

AFFILIATION AGREEMENT

THIS AGREEMENT (the “Agreement”) is made as of the insert date, to be effective as of insert date.

BETWEEN

AIR CADET LEAGUE OF CANADA
(hereinafter referred to as “ACL CANADA”) AND

AIR CADET LEAGUE OF CANADA – AA PROVINCIAL COMMITTEE
(hereinafter referred to as the “AAPC”).

WHEREAS ACL CANADA is a non-share capital corporation originally incorporated under the *Canada Corporations Act*, pursuant to Letters Patent on April 9, 1941 and continued under the *Canada Not-for-Profit Corporations Act*, S.C. 2009, c. 23 in 2013;

AND WHEREAS ACL CANADA is a party to a Memorandum of Understanding with the Department of National Defence of Canada (“DND”), as amended or replaced from time to time, describing the roles and responsibilities of ACL CANADA, the Provincial/Territorial Committees, local Squadron Sponsoring Committees (collectively referred to as the “League”) and DND in the proper and efficient delivery of the Air Cadet program;

AND WHEREAS the purposes of the League, as set out in the Articles of Continuance of ACL CANADA, are as follows (the “Purposes”):

The purposes of the League are to advance the education of the Air Cadets and to promote an interest in the air element of the Royal Canadian Air Force:

- (a) To help the youth improve their knowledge of aviation by providing educational programs and resources, including flight and ground crew training, guided visits to science and aviation facilities, and awards and scholarships,
- (b) To help the youth become better citizens by providing educational programs and resources, including leadership and communication skills training, music training, volunteer opportunities in the community, and awards and scholarships; and
- (c) To provide air cadet training to youth as a means of promoting the efficiency of the armed forces;

AND WHEREAS the AAPC is a Provincial/Territorial Committee of the League, incorporated under (Insert Applicable Provincial Legislation) in the province of (Insert Applicable Province) on (Insert Date), and is responsible for direct oversight of League matters at air cadet squadrons within the province, territory or other specified area of jurisdiction and who supports the Purposes and strategic plan of ACL CANADA;

AND WHEREAS ACL CANADA and the AAPC now wish to enter into an agreement to define how the parties shall collaborate in furthering the Purposes of the League within the province and to define the support and resources provided by ACL CANADA to the AAPC and the payment for those services, as may apply from time to time;

AND WHEREAS AAPC acknowledges that, notwithstanding its status as a separate legal entity from ACL CANADA:

- (a) its successes and failures affect the League;
- (b) it shares the same Purposes associated with the brand of the League, which are for the benefit of the League;
- (c) it is expected to establish and maintain good working relationships with other constituent parts of the League, which are founded on trust, cooperation, consultation, collaboration and compliance with ACL CANADA's By-laws and Policy and Procedure Manual, which collectively strengthen the capacity of the League; and
- (d) in order to protect the brand of the League and its Purposes, it is important that the parties support and respect their areas of responsibility and accountability.

NOW THEREFORE IN CONSIDERATION of the mutual covenants, agreements and indemnities contained herein and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

SECTION I **DEFINITIONS**

1.1 Definition

In this Agreement and in any amendment to this Agreement, unless the context otherwise requires, the following definitions will apply, with the defined words and phrases being capitalized in this Agreement for ease of reference:

“Agreement” means this Affiliation Agreement between the ACL CANADA and AAPC;

“Board” means the Board of Governors of ACL CANADA or the Board of (Insert Directors or Governors, as applicable) of AAPC, as the context requires;

“By-laws” means the General Operating By-law No. 1 of ACL CANADA and all other by-laws of ACL CANADA as amended and which are in force and effect;

“Confidential Information” means any information or data, in whatever format, exchanged between the parties including, without limitation, information concerning members and donors and any other information about either party's activities and programs. Confidential Information excludes:

- (a) any information in the possession or control of one party that it expressly declares in writing to be non-confidential;
- (b) any information which is in the public domain; and
- (c) any information which becomes known to the non-disclosing party as a result of disclosure from a third party who to the best of the knowledge of the non-disclosing party is entitled to disclose the Confidential Information;

“CRA” means the Canada Revenue Agency;

“DND” means the Department of National Defence of Canada;

“Effective Date” means the date determined by the parties as is indicated above, below the title of

the document;

“**Fiscal Year**” of ACL CANADA means April 1 to March 31 and of AAPC means (Insert Date);

“**Intellectual Property**” means all of ACL CANADA’s patents, Trademarks (as defined in this Agreement), corporate names, trade names, trading styles, domain names, flags, banners, badges, emblems, insignia, industrial designs, copyright (including without limitation copyright in computer software and databases), data, database rights, inventions, concepts, methodologies, technical information, know how, trade secrets, Confidential Information (as defined in this Agreement), and all other intellectual and industrial property and rights of a similar or corresponding nature whether registered or capable of registration or unregistered including all applications for, the right to apply for and to sue for past infringements of any of ACL CANADA’s aforementioned rights;

“**League**” has the meaning given to it in the second recital;

“**Notices**” shall have the meaning given to it in Section 9.10;

“**Operating Policies**” mean the operating policies approved and amended from time to time by the Board of ACL CANADA in accordance with its By-laws;

“**Personal Information**” has the meaning given to it in the relevant provincial legislation, if any, and the *Personal Information Protection and Electronic Documents Act*, S.C. 2000, c.5 (“**PIPEDA**”);

“**Policy and Procedure Manual**” or “**PPM**” means the manual, as amended from time to time, with respect to the structure and activities of the League and which encompasses the Operating Policies and procedures of the League that are required to be published and complied with in accordance with the terms of this Agreement;

“**Provincial/Territorial Chairs Committee**” means a committee of ACL CANADA composed of the Chairs of each Board of all of the Provincial/Territorial Committees and chaired by the 1st Vice President of ACL CANADA;

“**Provincial/Territorial Committee**” means a not-for-profit corporation or group of persons forming an organization, which, within its province, territory or other specified area of jurisdiction, represents the League and which promotes and assists in the development of the Air Cadet program in accordance with this Agreement and the Policy and Procedure Manual;

“**Services**” has the meaning given to it in Section 3.1;

“**Squadron Sponsoring Committee or SSC**” means a not-for-profit corporation or group of persons forming a subordinate organization which, within its local, municipal or identified geographic boundary, is duly authorized by the Provincial/Territorial Committee to represent the League, assists in the development of the program in accordance with the operating policies of the Provincial/Territorial Committee and ACL CANADA, and is subject to the direction and control of the Provincial/Territorial Committee.

