



Contract #C22G240010

SHARED COST ARRANGEMENT

THIS AGREEMENT dated for reference the 19th day of July, 2021.

BETWEEN:

DESTINATION BC CORP., doing business as DESTINATION BRITISH COLUMBIA (“Destination BC”) with the following specified address:

12th Floor – 510 Burrard Street
Vancouver, BC V6C 3A8

AND:

TOURISM ASSOCIATION OF VANCOUVER ISLAND (the “Recipient”), with the following specified address:

201-1934 Boxwood Road
Nanaimo, BC V9S 5Y2

BACKGROUND

- A. Destination BC’s mandate includes the promotion of the development and growth of the tourism industry in the province of British Columbia, including by providing industry leadership in tourism marketing and support for regional, sectoral and community tourism marketing;
- B. The Recipient is a regional destination management organization that contributes regional leadership, destination management, on the ground business intelligence, stakeholder relationships, research and data, and operational expertise important to the BC tourism ecosystem; and
- C. Destination BC and the Recipient now wish to enter into this Shared Cost Arrangement (the “Agreement”), on the terms and conditions set forth below.

Destination BC and the Recipient therefore agree as follows:

SECTION 1 - DEFINITIONS

1.01 In addition to terms defined elsewhere in this Agreement, where used in this Agreement:

- (a) “Business Day” means a day, other than a Saturday or Sunday, on which Destination BC offices are open for normal business in British Columbia;

- (b) "Emergency" has the meaning given to that term in the [Emergency Program Act](#);
- (c) "Fiscal Year" means the period beginning on April 1st of a calendar year and ending on March 31st of the following calendar year.
- (d) "Financial Contribution" means the contribution to be provided by Destination BC to the Recipient as set out in Schedule "B";
- (e) "FOIPPA" means the [Freedom of Information and Protection of Privacy Act](#);
- (f) "Material" means all findings, data, reports, documents, records and other material (both printed and electronic), whether complete or otherwise, that have been produced, received, compiled or acquired by the Recipient as a direct result of this Agreement, but does not include the Received Material;
- (g) "Overpayment" means any portion of the Financial Contribution provided by Destination BC to the Recipient in error or under circumstances in which the Recipient has not complied with the provisions of this Agreement;
- (h) "Personal Information" has the meaning given to that term in FOIPPA;
- (i) "Program" means the program that is being supported and/or provided by Destination BC in relation to which the Financial Contribution is being made available to the Recipient, the relevant details of which are set out, if applicable, in Schedule "A";
- (j) "Project" means any project, initiative or other activity to be provided or supported by or on behalf of the Recipient utilizing all or any portion of the Financial Contribution in accordance with this Agreement;
- (k) "Received Material" means all findings, data, reports, documents, records and other material (both printed and electronic), whether complete or otherwise, that have been received by the Recipient or a Subcontractor from or on behalf of Destination BC;
- (l) "Services" means all of the services and other activities to be provided, and any requirements to be met, by or on behalf of the Recipient in association with its operation, delivery, performance, provisions, administration and/or support of the Project as more particularly described in Schedule "A";
- (m) "Subcontractor" means a person described in section 15.02; and
- (n) "Term" means the term of this Agreement as set out in Schedule "A".

1.02 Where appropriate in the context, the definition of "record" in the *Interpretation Act* is incorporated into this Agreement and "records" will bear the corresponding meaning.

SECTION 2 – PROVISION OF SERVICES

2.01 The Recipient must provide the Services during the Term in accordance with this Agreement.

SECTION 3 - PAYMENT OF THE FINANCIAL CONTRIBUTION

- 3.01 Subject to the provisions of this Agreement, Destination BC will provide the Financial Contribution to the Recipient, in the amount and manner and at the times set out in Schedule "B". In no event will the Financial Contribution exceed the "maximum amount" set out in Schedule "B".
- 3.02 The Recipient must:
- (a) apply for, and use reasonable efforts to obtain, any refund or remission of provincial or federal tax or duty available with respect to any items that Destination BC has paid for or agreed to pay for under this Agreement, and
 - (b) on receipt of the refund or remission, unless otherwise agreed to by the parties in writing, remit such refund or remission to Destination BC.
- 3.03 Without limiting section 14.03, Destination BC may withhold from the Financial Contribution an amount sufficient to indemnify Destination BC against any liens or other third-party claims that may arise in connection with the provision of the Services.
- 3.04 Destination BC may temporarily or permanently withhold from or set-off against any portion of the Financial Contribution due to the Recipient an amount sufficient to offset any Overpayment.
- 3.05 Notwithstanding any other provision of this Agreement, the Recipient must, within 10 days of receipt of a written demand from Destination BC, repay to Destination BC any Overpayment.
- 3.06 Unless otherwise specified in this Agreement, all references to money are in Canadian dollars.

SECTION 4 – REPRESENTATIONS, WARRANTIES AND COVENANTS

- 4.01. The Recipient represents and warrants to Destination BC with the intent that Destination BC will rely thereon in entering into this Agreement that:
- (a) all information, financial and other statements, documents, invoices and reports furnished or submitted by it to Destination BC in connection with this Agreement are true and correct;
 - (b) it has, and will maintain throughout the Term, sufficient trained staff, facilities, materials, appropriate equipment, and approved sub contractor agreements in place and available to enable it to perform the Services;
 - (c) it holds all permits, licenses, approvals, and statutory authorities issued by any government, or government agency that are necessary for the performance of the Recipient's obligations under this Agreement;
 - (d) it has no knowledge of any fact that materially adversely affects, or so far as it can foresee, might materially adversely affect, its properties, assets, condition (financial or otherwise), business or operations or its ability to fulfill its obligations under this Agreement;

- (e) it is not in breach of, or in default under, and will continue to comply with any law, statute or regulation of Canada or Province of British Columbia applicable to or binding on it or its operations; and
- (f) it has the legal capacity to enter into this Agreement, to carry out the Services contemplated by this Agreement and all necessary proceedings have been taken and done to authorize the execution and delivery of this Agreement by the Recipient, and this Agreement has been legally and properly executed by the Recipient and is legally binding on it and enforceable against it.

4.02 All statements contained in any certificate, application, proposal or other document delivered by or on behalf of the Recipient to Destination BC under this Agreement or in connection with any of the transactions contemplated hereby will be deemed to be representations and warranties by the Recipient under this Agreement.

4.03 All representations, warranties, covenants and agreements made herein, and all certificates, applications or other documents delivered by or on behalf of the Recipient are material and will have been relied upon by Destination BC and will continue in full force and effect during the Term of this Agreement.

SECTION 5 - RELATIONSHIP

5.01 No partnership, joint venture, agency, or other legal entity will be created by or will be deemed to be created by this Agreement or any actions of the parties pursuant to this Agreement.

5.02 The Recipient will be an independent contractor and not the servant, employee, or agent of Destination BC.

5.03 The Recipient will not in any manner whatsoever commit or purport to commit Destination BC to the payment of money to any person, firm, or corporation without the prior written consent of Destination BC.

5.04 Destination BC may, from time to time, give instructions to the Recipient in relation to the Services, and the Recipient will comply with those instructions but, unless otherwise specified in this Agreement, the Recipient may determine the manner in which those instructions are carried out.

