

AGREEMENT ON THE FUNDING OF POLICING SERVICES

FOR THE COMMUNITY OF KAHNAWÀ:KE

for the period of April 1st, 2010 to March 31st, 2011

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**AGREEMENT FOR THE FUNDING OF POLICING SERVICES
IN THE COMMUNITY OF KAHNAWÀ:KE
for the period of April 1st, 2010 to March 31st, 2011**

AMONG:

THE MOHAWK COUNCIL OF KAHNAWÀ:KE,
represented by the Policing Portfolio Chief of the
Mohawk Council of Kahnawà:ke
(hereinafter referred to as "the Council")

AND:

HER MAJESTY THE QUEEN IN RIGHT OF CANADA,
represented by the Minister of Public Safety and
Emergency Preparedness
(hereinafter referred to as "Canada")

AND:

THE GOUVERNEMENT DU QUÉBEC,
represented by the Ministre de la Sécurité publique,
by the ministre responsable des Affaires
intergouvernementales canadiennes et de la Réforme
des institutions démocratiques and by the ministre
responsable des Affaires autochtones
(hereinafter referred to as "Québec")

(hereinafter collectively referred to as "the Parties")

WHEREAS the Council, Canada and Québec wish to maintain an effective, efficient, professional and culturally appropriate policing service in the territory of Kahnawà:ke, consistent with the needs and the public safety aspirations of the community of Kahnawà:ke and the principles of policing in Québec;

WHEREAS the Council and Québec initiated talks on the matter of policing in 1989, which resumed in 1993 and culminated in 1995 with a first tripartite policing agreement between the Council, Québec and Canada;

WHEREAS, on October 15th, 1998, the Council and Québec have signed a “Statement of Understanding and Mutual Respect” and a “Framework Agreement” which establishes the basis of their relationship, which include the basis of their relationship as it pertains to policing;

WHEREAS, on March 30th, 1999, the Council and Québec entered into a second policing agreement and this agreement was renewed many times to expire on March 31st, 2010;

WHEREAS, on April 1st, 1999 to March 31st, 2005, the Council and Canada entered into a transitional agreement for the continuance of policing services and this agreement was renewed many times to expire in March 31st, 2010;

WHEREAS, on June 10th, 2009, in a “Statement of Understanding and Mutual Respect”, the Council and Québec have reiterated their mutual policy commitments;

WHEREAS, on July 16th, 2009, the Council and Québec signed a “Framework Agreement” establishing, among other, a general framework to promote the review of existing sectoral agreements, including the 1999 agreement on police services;

WHEREAS the Council and Québec wish to enter into an agreement concerning the modalities relating to the provision of police services in the community of Kahnawà:ke and that the present tripartite agreement will finance policing services for the period of April 1st, 2010 to March 31st, 2011;

WHEREAS this agreement concerning the modalities relating to the provision of police services identified the Kahnawà:ke Peacekeepers as the police service to provide services to the community of Kahnawà:ke and responsible for maintaining the peace, order and public safety, arresting offenders, preventing and curbing acts and offences punishable by law, and enforcing regulations on the Kahnawà:ke territory;

AND WHEREAS Canada and Québec wish now to provide to the Council a financial contribution for expenses incurred by the Kahnawà:ke Peacekeepers in order to continue providing policing services within the territory of Kahnawà:ke;

CONSEQUENTLY, the Parties agree as follows:

PART I

TERMS OF THIS AGREEMENT

1. DESCRIPTION OF THIS AGREEMENT

This Agreement, its preamble and its schedule "A" (Budget) which are forming an integral part of this Agreement, constitute the entire funding agreement among the Parties and supersedes all previous documents, negotiations, understandings and undertakings related to the funding of police services.

2. DECLARATION OF NULLITY, INVALIDITY OR INAPPLICABILITY BY A COMPETENT COURT

Should any provision of this Agreement be declared null, void or inapplicable by a competent court, all other provisions of this Agreement not related to the provision declared null, void or inapplicable shall retain full force and effect. Moreover, the Parties agree to remedy such nullity, invalidity or inapplicability as soon as possible so that the Agreement's objectives can be achieved.

