1. Call to Order
2. O Canada
3. Swearing in of Hanover Alternate Councillor Harold Fleet
4. Roll Call
5. Declaration of Pecuniary Interest
6. Adoption of Minutes
   a. County Council and Committee of the Whole minutes dated December 12, 2019
      That the minutes of the County Council meeting and Committee of the Whole meeting dated December 12, 2019 and the resolutions contained therein, be adopted as presented.
   b. County Council closed meeting minutes dated December 12, 2019
      That the County Council closed meeting minutes dated December 12 be adopted as provided to County Council.
   c. Long-Term Care Committee of Management minutes dated December 10, 2019
      That the Long-Term Care Committee of Management minutes dated December 10, 2019 and the resolutions contained therein, be adopted as presented
      i. That report LTCR-CM-01-20 regarding the proposed 2020 Long-Term Care budgets be received; and
         That the 2020 Long-Term Care budgets, as presented, be forwarded to County Council as part of the overall corporate budget package for consideration.
      ii. That Report LTCR-CM-02-20 titled 2019 Long Term Care Write Off of Uncollectible Accounts be received; and
         That the recommended write offs in the amount of $12,867 as outlined in the report be approved.
7. Closed Meeting Matters (if required)
8. Reports

a. Board Report dated December 2019 and Board of Health minutes dated November 22, 2019

That the Board Report dated December 2019 and the Board of Health minutes dated November 22, 2019 be received for information.

b. Board of Health Appointments Discussion

9. By-laws

5074-20 A By-law to Adopt a Policy to Guide the Procurement of Goods and Services for the County of Grey

5075-20 A By-law to Authorize the Warden and Clerk to Execute a Contribution Agreement through the Ontario Housing Priorities Initiative and the Canada Ontario Community Housing Initiative with the Owen Sound Housing Company Limited for an Affordable Housing Project

10. Good News and Celebrations

11. Adjournment
Grey County Council met at the call of the Warden on the above date at 9:30 AM at the County Administration Building. The Clerk called Council to order and Warden Paul McQueen assumed the Chair.

The Warden invited members of Council to join him in O Canada.

The Roll was called by the Clerk with all members present except Councillors Barb Clumpus and Odette Bartnicki. Councillors Ross Kentner and Rob Potter were in attendance on behalf of Councillors Clumpus and Bartnicki respectively.

Kim Wingrove, Chief Administrative Officer; Heather Morrison, Clerk; and Tara Warder, Deputy Clerk/Legislative Coordinator were also in attendance.

The following staff members were in attendance:

Kevin Weppler, Director of Corporate Services; Anne Marie Shaw, Director of Housing; Barbara Fedy, Director of Social Services; Pat Hoy, Director of Transportation Services; Randy Scherzer, Director of Planning and Development; Kevin McNab, Director of Paramedic Services; Michael Letourneau, Director of Legal Services-County Solicitor; Jennifer Cornell, Director of Long-Term Care; Savanna Myers, Director of Economic Development, Tourism and Culture; Grant McLevy, Senior Manager of Human Resources; and Jody MacEachern, Senior Manager of Information Technology.

Declaration of Interest

There were no disclosures of interest.

Adoption of Minutes

CC08-20 Moved by: Councillor O’Leary Seconded by: Councillor Burley

That the minutes of the County Council meetings of November 28, 2019 and December 3, 2019 and the Committee of the Whole meeting dated November 28, 2019 and the resolutions contained therein, be adopted as presented.
Carried

**CC09-20** Moved by: Councillor Keaveney    Seconded by: Councillor Milne

That the Committee of the Whole closed meeting minutes dated November 28, 2019 be adopted as provided to County Council.

Carried

### Closed Meeting Matters

**CC10-20** Moved by: Councillor Desai    Seconded by: Councillor Carleton

That Council does now go into closed session pursuant to Section 239 (2) of the Municipal Act, 2001, as amended to discuss:

i. A proposed or pending acquisition or disposition of land by the municipality or local board *(Rockwood Terrace)*; and

That the following staff remain in attendance: Kim Wingrove, Heather Morrison, Randy Scherzer, Michael Letourneau, Jennifer Cornell, Pat Hoy, Kevin Weppler and Tara Warder.

Carried

Council proceeded into closed session at 9:35 AM.

Council returned to open session at 10:08 AM.

### Reports

#### Board of Health

**CC11-20** Moved by: Councillor Paterson    Seconded by: Councillor Hutchinson

That the Board of Health minutes dated October 25, 2019 and the Board Report dated November 2019 be received for information.

Carried

#### By-Laws

**CC12-20** Moved by: Councillor Desai    Seconded by: Councillor Robinson

That By-Laws 5072-20 and 5073-20 be introduced and that they be taken as read a first, second and third time, finally passed, signed by the Warden and the Clerk, sealed with the seal of the Corporation and engrossed in the By-law book.
5072-20  A By-law to Amend Schedule B, E, N, P, T and U of By-law 4788-13, being a By-law to Regulate Traffic and Parking on Highways within the Grey County Roads System

5073-20  A By-law to Authorize the Warden and Clerk to Execute Agreements Between the Corporation of the County of Grey and Grey Sauble Conservation Authority Regarding the Enforcement of the Provisions of the County’s Forest Management By-law and for Forest and Trail Management Services

Carried

Good News and Celebrations

Councillor Soever noted that on December 8th, he joined Collingwood Mayor Brian Saunderson at the Toronto Ski Club for its annual lunch with patrons referred from Beavey Valley Outreach, Salvation Army and Golden Town Outreach. 150 people were fed a turkey dinner and grocery cards were distributed, as well as gifts for children.

Councillor Desai noted that on December 3rd, Grey County held a “Meet Your Visitor” workshop and it was a successful event. Councillor Desai thanked Tourism staff for hosting the workshop.

Councillor Keaveney thanked Councillor Soever and Warden McQueen for attending the TC Energy meeting regarding the proposed pumped storage facility in Meaford. Another public meeting will be held January 16th and 23rd, 2020.

Councillor Potter noted that Thornbury’s Olde Fashioned Christmas will be occurring on December 14, 2019 beginning at 10:00 AM.

Councillor Milne noted that the Holstein non-motorized parade is on Saturday, December 14, 2019.

Councillor Mackey noted that the Christmas in the Village event will be held in Chatsworth on Friday, December 13th. The parade will begin at 10:30 AM on December 14th.

Warden McQueen spoke to ideas he has for the upcoming term. It was noted that any changes would need to come through Council.
Adjournment

On motion by Councillors Hicks and Gamble, Council adjourned at 10:24 AM to the call of the Warden.

__________________________________________  ______________________________________
Paul McQueen, Warden                        Heather Morrison, Clerk
Grey County Council met on the above date at 10:26 AM at the County Administration Building. Warden Paul McQueen assumed the Chair and called the meeting to order with all members present except Councillors Barb Clumpus and Odette Bartnicki. Councillors Ross Kentner and Rob Potter were in attendance on behalf of Councillors Clumpus and Bartnicki respectively.

Declaration of Interest
There were no disclosures of pecuniary interest.

Business Arising From the Minutes

CW01-20 Moved by: Councillor Kentner Seconded by: Councillor Keaveney
That staff be directed to bring back a report outlining cost and access considerations related to Council Portal access for Alternate Council Members.
Carried

Committee briefly recessed, then reconvened.

Reports

PDR-CW-02-20 Regional Agricultural Learning and Demonstration Site

CW02-20 Moved by: Councillor Desai Seconded by: Councillor Mackey
That Report PDR-CW-02-20 be received which provides an update on the partnership initiative between Grey County, the Owen Sound Agricultural Society and the Chatsworth Agricultural Society to create a Regional Agricultural Learning and Demonstration Site directly adjacent to Grey Roots; and
That the proposed memorandum of understanding detailing the partnership with the Owen Sound and Chatsworth Agricultural Societies be endorsed; and
That staff be directed to proceed with finalizing and implementing the Memorandum of Understanding which includes the land transfer from Mr.
and Mrs. Hall being donated to establish the Regional Agricultural Learning and Demonstration Site, creating a Lease Agreement with the Agricultural Societies, as well as submitting a Niagara Escarpment Plan Amendment application to the Niagara Escarpment Commission to seek permission for establishing a Regional Agricultural Learning and Demonstration Site adjacent to Grey Roots; and

That such by-laws be prepared for the consideration of County Council as may be required to implement the Memorandum of Understanding and the development of the Regional Agricultural Learning and Demonstration Site.

Carried

Delegations

Christopher Mercanti, Manager of Community and Indigenous Relations for Bruce Power – Bruce Power Update

Mr. Mercanti provided some operational highlights at Bruce Power. Bruce Power is focused on continuous improvement and outlined the operational performance and planned improvements of the units at the plant.

Mr. Mercanti spoke to the major component replacement and life extension program. The program will create and sustain 22,000 direct and indirect jobs over its duration and inject money into the economy.

Further accomplishments were noted, including forging a partnership with the Saugeen Ojibway Nation (SON) to collaborate on medical isotopes. The SON will have the opportunity to participate in the deployment of the delivery system part of the Project.

Mr. Mercanti outlined community engagement projects, including awarding scholarships to students and the summer bus tour program. Further investments made to the Meaford Hospital Foundation, Grey Bruce Health Services, We Care Grey Bruce, Grey Bruce Forest Festival and Grey Bruce Farmer's Week were outlined.

The creation of the Nuclear Innovation Institute (NII) was highlighted. The location of the NII will be in Saugeen Shores. It will be an applied research centre and may play a part in the future in promoting this region as a nuclear “hub”. There are many resources to take advantage of that support a project such as this, including access to lake water, world class staff and infrastructure.

Mr. Mercanti addressed questions from Committee.

Gary Sandor, Early Years Advisor – Optimus SBR – Special Needs Resources Review

Barb Fedy introduced Gary Sandor, Early Years Advisory with Optimus SBR. Ms. Fedy noted that Social Services underwent a program review and one of the recommendations that came from the review was to examine the Special Needs Resourcing Program.
Gary Sandor addressed Committee and highlighted the project with Grey County. Grey County is responsible for planning and managing licensed child care services throughout Grey, including Special Needs Resourcing (SNR). SNR supports the inclusion of children with special needs in licensed child care settings.

The goals of the project included identifying the strengths, gaps and challenges with Grey County’s current SNR system and to develop proposed model options.

Mr. Sandor then explained the methodology used, the strengths of the SNR system, and opportunities for improvements.

Lessons learned from the comparators were then outlined. Comparators were Simcoe County, Bruce County and Chatham – Kent.

Mr. Sandor then provided two options for an SNR model that will strengthen and improve how SNR services are delivered and funded in Grey County. Advantages and disadvantages of each were then outlined. The preferred future state model from the perspective of Optimus is Model 2, to have a lead SNR Service Provider. Staff will be bringing forward a report on the review and recommendations for Committee’s consideration.

Mr. Sandor addressed questions from the Committee.

Determination of Items Requiring Separate Discussion

There were no items requested to be removed from the Consent Agenda.

Consent Agenda

*CW03-20* Moved by: Councillor Burley Seconded by: Councillor Hutchinson

That the following Consent Agenda items be received; and

That staff be authorized to take the actions necessary to give effect to the recommendations in the staff reports; and

That the correspondence be supported or received for information as recommended in the consent agenda.

a. That Report FR-CW-01-20 regarding the updated development charge rates effective January 1, 2020 be received for information.

b. That report ITR-CW-01-20 regarding disaster recovery technology be received for information.

(c. That Report TR-CW-01-20 regarding the acquisition of road widening be received and that the property identified as Part of Lot 85 – 87 Plan 117 Derby; Part Unnamed Street Plan 117 Derby, Part of Lot 9 Concession 7 Derby, Part of Lot 11 16R-220 Except R162394; Geographic Township of Derby, Township of Georgian Bluffs, County of Grey be acquired for road widening purposes.
d. That Report TR-CW-02-20 regarding the acquisition of road widening be received and that the property identified as Part of Lot 6, Concession 1, Division 3 being Part 1 Plan 16R-11279; Geographic Township of Sullivan, Township of Chatsworth, County of Grey; and

That Staff be directed to proceed with the road acquisition prior to County Council approval as per Section 25.6 b) of the Procedural By-Law, in order to allow for a timely acquisition of Part 1 16R-11279.

e. That the Joint Accessibility Advisory Committee minutes dated December 2, 2019 be endorsed and that the following resolution contained within be endorsed:

i. That the Municipality of Grey Highlands’ Accessibility Progress Report be endorsed.

f. That the Forest Management Advisory Committee minutes dated November 29, 2019 be endorsed as presented.

Carried

EDTC-CW-03-20 Georgian College Shared Position

Moved by: Councillor Boddy Seconded by: Councillor Milne

That Report EDTC-CW-03-20 regarding International Student Community Coordinator, be received; and

That the County provide a grant to Georgian College, not to exceed $33,000, in order to support the costs of this position; and

That staff be authorized to enter into an agreement with Georgian College in respect of this position and the implementation of the terms of this report; and

That staff be authorized to proceed with this initiative prior to Council approval as per Section 25.6 of Procedural By-law 5003-18.

Carried

Committee recessed, then reconvened.

Items for Direction and Discussion

EDTC-CW-01-20 Funding For Fast Lane Plus

Moved by: Councillor Carleton Seconded by: Councillor Keaveney

That Report EDTC-CW-01-20 regarding Funding for Fast Lane Plus, be received; and

That the County grant $33,900 to the Grey Bruce Not-For-Profit Business Innovation Corporation for the purpose of acquiring a license to the Fast
Lane Plus program from Innovation Guelph, subject to the following conditions:

i. The grant only be used to obtain the license,

ii. The license must be obtained within 30 days of receiving the funds, and

iii. Proof of the license being issued must be provided to the County within that 30 day period; and

That staff be directed to proceed to provide the grant prior to Council approval as per Section 25.6 of Procedural By-law 5003-18.

Carried

EDTC-CW-02-20 Sydenham Capital RFP

*CW06-20* Moved by: Councillor Burley Seconded by: Councillor Mackey

That Report EDTC-CW-02-20 regarding Sydenham Capital Request for Proposal, be received; and

That staff be authorized to proceed with the procurement and awarding of requests for tender and quotes prior to 2020 budget approval; and

That staff be authorized to proceed with these projects prior to Council approval as per Section 25.6 of Procedural By-law 5003-18.

Carried

PSR-CW-01-20 Public Access Defibrillator Program

*CW07-20* Moved by: Councillor O’Leary Seconded by: Councillor Woodbury

That Report PSR-CW-01-20 regarding Public Access Defibrillator Program Enhancements be received and that the 2020 budget include $9,300 to provide Automatic External Defibrillator supplies to Public Access Program locations; and

That staff be authorized to implement a Public Access Defibrillator Loaner Program.

Carried

PSR-CW-02-20 Community Paramedic Program Expansion

*CW08-20* Moved by: Councillor Robinson Seconded by: Councillor Potter

That Report PSR-CW-02-20 regarding the Grey County Community Paramedic Program expansion be received for information.

Carried

CW09-20 Moved by: Councillor Burley Seconded by: Councillor Hicks

That Addendum to Report PDR-CW-38-18 be received; and

That all written and oral submissions received on plan of subdivision 42T-2018-11 known as the Kilsyth plan of subdivision were considered; the effect of which helped to make an informed recommendation and decision; and

That in consideration of the draft plan of subdivision application 42T-2018-12, for lands described as Part of Lot 9, Concession 7, Plan 117, Part of Lots 71, 75, and 78, and Lots 72, 73, 74, 85, 86 & 87 and unnamed street, Part 1, Plan 16R-10979, Township of Georgian Bluffs, geographic Township of Derby, the Grey County Committee of the Whole approves this plan of subdivision to create a total of thirty-three (33) residential units, two blocks for stormwater management (Blocks 34 and 36), two blocks for daylight triangles (Blocks 39 and 40), road widening (Block 41), 0.3 metre reserves (Blocks 37 and 38), an open space block (Block 35), and a future road (Street ‘A’), subject to the conditions set out in the Notice of Decision.

Carried

PDR-CW-01-20 Sherk Minor Exemption

CW10-20 Moved by: Councillor Carleton Seconded by: Councillor Milne

That Report PDR-CW-01-20 be received and that the application for a Minor Exemption under the County’s Forest Management By-law for 086682 Southgate Road 08, Lot 39, Concession 4, in the geographic Township of Proton, Township of Southgate, be approved as revised.

Carried

FR-CW-02-20 Update of Purchasing Policy

CW11-20 Moved by: Councillor Soever Seconded by: Councillor Paterson

That Report FR-CW-02-20 Update of Purchasing Policy be received; and

That the proposed revisions to the Purchasing Policy be endorsed; and

That By-law 4844-14 being the County’s Purchasing Policy be rescinded; and

That an updated By-law incorporating the revisions be brought forward for County Council’s consideration.

Carried
Committee of the Whole  
December 12, 2019

CCR-CW-01-20 Committee Appointments

Heather Morrison presented the above report. It was noted that Councillor Desai has withdrawn his name from the CAO Performance Evaluation Committee so an election is no longer required.

Further, the original preference noted by Councillor Robinson and Warden McQueen respecting the Grey County Federation of Agriculture have changed since the election of the Warden. It is being proposed that Councillor Robinson be appointed to the Grey County Federation of Agriculture and Warden McQueen be the alternate member.

Main Motion

Moved by: Councillor Burley Seconded by: Councillor Mackey

That Report CCR-CW-01-20 be received and the following appointments be confirmed for 2020;

a. Owen Sound Community Advisory Committee for Georgian College-Warden McQueen

That elections for the Economic Development and Planning Advisory Committee, and CAO Performance Evaluation Committee be voted on by a single vote by show of hands; and

That the Terms of Reference for the Long-Term Care Committee of Management membership be amended to allow for six councillors plus the Warden; and

That a staff report be brought back early in 2020 regarding the future of the Blue Mountains Task Force; and

That the Health Care Funding Roles and Responsibilities Task Force members remain the same for 2020; and

That all other required appointments noted in Report CCR-CW-01-20 be endorsed.

Amendment

CW12-20 Moved by: Councillor Mackey Seconded by: Councillor Robinson

That the motion be amended to reflect the following:

- The Economic Development and Planning Advisory Committee (EDPAC) membership be increased by one council member for a total of 7 council members, plus the Warden; and
- That Councillors Keaveney, Desai, Mackey and the Warden be appointed to the Grey County – The Blue Mountains Task Force; and
- The requirement for an election for the EDPAC and CAO Performance
Evaluation Committee be removed, as the appropriate membership has been attained; and

- That Councillor Robinson be appointed to the Grey County Federation of Agriculture and that the Warden be appointed the alternate.

Carried

Main Motion as Amended

CW13-20  Moved by: Councillor Burley   Seconded by: Councillor Mackey

That Report CCR-CW-01-20 be received and the following appointments be confirmed for 2020;

a. Owen Sound Community Advisory Committee for Georgian College-Warden McQueen

That the Terms of Reference for the Long-Term Care Committee of Management membership be amended to allow for six councillors plus the Warden; and

That the Terms of Reference for the Economic Development and Planning Advisory Committee be amended to allow for a total of 7 council members, plus the Warden; and

That a staff report be brought back early in 2020 regarding the future of the Blue Mountains Task Force; and

That Councillors Keaveney, Desai, Mackey and the Warden be appointed to the Grey County – The Blue Mountains Task Force; and

That the Health Care Funding Roles and Responsibilities Task Force members remain the same for 2020; and

That all other required appointments noted in Report CCR-CW-01-20 be endorsed, including Councillor Robinson being appointed to the Grey County Federation of Agriculture and the Warden as the alternate.

Carried

There was a request for a staff report on how to divide the responsibilities of the Committee of Management.

Other Business

There was no other business.

Notice of Motion

Councillor Hicks provided a notice of motion regarding establishing a task force to deal with
specific issues between the Town of Hanover and the City of Owen Sound.

Councillor Burley provided a notice of motion regarding a task force for housing in Grey County.

Councillor Desai provided a notice of motion regarding establishing a task force on climate change.

Adjournment

On motion of Councillors Carleton and Gamble, Committee of the Whole adjourned at 3:00 PM to the call of the Chair.

Paul McQueen, Warden

Heather Morrison, Clerk
Committee Minutes

Committee of Management
December 10, 2019 – 9:30 AM

The Committee met on the above date at the County Administration Building with the following members in attendance:

Present: Chair Dwight Burley; Councillors Christine Robinson, Scott Mackey, John Woodbury; and Warden Paul McQueen

Staff Present: Kim Wingrove, Chief Administrative Officer; Jennifer Cornell, Director of Long-Term Care; Karen Kraus and Renate Cowan, Executive Directors; Heather Morrison, Clerk; Kevin Weppler, Director of Corporate Services; Joanna Alpajar, Deputy Treasurer and Tara Warder, Deputy Clerk/Legislative Coordinator

Call to Order

Chair Burley called the meeting to order at 9:30 AM.

Declaration of Pecuniary Interest

There were no declarations of pecuniary interest.

Reports

LTCR-CM-01-20 Proposed 2020 Long-Term Care Budgets

Jennifer Cornell highlighted the 2020 proposed long-term care budget. It was noted that the 2020 proposed budget requires a net levy increase of 13.25% increase from the 2019 budget based on several items that are contained within report LTCR-CM-01-20. This equates to a 1.45% net levy increase to the corporate tax levy over 2019.

County staff are proposing a 1% provincial funding increase for all four funding envelopes, being the Nursing and Personal Care and Program and Support Services, Other Accommodation and Raw Food.
Case Mix Index funding is an unpredictable measure and has decreased at all three homes in 2019.

The budgets for each of the homes were then outlined.

Grey Gables’ operating and capital budgets have a net levy requirement of $1,699,860, an increase of $248,893 from the 2019 approved budget. Staff outlined the proposed changes for 2020, including increases in hours for some shifts to increase support, resident care, and assist with unfilled shifts. Many of the proposals have come as a direct result of the work that the staff led Task Force has completed.

Lee Manor’s operating and capital budgets have a net levy requirement of $2,130,214, an increase of $347,058 from the 2019 approved budget. Staff outlined the proposed planned capital projects for the upcoming year, including beds and mattresses, information technology, resident lifts, and home enhancements. Staff are also proposing to replace the floor, redevelop the resident common area, and replace some equipment. Repairs to the sanitary waste removal system, sidewalks, driveway and storm water are also required.

Rockwood Terrace’s operating and capital budgets have a net levy requirement of $1,909,538, an increase of $235,025 over 2019. Staff outlined the proposed operating and capital projects, including an increase in hours for the Skin and Wound Care program, and the Fall Prevention/Management program. Staff noted that it is challenging to predict the capital budget, as there is a need to balance a safe, comfortable environment with the need to redevelop. Resident lifts, beds, mattresses, tubs, replacing building materials and kitchen equipment are some of the proposed expenditures.

Kevin Weppler noted that there are also transfers being made to reserves to fund some costs associated with redevelopment such as property purchases and architect’s fees, etc.

CM01-20 Moved by: Councillor Mackey Seconded by: Councillor Robinson

That report LTCR-CM-01-20 regarding the proposed 2020 Long-Term Care budgets be received; and

That the 2020 Long-Term Care budgets, as presented, be forwarded to County Council as part of the overall corporate budget package for consideration.

Carried

LTCR-CM-02-20 Long-Term Care Write Off of
Uncollectible Accounts

Joanna Alpajaro presented the above report. The Ministry of Health and Long-Term Care requires that the report be submitted in the year the arrears occur, as the Ministry funds 50% of the write offs.

There is a comprehensive policy on how to collect the funds. Staff noted that the social worker role has assisted greatly in reducing the actual amount written off, and staff make efforts to collect outstanding funds after the report has been submitted to the Ministry.

*CM02-20*  
Moved by: Councillor Woodbury  
Seconded by: Councillor Robinson

**That Report LTCR-CM-02-20 titled 2019 Long Term Care Write Off of Uncollectible Accounts be received; and**

**That the recommended write offs in the amount of $12,867 as outlined in the report be approved.**  
Carried

Redevelopment Update

Kim Wingrove noted that the discussions around the Rockwood Terrace property are on track.

GM BluePlan will have further information for staff by the Council meeting on Thursday.

The Grey Gables redevelopment application is essentially complete. If two builds are happening alongside one another, staff feel working with one contractor for both builds would be ideal for recognizing efficiencies.

Based on conversations with the Ministry, it is the Ministry’s intention for beds to be built and occupied by 2023 for this current application intake. Staff will submit the application, explaining the need for recognizing efficiencies by using one contractor and architect, etc, and that Grey is undertaking two builds, but the goal is to have both complete by 2025.

Staff noted that they are not aware of the Province’s timeline for approval.

Discussion occurred on proceeding with work on Rockwood Terrace while the County is waiting on the result of the application for Grey Gables. Staff noted that it is possible that the two projects could align themselves in the future due to timing of each of the steps in the process.
Closed Meeting Matters

There was no closed meeting held.

Other Business

It was noted that Thursday’s Council meeting includes the committee appointment report and there is a recommendation to expand the membership of the Committee of Management. Staff explained the rationale for the proposed expansion, as there has been more interest expressed by Council members to participate on the Committee. There are large projects coming up and there is merit in expanding the membership if that is Council’s wish.

Next Meeting Dates

**Tuesday, January 14, 2019 at 9:30 AM at the Grey County Administration Building.**

On motion by Warden McQueen and Councillor Mackey, the meeting adjourned at 10:45 AM.
Board Report

December 20, 2019
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Grey Bruce Influenza Bulletin

Disease surveillance and epidemiological analysis, including emerging trends and monitoring trends over time, is one of the Infectious and Communicable Disease Prevention and Control requirements outlined in the Ontario Public Health Standards.

At this time of year, influenza is one of the reportable diseases closely watched by the province and many health care partners. To support public reporting of influenza activity, a weekly bulletin is posted on the GBHU website. The bulletin describes the last week’s influenza activity and trends specific to Grey Bruce.

https://www.publichealthgreybruce.on.ca/Your-Health/Infectious-Diseases/Professional-Resources

Created during the 2018-2019 influenza season to enhance public reporting of influenza activity and as a quality improvement initiative, the bulletin streamlined the reporting required by Public Health Ontario. This resulted in improved data entry, consistent messaging and fewer inquiries from media, Public Health Ontario, and hospital Infection Control Professionals. From December to May, there were over 670 external visits to the bulletin.

The bulletin requires only 2 data inputs: the first, a custom report shared to the Grey Bruce folder on iPHIS (Integrated Public Health Information System); the second, an ED Visit influenza trend from the ACES (Acute Care Enhanced Surveillance Application). Once data is imported, a refresh populates all of the fields. This new work adds value by allowing the public, health care providers and the media easy access to information on influenza activity via the website rather than a direct inquiry. It provides consistent and clear messaging, helping us to better meet the Infectious Disease requirements as well as the Reporting and Knowledge Exchange requirements of the Population Health Assessment and Surveillance Protocol, 2018.

The process is efficient, requiring under half an hour of staff time weekly to generate the report, validate content, correct errors and upload to the website.
Local Strategy Highlighted at Pan-Canadian Health in All Policies Summit

The Grey Bruce Health Unit’s Health in All Policies (HiAP) strategy was recently profiled at the Pan-Canadian Health in All Policies Summit in Quebec City. The summit, which included representatives from governments and diverse NGOs, examined Canadian HiAP initiatives, supporting HiAP practice and issues specific to the Indigenous context.

The World Health Organization defines Health in All Policies as “an approach to public policies across sectors that systematically takes into account the health implications of decisions, seeks synergies, and avoids harmful health impacts, in order to improve population health and health equity.” HiAP can be implemented at the federal, provincial, territorial, regional and local government levels.

The Grey Bruce Health Unit promotes the key role municipalities play in creating policies that positively impact health. Municipal leaders lay the foundation for safe, inclusive and healthy communities when they focus on Health Equity, the Social Determinants of Health and Healthy Public Policy.

Originally launched as Operation Safe, Strong and Clean, the pilot project with the City of Owen Sound fostered a goal of supporting healthy community development through collaborative action. Public Health staff continue to meet regularly with municipal and county staff as part of the municipal alignment strategy. This work supports the five building blocks of the Healthy Community Approach including community engagement, multi-sectoral collaboration, political commitment, asset based community development and healthy public policy.

The period surrounding an election has been identified as an opportunity to share knowledge with key stakeholders, including candidates, about Health in All Policies. This was undertaken in two local elections; most recently during the 2018 municipal election. A survey of elected officials was undertaken this past fall to evaluate the impact of the campaign materials. Findings from this evaluation will help inform next steps.