“**Term**” means the term of this Agreement referred to in Section 6.1; and

“**Trademarks**” mean ACL CANADA’s trademarks, whether protected as official marks within the meaning of s. 9(1)(n)(iii) of the *Trade-marks Act*, R.S.C. 1985, c. T-13, otherwise registered under the *Trade-marks Act*, unregistered, or by reason of use and the common law, whether comprised of

words, designs or logos, or a combination of words and designs or logos, as noted in Schedule ‘A’ of this Agreement.

SECTION II **RELATIONSHIP OF PARTIES**

2.1 Purpose of Relationship

ACL CANADA and AAPC agree to support the Purposes and strategic plan of ACL CANADA and the Memorandum of Understanding with DND and to speak with one voice when representing the concerns and issues of air cadet squadrons in the various provinces or territories.

2.2 Organizational Integrity

This Agreement must be read in conjunction with the By-laws and the PPM of ACL CANADA. By entering into this Agreement, the AAPC agrees to be bound by the By-laws and the PPM of ACL CANADA.

Any Operating Policies approved by the Board of ACL CANADA that are intended to apply broadly to the League, specifically Provincial/Territorial Committees and SSCs, shall be included in the PPM. Any amendments or additions to the PPM or to the By-Laws from time to time by ACL CANADA shall only occur after consultation with the Provincial/Territorial Chairs Committee.

Both ACL CANADA and the AAPC confirm that they will remain separate and distinct entities with their own Boards that will remain responsible for the management and governance of their respective organizations. Notwithstanding the foregoing, the governance structure of the AAPC must meet the standards set out by ACL CANADA in its By-laws and the PPM.

For greater certainty, it is acknowledged that in the absence of specific policies and procedures contained in the PPM, the policies, procedures and decisions of AAPC shall apply. Personnel matters including remuneration or reimbursement of expenses of both staff and volunteers acting on behalf of AAPC shall, despite anything to the contrary in the PPM or other Operating Policies of ACL CANADA, be solely determined by AAPC, provided AAPC complies with applicable law.

SECTION III **OBLIGATIONS OF THE PARTIES**

3.1 Obligations of ACL CANADA

ACL CANADA agrees to provide such services and support (the “**Services**”) to the AAPC, as the parties may mutually agree, or as are currently being provided to the AAPC as of the date of this Agreement that are necessary to allow the AAPC to fulfill its mandate. The Services shall include the following, or as the parties may agree:

- (a) Participating with DND and Provincial/Territorial Committees in the development of national strategies, and campaigns to attract, enroll, train and retain air cadets, volunteers, **air cadet instructors and civilian instructors;**
- (b) **Participating with DND and Provincial/Territorial Committees in the development of volunteer management and screening policies;**

- (c) Coordinating of the upload of core data from each province/territory into the national screening customized database;
- (d) Coaching, advising and taking field inquiries from coordinators of Provincial/Territorial screening of volunteers;
- (e) **Assisting the AAPC in acquiring and maintaining** the numbers of tow aircraft, gliders, glider trailers, winches and their supporting vehicles, winch retrieve vehicles and glider launch vehicles required to satisfactorily operate the Air Cadet Training Program in each Province/Territory as agreed in the Goods and Services Contract signed between DND and ACL CANADA;
- (f) Maintaining a national database of volunteers;
- (g) Coordinating the development of a national strategic plan for the development and sustainability of the League, including ACL CANADA;
- (h) Establishing and maintaining the National Assessment Fee, as provided for in the PPM in consultation with the Provincial/Territorial Chair Committee;
- (i) **Assisting in the development of course prerequisites and selection of air cadets for Air Cadet Training Centres, National Courses and the International Air Cadet Exchange Program,** including advancing any concerns from SSCs and Provincial/Territorial Committees;
- (j) Developing and maintaining the PPM in consultation with the Provincial/Territorial Committee Chairs Committee, **including management and maintenance of facilities,** insurance requirements, and accounting for bank accounts and providing administrative services related thereto;
- (k) Consulting with DND on policies, procedures and concerns with squadron training programs and international exchanges;
- (l) Participating in the nomination and selection process for national awards within the ACL CANADA, DND and outside organizations and participating in ceremonies, as appropriate;
- (m) Negotiating national procurement agreements, and memoranda of understanding with partner organizations within the aviation industry and amongst other youth and service clubs;
- (n) In consultation with DND, issuing charters to new air cadet squadrons and providing support to Provincial/Territorial Committees in the formation, probation and disbandment of squadrons;
- (o) Providing input to DND in respect of public funding through DND;
- (p) Consulting with DND on air cadet involvement in fundraising activities and organizing national fundraising activities;
- (q) Liaising and coordinating with CRA regarding charitable registration **and incorporation** and other matters relating to the legal status of ACL CANADA and its Provincial/Territorial Committees and SSCs as registered charities;
- (r) Negotiating national insurance coverage for activities in consultation with DND, exchanging information on accidents and significant incidents with DND, reporting incidents to the

insurer(s), providing insurance coverage information to parents or legal guardians of air cadets, ensuring executive members of ACL CANADA, AAPC and SSCs within AAPC's jurisdiction are covered by D&O insurance, producing the League insurance booklet, ensuring insurance premiums are remitted, and handling administration related to loss claims;

