ONTARIO COMMUNITY INFRASTRUCTURE FUND
FORMULA-BASED COMPONENT AGREEMENT

BETWEEN:

HER MAJESTY THE QUEEN IN RIGHT OF ONTARIO
as represented by the Minister of Agriculture, Food and Rural Affairs

(the **"Province"**)

– and –

The Corporation of the County of Grey

(the **"Recipient"**)

BACKGROUND

The Province created the Ontario Community Infrastructure Fund to: (1) provide stable funding to help small communities address critical core infrastructure needs in relation to roads, bridges, water and wastewater; (2) further strengthen municipal asset management practices within small communities; and (3) help small communities use a broad range of financial tools to address critical infrastructure challenges and provide long-term financial support for the rehabilitation and repair of core infrastructure for those in most need.

The Ontario Community Infrastructure Fund is composed of two components: (1) the Application-Based Component; and (2) the Formula-Based Component. The Formula-Based Component of the Ontario Community Infrastructure Fund is based on a municipality's local fiscal circumstances and its total core infrastructure assets with a minimum grant of fifty thousand dollars ($50,000.00).

The Recipient is eligible to receive funding under the Formula-Based Component of the Ontario Community Infrastructure Fund.

CONSIDERATION

In consideration of the mutual covenants and agreements contained in this Agreement and for other good and valuable consideration, the receipt and sufficiency of which is expressly acknowledged, the Parties agree as follows:

1.0 ENTIRE AGREEMENT

1.1 This Agreement, including:

Schedule "A" – General Terms And Conditions,
Schedule "B" – Additional Terms And Conditions,
Schedule "C" – Operational Requirements Under The Agreement,
Schedule "D" – Eligible Project Categories,
Schedule "E" – Eligible And Ineligible Costs,

Schedule "F" – Financial Information,
Schedule "G" – Aboriginal Consultation Requirements,
Schedule "H" – Communications Protocol, and
Schedule "I" – Reports,

constitutes the entire agreement between the Parties with respect to the subject matter contained in this Agreement and supersedes all prior oral or written representations and agreements.

2.0 COUNTERPARTS

2.1 This Agreement may be executed in any number of counterparts, each of which will be deemed an original, but all of which together will constitute one and the same instrument.

3.0 AMENDING AGREEMENT

3.1 This Agreement may only be amended by a written agreement duly executed by the Parties.

4.0 ACKNOWLEDGEMENT

4.1 The Recipient acknowledges and agrees that:

(a) By receiving Funds it may become subject to legislation applicable to organizations that receive funding from the Government of Ontario, including the *BPSAA*, the *PSSDA* and the *AGA*;
(b) Her Majesty the Queen in Right of Ontario has issued expenses, perquisites and procurement directives and guidelines pursuant to the *BPSAA* that may be applicable to the Recipient;
(c) The Funds are
  (i) To assist the Recipient to carry out the Project and not to provide goods or services to the Ontario Community Infrastructure Fund – Formula-Based Component, and
  (ii) Funding for the purposes of the *PSSDA*; and
(d) The Province is not responsible for, nor does the Province have a managerial role in, the undertaking, implementation, completion, operation and/or maintenance of any Project to which Funds are directed. The Recipient will not seek to hold the Province responsible for the undertaking, implementation, completion, operation and/or maintenance of any Projects to which Funds are directed through recourse to a third party, arbitrator, tribunal or court.

5.0 IMPACT OF RECEIVING FUNDING UNDER THIS AGREEMENT ON ANY EXISTING ONTARIO COMMUNITY INFRASTRUCTURE FUND FUNDING COMPONENT AGREEMENT

5.1 The Recipient acknowledges and agrees that if the Recipient receives Funds under this Agreement, the Recipient will be ineligible to receive any additional funds under any existing Ontario Community Infrastructure Fund Formula-Based Component agreement that it may

have with the Province. By way of example only, if the Recipient has an existing Ontario Community Infrastructure Fund Formula-Based Component agreement with the Province and was eligible to receive Funds for 2017 under that existing Ontario Community Infrastructure Fund Formula-Based Component agreement and receives Funds for 2017 under this Agreement, the Recipient is not eligible to receive any Funds for 2017 under its existing Ontario Community Infrastructure Fund Formula-Based Component agreement.

[REST OF PAGE INTENTIONALLY LEFT BLANK – SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF the Parties have executed this Agreement on the dates set out below.

HER MAJESTY THE QUEEN IN RIGHT OF ONTARIO,
as represented by the Minister of Agriculture, Food and Rural Affairs

Name: Randy Jackiw
Title: Assistant Deputy Minister

Date Feb 24/17

I have the authority to bind the Crown pursuant to delegated authority.

THE CORPORATION OF THE COUNTY OF GREY

Name: *Insert Name* Alan Barfoot
Title: *Insert Position* Warden

Date Jan 26/17

AFFIX CORPORATE SEAL

Name: *Insert Name* Sharon Vokes
Title: *Insert Position* Clerk

Date Jan 26/17

I/We have the authority to bind the Recipient.

[REST OF PAGE INTENTIONALLY LEFT BLANK – SCHEDULE "A" FOLLOWS]

SCHEDULE "A"
GENERAL TERMS AND CONDITIONS

ARTICLE A1
INTERPRETATION AND DEFINITIONS

A1.1 Interpretation. For the purposes of interpreting this Agreement:

(a) Words in the singular include the plural and vice versa;

(b) Words in one gender include all genders;

(c) The headings do not form part of this Agreement; they are for reference purposes only and will not affect the interpretation of the Agreement;

(d) Any reference to dollars or currency will be in Canadian dollars and currency;

(e) Any reference to a statute means a statute of the Province of Ontario, unless otherwise indicated;

(f) Any reference to a statute is to that statute and to the regulations made pursuant to that statute as they may be amended from time to time and to any statute or regulations that may be passed that have the effect of supplanting or superseding that statute or regulation unless a provision of this Agreement provides otherwise;

(g) All accounting terms will be interpreted in accordance with the Generally Accepted Accounting Principles and all calculations will be made and all financial data to be submitted will be prepared in accordance with the Generally Accepted Accounting Principles; and

(h) The words "include", "includes" and "including" denote that the subsequent list is not exhaustive.