3. LEGAL SCOPE OF THIS AGREEMENT

- 3.1 This Agreement shall not serve to recognize, define, affect, limit or create Aboriginal rights or treaty rights. It shall not be interpreted to be an agreement or treaty within the meaning of section 35 of the *Constitution Act, 1982* (R.S.C. (1985) app. II, n. 44).
- 3.2 The foregoing description of the territory, set out in section 7, is without prejudice to the respective positions of the Council, Canada and Québec with regard to the community's territorial boundaries.
- 3.3 This Agreement binds the successors and duly authorized parties to this effect.

4. APPLICABLE LEGISLATION IN THE INTERPRETATION OF THIS AGREEMENT

For the determination of the applicable legislation to the interpretation of this Agreement, this agreement is deemed to have been concluded in Kahnawà:ke.

5. PURPOSE OF THIS AGREEMENT

The main purpose of this Agreement is to:

- a) ensure that the community of Kahnawà:ke benefits from professional, efficient, and culturally appropriate policing services;

- b) ensure that the general public, within the territory identified in section 7 of this agreement, benefit from professional policing services;
- c) finance the police force (referred to as “Kahnawà:ke Peacekeepers”) to ensure the provision of policing services in the community;
- d) allow the Council to ensure the enhancement of the Kahnawà:ke Peacekeepers;
- e) ensure that the Council establishes structures that are independent of political powers to support the management and administration of the Kahnawà:ke Peacekeepers;
- f) provide a contribution, by Canada and Québec, to the funding of policing services covered under this Agreement.

6. CREATION OF THE KAHNAWÀ:KE PEACEKEEPERS AND INTERNAL MANAGEMENT

- 6.1 The Kahnawà:ke Peacekeepers shall consist of a minimum of 33 police officers (full time) (hereinafter referred to as “the peacekeepers”), including the police director (hereinafter referred to as “the Chief Peacekeeper”).
- 6.2 Support staff shall assist the members of the Kahnawà:ke Peacekeepers with their work.

7. TERRITORY

The description of the territory applicable to this Agreement is the same as the one described in the “Agreement concerning the modalities relating to the provision of police services in the community of Kahnawà:ke”, between the Council and Québec.

8. PEACEKEEPERS SERVICES BOARD

The Council shall establish a public safety committee (hereinafter referred to as “Kahnawà:ke Peacekeepers Services Board”) that will act as an advisory body representative of the community in order to identify community issues, to provide direction with regard to public security priorities, and to provide recommendations to the Kahnawà:ke Peacekeepers.

9. POLICE FACILITY

The Council shall provide a police facility for the use of the Kahnawà:ke Peacekeepers for the provision of policing services.

10. ACQUISITION AND STORAGE OF MATERIAL AND EQUIPMENT

- 10.1 Further to recommendations of the Chief Peacekeeper, the Council shall supply material and equipment needed to provide police services, with the funds provided by Canada and Québec and, in regards to firearms, shall acquire these ones in accordance with the applicable firearms statutes and regulations.
- 10.2 The Peacekeepers Services Board shall provide Québec a complete inventory of weapons of the Police Services, including intermediary weapons within thirty (30) days of the commencement of this Agreement;
- 10.3 Canada shall have a copy of this list upon its request to Québec or to the Council.

11. DISPOSAL OF MATERIAL AND EQUIPMENT

- 11.1 The Council is responsible to apply the funding provided by this agreement for the maintenance of material and equipment of the Kahnawà:ke Peacekeepers.
- 11.2 The Council agrees to replace the material and equipment of the Kahnawà:ke Peacekeepers acquired during the term of this Agreement if:
 - a) the replacement cost of the material or equipment is less than the cost to maintain it; or
 - b) the replacement of the material or equipment is necessary due to wear or obsolescence.
- 11.3 During the term of this Agreement, material and equipment may be sold by the Council at fair market value.

The net proceeds of such sales, should they exceed \$5,000, shall be credited to Canada and Québec in proportion to their initial contributions as set out in article 14.2. The sum due to Canada and Québec can be reimbursed to them by:

- a) reducing proportionally the payment to be made under this Agreement or any other subsequent agreement;
- b) in any other circumstance, the amount owed shall become an amount owing to Canada and Québec, as the case may be, and it shall be reimbursed no later than the thirtieth (30th) day following the transaction date. (*Note: Reimbursements due to Canada shall be made to the Receiver General of Canada and reimbursements due to Québec shall be made to the Ministre des Finances du Québec.*)

Notwithstanding the above, Canada and Québec may, jointly and in writing, agree that the Council use the proceeds of such sales to acquire material and equipment for the provision of policing services.