- (s) Maintaining a legal defence fund and ensuring representation of the League in all cases where the ACL CANADA, AAPC, SSCs and/or their volunteer members are named as the defendant and/or named insured;
- (t) Negotiating national insurance coverage for aircraft fleets in consultation with DND, exchanging information on aviation accidents and significant incidents with DND, reporting incidents to the insurer(s), providing insurance coverage information to appropriate parties as required, ensuring insurance premiums are remitted, and handling administration related to loss claims;
- (u) Establishing and maintaining a national public relations strategy, national media campaigns, crisis management protocol, and national information distribution systems;
- (v) Providing access to and use of the Intellectual Property, including Trademarks, in accordance with the attached Schedule 'A' and the PPM; and
- (w) Providing any other Services agreed to by the parties.

3.2 Obligations of AAPC

AAPC agrees to provide support to ACL CANADA and to comply with the following obligations, or such other obligations as the parties may mutually agree, that are necessary to allow both ACL CANADA and AAPC to fulfill the Purposes:

- (a) Unless otherwise agreed in writing by ACL CANADA acting reasonably, AAPC will not proceed with the adoption, implementation, or undertaking of any of the following fundamental corporate changes:
 - (i) any change to its charitable objects that would contradict or otherwise prejudice the terms of the relationship between the parties;
 - (ii) a change of the corporate name of the Provincial/Territorial Committee or the adoption or change of any operating business name or trade-mark thereof;
 - (iii) the amalgamation of the Provincial/Territorial Committee with any other corporation or entity, or the continuance of the AAPC as a corporation in any other jurisdiction;
 - (iv) the establishment of other corporations, trusts, unincorporated associations, or other incorporated or unincorporated vehicles designed to hold the assets of the Provincial/Territorial Committee for asset protection, fundraising or any other purposes; or
 - (v) otherwise dispose of all or substantially all of its assets to any other entity within or outside the League, including upon liquidation and dissolution;
- (b) AAPC will appoint Provincial/Territorial delegates as members of ACL CANADA in accordance with the By-laws and PPM of ACL CANADA;

- (c) In the conduct of its activities, AAPC will comply with the By-laws and the PPM and with relevant tax and privacy law;
- (d) AAPC will support ACL CANADA by acquiring and maintaining appropriate numbers of tow aircraft, gliders, glider trailers, winches and their supporting vehicles, winch retrieve vehicles and glider launch vehicles required to satisfactorily operate the air cadet gliding program in their provincial jurisdiction as agreed in the Goods and Services Contract between DND and ACL CANADA;
- (e) AAPC will endeavour to ensure that all Squadron Sponsoring Committees operating within its provincial or territorial jurisdiction also comply with any relevant terms of this Agreement, the By-laws and PPM of ACL CANADA and relevant tax and privacy law;
- (f) AAPC will participate in the development and support of national strategies and campaigns to attract, enroll, train and retain air cadet instructors and civilian instructors;
- (g) AAPC will participate in the development and support of national strategies and campaigns related to funding ACL CANADA and its Provincial/Territorial Committees;
- (h) AAPC will support the maintenance of the legal defence fund and national insurance coverage, as required, and will represent the League when required by ACL CANADA in cases where AAPC, SSCs and/or their volunteer members are named as the defendant and/or named insured;
- (i) AAPC will collaborate in the implementation of national volunteer policies, identify and conduct screening of potential volunteers, verify screening results and forward to ACL CANADA for approval, and provide lists of ACL CANADA approved volunteers to squadrons;
- (j) AAPC will identify and deliver required volunteer training and ensure the authorized use of volunteers in accordance with national policies; and
- (k) AAPC shall not engage in conduct that in the opinion of ACL CANADA, acting reasonably, reflects unfavourably or detrimentally upon ACL CANADA, its name, good will, Trademarks, or reputation.

3.3 Intellectual Property

- (a) AAPC acknowledges that ACL CANADA is the owner of the Intellectual Property, including Trademarks, and agrees to use them and to authorize the use of them by air cadet squadrons, SSCs and sponsors providing financial assistance only in accordance with the attached Schedule 'A' and the PPM; and
- (b) AAPC will not authorize any use of ACL CANADA's Intellectual Property, including Trademarks, by third parties (not including air cadet squadrons, SSCs and sponsors providing financial assistance) without the prior written approval of ACL CANADA; AAPC further acknowledges that AAPC must notify ACL CANADA of any use of its Intellectual Property, including Trademarks, by third parties that comes to the attention of AAPC as soon as reasonably practical after such third party use comes to AAPC's attention.

3.4 Planning and Reporting

- (a) Within three (3) months after the end of each Fiscal Year of AAPC, it will provide an annual

report in the format prescribed by the PPM to ACL CANADA describing the activities of the AAPC during the past year.

- (b) Within four (4) months after the end of each Fiscal Year of AAPC, it will provide financial statements of the previous Fiscal Year of the AAPC to ACL CANADA (consisting of at least a balance sheet as of the end of such Fiscal Year and a statement of revenue, expense, cash flow and changes in fund balances for such Fiscal Year, together with detailed notes thereto). For greater certainty and consistency, the type of financial reporting must be prepared by an independent, licensed public accountant and will comply with the reporting requirements under the corporate legislation governing the Provincial/Territorial Committee.
- (c) Within six (6) months after the end of each SSC's fiscal year, AAPC will provide signed financial statements for each SSC in accordance with the established procedure and in the format prescribed by the PPM.
- (d) Within four (4) months after the end of each Fiscal Year of ACL CANADA, ACL CANADA will provide to AAPC its audited financial statements of the previous fiscal year of ACL CANADA.