A1.2 Definitions. In this Agreement, the following terms will have the following meanings:

"Aboriginal Group" includes the Indian, Inuit and Métis peoples of Canada or any other group holding Aboriginal or treaty rights under section 35 of the *Constitution Act, 1982*.

"Additional Terms and Conditions" means the terms and conditions referred to in section A9.1 of Schedule "A" to this Agreement and specified in Schedule "B" of this Agreement.

"*AGA*" means the *Auditor General Act*.

"Agreement" means this agreement entered into between the Province and the Recipient and includes all of the Schedules listed in section 1.1 of this Agreement and any amending agreement entered into pursuant to section 3.1 of this Agreement.

"Allocation Notice" means the notice that the Recipient received from the Province setting out the amount of Funds the Recipient is eligible to receive from the Province for the Funding Year in which the notice was issued. The "Allocation Notice" also includes the proposed allocation of Funds that the Recipient is eligible to receive for the following two Funding Years (although these proposed allocations are subject to change).

"Annual Financial Report" means the report that the Province will provide, either in paper or electronically, to the Recipient pursuant to this Agreement.

"Arm's Length" has the same meaning as set out in the *Income Tax Act* (Canada), as it read on the Effective Date of this Agreement, and as treated or defined under Generally Accepted Accounting Principles.

"Auditor General" means the Auditor General of Ontario.

"BPSAA" means the *Broader Public Sector Accountability Act, 2010.*

"Business Day" means any working day, Monday to Friday inclusive, excluding statutory and other holidays, namely: New Year's Day; Family Day; Good Friday; Easter Monday; Victoria Day; Canada Day; Civic Holiday; Labour Day; Thanksgiving Day; Remembrance Day; Christmas Day; Boxing Day; and any other day on which the Province is closed for business.

"Communications Protocol" means the protocol set out under Schedule "H" of this Agreement.

"Consultant" means any person the Recipient retains to do work related to this Agreement.

"Conflict Of Interest" includes any circumstances where:

(a) The Recipient; or

(b) Any person who has the capacity to influence the Recipient's decisions,

has outside commitments, relationships or financial interests that could, or could be seen to, interfere with the Recipient's objective, unbiased and impartial judgment relating to the Project, the use of the Funds or both.

"Contract" means an agreement between the Recipient and a third-party whereby the third-party provides a good or service for the Project in return for financial consideration that may be submitted by the Recipient for the Province's consideration as an Eligible Cost.

"Effective Date" means the date on which this Agreement is effective, as set out under section C1.1 of Schedule "C" of this Agreement.

"Eligible Costs" means those costs set out under section E1.1 of Schedule "E" of this Agreement.

"Event of Default" has the meaning ascribed to it in section 15.1 of Schedule "A" this Agreement.

"Expiry Date" means the date on which this Agreement will expire, as set out under section C1.2 of Schedule "C" of this Agreement unless amended or terminated prior to this date in accordance with the terms and conditions of this Agreement.

"FAA" means the *Financial Administration Act.*

"Failure" means a failure to comply with any term, condition, obligation under any other agreement that the Recipient has with Her Majesty the Queen in Right of Ontario or one of Her agencies.

"FIPPA" means the *Freedom of Information and Protection of Privacy Act,* 1990.

"First Nation" means a band, as defined under section 2(1) of the *Indian Act* (Canada).

"Funding Year" means the period commencing January 1st of one calendar year and ending December 31st of the same calendar year.

"Funds" means the money the Province provides to the Recipient pursuant to this Agreement, as set out in an Allocation Notice or Revised Allocation Notice issued under this Agreement each Funding Year.

"Indemnified Parties" means Her Majesty the Queen in Right of Ontario, Her Ministers, agents, appointees and employees.

"Ineligible Costs" means those costs set out under section E2.1 of Schedule "E" of this Agreement.

"**Interest Earned**" means the amount of money earned by the Recipient from placing the Funds in an interest bearing account as set out under section A3.4 of Schedule "A" of this Agreement.

"Local Services Board" means a board established under the *Northern Services Boards Act*.

"MA" means the *Municipal Act, 2001*.

"Notice" means any communication given or required to be given pursuant to this Agreement.

"Notice Period" means the period of time within which the Recipient is required to remedy an Event of Default, and includes any such period or periods of time by which the Province considers it reasonable to extend that time.

"Parties" means the Province and the Recipient collectively.

"Party" means either the Province or the Recipient.

"Project" means the undertaking:
(a) Described in the Project Information Form the Province provides to the Recipient pursuant to this Agreement; and
(b) Approved by the Province.

"Project Information Form" means the form that the Province will provide, either in paper or electronically, to the Recipient pursuant to this Agreement.

"PSSDA" means the *Public Sector Salary Disclosure Act, 1996*.

"Reports" means the reports set out under Schedule "I" of this Agreement.

"Requirements of Law" means all applicable statutes, regulations, by-laws, ordinances, codes, official plans, rules, approvals, permits, licenses, authorizations, orders, decrees, injunctions, directions and agreements with all authorities that now or at any time hereafter may relate to the Recipient, the Project, the Funds and this Agreement. Without limiting the generality of the foregoing, if the Recipient is subject to the *BPSAA*, the *PSSDA* or any other type of broader public sector accountability legislative provisions, the *BPSAA*, the *PSSDA*

and those broader public sector accountability legislative provisions are deemed to be a Requirement of Law.

"Revised Allocation Notice" means an Allocation Notice that the Province issues that alters an Allocation Notice that the Province previously issued.

"Term" means the period of time beginning on the Effective Date of this Agreement and ending on the Expiry Date unless terminated earlier pursuant to Articles A13, A14 or A15 of this Agreement.

