

SCHEDULE "C"
STATEMENT OF WORK – INVESTMENT FUND
To Contribution Agreement between

HER MAJESTY THE QUEEN IN RIGHT OF CANADA
As represented by the Minister Responsible for the Pacific Economic Development Agency
of Canada

And

COMMUNITY FUTURES DEVELOPMENT CORPORATION
OF CENTRAL INTERIOR FIRST NATIONS

I PROJECT SCOPE – INVESTMENT FUND

1. Contribution Funds to Investment Fund and Interest Earned

Except as otherwise provided below, the Investment Fund shall be used to provide repayable, interest - bearing Loans to Borrowers to assist or expand existing Small and Medium-Sized Enterprise (SME) or to help entrepreneurs and community organizations to create new businesses and Social Enterprises in British Columbia. Until disbursed as Loans to Borrowers, the Recipient is authorized to invest, from time to time, Contribution Funds allocated to the Investment Fund received by it in a low-risk interest-bearing account. Any such interest earned shall be allocated to the Investment Fund.

2. Restricted Use of Investment Fund; Permissible Transfer to Operating Funds Account

- a) Subject to the provisions below, funds allocated to the Investment Fund shall not be used for any other purpose or activities without the prior written approval of PacifiCan.
- b) Notwithstanding Clause in Section I 2. a) above, up to a total of 75% of net growth (net growth = interest and other revenue – bad debt and other expenses) of the Investment Fund during the previous fiscal year, to a maximum of \$100,000, may be transferred into the Operating Funds Account. Interest transfers are subject to the following:
 - i. All Project reporting obligations by the Recipient must be current and in good standing;
 - ii. Interest to be transferred firstly from Non-Repayable Investment Fund where available, then secondly from Conditionally Repayable Investment Funds;
 - iii. All interest transfers cannot impede the Recipient's capacity to make future Loans;
 - iv. Subject to the Minister's discretion, interest transfers are not allowed when the Recipient has an operating surplus;
 - v. Interest transfers cannot reduce the balance of the Investment Fund below the original amount of the total credited to the Investment Fund from all grants or

contributions made by the Government of Canada to the Recipient without the written consent of the Minister;

- vi. The audited financial statements must clearly indicate the amounts of interest transferred from Investment Funds into the Recipient's Operating Funds Account;
- vii. All interest transferred under this clause must be reported to PacifiCan in the Annual Performance Report;
- viii. Interest transfers above 75% of net growth or \$100,000 will need to obtain PacifiCan's prior written approval;
- ix. All interest transfers must be supported by a motion of the Recipient's Board of Directors that specifies the amount of the transfer; and
- x. Interest transferred from Entrepreneurs with Disability Program (EDP) Investment Funds must be used in support of EDP activities.

3. Debt Collection Costs

The Recipient may charge reasonable amounts incurred for Loan debt collection costs to the Recipient's Investment Fund account. Such costs shall be reported to PacifiCan in the audited financial statements.

4. Project Investment Fund Dates

- a) Start Date: April 1, 2021
- b) Completion Date: March 31, 2026
- c) Final Reporting Date Re: Investment Fund Activities: March 31, 2033.

The Recipient shall continue to administer the Investment Fund in accordance with the terms of this Agreement for a period of seven years following the Completion Date, or in the case of termination under Section 10.6 Termination without Default of this Agreement for a period of seven years thereafter from the termination date.

5. Investment Fund Requirements and Obligations

The Recipient shall administer and manage the Investment Fund in accordance with the terms, conditions and provisions set out in the Schedule "G" – Investment Fund Administration Terms and Conditions attached to this Agreement.

The Recipient shall be required to develop and comply with corporate policies that are consistent with Federal and Provincial legislation, including policies for Investment Fund management set out in Schedule "G" – Investment Fund Administration Terms and Conditions.

The Recipient shall be required to account separately for the assets of each of following Investment Funds: the Conditionally Repayable Investment Fund, the Conditionally Repayable EDP Investment Fund, the Non-Repayable Investment Fund, and the Non-Repayable Regional Relief and Recovery Fund (RRRF) Investment Fund.

II REPAYMENT OF INVESTMENT FUND

1. Repayment of the Conditionally Repayable Contributions and any Non-Repayable PacifiCan Contributions to the Investment Fund following an event of default:

The Minister shall be entitled to demand repayment of the Conditionally Repayable Contributions and any Non-Repayable PacifiCan Contributions to the Investment Fund, and to take the actions described in Section II 2. below, in the event of a default by the Recipient in accordance with Section 10.1 (Events of Default under Agreement) of this Agreement or in the event of a default by the Recipient under another agreement in accordance with Section 10.2 (Default under Another Agreement) of this Agreement.