3.5 Further Rights of ACL CANADA

- (a) At any time and upon reasonable prior written notice by ACL CANADA, AAPC will provide access to its offices and its accounting and corporate documentation and data in order to permit ACL CANADA, its representatives and advisors to verify that AAPC is complying with its obligations under this Agreement. Subject to obligations related to confidentiality, at any time upon written request by AAPC, ACL CANADA will provide within a reasonable period information regarding its compliance with its obligations under this Agreement.
- (b) At any time and upon reasonable prior written notice by ACL CANADA to AAPC and the members of its Board, ACL CANADA shall have the right to require AAPC to convene a meeting of AAPC's Board for the purpose of discussing any issues or concerns relating to AAPC's performance of its obligations in accordance with this Agreement, the particulars of which shall be set out in the notice requisitioning the meeting and such that the Board will be in a position to respond to such issues or concerns at the meeting of the Board. ACL CANADA shall be entitled to speak at such meeting, it being understood that at all times the directors of AAPC remain independent and are required to act in the best interests of AAPC.

SECTION IV **MAINTENANCE OF DOCUMENTS, BOOKS AND RECORDS**

4.1 Maintenance of Documents, Books and Records

ACL CANADA and the AAPC will each establish and keep proper and adequate documents, books and records in relation to its operations and activities and monies received and disbursed, which documents, books and records will not either willfully or fraudulently misrepresent any fact, condition or report required to be made by this Agreement. Such documents, books and records will include, but are not limited to, its key governing documents, all minutes of board meetings, annual reports, financial statements, purchase records, goods and services tax returns, other sales tax returns

and any other records, documents or information which would either be maintained in the normal course of operations of the organization or would otherwise be available to the public or to members of the organization. The parties will comply with applicable laws in relation to the requirement to keep proper and adequate books and records, including, without limitation, the requirements under the *Income Tax Act*, R.S.C. 1985, c.1 (5th Supp.) and the relevant corporate legislation.

4.2 Provision and Examination of Documents, Books and Records

If there is an issue in determining compliance with this Agreement, the documents, books and records of AAPC or ACL CANADA, as applicable, may, on reasonable notice specifying the particulars of the issue of concern, be examined at the applicable party's head office during normal business hours by an authorized employee or agent of the requesting party at the expense of the requesting party.

SECTION V **CONFLICT RESOLUTION**

5.1 Modification of Agreement

If this Agreement is to be modified, the respective chairpersons of the Boards of ACL CANADA and the AAPC (and other directors or staff as may be appropriate) shall review any proposed modifications keeping in mind both local needs and the principle that all affiliation agreements have a common framework and content and agree on mutually-agreed upon modifications. Amendments to this Agreement may only take effect following approval by the Boards of both ACL CANADA and AAPC. To the extent that a party, acting reasonably, is of the opinion that the proposed modification is of significant interest to other Provincial/Territorial Committees, such party may submit the modification to the Provincial/Territorial Chairs Committee for review.

5.2 Remediating Non-Compliance

- (a) Should either party (in this Section 5, the “complaining party”) identify any material non-compliance with this Agreement, the PPM, or any other significant issue with the performance of the other party’s obligations hereunder (in this Section 5, the “non-complying party”), the non-complying party shall, within thirty (30) days of receipt of written notice from the complaining party specifying the particulars of the non-compliance or performance issue, do all things necessary to correct the non-compliance or performance issues so specified, in addition to cooperating with the representatives of the complaining party in respect of any corrective actions or measures determined necessary. Each such notice shall include a description of, a timeline for the response to and completion of the corrective actions or measures set forth therein.
- (b) Should the non-complying party determine that the issue is not one of non-compliance or a performance issue but of interpretation of the underlying obligation or dispute the validity of the claim of non-compliance, the non-complying party shall, within thirty (30) days of receipt of the notice, inform the complaining party of their position with respect to the non-compliance and the provisions of Section 5.3 shall apply.
- (c) Should AAPC fail to correct any non-compliance or address the performance issues identified through the process of this Section 5.2 to the satisfaction of ACL CANADA, acting reasonably, and any recourse to resolution of the dispute pursuant to Section 5.3 having been completed and found in favour of ACL CANADA, then in addition to the rights contained in Section 6.2, ACL

CANADA may place AAPC on probation in accordance with the terms of the PPM.

5.3 Dispute Resolution

- (a) If there is a dispute between the parties including a difference of interpretation about the Agreement that leads to a disagreement, then either party shall provide written notice to the other party of the disagreement and their position with respect to the application of the Agreement. Both parties shall make good faith efforts to consult and negotiate with each other to reach a mutually satisfactory solution. While efforts would be made to have a consistent approach to all Provincial/Territorial Committees, it is recognized that there may be cases where a Provincial/Territorial Committee may require a modification in order to meet the needs of the members who reside within that jurisdiction.
- (b) If such negotiations do not resolve the dispute within a period of forty-five (45) days, then either party may submit a written notice to the other party to request that mediation take place. All costs of the mediation shall be borne equally by the parties to the dispute or the controversy. The mediator and the terms of reference for the mediation shall be determined by mutual agreement between the parties.
- (c) If the parties are not successful in resolving the dispute as set out in (a) and (b) above, then within 14 days of conclusion of that process and if both parties agree, the dispute shall be submitted to binding arbitration in accordance with the following provisions:
 - i. Except as otherwise provided in this Agreement, the arbitration shall be administered in accordance with the Canadian Arbitration Associations Arbitration Rules;
 - ii. The arbitrator shall be chosen by agreement between the parties. If the parties for any reason fail to make such appointment, either party to the Dispute may apply to any judge of the Superior Court of Ontario for an order appointing the arbitrator, provided that the other party is given not less than 48 hours' notice of that application;
 - iii. The seat of arbitration shall be the City of Ottawa, Province of Ontario; and
 - iv. The decision of the arbitrator shall be final and binding, and may not be appealed; and
 - v. The parties shall pay the arbitrators expenses in equal shares and there shall be no award for costs.