A1.3 ***Conflict.*** Subject to section A9.1 of Schedule "A" of this Agreement, in the event of a conflict between the terms and conditions set out in this Schedule "A" of the Agreement and the terms or conditions set out in any other Schedule of this Agreement, the terms and conditions set out under this Schedule "A" of the Agreement will prevail.

ARTICLE A2
REPRESENTATIONS, WARRANTIES AND COVENANTS

A2.1 ***General.*** The Recipient represents, warrants and covenants that:

(a) It is, and will continue to be for the Term of this Agreement, a validly existing legal entity with full power to fulfill its obligations under this Agreement;

(b) It has, and will continue to have for the Term of this Agreement, the experience and expertise necessary to carry out the Project;

(c) It has the financial resources necessary to carry out any Projects to which it directs any of the Funds being provided under this Agreement and is not indebted to any person to the extent that that indebtedness would undermine the Recipient's ability to complete the Projects to which it directs the Funds;

(d) It is in compliance with all Requirements of Law and will remain in compliance with all Requirements of Law related to any aspect of the Project, the Funds or both for the Term of this Agreement; and

(e) Unless otherwise provided for in this Agreement, any information the Recipient provided to the Province in support of its request for Funds, including any information relating to any eligibility requirements, was true and complete at the time the Recipient provided it.

A2.2 ***Execution Of Agreement.*** The Recipient represents and warrants that it has:

(a) The full power and authority to enter into this Agreement; and

(b) Taken all necessary actions to authorize the execution of this Agreement.

A2.3 ***Governance.*** The Recipient represents, warrants and covenants that it has, and will maintain, in writing for the Term of this Agreement:

(a) A code of conduct and ethical responsibilities for all persons at all levels of the Recipient's organization;

(b) Procedures to ensure the ongoing effective functioning of the Recipient;

(c) Decision-making mechanisms for the Recipient;

(d) Procedures to enable the Recipient to manage the Funds prudently and effectively;

(e) Procedures to enable the Recipient to successfully complete the Project;

(f) Procedures to enable the Recipient to, in a timely manner, identify risks to the completion of the Project and develop strategies to address those risks;

(g) Procedures to enable the preparation and delivery of all Reports required under this Agreement; and

(h) Procedures to enable the Recipient to deal with such other matters as the Recipient considers necessary to ensure that the Recipient carries out its obligations under this Agreement.

A2.4 Approvals, Licenses And Permits. The Recipient represents, warrants and covenants that it has or will apply for any approval, license, permit or similar authorization necessary to carry out the Project before carrying out the Project. For greater clarity, the Recipient acknowledges and agrees that the entering into this Agreement does not in any way obligate any regulatory authority established under an Act of the Ontario Legislature to issue any type of approval, license, permit or similar authorization that the Recipient may need or want in relation to undertaking any Project to which Funds are directed or to meet any other term or condition under this Agreement.

A2.5 Supporting Documentation. Upon request, and within the time period indicated in the Notice, the Recipient will provide the Province with proof of the matters referred to in this Article A2 of this Agreement.

A2.6 Additional Covenants. The Recipient undertakes to advise the Province within five (5) Business Days of:

(a) Any changes that affect its representations, warranties and covenants under sections A2.1, A2.2, A2.3 or A2.4 of Schedule "A" of this Agreement during the Term of the Agreement; and

(b) Any actions, suits or other proceedings which could or would reasonably prevent the Recipient from complying with the terms and conditions of this Agreement.

ARTICLE A3
FUNDS AND CARRYING OUT THE PROJECT

A3.1 Funds Provided. The Province will:

(a) Provide the Recipient up to the amount of Funds set out in the Allocation Notice for each Funding Year during the Term of this Agreement for the sole purpose of carrying out one or more Projects;

(b) Provide the Funds to the Recipient in accordance with Schedule "F" of this Agreement;

(c) Deposit the Funds into an account designated by the Recipient, provided that account:

(i) Resides at a Canadian financial institution, and

(ii) Is in the name of the Recipient.

A3.2 Limitation On Payment Of Funds. Despite section A3.1 of Schedule "A" of this Agreement:

(a) The Province is not obligated to provide any Funds set out in an Allocation Notice or Revised Allocation Notice to the Recipient in any Funding Year until:

(i) The Recipient provides the insurance certificate or other proof as the Province may request pursuant to section A12.2 of Schedule "A" of this Agreement,

(ii) The Recipient has submitted to the Ministry of Municipal Affairs any outstanding financial information returns by December 31st of each calendar year,

(iii) The Recipient has submitted to the Ministry of Agriculture, Food and Rural Affairs all outstanding reporting under any other Ontario Community Infrastructure Fund contribution agreement, and

(iv) The Recipient has submitted to the Ministry of Agriculture, Food and Rural Affairs a copy of their asset management plan and any subsequent updates by December 31st of each calendar year if not previously submitted;

(b) The Province is not obligated to provide any instalments of Funds set out in an Allocation Notice to the Recipient in any Funding Year until the Province is satisfied with the progress of the Project;

(c) The Province may, acting reasonably:

(i) Adjust the amount of Funds set out in the Recipient's Allocation Notice or Revised Allocation Notice, and/or

(ii) Adjust the amount of Funds the Province actually provides to the Recipient in any Funding Year, and/or

(iii) Hold all or a portion of the Funds set out in the Recipient's Allocation Notice or Revised Allocation Notice

based upon the Province's assessment of the information provided by the Recipient pursuant to Article A7 of Schedule "A" of this Agreement; and

(d) If, pursuant to the *FAA*, the Province does not receive the necessary appropriation from the Ontario Legislature for any payment under this Agreement, the Province is not obligated to make any such payment, and, as a consequence, the Province may:

(i) Reduce the amount of Funds and, in consultation with the Recipient, change the Project without liability, penalty or costs; or

(ii) Terminate the Agreement pursuant to section A14.1 of Schedule "A" of this Agreement.

A3.3 Use Of Funds And Project. The Recipient will:

(a) Only use the Funds being provided under this Agreement toward Projects that fall within the category of projects set out under section D1.1 of Schedule "D" of this Agreement;

(b) Carry out and complete any Projects in accordance with the terms and conditions of this Agreement;

(c) Use the Funds only for Eligible Costs that are necessary to carry out the Project; and

(d) Not use the Funds for Ineligible Costs.