- 11.4 The current provision is not applicable to situations where a vehicle is traded in for a new replacement.

12. INSURANCE

- 12.1 The Council shall, contract and maintain a comprehensive general liability insurance covering the activities of the Kahnawà:ke Peacekeepers, its employees, officials and agents, affecting police activities, the Kahnawà:ke Peacekeepers Services Board and its members.

This insurance shall offer a protection of an amount of no less than five million dollars (\$5,000,000) per occurrence, insuring against bodily injury, personal injury and property damage, including loss of use thereof, incurred by a third party. The policy shall also provide blanket coverage for contractual liability.

- 12.2 The Council shall provide Canada and Québec with proof of insurance (copy of insurance policy or insurance policies) within thirty (30) days following the commencement of this Agreement.
- 12.3 The Council shall advise Canada and Québec, without delay, if the insurer terminates the insurance.

PART II

FUNDING ARRANGEMENTS FOR POLICING SERVICES

13. INFORMATION TO THE PUBLIC

The Council hereby agrees that the contribution of Canada and Québec with respect to funding of the policing services may be made public by the Mohawk Council of Kahnawà:ke and the ministers in the form of a press release, press conference or otherwise. The Council shall collaborate in the organization of the public announcement.

14. POLICING SERVICES FUNDED BY CANADA AND QUÉBEC AND THE RATIO OF THEIR RESPECTIVE CONTRIBUTION

14.1 The maximum amount of costs for policing services funded by Canada and Québec in accordance with the budget described in Schedule "A", is established at \$ 3,715,289 for fiscal year 2010-2011.

14.2 Canada and Québec shall contribute funds in accordance with the following ratio: Canada shall pay its contribution of fifty-two percent (52%) and Québec shall pay its contribution of forty-eight (48%) percent:

For the 2010-2011 fiscal year, their respective contribution shall be:

- a) \$ 1,931,950 for Canada;
- b) \$ 1,783,339 for Québec.

15. PAYMENT SCHEDULE TERMS AND CONDITIONS

Payment Schedule for Canada:

15.1 For the fiscal year 2010-2011 covered by this Agreement, Canada shall pay the Council its annual contribution based on the following terms:

- a) twenty-five percent (25%) on, or before, May 1st, 2010, pending receipt of an annual cash flow forecast that identifies monthly projections of revenues and expenditures;
- b) twelve point five percent (12,5%) to be provided July 1st, September 1st, October 1st, December 1st, 2010, January 1st, and March 1st, 2011.

Payment Schedule for Québec:

15.2 For the fiscal year 2010-2011, Québec shall pay the Council its annual contribution based on the following terms: twenty-five percent (25%) of Quebec's share on June 1st, August 1st, November 1st, 2010, and February 1st, 2011.

16. CONDITIONS OF FUNDING

- 16.1 The financial contribution of Canada is provided in accordance with its First Nations Policing Program ("FNPP") and in compliance with the policies and terms and conditions related thereto.
- 16.2 The contribution of funds made by Canada or Quebec, under this Agreement, is contingent on:
- a) the existence of an annual appropriation by Parliament, for the fiscal year during which a payment of Canada's contribution is to be made, pursuant to section 40 of the *Financial Administration Act*, (R.S.C.1985, c. F-11).
 - b) the existence of an annual credit required, by the Assemblée nationale, for the fiscal year during which a payment of Québec's contribution is likely to be made.
 - c) the conclusion of an agreement concerning the modalities relating to the provision of police services in the community of Kahnawà:ke, between the Council and Québec, for the period covering this Agreement.
- 16.3 In the event that funding is no longer available or has been decreased, Canada or Québec may reduce their contribution or terminate this Agreement. Such a reduction or termination will take effect thirty (30) days after receipt of a notice that Canada or Québec shall provide to the other Parties. Canada and Québec will engage to explore with the Council for the financing of policing in the community of Kahnawà:ke.

If, following the receipt of a written notice with regards to a contribution reduction, the Council can no longer meet its obligations covered under this Agreement, it may, upon providing a written notice to Canada and Québec, terminate this Agreement as of the thirtieth (30th) day following the receipt of the notice, by Canada and Québec.

