agents access to the Land immediately,

(iii) NCC shall be responsible for any damage or default arising from its activities or the activities of its agents.

8. Subject to paragraph 9 below, the Organization may transfer all or any part of the Land and the Capital or the proportionate part thereof (calculated on an acreage basis unless otherwise agreed) (in this paragraph and in paragraph 9 sometimes referred to as the "Subject Land") to a Conservation Organization or may mortgage the Subject Land, in each case subject to the consent in writing of NCC, such consent not to be unreasonably withheld, provided the transferee or mortgagee, as the case may be, first enters into an agreement with NCC satisfactory to NCC covenanting to be bound by the provisions of this Agreement and the Property Management Plan and requiring any future transferee, mortgagee, assignee or lessee to enter into a similar agreement with NCC. For the purposes of this paragraph, NCC may take into account issues, concerns or objections expressed to NCC by EC concerning the proposed transfer, in deciding whether or not to consent to a proposed transfer.

9. Should the Organization, having obtained the written consent of NCC, desire to transfer the Subject Land other than as set out in paragraph 8 above or cease to use the Subject Land substantially as set out in this Agreement and the then applicable Property Management Plan, then the Organization shall give notice in writing to NCC of such desire and the reasons therefore (the "transfer notice") and the following provisions shall apply:

a) If NCC, after consultation with EC, wishes to continue the preservation of the Subject Land as contemplated by this Agreement and the then applicable Property Management Plan, NCC may by notice in writing to the Organization, given within one hundred and twenty (120) days of the receipt by NCC of the third party offer, require the Organization to transfer the Subject Land and the Capital or the part thereof remaining to NCC for nominal consideration.

If at the time of execution or registration of this Agreement the Organization retained, or if the Organization subsequently acquires the fee or the equity of redemption in, or a power or a right to grant, assign or exercise a power of appointment in respect of, any land abutting the Land, other than land that is the whole of one or more lots or blocks within one or more registered plans of subdivision, within the meaning of the Planning Act, then in order to comply with the provisions of this paragraph 9(b), the Organization must obtain consent under the Planning Act. In such case the Organization agrees to execute such documents as may be necessary to obtain the consent and effect the conveyance and the Organization hereby appoints NCC as its agent to so do.

b) If NCC, after consultation with EC, does not exercise its right to require a transfer to NCC as contemplated by paragraph 9(a) above, the Organization shall be free to sell the Subject Land to a third party free and clear of this Agreement provided that upon the completion of the sale of the Subject Land by the Organization, the Organization shall

i) pay to NCC its (NCC's) proportionate share of the net proceeds of sale of the Subject Land based on the ratio of the NCC Contribution to the combined total of the Organization Contribution and the NCC Contribution, and

- ii) retain the Capital (or the part thereof remaining) for the stewardship of the remaining Land, or, if not fully required for the remaining Land, then for the Land together with other Natural Areas located within the NACP and which are owned by the Organization or other Conservation Organizations, failing which the Capital shall be used for the stewardship of other lands of the Organization held for long-term conservation.
- c) The Parties agree that prior to the disposition of the Subject Lands to a third party, they will review, without creating any legal obligation, the potential benefits and liabilities of registering a Conservation (Easement) Agreement under the Conservation Land Act on title to the Subject Lands;
- d) If the Subject Land is of a lesser area than the Land, this Agreement shall continue to apply to the remaining Land and any dollar amounts payable under paragraph 9 (b)(i) to NCC shall be adjusted and prorated by the ratio in which the numerator is the area of the Subject Land and the denominator is the area of the Land.
10. The Organization shall have the contribution of EC and NCC in acquiring the Land recognized in any publicity in regard thereto and in any signage that may identify the Land from time to time. The Organization shall provide NCC with copies of photographs of signs, brochures, tapes, videos and news releases in regard thereto. The Organization further agrees to cooperate with NCC in regard to the acknowledgement and involvement of NCC and its contributors to the acquisition of the Land (including EC) in any such publicity and signage.
11. The Organization shall pay and discharge promptly as due, all realty taxes, mortgages, utility charges and all other federal, provincial or municipal rates, charges and amounts, the non-payment of which might give rise to a lien or charge against the Land. The Organization shall keep the Land free and clear of any construction liens.
12. The Organization shall indemnify and save harmless NCC against all claims, charges, costs, actions, causes of action and demands whatsoever that may in any way arise from the ownership and management of the Land or the Capital by the Organization under and in regard to this Agreement. The Organization shall, at its expense, carry public liability insurance in an amount of no less than \$2,000,000 and at the request of NCC shall provide proof of such insurance and shall include NCC as an additional insured with respect to the Land.
13. The parties agree that notice of this Agreement shall be registered on title to the Land at the Organization's expense.