A3.4 Interest Bearing Account. If the Province provides Funds to the Recipient before the Recipient's immediate need for the Funds, the Recipient will place the Funds in an interest-bearing account in the name of the Recipient at a Canadian financial institution. The Recipient will hold the Funds plus the Interest Earned in trust for the Province until the Recipient needs the Funds for the Projects.

A3.5 No Provincial Payment Of Interest. The Province is not required to pay interest on any Funds under this Agreement. For greater clarity, this includes interest on any Funds that the Province has withheld paying to the Recipient pursuant to a term or condition set out in this Agreement.

A3.6 Funds For Funding Year Limited To Amount Set Out In Allocation Notice Or Revised Allocation Notice. The Recipient acknowledges and agrees that the Funds available to it for a Funding Year will not exceed the amount set out in the Recipient's Allocation or Revised Allocation Notice for that Funding Year.

A3.7 Recipient May Save Funds From One Funding Year To Use In Later Funding Years. The Recipient may save any Funds that it receives in one Funding Year, including any interest earned thereon, for use in later Funding Years. Where the Recipient saves Funds from one Funding Year to use in later Funding Years, the Recipient will be deemed to have spent any Interest Earned first, followed by the principal.

A3.8 Saved Funds From One Funding Year Must Be Spent Within Five Funding Years Of The Year The Funds Were Allocated. Despite anything else in this Agreement, the Recipient will spend any Funds, including any interest earned thereon, that it received and has saved within five (5) Funding Years in which those Funds were received. By way of example only, if a Recipient received Funds from the Province in 2017 and decided to save those Funds, the Recipient must spend those Funds, including any interest earned thereon, by December 31, 2021. In the event that the Recipient does not spend those saved Funds in accordance with the requirements set out in this section A3.8 of the Agreement, those saved Funds, including any Interest Earned thereon, will be returned to the Province.

A3.9 Transfer Of Funds. The Recipient may transfer Funds provided under this Agreement to another entity provided the following is met:

(a) The transfer of Funds is for a Project that is set out under section D1.1 of Schedule "D" of this Agreement;

(b) The Project is in both the Recipient and the other entity's asset management plan; and

(c) The entity receiving the Recipient's Funds must be eligible to receive those Funds.

A3.10 Funds May Be Used For Projects Under Other Federal Or Provincial Funding Programs. The Recipient may use the Funds being provided under this Agreement for projects covered under other provincial or federal funding programs provided the following is met:

(a) The project is also a Project that is set out under section D1.1 of Schedule "D" of this Agreement; and

(b) The other provincial or federal funding program allows for Funds being provided under the Ontario Community Infrastructure Fund to be used toward a project under that other provincial or federal funding program.

A3.11 Rebates, Credits and Refunds. The Recipient acknowledges and agrees that the amount of Funds available to it pursuant to this Agreement is based on the actual costs to the Recipient, less any costs, for which the Recipient has received, will receive or is eligible to receive, a rebate, credit or refund.

ARTICLE A4
ABORIGINAL CONSULTATION

A4.1 Provision Of Funds Dependent Upon The Province Meeting Its Duty To Consult Obligations. The Recipient acknowledges and agrees that the provision of any Funds under this Agreement is strictly conditional upon the Province satisfying any obligations it may have to consult with and, if appropriate, accommodate any Aboriginal Group with an interest in any Project in which Funds are directed in order for the Project to proceed.

A4.2 Recipient Is The Province's Delegate For Purposes Of Consultation With Aboriginal Groups. By entering into this Agreement, the Province delegates the procedural aspects of

any consultation obligations the Province may have with any Aboriginal Group in relation to any Project in which Funds are directed to the Recipient as set out in Schedule "G" of this Agreement. The Recipient, by signing this Agreement acknowledges that the Province has delegated the procedural aspects of any consultation obligations that the Province may have with any Aboriginal Group in relation to any Project in which Funds are directed and accepts said delegation and agrees to act diligently as the Province's delegate so as to preserve the Honour of the Crown in relation to any consultation obligations that the Province may have in relation to any Project in which Funds are directed.

A4.3 Recipients Obligations In Relation To Consultations. The Recipient will:

(a) Be responsible for consulting with any Aboriginal Group that has an interest in any Project in which Funds are directed on behalf of the Province in accordance with Schedule "G" of this Agreement;

(b) Take directions from the Province in relation to consulting with any Aboriginal Group with an interest in any Project in which Funds are directed as well as any other directions that the Province may issue in relation to consultations, including suspending or terminating any Project in which Funds are directed; and

(c) Provide a detailed description of any actions it took in relation to consultation with any Aboriginal Group with an interest in any Project in which Funds are directed in its Reports.

A4.4 Recipient Will Not Start Construction On Any Project Until Recipient Provides Evidence To The Province That Notice Of Project Has Been Given To Identified Aboriginal Groups. Despite anything else in this Agreement, the Recipient will not commence or allow a third party to commence construction on any aspect of any Project in which Funds are directed for forty-five (45) Business Days, or such other longer or shorter time as the Province may direct, after it has provided the Province with written evidence that the Recipient has sent notice about any Project in which Funds are directed to the Aboriginal Groups the Province has identified in accordance with Schedule "G" of this Agreement.

ARTICLE A5
RECIPIENT'S ACQUISITION OF GOODS AND SERVICES AND DISPOSAL OF ASSETS

A5.1 Acquisition Of Goods And Services In Competitive Procurement Process. The Recipient will acquire any goods and services for the Project through a transparent, competitive process that ensures the best value for any Funds expended and at no greater value than fair market value, after deducting trade discounts and/or other discounts available to the Recipient. Without limiting the generality of the foregoing, where the Recipient is a municipal entity to which the *MA* applies, the Recipient will follow its procurement policies required under the *MA*. Where the Recipient is a Local Services Board, the Recipient will obtain a minimum of three (3) written quotes for any goods or services which exceed twenty-five thousand dollars ($25,000.00), unless the Province provides its prior written approval to obtain such goods or services in another manner. The Province may waive the requirements of this section A5.1 of the Agreement if:

(a) The goods or services the Recipient is purchasing are not readily available; or

(b) The Recipient has researched the market for a similar purchase within the last two (2) years and knows prevailing market costs for those good or services being purchased.