SECTION 6 - RECIPIENT'S OBLIGATIONS

6.01 The Recipient will:

- (a) provide the Services in accordance with the terms of this Agreement during the Term;
- (b) comply with the payment requirements set out in Schedule "B", including all requirements concerning the use, application and expenditure of the Financial Contribution provided under this Agreement;
- (c) comply with all applicable laws, including without limitation laws applicable to the Recipient's collection, use and disclosure of Personal Information;

- (d) hire and retain only qualified staff and, if approved by Destination BC, subcontractors;
- (e) unless agreed otherwise supply, at its own cost, all labour, materials and approvals necessary to carry out the Services;
- (f) co-operate with Destination BC in making such public announcements regarding the Services and the details of this Agreement as Destination BC requests;
- (g) except as otherwise contemplated in subsection (h) of this section, obtain the prior written approval of Destination BC for any Recipient press releases, public announcements and communications materials with respect to this Agreement or the subject matter of this Agreement; and
- (h) acknowledge the financial contribution made by Destination BC to the Recipient for the Services:
 - (i) in forms, brochures and other promotional materials used by the Recipient in connection with the Services, by printing on each of those materials the following statement: *"We gratefully acknowledge the financial support of the Province of British Columbia and Destination BC"*, and
 - (ii) on any signs posted by the Recipient in connection with the Services, provided that the Recipient has obtained the prior written approval of Destination BC concerning form, content and location of any such signs.

SECTION 7 - RECORDS

7.01 The Recipient will:

- (a) establish and maintain complete and accurate accounting and administrative records in respect of the Financial Contribution and the provision of the Services, in form and content satisfactory to Destination BC;
- (b) establish and maintain books of account, invoices, receipts, and vouchers for all expenses incurred in connection with its provision of the Services in form and content satisfactory to Destination BC; and
- (c) permit Destination BC, for contract monitoring and audit purposes, at all reasonable times, upon reasonable notice, to enter any premises used by the Recipient or any Subcontractor to deliver the Services or to keep any documents or records pertaining to the Services, in order for Destination BC to inspect, audit, examine, review and copy any or all of the books of account and other records referred to in subsections (a) and (b) of this section, the Material and the Received Material.

7.02 The Parties acknowledge and agree that:

- (a) Destination BC does not have control, for the purpose of FOIPPA, of the records held by the Recipient; and
- (b) all records submitted by the Recipient to Destination BC or otherwise obtained by Destination BC from the Recipient, including reports, are subject to the access and privacy provisions of FOIPPA.

SECTION 8 - STATEMENTS AND ACCOUNTING

- 8.01 Within 3 months following the completion of each fiscal year of the Recipient during the Term, and at any other time within 3 months of being requested to do so by Destination BC, but no later than the seventh anniversary of the end of the Term, the Recipient must provide to Destination BC a statement documenting its expenditure of the Financial Contribution under this Agreement and accounting for any and all Overpayments, in form and content satisfactory to Destination BC, and:
- (a) if it has audited financial statements prepared annually, provide its most recent audited financial statements, prepared by a recognized accounting firm, and, when available, the audited financial statements for the Recipient's fiscal year(s) covering any portion of the Term of this Agreement; or
 - (b) if it does not have audited financial statements prepared annually, at Destination BC's discretion:
 - (i) have prepared by a recognized accounting firm, and provide, audited financial statements for the Recipient's fiscal year(s) covering any portion of the Term of this Agreement; or
 - (ii) provide to Destination BC a statement documenting its expenditure of the Financial Contribution under this Agreement, in form and content satisfactory to Destination BC.
- 8.02 Other than audited financial statements prepared by a recognized accounting firm, all financial statements or reports submitted by the Recipient must be certified by a senior officer of the Recipient's organization (such as a Chief Executive Officer or Chief Financial Officer) attesting to the correctness and completeness of the financial information provided.
- 8.03 At the sole discretion of and as directed by Destination BC, any portion of the Financial Contribution provided to the Recipient under this Agreement and not expended at the end of the Term, including any Overpayment not set-off by Destination BC in accordance with section 3.04, must be:
- (a) returned by the Recipient to Destination BC;
 - (b) retained by the Recipient as supplemental funding provided for under an amendment to this Agreement; or
 - (c) deducted by Destination BC from any future funding requests submitted by the Recipient and approved by Destination BC.

SECTION 9 - CONFLICT OF INTEREST

- 9.01 Prior to entering into this Agreement and throughout the Term, the Recipient will disclose to Destination BC any contract, arrangement, consultant, major shareholder, employee or any other circumstance, whether temporary or ongoing in nature, that could be perceived to be a conflict of interest with Destination BC or the Recipient's provision of the Services.

9.02 The Recipient will not perform a service for or provide advice to any person, or entity where the performance of such service or the provision of the advice may, in the reasonable opinion of Destination BC, give rise to a conflict of interest between the obligations of the Recipient to Destination BC under this Agreement and the obligations of the Recipient to such other person or entity.

SECTION 10 - CONFIDENTIALITY

10.01 The Recipient will treat as confidential the Received Material, this Agreement and any other information which comes to its knowledge as a result of this Agreement and will not, without the prior written consent of Destination BC, permit its disclosure except:

- (a) as necessary to enable the Recipient to fulfill its obligations under this Agreement or to comply with applicable law; or
- (b) the information is generally known to the public other than as a result of a breach of this Agreement.

SECTION 11 - DEFAULT

11.01 Any of the following events will constitute an Event of Default by the Recipient:

- (a) the Recipient fails to comply with any provision of this Agreement;
- (b) any representation or warranty made by the Recipient under this Agreement is or becomes untrue or incorrect;
- (c) any information, statement, certificate, report or other document furnished or submitted by or on behalf of the Recipient pursuant to or as a result of this Agreement is or becomes untrue or incorrect;
- (d) the Recipient ceases, in the opinion of Destination BC, to operate or to carry on business in a manner required to support its provision of the Services;
- (e) a change occurs with respect to any one or more of the properties, assets, condition (financial or otherwise), business or operations of the Recipient which, in the opinion of Destination BC, materially adversely affects the ability of the Recipient to fulfill its obligations under this Agreement;
- (f) an order is made, or a resolution is passed, or a petition is filed for the liquidation or winding up of the Recipient;
- (g) the Recipient becomes insolvent or commits an act of bankruptcy or makes an assignment for the benefit of its creditors or otherwise acknowledges its insolvency;

- (h) a bankruptcy petition is filed or presented against, or a proposal under the *Bankruptcy and Insolvency Act* (Canada), the *Companies' Creditors Arrangements Act* (Canada) or similar legislation is made by, the Recipient;
- (i) a receiver or receiver manager of any property of the Recipient is appointed; or
- (j) the Recipient permits any sum which is not disputed to be due by it to remain unpaid after legal proceedings have been commenced to enforce payment thereof.

SECTION 12 - TERMINATION

12.01 Upon the occurrence of any Event of Default or at any time thereafter Destination BC may, notwithstanding any other provision of this Agreement, at its option, elect to do any one or more of the following:

- (a) immediately terminate this Agreement, in which case the payment by Destination BC of the amount required under subsection 12.04(a) of this Agreement will discharge Destination BC of all liability to make payments to the Recipient under this Agreement;
- (b) require the Event of Default be remedied within a time period specified by Destination BC;
- (c) suspend any installment of the Financial Contribution or any other amount that is due to the Recipient while the Event of Default continues;
- (d) waive in writing the Event of Default; or
- (e) pursue any remedy or take any action available to it at law or in equity.

