

Risk Elements Requiring Indemnification by Region

Risk Element	Level of Indemnification	Risk Mitigation/Offset
Construction related claim	100% of federal funding advanced	Proponents will be required to provide industry standard levels of bonding and insurance during construction The Region, CMHC, the lender, and bonding and insurance companies will review the background, experience, and financial capacity /capability of proponents and contractors to lessen any risk of default during the construction process
Environmental Liability	50% of provincial liability capped at the total of federal-provincial funding advanced.	Proponents will be asked by the Region, the lender, and CMHC to provide an appropriate Environmental Site Assessment (ESA) prior to proceeding with funding commitments. Environmental liability is typically limited to parties who own or have owned a property. Neither the Province nor the Region will hold title to third party projects.
Project Operation	50% of federal liability and 100% of provincial liability, capped at the total of federal-provincial funding advanced.	The Region, CMHC, and lender will require proponents to have substantial experience in operating projects The Region will require that proponents annually verify that the Region and the Province are named as co -insured under insurance policies