14. This Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective successors and assigns.

IN WITNESS WHEREOF the parties have executed this Agreement.

THE NATURE CONSERVANCY OF CANADA

Per: _____
Michael Bradstreet,
Vice President
Conservation

I have authority to bind the corporation.

THE ORGANIZATION

Per: _____
Name:
Position:

Per: _____
Name:
Position:

We have authority to bind the corporation.

Schedule A

attached to and forming part of the Agreement between

THE NATURE CONSERVANCY OF CANADA and THE ORGANIZATION

dated the ____ day of _____ 2011

The terms and conditions of this Agreement apply to the following Land, namely:

Definition of Terms

Application	Application means the form of Application provided by NCC and completed and submitted by the Organization to NCC.
Baseline Documentation Report	A Baseline Documentation Report (BDR) is a document that records the biodiversity targets including ecological and physical features and, where applicable, cultural features of a property and the property's uses with respect to the restrictions, for the purposes of monitoring those restrictions in a Conservation Agreement. The BDR must be in place at the time the Conservation Agreement is registered and is signed by the Organization and the Landowner to validate that both parties agree that it accurately reflects the condition of the property at the time the restrictions are imposed and will be used by the Conservation Agreement holder for the purposes of monitoring compliance with the restrictions.
Board	Board means the Board of Directors of NCC.
Board of Trustees	Board of Trustees means the Board of Directors of the Organization.
Biodiversity	The variety of living organisms considered at all levels of organization, including the genetic, species and higher taxonomic levels. Biological diversity also includes the variety of habitats, ecosystems and natural processes occurring on the Land.
Conservation Agreement	A Conservation Agreement is a written legal agreement, registered on title and binding future Landowners, that restricts a Landowner's activities on the property (or part of the property) in order to protect identified conservation targets from degradation or destruction and gives the Conservation Agreement holder the right to perform certain activities on the property, including monitoring to ensure the Landowner is meeting obligations under the Agreement. Conservation Agreements include statutory easements, covenants and servitudes.

Appendix 3

Conservation Policy Framework	Conservation Policy Framework means the document approved by NCC's Board in 2006 and which provides policies on science and conservation planning, approval requirements for conservation plans, and securement activities and stewardship reporting obligations, and any subsequent policies on these three matters approved by the Board.
Ecoregional Assessment	NCC's ecoregional assessments (Conservation Blueprints) document the biological diversity present across natural regions, including native species and natural ecosystems, and identify the highest-priority areas for conservation.
Funding Approval	Funding approval means the decision of NCC to fund the Project described in the application.
Funding Dates	Funding dates means the dates set out in the Application as those dates upon which payments of the amount are required.
Guidelines	Guidelines means the 2009 Guidelines for Land Trusts wishing to apply to the NCC-Government of Canada Natural Areas Conservation Program.
Land	Land means the Land and premises intended to be secured by the Organization and more particularly described in the application.
Landholding Agreement	A legal agreement signed between NCC and a land trust, used when NCC invests funds in the land trust's acquisition of a legal interest in property, to ensure that the Lands are conserved and NCC's financial investment is protected.
Land Securement Activity	Land Securement Activity means the acquisition of Lands, conservation easements, development rights (i.e. mineral, timber and exploration rights) and other interests in Land by the Organization.
Natural Area	A term used to describe a Land mass where adjacent and nearby properties contain the same or similar species or habitats. A natural area is a physical and biological unit exemplifies typical or unique vegetation and associated biotic, edaphic, geological and aquatic features.