12.02 This Agreement may also be terminated for any reason:

- (a) by Destination BC upon no less than 120 days written notice to the Recipient; or
- (b) by the Recipient, on no less than 60 days prior written notice to Destination BC

and, in either case, the payment by Destination BC of the amount required under subsection 12.03 of this Agreement will discharge Destination BC of all liability to make payments to the Recipient under this Agreement.

12.03 Where this Agreement is terminated before full completion of the Services:

- (a) Destination BC will pay to the Recipient that portion of the Financial Contribution which is equal to the portion of the Services completed to the satisfaction of Destination BC prior to termination, less any Overpayments and any amount withheld by Destination BC pursuant to section 3.03; and
- (b) the Recipient will, within 30 days of such termination, repay to Destination BC any portion of the Financial Contribution which corresponds with the portion of the Services that Destination BC has

notified the Recipient in writing was not completed to Destination BC's satisfaction before termination of this Agreement.

SECTION 13 - DISPUTE RESOLUTION

- 13.01 Unless the parties otherwise agree in writing, in the event of any dispute between the parties arising out of or in connection with this Agreement, the following dispute resolution process will apply:
- (a) the parties must initially attempt to resolve the dispute through collaborative negotiation;
 - (b) if the dispute is not resolved through collaborative negotiation within 15 Business Days of the dispute arising, the parties must then attempt to resolve the dispute through mediation under the rule of the Mediate BC Society; and
 - (c) if the dispute is not resolved through mediation within 30 Business Days of the commencement of mediation, the dispute must be referred to and finally resolved by arbitration administered by the Vancouver International Arbitration Centre under the *Arbitration Act* and conducted in accordance with its Rules of Arbitration by a single arbitrator.
- 13.02 Unless the parties otherwise agree in writing, an arbitration under section 13.01 will be held in Vancouver, British Columbia.
- 13.03 Unless the parties otherwise agree in writing or the arbitrator otherwise orders, the parties must share equally the costs of an arbitration under section 13.01 other than those costs relating to the production of expert evidence or representation by counsel.

SECTION 14 - INSURANCE AND INDEMNITY

- 14.01 The Recipient must comply with Schedule "C", which may be amended from time to time at the sole discretion of Destination BC on written notice to the Recipient.
- 14.02 Without limiting the generality of subsection 6.01(c), the Recipient will comply with, and must ensure that any Subcontractors comply with, all applicable occupational health and safety laws in relation to the performance of the Recipient's obligations under this Agreement, including the *Workers Compensation Act* in British Columbia or, as applicable, the similar laws of other jurisdictions.
- 14.03 The Recipient will indemnify and save harmless Destination BC, its directors, officers, employees, contractors and agents, from any losses, claims, damages, actions, causes of action, costs and expenses that Destination BC or any of its directors, officers, employees, contractors or agents may sustain, incur, suffer or put to at any time either before or after this Agreement ends, including any claim of infringement of third-party intellectual property rights, where the same or any of them are based upon, arise out of or occur, directly or indirectly, by reason of:
- (a) any act or omission by the Recipient, or by any of the Recipient's agents, employees, officers, directors, or Subcontractors in connection with this Agreement; or
 - (b) any representation or warranty of the Recipient being or becoming untrue or incorrect,

excepting always liability arising out of the negligent acts or omissions of Destination BC or its directors, officers, employees, contractors, or agents.

SECTION 15 - ASSIGNMENT AND SUBCONTRACTING

15.01 The Recipient will not, without the prior written consent of Destination BC:

- (a) assign, either directly or indirectly, this Agreement or any right of the Service Provider under this Agreement; or
- (b) subcontract any obligation of the Recipient under this Agreement.

15.02 The Recipient must ensure that:

- (a) any person retained by the Recipient to perform obligations under this Agreement; and
- (b) any person by a person by a person described in subsection (a) of this section to perform those obligations

fully complies with this Agreement in performing those obligations.

15.03 No subcontract, whether consented to or not, entered into by the Recipient will relieve the Recipient from any of its obligations under this Agreement or impose upon Destination BC any obligation or liability arising from any such subcontract.

15.04 This Agreement will be binding upon Destination BC and its assigns and the Recipient and its successors and permitted assigns.

SECTION 16 - OWNERSHIP

16.01 Destination BC exclusively owns all property and intellectual property rights, including copyright, in the Received Material and any information, equipment or other property provided by or on behalf of Destination BC to the Recipient as a result of this Agreement and the Recipient will forthwith deliver any and all such Received Material, information, equipment or other property to Destination BC on written notice to the Recipient requesting delivery of the same, whether such a notice is given before, upon, or after the expiration or sooner termination of this Agreement.

16.02 As between the Recipient and Destination BC, the Recipient exclusively owns all intellectual property rights, including copyright, in the Material.

SECTION 17 - OTHER FUNDING

17.01 If the Recipient receives funding for or in respect of the Services from any other person, firm, corporation or other government or governmental body, then the Recipient will immediately inform Destination BC and provide a summary of the funding received, and at Destination BC's request, the Recipient will provide Destination BC with full and complete details thereof. Destination BC, in its sole discretion, may determine

whether such funding results in an Overpayment which may result in Destination BC, in its sole discretion, exercising its rights pursuant to section 3.04 of this Agreement.

- 17.02 The Recipient may secure additional funding for projects, initiatives and services from other sources, provided the projects or initiatives are not in conflict with the Recipient's commitments under this Agreement, and subject to the Recipient's compliance with the provisions of this Agreement, including without limitation this Article 17.
- 17.03 The Recipient may leverage the Financial Contribution provided as a part of this Agreement to obtain other funding so long as the Recipient complies with its obligations under this Agreement.
- 17.04 Nothing in this Agreement prevents the Recipient from submitting funding proposals for other projects or initiatives to Destination BC, nor does it prevent Destination BC from entering into additional agreements with the Recipient for services not covered under this Agreement.

SECTION 18 - NOTICES

- 18.01 Any legal notice required or permitted to be given under this Agreement and any formal written communication (not including day to day business communications) from the Recipient to Destination BC must be mailed or personally delivered to the following address:

Destination BC
510 Burrard Street, 12th Floor
Vancouver, BC V6C 3A8

Attention: Chief Executive Officer

- 18.02 Any legal notice required or permitted to be given under this Agreement and any formal written communication (not including day to day business communications) from Destination BC to the Recipient must be mailed or personally delivered to the following address:

Tourism Association of Vancouver Island
201-1934 Boxwood Road
Nanaimo, BC V9S 5Y2

Attention: Chief Executive Officer

- 18.03 Any written communication contemplated in this Article 18 from either party will be deemed to have been received by the other party on the fifth Business Day after mailing in British Columbia or on the date of personal delivery if personally delivered.
- 18.04 Either party may, from time to time, notify the other party in writing of a change of address and, following the receipt of such notice, the new address will, for the purposes of this Article 18, be deemed to be the address of the party giving notice.