As a result of the Pan-Canadian Summit, the Grey Bruce Health Unit has initiated consultation with representatives from the Vancouver Coastal Health Authority to share lessons and learnings. In addition, Public Health will continue to work with the National Collaborating Centre for Healthy Public Policy to explore HiAP implementation at the local level.
Board of Health Minutes

Date: Friday, November 22, 2019
Location: Grey Bruce Health Unit, 101 17th Street East, Owen Sound
Time: 10:01 a.m. – 12:04 p.m.
Members Present: Mitch Twolan (Chair), Alan Barfoot, Anne Eadie, Selwyn Hicks, Laurie Laporte, Brian Milne, Sue Paterson, David Shearman
Regrets: Brian O'Leary, Chris Peabody
Also Present: Dr. Ian Arra, Alanna Leffley, Dr. Linna Li, Matt McMurdie, Allegra Reeves, Susan Shular
Special Guests: Scott Dunn, Anne Finlay-Stewart
Secretary: Heather Smith

1.0 Call to Order
Chair Mitch Twolan declared quorum present and called the meeting to order at 10:01 a.m.

2.0 Amendments to Agenda
Add a 4th item under 11.1

3.0 Approval of Agenda
Moved by: Brian Milne
Seconded by: Sue Paterson
“THAT, the agenda for Friday, November 22, 2019 be approved as amended.”

Carried

4.0 Disclosure of Pecuniary Interest
There were no disclosures of pecuniary interest declared at this time.

5.0 Adoption of Minutes
5.1 Friday, October 25
Moved by: Anne Eadie
Seconded by: Laurie Laporte
“THAT, the minutes of Friday, October 25, 2019 be approved as presented.”

Carried

6.0 Presentations
6.1 Public Health’s Role in Long-Term Care Homes Respiratory Outbreaks – Denna Leach
Presentation on the Health Unit’s role to support the control of respiratory outbreaks in Long-Term Care Homes which includes prevention and preparation, education, policy and procedures, surveillance and outbreak detection and management.
7.0 November Correspondence

7.1 Kingston Frontenac and Lennox & Addington Public Health Re. Comprehensive Measures to Address the Rise of Vaping in Canada

7.2 Kingston Frontenac and Lennox & Addington Public Health Re. Municipal Alcohol Policies and Municipal Policy Options to Mitigate Alcohol Harms

7.3 Windsor-Essex County Health Unit Re. Restrictions on Display and Promotion of Vaping Products and the Ban of Flavoured E-Cigarettes

7.4 Windsor-Essex County Health Unit Re. The Harms of Vaping and the Next Steps for Regulation

7.5 Windsor-Essex County Health Unit Re. Removal of Regulation 268 of the Smoke-Free Ontario Act, 2017, to restrict marketing of Vaping Products

7.6 Durham Region Re. Opioid Overdose Emergency Resolution

7.7 Simcoe Muskoka District Health Unit Re. Promotion and Display of Vapour Products

7.8 Renfrew County and District Health Unit Re. The Harms of Vaping and the Next Steps for Regulation

7.9 Huron County Health Unit Re. Amendment to SFOA, 2017 to restrict promotion of vaping products

Moved by: Selwyn Hicks           Seconded by: Anne Eadie
“THAT, the Board of Health endorse the correspondence from Kingston Frontenac and Lennox & Addington Public Health regarding Comprehensive Measures to Address the Rise of Vaping in Canada as presented.”

Carried

Moved by: Selwyn Hicks           Seconded by: Anne Eadie
“THAT, the Board of Health endorse the correspondence from Windsor-Essex County Health Unit regarding The Harms of Vaping and the Next Steps for Regulation as presented.”

Carried

Moved by: Selwyn Hicks           Seconded by: Anne Eadie
“THAT, the Board of Health endorse the correspondence from Renfrew County and District Health Unit regarding The Harms of Vaping and the Next Steps for Regulation as presented.”

Carried

Moved by: Laurie Laporte         Seconded by: David Shearman
“THAT, the Board of Health receives the November correspondence as presented.”

Carried
8.0 Reports
8.1 November Reports
  8.1.1 Program Report – November

8.2 News Releases
  8.2.1 Public Assistance Request Dog Bite – Hanover
  8.2.2 Flu Vaccine Clinics
  8.2.3 Keep Your Priorities Covered Sexually Transmitted Infections Campaign
  8.2.4 November is Fall Prevention Month
  8.2.5 Public Health Offers Free Mobile-Friendly Prenatal Education

Moved by: Selwyn Hicks Seconded by: Sue Paterson
"THAT, the Board of Health receives the November Program Report as presented."
Carried

Kim Rutherford joined the meeting at 10:48 a.m.

9.0 Corporate Services
9.1 Financial Report – October

Moved by: Anne Eadie Seconded by: Selwyn Hicks
"THAT, the Board of Health receive the October Financial Reports as presented."
Carried

Kim Rutherford left the meeting at 10:52 a.m.

10.0 Other
10.1 Motion Re. Smoke-Free Ontario Act, 2017
Chris Peabody wasn’t present to move the motion as identified in the Notice of Motion, October 25, 2019. As such, there is no motion to discuss at this time.

10.2 alPHa & COMOH Fall Symposium Update
Dr. Arra updated the Board on the alPHa Fall Symposium on November 6-7, 2019. The Minister of Health, Chief Medical Officer of Health and Mr. Pine each spoke during the symposium. In regards to modernization, it was noted that the April 1, 2020 date for amalgamation is unlikely to happen, as other phases of the process require consultation. The consultation visits will begin but not all health units will be visited during this process; there were no details shared about how the health units are selected. There is still no information regarding the plans for the 2021 budget.

11.0 In-Camera Session
  11.1 Labour Relations and Employee Negotiations (4 item)
  11.2 Personal Matters about an Identifiable Individual (1 item)
Moved by: Anne Eadie  Seconded by: Sue Paterson
“THAT the Board of Health does now go into closed session at 11:05 a.m. to discuss four
items under labour relations and employee negotiations and one item under personal
matters about an identifiable individual and FURTHER THAT, all staff remain present
with the exception of item 2.1 and 3.3.”

Carried

The Board returned to open session at 12:04 p.m. with Chair Twolan presiding.
Chair Twolan confirmed that only the items stated in the resolution to move into closed
session were discussed.

Moved by: Anne Eadie  Seconded by: Brian Milne
“That the Board of Health of the Grey Bruce Health Unit appoint Dr. Linna Li as Associate
Medical Officer of Health as per Part VI, Section 62(1) (b) of the Health Protection and
Promotion Act (HPPA); and further that the Board of Health request that the Minister of
Health approve the appointment as per Part VI, Section 64(c) of the HPPA, effective
November 22, 2019.”

Carried

12.0 Adjournment
By motion of Anne Eadie the Board of Health meeting adjourned at 12:04 p.m.

Next Meeting:
Friday, December 20, 2019, 10:00 a.m.
Christmas Lunch to Follow
Grey Bruce Health Unit, Owen Sound

X
Mitch Twolan
Chairperson

X
Dr. Ian Arra
Medical Officer of Health

X
Heather Smith
Recording Secretary
Corporation of the County of Grey
By-Law 5074-20

A By-law to Adopt a Policy to Guide the Procurement of Goods and Services for the County of Grey

WHEREAS Section 23.1 of the Municipal Act, 2001 as amended provides the authority for Council to delegate certain powers and duties;

AND WHEREAS Section 270(1) of the Municipal Act, 2001 as amended provides that a municipality shall adopt and maintain policies with respect to its procurement of goods and services;

AND WHEREAS Council has adopted the recommendation of the Committee of the Whole at its December 12, 2019 meeting deeming it appropriate to update the purchasing policy in order to enhance the efficiency of its decision making, delivery of services and administrative processes;

NOW THEREFORE BE IT RESOLVED THAT THE COUNCIL OF THE CORPORATION OF THE COUNTY OF GREY HEREBY ENACTS AS FOLLOWS:

1. Schedule “A”, A-FIN-001 is hereby adopted as the County’s Purchasing Policy.

2. That By-Law 4844-14 and all accompanying schedules, policies and procedures are hereby rescinded.

3. This By-law shall come into full force and effect upon the date of final passing thereof.

ENACTED AND PASSED this 9th day of January, 2020

___________________________  ______________________
WARDEN: Paul McQueen      CLERK: Heather Morrison
Policy Statement

Section 270 of the Municipal Act, 2001, as revised by Bill 130 requires that Grey County adopt a bylaw and maintain a purchasing policy.

Purpose

To promote and maintain the integrity of the purchasing process and to obtain the best value for the County of Grey by ensuring quality, efficiency and effectiveness throughout the purchasing process.

The purchasing policy is inclusive of the following:

- the types of procurement processes that shall be used;
- the goals to be achieved by using each type of procurement process;
- the circumstances under which each type of procurement process shall be used;
- the circumstances under which a tendering process is not required;
- how the integrity of each procurement process will be maintained;
- how the interests of the municipality, the public and persons participating in a procurement process will be protected; and
- how and when the procurement processes will be reviewed to evaluate their effectiveness.

Scope

This policy will outline the guiding principles of public procurement and the approach that Grey County and its operating departments will take when procuring goods and services.

The County shall:

- Encourage competition amongst suppliers by using an open, transparent and fair process;
- Assist and provide direction to all stakeholders relating to the procurement process;
- Where practicable, provide accessibility for persons with disabilities when purchasing goods, services and construction on behalf of the County;
- Be environmentally conscious through the purchase of goods and services;
- Strive to ensure ethical purchasing practices are used by all staff of Grey County.

Fairness Monitor
The County may elect to utilize a fairness monitoring process for specific procurements, and may engage a fairness monitor as an independent third party to observe all or part of a Procurement Process, to provide related feedback on fairness issues to the Purchasing Agent and the requisitioning Department Head, or to Council for Procurements in excess of $1,000,000 to provide an unbiased opinion on the fairness and transparency of the process.

References and Related Documents

- By-law 4844-14 Purchasing Policy
- Municipal Act 2001
- Municipal Conflict of Interest Act
- Canadian Free Trade Agreement (CFTA)
- Canada-European Union Comprehensive Economic and Trade Agreement (CETA)
- Discriminatory Business Practices Act
- Municipal Freedom of Information and Protection of Privacy Act
- Construction Act
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1.0 Terminology

1.1 Definitions

a) In this Policy, unless a contrary intention appears,

b) “Agreement to Bond” means a letter or other form issued by a bonding agency licensed to operate by the Government of Canada or the Province of Ontario advising that, if the bidder is successful, the bonding agency will issue the required bonds;

c) “Approved Budget”- a budget approved by Council for the current fiscal year.
d) “Award Letter” is a document, which is used when a formal written agreement or a Purchase Order is not required, to formalize a purchasing transaction with the bidder;

e) “Award” means the acknowledgement of the authority to proceed to commit to an external bidder(s) for acquisition of goods and services;

f) “Best Value” means the optimal balance of performance and cost determined in accordance with a pre-defined evaluation plan. Best Value may include a time horizon that reflects the overall life cycle of a given asset;

g) “Bid” means an offer or submission received from a bidder in response to a procurement process, which may be subject to acceptance or rejection;

h) “Bid Deposit” means certified cheques, bank drafts, or bond surety issued by a surety company or other form of negotiable instrument to ensure the successful bidder will enter into a contract;

i) “Bidder” or “Respondent” means one who submits a response to an invitation to bid as issued by the County;

j) “Bidder” also means an individual, business, organization, corporation or director or owner thereof who may supply goods, services or construction to the County.

k) “Blanket Order Contract” means any contract for the supply of routinely purchased Goods and Services where the exact quantity of Goods and Services required is determined and purchased on an as needed basis;

l) “Bonfire” is an online bidding portal used by the County to facilitate receipt of a variety of bid types.

m) “C.A.O” means the Chief Administrative Officer of the Corporation of Grey County;

n) “Certificate of Clearance” from the Workplace Safety and Insurance Board (WSIB) means a certificate issued by an authorized official of the WSIB certifying that the Board waives its rights under subsection 9(3) of the Workers’ Compensation Act, R.S.O. 1990, Chapter W.11 as amended;

o) “Certificate of Insurance” means a certificate from a reputable insurance company licensed to do business in Ontario providing proof of insurance from the awarded bidder inclusive of the stipulated requirements within the RFX document.

p) “Coat-tailing”- a prohibited practice where an employee negotiates with a supplier, or accepts an offer from a supplier, to purchase a good or service for personal use at the same price that is being offered by the supplier to the County.

q) “Competitive Bidding Process” means a procurement method where three or more bidders are given an equal opportunity to submit bids in accordance with County policy and procedures;

r) “Conflict of Interest” in respect of any matter dealt with in this Policy includes a situation where a personal or business interest of a councillor, officer or employee of the County is in conflict, or is perceived to be in conflict, with the best interests of the taxpayers of Grey County, and includes a direct or indirect pecuniary interest of any councillor, officer or employee of the County, or their spouse, parent or child in any bid, or any corporation related to the bidder;

s) “Contract” means a written agreement between the County and another party for the purchase of goods, services, or construction pursuant to this Policy;
“Council” means the municipal Council for the Corporation of Grey County;

“County” means the Corporation of Grey County;

“Delegated Authority” means the Council-approved legal right to conduct the tasks outlined in this Policy;

“Senior Managers” is the group of staff consisting of the Directors, County Clerk and the C.A.O. of Grey County;

“Managers” is the group of staff consisting of those that report directly to Directors.

“Director” means the head of a department operating within Grey County being:

- County Clerk,
- Paramedic Services,
- Economic Development Tourism and Culture,
- Corporate Services,
- Housing,
- Long Term Care,
- Planning and Development,
- Social Services,
- Legal Services,
- Transportation Services or their designate;

“Execute” in relation to any document developed pursuant to this Policy means to sign by the authorized officers of the parties, and “Executed” has a corresponding meaning;

“Goods and Services” includes supplies, materials and equipment of every kind required to carry out the operations of a department;

“In-House Bid” means a bid from an internal staff-working group, comprised of one or more persons, which competes with external entities for procurement opportunities;

“Informal Quotation” means a request for prices on specific goods and/or services obtained informally from selected sources, which may or may not be submitted verbally, in writing, electronically or transmitted by facsimile;

“Insurance Documents” means certified documents issued by an insurance company licensed to operate by the Government of Canada or the Province of Ontario certifying that the bidder is insured in accordance with the County’s insurance requirements as specified in the bid documents;

“Irregularities Contained in Bids” is defined in Appendix “B” and includes the appropriate response to those irregularities;

“Irrevocable Letter of Credit” means an irrevocable letter on the financial institution’s standard form addressed to the County as payee, and providing that the financial institution as payor will pay to the County as payee, on demand, the sum specified in the form in the event of a failure to perform or fulfill all the covenants, undertakings, terms, conditions and agreements contained in a contract;

“Labour and Material Bond” means a bond issued by a surety company licensed to operate in the Province of Ontario to ensure that the contractor will pay his or her direct Subcontractors and/or Suppliers for labour and materials to protect the Corporation against liability to the contractor’s direct Subcontractor and Suppliers should the Contractor not make proper payments;

“Maintenance Bond” means a bond issued by a surety company licensed to operate in the Province of Ontario to guarantee against any possible defects (on contractor work) after the completion of a contract for a specified period of time.

“Manager” means the head of a Department within Grey County who is responsible for the procurement processes of their respective Department, or their designate;
jj) “Performance Bond” means a bond issued by a surety company licensed to operate in the Province of Ontario to guarantee that the contractor will carry out the work in accordance with the terms of the contract;

kk) “Prequalification” means a solicitation for details on bidders’ backgrounds, capabilities and resources, and the goods or services they are offering to pre-select bidders to be invited to submit bids on a subsequent competition;

ll) “Price Per Point Methodology” means, in a subsequent stage of evaluation of the RFP process, the price of each applicable proposal is divided by the number of respective technical points received, to calculate the price per point of the proposal.

mm) “Professional Service Supplier” means a supplier of services requiring professional skills for a defined service requirement including;

i) Architects, engineers and consultants; and

ii) Firms or individuals having specialized competence in environmental, planning or other disciplines.

nn) “Purchase Order” means the purchasing document used to formalize a purchasing transaction with a bidder;

oo) “Request for Expression of Interest (EOI)” is a focused market research tool used to determine bidder interest in a proposed procurement. It may be issued simultaneously with a Request for Qualifications when the proposed procurement is well defined and the purchaser has clear expectations for the procurement;

pp) “Request for Information (RFI)” is used prior to issuing a call for bids as a general market research tool to determine what products and services are available, scope out business requirements, and/or estimate project costs;

qq) “Request for Proposal (RFP)” means a process where a need is identified, but the method by which it will be achieved is unknown at the outset. This process allows bidders to propose solutions or methods to arrive at the desired result and each proposal is evaluated based on defined criteria;

rr) “Request for Qualification” is a procurement process used to prequalify bidders for subsequent participation in an invitational bidding opportunity, rotational roster or other prescribed method as may be appropriate;

ss) “Request for Quotation (RFQ)” means a competitive procurement process for obtaining bids based on precisely defined requirements for which a clear or single solution exists, and in accordance with Schedule “A”;

tt) “Request for Tender (RFT)” means a competitive procurement process for obtaining bids based on precisely defined requirements for which a clear or single solution exists, and in accordance with Schedule “A”; “Respondent” or “Bidder” means one who submits a response to an invitation to bid as issued by the County;

uu) “Rotational Roster” means a list of pre-qualified Professional Service Suppliers, categorized by field of expertise as adopted by Council, which is utilized to select a bidder to provide services to the County based on a pre-disclosed list of projects, each less than $100,000, for a specified time period of no longer than three years, whereby the User Department proceeds with the first bidder on the list for the first available job, then the second bidder on the list for the second available job and progresses through
the list until the pre-disclosed list of projects is complete or the specified time period has been reached, whichever is first realized;

vv) “Sealed Bid” means a formal sealed response received in response to a request for bids;

ww) “Single Source” means more than one source is available but for reasons of function or service, one supplier is recommended for consideration of the particular goods or services;

xx) “Sole Source” means when there is only one available supplier of the required goods or services;

yy) “Supplier” means any individual or organization providing goods or services to Grey County including but not limited to contractors, consultants, respondents, bidders, service organizations etc.;

zz) “Unsolicited Proposal” means submission from any source whereby a User Department believes that the proposal may be of benefit to the County and the information has not been submitted in response to a bid call.

aaa)“User Department” means the Department within Grey County that requires the goods, services or construction and for which the Manager or designate is the contact for the purpose of the procurement process;

2.0 General

2.1 Administration

a) The Purchasing and Materials Manager, or designate, will administer this Policy.

2.2 Questions

a) Any question involving the meaning or application of this Policy is to be submitted to the Purchasing and Materials Manager who will resolve the question.

2.3 Compliance

a) No contract or purchase shall be divided to avoid any requirements of this Policy.

b) User Departments shall initiate purchases only for unique User Department requirements to ensure that purchases are not duplicated in other Departments, and to take advantage of corporate purchasing power. When staff has decided that corporate purchasing power is a factor and the goods or services involve more than one Department, the Purchasing branch may issue the bid document on behalf of all relevant Departments.

c) Notwithstanding the provisions of this Policy, every bid document issued by the County shall contain a provision that the County shall have the right to reject the lowest or any bid at its absolute discretion, and that the County also reserves the right to reissue the bid document in its original form.

3.0 Authorization

Grey County Council is the ultimate authority for all expenditures. Council provides the authority to initiate procurement processes for goods and services through the authorization of annual budgets, resolution or by-law. Only Council has the authority to remove items from the approved annual
budget. Staff do not have authority to delete items from approved budget to account for shortfalls in other projects.

3.1 Authority to Award

a) Schedule “A”, attached to and forming part of this Policy, outlines the approval authority for awarding of Contracts for the procurement of goods, services and construction on behalf of the County.

3.2 Authority for Payment

a) Authorization limits for payment are outlined on Schedule “B”, attached to and forming part of this Policy.

3.3 Calls for Bids or Quotations Before and After Approvals Received

a) Following the adoption of the current annual operating and capital budgets, and when required, the receipt of any necessary approvals from other federal, provincial or municipal agencies, staff is authorized to use the appropriate procurement method for municipal goods and services.

b) Notwithstanding section 3.3 a), staff may use the appropriate procurement method for municipal construction projects and the acquisition of goods prior to the adoption of the capital budget by Council (with approved Council resolution) and before the receipt of necessary approvals from other federal, provincial or municipal agencies provided the procurement documents specifically state that the Award is subject to receipt of such approvals.

c) Staff is authorized to use the appropriate procurement methods to procure up to 50% of the gross expenditures contained in the first year of the current capital forecast, with approved Council resolution.

4.0 Procurement Methods

All purchase of goods and services, save and except those outlined in Schedule “D” to this Policy shall be undertaken utilizing one of the following methods of procurement, using standardized documents.

<table>
<thead>
<tr>
<th>Direct Purchase</th>
<th>Informal Quotation</th>
<th>Request for Quotation</th>
<th>Request for Tender</th>
<th>Request for Proposal</th>
</tr>
</thead>
<tbody>
<tr>
<td>Up to $5,000</td>
<td>Up to $10,000</td>
<td>From $10,000 to $75,000</td>
<td>Over $75,000</td>
<td>Any $$ amount</td>
</tr>
</tbody>
</table>

4.1 Informal processes

a) Informal processes may be completed by the user department or purchasing and shall include direct purchase or Informal Quotations. It will also include the Request for Quote process where Purchasing will assist in the document creation with the user department.

b) Direct Purchase

i) Direct purchase, as described below, may be used when:
• the dollar value of the item is equal to or less than $5,000; or
• the item is not covered under a standing contract.

ii) Staff is authorized to use a direct purchase method for making small order purchases with approval of Manager/Director.

iii) Direct purchase should be made using one of the following methods and in accordance with the policies associated with each:

• In writing, via email or other;
• a Purchase Order, if available;
• a pre-arranged method whereby the Supplier has agreed to invoice the County;
• a corporate credit card; or
• petty cash.

c) Informal Quotation

i) Informal Quotation will be used when:

• The cost of the item is up to $10,000;
• User group is authorized to issue informal quotation requests via written communication to solicit pricing; or
• Each bidder will receive same information and user group will award to lowest compliant bidder.

ii) Staff is authorized to use a direct purchase method for making small order purchases with approval of Manager/Director.

iii) Purchase should be made using one of the following methods and in accordance with the policies associated with each:

• In writing, via email or other;
• a Purchase Order, if available; or
• a pre-arranged method whereby the Supplier has agreed to invoice the County;


d) Request for Quotation (RFQ)

i) RFQ procedures will be used when:

• the cost of the item is $10,000 or greater, but not more than $75,000;
• the ability exists to detail what is being purchased;
• document title will be consecutively numbered based on Purchasing department’s numbering and naming convention. User Department shall request such number;
• Best Value for the County can be achieved by an Award selection made on the basis of the lowest compliant bid that meets specifications; or
• It is the User department’s responsibility to prepare the specification and Purchasing will create the Request for Quote. The User department will review the document prior to issuance.

ii) The RFQ method allows potential bidders to be invited to participate in the quotation process. The User Department is required to provide contact information for a minimum of three operative bidders.

iii) A fair and competitive process is undertaken whereby a minimum of three quotes are sought using fair and ethical purchasing practices and the lowest compliant
bidder is awarded the Contract. These bids must be kept on file for a minimum of seven years for auditing purposes. Although a minimum of three quotes is sought, an open process without a minimum number of bids will be more competitive, and is encouraged. When possible, on-line submissions (Bonfire portal) are encouraged.

iv) A summary of bids will be prepared and awarded to the lowest compliant bidder subject to signed approval, as per Schedule “A”. This summary will be kept with the Purchasing branch of the Finance Department. Any irregularities resulting in rejection of a bid shall be documented and kept in the procurement file.

4.2 Formal Processes

a) Formal processes will be issued by Purchasing and shall include Request for Tender or request for Proposal.

b) Request for Tender (RFT)

i) RFT procedures shall be used when:
   - the cost of the item is greater than $75,000;
   - the ability exists to detail what is being purchased;
   - Best Value for the County can be achieved by an Award selection made on the basis of the lowest compliant bid that meets minimum specifications.

ii) The User Department is responsible to provide detailed specifications to Purchasing. The Purchasing group shall incorporate the specification section and administer the Request for Tender. Purchasing will coordinate the tendering process.

iii) All RFTs shall be advertised in accordance with Section 8.00 of this Policy;

iv) All tendered bids will be received within the Bonfire Portal, unless decided otherwise by the Purchasing Manager;

v) Bid pricing will be viewed initially by at least one employee of Purchasing with at least one employee of the user Department in attendance;

vi) Prior to Award, the User Department or Consultant (as applicable), in consultation with Purchasing shall be responsible for reviewing the bids to verify that all specifications of the tender are met. Purchasing will review the bids to ensure that there are no irregularities contained within the bid and that all terms and conditions as outlined in the bid document have been satisfied at the time of opening;

vii) In accordance with Authority to Award procedures, the User Department in consultation with purchasing or Consultant (as applicable), will provide a recommendation for award;

viii) If an award report is required, it shall indicate the number of bids received, the name of the bidder for each bid and the respective amount and the recommended bidder for award. The bidder name of rejected bids (if applicable) shall be listed and noted as non-compliant with no bid amount listed.

C) Request for Proposal (RFP)

i) RFP procedures shall be used when:
   - the solution to the requirement cannot be accurately specified
   - innovative solutions are required
• To achieve Best Value, the Award selection will be made based on a previously fully disclosed evaluation method involving a combination of mandatory and desirable requirements.

ii) The RFP method of purchase is a competitive method of purchase that may result in further negotiation with the short-listed and/or successful bidder prior to a purchase order or contract being finalized;

iii) Terms of Reference for RFPs that will have a long-term or large scale, community wide impact, or where community input may be sought (i.e. studies, master plans or other projects leading to Procedure development) will be reported to the appropriate standing committee and approved by County Council prior to being issued;

iv) The User Department shall provide the Terms of Reference section of the RFP and Purchasing will incorporate it into the approved Request for Proposal process;

v) All RFPs shall disclose the evaluation criteria that will be used to make an Award. Weighted value of the criteria is often disclosed in the Bid documents. In all situations where the weighted value of the criteria is not disclosed in the Bid documents, the weighted value shall be determined by the User Department with input from Purchasing prior to the RFP being issued;

vi) The Purchasing and Materials Manager shall maintain a list of suggested evaluation criteria for assistance in formulating an evaluation scheme using a RFP. This may include, but is not limited to, factors such as qualifications and experience, strategy, approach, methodology, scheduling, past performance, facilities, equipment, and pricing. Weighting of the criteria will be the responsibility of the User Department, with input from the Purchasing and Materials Manager where required;

vii) The User Department may identify appropriate criteria from the list maintained by the Purchasing and Materials Manager for use in an RFP, but are not limited to criteria from the list. Cost will always be included as a factor, as Best Value includes both quality and cost;

viii) The weighting of the Cost section of the evaluative criteria should not exceed 30%, but there may be cases where it will be recommended to be higher than 30%;

ix) All RFPs shall be advertised in accordance with Section 8.00 of this Policy;

x) RFP’s will be accepted through the Bonfire portal unless it is not possible to do so;

xi) Public openings are not required with the RFP process. When a public opening is deemed necessary, only the name of the bidders submitting responses to the RFP will be read and posted as received publicly on the Grey County website. Details of the proposals or any financial information will not be publicly disclosed at the opening;

xii) An Evaluation Committee, composed of a minimum of two County staff members, and where applicable one consultant who is overseeing the project, shall review all proposals against the established criteria, reach consensus on the final rating results. One member of Finance Staff will facilitate the scoring process of the submissions. Any supporting documents will be forwarded to purchasing and kept in the respective procurement file;

xiii) Purchasing or Consultant (as applicable) shall submit a comprehensive report to the appropriate committee which will contain a recommendation for award to the
bidder meeting all mandatory requirements and providing Best Value as stipulated in the RFP;

xiv) Public reporting will not include summaries of bids, as this information will remain confidential. Any public disclosure of information shall be made by the Deputy Clerk in accordance with the provisions of the Municipal Freedom of Information and Protection of Privacy Act, R.S.O. 1990;

xv) Unsuccessful proponents may, upon their request to the Purchasing Manager, meet with the User Department’s Manager or Director, with the Purchasing Manager in attendance to review their bid submission. Discussions relating to any bid submissions other than that of the proponent present will be strictly prohibited.