Otherwise, either party may file an action in the superior court of the jurisdiction in which the Provincial/Territorial Committee is situate with respect to the dispute within such 45 day period, failing which the position of ACL CANADA shall be conclusively deemed to have been upheld.

SECTION VI TERM AND TERMINATION

6.1 Term

This Agreement will come into effect on the Effective Date and will continue in effect until terminated under Section 6.2 of this Agreement.

6.2 Termination

Notwithstanding anything otherwise contained in this Agreement, this Agreement will terminate upon the occurrence of one or more of the following events:

- (a) notwithstanding anything in Section 5 above, if either ACL CANADA or AAPC is consistently in default in carrying out any of any materials obligation under this Agreement to the extent that the party in default brings the League and its Purposes into existential disrepute within its jurisdiction and said default is not cured within ninety (90) days after the non-defaulting party provides the defaulting party with prior written notice of default, or such longer period as may be reasonable in the circumstances to cure such default in the opinion of the non-defaulting party to determine, acting reasonably. The notice of default shall specify with particularity the default complained of together with details of what is necessary to cure the default on the part of the defaulting party and that in the event of failing to cure the default, the non-defaulting party intends to terminate the Agreement;
- (b) automatically upon the dissolution or winding up of ACL CANADA or the AAPC; or
- (c) automatically in the event that ACL CANADA or the AAPC becomes bankrupt or insolvent, makes an assignment for the benefit of creditors, or takes the benefit of any statute relating to bankrupt or insolvent debtors, or a receiver, or interim receiver has been appointed including under a debt instrument passed for the winding up of the organization and doesn't take steps to reverse such action within 90 days of becoming aware of the matter referred to in this subsection permitting termination.

Any decision by ACL CANADA to terminate this Agreement pursuant to paragraph (a) must be ratified by a special resolution of the members of ACL CANADA, not including the delegates of AAPC, passed in accordance with the By-laws.

6.3 Consequences of Termination

Upon the termination of this Agreement, the following will occur:

- (a) this Agreement and the rights afforded to both parties will automatically cease, save and except for the survival of any outstanding obligations of both parties under this Agreement;
- (b) AAPC will immediately discontinue the use of the Intellectual Property, including Trademarks owned by ACL CANADA. Any sub-license by AAPC of the Intellectual Property to air cadet squadrons and/or SSCs within its province or other specified area of jurisdiction shall continue provided that the air cadet squadrons and/or SSCs comply with any relevant terms of this Agreement and with ACL CANADA's By-laws and the PPM and with relevant tax and privacy law, including their respective obligations as registered charities;
- (c) AAPC will return to ACL CANADA or destroy any manuals, books, videos, tapes, computer software, and any other materials or means bearing, containing or otherwise involving any Intellectual Property, including Trademarks, owned by ACL CANADA subject to compliance with applicable law relating to retention of files by AAPC;
- (d) AAPC shall destroy all unused letterhead and other similar material, including without limitation any materials or means not returned to ACL CANADA, on which the name of ACL CANADA appears subject to compliance with applicable law relating to retention of files by AAPC;
- (e) if the event referred to in Section 6.2 relates to AAPC, then AAPC agrees to irrevocably appoint ACL CANADA as its attorney to convene a meeting of its Board and/or an annual or special meeting of members of AAPC to allow them to take any necessary measures to protect the assets

of AAPC, including the transfer the assets of AAPC to a successor organization as determined in the sole discretion of ACL CANADA; unless expressly prohibited under applicable law;

- (f) if the event referred to in Section 6.2 relates to ACL CANADA, then ACL CANADA agrees that AAPC may seek the appointment of a corporate trustee of the assets of ACL CANADA to among other matters, convene a meeting of its Board and/or an annual or special general meeting of members of ACL CANADA to allow the trustee in conjunction with the members to take any necessary measures to protect the assets of ACL CANADA including the transfer of assets of ACL CANADA to a successor organization as determined by the members of ACL CANADA;
- (g) subject to compliance with applicable tax and privacy law, and if requested by either party, the parties will agree to issue a joint press release indicating the end of the relationship between the parties, to provide notification of the end of the Agreement to the members and supporters of the League; and
- (h) within sixty (60) days after the termination of this Agreement, there will be an accounting between the AAPC and ACL CANADA with respect to the monies due by each to the other under the terms of this Agreement with both the AAPC and ACL CANADA promptly paying to the other whatever monies will be found as owing by one to the other pursuant to such accounting.

6.4 Remedies Cumulative

The remedies of the parties hereunder in the case of an event of default by any party will be cumulative and each party may exercise any and all lawful remedies which it may have concurrently.

SECTION VII CONFIDENTIALITY

7.1 Confidential Information

ACL CANADA and AAPC covenant and agree that they shall not disclose to anyone any Confidential Information with respect to the affairs of the other party, without the prior consent of the other party unless it is directed to do so by the other party or it is required to do so by applicable law or other regulatory authority. If the disclosure is being required by law or regulatory authority, the disclosing party shall provide written notice of the obligation to disclose to the non-disclosing party promptly, and if possible, before any such report or disclosure is made in order to permit the non-disclosing party the opportunity to contest or otherwise apply to restrict such disclosure. This obligation shall survive the expiry or termination of this Agreement.