SECTION 19 - NON-WAIVER

- 19.01 No waiver of any term or condition of this Agreement or the satisfaction of a condition or non-performance of an obligation by the Recipient under this Agreement will be effective unless it is in writing and signed by Destination BC.
- 19.02 Unless otherwise specified in writing and signed by Destination BC, no waiver will operate as a continuing waiver or a waiver of any other obligation or right under this Agreement.

SECTION 20 - ENTIRE AGREEMENT

- 20.01 This Agreement, including the Schedules, constitutes the entire Agreement between the parties with respect to the subject matter of this Agreement.

SECTION 21 - SURVIVAL OF PROVISIONS



- 21.01 All of the provisions of this Agreement in favour of Destination BC including, without limitation, sections 3.01 to 3.05, 5.01 to 5.03, 6.01(c), 7.01, 7.02, 8.01, 8.02, 10.01, 12.01, 12.03, 13.01 to 13.03, 14.01, 14.03, 15.03, 15.04, 16.01, 16.02, 17.03, 17.04, 18.01 to 18.04, 19.01, 19.02, 21.01, 22.07 to 22.09 and all of the rights and remedies of Destination BC, either at law or in equity, will survive any expiration or sooner termination of this Agreement.

SECTION 22 - MISCELLANEOUS

- 22.01 This Agreement will be governed by and construed in accordance with the laws applicable in the Province of British Columbia.
- 22.02 The Schedules to this Agreement (including any appendices or other documents attached to, or incorporated by reference into, those Schedules) are part of this Agreement.
- 22.03 No amendment or modification to this Agreement will be effective unless it is in writing and signed by or on behalf of the parties.
- 22.04 If any provision of this Agreement or the application to any person or circumstance is invalid or unenforceable to any extent, the remainder of this Agreement and the application of such provision to any other person or circumstance will not be affected or impaired thereby and will be enforceable to the extent permitted by law.
- 22.05 Nothing in this Agreement operates as a consent, permit, approval or authorization by Destination BC or any governmental authority or agency to or for anything related to the Services that the Recipient is required to obtain unless it is expressly stated herein to be such a consent, permit, approval or authorization.
- 22.06 Where the Recipient is a corporation, the Recipient warrants that the signatory has been duly authorized by the Recipient to execute this Agreement without corporate seal on behalf of the Recipient.

- 22.07 For the purpose of sections 22.08 and 22.09, an "Event of Force Majeure" includes, but is not limited to, acts of God, changes in the laws of Canada, governmental restrictions or control on imports, exports or foreign exchange, wars (declared or undeclared), fires, floods, storms, strikes (including illegal work stoppages or slowdowns), lockouts, labour shortages, freight embargoes and power failures or other cause beyond the reasonable control of a party.
- 22.08 Neither party will be liable to the other for any delay, interruption or failure in the performance of their respective obligations if caused by an Event of Force Majeure, in which case the time period for the performance or completion of any such obligation will be automatically extended for the duration of the Event of Force Majeure.
- 22.09 If an Event of Force Majeure occurs or is likely to occur, then the party directly affected will notify the other party forthwith, and will use its reasonable efforts to remove, curtail or contain Event of Force Majeure as soon as is reasonably practicable after notice of the same has come to its attention.
- 22.10 The headings in this Agreement are inserted for convenience only and do not form part of this Agreement.
- 22.11 In this Agreement:
- (a) "includes" and "including" are not intended to be limiting;
 - (b) unless the context otherwise requires, words expressed in the singular include the plural and vice versa; and
 - (c) unless otherwise specified, a reference to a statute by name means the statute of British Columbia by that name, as amended or replaced from time to time.
- 22.12 Time is of the essence in this Agreement and, without limitation, will remain of the essence after modification or extension of this Agreement, whether or not expressly restated in the document effecting the modification or extension.
- 22.12 If there is a conflict between a provision in a Schedule to this Agreement and any other provision of this Agreement, the provision of the Schedule is inoperative to the extent of the conflict unless the Schedule states that it operates notwithstanding a conflicting provision of this Agreement.
- 22.13 This Agreement may be entered into by a separate copy of this Agreement being executed by, or on behalf of, each party and that executed copy being delivered to the other party by a method provided for in sections 18.01 and 18.02 or any other method agreed to by the parties.

The parties have executed this Agreement as follows:

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| <p>SIGNED on the <u>22</u> day of <u>July</u>, 2021 by the Recipient (or, if not an individual, on its behalf by its authorized signatory):</p> <p> _____ Signature</p> <p><u>Anthony Everett</u> _____ Print Name</p> <p><u>President & CEO</u> _____ Print Title</p> | <p>SIGNED on the <u>28</u> day of <u>July</u>, 2021 on behalf of Destination BC Corp. by its authorized signatory:</p> <p> _____ Signature</p> <p><u>Richard Porges</u> _____ Print Name</p> <p><u>Interim President & CEO</u> _____ Print Title</p> |
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SCHEDULE "A" - SERVICES

ARTICLE 1 - TERM

1.01 Term

Notwithstanding the actual date of execution and delivery of this Agreement, the term of this Agreement (the "Term") commences on July 1, 2021 (the "Effective Date") and ends on March 31, 2024, unless extended in accordance with section 1.02 below or earlier terminated pursuant to the provisions of this Agreement.

1.02 Extension

The Term of this Agreement may be extended for one additional two-year period at the mutual consent of both Parties.

ARTICLE 2 - PROGRAM DESCRIPTIONS

2.01 Background & Objectives - General

British Columbians continue to face significant challenges as a result of the COVID-19 pandemic. Recovering from the pandemic will require focused direction, strong alignment and ongoing engagement between public sector organizations and the Government of British Columbia. Rebuilding British Columbia's tourism industry while the path of recovery from COVID-19 and the long-term impacts of the pandemic on the tourism industry and British Columbia society in general, are not fully understood or predictable, will require that Destination BC, its partners and service providers and the agreements that govern their relationships, be flexible, agile and responsive to changing circumstances over the next three years. The benefits of this Shared Cost Arrangement will only be fully realized if the partners collaborate strongly, plan together and create mechanisms to respond quickly to potentially rapidly changing circumstances.

Government has set the following five overarching foundational principles for the entire public sector that inform all of Destination BC's policies, programs, services, and services provided on behalf of Destination BC:

- Putting people first;
- Lasting and meaningful reconciliation;
- Equity and anti-racism;
- A better future through fighting climate change; and
- A strong, sustainable economy that works for everyone.

Further to the foundational principle of lasting and meaningful reconciliation, Destination BC's work is governed by British Columbia's "[United Nations Declaration on the Rights of Indigenous Peoples Act](#)" and the "[Draft Principles that Guide the Province of British Columbia's Relationship with Indigenous Peoples](#)." Programs and Services provided by, or on behalf of Destination BC will be consistent with the Act and the Draft Principles.

As a Crown agency, Destination BC also operates under the Taxpayer Accountability Principles: efficiency, accountability, appropriate compensation, service, respect, and integrity, ensuring Destination BC's programs reflect the priorities and values of government and their shareholders—the citizens of B.C.

[Destination BC's 2020/21-2022/23 Corporate Strategy](#), related Global Marketing and Destination Development Strategies, and the Super, Natural British Columbia® brand all align with Destination BC's legislated purpose, as

articulated in the *Destination BC Corp. Act*. Destination BC's [annual Mandate Letter](#) identifies the Government and Minister's specific priorities for the Corporation each year.