4.3 Other Processes

a) Blanket Order Contracts

i) Blanket Order Contracts occur as a result of a previous competitive bid, which establishes the successful bidder as the preferred source for a product, over a specified term.

ii) A Blanket Order Contract may be used where:

- one or more Departments repetitively order the same goods or services and the actual demand is not known in advance;
- a need is anticipated for a range of goods and services for a specific purpose, but the actual demand is not known at the outset, and delivery is to be made when a requirement arises;
- it is beneficial for the municipality to enter into a multi-year contract for goods or services to provide efficiencies or economies of scale.
- To establish prices and select sources, Managers shall employ a procurement method contained in this Policy for the acquisition of goods and services.

iii) The Blanket Order Contract shall contain corporate standard language provided by the Purchasing and Materials Manager. The User Department shall maintain each contract in accordance with its terms and conditions and this Policy. Blanket Order Contracts should, when applicable, define source and price with the selected supplier(s) for all frequently used goods or services;

iv) More than one supplier may be selected where it is in the best interest of the County and the Bid solicitation allows for more than one;

v) Purchasing action initiated by a Department for frequently used goods or services shall be made with the supplier(s) listed in the Blanket Order Contract;

vi) In the bid documents, the expected quantity of the specified goods or services to be purchased over the time period of the agreement will be as accurate an estimate as practical and be based, to the extent possible, on previous usage adjusted for any known factors that may change usage;

vii) The term of a Blanket Order Contract will be determined in conjunction with the User Department. A Blanket Order Contract will not extend past five years (plus one additional year extension if specified in the contract) without the bid solicitation process being conducted.

b) Rotational Rosters
A Rotational Roster is the result of a competitive bidding process, which prequalifies bidders to be placed on a list where they will be provided an equal opportunity to perform work for the County as it becomes available;

Rotational rosters can only be utilized where budget is predetermined for either maintenance or capital projects;

Once bidders have been selected through the prequalification and evaluation processes, they are placed on a roster based on an undisclosed score. The number of bidders placed on a rotational roster should reasonably reflect the requirement over a period of five years. Only those bidders placed on the roster will have the opportunity to perform work;

Rotational Rosters may only be used to obtain Service Suppliers;

When services are required the appropriate roster is utilized to select the service provider;

Subsequent service requirements will follow the same process allowing the next bidder on the list the opportunity to perform work for the County. If a bidder declines a specific project, that bidder moves to the bottom of the roster as if the bidder had accepted the project;

The User Departments in accordance with the goals and objectives of this Policy shall maintain rotational Rosters;

A Rotational Roster will be valid for a period no longer than five years from the date it was established, at which time the competitive bidding process will be conducted to re-establish the roster;

Purchases awarded to a bidder on a rotational roster shall not exceed $75,000 per project.

Each roster will remain open to allow for the addition of bidders.

c) In House Bidding

Grey County will not consider In House Bids for goods and services that compete with the private sector during any procurement process.

d) Unsolicited Proposals

Unsolicited bids received by the Corporation shall be reviewed by the respective Senior Manager and Purchasing. Approval authority shall be in compliance with Schedule "A";

Unsolicited proposals must be in writing, detailing information on a product or service that may provide the County with significant value and/or savings. Unsolicited proposals may be accepted and a contract entered into for a maximum of one year, without a competitive bid process, providing the total annual expenditure is less than $25,000.

e) Cooperative Purchasing

Grey County supports membership in the Bruce-Grey Cooperative Purchasing Group and also supports any other cooperative initiatives that the Purchasing and Materials Manager deems beneficial to the County. The Purchasing and Materials Manager has the authority to participate with other units of government (such as Vendor of Record provided by the Ministry of Government and Consumer Services or Ontario Education Collaborative Marketplace, LAS, Kinetic GPO or any other legislated cooperatives) in their initiatives for cooperative purchasing and bulk buying of goods. The policies of the public
authorities calling the cooperative Bid solicitation are to be the accepted Procedure for that particular purchase unless additional terms specific to the County are negotiated with the successful bidder. Approval authority shall be in compliance with Schedule “A”.

f) Sole and Single Sourcing

i) Sole Sourcing is a method of procurement whereby a purchase order is issued, or contract awarded without a competitive bidding process due to the fact that the supplier is the only source of supply for the required goods or services. Sole Sourcing will be permitted if one or more of the following circumstances apply:

- One supplier/contractor possessing the unique ability or capability to meet the requirements of the Corporation due to a patent, sales/distributor agreement or copyright
- Service is obtained from a public utility
- The supply relates to necessary unique replacement parts from an exclusive source of supply
- The supply relates to the purchase of parts that must be compatible with goods previously supplied, and there are no reasonable alternatives to the products.
- To maintain warranty or service agreement compliance for purchased products.
- When the required item is covered by an exclusive right such as a patent, copyright or exclusive license

ii) Single Sourcing is a method of procurement whereby there is more than one bidder able to supply and a purchase order is issued, or contract awarded without a competitive bidding process. Single Sourcing will be permitted if one or more of the following circumstances apply:

- Expiration of a contract has occurred, and user group wants to maintain and ensure the level of service and pricing.
- Disclosure of information in an open contract competition would breach some duty of confidentiality or compromise security
- The compatibility of a Purchase with existing equipment, product standards, facilities or service is an overriding consideration (i.e. fleet management, parts standardization)
- There is an absence of competition for technical reasons and the Goods and/or Services can only be supplied by a particular Supplier
- An unforeseeable situation of urgency exists and the Goods and/or Services cannot be obtained in time by means of open procurement procedures
- The Corporation has a rental contract with a purchase option and such purchase option is beneficial to the Corporation
- For matters involving security, police matters or confidential issues, in which case a purchase may be made in a manner that protects the confidentiality of the Supplier or the Corporation
- There are no bids in response to a Bid Solicitation
- A roster for Professional Services has been developed in accordance with the Purchasing By-law
- When competitive procurement may be found to be impractical
Where a good is purchased for testing or trial use and there is a clearly established deadline for the testing or trial period that does not exceed 12 months

Where construction materials are to be purchased and it can be demonstrated that transportation costs or technical considerations impose geographic limits on the available supply base, specifically in the case of sand, stone, gravel, asphalt, compound and pre-mixed concrete for use in the construction or repair of roads (Broader Public Sector Guidelines - section 10.3.4.2.1 Single Sourcing)

When an urgent procurement is necessary for fulfilling a statutory order issued by a federal or provincial authority (i.e. compliance order)

iii) The use of Sole and Single Sourcing with a particular bidder exceeding $75,000 must be reported to Council. Any single or sole sourcing with an amount between $5,000 and $74,999 must be requested to Purchasing and Materials Manager by applicable Director. Approval will come from Purchasing and Materials Manager in consultation with Director of Corporate Services or Designate. In order for a Department to sole or single source for goods or services exceeding $75,000, an operating strategy must be presented with Purchasing input and approved by Committee of the Whole, outlining the rationale. Input must be sought from the Purchasing and Materials Manager to ensure the purchasing principles in this Policy are taken into consideration and risk to the County is managed.

g) Negotiation

i) Negotiation may only be used under the following circumstances:

- those outlined in sole and single sourcing
- as a result of an RFP process, if required
- With respect to RFTs, and RFQs, the County may enter into negotiations with the lowest compliant bidder if the price bid is over the budgeted amount for the project. Should the owner be unable to reach an agreement with the lowest compliant bidder, the Owner reserves the right to enter into negotiations with the next lowest compliant bidder, to cancel the bid opportunity or to present a report to Council as per Section 9.00 – whichever is deemed to be in the best interest of the County.
- there is only one source of supply
- the lowest bid meeting specifications is in excess of available budget
- all bids received failed to meet the specifications and/or tender terms and conditions and it is impractical to recall tenders or formal quotes

h) Procurement in Emergencies

i) Notwithstanding the provisions of this by-law, an emergency purchase shall be made, with authorization from appropriate Director, when an event occurs that is determined by the Warden, the C.A.O. or appropriate Director or Designate, to be a threat to any of the following:

- an imminent or actual danger to the life, health or safety of an official or an employee while acting on the County’s behalf;
an imminent or actual danger of injury to or destruction of real or personal property belonging to the County;
the welfare of persons or of public property;
the security of the Corporation’s interests and the occurrence requires the immediate delivery of goods or services and time does not permit for competitive Call for Bids;
an unexpected interruption of an essential public service;
an emergency as defined by the Emergency Plans Act, R.S.O. 1990, Chapter E.9 and the emergency plan formulated by the County;
a spill of a pollutant as contemplated by Part X of the Environmental Protection Act, R.S.O. 1990, Chapter E.19;
mandate of a non-compliance order;

i) Process for emergency purchase

• non-competitive procurement or negotiation methods may be utilized;
• any Purchase Order or contract issued under such conditions together with a source of financing shall be justified and reported by the User Department in the quarterly purchasing report (over $75,000).

j) Non-Competitive Purchases

i. Under the direction and control of Purchasing, the requirement for competitive bid solicitation for goods and services may be waived under the authority of this Policy and replaced with negotiations as it relates to the circumstances within section (f) – Single and Sole Sourcing.

k) Request for Expression of Interest

i. Requests for Expression of Interest may be issued to obtain information on the availability and interest of suppliers of any goods or services. Requests for Expression of Interest may or may not result in the development of a list of available suppliers.

ii. Requests for Expression of Interest are used to assess Supplier capabilities, or to conduct market research, without the intention of evaluating the responses or awarding a contract. An RFEI may not be used to pre-qualify a potential Supplier and must not influence their chances of being a Successful Bidder on any subsequent purchasing opportunity. The information received may be used for the purposes of developing future documents for a subsequent competitive process.

l) Request for Pre-Qualification (RFPQ)

i. RFPQ may be issued to prequalify bidders for various projects or purchases. The purpose of a RFPQ is to determine whether the qualifications of a bidder, as required by the County, are at a level that will allow participation in a subsequent bidding opportunity that takes place as a direct result of the Request for Pre-Qualification.

ii. An RFPQ may be issued to pre-qualify Bidders for various projects or purchases. The purpose of an RFPQ is to determine whether the qualifications of a Bidder, as required by the County, are acceptable in order to allow participation in a subsequent bidding opportunity that takes place as a direct result of the Request for Pre-qualification.
iii. A Bidder may be pre-qualified by providing an acceptable response to a Request for Pre-Qualification or a Request for Roster Candidates. Selection of pre-qualified bidders will be based on fully disclosed evaluation criteria, which may include: experience from similar work; verification of applicable licenses and certificates; financial capability and others.

iv. As a result of pre-qualification, the County will only allow those pre-qualified Bidders to participate in the bidding process for the scope of work and/or services as specified in the RFPQ or RFRC document.

v. Pre-qualification may be done: on a project specific basis; for a group of projects that are similar in scope for which the same category of Supplier would be utilized; or for Roster development.

m) Request for Information (RFI)
   i. RFI may be issued by staff in conjunction with Purchasing to provide staff with an understanding of potential solutions/needs.
   ii. An RFI may be issued in advance of a formal bid process to assist in the development of a more definitive set of terms and conditions, scope of work/service and the selection of qualified Bidders.
   iii. RFI may or may not lead to a formal bid process.

n) Coat-tailing
   i) This is a prohibited practice by the County. An employee cannot negotiate with a supplier, or accept an offer from a supplier, to purchase a good or service for personal use at the same price that is being offered by the supplier to the County.

5.0 Fees
The County may charge a nominal fee for bid documents that required extensive charting, printing or plotter use etc. This fee will be in accordance with Grey County’s Fees and Services by-law.

6.0 Risk Management

6.1 Bid Deposits/Bid Bond
   a) Purchasing, in consultation with the User Department, will determine whether a Bid Deposit will be part of the bid submission requirements.
   b) The amount of the Bid Deposit, if required, will be reflective of the project budget while offering adequate protection to the County in case of default by the bidder, and will not be less than 10% of the estimated project budget.
   c) Bid Deposits will be provided, in their original form, in one of the following methods and shall be clearly specified in the bid documents:
      i) Certified cheque made payable to the Corporation of Grey County
      ii) Bank draft made payable to the Corporation of Grey County
      iii) Money order made payable to the Corporation of Grey County
      iv) A Bid Bond or an Agreement to Bond issued by a bonding agency currently licensed to operate in the Province of Ontario naming the Corporation of the County of Grey as the obligee.
v) An irrevocable and unconditional letter of credit from a banking institution naming the Corporation of the County of Grey as the beneficiary.

d) Bid Bonds and Agreements to Bond must be irrevocable for a minimum of sixty days but can be requested to remain irrevocable for a longer period at the discretion of the User Department.

e) The County will not pay interest on any Bid Deposits, and all Bid documents issued by the County shall include a statement to this effect.

f) All Bid Deposits must be original, signed documentation. Photocopies and facsimiles are not acceptable. Only when the request allows for electronic bid submissions, will a scanned copy of the bid deposit be acceptable. Where possible, electronic bonds are preferred.

g) The County is authorized to access any Bid Deposit in its’ possession that is forfeited as a result of bid withdrawal after closing.

h) Bid deposits in the County’s possession that are forfeited, will be shared prorata in a joint procurement process.

i) The County will return all bid deposits with the exception of the 2 lowest bids within 14 days of the closing date. Once a contract has been awarded, all but the lowest bid deposit will be returned. The County reserves the right to utilize the awarded companies bid deposit as a performance bond.

6.2 Other Guarantees

a) Purchasing, in consultation with the User Department shall select the appropriate means to guarantee execution and performance of the Contract. Means may include one or more of but are not limited to; financial bonds or other forms of security deposits, provisions for liquidated damages, progress payments and holdbacks.

b) Purchasing will request a Performance, Labour & Material or Maintenance Bond for no less than 50% of the bid amount for any procurement anticipated to be over $500,000 as per the Construction Act of Ontario, Section 85.

c) Performance Bond, to guarantee the faithful performance of the Contract;

d) Labour and Material Bond to guarantee the payment for labour and materials that are supplied from the contractor’s direct suppliers and subcontractors in connection with the contract;

e) Maintenance Bond to guarantee the fulfillment of the contractor’s obligation under the warranty clause of the contract.

f) Purchasing shall ensure that the guarantee methods selected will:

i) not be excessive but sufficient to cover financial risks to the County,

ii) provide flexibility in applying leverage on a supplier so that the penalty is proportional to the deficiencies, and

iii) comply with provincial statutes and regulations.

g) Stipulated by the Construction Lien Act as amended, a minimum payment holdback of 10% shall be mandatory on all construction Contracts exceeding $500,000.

h) Additional holdbacks may be permitted in compliance with other County policies as applicable.
i) Holdbacks will be released by the Finance Department upon receipt of a written notice, executed by the user Department Manager to release the holdback.

j) Holdbacks for deficiencies shall be taken into consideration so as to ensure the deliverables are aligned with the payment being issued. It is the responsibility of the contract manager/project owner to ensure that approved invoices reflect an adequate reduction for applicable deficiencies prior to the invoice being certified for payment and submitted to the Finance Department for processing. It is the responsibility of the contract manager/project owner to notify the Contractor of the holdback to address the deficiency.

k) Prior to providing notice to release the holdback, the contract manager/project owner must ensure:

   i) All terms and conditions of the contract have been completed to the satisfaction of the User group.
   ii) Receipt of clearance from the WSIB for any arrears
   iii) Receipt of Statutory Declaration of progress payment distribution by the contract
   iv) All requirements of the Construction Lien Act (as amended) have been satisfied.

6.3 Insurance

   a) Prior to execution of the contract, or where deemed appropriate by the County’s Insurer, Purchasing or User Department, evidence of satisfactory insurance coverage must be obtained from the bidder’s insurance agent or broker, ensuring indemnification of Grey County from any and all claims, demands, losses, costs or damages resulting from the performance of a Supplier’s obligations under the Contract.

   b) Insurance limits shall be based on the recommendations of the County’s Insurer.

   c) The type of insurance required will be relevant to the goods, services or construction being purchased. Requests for insurance may include but are not limited to:

      i) commercial/general liability
      ii) automobile liability
      iii) homeowner’s liability Policy (for leasing of facilities, entrance permits, etc.)
      iv) professional errors and omissions liability
      v) Builder’s Risk
      vi) Cyber risk
      vii) Abuse liability

   d) All standard bid documents must indicate the insurance requirements to be provided by the successful bidder.

   e) The appropriate insurance coverage shall be determined by Grey County Insurance Guidelines, in consultation with the User Department, maintaining an adequate amount of protection to the County. In the event of an unusually large project budget the Purchasing staff may recommend a higher insurance limit to cover the risks adequately.

   f) All hired Contractors/Service Providers must supply a Certificate of Insurance (COI) confirming the required coverage. The certificate must include, as a minimum, naming Grey County as an additional insured inclusive of a cross liability clause.
g) The successful bidder is required to keep in force the required insurance requirements throughout the course of the project and will not allow the COI to lapse, or change, without giving thirty days written notice to the County of Grey.

h) Workplace Safety and Insurance Board
   i. The successful bidder is responsible to provide a WSIB (Workplace Safety and Insurance Board) clearance certificate prior to starting work.
   ii. If the bidder considers themselves to be an independent operator and does not require a WSIB clearance certificate, application shall be made prior to the project starting for consideration by the WSIB.

6.4 Exclusion of Bidders in Litigation
   a) The County may, in its absolute discretion, reject a bid or proposal submitted by the bidder prior to or after bid opening, if the bidder:
      i) is a party to litigation with the County; or
      ii) directly or indirectly, including by common ownership or control or otherwise, is related to a party to litigation with the County; or
      iii) intends to use a sub-contractor in respect of the specific project who is a party to litigation with the County, or, who, directly or indirectly, including by common ownership or control or otherwise, is related to a party to litigation with the County.

   b) For the purposes of this section, the phrase “party to litigation with the County” includes cases in which the bidder or prospective bidder or any of the parties named above, have advised the County in writing of their intention to commence litigation, or have commenced or have advised the County of their intention to commence an arbitral process, against the County.

   c) Bids from any bidder in any of the above circumstances may be rejected as non-compliant.

   d) In determining whether or not to reject a bid under this section, the County will consider whether the litigation is likely to affect the bidder’s ability to work with the County, its consultants and representatives, and whether the County’s experience with the bidder in the matter giving rise to the litigation indicates that the County is likely to incur increased staff and legal costs in the administration of the Contract if it is awarded to the bidder.

6.5 Suspension of Bidders Due to Performance
   a) Purchasing, in consultation with the relevant User Department and, where appropriate, the County Solicitor, may suspend the rights of any bidder to bid on any requirement, where the prior performance of the bidder has been documented to be unsatisfactory. Unsatisfactory performance shall include, but not be limited to, a failure to meet contract specifications, terms and conditions, as well as health and safety violations. The period of suspension will not exceed 3 years.

   b) A bidder whose bidding rights have been suspended may request, in writing to the Purchasing and Materials Manager, reinstatement of bidding rights at any time after the expiry date of the suspension period specified in the written notice given.

6.6 Conflict of Interest
a) It is the responsibility of all staff or Council members involved in bid solicitation or evaluation to disclose any inherent or potential Conflict of Interest to their Manager or Director, or in the case of a Member of Council, the CAO. This disclosure must take place prior to opening any tenders or proposals and will be noted on the minutes of the opening.

b) Any staff or Council member disclosing a Conflict of Interest shall remove himself from the procurement process associated with the conflict.

c) It is the responsibility of all Members of Council to disclose any inherent or potential pecuniary/conflict of interest to Council at the time the matter is being considered.

6.7 No Local Preference

a) The County of Grey imparts fair and impartial award recommendations for all contracts and tenders. This means that we do not extend preferential treatment to any bidder, including local companies. Not only is it against the law, it is not good business practice, since it limits fair and open competition for all bidders and is therefore a detriment to obtaining the best possible value for each tax dollar.

b) In accordance with the Discriminatory Business Practices Act, R.S.O. 1990, c.D.12, s.2., there shall be no local preference given to any Bidder when awarding a Bid for purchase of Goods and Services for the County

6.8 Trade Agreements

a) Procurement by the County may be subject to the provisions of trade agreements.

b) Where an applicable trade agreement is in conflict with this By-law, the trade agreement shall take precedence.

c) Purchasing shall advise Directors where a procurement action may not conform to an applicable trade agreement as early as possible in the procurement process.

6.9 Dispute Resolution

a) In the event any company or person who has been involved in the bidding or purchasing process as described in this Policy identify a dispute in regards to this process, the following dispute resolution steps shall be followed. In each step the county shall keep the resolution process fair and transparent to all concerned.

b) The company or person identifying a dispute shall be required to state the nature of the dispute in writing giving full details and history of the events leading to the dispute claim and address the written dispute claim to the County Clerk. (Where the Clerk’s office is directly involved in the dispute topic, the written dispute claim will be directed to the C.A.O.)

c) Upon receipt of the written dispute claim, the County Clerk shall request a meeting with all persons named in the dispute claim to discuss the particulars of the dispute claim.

d) If those attending said meeting shall agree that the matter can best be handled by a written response only, the County Clerk or designate shall with the assistance of those named above prepare a written response and send it to the company or person who issued the dispute claim.

e) If those attending said meeting shall agree that the matter needs further clarification, such clarification may be requested by an additional written response from the
originator of the dispute claim or by the calling of a meeting between those attending the meeting and the originator of the dispute claim.

f) At a meeting between those who have been named in the written dispute claim and the originator of the dispute claim, the County Clerk or designate shall chair such meeting and appoint a meeting recorder to record all pertinent conversation. If the dispute can be resolved at this meeting a written report of such resolution shall be sent by the County Clerk or designate to all who were in attendance at the meeting.

g) In the event a resolution could not be achieved at said meeting described in Step e) above and the originator of the dispute claim requests to further prosecute the dispute claim, the County Clerk or designate shall forward the dispute claim to contact the County Solicitor. The dispute claim shall then be handled by the County Solicitor in accordance with established procedures for processing such claim.

6.10 Tie Bids

a) In the case of tie bids between two responsive and responsible bidders and, where multiple awards are not an alternative for award, the Corporation shall determine the successful bidder by coin toss. At least one member of purchasing staff and at least two members of the user group must be present.

b) In the case of tied bids between three or more responsive and responsible bidders and where multiple awards are not an alternative for award, the Corporation shall determine the successful bidder by a draw of the bidder names from a hat. At least one member of purchasing staff and at least two members of the user group must be present.

6.11 Scope and Contract Changes

a) For projects awarded at $75,000 and under - Any change orders or contract changes that are in excess of $7,500 over the awarded amount (regardless of the approved budget amount), must be approved by the Director of Corporate Services (or designate), prior to issuing a change order request to the supplier/bidder.

b) For projects awarded over $75,000 – Any change orders or contract changes that are in excess of 10% over the awarded amount (regardless of the approved budget amount), must be submitted to purchasing for the approval by the Director of Corporate Services (or designate) and the Chief Administrative Officer, prior to issuing a change order request to the supplier/bidder.

c) Completed projects awarded over $500,000 that went over budget by 20% or more of the awarded amount including contingency, will be communicated in a separate report (not within the quarterly report) to the standing committee.
7.0 Standardization

7.1 Documents

a) In order to assist in cross-training, enable multiple bidders to understand the process requirements, ensure accessibility requirements are met and ensure that legal and insurance risks are controlled, standard formats and language, with the exception of specifications, for the following documents shall be used by all staff involved in procurement:

i) Request for Quotation
ii) Request for Tender
iii) Request for Proposal
iv) Request for Expression of Interest
v) Request for Information
vi) Request for Pre-Qualification
vii) Blanket Order Contract
viii) Rotational Roster
ix) Purchase Order
x) Advertising, print and electronic
xi) Other Contracts which pertain to this Policy

b) The standard formats and language for the above documents will be developed by Purchasing, with the exception of specifications, and will be updated or amended as appropriate. Review of templates by an outside legal entity is encouraged when necessary prior to approval by the Director of Corporate Services.

c) Preparation of specifications for RFQs or RFTs and Scope of Work for RFP’s shall be the responsibility of the User Department.

d) Corporate standard formats and language for all documents related to this Procedure shall be developed and used where appropriate and shall be supplied by Purchasing. Where the County’s standard documents are not being used, the document shall be provided to Purchasing for review prior to issuance or execution. Purchasing will recommend review by an outside legal entity if deemed to be in the best interest of the County.

e) Grey County supports standardization among Goods and Services that are used on a regular basis and encourages corporate standards to be adopted where it is deemed beneficial to the County.
8.0 Public Notice

8.1 Advertising

a) The minimum form of advertising for opportunities of $75,000 or more will be a posting on the County website via a link to Grey/Bonfire hub.

b) All bidding opportunities will be available in compliance with CFTA/CETA obligations.

c) If a pre-qualification process has taken place to short-list potential Respondents for a subsequent bidding opportunity, advertising is not required for the subsequent bidding opportunity. The pre-qualification process is required to be advertised locally on the County website if over $75,000.

d) Advertising in any publication or website is the financial responsibility of, and at the discretion of, the User Department.

e) These advertising provisions do not apply to sole and single sourcing, negotiation, procurement in emergencies, non-competitive purchases and other procurement processes initiated by the County in which bid documents are supplied to selected prospective bidders as provided in this Policy.

9.0 Contracts

9.1 Contractual Agreement

a) An Award pursuant to this Policy may be made by way of Contract, Agreement, Authorization Letter or Purchase Order.

b) A Purchase Order or Authorization Letter is to be used when the resulting Contract is straightforward. The terms and conditions relevant to the Award will be outlined in the Authorization Letter. The Purchase Order will be completed in accordance with the procedures associated with the County’s Purchase Order system, where available.

c) Following award and if required, Contracts may be considered. It shall be the responsibility of the User group, in consultation with Purchasing, Clerks and/or a Consultant or Solicitor, if necessary, to determine if it is in the best interests of the County to enter into a Contract with the Bidder.

9.2 Requirements Prior to Commencement of Work

a) Grey County will not authorize any work until all required documentation identified in the bid document, has been received in satisfactory form. The successful bidder shall submit all documentation requested in the bid document to the User Department within fourteen (14) working days of being awarded the Contract. Such documentation may include but is not limited to:

i) executed bonding

ii) insurance documentation

iii) clearance certificate or applicable documentation from WSIB

iv) any other documentation required to facilitate the execution of the Contract as detailed in all procurement documents.

9.3 Exercise of Contract Extension

a) Where a bid document for goods or services contains an option for renewal, the User Group may authorize such option provided that all of the following apply:
the supplier's performance in supplying the goods or services is considered to have met the requirements of the contract

ii) the User agrees that exercising the renewal option is in the best interests of the County

iii) funding is available in appropriate accounts within the County Council approved budget including authorized revisions, to meet the proposed expenditure

iv) the contract falls within the authority to award limitations outlined in Schedule “A”

9.4 Execution and Custody of Documents

a) The Warden and Clerk shall execute contracts which are outside of the procurement process in the name of The Corporation of the County of Grey for which the award is made by Delegated Authority.

b) All original purchasing and contract documentation for the contracting of goods or services shall be retained in accordance with the Records Retention By-law.

9.5 Access to Information

a) The disclosure of information received relevant to the issue of bid solicitations or the award of contracts emanating from bid solicitations shall be made by the appropriate officers in accordance with the provisions of the Municipal Freedom of Information and Protection of Privacy Act, R.S.O. 1990, as amended, or as may otherwise be required by law.

10.0 Reporting

10.1 To Council

Reports requiring Council approval will be prepared by the User Department and Purchasing. The following procurements are subject to Council approval:

a) Any contract exceeding $500,000 annually;

b) Any project awarded over $500,000 that has change orders exceeding the awarded amount by 20% or more (Information Only).

c) Any acquisition of goods or services that is not already approved in the current year’s budget, such as items requiring pre-budget approval or post-budget amendments, must be reported to Council in order to have the expenditure authorized via resolution;

10.2 Quarterly Update

Each Department will provide a quarterly update for contracts between $75,000 and $500,000, and contracts resulting in revenue exceeding $75,000, to Committee of the Whole in cooperation with Purchasing, which will highlight all budgetary changes if applicable;

10.3 Award of Contracts for Tenders
Reports to Council for award of contracts for Tenders shall include the following information:

a) number of bids submitted at time of closing  
b) number of submissions disqualified or rejected as informal  
c) names and prices, exclusive of all applicable taxes, of all bids meeting requirements  
d) source of funding  
e) any other pertinent information

10.4 Award of Contracts for Requests for Proposal

Reports to Council for award of contracts for Requests for Proposal shall include the following information:

a) description of Supplies/Services being procured  
b) date the RFP was issued and date of closing  
c) number of bid requests distributed, and number of proposals received  
d) number of proposals disqualified or rejected at time of opening  
e) names of bidders from whom proposals were received (that were not disqualified)  
f) list of pre-established criteria and weighting used to evaluate the submissions with applicable description of the process  
g) positions of the members of the evaluation committee  
h) source of funding

11.0 Materials Management and Inventory Control

11.1 Responsibility of Manager  
a) All Senior Managers shall be responsible for maintaining inventory in their respective areas unless a corporate strategy has been identified. An internal system of inventory control should be used to maintain adequate levels of supply to support each respective department.

11.2 Disposal of Surplus Goods

a) All Senior Managers, with input from Purchasing shall be responsible for the disposal of all surplus goods.

b) All Senior Managers shall notify Purchasing when items become obsolete or surplus to their requirements.

c) Purchasing, with the assistance of the owning group, shall ascertain whether items falling under their respective authorities can be of use to another municipality or Department rather than disposed of. This may be by way of an email informing of the availability or some other way of ascertaining interest.

d) Items that are not of interest to another municipality or Department may be disposed of using a public process that will take into consideration the type of materials being disposed of and the cost-benefit to the municipality. An example of this is a public auction website. Trade-in options may also be considered as a form of disposal.

e) Placing minimum bids for surplus goods going through the disposal process, shall be the responsibility of the department/staff member most familiar with the market value
of the item. In establishing a minimum bid, staff may consult with the current online auction provider.

f) The user department will be credited with the net proceeds from the sale of their surplus assets.

g) Surplus assets shall not be sold directly to an employee or to a member of Council, although this does not prohibit any employee or member of Council from purchasing Surplus Assets being sold through a public process.

h) Surplus Assets may be donated to non-profit agencies or non-profit institutions for educational or teaching purposes only. Donated items shall not be re-sold. All donated Surplus Assets must be approved by the Director of Corporate Services.
12.0 Purchasing Policy and Process

12.1 Policy Review

a) The Purchasing and Materials Manager shall review departmental purchasing related files from time to time to determine the effectiveness and integrity of the processes and to monitor Policy adherence.

b) The Purchasing and Materials Manager, on a regular basis, will lead a review of this Policy and make recommendations to be presented to the Senior Management Team for inclusion in a report to Council. This Policy may be reviewed as required.