17. SURPLUS AND DEFICIT

- 17.1 Any unexpended funding remaining at the expiry of this Agreement will be discussed among the Parties, unless this Agreement is not renewed, replaced or amended for a longer period of time. In those situations, any unexpended funding constitutes a debt due to Canada and Québec.
- 17.2 At the end of this Agreement, any deficit remains the responsibility of the Council.

18. ALLOCATION OF EXPENSES AND ADMISSIBLE COSTS

- 18.1 The Council agrees to allocate funds obtained under this Agreement towards the following expenses:
- a) salaries and wages for peacekeepers, permanent, temporary or casual employees, professional, technical, custodial, clerical and administrative

services, including contributions to employment insurance, pension plans, other employee benefit plans, workers compensation programs, and employee assistance programs;

- b) administrative expenses as agreed to by the Parties, which cannot exceed 15% of the total budget;
- c) costs related to the establishment and maintenance of police governance mechanisms and consultative groups (Kahnawà:ke Peacekeepers Services Board);
- d) operating and maintenance costs if they are not covered elsewhere (e.g. minor repairs to buildings, repairs to vehicles, electrical costs, etc.);
- e) vehicles and other necessary means of transportation;
- f) information technology and communication systems;
- g) training and recruitment activities for peacekeepers as determined by Québec and the Council, including pre-employment training;
- h) rent for the police facility;
- i) rent subsidies for housing of peacekeepers and police officers;
- j) insurance premiums;
- k) legal services, excluding costs related to negotiations;
- l) honoraria or indemnities, as defined as, time-limited remuneration for a volunteer service or participation that is consistent with, and essential to, the management of the police service or governance board;
- m) professional fees related to the preparation of annual audited financial statements.

These expenses constitute admissible costs under the FNPP for Canada.

18.2 The Parties agree that expenses for acquisition and leasing of material and equipment required to provide policing services as set out in section 10 of this Agreement constitute operating costs as described in paragraph d) of subsection 18.1.

18.3 The Parties agree that only the expenses covered under subsection 18.1 are admissible under this Agreement.

19. DECLARATIONS OF THE MOHAWK COUNCIL OF KAHNAWÀ:KE

- 19.1 The Council acknowledges that it does not receive any other funds from any other governmental source that are to be used directly or indirectly, in whole or in part, to attain the objective set out in section 5 of this Agreement.

Subsequently, the Council shall declare in writing and upon receipt, any funds from any other source that are to be used directly or indirectly, in whole or in part, to attain the objective of this Agreement.

- 19.2 In consequence, if any funds are provided by another ministry or organization of the federal or Québec government and are used directly or indirectly, in whole or in part, to attain the objective of this Agreement, Canada and Québec may reduce their respective contribution or request a total or partial reimbursement of such an amount.

The amount of the reduction or the reimbursement due to Canada or Québec is equal to the amounts provided by the other federal or Québec department or agency. Canada or Québec must notify the other parties in writing of the total amount of the reduction carried out and may agree upon a smaller amount to be due. (*Note: Reimbursements due to Canada shall be made to the Receiver General of Canada and reimbursements due to Québec shall be made to the Ministre des Finances du Québec.*)

20. MAINTENANCE OF ACCOUNTING RECORDS, FINANCIAL FILES AND DOCUMENTS

- 20.1 The Council shall:

- a) maintain separate accounting records, including a separate bank account, clearly identifying revenues and expenditures for the provisions of policing services;
- b) maintain financial records with respect to the funds provided under this Agreement in accordance with generally accepted accounting principles as prescribed in the *Canadian Institute of Chartered Accountants Handbook*, including records of all expenditures made by the Council in relation to police services and invoices, receipts and vouchers relating thereto;
- c) retain all materials and records relating to this Agreement and upon this Agreement taking effect, for a period of no less than five (5) years following the expiry or termination of this Agreement.