Appendix 3

Natural Area Conservation Plan	A Natural Area Conservation Plan (NACP) is a comprehensive Landscape scale conservation plan developed for a Natural Area that NCC has determined to be a priority to achieve conservation based on biodiversity, opportunity and threat. NACPs set priorities for the acquisition of properties, identify key actions to achieve conservation success in the natural area and present a five-year implementation plan and budget for conservation action.
NCC-Government of Canada Natural Areas Conservation Program	A strategic partnership between NCC Government of Canada, supported by a \$225 million federal investment (the Natural Areas Conservation Fund) and at least equal matching contributions, which will accelerate and increase the volume of private Land conservation, specifically the acquisition of Lands, Conservation Agreements, development rights (i.e., mineral, timber and exploration rights) and other interests in Land in order to achieve long-term conservation of Priority Sites.
Other Qualified Organizations	National, provincial or regional land trusts receiving monies from the Natural Areas Conservation Fund from NCC as permitted under the Program.
Priority Sites	Priority Sites means areas comprised of one or multiple Land parcels identified by NCC as important for conservation activity under the Program.
Project	A project includes a) the securement of a legal interest (fee simple, Conservation Agreement or other) in Land, through purchase or donation, b) management planning for the Land and c) stewardship of the Land.
Property Management Plan	A Property Management Plan (PMP) identifies conservation goals and actions for single or multiple properties with similar natural attributes and how a land trust plans to achieve such goals. PMPs are consistent with the goals of the Natural Area Conservation Plan; they identify the regional,

Appendix 3

provincial, national and global biodiversity values of the property, the biodiversity targets the land trust chooses to conserve on the property, the threats to those targets, and the conservation management goals, objectives, strategies and actions to enhance the selected targets and/or mitigate the threats to those targets. A PMP includes a schedule of management activities, including monitoring and important property administration activities, over a multi-year period.

Stewardship Endowment Fund

A fund in which the capital is to be maintained in perpetuity and only the annual earnings may be spent to support stewardship of Land owned by or in which an organization has an interest. “Stewardship” means the monitoring, protection (legal and physical), preservation, maintenance, and may include the restoration, rehabilitation and enhancement of the natural features of the Land and includes all activities related to the Land.

Transfer /Deed

A legal document transferring title of Land(s) from one party to another.

CONFIDENTIALITY COVENANT

To: **The Nature Conservancy of Canada** (hereinafter called “NCC”)

Whereas as part of the NCC-Government of Canada Natural Areas Conservation Program (the “Program”), NCC has the ability to “sub-grant” up to \$15 million of the monies received from the Government of Canada (the “Fund”) to provincial and regional land trusts to enable such organizations to participate in and contribute to the Program.

And Whereas the undersigned organization (the “Organization”) wishes to participate in the Program and in order to do so, must obtain certain information from NCC.

And Whereas NCC wishes to facilitate the participation of the Organization in the Program, but, as well, wishes to protect its proprietary information.

NOW THEREFORE IN CONSIDERATION of NCC providing certain information to the Organization and other good and valuable consideration, the receipt and sufficiency of which the Organization acknowledges, the Organization covenants, acknowledges and agrees with NCC as follows:

1. That all information contained in NCC’s Natural Area Conservation Plans is proprietary to NCC and a valuable trade secret, disclosure of which could severely damage the economic interests of NCC and its donors and other supporters (“*Confidential Information*”).
2. That it will not disclose *Confidential Information* to anyone outside NCC, without the prior written consent of NCC, except to the Organization’s employees and agents who are directly involved in the proposed participation in the Program.