13.0 Contractor Performance Report

a) The County of Grey may complete a Contractor Performance Report for any project. The report shall rate the performance of the bidder, contractor or consultant on standard criteria developed.

b) Performance issues shall be noted in writing with a copy to the bidder and a copy to the departmental project file. Performance issues shall also be noted in any site meeting or project meeting minutes for resolution purposes.

c) On completion of the project, the Project manager shall forward the Contractor Performance Report to the bidder with a copy to purchasing. All back-up documents pertaining to any substandard evaluations and comments shall be attached to the evaluation document. The user department will forward a copy of the completed evaluation to the bidder for their records. The bidder may request a meeting with the County and the Project manager to discuss the evaluation and shall have 20 calendar days following delivery of the evaluation to request an appeal. This appeal shall be forwarded to the Manager of Purchasing.

d) The appeal shall be conducted by a Dispute Committee which shall hear from both Corporation staff and the supplier at a time and place appointed in writing by the Committee. The Dispute Committee shall be comprised of members of the senior management team and the Director of the user department involved. A quorum of the Dispute Committee shall be two of the four members. The decision of the Dispute Committee shall be in writing and it shall be final.

e) The performance evaluation shall determine whether a bidder will:

i) be allowed to renew a contract with the Corporation;

ii) be allowed to respond to future contract opportunities with the Corporation;

iii) be placed on a probationary list for a minimum of two years during which time it shall be permitted to bid or propose work for the Corporation; the work of those on probation will be closely monitored;

iv) be suspended from bidding on any contracts with the Corporation during a three-year period, followed by a one-year probationary period after re-instatement.

f) In reaching a decision, the project manager, contract coordinator or project engineer or Dispute Committee shall be entitled to rely upon the evaluation criteria determined in advance of the project and the results of prior performance evaluations relating to other contracts performed by the same bidder.

g) No bid shall be accepted from the suspended bidder, nor shall any award be issued to the suspended bidder during the term of the suspension.
h) The results of any Contractor Performance Report may be disclosed to other municipalities or government bodies upon request, where it can be demonstrated that the contractor has listed the Corporation as a work reference.

14.0 Accessibility and Procurement

Grey County is a major purchaser of goods and services. It is important that procurement processes are inclusive so that all bidders can participate, and all contracted parties are aware of the need to provide accessible goods and services.

14.1 Our vision

a) Availability of accessibility options is a high priority in the procurement process. The bidder community is aware of and understands the need to demonstrate leadership in removing barriers for persons with disabilities.

14.2 Our Commitment

a) The County of Grey is committed to integrating accessibility into procurement policies, procedures and practices by:

i) Conducting regular reviews and updates of procurement-related directives, policies, procedures and standards

ii) Embedding accessibility requirements into the procurement process.

iii) Conducting reviews to ensure compliance and continuous improvement in procurement practices.

iv) Reviewing feedback on the procurement process and taking appropriate action as needed.

v) Purchasing services will consider ergonomic design and other safety features when purchasing equipment, machines, devices and tools

b) Everyone has the right to access public information. If a person cannot access a public document because of a disability, they are being denied their right to access.
Schedule “A” Authority to Award

This section outlines whether Delegated Authority or Council authority is required to Award a Contract.

Net taxes shall be included in determining the price of a Contract for the supply of goods or services for the purpose of the relationship of the price to the preauthorized expenditure limit.

When awarding multi-year contracts, with a net expenditure under $500,000 per annum, Council approval will not be required. Award and contract length must be presented in quarterly report.

Service agreements resulting from awards endorsed by County Council are delegated to the Director of Corporate Services and the appropriate department Director for signature.

<table>
<thead>
<tr>
<th>Authority to Award</th>
<th>Dollar Value</th>
<th>Minimum Method of Procurement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Any employee authorized by Director</td>
<td>$5,000 or less</td>
<td>Direct Purchase</td>
</tr>
<tr>
<td>Manager as authorized by Director</td>
<td>$5,000 - $75,000</td>
<td>Request for Quotation / Proposal</td>
</tr>
<tr>
<td>Director</td>
<td>$75,000 - $500,000</td>
<td>Request for Tender / Proposal / Negotiation</td>
</tr>
<tr>
<td>Council</td>
<td>special cases as determined by Purchasing</td>
<td>Request for Tender / Proposal</td>
</tr>
</tbody>
</table>

NOTE: Any contract budgeted under $500,000 where the total annual acquisition cost is greater than the Council approved budget by 20% or more, the Director of Corporate Services and Chief Administrative Officer must approve the expenditure. Director will be responsible for explanation of funding of overage and note such funding in quarterly report to Council.
Schedule “B” - Authority for Payment

Authority limits for payment are as follows:

<table>
<thead>
<tr>
<th>Position</th>
<th>Detail</th>
<th>Limit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Senior Manager including Warden, CAO and Directors</td>
<td>All expenditures</td>
<td>Unlimited</td>
</tr>
<tr>
<td>Manager</td>
<td>General Purposes – day-to-day departmental requirements and Payments for approved Contracts/Service Agreements</td>
<td>$5,000 to $75,000 or at the discretion of the Director.</td>
</tr>
<tr>
<td>Any employee authorized at the discretion of the Director</td>
<td>Day to Day Purchases in accordance with the Departmental Authorization of Account Payable</td>
<td>$5,000 or less</td>
</tr>
</tbody>
</table>

Authority for payment in this schedule relate to payments of amounts approved in the current year budget, amount approved by Director of Corporate Services or by resolution only.

During scheduled absences, Directors are able to delegate signing authority to selected individual(s) with a written notice to the Director of Corporate Services.

Regulatory payments (payroll deductions etc.) are excluded from this schedule.

The numbers in this table are maximums. Directors have the right to lower these numbers at their discretion.
Schedule “C” Bid Irregularities

The following list of irregularities should not be considered all inclusive. The Purchasing Manager in consultation with any of the following: departmental staff, C.A.O., Director of Corporate Services and the Director of Legal Services, shall review irregularities not specifically listed and, acting in the best interests of the Corporation, have authority to waive such irregularities, permit correction to the irregularity or reject the submission.

<table>
<thead>
<tr>
<th>Number</th>
<th>Irregularity</th>
<th>Response</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Late Submissions.</td>
<td>Rejection, not opened or read publicly. Submission to be returned to submitter.</td>
</tr>
<tr>
<td>2.</td>
<td>Insufficient Financial Security (No bid bond/deposit or agreement to bond or insufficient bid bond/deposit)</td>
<td>Automatic Rejection for no bid deposit. Automatic Rejection for no agreement to bond. 48 hours to correct shortfall in bid deposit if less than required by no more than 10%.</td>
</tr>
<tr>
<td>3.</td>
<td>Conditional Bids (Bids qualified or restricted by an attached statement).</td>
<td>Automatic rejection unless, in the opinion of Department and Purchasing, the qualification or restriction is insignificant.</td>
</tr>
<tr>
<td>4.</td>
<td>Illegible or obscure Bids, non-initialed erasures, non-initialed alterations.</td>
<td>Automatic rejection.</td>
</tr>
<tr>
<td>5.</td>
<td>Documents, in which all necessary Addenda which have significant financial or scope implications in the opinion of the Purchasing Manager and user group, have not been acknowledged.</td>
<td>Automatic rejection.</td>
</tr>
<tr>
<td>6.</td>
<td>Documents in which all necessary Addenda which do not have significant financial or scope implications in the opinion of the Purchasing Manager and user group, and have not been acknowledged.</td>
<td>48 hours to submit.</td>
</tr>
<tr>
<td>7.</td>
<td>Bids received by bidders who did not attend mandatory site visit(s).</td>
<td>Automatic rejection.</td>
</tr>
<tr>
<td>8.</td>
<td>Bids received on documents other than those provided by Grey County, when specified to do so.</td>
<td>Automatic rejection.</td>
</tr>
<tr>
<td>9.</td>
<td>Failure to insert the bidder’s business name in the space(s) provided Mandatory Submission Pages.</td>
<td>48 hours to submit.</td>
</tr>
<tr>
<td>Number</td>
<td>Irregularity</td>
<td>Response</td>
</tr>
<tr>
<td>--------</td>
<td>-----------------------------------------------------------------------------</td>
<td>--------------------------------------------------------------------------</td>
</tr>
<tr>
<td>10.</td>
<td>Failure to include signature of the person authorized to bind the bidder in the space provided on the Tender / Proposal Form.</td>
<td>48 hours to submit.</td>
</tr>
<tr>
<td>11.</td>
<td>More than one submission from the same submitter and not identified as an alternative or optional submission and no written withdrawal notice has been received.</td>
<td>The submission package bearing the most recent date/time stamp will be considered the intended submission and the previously date/time stamped submissions will be considered withdrawn and will be returned to sender, unopened.</td>
</tr>
<tr>
<td>12.</td>
<td>Bids Containing Mathematical Errors</td>
<td>If the amount tendered for a unit price item does not agree with the extension of the estimated quantity and the tendered unit price, or if the extension has not been made, the unit price shall govern and the total price shall be corrected accordingly. If both the unit price and the total price are left blank, the Bid will be rejected as incomplete. If the unit price is left blank but a total price is shown for the item, the unit price shall be corrected according to the total provided. If the Tender contains an error in addition and/or subtraction in the approved tender documentation format requested (i.e. not the additional supporting documentation supplied), the error shall be corrected and the corrected total Contract price shall govern.</td>
</tr>
<tr>
<td>13.</td>
<td>Bonfire Error</td>
<td>Bonfire bid tables containing obvious errors (confusion with unit of measure) will be clarified and may be corrected.</td>
</tr>
<tr>
<td>14.</td>
<td>Other minor irregularities</td>
<td>Purchasing, in conjunction with the Director of Corporate Services shall have authority to waive irregularities, which they jointly consider to be minor.</td>
</tr>
<tr>
<td>15.</td>
<td>Any irregularity</td>
<td>Despite all provisions herein contained, Purchasing in conjunction with the members of the Senior Management Team may waive any irregularity where it considers it to be in the best interest of the County.</td>
</tr>
</tbody>
</table>
Schedule “D” Goods and Services Exempt from Procurement Policy

The purchasing methods described in this Policy do not apply to the following Goods and Services:

1. Training and Education
2. Registration, accommodation and tuition fees for conferences, conventions, courses and seminars
3. Magazines, books and periodicals
4. Memberships
5. Staff development or staff workshops
6. Refundable Employee/Councillor Expenses
7. Advances
8. Meal allowances
9. Travel (fuel, meals, accommodation etc.)
10. Ongoing maintenance for existing computer hardware and software.
11. Employer’s General Expenses
12. Payroll Deduction Remittances
13. Medical or Dental
14. Licenses
15. Debenture Payments
16. Grants to Agencies
17. Damage Claims/Insurance Claims (procurement process when replacement time allows)
18. Tax Remittances
19. Insurance Premiums
20. Professional and Special Services up to $500,000 including:
   • Committee fees, witness fees
   • Banking and Financial Services
   • Realty services regarding lease, acquisition, demolition, sale, disposal or appraisal of land.
   • Advertising services required in radio, television, newspaper or magazines
   • Bailiff or collection agencies
   • Hairstyling/barber services
   • Clergy services
21. Freight charges
22. Utilities
23. Interpreter Fees and Transcription Fees for POA
24. Performance / Artist’s Fees
25. Employee Group Benefits
26. All legal services and fees
27. Professional and special services exceeding $500,000 must follow the approval process outlined on Schedule A
Corporation of the County of Grey
By-Law 5075-20

A By-law to Authorize the Warden and Clerk to Execute a Contribution Agreement through the Ontario Housing Priorities Initiative and the Canada Ontario Community Housing Initiative with the Owen Sound Housing Company Limited for an Affordable Housing Project

WHEREAS the Council of the County of Grey adopted the recommendation of the Committee of the Whole from its July 25, 2019 and November 14, 2019 meetings and approved entering into the Ontario Priorities Housing Initiative and Canada Ontario Community Housing Initiative agreements through By-laws 5066-19 and 5069-19;

AND WHEREAS the County of Grey deems it necessary to execute contribution agreements with the Owen Sound Housing Company Limited for the creation of affordable housing at Odawa Heights;

AND WHEREAS Section 8 of the Municipal Act, 2001, as amended provides that a municipality has the authority to govern its affairs as it considers appropriate and enables the municipality to respond to municipal issues;

NOW THEREFORE BE IT RESOLVED THAT THE COUNCIL OF THE CORPORATION OF THE COUNTY OF GREY HEREBY ENACTS AS FOLLOWS:

1. The Warden and Clerk are hereby authorized and directed to execute, and the Clerk to affix the Corporate seal thereto, the contribution agreement with the Owen Sound Housing Company Limited through the Ontario Priorities Housing Initiative for the creation of affordable housing at Odawa Heights.

2. The Warden and Clerk are hereby authorized and directed to execute, and the Clerk to affix the Corporate seal thereto, the contribution agreement with the Owen Sound Housing Company Limited through the Canada Ontario Community Housing Initiative for the creation of affordable housing at Odawa Heights.

3. The Agreements referred to in Clauses 1 and 2 form and become part of this By-law.

4. This By-law shall come into force and effect upon the final passing thereof.
ENACTED AND PASSED this 9th day of January, 2020.

WARDEN: Paul McQueen

CLERK: Heather Morrison
CONTRIBUTION AGREEMENT  
Canada Ontario Community Housing Initiative  
New Rental Build Component  
Direct Delivery  

This Agreement made the day of 2019  

BETWEEN:  
THE CORPORATION OF THE COUNTY OF GREY  
(hereinafter called the “County”)  
- and -  
OWEN SOUND HOUSING COMPANY LIMITED  
(hereinafter called the “Proponent”)  

WHEREAS:  
A. Canada Mortgage and Housing Corporation (“CMHC”) and Her Majesty the Queen in right of Ontario as represented by the Minister of Municipal Affairs and Housing (“MMAH”) entered into a bi-lateral agreement through the National Housing Strategy on April 30, 2018 to provide for the Canada Ontario Community Housing Initiative from 2019 to 2028.  

B. Whereas the Minster is now responsible for the above agreements signed by MMAH.  

C. The County and the Proponent have entered into this Agreement for the purpose of establishing the County’s obligation to provide funding to the Proponent for its Project, and the Proponent’s obligations with respect to use of such funds under the Canada Ontario Community Housing Initiative.  

NOW THEREFORE, the County and the Proponent agree with each other as follows:  

1. INTERPRETATION  

1.1 In the Agreement, including its Schedules, unless the context requires otherwise,  

- “Affordability Period” means the period during which the average rent in a Project is required to be maintained at an affordable level, as determined in accordance with the Program Guidelines or as otherwise established by the County;  

- “Affordable Housing” means Housing which is modest in terms of floor area and amenities, based on household needs and community norms, in Projects that achieve rent levels in accordance with the Program Guidelines, but does not include residential premises used as a nursing home, retirement home, shelter, crisis care facility or any other type of similar facility as determined by the
County;

• “Average Market Rents” means the average rent figures, based on geographical areas and classified by bedroom count, as determined annually in the CMHC Average Market Rent Survey or as determined by the County, based on available data, in areas where there is no information from the CMHC Average Market Rent Survey;

• “Business Day” means each Monday, Tuesday, Wednesday, Thursday and Friday except when any such day occurs on a statutory holiday observed in Ontario;

• “Contribution by Others Agreement” means an agreement entered into by the County (other than this Agreement) or another party contributing to the Project, and the Proponent;

• “Contribution by Others” means cash or in-kind eligible contributions from municipalities, in accordance with the Program and may include a contribution from the County pursuant to another funding program documented by a Contribution Agreement other than this Agreement. It does not include contributions from any other Government of Canada sources, including, but not limited to the CMHC - Ontario Social Housing Agreement dated November 15, 1999, nor contributions which receive credit under any agreement with CMHC outside this Agreement nor equity contributions to the Project made by the Proponent to the extent required in the Procurement Process;

• “Development Activities” means those activities which are normally undertaken for the development, construction, repair, renovation, rehabilitation or conversion of buildings for residential purposes and include the acquisition of property and activities for which Project Development Funding may be provided;

• “Federal Funds” means funding from CMHC for a Unit, as set out in the Program Guidelines;

• “Force Majeure” means a delay arising from strike, lockout, riot, insurrection, terrorism, war, fire, tempest, act of God, lack of material or supply of service at a reasonable cost, inclement weather, binding orders or regulations of governmental bodies, courts or arbitrators or any other event beyond the control of the Parties which causes a delay in the fulfillment of a Party’s obligations under this Agreement notwithstanding the reasonable efforts of such Party and provided that any such non-availability or delay does not relate to any act or omission by such Party or any of its authorized agents or employees;
“Funding Schedule” means the schedule of funding setting out progress payments for the type of Project to be undertaken by a Proponent, in the form determined by the County;

“Funds” means Federal Funds or Provincial Funds, as set out in the Program Guidelines;

“Housing” means residential accommodation and facilities, common areas and services used directly with the residential accommodation. Housing does not include commercial or institutional premises, social or recreational services, and services or facilities related to mental or physical health care, education, corrections, food services, social support or public recreation;

“Interest Adjustment Date” means the date on which the Proponent makes the first payment of principal and interest in respect of the Proponent’s permanent financing obligations for the Project, following the completion of construction;

“Large Project” means a Project with thirteen (13) or more Units;

“Loan” means the total amount of Federal Funds and Provincial Funds, if applicable, advanced by the County to the Proponent, in accordance with the Funding Schedule;

“Occupancy Date” means the date on which occupancy of all Units in a Project is permitted;

“Ontario Mortgage and Housing Initiative” means the government program that provides Proponents with access to lower-cost, longer-term financing for affordable rental housing for both construction financing and long-term mortgages;

“Parties” means the County and the Proponent and “Party” means either of them, as the context may require;

“Permitted Encumbrances” means the encumbrances encumbering the Affordable Housing Units listed in Schedule “G”;

“Phase-out Period” means the last five (5) year period of the Affordability Period;

“PIPEDA” means the Personal Information Protection and Electronic Documents
Act, S.C. 2000, c. 5, including any amendments thereto;

- “PIPEDA Protected Information” means any “Personal Information” or “Personal Health Information”, as defined under PIPEDA;

- "PPSA" means the Personal Property Security Act, R.S.O. 1990, c. P. 10, including any amendments thereto;

- “Procurement Process” means the request for proposals or procurement process used by the County;

- “Program” means the Rental Housing Component of the Canada Ontario Community Housing Initiative, as set out in the Program Guidelines;

- “Program Guidelines” means the Program Guidelines in respect of the new Rental Housing Component of the Canada Ontario Community Housing Initiative and attached to this Agreement as Schedule “A”;

- “Project” means Affordable Housing proposed or approved for the Program subject of this Agreement, as the context may require;

- “Project Development Funding” means that part of the CMHC funds in an amount of up to One Hundred Fifty Thousand Dollars ($150,000.00) which is available to private non-profit Proponents to pay for planning and engineering studies, architectural drawings and legal expenses;

- “Proponent” means a person identified as such on the first page of this Agreement;

- “Proposal” means the proposal made by the Proponent for the Project;

- “Provincial Funds” means funding from Ontario for a Unit, as set out in the Program Guidelines;

- “Rental Housing Component” means the Affordable Housing Program described in the Rental Housing Component Program Guidelines;

- “Security Documents” means the security documents for the Project in the form of, or described in Schedules E-1, E-2, E-3 and F;

- “Service Manager” means the County;
• “Small Project” means a Project with twelve (12) or fewer Units;

• “Substantial Completion” means the substantial performance, within the meaning of the Construction Lien Act, of all contracts which the Proponent has entered into for Development Activities in connection with the Project;

• “Targeting Plan” means the manner in which a Service Manager or a Proponent plans to meet the objectives of the Program to create Affordable Housing for households that are on or are eligible to be on the waiting lists for social housing;

• “Unit” means a self-contained residential dwelling, including, without limiting the generality of the foregoing, (i) supportive rental Housing where service funding is secured from sources other than Federal Funds and Provincial Funds provided under the Program; (ii) multi-bedroom units which are used for congregate living; and (iii) disabled/accessible units.

1.2 All references in this Agreement, including, without limitation, the Schedules hereto, to “rent” is deemed to include housing charges paid by members of non-profit housing cooperatives and “rental” is deemed to have a corresponding meaning.

1.3 The following Schedules are attached to and form part of this Agreement:

- Schedule “A” – Rental Housing Build Program Guidelines;
- Schedule “B” -Funding Schedule;
- Schedule “C” -Contribution by Others Agreement(s);
- Schedule “D” -Rental Protocol;
- Schedule “E-1” -Charge/Mortgage of Land;
- Schedule “E-2” -Assignment of Rents;
- Schedule “E-3” -Security Agreement;
- Schedule “F” -Alternate Security;
- Schedule “G” -Permitted Encumbrances;
- Schedule “H” -Proponent’s Initial Occupancy Report;
- Schedule “I” -Proponent’s Annual Occupancy Report;
- Schedule “J” -Proponent’s Annual Targeting Report;
- Schedule “K” -Protocol for Non-Compliance.

1.4 In the event of a conflict or inconsistency between the provisions of this Agreement and the provisions of a Schedule, the provisions of this Agreement shall prevail.

1.5 All references in this Agreement to section numbers are references to sections of this
Agreement unless otherwise stated.

2. FUNDING FOR AFFORDABLE HOUSING

2.1 The Proponent agrees to advance as its equity contribution to the Project the amount of $0, in the form of a contribution of land, on or before Occupancy is permitted in the Project, and provide written confirmation to the County that the equity contribution has been advanced.

2.2 Funding for Affordable Housing is comprised of Federal Funds and Provincial Funds. Funds will be advanced to the Proponent in the form of a Loan during Development Activities, based on the completion of construction milestones.

2.3 The Loan, upon the terms and subject to the conditions set out in this Agreement, shall be in the amount of one hundred and forty one thousand, eight hundred and eighty three dollars and eight seven cents ($141,883.87) for each Unit included in the Development Activities for Affordable Housing by the Proponent pursuant to the Proposal, the total amount of such Loan being four million six hundred and eighty two thousand, one hundred and sixty eight dollars ($4,682,168).

2.4 The County shall disburse the amount of the Loan in accordance with the Funding Schedule attached as Schedule “B”. Notwithstanding Schedule “B”, the County shall at all times hold back the amount of funds required to comply with the Construction Lien Act.

2.5 The County shall have the option of withholding from the amount to be disbursed under section 2.4 the amount of the cost of construction necessary to complete the incomplete construction of the Project from time to time and, in such case, the County shall disburse the amount so withheld following its receipt of satisfactory evidence that such construction is complete within the meaning of the Construction Lien Act and provided that the Construction Lien Act is complied with.

2.6 The Proponent shall use the amount of the Loan and Contribution by Others only for the purpose of its Development Activities in connection with the Project.

2.7 The Proponent may authorize the County to pay Funds to a third party and the County shall permit such authorization.

3. PROVISION OF AFFORDABLE HOUSING

3.1 The Proponent agrees to undertake its Development Activities in connection with the Project in accordance with the provisions relating to the development of the Project.
contained in the Program Guidelines.

3.2 The Proponent shall, subject to Force Majeure, achieve Substantial Completion in accordance with the Program Guidelines.

3.3 Without limiting the condition set out in section 5.1(b), the Proponent shall use its reasonable best efforts to discharge or cause the discharge of any registered construction liens so as to ensure that there are no construction liens registered against the Project on the date for the disbursement of the Loan under sections 2.4 and 2.5. The County's obligation to disburse shall be conditional upon Proponents compliance with the Construction Lien Act as set out in section 5.1 (b).

3.4 The Proponent shall not at any time during the term of this Agreement breach any Contribution by Others Agreement respecting the Project including any municipal capital facility agreement made pursuant to section 110 of the Municipal Act, 2001 and shall not, through any breach on its part, cause such other entity to terminate a Contribution by Others Agreement for cause. The Proponent agrees that a breach by it of any such Contribution by Others Agreement, that has not been corrected, shall constitute a breach of this Agreement. All Contribution by Others Agreements shall be attached as Schedule “C”. The Proponent shall provide the County with evidence of its good standing under any such Contribution by Others Agreement within ten (10) Business Days following its receipt of a written request from the County.

4. OPERATION OF AFFORDABLE HOUSING

4.1 The Proponent acknowledges and agrees that the Rental Protocol set out in Schedule “D” applies to the Project by virtue of the contractual terms of this Agreement, notwithstanding that the Rental Protocol does not apply to the Project under the Residential Tenancies Act, 2006.

4.2 The Proponent agrees to operate the Units in accordance with the rules set out in Schedule “D” of this Agreement.

5. CONDITIONS

5.1 The provision of funding by the County pursuant to sections 2.4 and 2.5 is subject to the following conditions precedent, each of which is for the exclusive benefit of the County, and may be waived in full or in part by the County by written notice to the Proponent:

(a) any Contribution by Others Agreement(s) referred to in section 3.4 remaining in force and the Proponent being in good standing thereunder;
(b) there being no Claim for Lien under the Construction Lien Act registered against the Project;

(c) there being in existence no unregistered lien or statutory claim having priority against the Project;

(d) the Proponent’s title to the Project being encumbered by no registered encumbrances other than the Permitted Encumbrances;

(e) the Proponent being in good standing under all of the Permitted Encumbrances and there being no work orders issued against the Project by any governmental entity, agency or official;

(f) the Proponent having provided the County with the security documents required by section 7 and in accordance with the said section; and

(g) all funds provided by means of a Contribution by Others due on or before a disbursement date hereunder having been fully advanced to the Proponent on or before such disbursement date and having been authorized by by-law, agreement or otherwise and all Contribution by Other Agreements shall be attached as Schedule “C”.

5.2 If any of the conditions contained in section 5.1 have not been fulfilled on the date for the disbursement of the Loan by the County pursuant to sections 2.4 or 2.5 and are not waived by the County pursuant to section 5.1, the County shall be under no obligation to make any advance of the Loan to the Proponent and the County shall thereupon have the right to terminate this Agreement and, in that event, neither Party to this Agreement shall have any rights or obligations hereunder, save and except that the County may, notwithstanding such termination, bring an action against the Proponent for all losses, costs and expenses, including, without limitation, reasonable legal fees incurred by the County in connection with this Agreement where the non-performance or non-fulfillment of a condition is a result of a breach of a covenant by the Proponent and the County shall have the right to require repayment of any previously advanced Funds together with interest as set out in this Agreement.

6. TERMS OF THE FUNDING

6.1 The Loan shall have a term of twenty (20) years, commencing as of the Interest Adjustment Date.

6.2 Prior to the Interest Adjustment Date, interest shall accrue on the total of the amount or amounts advanced under the Loan at the rate of eight per cent (8%) per annum. The
interest so calculated shall compound semi-annually, not in advance, and shall be payable upon demand, until the Interest Adjustment Date.

6.3 On the Interest Adjustment Date, the amount of interest accrued as calculated in section 6.2 shall be forgiven, provided that the Proponent has satisfied all requirements as set out in section 3.

6.4 With effect from the Interest Adjustment Date, the interest rate applicable to the Loan shall be the higher of the average posted rate offered by major Canadian lending institutions for a commercial first mortgage having a five (5) year term, plus two per cent (2%) or the interest rate applicable to the first mortgage registered against title to the property, plus two per cent (2%).

6.5 On each anniversary date of the Interest Adjustment Date, the Proponent shall pay the County the amount of interest, as calculated on the Loan amount according to the interest rate stipulated in section 6.4, so accrued during the previous year, provided however, if the Proponent has satisfied, as of such anniversary date, the requirements of this Agreement, the amount of the interest so owing shall automatically be forgiven.

6.6 The Loan amount shall be fully forgiven on the last day of the month at the end of the term of the Loan, provided that the Proponent has fulfilled all the requirements of the Program as set out in this Agreement.

6.7 The Proponent shall comply with the requirements of the Ontario Mortgage and Housing Initiative.

6.8 The Proponent shall provide the County with such information respecting the Proponent’s permanent financing obligations for the Project as the County may require from time to time.

7. SECURITY

7.1 Prior to the County disbursing the Loan proceeds to the Proponent pursuant to section 2.4, the Proponent shall provide the County with executed registerable security documents in the form attached hereto as Schedules “E-1”, “E-2” and “E-3” (the “Security”), completed in accordance with this Agreement or at the County’s option, such alternate form of security, on such terms and conditions as the County may require, attached hereto as Schedule “F”.

7.2 The Security shall be collateral to this Agreement and any Contribution by Others Agreement between the County and the Proponent. The County shall be a party on all Security documents and shall share in any recoveries thereunder in proportion to their
respective contributions to the total amount secured. The amount of all contributions from the County shall be included in the Security documents. The amount of any eligible in-kind contributions from the County shall not be included in the Security documents.