Destination BC has a long-standing contractual relationship with BC's Regional Destination Management Organizations ("RDMO"). Although each RDMO delivers services on behalf of Destination BC, each is an independent organization with its own Board of Directors and governance. Destination BC enters into agreements with each RDMO to support the achievement of Destination BC's key strategic priorities and increase the net benefits of tourism for all British Columbians and create long-term competitiveness for BC's tourism industry. "Net benefits" simultaneously considers social, cultural, environmental, and economic benefits, and costs.

- **As set out in the Destination BC's [2021/22-2023/24 Service Plan](#)**
 - **Goal 3 to create a "Powerful Marketing Network"**

"Objective 3.1: Collaborate with Regional Destination Management Organizations, and other key stakeholders, partners, and communities to align and focus on collective marketing and destination development efforts."
 - Destination BC will continue to work with the Ministry of Tourism, Arts, Culture and Sport and the RDMOs on the strategic planning and reporting of the Destination Development Program to ensure alignment with provincial tourism priorities outlined in the Strategic Framework for Tourism in B.C. and Destination BC's 'Invest in Iconics' strategy.

This "Background and Objectives – General" section will be reassessed each year against annual updates to the Destination BC Service Plan and Mandate Letter and any changes in Destination BC's Corporate Strategy or legislated purpose, or both, and updated accordingly by way of amendment to this Agreement.

2.02 Background and Objectives – Program Specific

The Financial Contribution is being made available to the Recipient for Services to support the Destination BC programs set out below in this section. Programs supported by the Financial Contribution will be reassessed annually through the annual integrated planning process, as described in 2.06 (b). The required Projects and Services required to support each Destination BC program area will be developed annually through the RDMO-DBC Program planning process and documented in the annual Regional Operations Plan and associated Project Charters, as described in 2.06 (c) and (d). All program areas will support the development of Indigenous cultural tourism, as appropriate, with the concurrence of Indigenous Tourism BC.

During the annual integrated planning process and regularly throughout the year, Destination BC will provide data sharing and invite input and discussion to help the Recipient develop the Regional Operations Plan and inform other activities covered under the Agreement. The annual integrated planning process will provide the Recipient with the opportunity to provide advice, input and feedback on all Destination BC programs, including those not covered under this Agreement such as Research & Analytics, and Destination BC's Co-operative Marketing Partnerships Program.

Destination Development

Background

Destination development is the strategic planning and advancement of defined geographic areas to support the evolution of desirable destinations for travellers, focussing on the supply side of tourism, to provide long term benefits for all residents of the geographic area. Destination development leads to more compelling experiences, quality infrastructure, and remarkable services to entice repeat visitation and responsible travel. Destination BC offers destination development planning assistance, in partnership with Indigenous Tourism BC, the Ministry of Tourism, Arts, Culture and Sport, and the RDMOs, to support the ongoing viability of BC's tourism sector. Across the province, nineteen 10-year destination development strategies have been created which inform tourism region strategies. These strategies guide the long-term growth of tourism experiences and net benefits for the province and its residents.

Objectives

Year by year objectives will evolve as the program matures and will be determined through the annual Integrated Planning Process.

For 2021-22 objectives could include:

- Updating the planning area and regional destination development plans for the impacts of COVID and priorities for recovery;
- Communicating the updated priorities with industry, communities, First Nations, and all levels of government;
- Making progress on Planning Area Strategy implementation; and
- Increased alignment of marketing & development for planning area partners.

Destination Stewardship

Background

To build a strong future for all British Columbians, and for generations to come, Destination BC wants to be excellent stewards of our province—ensuring we thoughtfully develop the economic, social, cultural, and environmental benefits of tourism across British Columbia. Destination BC is doing more to balance all aspects of sustainability and are working on specific areas that benefit from a provincial leadership role. Through this strategic imperative, we are focused on three key elements:

UNDRIP and Truth and Reconciliation Calls to Action

- Working in partnership with industry, governments, and Indigenous Tourism BC to better support Indigenous communities that want to benefit from tourism
- Working with industry to understand, support, and implement the United Nations Declaration on the Rights of Indigenous Peoples and Reconciliation

Sustainability

- Working with the provincial government and all our industry partners to support the implementation of Clean BC, the provincial strategy to reduce carbon pollution, increase use of clean energy, and reduce waste
- Assessing BC tourism against the United Nations 17 Sustainable Development Goals
- Supporting the development of more accessible and inclusive tourism experiences and employment
- Educating industry, residents, and visitors on sustainable tourism practices

- Managing visitor volume provincially through seasonal and geographic dispersion

Resident Quality of Life

- Ensuring sustainable tourism growth contributes to the economic well-being and social fabric of BC communities
Engaging residents in tourism and building public awareness of the benefits that tourism brings to all British Columbians

Objectives

Year by year objectives will evolve as the program matures and will be determined through the annual Integrated Planning Process.

For 2021-22 objectives could include:

- More accessible tourism experiences available for visitors;
- Visitors are more aware of available accessible tourism experiences;
- More BC residents believe that the tourism industry plays an important role in the economic well-being of British Columbia; and
- More BC residents agree that tourism supports a greater diversity of amenities in their community than would be feasible without visitors.

Industry Training & Business Advisory Services

Background

Industry Development provides learning programs and resources that support BC's small and medium sized tourism businesses, and other organizations in their efforts to deliver outstanding guest experiences, effective marketing, and tangible business results, focussing on programs not readily available from other suppliers and aligned with Destination BC's Corporate Strategy. Industry Development is responsible for the Learning Centre, which provides access to resources and tools, best practices, workshops, training programs, and insights for BC's tourism industry. In addition, Industry Development manages outreach to the tourism industry to actively engage them in Destination BC's Marketing and Industry Development programs, including business listings on HelloBC.com and Product Presentations.

Objectives

Annual objectives will be set year by year through the annual Integrated Planning Process.

Short- and long-term objectives could include:

- Destination BC Learning and Development resources evolve with changes in highest priority industry needs (within Destination BC's mandate);
- More tourism businesses and partners in each region of the province benefit from Destination BC Learning and Development training opportunities and resources available to them;
- Destination BC workshop participants are supported post-workshop to adopt training outcomes and develop new skills and products;
- Small and medium sized businesses receive the training and assistance to support their recovery from the pandemic and their future success; and
- More accessible tourism businesses are available for visitors.

Invest in Iconics Strategy

Background

The Invest in Iconics strategy is a key element of Destination BC's 2020-23 Corporate Strategy. The Invest in Iconics strategy supports the revenue growth target in the (pre-CVOID) Strategic Framework for Tourism in BC and to achieve greater dispersion of the benefits of tourism throughout British Columbia. To dramatically increase tourism revenue and net benefits responsibly and sustainably, travellers need truly compelling reasons to travel to more places in British Columbia in more seasons. The Invest in Iconics Strategy was informed by an extensive review of global best practices, 300+ existing travel routes and destinations in BC, research on our core markets and the Destination Development strategies developed within the 19 planning areas and four regions.