Dated at this day of , 20

Name of Organization

Per: _____
Name:

Title:

Appendix 5

NATURE CONSERVANCY OF CANADA REGIONAL AND SUB-REGIONAL CONTACTS FOR THE NCC-GOVERNMENT OF CANADA 'NATURAL AREAS CONSERVATION PROGRAM'

ATLANTIC REGION

New Brunswick

Paula Noel, Program Manager, New Brunswick
924 Prospect Street, Suite 180
Fredericton, NB E3B 2T9
Tel: 506.450.6010 x206 Fax: 506.450.6013
Toll-free: 1.877.231.4400 x206
Email: paula.noel@natureconservancy.ca

Nova Scotia

Craig Smith, Program Manager, Nova Scotia
Nova Scotia Office, c/o Ocean Nutrition Canada
101 Research Drive
Dartmouth, NS B2Y 4T6
Tel: 902.480.3608 Fax: 902.464.2227
Email: craig.smith@natureconservancy.ca

Newfoundland and Labrador

Douglas Ballam, Program Manager, Newfoundland & Labrador
49-55 Elizabeth Ave., Suite 208, Box 11
St. John's, NL A1A 1W8
Tel: 709.753.5540 Fax: 709.753.5561
Email: douglas.ballam@natureconservancy.ca

Prince Edward Island

Diane Griffin, Program Manager, PEI
52 East River Drive
Stratford, PE C1B 2E4
Tel: 902.569.2343 Fax: 902.626.3532
Email: diane.griffin@natureconservancy.ca

RÉGION QUÉBEC

Gwenaël Heyvang, Chargée de programme
55, av. du Mont-Royal Ouest, bureau 1000
Montréal (Québec) H2T 2S6
Auto Attendant: 581.741.4782
Fax: 514.876.7901
Toll-free: 1.877.876.5444 x223
Email: gwenael.heyvang@conservationdelanature.ca

ONTARIO REGION

Megan Smith, Land Information System
Administrator
c/o Talbot Centre
148 Fullarton Street, Suite 1606
London, ON N6A 5P3
Tel: 519.640.6822 x23 Fax: 519.640.6816
Toll-free: 1.866.281.5331 x23
Email: megan.smith@natureconservancy.ca

MANITOBA REGION

Kevin Teneycke, Director of Conservation
207-1570 18th Street
Brandon, MB R7A 5C5
Tel: 204.725.5987 Fax: 204.725.5988
Email: kevin.teneycke@natureconservancy.ca

SASKATCHEWAN REGION

Jordan Ignatiuk, Director of Land Conservation
1777 Victoria Avenue, Suite 100
Regina, SK S4P 4K5
Auto Attendant: 306.347.0447 x223
Fax: 306.347.2345
Toll-free: 1.866.622.7275 x223
Email: jordan.ignatiuk@natureconservancy.ca

ALBERTA REGION

Bob Demulder, Regional Vice President
1202 Centre Street SE, Suite 830
Calgary, AB T2G 5A5
Tel: 403.262.1253 x6988 Fax: 403.515.6987
Toll-free: 1.877.262.1253 x6988
Email: bob.demulder@natureconservancy.ca

BRITISH COLUMBIA REGION

Katie Blake, Coordinator of Conservation Projects
825 Broughton Street, Suite 200
Victoria, BC V8W 1E5
Tel: 250.479.3191 x223 Fax: 250.479.0546
Toll-free: 1.888.404.8428 x223
Email: katie.blake@natureconservancy.ca

Approved Natural Area Conservation Plans (NACP) as at 30 Sep 2011*This appendix will be updated as required.*