A5.2 ***BPSAA.*** For greater clarity, if the Recipient is subject to the *BPSAA* and there is a conflict between the *BPSAA* and a requirement under this Article A5 of the Agreement, the *BPSAA* will apply and prevail to the extent of that conflict.

A5.3 ***Contracts.*** The Recipient will ensure that all Contracts:

(a) Are consistent with this Agreement;
(b) Do not conflict with this Agreement;
(c) Incorporate the relevant provisions of this Agreement to the fullest extent possible;
(d) Require that any parties to those Contracts comply with all Requirements of Law; and
(e) Authorize the Province to perform audits of the parties to those Contracts in relation to the Project or any Funds provided to those parties.

A5.4 ***Use Of Consultants.*** The Province recognizes and acknowledges that the Recipient may engage one or more Consultants for the purposes of carrying out any Projects in which Funds are directed. The Recipient will have sole responsibility for hiring and terminating the employment of said Consultants. The Recipient further acknowledges and agrees that the Recipient will be responsible for all acts and actions of the Recipient's Consultants and that all such acts and actions will be treated as acts and actions of the Recipient for the purposes of this Agreement.

A5.5 ***Asset Retention.*** The Recipient will comply with section C1.3 of Schedule "C" of this Agreement as it relates to the retention of any assets purchased, built or rehabilitated with Funds being provided under this Agreement.

A5.6 ***Trade Agreements.*** If the Recipient is subject to any provincial or federal trade agreements to which the Province is a party, the Recipient will comply with the applicable requirements of such trade agreements. In particular, and without limitation, if the Recipient is subject to Annex 502.4 of the *Agreement on Internal Trade*, the Recipient will comply with all applicable requirements of Annex 502.4. In the event of any conflict between any requirement under Annex 502.4 and a requirement under this Article A5 of the Agreement, Annex 502.4 will apply and prevail to the extent of that conflict.

ARTICLE A6
CONFLICT OF INTEREST

A6.1 ***No Conflict Of Interest.*** The Recipient will carry out the Project and use the Funds without an actual, potential or perceived Conflict of Interest.

A6.2 ***Disclosure To The Province:*** The Recipient will:

(a) Disclose to the Province, without delay, any situation that a reasonable person would interpret as an actual, potential or perceived Conflict Of Interest; and
(b) Comply with any terms and conditions that the Province may impose as a result of the disclosure.

ARTICLE A7
REPORTS, RECORDS, INSPECTION, AUDITS AND THE PROVISION OF INFORMATION

A7.1 ***Preparation And Submission.*** The Recipient will:

(a) Submit to the Province at the address referred to in section C1.4 of Schedule "C" of this Agreement all Reports in accordance with the timelines and content requirements set out in Schedule "I" of this Agreement, or in a form as specified by the Province from time to time;
(b) Ensure that all Reports are completed to the satisfaction of the Province; and
(c) Ensure that all Reports are signed on behalf of the Recipient by an authorized signing officer and that the accompanying attestation has been completed.

A7.2 Records Maintenance. The Recipient will keep and maintain:
(a) All financial records, including invoices, relating to the Funds or otherwise to the Project in a manner consistent with generally acceptable accounting principles; and
(b) All non-financial documents and records relating to the Funds or otherwise to the Project in a manner consistent with all Requirements of Law.

A7.3 Inspection. The Province, its authorized representatives or an independent auditor identified by the Province may, at its own expense, upon twenty-four (24) hours' Notice to the Recipient during normal business hours, enter the Recipient's premises to review the progress of the Project and the Recipient's allocation and expenditure of the Funds and, for these purposes, the Province, its authorized representatives or an independent auditor identified by the Province may take one or more of the following actions:
(a) Inspect and copy the records and documents referred to in this section A7.2 of Schedule "A" of this Agreement;
(b) Remove any copies made pursuant to section A7.3(a) of Schedule "A" of this Agreement from the Recipient's premises; and
(c) Conduct an audit or investigation of the Recipient in respect of the expenditure of the Funds, the Project or both.

A7.4 Disclosure. To assist in respect of the rights set out under section A7.3 of Schedule "A" of this Agreement, the Recipient will disclose any information requested by the Province, its authorized representatives or an independent auditor identified by the Province and will do so in the form requested by the Province, its authorized representatives or an independent auditor identified by the Province, as the case may be.

A7.5 No Control Of Records. No provision of this Agreement will be construed so as to give the Province any control whatsoever over the Recipient's records.

A7.6 Auditor General. For greater certainty, the Province's rights under this Article of the Agreement are in addition to any rights provided to the Auditor General pursuant to section 9.1 of the *AGA*.

A7.7 Provision Of Information. The Recipient will provide to the Province, within the time period set out in the Notice, such information in respect of this Agreement or any Project in which Funds are directed as the Province requests.

ARTICLE A8
COMMUNICATIONS

A8.1 Recipient To Follow Communications Protocol. The Recipient will follow the Communications Protocol set out under Schedule "H" of this Agreement.

A8.2 Publication By The Province. The Recipient agrees the Province may, in addition to any obligations the Province may have under *FIPPA*, publicly release information under this Agreement, including the Agreement itself, in hard copy or in electronic form, on the internet or otherwise.

ARTICLE A9
ADDITIONAL TERMS AND CONDITIONS

A9.1 Additional Terms and Conditions. The Recipient will comply with any Additional Terms and Conditions set out under Schedule "B" of this Agreement. In the event of a conflict or inconsistency between any of the requirements of the Additional Terms and Conditions and any requirements of this Schedule "A" of this Agreement, the Additional Terms and Conditions will prevail.