Since the strategy was initially developed, the COVID-19 pandemic has had a devastating impact on the tourism industry. While the tourism industry's priorities have temporarily shifted to focus on business survival and continuity, Destination BC continues to develop this strategy (albeit it at a different pace) to ensure BC's recovery and renewal in what will be a very competitive international environment.

The Invest in Iconic strategy focuses on creating, branding, and marketing travel routes and destinations to grow BC's tourism revenue by incrementally increasing seasonal dispersion of travelers to mature destinations and geographic dispersion of visitors to high-potential destinations around BC. Integral to this strategy is the integration of place branding and place making:

Iconics – Place Branding

- Place branding uncovers and elevates the unique appeal and identity of a destination, then distills it into a strategic positioning with differentiating characteristics that are competitively distinctive and globally compelling.

Iconics – Place Making

- Place Making is an approach to the design, management, and enhancement of destinations for both residents and travellers. It involves working collaboratively with governments, industry partners, residents, and brand experts to turn a destination's vision into reality, by strategically deliberate in the creation of experiences, products and services that elevate and deliver on the place brand's unique selling proposition.

Integrated place branding and place making has the power to dramatically increase interest in and travel to destinations and enhance the in-destination experience for residents and visitors, fueling sustainable growth for British Columbia's tourism industry.

Objectives (long term)

- World famous travel routes and destinations that drive increased revenue and benefits for all parts of British Columbia, in all seasons, creating a year-round robust tourism sector in BC;
- Traveler and resident expectations are exceeded – experiences deliver on the brand promise, creating positive word of mouth fueling future visitation;
- Strong industry support and alignment – tourism organizations, businesses, operators, and workers are proud to market themselves as part of an Iconic and see direct business benefits from doing so;
- Compelling public and private tourism development opportunities and funding/financing mechanisms for investment; and

- Creating a better province for all British Columbians – enhanced job opportunities, livability, and enjoyment of all parts of BC for its residents.

Year by year objectives will be evolve as the program matures and will be determined through the annual Integrated Planning Process.

Travel Trade

Background

Travel trade is a key channel to reach consumers in overseas markets. Travel trade includes online travel agents, receptive tour operators, tour operators, wholesalers, and travel agents. Located in the country they are selling to, the travel trade has an intimate knowledge of the travellers' interests and motivations and promote tourism experiences and vacations. Working with the travel trade in a variety of overseas markets helps British Columbia's tourism industry achieve a "balanced portfolio" of markets. Destination BC works with international tour operators on itinerary development support, product knowledge, training and education, familiarization tours, and joint marketing initiatives, to drive business.

Objectives

- Quality Travel Trade familiarization tours ("FAMs") and experiences are delivered in collaboration with regional stakeholders;
- Tourism businesses and organizations in all regions of the province understand the value of and support Travel Trade FAMs;
- Attendance at relevant trade and media shows; and
- The number of FAMs and shows that Destination BC and the RDMOs participate in and performance measures and annual targets will be determined annually through Integrated Planning.

Travel Media

Background

The Travel media relations program works with travel media, journalists or outlets who specialize in telling travel and lifestyle stories, to create exposure for BC as a destination of choice. Travel media relations is an essential marketing channel to tell our brand story, build awareness, and encourage target travellers to visit BC. The program team works with journalists, freelance writers, social influencers, editors, and broadcasters on travel-focused stories to build destination awareness in our top markets. Destination BC Travel Media Specialists support media with research, travel planning, image sourcing, interview contacts, filming, and more.

Objectives

- High level of consumer awareness of Iconics is generated through unpaid media in collaboration with Destination BC;
- Quality Iconics FAM experiences suitable for the media outlets are delivered in collaboration with regional stakeholder;
- Iconics story ideas and media pitches suitable to share with media outlets have been generated in collaboration with key stakeholders and communities;
- Tourism businesses and organizations in all regions of the province understand the value of Travel Media and support travel media FAMs; and
- An annual plan, performance measures and targets will be set through the integrated planning process.

Content Marketing

Background

Destination BC's Global Content team creates and curates content and collaborates with others across the province to produce compelling stories in multiple formats. Content marketing connects global travellers with stories that bring the Super, Natural British Columbia brand to life, integrating links to trip planning and industry partners, applying insights from key distribution platforms, and amplifying real stories from BC visitors. Destination BC's content marketing strategy has a strong focus on immersive, compelling multimedia content, designed to create emotional urgency to visit British Columbia. It focuses on delivering content tailored to motivate our target markets in the right channels at the right time. Destination BC takes a shared approach to content marketing, built on common tools, processes, and expertise. The shared approach enables content collaboration across BC's tourism network by providing a virtual library for industry partners to access, contribute, and share content.

Objectives

- More partner content is included in DBC's marketing activities;
- All areas of BC are represented in content commonwealth programs;
- Potential travellers receive timely, accurate information through Destination BC's content marketing activities;
- Tourism industry partners across the province are represented through our Recovery marketing efforts; and
- Annual plans, performance measures and targets will be set through the annual integrated planning process.

Social Media Marketing

Background

The Destination BC Social Media team works to drive word-of-mouth marketing on a global scale by listening and responding to potential and on-the-ground visitors, curating and amplifying high-quality User-Generated Content, sharing highly relevant content optimized for different platforms, and building a community of passionate BC advocates in key global markets.

The Destination BC Social Media team manages Destination BC's global social media channels, planning, optimizing, and distributing content across six geographic areas in four languages, and encouraging the sharing of authentic user-generated content and stories throughout those communities. An "always-on" approach allows the team to provide trip-planning information and referrals to partners when our followers need it. The approach generates valuable consumer and content insights that feed into our marketing and content planning. We also work with global influencers and brand ambassadors to drive awareness and advocacy via social media channels to reach new audiences. In support of the overall social media strategy, the RDMOs manage regional social media channels.

Objectives

- Curate authentic stories about BC that people feel compelled to share;
- Reach new audiences through influencers and amplify our brand ambassadors to drive advocacy;
- Grow engagement within the global Destination BC social media community to maximize our impact in all key markets and segments;
- Foster awareness and adoption of #exploreBC by residents, visitors, and industry partners;

- Empower industry partners with social media tools and training to create a provincial network of online visitor services and social media marketing experts;
- Create remarkable on-the-ground experiences in BC which results in increased peer-to-peer recommendations;
- BC residents and other potential travellers who are interested in visiting a region of BC see relevant and inspiring content; and
- Tourism industry partners across the province are represented through our collective social media efforts.

2.03 Standards of Performance

The Recipient must:

- (a) deliver the Project and perform the Services, both as developed through the Planning Process and as articulated in the Regional Operations Plan, in furtherance of the Program objectives;
- (b) ensure that all persons employed or retained to perform the Services are qualified and competent to perform them and are properly trained, instructed and supervised; and
- (c) perform the Services to a standard of care, skill and diligence maintained by persons providing, on a commercial basis, services similar to the Services.

2.04 Process for Requesting Modifications to the Agreement

Both Destination BC and the Recipient recognize that the tourism industry needs to be able to respond to any significant changes in market conditions locally and globally, and that from time to time the industry will require different levels of support and types of programs provided by Destination BC and the Recipient than are covered under this Agreement.

