

the costs thereof, and the use of the water available for the development of power; and

WHEREAS it is desirable to regulate and define the rights and obligations of Canada and Ontario in respect of diversions of water into the Great Lakes System, and in respect of the utilization of the flow of the waters of the Niagara River:

NOW THEREFORE THIS AGREEMENT WITNESSETH:

#### ARTICLE I

This Agreement is conditional upon the negotiation and ratification of the Canada-United States Agreement which provides for the construction of a Controlled Single Stage Project in the International Rapids Section as described in the Schedule which is attached to and made part of this Agreement.

#### ARTICLE II

Canada undertakes to provide on the Canadian side of the international boundary all navigation works, all common works, and certain of the power works, which power works are more particularly described in the Schedule, Part II, and, after completion, Canada will assume responsibility for the operation and maintenance of all such navigation and common works. Ontario will assume responsibility for the provision of any works which Ontario may require for power on the Canadian side of the international boundary, other than the power works which are more particularly described in the Schedule, Part II.

#### ARTICLE III

(a) At a date not later than the date of the first payment of the sum of twenty million dollars (\$20,000,000) under the provisions of Article XI, the Canadian power works in the International Rapids Section, which are described in the Schedule, Part II, and all lands connected therewith, will become the property of Ontario; and Ontario will be responsible for the operation and maintenance thereof; provided that, in the operation and maintenance of the property transferred to the Province under the provisions of this Article, Ontario undertakes that it will conform with the provisions of the Canada-United States Agreement and will refrain from doing any act inconsistent therewith.

(b) Prior to the vesting of the property in Ontario pursuant to paragraph (a) of this Article, Ontario will have the right to enter upon the works and lands mentioned in the Schedule for the purpose of carrying out the provisions of this Agreement, and the ownership of any works provided by Ontario will remain in Ontario. The rights given to Ontario by this paragraph will not be exercised unreasonably.