ARTICLE A10
DISCLOSURE OF INFORMATION PROVIDED TO THE PROVINCE

A10.1 FIPPA. The Recipient acknowledges that the Province is bound by the *FIPPA*.

A10.2 Disclosure Of Information. Any information provided to the Province in connection with the Project or otherwise in connection with the Agreement may be subject to disclosure in accordance with *FIPPA* and any other Requirements of Law.

ARTICLE A11
INDEMNITY, LIMITATION OF LIABILITY AND DUTY TO DEFEND

A11.1 Indemnification. The Recipient hereby agrees to indemnify and hold harmless the Indemnified Parties from and against any and all direct or indirect liability, loss, costs, damages and expenses (including legal, expert and consultant fees), causes of action, actions, claims, demands, lawsuits or other proceedings, by whomever made, sustained, incurred, brought or prosecuted, in any way arising out of or in connection with the Project or otherwise in connection with this Agreement, unless solely caused by the gross negligence or wilful misconduct of the Province.

A11.2 Exclusion Of Liability. The Recipient acknowledges and agrees that in no event will the Province be liable for any general, compensatory, incidental, special or consequential damages, or any loss of use, revenue or profit by the Recipient or the Recipient's officers, servants, employees and agents arising out of or in any way related to this Agreement.

A11.3 Recipient's Participation. The Recipient will, at its expense, to the extent requested by the Province, participate in or conduct the defence of any proceeding against any Indemnified Parties and any negotiations for their settlement.

A11.4 Province's Election. The Province may elect to participate in or conduct the defence of any proceeding by providing Notice to the Recipient of such election without prejudice to any other rights or remedies of the Province under this Agreement, at law or in equity. Each Party participating in the defence will do so by actively participating with the other's counsel.

A11.5 Settlement Authority. The Recipient will not enter into a settlement of any proceeding against any Indemnified Parties unless the Recipient has obtained the prior written approval of the Province. If the Recipient is requested by the Province to participate in or conduct the defence of any proceeding, the Province will co-operate with and assist the Recipient to the fullest extent possible in the proceeding and any related settlement negotiations.

A11.6 Recipient's Co-operation. If the Province conducts the defence of any proceedings, the Recipient will co-operate with and assist the Province to the fullest extent possible in the proceedings and any related settlement negotiations.

ARTICLE A12
INSURANCE

A12.1 Recipient's Insurance. The Recipient represents and warrants that it has, and will maintain for each Project being funded under this Agreement for a period of ninety (90) days after the Recipient has submitted a Project Information Form attesting that the Project is complete , at its own cost and expense, with insurers having a secure A.M. Best rating of B+ or greater, or the equivalent, all necessary and appropriate insurance that a prudent person carrying out a project similar to the Project would maintain, including commercial general liability insurance on an occurrence basis for third party bodily injury, personal injury and property damage, to an inclusive limit of not less than the amount set out under section C1.5 of Schedule "C" of this Agreement per occurrence. The policy will include the following:

(a) The Indemnified Parties as additional insureds with respect to liability arising in the course or performance of the Recipient's obligations under, or otherwise in connection with, the Project or under this Agreement;
(b) A cross-liability clause;
(c) Contractual liability coverage;
(d) Products and completed operations liability coverage;
(e) Employer's liability coverage;
(f) Tenant's legal liability coverage (for premises/building leases only);
(g) Non-owned automobile coverage with blanket contractual and physical damage coverage for hired automobiles; and
(h) A thirty (30) day written notice of cancellation provision.

A12.2 Proof Of Insurance. The Recipient will provide the Province with certificates of insurance, or other proof as the Province may request within the time limit set out in that request, that confirms the insurance coverage as required under section A12.1 of Schedule "A" of this Agreement.

A12.3 Right Of "First Call" On Insurance Proceeds. The Recipient will provide the Indemnified Parties with a right of "first call" or priority over any other person, including the Recipient, to use or enjoy the benefits of the proceeds from the insurance policy required under section A12.1 of Schedule "A" of this Agreement to pay any suits, judgments, claims, demands, expenses, actions, causes of action and losses (including without limitation, reasonable legal expenses and any claim for a lien made pursuant to the *Construction Lien Act* and for any and all liability, damages to property and injury to persons (including death)) that may be brought against the Indemnified Parties as a result of this Agreement.

ARTICLE A13
TERMINATION ON NOTICE

A13.1 Termination On Notice. The Province may terminate this Agreement at any time without liability, penalty or costs upon giving at least thirty (30) days' Notice to the Recipient.

A13.2 Consequences Of Termination On Notice By The Province. If the Province terminates this Agreement pursuant to section A13.1 of Schedule "A" of this Agreement, the Province may take one or more of the following actions:

(a) Direct that the Recipient does not incur any costs for the Project that are Eligible Costs under this Agreement without the Province's prior written consent;
(b) Cancel any further installments of the Funds;
(c) Demand the repayment of any Funds remaining in the possession or under the control of the Recipient; and
(d) Determine the reasonable costs for the Recipient to wind down the Project, and do either or both of the following:
    (i) Permit the Recipient to offset such costs against the amount owing pursuant to section A12.3(c) of Schedule "A" of this Agreement; and
    (ii) Subject to section A3.9 of Schedule "A" of this Agreement, provide Funds to the Recipient to cover such costs.

ARTICLE A14
TERMINATION WHERE NO APPROPRIATION

A14.1 Termination Where No Appropriation. If, as provided for in section A3.2(d) of Schedule "A" of this Agreement, the Province does not receive the necessary appropriation from the Ontario Legislature for any payment the Province is to make pursuant to this Agreement, the Province may terminate the Agreement immediately without liability, penalty or costs by giving Notice to the Recipient.

A14.2 Consequences Of Termination Where No Appropriation. If the Province terminates this Agreement pursuant to section A14.1 of Schedule "A" of this Agreement, the Province may take one or more of the following actions:

(a) Cancel any further installments of the Funds;
(b) Demand the repayment of any Funds plus any Interest Earned on the unspent Funds remaining in the possession or under the control of the Recipient; and
(c) Determine the reasonable costs for the Recipient to wind down the Project and permit the Recipient to offset such costs against the amount owing pursuant to section A14.2(b) of Schedule "A" of this Agreement.