Either party may request a change to the Services covered by the Agreement. If either party proposes changes to the Agreement, such party shall deliver a request in writing describing the change to the representative of the other party as indicated in section 18. The party receiving the request shall respond in an appropriate timely manner following its receipt thereof. If the receiving party is amenable to the request, it shall notify the requesting party, and the requesting party shall submit a Modification Agreement in draft form for the consideration and approval of the other party.

Notwithstanding the foregoing, both parties recognize that in an Emergency, an immediate response is required. In the case of responding to an Emergency situation, agreed upon changes to the Agreement can be initially made verbally and confirmed by email based on the requirement that the parties will ratify the agreement through a written Modification Agreement signed by an authorized representative of each party as soon as possible.

2.05 Regional Tourism Partnership Shared Commitments

As primary partners in promoting the development of the tourism industry in British Columbia, increasing the net benefits of tourism for all British Columbians, and creating long-term competitiveness for BC 's tourism industry, Destination BC and the RDMOs commit to:

- Communicate, consult, and work with each other in a timely, open, and transparent manner;

- Coordinate efforts to minimize duplication and ensure that all related programs and services are delivered in the most efficient, effective way and build on each other's successes, experience and investments;
- Provide the best possible service delivery that promotes ease of access to programs and initiatives and achieves positive outcomes for the tourism industry;
- Subject to applicable legislation and policy, share data, information and research related to their activities and issues in support of outcomes;
- Assume mutual accountability for the achievement of outcomes and report these outcomes to the public in an open, transparent, effective, and timely manner;
- Develop a coordinated approach to joint public communications at the project level, and more broadly on the partnership level; and
- Ensure provincial government funding is well managed and support achievement of outcomes through regular audits and evaluations.

2.06 Deliverables/Milestones

The Recipient will:

- (a) participate in an integrated RDMO-DBC Program planning process with each Destination BC Program within the scope of this Agreement to finalize the Transitional 2021/2022 Regional Operations Plan to be submitted to Destination BC by September 30, 2021. The parties recognize that 2021/2022 is a transitional year and the Recipient may have made commitments that cannot be unwound quickly. The Transitional 2021/2022 Regional Operations Plan will recognize this and include a plan to fully transition to the full accountabilities noted in this agreement by April 1, 2022;
- (b) participate in Destination BC's annual Integrated Corporate Planning process, held during Quarter 3 of each Fiscal Year, and contribute to (i) an updated situational analysis, (ii) a review of Destination BC's strategic corporate priorities, (iii) Destination BC programs included in the Agreement, and (iv) the development of Destination BC's annual Operations Plan and Budget;
- (c) participate in the annual integrated RDMO-DBC Program planning process with each Destination BC Program within the scope of this Agreement to finalize the annual Regional Operations Plan which will be submitted to Destination BC for review at least 30 days prior to the start of each Fiscal Year of the Term. The annual Regional Operations Plan will describe the key priorities related to each Destination BC Program, related Projects, deliverables, and associated goals, measures, and targets;
- (d) participate in the development of a Project Charter for all Projects that the Recipient participates in with Destination BC staff during the Term. Each individual Project Charter will provide a comprehensive overview of the project that allows all parties involved to reach agreement and document major aspects of the project such as the objectives, the scope, the deliverables, key performance measures and targets, and the resources required. Each individual Project Charter is required to be reviewed and approved by the Chief Executive Officer of Destination BC and the Chief Executive Officer of the Recipient before being finalized; and

- (e) participate in Destination BC's Quarterly Corporate Planning and Performance Forum, held within 45 days of the end of each quarter, as an opportunity to (i) provide Project status updates, (ii) discuss Project performance against key measures, and (iii) discuss issues and required actions.

2.07 Reporting

The Recipient will provide regular updates and reports to Destination BC advising of the status of the Projects and the provision of the Services and, without limiting the generality of the foregoing, will provide the following Reports in the manner and format indicated, and on or before the deadlines set out, below:

a) Project Reporting

Project reporting requirements will be established through the development of the Project Charter. The Recipient must make all reasonable efforts to provide ongoing Project reporting in the form and frequency as they have agreed to in the Project Charter.

b) Quarterly Regional Performance Report

The Recipient must, no later than 45 days after the end of each quarter during the Term, submit a Quarterly Regional performance report to Destination BC that summarizes the Recipient's performance against their agreed to deliverables and commitments as defined in the annual Regional Operations Plan during the Quarter. A template will be developed through the Integrated Planning Process.

c) Year-End Regional Performance Report

The Recipient must, no later than 45 days after the end of each Fiscal year during the Term, submit a Year-End Regional performance report to Destination BC that summarizes the Recipient's performance against their agreed to deliverables and commitments as defined in the annual Regional Operations Plan during the Fiscal Year. The Year-End report is to provide (i) highlights of key Projects supported during the Fiscal Year, (ii) quantitative and qualitative description of the accomplishments of the Projects, (iii) challenges faced and solutions found, (iv) information on results (negative or positive) that were not anticipated, and lessons learned, and (v) description of outcomes with respect to program objectives set out in Schedule A. A template will be developed through the Integrated Planning process.

SCHEDULE "B"

FINANCIAL CONTRIBUTION

ARTICLE 1 – FINANCIAL CONTRIBUTION

- 1.01 Destination BC will provide a Financial Contribution to the Recipient for its provision of the Services of up to \$3,124,000 exclusive of all applicable taxes, being the maximum amount of the Eligible Expenses (as defined below), in accordance with the remainder of this Schedule "B".
- 1.02 Destination BC will provide the Financial Contribution to the Recipient within 30 days following Destination BC's receipt and, as applicable, approval of the documentation specified below, as follows:
- a) Destination BC will provide a Financial Contribution of \$340,800 to the Recipient upon receipt and approval by Destination BC of the signed Agreement and a numbered original invoice (30% of FY2021/2022 funding);
 - b) Destination BC will provide a Financial Contribution of \$340,800 to the Recipient upon Destination BC's receipt and approval of the approved **FY2021/2022 Regional Operations Plan** and a numbered original invoice on or before **September 30, 2021** (30% of FY2021/2022 funding);
 - c) Destination BC will provide a Financial Contribution of \$170,400 to the Recipient upon Destination BC's receipt and approval of the **Quarterly Regional Performance Report for Quarter 3 - FY2021/2022**, and a numbered original invoice on or before **February 15, 2022** (15% of FY2021/2022 funding);
 - d) Destination BC will provide a Financial Contribution of \$227,200 to the Recipient upon Destination BC's receipt and approval of the approved **FY2022/2023 Regional Operations Plan**, and a numbered original invoice on **April 1, 2022** (20% of FY2022/2023 funding);
 - e) Destination BC will provide a Financial Contribution of \$227,200 to the Recipient upon Destination BC's receipt and approval of the **Year-End Regional Performance Report for FY2021/2022**, and a numbered original invoice on or before **May 15, 2022** (20% of FY2022/2023 funding);
 - f) Destination BC will provide a Financial Contribution of \$227,200 to the Recipient upon Destination BC's receipt and approval of the **Quarterly Regional Performance Report for Quarter 1 - FY2022/2023**, and a numbered original invoice on or before **August 15, 2022** (20% of FY2022/2023 funding);
 - g) Destination BC will provide a Financial Contribution of \$227,200 to the Recipient upon Destination BC's receipt and approval of the **Quarterly Regional Performance Report for Quarter 2 - FY2022/2023**, and a numbered original invoice on or before **November 15, 2022** (20% of FY2022/2023 funding);
 - h) Destination BC will provide a Financial Contribution of \$227,200 to the Recipient upon Destination BC's receipt and approval of the **Quarterly Regional Performance Report for Quarter 3 - FY2022/2023**, and a numbered original invoice on or before **February 15, 2023** (20% of FY2022/2023 funding);
 - i) Destination BC will provide a Financial Contribution of \$227,200 to the Recipient upon Destination BC's receipt and approval of the approved **FY2023/2024 Regional Operations Plan**, and a numbered original invoice on or before **April 1, 2023** (20% of FY2023/2024 funding);