7.3 Without limiting the Proponent’s covenants and the remedies of the County under this Agreement and the Security, the Proponent agrees that a breach of this Agreement or any Contribution by Others Agreement with the County shall constitute a breach of the Security and a breach of the Security shall constitute a breach of this Agreement and any Contribution by Others Agreement with the County.

7.4 The County acknowledges and agrees that notwithstanding that the Security provides that the principal and interest secured thereunder is payable on demand, the County shall have no right to demand payment thereunder except in accordance with the provisions of this Agreement relating to repayment or in the event of breach described in section 7.3. In the event of a conflict or inconsistency between the provisions of this Agreement and the Security, the provisions of this Agreement shall prevail with respect to Funds provided by the County.

7.5 The Security shall rank immediately behind the registered security for the Proponent’s primary financial obligations for the Project, unless the County determines that the Security shall have a lesser priority.

8. ACCOUNTABILITY FRAMEWORK

8.1 (a) In the event:

(i) the County is of the opinion that the Proponent is not proceeding in an expeditious manner with the Development Activities for which Project Development Funding has been provided; or

(ii) the Province is advised by the County that the Project will not proceed; or

(iii) the building permit for the Project is not issued on or before April 30, 2020 or such longer period of time as the County may determine;

the Proponent shall return all unexpended Project Development Funding to the County, forthwith upon demand, provided however, that the County shall not require the Proponent to return any Project Development Funding that has been expended for the intended purposes.

(b) If requested by the County, the Proponent shall submit to the County, an audited financial statement respecting the expenditure of the Funds provided to it pursuant
to this Agreement, within one hundred and twenty (120) days or such additional time as may be determined by the County, following the date on which the County is advised that the Project will not proceed or that the Development Activities related to the Project have been fully completed.

(c) Following the full completion of the Development Activities related to the Project, the Proponent shall submit to the County a completed information report in the form attached hereto as Schedule “I”, and annually thereafter shall submit to the County completed information reports in the forms attached hereto as Schedules “I” and “J”.

(d) Without limiting the Proponent’s obligations under section 8.1(c), the Proponent, if requested by the County, shall forthwith submit to the County the material required to be submitted pursuant to section 8.1(c), in addition to any such material that the Proponent may have previously submitted to the County.

8.2 The Proponent represents that it has not provided any false or misleading information in the Proposal and agrees that it shall not provide any false or misleading information to the County under this Agreement.

8.3 The Proponent shall, on forty-eight (48) hours prior written notice, give the County free access to the Project and to such staff, documents, books, records and accounts as may be determined by the County, for the purpose of verifying compliance with this Agreement.

8.4 The County may conduct an audit, investigation or inquiry in relation to the Project or any larger development or project of which the Project is a part and the Proponent shall cooperate with the County and provide free access to the Project and to such staff, documents, books, records and accounts as may be determined by the County.

8.5 The provisions of sections 8.1, 8.2, 8.3, 8.4 and 8.5 shall continue to apply for a period of seven (7) years following the end of the Phase-out Period or the date of any early termination of this Agreement.

9. PUBLICITY

9.1 The Proponent acknowledges that it has been informed by the County that under the terms of the 2016 Social Infrastructure Fund under the Investment in Affordable Housing Program and the Supplementary Agreement all publicity, including written materials and signs, respecting the Project must recognize the contributions of CMHC, the Province and the County. The Proponent further acknowledges that it has been informed by the County that the 2018 Canada Ontario Community Housing Initiative requires the County to co-ordinate with the Province and CMHC and/or obtain CMHC’s approval with
respect to communications, signage and advertising matters. The Proponent agrees that it shall not do or omit to do any act which will cause the County to be in breach of the terms of the 2018 Canada Ontario Community Housing Initiative.

9.2 The Proponent shall not make any public announcement respecting the Project, insofar as it relates to the Program, or respecting its participation in the Program or respecting the Program in any other respect without the prior written consent of the County.

9.3 During the period of the Development Activities related to the Project, the Proponent shall erect a sign in front of the Project. The sign shall be in accordance with specifications issued by the Province and the County.

9.4 The Proponent acknowledges that any breach by it of sections 9.2 or 9.3 of this Agreement shall cause the County to be in breach of its obligations as a Service Manager responsible for administration of the funding program in the 2018 Canada Ontario Community Housing Initiative.

10. REMEDIES

10.1 In the event the County determines that a Proponent has breached any one (1) or more provisions of this Agreement or any other Contribution of Others Agreement or the County advises the Province that a Proponent has breached any one (1) or more provisions of this Agreement or any other Contribution of Others Agreement between the County and a Proponent, the Province and County shall follow the Protocol for Non-Compliance set out in Schedule “K”.

10.2 All of the remedies in this Agreement and the Security are cumulative and the Province and the County shall be entitled to avail itself simultaneously of some or all of the said remedies and any other remedies available in equity or at law.

10.3 Notwithstanding any of the terms of this Agreement or of the Security, the County shall have the option of waiving any or all of its' remedies under this Agreement and the Security, but no waiver of a provision shall be deemed to constitute a waiver of any other provision (whether or not similar) nor shall any waiver constitute a continuing waiver unless otherwise provided in writing.

11. NOTICE

11.1 Any notice or other communication required, desired or permitted to be given by this Agreement shall be in writing and shall be effectively given if:

(a) delivered personally;
(b) sent by prepaid courier service; or

(c) sent by facsimile communication, and confirmed by mailing the original documents so sent by prepaid mail on the same or following day, addressed as follows:

(i) in the case of notice to the County:

The Corporation of the County of Grey  
595 9th Avenue East  
Owen Sound, Ontario N4K 3E3  
Fax: 519-376-8998

(ii) in the case of notice to the Proponent:

Owen Sound Housing Company Limited  
700 21St Street East  
Owen Sound, On N4K 6W1  
Fax: 519-376-1710

or at such other address as the party to whom such notice or other communication is to be given shall have advised the party giving same in the manner provided in this section. Any notice or other communication delivered personally or by prepaid courier service shall be deemed to have been given and received on the day it is so delivered at such address, provided that if such day is not a Business Day such notice or other communication shall be deemed to have been given and received on the next following Business Day. Any notice or other communication transmitted by facsimile communication shall be deemed to have been given and received on the day of its transmission, provided that such day is a Business Day and such transmission is completed before 4:30 p.m. on such day, failing which such notice or other communication shall be deemed to have been given and received on the first (1) Business Day after its transmission. If there has been a mail stoppage and if a party sends a notice or other communication by facsimile communication, such party shall be relieved from the obligation to mail the original document in accordance with this paragraph.

12. GENERAL

12.1 Any power, right or function of the County, contemplated by this Agreement, may be exercised by any employee or agent of the County.

12.2 It is understood that the Municipal Freedom of Information and Protection of Privacy Act shall apply to all records submitted to or created by the County pursuant to this Agreement.

12.3 The Proponent represents and warrants that:
(a) it shall preserve the PIPEDA compliance of all PIPEDA Protected Information transferred to it by the County;

(b) it shall ensure the PIPEDA compliance of all PIPEDA Protected Information it collects in the course of performing its contractual obligations; and

(c) it shall ensure the PIPEDA compliance of all PIPEDA Protected Information that it transfers to the County.

12.4 The disbursement of Funds by the County to the Proponent pursuant to sections 2.4 to 2.5, inclusive, is subject to the necessary appropriations from the Federal Parliament and the Provincial Legislature. Neither the County, the Province nor CMHC shall have any liability in the event the respective appropriations are insufficient to meet the funding obligations of the County.

12.5 Nothing in this Agreement is to be construed as authorizing one Party to contract for or incur any obligation on behalf of the other or to act as agent for the other and nothing in this Agreement shall be construed to constitute the County and the Proponent as partners of each other.

12.6 The Proponent acknowledges that CMHC is not a party to this Agreement or other agreement relating to any Project.

12.7 No member of:

(a) the House of Commons or Senate of Canada; or

(b) the Legislative Assembly of Ontario; or

(c) the Municipal Council constituting the County or the Municipal Council of any local municipality of the County or the governing body of any Municipal Agency, Board or Commission, of any such municipalities;

shall be admitted to any share or part of any contract, agreement or commission made pursuant to this Agreement or to any benefit arising therefrom, including, without limitation, any contract, agreement or commission arising from or related to the Program.

12.8 Time shall in all respects be of the essence in this Agreement, provided that the time for doing or completing any matter provided for under this Agreement may be extended or abridged by agreement in writing signed by the County and the Proponent or their
respective solicitors on their behalf, who are hereby expressly appointed in this regard.

12.9 Any tender of documents or money hereunder may be made by the County or the Proponent or their respective solicitors.

12.10 This Agreement is made pursuant to and shall be governed by and construed in accordance with the laws of the Province of Ontario. Any reference to a statute in this Agreement includes a reference to all regulations made pursuant to such statute, all amendments made to such statute and regulations in force from time to time and to any statute or regulation which may be passed and which has the effect of supplementing or superseding such statute or regulations.

12.11 The headings and subheadings contained in this Agreement are inserted for convenience and for reference only and in no way define, limit or describe the scope or intent of this Agreement or form part of this Agreement.

12.12 The Parties agree that there are no representations, warranties, covenants, agreements, collateral agreements or conditions affecting the property or this Agreement other than as expressed in writing in this Agreement.

12.13 This Agreement shall be read with all changes of gender and number required by the context.

12.14
   (a) The Proponent shall not transfer or convey its interest in all or any part of the Project without, subject to subsection 12.14(b), simultaneously assigning its interest in this Agreement to the transferee, which transferee shall enter into one or more agreements with the County, in a form satisfactory to the County, to assume all of the Proponent’s obligations under this Agreement and to provide the County with Security in accordance with this Agreement.

   (b) The Proponent shall not assign its interest in this Agreement without the prior written consent of the County, which consent shall not be arbitrarily or unreasonably withheld.

   (c) For the purpose of this Agreement, a transfer of the beneficial interest in the shares of the Proponent shall be deemed to constitute an assignment if it results in a change in the party or parties who owns or own more than fifty per cent (50%) of the voting shares of the said corporation.

12.15 Each of the Parties shall, at any time and from time to time, upon not less than twenty (20) Business Days prior written notice by the other Party, execute and deliver to the other Party a statement in writing certifying that this Agreement is in good standing,
unmodified and in full force and effect, or if there have been modifications that the same are in good standing and in full force and effect, as modified, and stating the modifications. Where applicable, the statement shall state the defaults, if any, known to the Party to whom such request has been made and the action taken or proposed to be taken by such requested Party with respect to same.

12.16 If more than one entity is a party to this Agreement as Proponent, all references to the Proponent shall include all of the said entities and this Agreement shall be binding on each jointly and severally.

12.17 This Agreement shall ensure to the benefit of and be binding upon the Parties hereto and their respective successors and assigns, provided that this paragraph shall in no way derogate from the provisions of section 12.14 restricting the Proponent’s ability to assign this Agreement.
IN WITNESS WHEREOF this agreement has been executed by the Parties.

The Corporation of the County of Grey

Per: ________________________________

Paul McQueen, Warden

c/s

Per: ________________________________

Heather Morrison, Clerk

Owen Sound Housing Company Limited

Per: ________________________________

Name:
Title:

c/s

Per: ________________________________

Name:
Title:
SCHEDULE “A”
RENTAL BUILD PROGRAM GUIDELINES
**SCHEDULE “B”**

**FUNDING SCHEDULE**

<table>
<thead>
<tr>
<th>Event Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>50% at signing of Contribution Agreement</td>
<td>$2,341,084.00</td>
</tr>
<tr>
<td>40% at completion of Structural Framing</td>
<td>$1,872,867.20</td>
</tr>
<tr>
<td>10% at proof of occupancy, apprenticeship, report and capital costs statement</td>
<td>$ 468,216.80</td>
</tr>
</tbody>
</table>
CONTRIBUTION AGREEMENT

This Agreement made the day of [insert year].

BETWEEN:

THE CORPORATION OF THE COUNTY OF GREY
(hereinafter called the “County”)
- and -
(hereinafter called the “Proponent”)

WHEREAS:

A. In order to create a supply of Affordable Housing, the County of Grey wishes to provide funds to proponents of affordable housing.

B. The County has confirmed that the Proponent has responded to the Procurement Process of the County of Grey by submitting its proposal dated xxxx (the “Proposal”) to undertake Development Activities for the Project(s) in return for Funding.

C. The County and the Proponent have entered into this Agreement for the Purpose of establishing the Proponent’s obligations with respect to the Program and the County’s obligation to provide funding to the Proponent.

NOW THEREFORE, the County and the Proponent agree with each other as follows:

1. INTERPRETATION

1.1 In the Agreement, including its Schedules, unless the context requires otherwise,
• “Affordability Period” means the period during which the average rent in a Project is required to be maintained at an affordable level, as established by the County;

• “Affordable Housing” means Housing which is modest in terms of floor area and amenities, based on household needs and community norms, in Projects that achieve rent levels no greater than 80% of average market rents in the County of Grey, but does not include residential premises used as a nursing home, retirement home, shelter, crisis care facility or any other type of similar facility as determined by the County;

• “Average Market Rents” means the average rent figures, based on geographical areas and classified by bedroom count, as determined annually in the CMHC Average Market Rent Survey or as determined by the County, based on available data, in areas where there is no information from the CMHC Average Market Rent Survey;

• “Business Day” means each Monday, Tuesday, Wednesday, Thursday and Friday except when any such day occurs on a statutory holiday observed in Ontario;

• “Contribution Agreement” means an agreement entered into by the County or another party contributing to the Project and an approved Proponent receiving contributions under the Program;

• “Development Activities” means those activities which are normally undertaken for the development, construction, repair, renovation, rehabilitation or conversion of buildings for residential purposes and include the acquisition of property and activities for which Project Development Funding may be provided;
• “Force Majeure” means a delay arising from strike, lockout, riot, insurrection, terrorism, war, fire, tempest, act of God, lack of material or supply of service at a reasonable cost, inclement weather, binding orders or regulations of governmental bodies, courts or arbitrators or any other event beyond the control of the Parties which causes a delay in the fulfillment of a Party’s obligations under this Agreement notwithstanding the reasonable efforts of such Party and provided that any such non-availability or delay does not relate to any act or omission by such Party or any of its authorized agents or employees;

• “Funds” means County Funds under this County program;

• “Housing” means residential accommodation and facilities, common areas and services used directly with the residential accommodation. Housing does not include commercial or institutional premises, social or recreational services, and services or facilities related to mental or physical health care, education, corrections, food services, social support or public recreation;

• “Interest Adjustment Date” means the date on which the Proponent makes the first payment of principal and interest in respect of the Proponent’s permanent financing obligations for the Project, following the completion of construction;

• “Loan” means the total amount of County funds advanced by the County to the Proponent, in accordance with this contribution agreement;

• “Occupancy Date” means the date on which occupancy of all Units in a Project is permitted;

• “Parties” means the County and the Proponent and “Party” means either of them, as the context may require;

• “Permitted Encumbrances” means the encumbrances encumbering the Affordable
Housing Units listed in Schedule “G”;

- “Phase-out Period” means the last five (5) year period of the Affordability Period;

- “PIPEDA” means the *Personal Information Protection and Electronic Documents Act*, S.C. 2000, c. 5, including any amendments thereto;

- “PIPEDA Protected Information” means any “Personal Information” or “Personal Health Information”, as defined under PIPEDA;

- "PPSA" means the *Personal Property Security Act*, R.S.O. 1990, c. P. 10 including any amendments thereto;

- “Procurement Process” means the request for proposals or procurement process used by the County;

- “Program” means the County of Grey's New Affordable Housing Program, as set out in this contribution agreement;

- “Project” means Affordable Housing proposed or approved for the Program, as the context may require;

- “Proponent” means a person identified as such on the first page of this Agreement;

- “Proposal” means the response to the request for proposals or procurement process, submitted to the County;

- “Security Documents” means the security documents attached to and forming part of the Contribution Agreement;
“Substantial Completion” means the substantial performance, within the meaning of the Construction Lien Act, of all contracts which the Proponent has entered into for Development Activities in connection with the Project under this Agreement;

“Targeting Plan” means the manner in which a Proponent plans to meet the objectives of the Program to create Affordable Housing for households that are on or are eligible to be on the waiting lists for social housing;

“Unit” means a self-contained residential dwelling.

1.2 All references in this Agreement, including, without limitation, the Schedules hereto, to “rent” is deemed to include housing charges paid by members of non-profit housing cooperatives and “rental” is deemed to have a corresponding meaning.

1.3 All references in this Agreement to section numbers are references to sections of this Agreement unless otherwise stated.

2. FUNDING FOR AFFORDABLE HOUSING

2.1 The Proponent agrees to advance as its equity contribution to the Project the amount of XXXX in the form of a contribution of land, on or before Occupancy is permitted in the Project, and provide written confirmation to the County that the equity contribution has been advanced.

2.2 Funding for Affordable Housing is comprised of Funds held by the County. Funds will be advanced to the Proponent in the form of a Loan, during the Development Activities.

2.3 The County shall disburse the amount of the Loan following the date on which this Agreement is signed by the Parties and upon construction milestones as set out in the Program guidelines. Notwithstanding this provision, the County shall at all times hold back the required amount of funds to comply with the Construction Lien Act.
2.4 The County shall have the option of withholding from the amount to be disbursed under section 2.3 the amount of the cost of construction necessary to complete the construction of the Project and, in such case, the County shall disburse the amount so withheld following its receipt of satisfactory evidence that such construction is complete within the meaning of the Construction Lien Act and provided that the Construction Lien Act is complied with.

2.5 The Proponent shall use the amount of the Loan for the purpose of its Development Activities in connection with the Project.

2.6 The Proponent may authorize the County to pay Funds to a third party and the County shall permit such authorization.

3. **PROVISION OF AFFORDABLE HOUSING**

3.1 Without limiting the condition set out in section 5.1(b), the Proponent shall use its reasonable best efforts to discharge or cause the discharge of any registered construction liens so as to ensure that there are no construction liens registered against the Project on the date for the disbursement of the Loan under sections 2.3 and 2.4. The County's obligation to disburse shall be conditional upon the Proponent's compliance with the Construction Lien Act as set out in section 5.1 (b).

3.2 The Proponent shall not at any time during the term of this Agreement breach any Contribution Agreement respecting the Project including any municipal capital facility agreement made pursuant to section 110 of the Municipal Act, 2001 and shall not, through any breach on its part, cause such other entity to terminate a Contribution Agreement for cause. The Proponent agrees that a breach by it of any such Contribution Agreement, that has not been corrected, shall constitute a breach of this Agreement. The Proponent shall provide the County with evidence of its good standing under any such Contribution Agreement within ten (10) Business Days following its receipt of a written
request from the County.

4. **OPERATION OF AFFORDABLE HOUSING**

4.1 The Proponent acknowledges and agrees that the Rental Protocol set out in Schedule “D” applies to the Project by virtue of the contractual terms of this Agreement, notwithstanding that the Rental Protocol does not apply to the Project under the *Residential Tenancies Act, 2006*.

4.2 The Proponent agrees to operate the Units in accordance with the rules set out in Schedule “D” of this Agreement.

5. **CONDITIONS**

5.1 The provision of funding by the County pursuant to sections 2.3 and 2.4 is subject to the following conditions precedent, each of which is for the exclusive benefit of the County, and may be waived in full or in part by the County by written notice to the Proponent:

(a) any Contribution Agreement referred to in section 3.2 remaining in force and the Proponent being in good standing thereunder;

(b) there being no Claim for Lien under the *Construction Lien Act* registered against the Project;

(c) there being in existence no unregistered lien or statutory claim having priority against the Project;

(d) the Proponent’s title to the Project being encumbered by no registered encumbrances other than the Permitted Encumbrances;

(e) the Proponent being in good standing under all of the Permitted Encumbrances
and there being no work orders issued against the Project by any governmental entity, agency or official; and

(f) the Proponent having provided the County with the Security Documents required by section 7 and in accordance with the said section.

5.2 If any of the conditions contained in section 5.1 have not been fulfilled on the date for the disbursement of the Loan by the County pursuant to sections 2.3 and 2.4 and are not waived by the County pursuant to section 5.1, the County shall be under no obligation to make any advance of the Loan to the Proponent and the County shall forthwith have the right to terminate this Agreement and, in that event, neither party to this Agreement shall have any rights or obligations hereunder, save and except that the County may, notwithstanding such termination, bring an action against the Proponent for all losses, costs and expenses, including, without limitation, reasonable legal fees incurred by the County in connection with this Agreement where the non-performance or non-fulfillment of a condition is a result of a breach of a covenant by the Proponent and the County shall have the right to require repayment of any previously advanced Funds together with interest as set out in this Agreement.

6. TERMS OF THE FUNDING

6.1 The Loan shall have a term of twenty (20) years, commencing as of the Interest Adjustment Date.

6.2 Prior to the Interest Adjustment Date, interest shall accrue on the total of the amount or amounts advanced under the Loan at the rate of eight per cent (8%) per annum. The interest so calculated shall compound semi-annually, not in advance, payable on demand until the Interest Adjustment Date.

6.3 On the Interest Adjustment Date, the amount of interest accrued as calculated in section 6.2 shall be forgiven, provided that the Proponent has satisfied all requirements as set out
in section 2.

6.4 With effect from the Interest Adjustment Date, the interest rate applicable to the Loan shall be the higher of the average posted rate offered by major Canadian lending institutions for a commercial first mortgage having a five (5) year term, plus two per cent (2%) or the interest rate applicable to the first mortgage registered against title to the property, plus two per cent (2%).

6.5 On each anniversary date of the Interest Adjustment Date, the Proponent shall pay the County the amount of interest, as calculated on the Loan amount according to the interest rate stipulated in section 6.4, so accrued during the previous year, provided however, if the Proponent has satisfied, as of such anniversary date, the requirements of this Agreement, the amount of the interest so owing shall automatically be forgiven.

6.6 The Loan amount shall be fully forgiven on the last day of the month at the end of the term of the Loan, provided that the Proponent has fulfilled all the requirements of the Program as set out in this Agreement.

6.10 The Proponent shall provide the County with such information respecting the Proponent’s permanent financing obligations for the Project as the County may require from time to time.

7. SECURITY

7.1 Prior to the County disbursing the Loan proceeds to the Proponent pursuant to section 2.4, the Proponent shall provide the County with executed registerable security documents in the form attached hereto as Schedules “E-1”, “E-2” and “E-3” (the “Security”), completed in accordance with this Agreement or at the County's option, such alternate form of security, on such terms and conditions as the County may require, attached hereto as Schedule “F”.

7.2 The Security shall be collateral to this Agreement and any other Contribution Agreement between the County and the Proponent. The County shall be a party on all Security documents and shall share in any recoveries thereunder in proportion to their respective contributions to the total amount secured. The amount of all contributions from the County shall be included in the Security documents. The amount of any eligible in-kind contributions from the County shall not be included in the Security documents.

7.3 Without limiting the Proponent’s covenants and the remedies of the County under this Agreement and the Security, the Proponent agrees that a breach of this Agreement or any other Contribution Agreement with the County shall constitute a breach of the Security and a breach of the Security shall constitute a breach of this Agreement and any other Contribution Agreement with the County.

7.4 The County acknowledges and agrees that notwithstanding that the Security provides that the principal and interest secured thereunder is payable on demand, the County shall have no right to demand payment thereunder except in accordance with the provisions of this Agreement relating to repayment. In the event of a conflict or inconsistency between the provisions of this Agreement and the Security, the provisions of this Agreement shall prevail with respect to Funds provided by the County.

7.5 The Security shall rank immediately behind the registered security for the Proponent’s primary financial obligations for the Project, unless the County determines that the Security shall have a lesser priority.

8. ACCOUNTABILITY FRAMEWORK

8.1 Submissions will be required of the Proponent as follows:

(a) If requested by the County, the Proponent shall submit to the County, an audited financial statement respecting the expenditure of the Funds provided to it pursuant to this Agreement, within ninety (90) days or such additional time as may be
determined by the County, following the date on which the County is advised that the Project will not proceed or that the Development Activities related to the Project have been fully completed.

(b) Following the full completion of the Development Activities related to the Project, the Proponent shall submit to the County a completed information report in the form attached hereto as Schedule “H”, and annually thereafter shall submit to the County completed information reports in the forms attached hereto as Schedules “I” and “J”.

8.2 The Proponent represents that it has not provided any false or misleading information in the Proposal and agrees that it shall not provide any false or misleading information to the County under this Agreement.

8.3 The Proponent shall, on forty-eight (48) hours prior written notice, give the County free access to the Project and to such staff, documents, books, records and accounts as may be determined by the County, for the purpose of verifying compliance with this Agreement.

8.4 The County may conduct an audit, investigation or inquiry in relation to the Project or any larger development or project of which the Project is a part and the Proponent shall cooperate with the County and provide free access to the Project and to such staff, documents, books, records and accounts as may be determined by the County.

8.5 The provisions of sections 8.1, 8.2, 8.3, 8.4 and 8.5 shall continue to apply for a period of seven (7) years following the end of the Phase-out Period or the date of any early termination of this Agreement.

9. PUBLICITY

9.1 The Proponent shall not make any public announcement respecting the Project, without the prior written consent of the County.
9.2 During the period of the Development Activities related to the Project, the Proponent shall erect a sign in front of the Project. The sign shall be in accordance with specifications issued by the Province and the County.

10. REMEDIES

10.1 In the event the County determines that a Proponent has breached any one (1) or more provisions of this Agreement or any other Contribution Agreement or the County advises the Province that a Proponent has breached any one (1) or more provisions of this Agreement or any other Contribution Agreement between the County and a Proponent, the Province and County shall follow the Protocol for Non-Compliance set out in Schedule “K”.

10.2 All of the remedies in this Agreement and the Security are cumulative and the County shall be entitled to avail itself simultaneously of some or all of the said remedies and any other remedies available in equity or at law.

10.3 Notwithstanding any of the terms of this Agreement or of the Security, the County shall have the option of waiving any or all of its remedies under this Agreement and the Security, but no waiver of a provision shall be deemed to constitute a waiver of any other provision (whether or not similar) nor shall any waiver constitute a continuing waiver unless otherwise provided in writing.

11. NOTICE

11.1 Any notice or other communication required, desired or permitted to be given by this Agreement shall be in writing and shall be effectively given if:

(a) delivered personally;
(b) sent by prepaid courier service; or

(c) sent by facsimile communication, and confirmed by mailing the original documents so sent by prepaid mail on the same or following day, addressed as follows:

(i) in the case of notice to the County:

   The Corporation of the County of Grey  
   595 9th Avenue East  
   Owen Sound, Ontario N4K 3E3

(ii) in the case of notice to the Proponent:

or at such other address as the party to whom such notice or other communication is to be given shall have advised the party giving same in the manner provided in this section. Any notice or other communication delivered personally or by prepaid courier service shall be deemed to have been given and received on the day it is so delivered at such address, provided that if such day is not a Business Day such notice or other communication shall be deemed to have been given and received on the next following Business Day. Any notice or other communication transmitted by facsimile communication shall be deemed to have been given and received on the day of its transmission, provided that such day is a Business Day and such transmission is completed before 4:30 p.m. on such day, failing which such notice or other communication shall be deemed to have been given and received on the first (1) Business Day after its transmission. If there has been a mail stoppage and if a party sends a notice or other communication by facsimile communication, such party shall be relieved from the obligation to mail the original document in accordance with this paragraph.

12. GENERAL

12.1 Any power, right or function of the County, contemplated by this Agreement, may be
exercised by any employee or agent of the County.

12.2 It is understood that the Municipal Freedom of Information and Protection of Privacy Act shall apply to all records submitted to or created by the County pursuant to this Agreement.

12.3 The Proponent represents and warrants that:

(a) it shall preserve the PIPEDA compliance of all PIPEDA Protected Information transferred to it by the County;

(b) it shall ensure the PIPEDA compliance of all PIPEDA Protected Information it collects in the course of performing its contractual obligations; and

(c) it shall ensure the PIPEDA compliance of all PIPEDA Protected Information that it transfers to the County.

12.4 Nothing in this Agreement is to be construed as authorizing one Party to contract for or incur any obligation on behalf of the other or to act as agent for the other and nothing in this Agreement shall be construed to constitute the County and the Proponent as partners of each other.

12.5 No member of the municipal council constituting the County or the municipal council of any local municipality of the County or the governing body of any municipal agency, board or commission, of any such municipalities shall be admitted to any share or part of any contract, agreement or commission made pursuant to this Agreement or to any benefit arising therefrom, including, without limitation, any contract, agreement or commission arising from or related to the Program.

12.6 Time shall in all respects be of the essence in this Agreement, provided that the time for doing or completing any matter provided for under this Agreement may be extended or
abridged by agreement in writing signed by the County and the Proponent or their respective solicitors on their behalf, who are hereby expressly appointed in this regard.

12.7 Any tender of documents or money hereunder may be made by the County or the Proponent or their respective solicitors.