Region	Natural Area	Approval Date
British	Central Coast Rainforest	2-May-2008
Columbia	Cowichan Valley	14-Sep-2007
	Discovery Pass	3-Oct-2008
	Haida Gwaii	3-Oct-2008
	Heritage Grasslands	8-Feb-2008
	Kootenay Rockies	11-Sep-2009
	Salish Sea	7-May-2010
	South Okanagan Similkameen	8-Feb-2008
	South Selkirks	7-Dec-2007
Alberta	Berry Creek Plain	3-Oct-2008
	Bow	2-Oct-2009
	Castle Crown	26-Feb-2010
	Cooking Lake Moraine	2-May-2008
	Crowsnest Pass	15-May-2009
	Cypress Uplands (AB)	13-Jun-2008
	Milk River Ridge-Foothills Fescue	7-Dec-2007
	Pakowki Lake	4-Dec-2009
	Red Deer River	8-Feb-2008
	Upper North Saskatchewan River Basin	3-Dec-2010
	Waterton	4-Dec-2009
Saskatchewan	Cypress Uplands (SK)	19-Jun-2009
	East Parklands	30-Sep-2011
	Frenchman River Watershed	20-Feb-2009
	Missouri Coteau	14-Sep-2007
	Moose Mountain	6-May-2011
	Old Man on His Back	7-Dec-2007
	Saskatoon Prairie	13-Jun-2008
	Upper Qu'Appelle	8-Feb-2008
	West Parkland	11-Feb-2011
Manitoba	East Parklands	30-Sep-2011
	Interlake	30-Sep-2011
	Oak Lake Sandhills and Wetlands	7-May-2010
	Riding Mountain Aspen Parkland	8-Feb-2008
	Souris River Valley Grassland	26-Feb-2010
	Tall Grass Prairie	3-Oct-2008
	West Souris Mixed-Grass Prairie	4-Dec-2009
	Whitemouth River Watershed	01-Oct-2010
Ontario	Carden Alvar	18-Jun-2010
	Eastern Georgian Bay Coast	17-Jun-2011
	Eastern Lake Ontario Coast	19-Jun-2009
	Essex Forests and Wetlands	11-Sep-2009
	Frontenac Arch	7-Dec-2007

Appendix 6

Region	Natural Area	Approval Date
Ontario (cont'd)	Happy Valley Forest	14-Sep-2007
	Lower Maitland River Valley	11-Feb-2011
	Minesing Wetlands	17-Jun-2011
	Napanee Plain	8-Feb-2008
	Northern Bruce Peninsula	11-Feb-2011
	Northwestern Lake Superior Coast	12-Sept-2008
	Rice Lake Plains	13-Jun-2008
	Skunk's Misery	7-Dec-2007
	Southern Manitoulin Island Coast	7-Dec-2007
	Southern Norfolk Sand Plain	3-Oct-2008
	Western Lake Erie Islands	11-Feb-2011
Quebec	Covey Hill/Covey Hill	2-Oct-2009
	Forillon Corridor/ Corridor Forillon	26-Feb-2010
	Freshwater Estuary / Estuaire d'eau douce	20-Feb-2009
	Gaspé Coastal Habitats / Habitats côtiers de la Gaspésie	20-Feb-2009
	Gatineau Valley / Vallée de la Gatineau	18-Jun-2010
	Lake Champlain / Lac Champlain	19-Jun-2009
	Monteregian Hills/ Collines montréalaises	26-Feb-2010
	Montreal Greenbelt / Ceinture verte de Montréal	11-Sep-2009
	Northern Green Mountains / Montagnes vertes du nord	7-Dec-2007
	Ottawa Valley/Vallée de l'Outaouais	20-Mar-2008
	Richelieu Watershed/ Bassin versant du Richelieu	12-Sep-2008
	St. Maurice Watershed / Bassin versant du Saint-Maurice	4-Dec-2009
	Tremblant-Prévost Corridor / Corridor Tremblant-Prévost	2-May-2008
	Upper St. Lawrence/ Haut-Saint-Laurent	5-Dec-2008
	White Mountains / Montagnes blanches	20-Feb-2009
Atlantic	Acadian Peninsula	20-Mar-2008
	Chignecto Bay (NB)	3-Oct-2008
	Eastern Hyper-oceanic Barrens	20-Feb-2009
	Eastern Shore Forest and Coast	8-Feb-2008
	Fog Forest	7-May-2010
	Lower Bay of Fundy (NB)	19-Jun-2009
	Meduxnekeag Watershed	11-Sep-2009
	New Brunswick Northumberland Strait	15-May-2009
	Nova Scotia Northumberland Strait	13-Jun-2008
	PEI Coast and Forest	2-Oct-2009
	Scotian South Shore	2-May-2008; revised 11-Sept-2009
Southwest Newfoundland	13-Jun-2008	

Eligible Natural Areas Conservation Fund Costs and Matching Funds For Other Qualified Organizations applying to the Natural Areas Conservation Program

Note: Matching funds cannot be from any Canadian federal source and must not have been applied as match in any other federal funding Agreement.