2. Minister's Actions or Demands for Repayment in respect of an event of default:

In the event of default by the Recipient in accordance with Section II 1. above, the Minister shall be entitled to deliver written notice to the Recipient requiring it to do any one or more of the following, within 30 days receipt of the Minister's notice:

- a) to repay to PacifiCan the lesser of:
 - i. the total amount paid by Western Economic Diversification (WD) and PacifiCan to the Recipient for the Investment Fund pursuant to this Agreement and under all previous Community Future (CF) Program Contribution Agreements between the parties; OR
 - ii. the balance of the Investment Fund received by the Recipient that remains undisbursed as Loans granted and not yet committed to disbursement for approved Loans to Borrowers;
- b) to deliver to PacifiCan all records and documentation, including Loan Agreements, evidencing Loans granted by the Recipient to Borrowers;
- c) to assign to the Minister all of its rights and interests, including the right to repayment with interest of debts owed, under the Loan Agreements entered into with Borrowers;
- d) to liquidate all debts owing to the Recipient under Loan Agreements entered into with Borrowers by sale of its Loan Agreement rights and interests to a third party satisfactory to the Minister, or by other means satisfactory to the Minister, and to remit the net proceeds of such liquidation to PacifiCan.

3. Repayment of the Conditionally Repayable Contributions (only) to the Investment Fund:

The Minister shall be entitled to demand repayment of Conditionally Repayable Contributions to the Investment Fund, and to take the actions described in Section II 4. below, in any one of the following events or circumstances:

- a) the Agreement is terminated by either party in accordance with Section 10.6 of the Agreement (Termination Without Default);
- b) the Agreement expires at the Completion Date and the Minister does not extend the Term of the Agreement or extend the Project under any new agreement with the

Recipient;

- c) in the opinion of the Minister, the Investment Fund is no longer necessary or relevant to the development of the economy in British Columbia; or
- d) following a review and evaluation by PacifiCan of the results being achieved by the Recipient's operations and administration of the Investment Fund, the Minister determines that the Investment Fund is no longer providing a satisfactory level of benefits in terms of the development and growth of SMEs and Social Enterprises, including employment creation and strengthening of the economy in British Columbia.

4. Minister's Actions or Demands for Repayment in respect of an event or circumstance set out in Section II 3. above:

If any one or more of the events or circumstances set out in Section II 3. above occurs, the Minister shall be entitled to deliver written notice to the Recipient requiring it to do any one or more of the following, within 30 days receipt of the Minister's notice:

- a) to repay to PacifiCan the lesser of:
 - i. the total amount of the Conditionally Repayable Contributions paid by WD and PacifiCan to the Recipient for the Investment Fund pursuant to this Agreement and under all previous CF Program contribution agreements between the parties; OR
 - ii. the balance of the Investment Fund received by the Recipient from Conditionally Repayable Contributions that remains undisbursed as Loans granted and not yet committed to disbursement for approved Loans to Borrowers;
- b) to deliver to PacifiCan all records and documentation, including Loan Agreements, evidencing Loans granted by the Recipient to Borrowers;
- c) to assign to the Minister all of its rights and interests, including the right to repayment with interest of debts owed, under the Loan Agreements entered into with Borrowers;
- d) to liquidate all debts owing to the Recipient under Loan Agreements entered into with Borrowers by sale of its Loan Agreement rights and interests to a third party satisfactory to the Minister, or by other means satisfactory to the Minister, and to remit the net proceeds of such liquidation to PacifiCan.

5. Recipient's Obligations

When the Recipient has received one of more of the above notices from the Minister the Recipient shall promptly act to comply with and carry out the provisions contained in it / them and shall complete same within 30 days of its receipt of such notice(s) or within any further time as may be granted by PacifiCan.

6. Satisfaction of Debt to Canada

The Minister shall accept that the debt owing to Canada by virtue of the demands contained in the Minister's various notices delivered to the Recipient will have been paid in full when the Recipient has fully satisfied the demands and requirements set out in the delivered notices.

III PROJECT PERFORMANCE MEASUREMENT and REPORTING - INVESTMENT FUND

1. Performance Indicators and Standards – Investment Fund

PacifiCan may prescribe Performance Indicators and associated standards after receiving and reviewing the Recipient's initial annual Operating Plan and may prescribe revised Performance Indicators for subsequent years. The Recipient shall provide targets for all prescribed Performance Indicators in its Annual Operating Plan.

2. Performance Reports – Investment Fund

- a) The Recipient shall provide, semi-annually, in a format provided or approved by the Minister, its quarterly Performance Reports and, Annually, in a format provided or approved by the Minister, its Annual Performance Reports regarding its achievement and shall continue to do so until the provision of the Final Reporting Date.
- b) The Performance Reports shall report the following matters unless advised otherwise by PacifiCan:
 - i. a summary of any milestones completed;
 - ii. the extent to which Performance Indicators were achieved;
 - iii. an explanation, if any, for any Performance Indicator targets not achieved;
 - iv. a description of the results and benefits realized to date; and
 - v. any other Investment Fund achievements of interest to the Minister pertaining to the measurement of the Recipient's performance and/or evaluation of the CF Program.
- c) The Recipient shall inform its Service Clients and Borrowers that representatives of Canada are permitted access to its Service Client and Borrower files for CF Program and Project monitoring, evaluation, and auditing purposes and that its Service Clients and Borrowers may be contacted from time to time by Canada's representatives for these purposes.