12.8 This Agreement is made pursuant to and shall be governed by and construed in accordance with the laws of the Province of Ontario. Any reference to a statute in this Agreement includes a reference to all regulations made pursuant to such statute, all amendments made to such statute and regulations in force from time to time and to any statute or regulation which may be passed and which has the effect of supplementing or superseding such statute or regulations.

12.9 The headings and subheadings contained in this Agreement are inserted for convenience and for reference only and in no way define, limit or describe the scope or intent of this Agreement or form part of this Agreement.

12.10 The Parties agree that there are no representations, warranties, covenants, agreements, collateral agreements or conditions affecting the property or this Agreement other than as expressed in writing in this Agreement.

12.11 This Agreement shall be read with all changes of gender and number required by the context.

12.12 (a) The Proponent shall not transfer or convey its interest in all or any part of the Project without, subject to subsection 12.12(b), simultaneously assigning its interest in this Agreement to the transferee, which transferee shall enter into one or more agreements with the County, in a form satisfactory to the County, to assume all of the Proponent’s obligations under this Agreement and to provide the County with Security in accordance with this Agreement.
(b) The Proponent shall not assign its interest in this Agreement without the prior written consent of the County, which consent shall not be arbitrarily or unreasonably withheld.

(c) For the purpose of this Agreement, a transfer of the beneficial interest in the shares of the Proponent shall be deemed to constitute an assignment if it results in a change in the party or parties who owns or own more than fifty per cent (50%) of the voting shares of the said corporation.

12.13 Each of the Parties shall, at any time and from time to time, upon not less than twenty (20) Business Days prior written notice by the other Party, execute and deliver to the other Party a statement in writing certifying that this Agreement is in good standing, unmodified and in full force and effect, or if there have been modifications that the same are in good standing and in full force and effect, as modified, and stating the modifications. Where applicable, the statement shall state the defaults, if any, known to the Party to whom such request has been made and the action taken or proposed to be taken by such requested Party with respect to same.

12.14 If more than one entity is a party to this Agreement as Proponent, all references to the Proponent shall include all of the said entities and this Agreement shall be binding on each jointly and severally.

12.15 This Agreement shall enure to the benefit of and be binding upon the Parties hereto and their respective successors and assigns, provided that this paragraph shall in no way derogate from the provisions of section 12.12 restricting the Proponent’s ability to assign this Agreement.
IN WITNESS WHEREOF This agreement has been executed by the Parties.

The Corporation of the County of Grey
Per: _________________________________
Name: Clerk

Per: _________________________________
c/s
Name: Warden

Per: _________________________________
Name: Title:

c/s
Per: _________________________________
Name: Title:
SCHEDULE “D”
RENTAL PROTOCOL

1. DEFINITIONS

1.1 In this Schedule “D”, unless the context requires otherwise,

- “Affordability Period” means the “twenty (20) year period”, or “details in words (and numbers) of such longer period” as may be established in the Procurement Process, following the date of the first occupancy of a Unit in the Project;

- “Agreement” means the Agreement to which this Schedule “D” is attached, and when used in this Schedule “D”, the term “rent” includes the amount of any consideration paid or given or required to be paid or given by or on behalf of a tenant to the Proponent or the Proponent’s agent for the right to occupy a Unit and for any services and facilities and any privilege, accommodation or thing that the Proponent provides for the tenant in respect of the occupancy of the Unit, whether or not a separate charge is made for services and facilities or for the privilege, accommodation or thing.

1.2 The definitions in the Agreement shall apply to this Schedule “D”, in addition to the definitions contained in section 1.1 above.

1.3 All references to section numbers in this Schedule are references to sections of the Schedule and not sections of the Agreement, unless otherwise explicitly stated.

2. AFFORDABLE RENT

2.1 During the Affordability Period, the Proponent shall not charge rent for a Unit in the Project in excess of the affordable rent permitted under this Schedule “D” nor increase any rent charged for a Unit except as permitted in this Schedule “D”.
3. **RENTS**

3.1 The weighted average rent of all Units in a Project for which Program Funds have been utilized shall not exceed eighty per cent (80%) of CMHC Average Market Rents in the geographical area, as determined in the most recent CMHC Annual Rental Market Survey.

3.2 The maximum rent for any Unit shall not exceed one hundred and five per cent (105%) of the modified shelter allowance under the Ontario Works program, provided that the amount so calculated does not exceed the CMHC Average Market Rent for units of a similar type in the geographical area.

4. **RENT INCREASES**

4.1 The Proponent may increase the rent charged under section 3.1 with respect to a Unit only if at least twelve (12) months have elapsed,

(a) since the day of the last rent increase respecting the Unit, if there has been an increase, or

(b) since the day the Unit was first rented for the first rental period following the completion of the Development Activities in connection with the Project.

4.2 Subject to section 4.3, the Proponent shall not increase the rent pursuant to section 4.1 during the Affordability Period by more than the then prevailing rent increase guideline established for each calendar year pursuant to the *Residential Tenancies Act, 2006* or any successor legislation. The Proponent acknowledges that the rent increase guideline of the *Residential Tenancies Act, 2006* or any successor legislation, does not apply to the Project and agrees that the rent increase guideline applies by virtue of the contractual terms of the Agreement and this Schedule “D”.

4.3 From the beginning of the eleventh (11 ) year of the Affordability Period until the end of
the Affordability Period, in addition to the increase permitted by section 4.2, the Proponent may apply to the County to increase Unit rents to an amount not to exceed CMHC Average Market Rent for units of a similar type in the geographical area.

5. **PHASE-OUT PERIOD**

5.1 During the Phase-out Period, the Proponent shall not increase the rent charged to in-situ tenants of Units by more than the rent guideline increase permitted under section 4.2 and any additional increase that may be approved under section 4.3.

5.2 Upon a Unit becoming vacant during the Phase-out Period, the Proponent may rent the Unit to a new tenant at any rent agreed to by the Proponent and the new tenant.

6. **EXCEPTION**

6.1 Subject to the provisions of the *Residential Tenancies Act, 2006* or any successor legislation, and notwithstanding the provisions of this Schedule “D” respecting rent increases prior to and during the Phase-out Period, where a Service Manager implements income verification of tenants following the initial occupancy of a Unit, a Service Manager may increase the rent for a Unit by more than the rent increase guideline under the *Residential Tenancies Act, 2006* or any successor legislation, provided that the rent for the Unit does not exceed the CMHC Average Market Rent for units of a similar type for that year and provided that the weighted average rent for the funded Units in a Project does not exceed the permitted rents for the Project.

7. **AFTER PHASE-OUT PERIOD**

7.1 After the end of the Phase-out Period, the Proponent shall be permitted to rent Units in the Project to new tenants at rents agreed to by the Proponent and the new tenants.
SCHEDULES "E-1", "E-2", "E-3" SECURITY DOCUMENTS

[Relevant Documents to be Attached]

Schedule E-1 - Charge/Mortgage of Land - register in land titles/land registry system
Schedule E-2 - Assignment of Rents - register in land titles/land registry system and PPSA
Schedule E-3 - Security Agreement (chattels) - register in PPSA
SCHEDULE “F”
ALTERNATE SECURITY

[Relevant Documents to be Attached]

Schedule “F” is not registerable and is used to replace Schedules “E-1”, “E-2” and “E-3”. 
SCHEDULE “G”
PERMITTED ENCUMBRANCES

[This schedule in the executed Charge/Mortgage will contain the registration details of all registered documents which fit into the categories listed below.]

1. All mortgages and security collateral thereto totaling principal amounts which do not exceed the total costs of the Development Activities incurred in connection with the Project.

2. Such easements and restrictive covenants as do not prevent the Project from being constructed or used as Affordable Housing.

3. Municipal agreements relating to the Development Activities in connection with the Project.
SCHEDULE “H”
2018 Canada Ontario Community Housing Initiative Rental Build Program
Initial Occupancy Report

Occupancy Date: _________________________

A. Project Information

<table>
<thead>
<tr>
<th>Contribution Agreement Number</th>
<th>Contribution Agreement Expiry Date</th>
</tr>
</thead>
<tbody>
<tr>
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</table>

<table>
<thead>
<tr>
<th>Project Name</th>
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<tbody>
<tr>
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</table>

<table>
<thead>
<tr>
<th>Property Address</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
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</tbody>
</table>

B. Number of Units in Project

<table>
<thead>
<tr>
<th>Unit Type</th>
<th>AHP Funded Rental Units (#)</th>
<th>AHP Funded Supportive Units (#)</th>
<th>Units Not Receiving AHP Funding (#)</th>
<th>Total Number of Units (#)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bachelor</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>One Bedroom</td>
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<tr>
<td>Two Bedroom</td>
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<tr>
<td>Three Bedroom</td>
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<tr>
<td>Four Bedroom</td>
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<tr>
<td>Other</td>
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<tr>
<td>Total Number of Units</td>
<td></td>
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</tr>
</tbody>
</table>
C. Depth of Affordability: Rents at Occupancy (COCHI Funded Units)

Establishes “permitted rents” which are used in Schedule “I”

<table>
<thead>
<tr>
<th>Unit Type</th>
<th>Average Unit Rent (AHP Funded Units) (A)</th>
<th>CM HC Average Market Rent ($) (B)</th>
<th>Percentage of CM HC Average Market Rent $(A/B) \cdot 100</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bachelor</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>One Bedroom</td>
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<td>Two Bedroom</td>
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<td>Four Bedroom</td>
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<tr>
<td>Other</td>
<td></td>
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</tr>
</tbody>
</table>

Depth of Affordability: Percentage of CMHC Average Market Rent Achieved for Overall Project

80%

(Note: This figure cannot be greater than 80% of CMHC Average Market Rent, without the approval of the County)

D. Project Certification

I certify, to the best of my knowledge, that the information provided in Sections B and C above is true and correct. I hereby authorize the County to review the rent roll from appropriate source(s) if deemed necessary.

_________________________ Date: _______________ Signed by: ______________________

[please print name]

I am [please check on the appropriate line below]

___ the Owner of the Project

___ the Chairperson of the Board of Directors of the Project
SCHEDULE “I”
2018 Canada Ontario Community Housing Initiative - Rental Build Program
Annual Occupancy Report

A. Project Information

<table>
<thead>
<tr>
<th>Contribution Agreement Number</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Contribution Agreement Expiry Date</td>
<td></td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Project Name</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Property Address</td>
<td></td>
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</tbody>
</table>

B. Average Rents at Year End

<table>
<thead>
<tr>
<th>Unit Type</th>
<th>Total Number of Units (#)</th>
<th>AHP Funded Units (#)</th>
<th>AHP Funded Supportive Units (#)</th>
<th>Permitted Rent [insert last reporting year] ($)</th>
<th>RTA Permitted Increase ($)</th>
<th>Permitted Rent per Unit per Month ($) (C)</th>
<th>Average Rent per Unit per Month ($) (D)</th>
<th>Rational (if D&gt;C)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bachelor</td>
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<td>Three</td>
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<td></td>
</tr>
</tbody>
</table>
C. Affordability

<table>
<thead>
<tr>
<th>Year</th>
<th>Average Rent in Relation to AMR</th>
<th>Variance Between Current and Last Year’s Average Rent</th>
<th>RTA Permitted Increase</th>
<th>Rationale for Amount Above RTA Increase</th>
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</thead>
<tbody>
<tr>
<td>First Year Occupied</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Annually Thereafter</td>
<td></td>
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</tbody>
</table>

* This figure cannot be greater than 80% of CMHC Average Market Rent, without the approval of the County

D. Project Certification

I certify, to the best of my knowledge, that the information provided in Section B above is true and correct. I hereby authorize the County to review the rent roll from appropriate source(s) if deemed necessary.

_________________________ Date: ____________ Signed by: __________________________

[please print name]

I am [please check on the appropriate line below]
E. Auditor’s Confirmation

We have performed the necessary review and tests on the records of the named property pertaining to the rent levels for the reporting period. Our results confirm the information as provided in Sections B and C above is true and correct.

___________________________  Date: _________________

Confirmed by [please print name]

Name, Address and Telephone Number of Firm:

[insert relevant information]
SCHEDULE “J”
Annual Targeting Report
For year ending December 31, ______

<table>
<thead>
<tr>
<th>Name of Owner</th>
<th>RENTAL</th>
<th>SOCIAL HOUSING</th>
<th>AVERAGE RENT OF UNITS PER MONTH</th>
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<tbody>
<tr>
<td></td>
<td>Number of Units</td>
<td>Number of Units</td>
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<tr>
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<td>Ne w</td>
<td>Convers ion</td>
<td>Rehabilita tion</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>CLIENTELE</th>
<th>Number of Units</th>
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<tbody>
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<td>Family</td>
<td>Single</td>
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</table>
SCHEDULE "K"

PROTOCOL FOR NON-COMPLIANCE

2018 Canada Ontario Community Housing Initiative Rental Build Program
Direct Delivery

1. BACKGROUND

1.1 This Schedule addresses the obligations to indemnify and obligations of 2018 Canada-Ontario Community Housing Initiative participants to recover Funds from affordable housing projects which may encounter difficulties within the relationships described below:

(a) Province (which is referred to as the “Province” in the Agreement) - Canada Mortgage and Housing Corporation (“CMHC”);

(b) Service Manager - County;

(c) Proponent - Service Manager; and

(d) Proponent - County.

1.2 It is expected that all Rental and Supportive projects will be required to obtain CMHC insurance for the first mortgage since this is a condition of funding under the Ontario Mortgage and Housing Partnership Initiative.

1.3 While this Schedule pertains to the Rental and Supportive Component of the AHP program, the same set of underlying principles and requirements could accommodate other program components with minor adjustments.

1.4 The undertakings and commitments contained in this Schedule are consistent with and do not supersede any agreements between the Governments of Canada and Ontario as per the 2018 Canada Ontario Community Housing Initiative through the National Housing Strategy.
2. CONSULTATION

2.1 When the County becomes aware of a failure of a Proponent to observe or perform a material condition in the Contribution Agreement, the County shall notify the Province, which shall, in turn, notify CMHC. The County and the Province shall each appoint one person to an ad hoc committee for the purpose of assembling information relating to the project in difficulty and determining a course of action for rectifying the difficulty. CMHC shall be invited to participate and will determine the extent of its involvement on the committee. Terms of reference for the ad hoc committee shall be developed and agreed to by all three parties.

3. BEST EFFORTS

3.1 In determining what course of action may be undertaken to rectify a project in difficulty, the parties shall use their best efforts to work together co-operatively with a view to maintaining, to the greatest extent possible in the circumstances, the affordability of the rents for the project as determined by the Contribution Agreement. The parties acknowledge that the interests of the tenants shall be considered in determining what course of action may be most suitable for a project in difficulty.

4. ADVANCE NOTICE

4.1 Neither CMHC, the Province nor the County shall substantially modify the terms of any project-specific agreement, including the Contribution Agreement, or the advance of Funds or the security documentation associated with the advance of Funds, with the exception of a CMHC insured first mortgage, without providing written notice to the other parties and a reasonable opportunity for the other parties to address the implications of such action.

4.2 The obligation to indemnify or the distribution of a recovery of Funds from a project in difficulty will require the County and/or Proponent to exhaust all reasonable
opportunities to seek recovery, which efforts shall include but shall not be limited to resorting to legal action to defend third party claims, seeking indemnification from insurance policies, if any, that may afford coverage for a particular loss and/or recovering Funds from bonding companies or other third parties who, at law, may be responsible for the losses of a project in difficulty.

5. INDEMNITY

5.1 County - CMHC

(a) As per Section 8.4 of the SIF-IAH Agreement, the County shall indemnify CMHC as the result of third party claims arising out of the implementation of the Agreement.

(b) Federal-Provincial indemnity provisions on Project Development Funding and environmental claims remain as per Section 8.4 (d), (e) and (f) of the National Housing Strategy- 2018 Canada Ontario Community Housing Initiative.

(c) Where CMHC has insured a Proponent’s first mortgage and a default occurs on the insured mortgage, the Province is not required to indemnify CMHC for any losses related to the mortgage insurance as per Section 8.4 (g) National Housing Strategy 2018 Canada Ontario Community Housing Initiative.

(d) The SIF-IAH “capital” Funds and the circumstances dealing with the recovery of these Funds are dealt with in subsequent sections of this Schedule.

5.2 County - Province

(a) Subject to paragraphs (b) and (c) below, the County shall:

(i) during construction and following completion of construction, indemnify the Province for 100% of any third party claims against
the Province arising out of the implementation of this Agreement; 
and
(ii) following completion of construction, indemnify the Province for 
50% of that portion of any third party claims against CMHC arising 
out of the implementation of this Agreement where the County 
indemnifies CMHC under the 2018 Canada Ontario Community 
Housing Initiative

unless the claims are in any way, directly or indirectly, attributable to the 
negligence, bad faith or willful misconduct of the County.

(b) During the construction phase of a project, the County shall indemnify the 
Province as a result of any third party claims against the County, subject to 
certain exceptions as per Section 8.4 2018 Canada Ontario Community 
Housing Initiative, including:

(i) Maximum liability is limited to the total amount of 2018 Canada-
Ontario Community Housing Initiative Funds advanced at the 
time of the loss giving rise to the claim for indemnification;
(ii) This indemnity is limited to 50% of the provincial liability for 
losses in relation to Project Development Funding (i.e. 25% of the 
total claim);
(iii) This indemnity is limited to 50% of all losses, costs and expenses 
incurred by the County that relate to environmental or pollution 
claims, including claims against CMHC; and
(iv) There is no indemnification for losses covered solely by CMHC 
or by other insurance.

(c) Following completion of construction, the County shall indemnify the 
Province as a result of any third party claims against the County and/or 
CMHC, subject to certain exceptions as per Section 8.4 of the 2018 Canada 
Ontario Community Housing Initiative, including:
(i) Maximum liability is limited to the total amount of 2018 Canada Ontario Community Housing Initiative advanced at the time of the loss giving rise to the claim for indemnification;

(ii) This indemnity is limited to 50% of the provincial liability for losses in relation to Project Development Funding (i.e. 25% of the total claim);

(iii) This indemnity is limited to 50% of all losses, costs and expenses incurred by the County that relate to environmental or pollution claims, including claims against CMHC; and

(iv) There is no indemnification for losses covered solely by CMHC or by other insurance.

5.3 Proponent - Province

(a) The Proponent shall indemnify the Province for any claims against the County and/or CMHC, in accordance with the Contribution Agreement.

(b) The Proponent shall indemnify the County for any claims against the Province and/or CMHC, in accordance with the Contribution Agreement.

5.4 Proponent - County

(a) Where there is a direct relationship between the County and a Proponent, the Proponent shall indemnify the County for all Federal Funds and Provincial Funds paid in the event of a claim against the County or CMHC.

(b) Indemnification of CMHC will be required during the construction and occupancy period of a project. Indemnification of the County will be required throughout the Affordability Period.
6. **RECOVERY OF FUNDS**

6.1 Under the 2018 Canada-Ontario Community Housing Initiative a number of circumstances could arise which could make a project “noncompliant”. Examples include:

(a) Construction Failures - increased construction costs, bankruptcy;

(b) Environmental considerations - with the exception of those Canada Ontario Community Housing Initiative identified and recorded in advance of an 2018 funding commitment;

(c) Program compliance violations - project fails to remain affordable or does not maintain its affordability target for the full 20 years, or Funds are misused.

6.2 **Province - CMHC**

(a) CMHC would not expect full repayment of federal capital by the Province if the Province and the County confirms that “best efforts” were made to collect the Funds.

(b) Best efforts would involve adherence by the County to the “risk sharing protocols” in order to minimize occurrence of failure. Furthermore, the parties will need to explore all available remedies with the County, the Province, Proponents and CMHC, and implement the best remedy to the extent possible.

(c) If efforts lead to a recovery of capital Funds, CMHC would expect a repayment of “a pro rata portion” of the Federal Funds. All three funding partners shall share in any proceeds recovered, in proportion to their contributions.

(d) A sliding scale for CMHC forgiveness is set at 5% per year over 20 years. Under
certain circumstances, the County will share this forgiveness with Service Managers and Proponents, otherwise the County will collect these Funds for recycling in other projects.

(e) Federal Funds could either be repaid by the Service Manager to the County and recycled in new commitments before March 31, 2018 or refunded directly to CMHC after this date.

(f) In the event that auditors discover misuse of Federal Funds as per the 2018 Canada Ontario Community Housing Initiative Agreement, CMHC would expect a refund from the County where applicable. The amount owing could be reduced based on earned forgiveness of the principal amount during the period of project compliance.

6.3 County - Province

(a) In the event a project ceases to be an 2018 Canada Ontario Community Housing Initiative project for reasons related to negligence, misuse or non-compliance, the County shall repay the Province all Provincial Funds advanced during the period of non-compliance. It is acknowledged that where the first mortgagee or CMHC has gained possession, as a result of a default under the insured loan, they would not assume any liability for Provincial Funds paid to the Proponent during the period of non-compliance prior to the date the first mortgagee or CMHC took possession.

(b) In the event a project ceases to be compliant due to the negligence of the County, the County shall repay the Province all Federal Funds, less any earned forgiveness of the principal amount during the period of project compliance.

6.4 Proponent - County
(a) The County shall adopt a similar position if a project terminates under reasonable circumstances. That is, best efforts can be made to recover Funds, but if there were no proceeds available, repayment would not be expected.

(b) In situations of non-compliance due to misuse or negligence, the County is expected to take remedies available to recover Funds.

6.5 Proponent - County

(a) In situations of non-compliance due to misuse or negligence, the Proponent shall repay the County all Federal Funds and Provincial Funds.

(b) If a project ceases to operate as a 2018 Canada Ontario Community Housing Initiative project, under reasonable circumstances, the provincial affordability payment would end and best efforts will be made to recover the Provincial Funds paid during any period of non-compliance. In the event no proceeds were available, repayment would not be expected.
CONTRIBUTION AGREEMENT
Ontario Priorities Housing Initiative
Rental Housing Component
Direct Delivery
This Agreement made the                        day of 2019
BETWEEN:
THE CORPORATION OF THE COUNTY OF GREY
(hereinafter called the “County”)
- and -
OWEN SOUND HOUSING COMPANY LIMITED
(hereinafter called the “Proponent”)
WHEREAS:
A. Canada Mortgage and Housing Corporation (“CMHC”) and Her Majesty the Queen in right of Ontario as represented by the Minister of Municipal Affairs and Housing (“MMAH”) entered into a bi-lateral agreement through the National Housing Strategy on April 30, 2018 to provide for the Ontario Priorities Housing Initiative from 2019 to 2028.
B. Whereas the Minister is now responsible for the above agreements signed by MMAH.
C. The County and the Proponent have entered into this Agreement for the purpose of establishing the County’s obligation to provide funding to the Proponent for its Project, and the Proponent’s obligations with respect to use of such funds under the Ontario Priorities Housing Initiative.
NOW THEREFORE, the County and the Proponent agree with each other as follows:

1. INTERPRETATION
1.1 In the Agreement, including its Schedules, unless the context requires otherwise,

- “Affordability Period” means the period during which the average rent in a Project is required to be maintained at an affordable level, as determined in accordance with the Program Guidelines or as otherwise established by the County;

- “Affordable Housing” means Housing which is modest in terms of floor area and amenities, based on household needs and community norms, in Projects that achieve rent levels in accordance with the Program Guidelines, but does not include residential premises used as a nursing home, retirement home, shelter, crisis care facility or any other type of similar facility as determined by the
“Average Market Rents” means the average rent figures, based on geographical areas and classified by bedroom count, as determined annually in the CMHC Average Market Rent Survey or as determined by the County, based on available data, in areas where there is no information from the CMHC Average Market Rent Survey;

“Business Day” means each Monday, Tuesday, Wednesday, Thursday and Friday except when any such day occurs on a statutory holiday observed in Ontario;

“Contribution by Others Agreement” means an agreement entered into by the County (other than this Agreement) or another party contributing to the Project, and the Proponent;

“Contribution by Others” means cash or in-kind eligible contributions from municipalities, in accordance with the Program and may include a contribution from the County pursuant to another funding program documented by a Contribution Agreement other than this Agreement. It does not include contributions from any other Government of Canada sources, including, but not limited to the CMHC - Ontario Social Housing Agreement dated November 15, 1999, nor contributions which receive credit under any agreement with CMHC outside this Agreement nor equity contributions to the Project made by the Proponent to the extent required in the Procurement Process;

“Development Activities” means those activities which are normally undertaken for the development, construction, repair, renovation, rehabilitation or conversion of buildings for residential purposes and include the acquisition of property and activities for which Project Development Funding may be provided;

“Federal Funds” means funding from CMHC for a Unit, as set out in the Program Guidelines;

“Force Majeure” means a delay arising from strike, lockout, riot, insurrection, terrorism, war, fire, tempest, act of God, lack of material or supply of service at a reasonable cost, inclement weather, binding orders or regulations of governmental bodies, courts or arbitrators or any other event beyond the control of the Parties which causes a delay in the fulfillment of a Party’s obligations under this Agreement notwithstanding the reasonable efforts of such Party and provided that any such non-availability or delay does not relate to any act or omission by such Party or any of its authorized agents or employees;
• “Funding Schedule” means the schedule of funding setting out progress payments for the type of Project to be undertaken by a Proponent, in the form determined by the County;

• “Funds” means Federal Funds or Provincial Funds, as set out in the Program Guidelines;

• “Housing” means residential accommodation and facilities, common areas and services used directly with the residential accommodation. Housing does not include commercial or institutional premises, social or recreational services, and services or facilities related to mental or physical health care, education, corrections, food services, social support or public recreation;

• “Interest Adjustment Date” means the date on which the Proponent makes the first payment of principal and interest in respect of the Proponent’s permanent financing obligations for the Project, following the completion of construction;

• “Large Project” means a Project with thirteen (13) or more Units;

• “Loan” means the total amount of Federal Funds and Provincial Funds, if applicable, advanced by the County to the Proponent, in accordance with the Funding Schedule;

• “Occupancy Date” means the date on which occupancy of all Units in a Project is permitted;

• “Ontario Mortgage and Housing Initiative” means the government program that provides Proponents with access to lower-cost, longer-term financing for affordable rental housing for both construction financing and long-term mortgages;

• “Parties” means the County and the Proponent and “Party” means either of them, as the context may require;

• “Permitted Encumbrances” means the encumbrances encumbering the Affordable Housing Units listed in Schedule “G”;

• “Phase-out Period” means the last five (5) year period of the Affordability Period;

• “PIPEDA” means the Personal Information Protection and Electronic Documents
Act, S.C. 2000, c. 5, including any amendments thereto;

- “PIPEDA Protected Information” means any “Personal Information” or “Personal Health Information”, as defined under PIPEDA;

- "PPSA” means the Personal Property Security Act, R.S.O. 1990, c. P. 10, including any amendments thereto;

- “Procurement Process” means the request for proposals or procurement process used by the County;

- “Program” means the Rental Housing Component of the Social Infrastructure Fund under the Investment in Affordable Housing Program, as set out in the Program Guidelines;

- “Program Guidelines” means the Program Guidelines in respect of the new Rental Housing Component of the Ontario Priorities Housing Initiative and attached to this Agreement as Schedule “A”;

- “Project” means Affordable Housing proposed or approved for the Program subject of this Agreement, as the context may require;

- “Project Development Funding” means that part of the CMHC funds in an amount of up to One Hundred Fifty Thousand Dollars ($150,000.00) which is available to private non-profit Proponents to pay for planning and engineering studies, architectural drawings and legal expenses;

- “Proponent” means a person identified as such on the first page of this Agreement;

- “Proposal” means the proposal made by the Proponent for the Project;

- “Provincial Funds” means funding from Ontario for a Unit, as set out in the Program Guidelines;

- “Rental Housing Component” means the Affordable Housing Program described in the Rental Housing Component Program Guidelines;

- “Security Documents” means the security documents for the Project in the form of, or described in Schedules E-1, E-2, E-3 and F;
• “Service Manager” means the County;

• “Small Project” means a Project with twelve (12) or fewer Units;

• “Substantial Completion” means the substantial performance, within the meaning of the *Construction Lien Act*, of all contracts which the Proponent has entered into for Development Activities in connection with the Project;

• “Targeting Plan” means the manner in which a Service Manager or a Proponent plans to meet the objectives of the Program to create Affordable Housing for households that are on or are eligible to be on the waiting lists for social housing;

• “Unit” means a self-contained residential dwelling, including, without limiting the generality of the foregoing, (i) supportive rental Housing where service funding is secured from sources other than Federal Funds and Provincial Funds provided under the Program; (ii) multi-bedroom units which are used for congregate living; and (iii) disabled/accessible units.

1.2 All references in this Agreement, including, without limitation, the Schedules hereto, to “rent” is deemed to include housing charges paid by members of non-profit housing cooperatives and “rental” is deemed to have a corresponding meaning.

1.3 The following Schedules are attached to and form part of this Agreement:

Schedule “A” – Rental Housing Component Program Guidelines;
Schedule “B” -Funding Schedule;
Schedule “C” -Contribution by Others Agreement(s);
Schedule “D” -Rental Protocol;
Schedule “E-1” -Charge/Mortgage of Land;
Schedule “E-2” -Assignment of Rents;
Schedule “E-3” -Security Agreement;
Schedule “F” -Alternate Security;
Schedule “G” -Permitted Encumbrances;
Schedule “H” -Proponent’s Initial Occupancy Report;
Schedule “I” -Proponent’s Annual Occupancy Report;
Schedule “J” -Proponent’s Annual Targeting Report;
Schedule “K” -Protocol for Non-Compliance.