SECTION VIII
PERSONAL INFORMATION AND PRIVACY

8.1 Privacy and Personal Information

- (a) The parties acknowledge that through their relationship with each other, they will become aware of Personal Information which is collected, used or disclosed by other party to this Agreement.
- (b) A party receiving such Personal Information (in this Section 8.1, the “receiving party”) from the other party (in this Section 8.1, the “disclosing party”) agrees and covenants with the disclosing party that the it will not collect, use or disclose such Personal Information provided to it by the disclosing party except in accordance with the disclosing party’s written instructions, as well as any rules and regulations of the disclosing party with respect to such Personal Information.
- (c) The receiving party agrees and covenants that such Personal Information provided to it by the disclosing party will only be collected, used, or disclosed for the purposes specified by the disclosing party and that the receiving party will not sell, trade, barter, disclose or transfer such Personal Information to any other party except with the prior written consent of the disclosing party or if it is required to do so by applicable law or other regulatory authority. If the disclosure is being required by law or regulatory authority, the disclosing party shall provide written notice of the obligation to disclose to the non-disclosing party promptly, and if possible, before any such report or disclosure is made in order to permit the non-disclosing party the opportunity to contest or otherwise apply to restrict such disclosure. This obligation shall survive the expiry or termination of this Agreement.
- (d) Notwithstanding anything to the contrary in this Agreement, including this Section 8.1, in the event of conflict between the provisions of this Section 8.1 and PIPEDA, the provisions of PIPEDA shall prevail and to that extent the provisions of this Section 8.1 shall be interpreted as being subject to compliance with the applicable provision(s) of PIPEDA.

SECTION IX
GENERAL PROVISIONS

9.1 Recital

The parties hereto warrant that the facts contained in the recitals are correct in all material respects.

9.2 Governing Law

This Agreement will be governed by and construed in accordance with the laws of the Province of (Insert Applicable Province) and the federal laws of Canada applicable therein and each of the parties hereto agrees irrevocably to conform to the non-exclusive jurisdiction of the Courts of such Province. It is the intent of the parties to fully comply with all applicable provincial and federal laws. If any provision of this Agreement is determined not to be in compliance with applicable statutes, that provision will immediately be regarded as null and void and this Agreement will otherwise continue with the parties co-operating in good faith to modify this Agreement as required as to most full accomplish the original goals, objectives and stated purposes of this Agreement.

9.3 Enurement

This Agreement will be binding upon and enure to the benefit of the parties, their respective successors and permitted assigns.

9.4 Assignment

Except as otherwise provided to the contrary in this Agreement, neither party may assign its rights hereunder except with the prior written consent of the other party hereto.

9.5 Gender and Number

In this Agreement, words importing the singular number will include the plural and vice versa, and words importing the use of any gender will include the masculine, feminine and neuter genders and the word "person" will include an individual, a trust, a partnership, a body corporate, an association or other incorporated or unincorporated organization or entity.

9.6 Legislation References

Any references in this Agreement to any law, by-law, rule, regulation, order or act of any government, governmental body or other regulatory body will be construed as a reference thereto as amended or re-enacted from time to time or as a reference to any successor thereto.

9.7 Further Assurances

When required, ACL CANADA and the AAPC will sign other documents, hold meetings, pass resolutions and enact by-laws, exercise their vote and influence, do and perform and take initiative to support actions necessary in order to give full effect to this Agreement and every part thereof.

9.8 Time of the Essence

Time will be deemed to be of the essence with respect to all time limits mentioned in this Agreement, and no extension or variation of this Agreement will operate as a waiver of this provision.

9.9 Entire Agreement, Amendments and Schedules

This Agreement constitutes the entire agreement between the parties with respect to all of the matters herein and supersedes all prior and contemporaneous agreements (except as specifically provided for in this Agreement), understandings, negotiations and discussions whether oral or written of the parties. The execution of this Agreement has not been induced by, nor do any of the parties rely upon or regard as material, any representations or writings whatever not incorporated herein and made a part hereof and may not be amended or modified in any respect except by written instrument signed by the parties hereto. Any schedules referred to herein are incorporated herein by reference and form part of this Agreement.

9.10 Notices

All notices, requests, demands, or other communications (collectively called “**Notices**”) by the terms hereof required or permitted to be given by one party to any other party, or to any other person shall be given in writing by personal delivery or by registered mail, postage prepaid, by facsimile transmission, or email to such other parties as follows:

In the case of ACL CANADA:

Address: POB 8758, Station T
Ottawa, ON K1G 3J1

Attention: ACL CANADA President
Fax: (613) 725-6359
Email: leaguehq@aircadetleague.com

With a copy to: Executive Director at above address

In the case of the AAPC:

Address: (Insert Address)

Attention: Chairperson/President of the Provincial AAPC
Fax: (Insert Fax)
Email: (Insert Email)

With a copy to: Executive Director at above address

or at such subsequent address given by such party to the other parties hereto in writing from time to time.

All such Notices shall be deemed to have been received when delivered or transmitted during business hours in (Insert Applicable Province) Monday to Friday excluding public holidays in (Insert Applicable Province), or, if mailed, forty-eight (48) hours after 12:01 a.m. on the date following the day of the mailing thereof. If any Notice shall have been mailed and if regular mail service shall be interrupted by strikes or other irregularities, such Notice shall be deemed to have been received forty-eight (48) hours after 12:01 a.m. on the day following the resumption of normal mail service, provided that during the period that regular mail service shall be interrupted all Notices shall be given by personal delivery or, by facsimile transmission, or email.

9.11 Severable Covenant

If any article, section or any portion of any section of this Agreement is determined to be unenforceable or invalid for any reason whatsoever that unenforceability or invalidity shall not affect the enforceability or validity of the remaining portions of this Agreement and such unenforceable or invalid article, section or portion thereof shall be severed from the remainder of this Agreement.

9.12 Force Majeure

If either party is prevented from complying, either totally or in part, with any of the terms or provisions of this Agreement by reason of fire, flood, storm, strike, lockout or other labour trouble, riot, war, rebellion, act of terrorism, pandemic disease, accident or other acts of God, then upon written notice to the other party, the affected provisions and/or requirements of this Agreement shall be suspended during the period of such disability.