21. REPORTS

21.1 The Council shall, within eight (8) months following the end of each fiscal year, provide Canada and Québec with:

- a) an annual report of the activities of the Kahnawà:ke Peacekeepers demonstrating that the police services provided were professional, efficient, and culturally appropriate to the community;
- b) an audited financial statement, in accordance with generally accepted accounting principals as prescribed in the *Canadian Institute of Chartered Accountants Handbook*, including a detailed income and expense statement for all the funding received and expenditures incurred for the provision of policing services. This financial statement shall be prepared by qualified accountants, who are independent of the Council, and who are active members in good standing of one of the following professional associations: Ordre des comptables agréés du Québec (CA), Ordre des comptables en management accrédités du Québec (CMA) or the Ordre des comptables généraux licenciés du Québec (CGA).

21.2 The Council shall, within thirty (30) days following the end of each quarter of a Fiscal Year, provide to Canada and Québec an unaudited financial statement (cash flow) of revenues and expenses for the preceding quarter.

22. OVERPAYMENT

The Council is deemed to have received an overpayment of contributions provided, by Canada and Québec, under this Agreement when:

- a) the Council's financial statements, verified by an independent certified accountant, are completed and an overpayment has been identified;
- b) Canada or Québec carries out a financial analysis or audits the financial statements of the Council and an overpayment is identified;
- c) for any other reason, the Council did not have a right to these contributions or if Canada and Québec determine that the sums paid exceed the sum to which the Council had a right.

Any outstanding amount is then considered a debt to Canada and Québec, at their respective rate of funding, and due by the Mohawk Council of Kahnawà:ke. The Council shall reimburse this amount no later than thirty (30) days following the date of receipt of notice, from Canada or Québec. If, however, the overpayment has been identified in the audited financial report, as set out in paragraph a), then the due date for the reimbursement shall be the date of the submission to Canada and Québec, of the audited financial report. (*Note: Reimbursements due to Canada shall be made to the Receiver General of Canada and reimbursements due to Québec shall be made to the Ministre des Finances du Québec*). Any surplus funds can be offset by reducing the contributions made by Canada and Québec.

23. INTEREST CHARGES

Any debt, as described in section 22 of this Agreement, remaining owing and unpaid to Canada shall carry interest calculated and compounded monthly at the average bank rate, within the meaning of such expression as contained in the *Interest and Administrative Charges Regulations*, SOR/96-188, plus three percent (3%), from the due date to the settlement date.

24. AUDIT

24.1 The Council agrees that Canada or Québec may appoint independent auditors, at their expense, during the term of this Agreement and within five (5) years following the expiry or termination thereof to review the records maintained by the Council in order to ensure compliance with all financial and non-financial provisions of this Agreement, including the management of funds by Canada and Quebec and the consistent application of generally accepted accounting principles in the maintenance of financial records. The Council shall provide access without charge to all facilities for such audits during regular working hours within seventy-two (72) hours after receiving written notification. The results of any audits completed by Canada may be made available to the public through posting on the internet site of Public Safety and Emergency Preparedness (www.PublicSafety.gc.ca).

24.2 The Council shall make records and information available to the ministère de la Sécurité publique du Québec when requested.

25. ASSIGNMENT AND SUBCONTRACTING

25.1 The Council will not assign this Agreement, any part thereof, or any payments to be made hereunder.

25.2 The Council will not delegate the administrative management of the police services.

PART III

GENERAL PROVISIONS

26. DIRECT OR INDIRECT BENEFITS

No member of Parliament or current or former public office holder of Canada may receive a direct or indirect benefit from this Agreement or obtain any advantage resulting from it unless they are complying with Canada's and Québec laws, regulations or policies, as the case may be, including, for Canada, the requirements under the *Parliament of Canada Act* (R.S.C. 1985, c. P-1.01), the *Conflict of Interest Act* (S.C. 2006, c. 9), or the *Values and Ethics Code for the Public Service*.

27. LOBBYING

The Council confirms that no persons carrying out lobbying under the meaning of the *Lobbying Act* (R.S.C. 1985, c. 44) and the *Lobbying Transparency and Ethics Act* (R.S.Q., c. T-11.011) is involved in negotiating or securing this Agreement and certifies that no commission or contingency fees have been paid or are payable, directly or indirectly, to any third party by the Council in regards to the negotiation or obtaining of this Agreement. If this certification is false, Canada and Québec may recover by way of deduction from their share the full amount of the contingency fee.

28. ETHICS, PROFESSIONAL CONDUCT AND CONFLICT OF INTEREST

This Agreement shall apply in accordance with the applicable rules of ethics, professional conduct and conflict of interest.