1.4 In the event of a conflict or inconsistency between the provisions of this Agreement and the provisions of a Schedule, the provisions of this Agreement shall prevail.
1.5 All references in this Agreement to section numbers are references to sections of this Agreement unless otherwise stated.

2. **FUNDING FOR AFFORDABLE HOUSING**

2.1 The Proponent agrees to advance as its equity contribution to the Project the amount of $0, in the form of a contribution of land, on or before Occupancy is permitted in the Project, and provide written confirmation to the County that the equity contribution has been advanced.

2.2 Funding for Affordable Housing is comprised of Federal Funds and Provincial Funds. Funds will be advanced to the Proponent in the form of a Loan during Development Activities, based on the completion of construction milestones.

2.3 The Loan, upon the terms and subject to the conditions set out in this Agreement, shall be in the amount of one hundred and forty nine thousand, seven hundred and eighty nine and fifty cents dollars ($149,799.50) for each Unit included in the Development Activities for Affordable Housing by the Proponent pursuant to the Proposal, the total amount of such Loan being One Million, four hundred and ninety seven thousand, nine hundred and ninety five ($1,497,995).

2.4 The County shall disburse the amount of the Loan in accordance with the Funding Schedule attached as Schedule “B”. Notwithstanding Schedule “B”, the County shall at all times hold back the amount of funds required to comply with the Construction Lien Act.

2.5 The County shall have the option of withholding from the amount to be disbursed under section 2.4 the amount of the cost of construction necessary to complete the incomplete construction of the Project from time to time and, in such case, the County shall disburse the amount so withheld following its receipt of satisfactory evidence that such construction is complete within the meaning of the Construction Lien Act and provided that the Construction Lien Act is complied with.

2.6 The Proponent shall use the amount of the Loan and Contribution by Others only for the purpose of its Development Activities in connection with the Project.

2.7 The Proponent may authorize the County to pay Funds to a third party and the County shall permit such authorization.

3. **PROVISION OF AFFORDABLE HOUSING**

3.1 The Proponent agrees to undertake its Development Activities in connection with the
Project in accordance with the provisions relating to the development of the Project contained in the Program Guidelines.

3.2 The Proponent shall, subject to Force Majeure, achieve Substantial Completion in accordance with the Program Guidelines.

3.3 Without limiting the condition set out in section 5.1(b), the Proponent shall use its reasonable best efforts to discharge or cause the discharge of any registered construction liens so as to ensure that there are no construction liens registered against the Project on the date for the disbursement of the Loan under sections 2.4 and 2.5. The County's obligation to disburse shall be conditional upon Proponents compliance with the Construction Lien Act as set out in section 5.1 (b).

3.4 The Proponent shall not at any time during the term of this Agreement breach any Contribution by Others Agreement respecting the Project including any municipal capital facility agreement made pursuant to section 110 of the Municipal Act, 2001 and shall not, through any breach on its part, cause such other entity to terminate a Contribution by Others Agreement for cause. The Proponent agrees that a breach by it of any such Contribution by Others Agreement, that has not been corrected, shall constitute a breach of this Agreement. All Contribution by Others Agreements shall be attached as Schedule “C”. The Proponent shall provide the County with evidence of its good standing under any such Contribution by Others Agreement within ten (10) Business Days following its receipt of a written request from the County.

4. OPERATION OF AFFORDABLE HOUSING

4.1 The Proponent acknowledges and agrees that the Rental Protocol set out in Schedule “D” applies to the Project by virtue of the contractual terms of this Agreement, notwithstanding that the Rental Protocol does not apply to the Project under the Residential Tenancies Act, 2006.

4.2 The Proponent agrees to operate the Units in accordance with the rules set out in Schedule “D” of this Agreement.

5. CONDITIONS

5.1 The provision of funding by the County pursuant to sections 2.4 and 2.5 is subject to the following conditions precedent, each of which is for the exclusive benefit of the County, and may be waived in full or in part by the County by written notice to the Proponent:

(a) any Contribution by Others Agreement(s) referred to in section 3.4 remaining in force and the Proponent being in good standing thereunder;
(b) there being no Claim for Lien under the Construction Lien Act registered against the Project;

(c) there being in existence no unregistered lien or statutory claim having priority against the Project;

(d) the Proponent’s title to the Project being encumbered by no registered encumbrances other than the Permitted Encumbrances;

(e) the Proponent being in good standing under all of the Permitted Encumbrances and there being no work orders issued against the Project by any governmental entity, agency or official;

(f) the Proponent having provided the County with the security documents required by section 7 and in accordance with the said section; and

(g) all funds provided by means of a Contribution by Others due on or before a disbursement date hereunder having been fully advanced to the Proponent on or before such disbursement date and having been authorized by by-law, agreement or otherwise and all Contribution by Other Agreements shall be attached as Schedule “C”.

5.2 If any of the conditions contained in section 5.1 have not been fulfilled on the date for the disbursement of the Loan by the County pursuant to sections 2.4 or 2.5 and are not waived by the County pursuant to section 5.1, the County shall be under no obligation to make any advance of the Loan to the Proponent and the County shall thereupon have the right to terminate this Agreement and, in that event, neither Party to this Agreement shall have any rights or obligations hereunder, save and except that the County may, notwithstanding such termination, bring an action against the Proponent for all losses, costs and expenses, including, without limitation, reasonable legal fees incurred by the County in connection with this Agreement where the non-performance or non-fulfillment of a condition is a result of a breach of a covenant by the Proponent and the County shall have the right to require repayment of any previously advanced Funds together with interest as set out in this Agreement.

6. TERMS OF THE FUNDING

6.1 The Loan shall have a term of twenty (20) years, commencing as of the Interest Adjustment Date.

6.2 Prior to the Interest Adjustment Date, interest shall accrue on the total of the amount or
amounts advanced under the Loan at the rate of eight per cent (8%) per annum. The interest so calculated shall compound semi-annually, not in advance, and shall be payable upon demand, until the Interest Adjustment Date.

6.3 On the Interest Adjustment Date, the amount of interest accrued as calculated in section 6.2 shall be forgiven, provided that the Proponent has satisfied all requirements as set out in section 3.

6.4 With effect from the Interest Adjustment Date, the interest rate applicable to the Loan shall be the higher of the average posted rate offered by major Canadian lending institutions for a commercial first mortgage having a five (5) year term, plus two per cent (2%) or the interest rate applicable to the first mortgage registered against title to the property, plus two per cent (2%).

6.5 On each anniversary date of the Interest Adjustment Date, the Proponent shall pay the County the amount of interest, as calculated on the Loan amount according to the interest rate stipulated in section 6.4, so accrued during the previous year, provided however, if the Proponent has satisfied, as of such anniversary date, the requirements of this Agreement, the amount of the interest so owing shall automatically be forgiven.

6.6 The Loan amount shall be fully forgiven on the last day of the month at the end of the term of the Loan, provided that the Proponent has fulfilled all the requirements of the Program as set out in this Agreement.

6.7 The Proponent shall comply with the requirements of the Ontario Mortgage and Housing Initiative.

6.8 The Proponent shall provide the County with such information respecting the Proponent’s permanent financing obligations for the Project as the County may require from time to time.

7. SECURITY

7.1 Prior to the County disbursing the Loan proceeds to the Proponent pursuant to section 2.4, the Proponent shall provide the County with executed registerable security documents in the form attached hereto as Schedules “E-1”, “E-2” and “E-3” (the “Security”), completed in accordance with this Agreement or at the County's option, such alternate form of security, on such terms and conditions as the County may require, attached hereto as Schedule “F”.

7.2 The Security shall be collateral to this Agreement and any Contribution by Others Agreement between the County and the Proponent. The County shall be a party on all
Security documents and shall share in any recoveries thereunder in proportion to their respective contributions to the total amount secured. The amount of all contributions from the County shall be included in the Security documents. The amount of any eligible in-kind contributions from the County shall not be included in the Security documents.

7.3 Without limiting the Proponent’s covenants and the remedies of the County under this Agreement and the Security, the Proponent agrees that a breach of this Agreement or any Contribution by Others Agreement with the County shall constitute a breach of the Security and a breach of the Security shall constitute a breach of this Agreement and any Contribution by Others Agreement with the County.

7.4 The County acknowledges and agrees that notwithstanding that the Security provides that the principal and interest secured thereunder is payable on demand, the County shall have no right to demand payment thereunder except in accordance with the provisions of this Agreement relating to repayment or in the event of breach described in section 7.3. In the event of a conflict or inconsistency between the provisions of this Agreement and the Security, the provisions of this Agreement shall prevail with respect to Funds provided by the County.

7.5 The Security shall rank immediately behind the registered security for the Proponent’s primary financial obligations for the Project, unless the County determines that the Security shall have a lesser priority.

8. ACCOUNTABILITY FRAMEWORK

8.1 (a) In the event:

(i) the County is of the opinion that the Proponent is not proceeding in an expeditious manner with the Development Activities for which Project Development Funding has been provided; or

(ii) the Province is advised by the County that the Project will not proceed; or

(iii) the building permit for the Project is not issued on or before April 30, 2020 or such longer period of time as the County may determine;

the Proponent shall return all unexpended Project Development Funding to the County, forthwith upon demand, provided however, that the County shall not require the Proponent to return any Project Development Funding that has been expended for the intended purposes.

(b) If requested by the County, the Proponent shall submit to the County, an audited
financial statement respecting the expenditure of the Funds provided to it pursuant to this Agreement, within one hundred and twenty (120) days or such additional time as may be determined by the County, following the date on which the County is advised that the Project will not proceed or that the Development Activities related to the Project have been fully completed.

(c) Following the full completion of the Development Activities related to the Project, the Proponent shall submit to the County a completed information report in the form attached hereto as Schedule “H”, and annually thereafter shall submit to the County completed information reports in the forms attached hereto as Schedules “I” and “J”.

(d) Without limiting the Proponent’s obligations under section 8.1(c), the Proponent, if requested by the County, shall forthwith submit to the County the material required to be submitted pursuant to section 8.1(c), in addition to any such material that the Proponent may have previously submitted to the County.

8.2 The Proponent represents that it has not provided any false or misleading information in the Proposal and agrees that it shall not provide any false or misleading information to the County under this Agreement.

8.3 The Proponent shall, on forty-eight (48) hours prior written notice, give the County free access to the Project and to such staff, documents, books, records and accounts as may be determined by the County, for the purpose of verifying compliance with this Agreement.

8.4 The County may conduct an audit, investigation or inquiry in relation to the Project or any larger development or project of which the Project is a part and the Proponent shall cooperate with the County and provide free access to the Project and to such staff, documents, books, records and accounts as may be determined by the County.

8.5 The provisions of sections 8.1, 8.2, 8.3, 8.4 and 8.5 shall continue to apply for a period of seven (7) years following the end of the Phase-out Period or the date of any early termination of this Agreement.

9. PUBLICITY

9.1 The Proponent acknowledges that it has been informed by the County that under the terms of the 2016 Social Infrastructure Fund under the Investment in Affordable Housing Program and the Supplementary Agreement all publicity, including written materials and signs, respecting the Project must recognize the contributions of CMHC, the Province and the County. The Proponent further acknowledges that it has been informed by the County that the 2018 Ontario Priorities Housing Initiative requires the County to co-
ordinate with the Province and CMHC and/or obtain CMHC’s approval with respect to communications, signage and advertising matters. The Proponent agrees that it shall not do or omit to do any act which will cause the County to be in breach of the terms of the 2018 Ontario Priorities Housing Initiative

9.2 The Proponent shall not make any public announcement respecting the Project, insofar as it relates to the Program, or respecting its participation in the Program or respecting the Program in any other respect without the prior written consent of the County.

9.3 During the period of the Development Activities related to the Project, the Proponent shall erect a sign in front of the Project. The sign shall be in accordance with specifications issued by the Province and the County.

9.4 The Proponent acknowledges that any breach by it of sections 9.2 or 9.3 of this Agreement shall cause the County to be in breach of its obligations as a Service Manager responsible for administration of the funding program in the 2018 Ontario Priorities Housing Initiative

10. REMEDIES

10.1 In the event the County determines that a Proponent has breached any one (1) or more provisions of this Agreement or any other Contribution of Others Agreement or the County advises the Province that a Proponent has breached any one (1) or more provisions of this Agreement or any other Contribution of Others Agreement between the County and a Proponent, the Province and County shall follow the Protocol for Non-Compliance set out in Schedule “K”.

10.2 All of the remedies in this Agreement and the Security are cumulative and the Province and the County shall be entitled to avail itself simultaneously of some or all of the said remedies and any other remedies available in equity or at law.

10.3 Notwithstanding any of the terms of this Agreement or of the Security, the County shall have the option of waiving any or all of its’ remedies under this Agreement and the Security, but no waiver of a provision shall be deemed to constitute a waiver of any other provision (whether or not similar) nor shall any waiver constitute a continuing waiver unless otherwise provided in writing.

11. NOTICE

11.1 Any notice or other communication required, desired or permitted to be given by this Agreement shall be in writing and shall be effectively given if:
(a) delivered personally;

(b) sent by prepaid courier service; or

(c) sent by facsimile communication, and confirmed by mailing the original documents so sent by prepaid mail on the same or following day, addressed as follows:

(i) in the case of notice to the County:

The Corporation of the County of Grey
595 9th Avenue East
Owen Sound, Ontario N4K 3E3
Fax: 519-376-8998

(ii) in the case of notice to the Proponent:

Owen Sound Housing Company Limited
Unit 1, 700 21st Street East
Owen Sound, ON N4K 6W1
Fax: 519-376-1710

or at such other address as the party to whom such notice or other communication is to be given shall have advised the party giving same in the manner provided in this section. Any notice or other communication delivered personally or by prepaid courier service shall be deemed to have been given and received on the day it is so delivered at such address, provided that if such day is not a Business Day such notice or other communication shall be deemed to have been given and received on the next following Business Day. Any notice or other communication transmitted by facsimile communication shall be deemed to have been given and received on the day of its transmission, provided that such day is a Business Day and such transmission is completed before 4:30 p.m. on such day, failing which such notice or other communication shall be deemed to have been given and received on the first (1) Business Day after its transmission. If there has been a mail stoppage and if a party sends a notice or other communication by facsimile communication, such party shall be relieved from the obligation to mail the original document in accordance with this paragraph.

12. GENERAL

12.1 Any power, right or function of the County, contemplated by this Agreement, may be exercised by any employee or agent of the County.

12.2 It is understood that the Municipal Freedom of Information and Protection of Privacy Act shall apply to all records submitted to or created by the County pursuant to this Agreement.
12.3 The Proponent represents and warrants that:

(a) it shall preserve the PIPEDA compliance of all PIPEDA Protected Information transferred to it by the County;

(b) it shall ensure the PIPEDA compliance of all PIPEDA Protected Information it collects in the course of performing its contractual obligations; and

(c) it shall ensure the PIPEDA compliance of all PIPEDA Protected Information that it transfers to the County.

12.4 The disbursement of Funds by the County to the Proponent pursuant to sections 2.4 to 2.5, inclusive, is subject to the necessary appropriations from the Federal Parliament and the Provincial Legislature. Neither the County, the Province nor CMHC shall have any liability in the event the respective appropriations are insufficient to meet the funding obligations of the County.

12.5 Nothing in this Agreement is to be construed as authorizing one Party to contract for or incur any obligation on behalf of the other or to act as agent for the other and nothing in this Agreement shall be construed to constitute the County and the Proponent as partners of each other.

12.6 The Proponent acknowledges that CMHC is not a party to this Agreement or other agreement relating to any Project.

12.7 No member of:

(a) the House of Commons or Senate of Canada; or

(b) the Legislative Assembly of Ontario; or

(c) the Municipal Council constituting the County or the Municipal Council of any local municipality of the County or the governing body of any Municipal Agency, Board or Commission, of any such municipalities;

shall be admitted to any share or part of any contract, agreement or commission made pursuant to this Agreement or to any benefit arising therefrom, including, without limitation, any contract, agreement or commission arising from or related to the Program.

12.8 Time shall in all respects be of the essence in this Agreement, provided that the time for doing or completing any matter provided for under this Agreement may be extended or
abridged by agreement in writing signed by the County and the Proponent or their respective solicitors on their behalf, who are hereby expressly appointed in this regard.

12.9 Any tender of documents or money hereunder may be made by the County or the Proponent or their respective solicitors.

12.10 This Agreement is made pursuant to and shall be governed by and construed in accordance with the laws of the Province of Ontario. Any reference to a statute in this Agreement includes a reference to all regulations made pursuant to such statute, all amendments made to such statute and regulations in force from time to time and to any statute or regulation which may be passed and which has the effect of supplementing or superseding such statute or regulations.

12.11 The headings and subheadings contained in this Agreement are inserted for convenience and for reference only and in no way define, limit or describe the scope or intent of this Agreement or form part of this Agreement.

12.12 The Parties agree that there are no representations, warranties, covenants, agreements, collateral agreements or conditions affecting the property or this Agreement other than as expressed in writing in this Agreement.

12.13 This Agreement shall be read with all changes of gender and number required by the context.

12.14
(a) The Proponent shall not transfer or convey its interest in all or any part of the Project without, subject to subsection 12.14(b), simultaneously assigning its interest in this Agreement to the transferee, which transferee shall enter into one or more agreements with the County, in a form satisfactory to the County, to assume all of the Proponent’s obligations under this Agreement and to provide the County with Security in accordance with this Agreement.

(b) The Proponent shall not assign its interest in this Agreement without the prior written consent of the County, which consent shall not be arbitrarily or unreasonably withheld.

(c) For the purpose of this Agreement, a transfer of the beneficial interest in the shares of the Proponent shall be deemed to constitute an assignment if it results in a change in the party or parties who owns or own more than fifty per cent (50%) of the voting shares of the said corporation.

12.15 Each of the Parties shall, at any time and from time to time, upon not less than twenty (20) Business Days prior written notice by the other Party, execute and deliver to the
other Party a statement in writing certifying that this Agreement is in good standing, unmodified and in full force and effect, or if there have been modifications that the same are in good standing and in full force and effect, as modified, and stating the modifications. Where applicable, the statement shall state the defaults, if any, known to the Party to whom such request has been made and the action taken or proposed to be taken by such requested Party with respect to same.

12.16 If more than one entity is a party to this Agreement as Proponent, all references to the Proponent shall include all of the said entities and this Agreement shall be binding on each jointly and severally.

12.17 This Agreement shall ensure to the benefit of and be binding upon the Parties hereto and their respective successors and assigns, provided that this paragraph shall in no way derogate from the provisions of section 12.14 restricting the Proponent’s ability to assign this Agreement.
IN WITNESS WHEREOF This agreement has executed by the Parties.

The Corporation of the County of Grey

Per: _______________________________
    Paul McQueen, Warden
    c/s

Per: _______________________________
    Heather Morrison, Clerk

Owen Sound Housing Company Limited

Per: _______________________________
Name: 
Title: 

c/s

Per: _______________________________
Name: 
Title: 
SCHEDULE “A”
RENTAL BUILD PROGRAM GUIDELINES
<table>
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<tr>
<td>10% at proof of occupancy, apprenticeship, report and capital costs statement</td>
<td>$149,797.50</td>
</tr>
</tbody>
</table>
CONTRIBUTION AGREEMENT

This Agreement made the day of [insert year].

BETWEEN:

THE CORPORATION OF THE COUNTY OF GREY
    (hereinafter called the “County”)

- and -

(herinafter called the “Proponent”)

WHEREAS:
A. In order to create a supply of Affordable Housing, the County of Grey wishes to provide funds to proponents of affordable housing.
B. The County has confirmed that the Proponent has responded to the Procurement Process of the County of Grey by submitting its proposal dated xxxx (the “Proposal”) to undertake Development Activities for the Project(s) in return for Funding.
C. The County and the Proponent have entered into this Agreement for the Purpose of establishing the Proponent’s obligations with respect to the Program and the County’s obligation to provide funding to the Proponent.

NOW THEREFORE, the County and the Proponent agree with each other as follows:

1. INTERPRETATION

1.1 In the Agreement, including its Schedules, unless the context requires otherwise,
“Affordability Period” means the period during which the average rent in a Project is required to be maintained at an affordable level, as established by the County;

“Affordable Housing” means Housing which is modest in terms of floor area and amenities, based on household needs and community norms, in Projects that achieve rent levels no greater than 80% of average market rents in the County of Grey, but does not include residential premises used as a nursing home, retirement home, shelter, crisis care facility or any other type of similar facility as determined by the County;

“Average Market Rents” means the average rent figures, based on geographical areas and classified by bedroom count, as determined annually in the CMHC Average Market Rent Survey or as determined by the County, based on available data, in areas where there is no information from the CMHC Average Market Rent Survey;

“Business Day” means each Monday, Tuesday, Wednesday, Thursday and Friday except when any such day occurs on a statutory holiday observed in Ontario;

“Contribution Agreement” means an agreement entered into by the County or another party contributing to the Project and an approved Proponent receiving contributions under the Program;

“Development Activities” means those activities which are normally undertaken for the development, construction, repair, renovation, rehabilitation or conversion of buildings for residential purposes and include the acquisition of property and activities for which Project Development Funding may be provided;
• “Force Majeure” means a delay arising from strike, lockout, riot, insurrection, terrorism, war, fire, tempest, act of God, lack of material or supply of service at a reasonable cost, inclement weather, binding orders or regulations of governmental bodies, courts or arbitrators or any other event beyond the control of the Parties which causes a delay in the fulfillment of a Party’s obligations under this Agreement notwithstanding the reasonable efforts of such Party and provided that any such non-availability or delay does not relate to any act or omission by such Party or any of its authorized agents or employees;

• “Funds” means County Funds under this County program;

• “Housing” means residential accommodation and facilities, common areas and services used directly with the residential accommodation. Housing does not include commercial or institutional premises, social or recreational services, and services or facilities related to mental or physical health care, education, corrections, food services, social support or public recreation;

• “Interest Adjustment Date” means the date on which the Proponent makes the first payment of principal and interest in respect of the Proponent’s permanent financing obligations for the Project, following the completion of construction;

• “Loan” means the total amount of County funds advanced by the County to the Proponent, in accordance with this contribution agreement;

• “Occupancy Date” means the date on which occupancy of all Units in a Project is permitted;

• “Parties” means the County and the Proponent and “Party” means either of them, as the context may require;

• “Permitted Encumbrances” means the encumbrances encumbering the Affordable
Housing Units listed in Schedule “G”;

- “Phase-out Period” means the last five (5) year period of the Affordability Period;

- “PIPEDA” means the *Personal Information Protection and Electronic Documents Act*, S.C. 2000, c. 5, including any amendments thereto;

- “PIPEDA Protected Information” means any “Personal Information” or “Personal Health Information”, as defined under PIPEDA;

- "PPSA" means the *Personal Property Security Act*, R.S.O. 1990, c. P. 10 including any amendments thereto;

- “Procurement Process” means the request for proposals or procurement process used by the County;

- “Program” means the County of Grey's New Affordable Housing Program, as set out in this contribution agreement;

- “Project” means Affordable Housing proposed or approved for the Program, as the context may require;

- “Proponent” means a person identified as such on the first page of this Agreement;

- “Proposal” means the response to the request for proposals or procurement process, submitted to the County;

- “Security Documents” means the security documents attached to and forming part of the Contribution Agreement;
• “Substantial Completion” means the substantial performance, within the meaning of the Construction Lien Act, of all contracts which the Proponent has entered into for Development Activities in connection with the Project under this Agreement;

• “Targeting Plan” means the manner in which a Proponent plans to meet the objectives of the Program to create Affordable Housing for households that are on or are eligible to be on the waiting lists for social housing;

• “Unit” means a self-contained residential dwelling.

1.2 All references in this Agreement, including, without limitation, the Schedules hereto, to “rent” is deemed to include housing charges paid by members of non-profit housing cooperatives and “rental” is deemed to have a corresponding meaning.

1.3 All references in this Agreement to section numbers are references to sections of this Agreement unless otherwise stated.

2. **FUNDING FOR AFFORDABLE HOUSING**

2.1 The Proponent agrees to advance as its equity contribution to the Project the amount of XXXX in the form of a contribution of land, on or before Occupancy is permitted in the Project, and provide written confirmation to the County that the equity contribution has been advanced.

2.2 Funding for Affordable Housing is comprised of Funds held by the County. Funds will be advanced to the Proponent in the form of a Loan, during the Development Activities.

2.3 The County shall disburse the amount of the Loan following the date on which this Agreement is signed by the Parties and upon construction milestones as set out in the Program guidelines. Notwithstanding this provision, the County shall at all times hold back the required amount of funds to comply with the Construction Lien Act.
2.4 The County shall have the option of withholding from the amount to be disbursed under section 2.3 the amount of the cost of construction necessary to complete the construction of the Project and, in such case, the County shall disburse the amount so withheld following its receipt of satisfactory evidence that such construction is complete within the meaning of the Construction Lien Act and provided that the Construction Lien Act is complied with.

2.5 The Proponent shall use the amount of the Loan for the purpose of its Development Activities in connection with the Project.

2.6 The Proponent may authorize the County to pay Funds to a third party and the County shall permit such authorization.

3. PROVISION OF AFFORDABLE HOUSING

3.1 Without limiting the condition set out in section 5.1(b), the Proponent shall use its reasonable best efforts to discharge or cause the discharge of any registered construction liens so as to ensure that there are no construction liens registered against the Project on the date for the disbursement of the Loan under sections 2.3 and 2.4. The County's obligation to disburse shall be conditional upon the Proponent's compliance with the Construction Lien Act as set out in section 5.1 (b).

3.2 The Proponent shall not at any time during the term of this Agreement breach any Contribution Agreement respecting the Project including any municipal capital facility agreement made pursuant to section 110 of the Municipal Act, 2001 and shall not, through any breach on its part, cause such other entity to terminate a Contribution Agreement for cause. The Proponent agrees that a breach by it of any such Contribution Agreement, that has not been corrected, shall constitute a breach of this Agreement. The Proponent shall provide the County with evidence of its good standing under any such Contribution Agreement within ten (10) Business Days following its receipt of a written
request from the County.

4. **OPERATION OF AFFORDABLE HOUSING**

4.1 The Proponent acknowledges and agrees that the Rental Protocol set out in Schedule “D” applies to the Project by virtue of the contractual terms of this Agreement, notwithstanding that the Rental Protocol does not apply to the Project under the *Residential Tenancies Act, 2006*.

4.2 The Proponent agrees to operate the Units in accordance with the rules set out in Schedule “D” of this Agreement.

5. **CONDITIONS**

5.1 The provision of funding by the County pursuant to sections 2.3 and 2.4 is subject to the following conditions precedent, each of which is for the exclusive benefit of the County, and may be waived in full or in part by the County by written notice to the Proponent:

(a) any Contribution Agreement referred to in section 3.2 remaining in force and the Proponent being in good standing thereunder;

(b) there being no Claim for Lien under the *Construction Lien Act* registered against the Project;

(c) there being in existence no unregistered lien or statutory claim having priority against the Project;

(d) the Proponent’s title to the Project being encumbered by no registered encumbrances other than the Permitted Encumbrances;

(e) the Proponent being in good standing under all of the Permitted Encumbrances
and there being no work orders issued against the Project by any governmental entity, agency or official; and

(f) the Proponent having provided the County with the Security Documents required by section 7 and in accordance with the said section.

5.2 If any of the conditions contained in section 5.1 have not been fulfilled on the date for the disbursement of the Loan by the County pursuant to sections 2.3 and 2.4 and are not waived by the County pursuant to section 5.1, the County shall be under no obligation to make any advance of the Loan to the Proponent and the County shall thereupon have the right to terminate this Agreement and, in that event, neither party to this Agreement shall have any rights or obligations hereunder, save and except that the County may, notwithstanding such termination, bring an action against the Proponent for all losses, costs and expenses, including, without limitation, reasonable legal fees incurred by the County in connection with this Agreement where the non-performance or non-fulfillment of a condition is a result of a breach of a covenant by the Proponent and the County shall have the right to require repayment of any previously advanced Funds together with interest as set out in this Agreement.

6. TERMS OF THE FUNDING

6.1 The Loan shall have a term of twenty (20) years, commencing as of the Interest Adjustment Date.

6.2 Prior to the Interest Adjustment Date, interest shall accrue on the total of the amount or amounts advanced under the Loan at the rate of eight per cent (8%) per annum. The interest so calculated shall compound semi-annually, not in advance, payable on demand until the Interest Adjustment Date.

6.3 On the Interest Adjustment Date, the amount of interest accrued as calculated in section 6.2 shall be forgiven, provided that the Proponent has satisfied all requirements as set out
in section 2.

6.4 With effect from the Interest Adjustment Date, the interest rate applicable to the Loan shall be the higher of the average posted rate offered by major Canadian lending institutions for a commercial first mortgage having a five (5) year term, plus two per cent (2%) or the interest rate applicable to the first mortgage registered against title to the property, plus two per cent (2%).