9.13 No Warranty or Representation

Neither party makes and has not made or given any warranties, representations or covenants to the other party respecting the subject matter of this Agreement, save and except as expressly stated in this Agreement.

9.14 Non-Waiver

No waiver by a party of any breach by the other party of any of its covenants, obligations and agreements hereunder shall be a waiver of any subsequent breach of any other covenant, obligation or agreement, nor shall any forbearance to seek a remedy for any breach be a waiver of any rights and remedies with respect to such or any subsequent breach.

9.15 Headings

All headings in this Agreement are inserted for convenience of reference only and are not to be considered in the construction or interpretation of any provisions of this Agreement.

9.16 Counterparts

This Agreement may be executed in any number of counterparts, each of which shall be deemed an original and all of which together shall be deemed to be one and the same instrument. All counterparts so executed shall constitute one agreement binding on both parties, notwithstanding that both parties are not signatories to the original or the same counterpart.

9.17 Electronic Delivery

The parties hereto agree that this Agreement may be transmitted by facsimile, email or electronic means and that the reproduction of signatures by facsimile, email or other electronic means will be treated as binding as if originals and each party hereto undertakes to provide the other party hereto with a copy of the Agreement bearing original signature forthwith and upon demand.

9.18 Language of Contract

The parties agree that this Agreement will be created in English and French. In the event of disputes, the English version shall prevail.

9.19 Survival

The termination of this Agreement will not affect the survival and enforceability of any provision of this Agreement which is expressly or impliedly intended to remain in force after such termination.

9.20 Independent Legal Advice

The parties confirm that they have each obtained independent legal advice before executing this Agreement and have made their own independent enquiries concerning the matters referred to in this Agreement, including all due diligence searches as may be necessary.

9.21 Release

Each of the parties acknowledges that it is not relying upon the other party to provide any legal, accounting or tax advice and that each of the parties therefore releases the other party, its successors, directors, officers, employees, and assigns from any legal responsibility or liability concerning such advice that is or is not obtained.

IN WITNESS WHEREOF ACL CANADA has executed this Agreement this xth day of Month, 20xx as attested to by its duly authorized signing officers.

THE AIR CADET LEAGUE OF CANADA (ACL CANADA) / LA LIGUE DES CADETS DE L’AIR DU CANADA

Per: _____
Name [please print]: _____
Position: ACL CANADA President

Per: _____
Name [please print]: _____
Position: CORPORATE SECRETARY

We have authority to bind the corporation.

IN WITNESS WHEREOF the AAPC has executed this Agreement this _____ day of _____, 20XX as attested to by its duly authorized signing officers.

**THE AIR CADET LEAGUE OF CANADA
- ABC PROVINCIAL COMMITTEE**

Per: _____
Name [please print]: _____
Position: PROVINCIAL CHAIR

Per: _____
Name [please print]: _____
Position [please print]: _____

We have authority to bind AAPC

SCHEDULE A

WHEREAS ACL CANADA and AAPC have entered into this Affiliation Agreement between them;

AND WHEREAS ACL CANADA is the owner of the trademarks identified in Section 1 and other intellectual property identified in Section 1 (“Other Intellectual Property”);

NOW THEREFORE IN CONSIDERATION of the mutual covenants, agreements and indemnities contained herein and in the Affiliation Agreement and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto further agree to the use of the ACL CANADA’s Trademarks and intellectual property as follows:

1. Definitions

In addition to the definitions in the Affiliation Agreement, in this Schedule and in any amendment to this Schedule, unless the context otherwise requires, the following definitions will apply, with the defined words and phrases being capitalized in this Schedule and the Affiliation Agreement for ease of reference

“Goods and Services” includes all goods sold by and services offered by ACL CANADA, including but not limited to:

- Promotional items relating to air cadet training and programs; clothing
- Educational programs related to aviation, flight and ground crew training, aviation science, awards and scholarship programs; leadership and communication skills training;
- Operation, maintenance and support of aircraft and related vehicles for the air cadet training program; coordination of volunteer programs related to the air cadet program; and
- Charitable fundraising

“Intellectual Property” means all of ACL CANADA’s patents, Trademarks (as defined in this Schedule A), corporate names, trade names, trading styles, domain names, flags, banners, badges, emblems, insignia, industrial designs, copyright (including without limitation copyright in computer software and databases), data, database rights, inventions, concepts, methodologies, technical information, know how, trade secrets, Confidential Information (as defined in this Agreement), and all other intellectual and industrial property and rights of a similar or corresponding nature whether registered or capable of registration or unregistered including all applications for, the right to apply for and to sue for past infringements of any of ACL CANADA’s aforementioned rights.

“Other Intellectual Property” means, apart from the Trademarks, posters, manuals, databases, websites, digital applications, social media, fundraising and marketing materials, and other related resources.”

“Trademarks” mean ACL CANADA’s trademarks, whether protected as official marks within the meaning of s. 9(1)(n)(iii) of the *Trade-marks Act*, R.S.C. 1985, c. T-13, as amended, otherwise registered under the *Trade-marks Act*, unregistered, or by reason of use and the common law, whether comprised of words, designs or logos, or a combination of words and

designs or logos, including without limitation:

Trademark	Serial Number and Filing	Advertisement Date
AIR CADET LEAGUE OF CANADA LIGUE DES CADETS DE L’AIR DU CANADA (Words)	917798 - August 21, 2006	April 18, 2007
AIR CADETS DE L’AIR (Words)	918530 – July 18, 2007	July 6, 2011
J’APPUIE LES CADETS DE L’AIR (Words)	918575 – July 18, 2007	July 6, 2011
I SUPPORT AIR CADETS (Words)	918577 – July 18, 2007	July 6, 2011
AIR CADETS (Words)	918576 – July 18, 2007	July 6, 2011
AIR CADET LEAGUE OF CANADA LIGUE DES CADETS DE L’AIR DU CANADA & Design (Design/Logo)	918583 – July 18, 2007	July 6, 2011