29. NO PARTNERSHIP

- 29.1 The Council, or one of its members, shall not represent itself, in an agreement with a third party or otherwise, as being a partner, joint-venturer, agent or employee of Canada or Québec. Canada and Québec have no responsibility for fulfillment of any obligation into which the Council may enter into as a result of this Agreement, including, without limitation, any loan, capital lease or other long term obligation.
- 29.2 It is agreed that personnel employed as a result of this Agreement are and shall remain persons providing services to the Council, and nothing in this Agreement is to be read or construed as conferring upon the Council or its members, officers, employees, agents the status of officer, employee, servant or agent of Canada or Québec or the status of a person acting in a partnership or a joint venture with Canada or Québec.

30. INDEMNIFICATION

- 30.1 The Council shall indemnify and save harmless Canada and Québec and their respective employees and agents from and against all claims, losses, damage, actions, causes of actions, costs and expenses or liabilities that may arise directly or indirectly out of any act, omission or delay or negligence on the part of the Council or its members, employees or agents in carrying out this Agreement. Such indemnity shall survive the termination or expiry of this Agreement for matters that occurred prior to the termination or expiry of this Agreement.
- 30.2 Neither Canada nor Québec shall be responsible for the death, or any bodily or personal injury or property damage of any nature whatsoever that the Council or their respective members, employees, agents or third parties may suffer or sustain, during the implementation of this Agreement, unless these damages have been caused by an employee or agent of Canada or Québec in the performance of their duties.

31. ACCESS TO INFORMATION AND PRIVACY

Information gathered by the Parties is subject to the rights and protection contained under pertinent legislation, regarding access to information and privacy law.

PART IV

FINAL PROVISIONS

32. ACCOUNTABILITY OF THE MOHAWK COUNCIL OF KAHNAWÀ:KE

The Council shall remain, at all times, accountable for the obligations and responsibilities attributed to it which are contained in this Agreement or that may arise in carrying out this Agreement and the Council shall, at all times, ensure that all the obligations under this Agreement are fulfilled.

33. LIAISON COMMITTEE

33.1 A Liaison Committee is hereby established to oversee the implementation of the agreement, ensure continued communication between parties, and endeavour to resolve disputes arising from any issue relating to the interpretation and application of this Agreement through discussions between the parties, as required.

33.2 The Liaison Committee consists of at least three (3) persons, each representing one of the Parties to this Agreement.

Each Party is responsible for designating the person who will serve as its representative on the Committee. Each Party shall inform the other Parties of the identity of its representative within thirty (30) days upon the signature of this Agreement, or within thirty (30) days following a replacement.

33.3 The Liaison Committee shall meet whenever, but at least once every three (3) months. In case of emergency, the Liaison Committee will meet as soon as possible.

33.4 The principal responsibilities of the Liaison Committee shall include:

- a) maintaining a forum for liaison and promotion of cooperation among Canada, Québec and the Council;
- b) receiving annual activity reports from Kahnawà:ke Peacekeepers Services Board and submitting them to the Parties to this Agreement;
- c) reviewing annual and special budgetary requests and submitting them to the Parties to this Agreement;
- d) making the appropriate recommendations to the Parties to this Agreement concerning the implementation of this Agreement.; and
- e) discussing the implication of all amounts owing to Canada or Québec, declared by the Council, under any contribution agreement or regulation. The Council agrees that such amounts may be offset through the contributions provided by Canada and Québec under this Agreement.

- 33.5 The Parties to this Agreement undertake to inform the Liaison Committee in writing on a timely basis of any matter of substantial concern that may have an adverse impact on policing. In such a case, the Parties shall provide the liaison Committee with a mandate to resolve the issue or to provide recommendations to the Parties.

The Committee's recommendations are made by consensus but are not binding on the Parties to this Agreement.

- 33.6 It is understood that the Liaison Committee would be provided with a minimum time frame of thirty (30) days within which to report back to the Parties with options to resolve the matter. It is further understood that the Liaison Committee may recommend interim and/or permanent solutions to the issues.

34. AMENDMENT

This Agreement may be amended by the mutual written consent of the Parties. In order to be valid, any amendments to this Agreement must be made in writing and signed by the Parties or their duly authorized representatives, except for any amendments to Schedule "A".