Land Securement Expenses

Expense	Eligible to be reimbursed from Federal Fund	Can count as Matching funds	Comments
Land – purchase price	Yes (Y)	Y	Federal funds cannot be used to cover any amounts over 5% above appraised value.
Conservation Agreement – purchase price	Y	Y	Federal funds cannot be used to cover any amounts over 5% above appraised value.
Land – value of land donated	No (N)	Y	The value must be recognized as revenue and expense in the qualifying organisation's books through a charitable receipt and the property identified as match on the application form
Conservation Agreement – value of Conservation Agreement donated	N	Y	The value must be recognized as revenue and expense in the qualifying organisation's books through a charitable receipt and the property identified as match on the application form
Appraisals	Y	Y	
Surveys	Y	Y	
Legal fees	Y	Y	
Land transfer fees/taxes	Y	Y	
GST/HST paid on purchased property	Y	Y	
Staff time	Y	Y	A day rate, of up to \$350/staff day, may be used. Day rate covers staff expense, travel costs, and telephone and long distance costs.
Consultant time	On a case-by-case basis	On a case-by-case basis	Up to \$350 per day. For example: If a consultant, rather than staff, carries out a securement task (e.g., site environmental assessment) due to the distance from the Other Qualified Organization's office or the need for particular expertise, then this is an eligible expense. Contact Rob Wilson, Federal Partnership Program Manager, to discuss.

Expense	Eligible to be reimbursed from Federal Fund	Can count as Matching funds	Comments
Other direct securement costs	On a case-by-case basis	Y	Other direct securement costs have to be agreed to in writing by the Government of Canada. Contact Rob Wilson to discuss whether the cost can be charged to the Fund.
Land Stewardship Expenses			
Costs associated with the development of a Property Management Plan or Baseline Documentation Report			
Staff time	Y	Y	A day rate, of up to \$350/staff day, may be used. Day rate covers staff expense, travel costs, and telephone and long distance costs.
Consultant time	Y	Y	Up to \$350 per day
Production costs	Y	Y	For example, printing, binding, photo imaging
Costs associated with capital cost and implementation of signage and fencing			
Staff time	N	Y	A day rate, of up to \$350/staff day, may be used. Day rate covers staff expense, travel costs, and telephone and long distance costs.
Signage	Y	Y	
Fencing	Y	Y	
Consultant time	N	Y	Up to \$350 per day
Stewardship endowment			
Contributions to stewardship endowment	N	Y	
Other			
Project communications	N	Y	
Project financial audit	Y	Y	

Invoicing for disbursements from the Natural Areas Conservation Fund

Instructions for approved Applicants

Invoices with supporting documentation are to be sent electronically (*scanned as a PDF at 72 dpi*) to the Federal Partnership Program Manager at rob.wilson@natureconservancy.ca and copied (Cc) to the Federal Partnership Program Coordinator at kendra.pauley@natureconservancy.ca.

1. The first invoice.

This invoice is for the amount of funding in the approved application budget to support the purchase price, the cost of the appraisal, the land transfer tax, goods and services tax and the survey, if applicable. This invoice must be received at NCC 30 days before the property closing date.

2. The second invoice.

This invoice is for the actual approved funding costs incurred to date plus the estimated approved costs to be incurred, less the first payment and less the cost of the Property Management Plan and the audit. The total amount is not to exceed the approved funding less the Property Management Plan and the audit.

3. The third invoice.

This invoice is for the actual cost of the Property Management Plan and the audit.

Total of invoices not to exceed the amount of approved funding.

See sections 9 and 11 of the Guidelines for timing and required documentation.