2. Grant of Licence

So long as AAPC complies with the Schedule A, Affiliation Agreement and the By-laws and the PPM of ACL CANADA, ACL CANADA grants to AAPC and AAPC accepts from ACL CANADA a non-exclusive licence to use the Trademarks and Other Intellectual Property (the “Licence”), subject to the conditions or restrictions contained in this schedule the Affiliation Agreement and the PPM. AAPC is not permitted to authorize any use of ACL CANADA’s Intellectual Property, including Trademarks, by third parties without the prior written approval of ACL CANADA in its discretion except to the extent specifically permitted by the Affiliation Agreement.

3. Mission/League Activities

- (a) AAPC is permitted to use the Trademarks only in connection with League activities in fulfillment of the mission, vision, values and strategic plan of ACL CANADA and in accordance with the By-laws and PPM. AAPC shall refrain from using the Trademarks in association with any other goods, services or activities, unless ACL CANADA determines, in ACL CANADA’s discretion, that the Trademarks are available for use and/or registration in association with any new goods, services or activities proposed by AAPC and/or ACL CANADA agrees in writing.
- (b) AAPC shall refrain from developing, adopting and using any other trademarks, unless ACL CANADA agrees in writing. Any new trademarks to which ACL CANADA agrees shall be subject to the relevant terms contained in the Affiliation Agreement and the PPM and shall be deemed to be included in all references to the Trademarks and shall be the property of ACL Canada. If ACL CANADA desires, in ACL CANADA’s discretion, to register, apply to register or seek

official mark protection for any of the new Trademarks to which ACL CANADA has agreed, or any other Trademarks, AAPC shall cooperate in the filing in the Canadian Intellectual Property Office, as necessary, to register, apply to register or seek official mark protection for the new Trademarks, or any other Trademarks, in ACL CANADA's name.

4. **Standards**

The Trademarks that are used by AAPC shall conform to the standards approved or set by ACL CANADA and any change or alteration to such standards as may be made by the ACL CANADA and communicated to AAPC by ACL CANADA. At all times the character and quality of the services in association with which the Trademarks are used by AAPC shall be satisfactory to ACL CANADA.

5. **Directions**

ACL CANADA or its representatives or advisors may give directions to AAPC at any time relating to the form of any literature, advertising, signage or other material of any kind in which the Trademarks or Other Intellectual Property are/is shown or displayed, described, displayed or performed by AAPC and all Directions shall be followed promptly and at all times properly by AAPC.

6. **Notices**

In any literature, advertising, signage or other material of any kind in which the Trademarks or Other Intellectual Property are/is shown, described or displayed by AAPC, AAPC shall employ such notices in respect of the ownership and licensing of the Trademarks or any Other Intellectual Property as may be specified from time to time in writing by ACL:

7. **AAPC's Trade Name**

AAPC shall refrain from adopting or using any trademarks, trade names, trading styles or domain names the same as or confusingly similar to the Trademarks in or as its corporate name, trading style or other trade name unless approved in writing by the ACL CANADA. Use of a trade name approved by ACL CANADA for each PC, such as *Air Cadet League of Canada - ABC Committee*, is permissible and shall be deemed to be part of this Schedule and the Affiliation Agreement.

8. **Property of ACL CANADA**

AAPC acknowledges that the Trademarks and Other Intellectual Property are and at all times shall be the property of ACL CANADA. All use of the Trademarks by AAPC shall enure to the benefit of ACL CANADA. AAPC shall refrain from doing or causing to be done, either directly or indirectly, any act which in any way may jeopardize or affect adversely the validity, the

enforceability or the distinctiveness of the Trademarks or Other Intellectual Property, or the title of ACL CANADA to its Trademarks or Other Intellectual Property. Upon request by ACL CANADA or its representatives or advisors and without charge to ACL CANADA, AAPC shall do all things and execute all documents which may be necessary or desirable to ensure the validity, the enforceability and the distinctiveness of the Trademarks or Other Intellectual Property, and the title of ACL CANADA to its Trademarks or Other Intellectual Property.

9. Infringement Proceedings

AAPC agrees to notify ACL CANADA of any use of ACL CANADA's Intellectual Property, including Trademarks, by third parties that comes to the attention of AAPC as soon as reasonably practical after such third party use comes to AAPC's attention. ACL CANADA shall have the sole right and discretion to bring infringement or unfair competition proceedings involving ACL CANADA's Intellectual Property, including Trademarks. AAPC agrees to cooperate fully with ACL CANADA in any such proceedings.

10. Cessation of Use of Intellectual Property and Other Consequences of Termination

Upon termination of the Affiliation Agreement AAPC shall immediately cease all use of ACL CANADA's Intellectual Property, including Trademarks, and subsequently AAPC shall refrain from using or advertising the Intellectual Property, including Trademarks, or any words, designs, trademarks, trade names, trading styles or domain names, or any part of which is similar to or confusing with the Trademarks, whether as the whole or a part of its corporate name, trade name, trading style, domain name or otherwise. Without limiting the foregoing, the applicable Consequences of Termination described in Section 6.3 of the Affiliation Agreement also shall apply.

11. Compliance with Relevant Laws and Regulations

AAPC shall ensure that its use of the ACL CANADA's Intellectual Property, including Trademarks, shall comply with all relevant federal, provincial and municipal laws and regulations.

12. Other General Provisions

Notwithstanding anything else otherwise contained in this Schedule, the General Provisions set forth in Section IX of the Affiliation Agreement shall apply to this Schedule A and Licence.