A14.3 No Additional Funds. For greater clarity, if the costs determined pursuant to section A14.2(c) of Schedule "A" of this Agreement exceed the Funds remaining in the possession or under the control of the Recipient, the Province will not provide additional Funds to the Recipient.

ARTICLE A15
EVENT OF DEFAULT, CORRECTIVE ACTION AND TERMINATION FOR DEFAULT

A15.1 Events Of Default. Each of the following events will constitute an Event of Default:

(a) In the opinion of the Province, the Recipient breaches any representation, warranty, covenant or other term of the Agreement, including failing to do any of the following in accordance with the terms and conditions of this Agreement:
  (i) Carry out the Project,
  (ii) Use or spend the Funds,
  (iii) Provide any Reports required under this Agreement, or
  (iv) The Recipient fails to follow any directions that the Province provides under this Agreement;

(b) The Recipient has provided false or misleading information to the Province;

(c) The Recipient is unable to continue any Project in which Funds are directed or the Recipient is likely to discontinue any Project in which Funds are directed;

(d) The Recipient's operations, or its organizational structure, changes such that it no longer meets one or more of the eligibility requirements of the program under which the Province provides the Funds;

(e) The Recipient makes an assignment, proposal, compromise, or arrangement for the benefit of creditors, or a creditor makes an application or an order adjudging the Recipient bankrupt, or applies for the appointment of a receiver; or

(f) The Recipient ceases to operate.

A15.2 Consequences Of Events Of Default And Corrective Action. If an Event of Default occurs, the Province may, at any time, take one or more of the following actions:

(a) Initiate any action the Province considers necessary in order to facilitate the successful continuation or completion of the Project;

(b) Provide the Recipient with an opportunity to remedy the Event of Default;

(c) Suspend the payment of Funds for such a period as the Province determines appropriate;

(d) Reduce the amount of Funds;

(e) Cancel any further installments of the Funds;

(f) Demand the repayment of any Funds remaining in the possession or under the control of the Recipient;

(g) Demand the repayment of an amount equal to any Funds the Recipient used, but did not use in accordance with the terms and conditions of this Agreement;

(h) Demand the repayment of an amount equal to any Funds the Province provided to the Recipient, even though the Project is partially completed; and

(i) Terminate this Agreement at any time, including immediately, without liability, penalty or costs to the Province upon giving Notice to the Recipient.

A15.3 Opportunity To Remedy. If, in accordance with section A15.2(b) of Schedule "A" of this Agreement, the Province provides the Recipient with an opportunity to remedy the Event of Default, the Province will provide Notice to the Recipient of:

(a) The particulars of the Event of Default; and

(b) The Notice Period.

A15.4 Recipient Not Remedying. If the Province has provided the Recipient with an opportunity to remedy the Event of Default pursuant to section A15.2(b) of Schedule "A" of this Agreement, and;

(a) The Recipient does not remedy the Event of Default within the Notice Period;

(b) It becomes apparent to the Province that the Recipient cannot completely remedy the Event of Default within the Notice Period; or

(c) The Recipient is not proceeding to remedy the Event of Default in a way that is satisfactory to the Province,

the Province may extend the Notice Period, or initiate any one or more of the actions provided for in sections A15.2(b), (c), (d), (e), (f), (g), (h) and (i) of Schedule "A" of this Agreement.

A15.5 When Termination Effective. Termination under this Article A15 of Schedule "A" of this Agreement will take effect as set out in the Notice.

ARTICLE A16
LOBBYISTS AND AGENT FEES

A16.1 Lobbyists And Agent Fees. The Recipient represents and warrants:

(a) Any person hired by the Recipient to speak or correspond with any employee or other person representing the Province concerning any matter relating to any Funds under this Agreement or any benefit hereunder is registered, if required to register, pursuant to the *Lobbyists Registration Act, 1998*;

(b) It has not and will not make a payment or other compensation to any other legal entity that is contingent upon or is calculated upon the provision of any Funds hereunder or negotiating the whole or any part of the terms or conditions of this Agreement; and

(c) No money from the Province was used or will be used to lobby or otherwise secure the provision of any Funds in relation to this Agreement.

ARTICLE A17
FUNDS UPON EXPIRY

A17.1 Funds Upon Expiry. The Recipient will, upon the expiry of the Agreement, return to the Province any unspent Funds remaining in its possession or under its control plus any Interest Earned on the unspent Funds.

ARTICLE A18
REPAYMENT

A18.1 Repayment Of Overpayment Or Unspent Saved Funds. If at any time during the Term of this Agreement the Province provides Funds in excess of the amount to which the Recipient is eligible to receive under this Agreement or the Recipient does not spend any Funds that it has saved in accordance with section A3.8 of this Agreement, the Province may:

(a) Deduct an amount equal to the excess or saved Funds plus Interest Earned from any further installments of the Funds; or

(b) Demand that the Recipient pay an amount equal to the excess or saved Funds plus Interest Earned to the Province.

A18.2 Debt Due. If, pursuant to this Agreement:

(a) The Province demands the payment of any Funds or an amount equal to any Funds from the Recipient; or

(b) The Recipient owes any Funds or an amount equal to any Funds to the Province, whether or not their return or repayment has been demanded by the Province,

such Funds or other amount will be deemed to be a debt due and owing to the Province by the Recipient and the Recipient will pay or return the amount to the Province immediately, unless the Province directs otherwise. For greater clarity, in the event that the Recipient makes an assignment, proposal, compromise or arrangement for the benefit of creditors or a creditor makes an application for an order adjudging the Recipient bankrupt or applies for the appointment of a receiver, this section A18.2 of Schedule "A" of this Agreement will not affect any Funds that the Recipient is holding in trust for the Province under section A3.4 of Schedule "A" of this Agreement.