35. DEFAULT

- 35.1 Where there is default or there is a likelihood of default of one Party's obligations or where one of its representatives or agents makes or has made a false or misleading statement, one of the other Parties may:

a) terminates the Agreement in accordance with the terms set out in section 37.

If the Council is in default, Canada and Québec may:

a) reduce the contribution paid to the Council; or

b) suspend any payment.

- 35.2 Where there is such default, one of the Parties shall provide the defaulted Party and the other Party, with written notice indicating said default and setting out its intention to exercise the rights under subsection 37, if the defaulted Party does not remedy the default within thirty (30) days.

- 35.3 All Parties shall not be considered as having waived a remedy or a right under this Agreement other than by written notice to all Parties to this effect. The fact that one of the Parties refrains from exercising a remedy or any right herein shall not be considered to be a waiver of such remedy or right and, furthermore, partial or limited exercise of a remedy or right conferred on that Party shall not prevent the Party in any way from later exercising any other remedy or right under this Agreement or other applicable law.

36. DISPUTE RESOLUTION

- 36.1 The Parties undertake to foster the resolution of disputes arising from the interpretation or application of this Agreement in a spirit of conciliation, cooperation and harmony.
- 36.2 In the event of a dispute, any Party may refer the matter at issue in writing to the Committee so that the Committee can endeavour to resolve the matter within sixty (60) days. To assist it in resolving the dispute, the Committee may seek the services of a third party in order to obtain advice and counsel.
- 36.3 If the Committee is unable to resolve the dispute within sixty (60) days, it shall inform the Parties accordingly and allow them to make representations. Any Party may then submit the matter to a court of competent jurisdiction unless one of the Parties chooses to terminate the Agreement in accordance with section 37.

37. TERMINATION

- 37.1 This Agreement may be terminated under the following conditions:
- a) by Canada or Québec, when, as set out in subsection 16.2, funding is no longer available or the appropriation has been decreased;
 - b) by the Council, as set out in subsection 16.2, following a reduction of funds by Canada or Québec, whereby the Council can no longer fulfill its obligations under this Agreement;
 - c) by any Party if one of them has not remedied the default to the satisfaction of the other Party within the thirty (30) day period as set out in section 35; or
 - d) at any time, by any Party, even if there is no default committed by another Party.
- 37.2 The termination shall take effect:
- a) subject to paragraph a) of subsection 37.1, thirty (30) days upon receipt of the notice that one of the Parties, as the case may be, informs the other Parties;
 - b) subject to paragraph b) of subsection 37.1, thirty (30) days upon receipt, by Canada and Québec, of a notice from the Council to this effect;
 - c) subject to paragraph c) of subsection 37.1, on the date indicated in the notice provided by any of the Parties to this effect;
 - e) subject to paragraph d) of subsection 37.1, upon expiry of ninety (90) days following the date of receipt of a written notice to this effect to the other Parties, unless all the Parties agree upon another date in writing.

38. CARRYING OUT CERTAIN OBLIGATIONS BY THE COUNCIL IN THE EVENT OF A TERMINATION OR NON-RENEWAL OF THIS AGREEMENT

Upon termination or expiry of this Agreement, if it is not being renewed, the Council shall:

- a) provide Canada and Québec a complete inventory of weapons of the Kahnawà:ke Peacekeepers, including intermediary weapons;
- b) ensure that weapons in possession of the Kahnawà:ke Peacekeepers are sold to another police force or destroyed according to the applicable legislation;
- c) sell at market value, all other material and equipment acquired with funds provided under this Agreement;
- d) pay all the amounts due for goods and services provided under this Agreement before its termination or expiry;
- e) reimburse Canada and Québec their share of contributions paid but not spent, in proportion to their initial contributions, within thirty (30) days following the termination or expiry of this Agreement;
- f) reimburse Canada and Québec any other funds due to them under this Agreement in accordance with the terms and conditions covering each of these sums.

The proceeds of this sale shall be considered as an amount owing to Canada and Québec in proportion to their initial contributions and shall be reimbursed no later than the thirtieth (30th) day following the transaction date. *(Note: Reimbursements due to Canada shall be made to the Receiver General of Canada and reimbursements due to Québec shall be made to the Ministre des Finances du Québec.)*

The Council requests that an evaluation of the market value of goods acquired under their own investments since the creation of the Kahnawà:ke Peacekeepers should be made prior to the identification of the total amount owing to Canada and Québec.