6.5 On each anniversary date of the Interest Adjustment Date, the Proponent shall pay the County the amount of interest, as calculated on the Loan amount according to the interest rate stipulated in section 6.4, so accrued during the previous year, provided however, if the Proponent has satisfied, as of such anniversary date, the requirements of this Agreement, the amount of the interest so owing shall automatically be forgiven.

6.6 The Loan amount shall be fully forgiven on the last day of the month at the end of the term of the Loan, provided that the Proponent has fulfilled all the requirements of the Program as set out in this Agreement.

6.10 The Proponent shall provide the County with such information respecting the Proponent’s permanent financing obligations for the Project as the County may require from time to time.

7. SECURITY

7.1 Prior to the County disbursing the Loan proceeds to the Proponent pursuant to section 2.4, the Proponent shall provide the County with executed registerable security documents in the form attached hereto as Schedules “E-1”, “E-2” and “E-3” (the “Security”), completed in accordance with this Agreement or at the County’s option, such alternate form of security, on such terms and conditions as the County may require, attached hereto as Schedule “F”.
7.2 The Security shall be collateral to this Agreement and any other Contribution Agreement between the County and the Proponent. The County shall be a party on all Security documents and shall share in any recoveries thereunder in proportion to their respective contributions to the total amount secured. The amount of all contributions from the County shall be included in the Security documents. The amount of any eligible in-kind contributions from the County shall not be included in the Security documents.

7.3 Without limiting the Proponent’s covenants and the remedies of the County under this Agreement and the Security, the Proponent agrees that a breach of this Agreement or any other Contribution Agreement with the County shall constitute a breach of the Security and a breach of the Security shall constitute a breach of this Agreement and any other Contribution Agreement with the County.

7.4 The County acknowledges and agrees that notwithstanding that the Security provides that the principal and interest secured thereunder is payable on demand, the County shall have no right to demand payment thereunder except in accordance with the provisions of this Agreement relating to repayment. In the event of a conflict or inconsistency between the provisions of this Agreement and the Security, the provisions of this Agreement shall prevail with respect to Funds provided by the County.

7.5 The Security shall rank immediately behind the registered security for the Proponent’s primary financial obligations for the Project, unless the County determines that the Security shall have a lesser priority.

8. ACCOUNTABILITY FRAMEWORK

8.1 Submissions will be required of the Proponent as follows:

(a) If requested by the County, the Proponent shall submit to the County, an audited financial statement respecting the expenditure of the Funds provided to it pursuant to this Agreement, within ninety (90) days or such additional time as may be
determined by the County, following the date on which the County is advised that the Project will not proceed or that the Development Activities related to the Project have been fully completed.

(b) Following the full completion of the Development Activities related to the Project, the Proponent shall submit to the County a completed information report in the form attached hereto as Schedule “H”, and annually thereafter shall submit to the County completed information reports in the forms attached hereto as Schedules “I” and “J”.

8.2 The Proponent represents that it has not provided any false or misleading information in the Proposal and agrees that it shall not provide any false or misleading information to the County under this Agreement.

8.3 The Proponent shall, on forty-eight (48) hours prior written notice, give the County free access to the Project and to such staff, documents, books, records and accounts as may be determined by the County, for the purpose of verifying compliance with this Agreement.

8.4 The County may conduct an audit, investigation or inquiry in relation to the Project or any larger development or project of which the Project is a part and the Proponent shall cooperate with the County and provide free access to the Project and to such staff, documents, books, records and accounts as may be determined by the County.

8.5 The provisions of sections 8.1, 8.2, 8.3, 8.4 and 8.5 shall continue to apply for a period of seven (7) years following the end of the Phase-out Period or the date of any early termination of this Agreement.

9. PUBLICITY

9.1 The Proponent shall not make any public announcement respecting the Project, without the prior written consent of the County.
9.2 During the period of the Development Activities related to the Project, the Proponent shall erect a sign in front of the Project. The sign shall be in accordance with specifications issued by the Province and the County.

10. **REMEDIES**

10.1 In the event the County determines that a Proponent has breached any one (1) or more provisions of this Agreement or any other Contribution Agreement or the County advises the Province that a Proponent has breached any one (1) or more provisions of this Agreement or any other Contribution Agreement between the County and a Proponent, the Province and County shall follow the Protocol for Non-Compliance set out in Schedule “K”.

10.2 All of the remedies in this Agreement and the Security are cumulative and the County shall be entitled to avail itself simultaneously of some or all of the said remedies and any other remedies available in equity or at law.

10.3 Notwithstanding any of the terms of this Agreement or of the Security, the County shall have the option of waiving any or all of its remedies under this Agreement and the Security, but no waiver of a provision shall be deemed to constitute a waiver of any other provision (whether or not similar) nor shall any waiver constitute a continuing waiver unless otherwise provided in writing.

11. **NOTICE**

11.1 Any notice or other communication required, desired or permitted to be given by this Agreement shall be in writing and shall be effectively given if:

(a) delivered personally;
(b) sent by prepaid courier service; or

(c) sent by facsimile communication, and confirmed by mailing the original documents so sent by prepaid mail on the same or following day, addressed as follows:

(i) in the case of notice to the County:

   The Corporation of the County of Grey
   595 9th Avenue East
   Owen Sound, Ontario N4K 3E3

(ii) in the case of notice to the Proponent:

or at such other address as the party to whom such notice or other communication is to be given shall have advised the party giving same in the manner provided in this section. Any notice or other communication delivered personally or by prepaid courier service shall be deemed to have been given and received on the day it is so delivered at such address, provided that if such day is not a Business Day such notice or other communication shall be deemed to have been given and received on the next following Business Day. Any notice or other communication transmitted by facsimile communication shall be deemed to have been given and received on the day of its transmission, provided that such day is a Business Day and such transmission is completed before 4:30 p.m. on such day, failing which such notice or other communication shall be deemed to have been given and received on the first (1) Business Day after its transmission. If there has been a mail stoppage and if a party sends a notice or other communication by facsimile communication, such party shall be relieved from the obligation to mail the original document in accordance with this paragraph.

12. **GENERAL**

12.1 Any power, right or function of the County, contemplated by this Agreement, may be
exercised by any employee or agent of the County.

12.2 It is understood that the Municipal Freedom of Information and Protection of Privacy Act shall apply to all records submitted to or created by the County pursuant to this Agreement.

12.3 The Proponent represents and warrants that:

(a) it shall preserve the PIPEDA compliance of all PIPEDA Protected Information transferred to it by the County;

(b) it shall ensure the PIPEDA compliance of all PIPEDA Protected Information it collects in the course of performing its contractual obligations; and

(c) it shall ensure the PIPEDA compliance of all PIPEDA Protected Information that it transfers to the County.

12.4 Nothing in this Agreement is to be construed as authorizing one Party to contract for or incur any obligation on behalf of the other or to act as agent for the other and nothing in this Agreement shall be construed to constitute the County and the Proponent as partners of each other.

12.5 No member of the municipal council constituting the County or the municipal council of any local municipality of the County or the governing body of any municipal agency, board or commission, of any such municipalities shall be admitted to any share or part of any contract, agreement or commission made pursuant to this Agreement or to any benefit arising therefrom, including, without limitation, any contract, agreement or commission arising from or related to the Program.

12.6 Time shall in all respects be of the essence in this Agreement, provided that the time for doing or completing any matter provided for under this Agreement may be extended or
abridged by agreement in writing signed by the County and the Proponent or their respective solicitors on their behalf, who are hereby expressly appointed in this regard.

12.7 Any tender of documents or money hereunder may be made by the County or the Proponent or their respective solicitors.

12.8 This Agreement is made pursuant to and shall be governed by and construed in accordance with the laws of the Province of Ontario. Any reference to a statute in this Agreement includes a reference to all regulations made pursuant to such statute, all amendments made to such statute and regulations in force from time to time and to any statute or regulation which may be passed and which has the effect of supplementing or superseding such statute or regulations.

12.9 The headings and subheadings contained in this Agreement are inserted for convenience and for reference only and in no way define, limit or describe the scope or intent of this Agreement or form part of this Agreement.

12.10 The Parties agree that there are no representations, warranties, covenants, agreements, collateral agreements or conditions affecting the property or this Agreement other than as expressed in writing in this Agreement.

12.11 This Agreement shall be read with all changes of gender and number required by the context.

12.12

(a) The Proponent shall not transfer or convey its interest in all or any part of the Project without, subject to subsection 12.12(b), simultaneously assigning its interest in this Agreement to the transferee, which transferee shall enter into one or more agreements with the County, in a form satisfactory to the County, to assume all of the Proponent’s obligations under this Agreement and to provide the County with Security in accordance with this Agreement.
(b) The Proponent shall not assign its interest in this Agreement without the prior written consent of the County, which consent shall not be arbitrarily or unreasonably withheld.

(c) For the purpose of this Agreement, a transfer of the beneficial interest in the shares of the Proponent shall be deemed to constitute an assignment if it results in a change in the party or parties who owns or own more than fifty per cent (50%) of the voting shares of the said corporation.

12.13 Each of the Parties shall, at any time and from time to time, upon not less than twenty (20) Business Days prior written notice by the other Party, execute and deliver to the other Party a statement in writing certifying that this Agreement is in good standing, unmodified and in full force and effect, or if there have been modifications that the same are in good standing and in full force and effect, as modified, and stating the modifications. Where applicable, the statement shall state the defaults, if any, known to the Party to whom such request has been made and the action taken or proposed to be taken by such requested Party with respect to same.

12.14 If more than one entity is a party to this Agreement as Proponent, all references to the Proponent shall include all of the said entities and this Agreement shall be binding on each jointly and severally.

12.15 This Agreement shall enure to the benefit of and be binding upon the Parties hereto and their respective successors and assigns, provided that this paragraph shall in no way derogate from the provisions of section 12.12 restricting the Proponent’s ability to assign this Agreement.
IN WITNESS WHEREOF This agreement has executed by the Parties.

The Corporation of the County of Grey
Per: ________________________________
Name:
Clerk

C/s
Per: ________________________________
Name:
Warden

Per: ________________________________
Name:
Title:

C/s
Per: ________________________________
Name:
Title:
SCHEDULE “D”
RENTAL PROTOCOL

1.  DEFINITIONS

1.1 In this Schedule “D”, unless the context requires otherwise,

- “Affordability Period” means the “twenty (20) year period”, or “details in words (and numbers) of such longer period” as may be established in the Procurement Process, following the date of the first occupancy of a Unit in the Project;
- “Agreement” means the Agreement to which this Schedule “D” is attached, and when used in this Schedule “D”, the term “rent” includes the amount of any consideration paid or given or required to be paid or given by or on behalf of a tenant to the Proponent or the Proponent’s agent for the right to occupy a Unit and for any services and facilities and any privilege, accommodation or thing that the Proponent provides for the tenant in respect of the occupancy of the Unit, whether or not a separate charge is made for services and facilities or for the privilege, accommodation or thing.

1.2 The definitions in the Agreement shall apply to this Schedule “D”, in addition to the definitions contained in section 1.1 above.

1.3 All references to section numbers in this Schedule are references to sections of the Schedule and not sections of the Agreement, unless otherwise explicitly stated.

2.  AFFORDABLE RENT

2.1 During the Affordability Period, the Proponent shall not charge rent for a Unit in the Project in excess of the affordable rent permitted under this Schedule “D” nor increase any rent charged for a Unit except as permitted in this Schedule “D”.
3. **RENTS**

3.1 The weighted average rent of all Units in a Project for which Program Funds have been utilized shall not exceed eighty per cent (80%) of CMHC Average Market Rents in the geographical area, as determined in the most recent CMHC Annual Rental Market Survey.

3.2 The maximum rent for any Unit shall not exceed one hundred and five per cent (105%) of the modified shelter allowance under the Ontario Works program, provided that the amount so calculated does not exceed the CMHC Average Market Rent for units of a similar type in the geographical area.

4. **RENT INCREASES**

4.1 The Proponent may increase the rent charged under section 3.1 with respect to a Unit only if at least twelve (12) months have elapsed,

(a) since the day of the last rent increase respecting the Unit, if there has been an increase, or

(b) since the day the Unit was first rented for the first rental period following the completion of the Development Activities in connection with the Project.

4.2 Subject to section 4.3, the Proponent shall not increase the rent pursuant to section 4.1 during the Affordability Period by more than the then prevailing rent increase guideline established for each calendar year pursuant to the *Residential Tenancies Act, 2006* or any successor legislation. The Proponent acknowledges that the rent increase guideline of the *Residential Tenancies Act, 2006* or any successor legislation, does not apply to the Project and agrees that the rent increase guideline applies by virtue of the contractual terms of the Agreement and this Schedule “D”.

4.3 From the beginning of the eleventh (11) year of the Affordability Period until the end of
the Affordability Period, in addition to the increase permitted by section 4.2, the Proponent may apply to the County to increase Unit rents to an amount not to exceed CMHC Average Market Rent for units of a similar type in the geographical area.

5. **PHASE-OUT PERIOD**

5.1 During the Phase-out Period, the Proponent shall not increase the rent charged to *in-situ* tenants of Units by more than the rent guideline increase permitted under section 4.2 and any additional increase that may be approved under section 4.3.

5.2 Upon a Unit becoming vacant during the Phase-out Period, the Proponent may rent the Unit to a new tenant at any rent agreed to by the Proponent and the new tenant.

6. **EXCEPTION**

6.1 Subject to the provisions of the *Residential Tenancies Act, 2006* or any successor legislation, and notwithstanding the provisions of this Schedule “D” respecting rent increases prior to and during the Phase-out Period, where a Service Manager implements income verification of tenants following the initial occupancy of a Unit, a Service Manager may increase the rent for a Unit by more than the rent increase guideline under the *Residential Tenancies Act, 2006* or any successor legislation, provided that the rent for the Unit does not exceed the CMHC Average Market Rent for units of a similar type for that year and provided that the weighted average rent for the funded Units in a Project does not exceed the permitted rents for the Project.

7. **AFTER PHASE-OUT PERIOD**

7.1 After the end of the Phase-out Period, the Proponent shall be permitted to rent Units in the Project to new tenants at rents agreed to by the Proponent and the new tenants.

[Relevant Documents to be Attached]

Schedule E-1 - Charge/Mortgage of Land - register in land titles/land registry system
Schedule E-2 - Assignment of Rents - register in land titles/land registry system and PPSA
Schedule E-3 - Security Agreement (chattels) - register in PPSA
SCHEDULE “F”
ALTERNATE SECURITY

[Relevant Documents to be Attached]

Schedule “F” is not registerable and is used to replace Schedules “E-1”, “E-2” and “E-3”.
SCHEDULE “G”
PERMITTED ENCUMBRANCES

[This schedule in the executed Charge/Mortgage will contain the registration details of all registered documents which fit into the categories listed below.]

1. All mortgages and security collateral thereto totaling principal amounts which do not exceed the total costs of the Development Activities incurred in connection with the Project.

2. Such easements and restrictive covenants as do not prevent the Project from being constructed or used as Affordable Housing.

3. Municipal agreements relating to the Development Activities in connection with the Project.
SCHEDULE “H”
2018 Ontario Priorities Housing Initiative- Rental Build Program

Initial Occupancy Report

Occupancy Date: _______________________

A. Project Information

<table>
<thead>
<tr>
<th>Contribution Agreement Number</th>
<th>Contribution Agreement Expiry Date</th>
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</thead>
</table>

<table>
<thead>
<tr>
<th>Project Name</th>
<th>Property Address</th>
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B. Number of Units in Project

<table>
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<tr>
<th>Unit Type</th>
<th>AHP Funded Rental Units (#)</th>
<th>AHP Funded Supportive Units (#)</th>
<th>Units Not Receiving AHP Funding (#)</th>
<th>Total Number of Units (#)</th>
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<td>Four Bedroom</td>
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<td>Other</td>
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<tr>
<td>Total Number of Units</td>
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C. Depth of Affordability: Rents at Occupancy (OPHI Funded Units)

Establishes “permitted rents” which are used in Schedule “I”

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<tr>
<th>Unit Type</th>
<th>Average Unit Rent (AHP Funded Units) (A)</th>
<th>CM HC Average Market Rent ($) (B)</th>
<th>Percentage of CM HC Average Market Rent (A÷B) • 100</th>
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</thead>
<tbody>
<tr>
<td>Bachelor</td>
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<td>Other</td>
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Depth of Affordability: Percentage of CMHC Average Market Rent Achieved for Overall Project

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<thead>
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<th>Percentage</th>
<th>80%</th>
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<tr>
<td>Note:</td>
<td>This figure cannot be greater than 80% of CMHC Average Market Rent, without the approval of the County</td>
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D. Project Certification

I certify, to the best of my knowledge, that the information provided in Sections B and C above is true and correct. I hereby authorize the County to review the rent roll from appropriate source(s) if deemed necessary.

--------------------------------- Date: _______________ Signed by: ____________________________

[please print name]

I am [please check on the appropriate line below]

___ the Owner of the Project
___ the Chairperson of the Board of Directors of the Project
SCHEDULE “I”
2018 Ontario Priorities Housing Initiative- Rental Build Program
Annual Occupancy Report

A. Project Information

<table>
<thead>
<tr>
<th>Contribution Agreement Number</th>
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<tbody>
<tr>
<td>Contribution Agreement Expiry Date</td>
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<tbody>
<tr>
<td>Property Address</td>
<td></td>
</tr>
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</table>

B. Average Rents at Year End

<table>
<thead>
<tr>
<th>Unit Type</th>
<th>Total Number of Units (#)</th>
<th>AHP Funded Rental Units (#)</th>
<th>AHP Funded Supportive Units (#)</th>
<th>Permitted Rent [insert last reporting year] ($) (A)</th>
<th>RTA Permitted Increase ($) (B)</th>
<th>Permitted Rent per Unit per Month ($) (C)</th>
<th>Average Rent per Unit per Month ($) (D)</th>
<th>Rationality (if D&gt;C)</th>
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</thead>
<tbody>
<tr>
<td>Bachelor</td>
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</tr>
</tbody>
</table>
C. Affordability

<table>
<thead>
<tr>
<th>Year</th>
<th>Average Rent in Relation to AMR</th>
<th>Variance Between Current and Last Year’s Average Rent</th>
<th>RTA Permitted Increase</th>
<th>Rationale for Amount Above RTA Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>First Year Occupied</td>
<td>#80%*</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Annually Thereafter</td>
<td></td>
<td></td>
<td></td>
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</tbody>
</table>

* This figure cannot be greater than 80% of CMHC Average Market Rent, without the approval of the County

D. Project Certification

I certify, to the best of my knowledge, that the information provided in Section B above is true and correct. I hereby authorize the County to review the rent roll from appropriate source(s) if deemed necessary.

_________________________  Date: ______________  Signed by: ______________________

[please print name]

I am [please check on the appropriate line below]
E. Auditor’s Confirmation

We have performed the necessary review and tests on the records of the named property pertaining to the rent levels for the reporting period. Our results confirm the information as provided in Sections B and C above is true and correct.

___________________________ Date: ________________________

Confirmed by [please print name]

Name, Address and Telephone Number of Firm:

[insert relevant information]
SCHEDULE “J”
Annual Targeting Report
For year ending December 31, ______

<table>
<thead>
<tr>
<th>Name of Owner</th>
<th>RENTAL</th>
<th>SOCIAL HOUSING</th>
<th>AVERAGE RENT OF UNITS PER MONTH</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Number of Units</td>
<td>Number of Units</td>
<td></td>
</tr>
<tr>
<td>New</td>
<td>Conversion</td>
<td>Rehabilitation</td>
<td>Major Addition</td>
</tr>
<tr>
<td>Ne w</td>
<td>Convers ion</td>
<td>Rehabilita tion</td>
<td>Major Additi on</td>
</tr>
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</tbody>
</table>

CLIENTELE

<table>
<thead>
<tr>
<th>Family</th>
<th>Single</th>
<th>Senior</th>
<th>Supportive Victims of Domestic Violence</th>
<th>Supportive Mental Health</th>
<th>Other Target Group (Name)</th>
</tr>
</thead>
<tbody>
<tr>
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</tbody>
</table>

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168
1. BACKGROUND

1.1 This Schedule addresses the obligations to indemnify and obligations of 2018 Ontario Priorities Housing Initiative participants to recover Funds from affordable housing projects which may encounter difficulties within the relationships described below:

(a) Province (which is referred to as the “Province” in the Agreement) - Canada Mortgage and Housing Corporation (“CMHC”);

(b) Service Manager - County;

(c) Proponent - Service Manager; and

(d) Proponent - County.

1.2 It is expected that all Rental and Supportive projects will be required to obtain CMHC insurance for the first mortgage since this is a condition of funding under the Ontario Mortgage and Housing Partnership Initiative.

1.3 While this Schedule pertains to the Rental and Supportive Component of the AHP program, the same set of underlying principles and requirements could accommodate other program components with minor adjustments.

1.4 The undertakings and commitments contained in this Schedule are consistent with and do not supersede any agreements between the Governments of Canada and Ontario as per the 2018 Ontario Priorities Housing Initiative through the National Housing Strategy.

2. CONSULTATION
2.1 When the County becomes aware of a failure of a Proponent to observe or perform a material condition in the Contribution Agreement, the County shall notify the Province, which shall, in turn, notify CMHC. The County and the Province shall each appoint one person to an ad hoc committee for the purpose of assembling information relating to the project in difficulty and determining a course of action for rectifying the difficulty. CMHC shall be invited to participate and will determine the extent of its involvement on the committee. Terms of reference for the ad hoc committee shall be developed and agreed to by all three parties.

3. **BEST EFFORTS**

3.1 In determining what course of action may be undertaken to rectify a project in difficulty, the parties shall use their best efforts to work together co-operatively with a view to maintaining, to the greatest extent possible in the circumstances, the affordability of the rents for the project as determined by the Contribution Agreement. The parties acknowledge that the interests of the tenants shall be considered in determining what course of action may be most suitable for a project in difficulty.

4. **ADVANCE NOTICE**

4.1 Neither CMHC, the Province nor the County shall substantially modify the terms of any project-specific agreement, including the Contribution Agreement, or the advance of Funds or the security documentation associated with the advance of Funds, with the exception of a CMHC insured first mortgage, without providing written notice to the other parties and a reasonable opportunity for the other parties to address the implications of such action.

4.2 The obligation to indemnify or the distribution of a recovery of Funds from a project in difficulty will require the County and/or Proponent to exhaust all reasonable opportunities to seek recovery, which efforts shall include but shall not be limited to
resorting to legal action to defend third party claims, seeking indemnification from insurance policies, if any, that may afford coverage for a particular loss and/or recovering Funds from bonding companies or other third parties who, at law, may be responsible for the losses of a project in difficulty.

5. **INDEMNITY**

5.1 **County - CMHC**

(a) As per Section 8.4 of the SIF-IAH Agreement, the County shall indemnify CMHC as the result of third party claims arising out of the implementation of the Agreement.

(b) Federal-Provincial indemnity provisions on Project Development Funding and environmental claims remain as per Section 8.4 (d), (e) and (f) of the National Housing Strategy- 2018 Ontario Priorities Housing Initiative.

(c) Where CMHC has insured a Proponent’s first mortgage and a default occurs on the insured mortgage, the Province is not required to indemnify CMHC for any losses related to the mortgage insurance as per Section 8.4 (g) National Housing Strategy 2018 Ontario Priorities Housing Initiative.

(d) The SIF-IAH “capital” Funds and the circumstances dealing with the recovery of these Funds are dealt with in subsequent sections of this Schedule.

5.2 **County - Province**

(a) Subject to paragraphs (b) and (c) below, the County shall:

(i) during construction and following completion of construction, indemnify the Province for 100% of any third party claims against the Province arising out of the implementation of this Agreement;
and

(ii) following completion of construction, indemnify the Province for 50% of that portion of any third party claims against CMHC arising out of the implementation of this Agreement where the County indemnifies CMHC under the 2018 Ontario Priorities Housing Initiative

unless the claims are in any way, directly or indirectly, attributable to the negligence, bad faith or willful misconduct of the County.

(b) During the construction phase of a project, the County shall indemnify the Province as a result of any third party claims against the County, subject to certain exceptions as per Section 8.4 2018 Ontario Priorities Housing Initiative, including:

(i) Maximum liability is limited to the total amount of 2018 Ontario Priorities Housing Initiative Funds advanced at the time of the loss giving rise to the claim for indemnification;

(ii) This indemnity is limited to 50% of the provincial liability for losses in relation to Project Development Funding (i.e. 25% of the total claim);

(iii) This indemnity is limited to 50% of all losses, costs and expenses incurred by the County that relate to environmental or pollution claims, including claims against CMHC; and

(iv) There is no indemnification for losses covered solely by CMHC or by other insurance.

(c) Following completion of construction, the County shall indemnify the Province as a result of any third party claims against the County and/or CMHC, subject to certain exceptions as per Section 8.4 of the 2018 Ontario Priorities Housing Initiative, including:
(i) Maximum liability is limited to the total amount of 2018 Ontario Priorities Housing Initiative advanced at the time of the loss giving rise to the claim for indemnification;

(ii) This indemnity is limited to 50% of the provincial liability for losses in relation to Project Development Funding (i.e. 25% of the total claim);

(iii) This indemnity is limited to 50% of all losses, costs and expenses incurred by the County that relate to environmental or pollution claims, including claims against CMHC; and

(iv) There is no indemnification for losses covered solely by CMHC or by other insurance.

5.3 Proponent - Province

(a) The Proponent shall indemnify the Province for any claims against the County and/or CMHC, in accordance with the Contribution Agreement.

(b) The Proponent shall indemnify the County for any claims against the Province and/or CMHC, in accordance with the Contribution Agreement.

5.4 Proponent - County

(a) Where there is a direct relationship between the County and a Proponent, the Proponent shall indemnify the County for all Federal Funds and Provincial Funds paid in the event of a claim against the County or CMHC.

(b) Indemnification of CMHC will be required during the construction and occupancy period of a project. Indemnification of the County will be required throughout the Affordability Period.

6. RECOVERY OF FUNDS
6.1 Under the 2018 Ontario Priorities Housing Initiative a number of circumstances could arise which could make a project “noncompliant”. Examples include:

(a) Construction Failures - increased construction costs, bankruptcy;

(b) Environmental considerations - with the exception of those identified and recorded in advance of an 2018 Ontario Priorities Housing Initiative funding commitment;

(c) Program compliance violations - project fails to remain affordable or does not maintain its affordability target for the full 20 years, or Funds are misused.

6.2 Province - CMHC

(a) CMHC would not expect full repayment of federal capital by the Province if the Province and the County confirms that “best efforts” were made to collect the Funds.

(b) Best efforts would involve adherence by the County to the “risk sharing protocols” in order to minimize occurrence of failure. Furthermore, the parties will need to explore all available remedies with the County, the Province, Proponents and CMHC, and implement the best remedy to the extent possible.

(c) If efforts lead to a recovery of capital Funds, CMHC would expect a repayment of “a pro rata portion” of the Federal Funds. All three funding partners shall share in any proceeds recovered, in proportion to their contributions.

(d) A sliding scale for CMHC forgiveness is set at 5% per year over 20 years. Under certain circumstances, the County will share this forgiveness with Service Managers and Proponents, otherwise the County will collect these Funds for
recycling in other projects.

(e) Federal Funds could either be repaid by the Service Manager to the County and recycled in new commitments before March 31, 2018 or refunded directly to CMHC after this date.

(f) In the event that auditors discover misuse of Federal Funds as per the 2018 Ontario Priorities Housing Initiative Agreement, CMHC would expect a refund from the County where applicable. The amount owing could be reduced based on earned forgiveness of the principal amount during the period of project compliance.

6.3 County - Province

(a) In the event a project ceases to be an 2018 Ontario Priorities Housing Initiative project for reasons related to negligence, misuse or non-compliance, the County shall repay the Province all Provincial Funds advanced during the period of non-compliance. It is acknowledged that where the first mortgagee or CMHC has gained possession, as a result of a default under the insured loan, they would not assume any liability for Provincial Funds paid to the Proponent during the period of non-compliance prior to the date the first mortgagee or CMHC took possession.

(b) In the event a project ceases to be compliant due to the negligence of the County, the County shall repay the Province all Federal Funds, less any earned forgiveness of the principal amount during the period of project compliance.

6.4 Proponent - County

(a) The County shall adopt a similar position if a project terminates under reasonable circumstances. That is, best efforts can be made to recover Funds, but if there
were no proceeds available, repayment would not be expected.

(b) In situations of non-compliance due to misuse or negligence, the County is expected to take remedies available to recover Funds.

6.5 Proponent - County

(a) In situations of non-compliance due to misuse or negligence, the Proponent shall repay the County all Federal Funds and Provincial Funds.

(b) If a project ceases to operate as a 2018 Ontario Priorities Housing Initiative project, under reasonable circumstances, the provincial affordability payment would end and best efforts will be made to recover the Provincial Funds paid during any period of non-compliance. In the event no proceeds were available, repayment would not be expected.