- j) Destination BC will provide a Financial Contribution of \$227,200 to the Recipient upon Destination BC's receipt and approval of the **Year-End Regional Performance Report** for **FY2022/2023**, and a numbered original invoice on or before **May 15, 2023** (20% of FY2023/2024 funding);
- k) Destination BC will provide a Financial Contribution of \$227,200 to the Recipient upon Destination BC's receipt and approval of the **Quarterly Regional Performance Report** for **Quarter 1 - FY2023/2024**, and a numbered original invoice on or before **August 15, 2023** (20% of FY2023/2024 funding);
- l) Destination BC will provide a Financial Contribution of \$227,200 to the Recipient upon Destination BC's receipt and approval of the **Quarterly Regional Performance Report** for **Quarter 2 - FY2023/2024**, and a numbered original invoice on or before **November 15, 2023** (20% of FY2023/2024 funding);
- m) Destination BC will provide a Financial Contribution of \$227,200 to the Recipient upon Destination BC's receipt and approval of the **Quarterly Regional Performance Report** for **Quarter 3 - FY2023/2024**, and a numbered original invoice on or before **February 15, 2024** (20% of FY2023/2024 funding);

ARTICLE 2 – ELIGIBLE EXPENSES

- 2.01 Subject to the remainder of this Schedule “B”, the Financial Contribution may only be applied to the costs and expenses set out in this Article 2 (the “Eligible Expenses”).
- 2.02 The Eligible Expenses may be amended only with the prior written approval of Destination BC.
- 2.03 The Eligible Expenses must be, in the sole opinion of Destination BC:
 - (a) directly related to the Project (s) in support of the Destination BC Programs listed in section 2.02 in Schedule “A”; and
 - (b) reasonable.
- 2.04 Eligible Expenses are limited to the following categories:
 - (a) “Administrative Costs” – a Recipient’s reasonable costs to administer the Project. Administrative Costs are related to overall organizational administrative infrastructure, and centralized administrative activities, including, but limited to, costs related to the Recipient’s participation in the planning processes in this Agreement; and
 - (a) “Direct Service Delivery Costs” – the reasonable costs incurred by a Recipient in delivering the Services to or for the benefit of Participants. Examples include dedicated Project staff wages and mandatory employment-related costs, materials and supplies, rental of premises, utilities, Project marketing-related costs and travel costs.

2.05 The maximum amount of the Eligible Expenses under this Agreement are as follows

| | Fiscal Year 2021/22 | Fiscal Year 2022/23 | Fiscal Year 2023/24 | TOTAL |
|---|--------------------------------|--------------------------------|--------------------------------|--------------|
| Direct Service Delivery Costs | \$639,000 | \$852,000 | \$852,000 | \$2,343,000 |
| In support of Destination BC Programs: | | | | |
| Destination Development related: <ul style="list-style-type: none"> • Destination Development • Industry Training & Business Advisory Services • Invest in Iconics – Place Making Destination Stewardship related: <ul style="list-style-type: none"> • Diversity, Equity and Inclusion and Accessibility Action Plans • Climate change and sustainability in alignment with the Provincial Government’s Strategies and within Destination BC’s legislated mandate • Indigenous Cultural Tourism and Reconciliation in alignment with, and in support of, Indigenous Tourism BC and Destination BC programs | \$426,000 | \$568,000 | \$568,000 | \$1,562,000 |
| Marketing related: <ul style="list-style-type: none"> • Invest in Iconics – Place Branding • Travel Trade • Travel Media • Social Media Marketing • Content Marketing | \$213,000 | \$284,000 | \$284,000 | \$781,000 |
| Administrative Costs* | \$213,000 | \$284,000 | \$284,000 | \$781,000 |
| TOTAL BUDGET | \$852,000 | \$1,136,000 | \$1,136,000 | \$3,124,000 |
| MAXIMUM ELIGIBLE EXPENSES | \$852,000 | \$1,136,000 | \$1,136,000 | \$3,124,000 |
| <i>*Administrative Costs cannot exceed 25% of the total budget</i> | | | | |

2.06 Eligible Expenses are subject to the following limitations:

- (a) no part of the Financial Contribution shall be payable to the Recipient for any costs incurred by the Recipient prior to the Effective Date;
- (b) Administrative Costs cannot exceed 25% of the total budget shown in the table in section 2.05 above; and
- (c) no part of the Financial Contribution shall be payable to the Recipient for any costs incurred by the Recipient that are not in support of the Destination BC Programs listed in section 2.02 in Schedule “A”, and shown in the table in section 2.05 above; and
- (d) the proportion of Direct Service Delivery Costs related to Destination Development related and Marketing related Destination BC Programs will vary each Fiscal Year based on annually agreed to priorities; However, over the Term the Recipient is expected to allocate approximately:
 - i. 50% of the maximum eligible expenses to Destination Development related Destination BC Programs; and
 - ii. 25% of the maximum eligible expenses to Marketing related Destination BC Programs

SCHEDULE C - INSURANCE

1. The Recipient must, without limiting the Recipient's obligations or liabilities and at the Recipient's own expense, purchase and maintain throughout the Term the following insurances with insurers licensed in Canada in forms and amounts acceptable to Destination BC:
 - (a) Commercial General Liability in an amount not less than \$2,000,000.00 inclusive per occurrence against bodily injury, personal injury and property damage and including liability assumed under this Agreement and this insurance must
 - (i) include Destination BC as an additional insured,
 - (ii) be endorsed to provide Destination BC with 30 days advance written notice of cancellation or material change, and
 - (iii) include a cross liability clause.
2. All insurance described in section 1 of this Schedule must:
 - (a) be primary; and
 - (b) not require the sharing of any loss by any insurer of Destination BC.
3. The Recipient must provide Destination BC with evidence of all required insurance as follows:
 - (a) within 10 Business Days of commencement of the Services, the Recipient must provide to Destination BC evidence of all required insurance in the form of a completed Province of British Columbia Certificate of Insurance;
 - (b) if any required insurance policy expires before the end of the Term, the Recipient must provide to Destination BC within 10 Business Days of the policy's expiration, evidence of a new or renewal policy meeting the requirements of the expired insurance in the form of a completed Province of British Columbia Certificate of Insurance; and
 - (c) despite paragraph (a) or (b) above, if requested by Destination BC at any time, the Recipient must provide to Destination BC certified copies of the required insurance policies.
4. The Recipient must obtain, maintain and pay for any additional insurance which the Recipient is required by law to carry, or which the Recipient considers necessary to cover risks not otherwise covered by insurance specified in this Schedule 'C'.