Any amount remaining owing and unpaid after such a deadline shall carry interest calculated and compounded monthly at the average bank rate, within the meaning of such expression as contained in the *Interest and Administrative Charges Regulations*, SOR/96-188, plus three percent (3%), from the due date to the settlement date.

39. NOTICE

- 39.1 Any notice, request, information or any other document required with respect to this Agreement shall be deemed to be served if mailed or transmitted by fax. Any notice sent or transmitted by fax shall be deemed to have been received one business day after it was sent; any mailed notice shall be deemed to have been received eight (8) business days following its mailing.

All correspondence shall be sent to the following coordinates:

For the Mohawk Council of Kahnawà:ke : Mohawk Council of Kahnawà:ke
Attention: Policing Portfolio Chief
P.O. Box 720
Mohawk Territory of Kahnawà:ke
J0L 1B0
Fax: (450) 632-7276

For Canada: Public Safety Canada
Aboriginal Policing Directorate
Attention: Regional Manager, Québec
115, rue du Loup
Wendake, Québec G0A 4V0
Fax: (418) 840-1872

For Québec: Direction des affaires autochtones
Ministère de la Sécurité publique du Québec
2525, boul. Laurier
Tour du St-Laurent, 5^e étage
Québec (Québec) G1V 2L2
Fax: (418) 646-1869

39.2 Each Party shall notify the other Parties in writing of any change of address or fax number.

40. DURATION OF THIS AGREEMENT

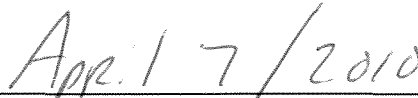
This Agreement will come into effect on the date on which it is signed by all Parties and covers the period from April 1st, 2010 to March 31st, 2011.

IN WITNESS WHEREOF, the Parties or their duly authorized representatives have signed:

FOR THE MOHAWK COUNCIL OF KAHNAWÀ:KE,




THE POLICING PORTFOLIO CHIEF



signed on

FOR HER MAJESTY THE QUEEN IN RIGHT OF CANADA,

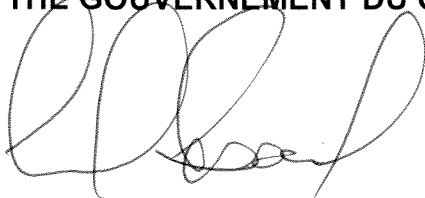


THE MINISTER OF PUBLIC SAFETY AND
EMERGENCY PREPAREDNESS

MAR 31 2010

signed on

FOR THE GOUVERNEMENT DU QUÉBEC,



THE MINISTRE DE LA SÉCURITÉ PUBLIQUE



signed on



THE MINISTRE RESPONSABLE DES AFFAIRES
INTERGOUVERNEMENTALES CANADIENNES
ET DE LA RÉFORME DES INSTITUTIONS
DÉMOCRATIQUES



signed on

AND



THE MINISTRE RESPONSABLE
DES AFFAIRES AUTOCHTONES



signed on

SCHEDULE "A"

BUDGET OF THE KAHNAWÀ:KE PEACEKEEPERS

	2010-2011
Revenues	\$ 3 715 289
Canada	\$ 1 931 950
Québec	\$ 1 783 339
Eligible expenses	
Salaries and wages	\$ 2 744 950
Administrative expenses (maximum 15 % of the total budget)	\$ 55 729
Costs related to maintenance/leasing of equipment	\$ 130 000
Maintenance and Operating Costs of Police Office Building	\$ 39 748
Vehicles and other necessary means of transportation	\$ 120 000
Information technology and communication systems	\$ 45 000
Training and recruitment, including pre-employment, on-the-job and in-service training	\$ 220 162
Rent for the police facility	\$ 76 632
Rent subsidies for housing of officers	\$ 0
Insurance premiums	\$ 137 068
Legal services excluding costs related to negotiations	\$ 21 000
Professional fees related to the preparation of annual audited financial statements	\$ 25 000
Peacekeepers Services Board	\$ 100 000
Total	\$ 3 715 289

These budget items should be the list of items used by the Professional auditor in the preparation of the annual audited financial statements