A18.3 Interest Rate. The Province may charge the Recipient interest on any money owing by the Recipient at the then current interest rate charged by the Province of Ontario on accounts receivable.

A18.4 Payment Of Money To Province. If the Province requires the Recipient to repay any Funds or Interest Earned to the Province, the Recipient will pay any money owing to the Province by cheque payable to the "Ontario Minister of Finance" and delivered to the Province at the address referred to in section A19.1 of Schedule "A" of this Agreement.

A18.5 Repayment. Without limiting the application of section 43 of the *FAA*, if the Recipient does not repay any amount owing under this Agreement, Her Majesty the Queen in Right of Ontario may set off any unpaid amount from any money payable to the Recipient by Her Majesty the Queen in Right of Ontario.

A18.6 Funds Are Part Of A Social Or Economic Program. The Recipient acknowledges and agrees that any Funds provided under this Agreement are for the administration of social or economic programs or the provision of direct or indirect support to members of the public in connection with social or economic policy.

ARTICLE A19
NOTICE

A19.1 Notice In Writing And Addressed. Notice will be in writing and will be delivered by email, postage-paid mail, personal delivery or fax and will be addressed to the Province and the Recipient respectively as set out in section C1.6 of Schedule "C" of this Agreement or as either Party later designates to the other by written Notice.

A19.2 Notice Given. Notice will be deemed to have been given:

(a) In the case of postage-paid mail, five (5) Business Days after the Notice is mailed; or

(b) In the case of email, personal delivery or fax, one (1) Business Day after the Notice is delivered.

A19.3 Postal Disruption. Despite section A19.2(a) of Schedule "A" of this Agreement, in the event of a postal disruption,

(a) Notice by postage-paid mail will not be deemed to be received; and

(b) The Party giving Notice will provide Notice by email, personal delivery or fax.

ARTICLE A20
CONSENT BY PROVINCE AND COMPLIANCE BY RECIPIENT

A20.1 Consent. When the Province provides its consent pursuant to this Agreement, that consent will not be considered valid unless that consent is in writing and the person providing the consent indicates in the consent that that person has the specific authority to provide that consent. The Province may also impose any terms and conditions on the consent and the Recipient will comply with such terms and conditions.

ARTICLE A21
SEVERABILITY OF PROVISIONS

A21.1 Invalidity Or Unenforceability Of Any Provision. The invalidity or unenforceability of any provision in this Agreement will not affect the validity or enforceability of any other provision of this Agreement. Any invalid or unenforceable provision will be deemed to be severed.

ARTICLE A22
WAIVER

A22.1 Waivers In Writing. If a Party fails to comply with any term or condition of this Agreement that Party may only rely on a waiver of the other Party if the other Party has provided a written waiver in accordance with the Notice provisions in Article A19 of Schedule "A" of this Agreement. Any waiver must refer to a specific failure to comply and will not have the effect of waiving any subsequent failures to comply. For greater clarity, where the Province chooses to waive a term or condition of this Agreement, such waiver will only be binding if provided by a person who indicates in writing that he or she has the specific authority to provide the waiver.

ARTICLE A23
INDEPENDENT PARTIES

A23.1 Parties Independent. The Recipient acknowledges and agrees that it is not an agent, joint venturer, partner or employee of the Province and the Recipient will not represent itself in any way that might be taken by a reasonable person to suggest that it is or take any actions that could establish or imply such a relationship.

ARTICLE A24
ASSIGNMENT OF AGREEMENT OR FUNDS

A24.1 No Assignment. The Recipient will not, without the prior written consent of the Province, assign any of its rights or obligations under this Agreement.

A24.2 Agreement Binding. All rights and obligations contained in this Agreement will extend to and be binding on the Parties' respective heirs, executors, administrators, successors and permitted assigns.

ARTICLE A25
GOVERNING LAW

A25.1 Governing Law. This Agreement and the rights, obligations and relations of the Parties will be governed by and construed in accordance with the laws of the Province of Ontario and the applicable federal laws of Canada. Any actions or proceedings arising in connection with this Agreement will be conducted in the Courts of Ontario, which will have exclusive jurisdiction over such proceedings.

ARTICLE A26
FURTHER ASSURANCES

A26.1 Agreement Into Effect. The Recipient will provide such further assurances as the Province may request from time to time with respect to any matter to which the Agreement pertains and will otherwise do or cause to be done all acts or things necessary to implement and carry into effect the terms and conditions of this Agreement to their full extent.

ARTICLE A27
JOINT AND SEVERAL LIABILITY

A27.1 Joint And Several Liability. Where the Recipient is comprised of more than one entity, all such entities will be jointly and severally liable to the Province for the fulfillment of the obligations of the Recipient under this Agreement.

ARTICLE A28
RIGHTS AND REMEDIES CUMULATIVE

A28.1 Rights And Remedies Cumulative. The rights and remedies of the Province under this Agreement are cumulative and are in addition to, and not in substitution of, any of its rights and remedies provided by law or in equity.

ARTICLE A29
JOINT AUTHORSHIP

A29.1 Joint Authorship Of Agreement. The Parties will be considered joint authors of this Agreement and no provision herein will be interpreted against one Party by the other Party because of authorship. No Party will seek to avoid a provision herein because of its authorship through recourse to a third party, court, tribunal or arbitrator.

ARTICLE A30
FAILURE TO COMPLY WITH OTHER AGREEMENT

A30.1 Other Agreements. If the Recipient:

(a) Has committed a Failure;
(b) Has been provided with notice of such Failure in accordance with the requirements of such other agreement;
(c) Has, if applicable, failed to rectify such Failure in accordance with the requirements of such other agreement; and
(d) Such Failure is continuing,

the Province may suspend the payment of Funds under this Agreement without liability, penalty or costs for such period as the Province determines appropriate.

ARTICLE A31
SURVIVAL

A31.1 Survival. The provisions of this Agreement that by their nature survive the expiration or early termination of this Agreement will so survive for a period of seven (7) years from the Expiry Date expiry or date of termination. Without limiting the generality of the foregoing, the following Articles and sections, and all applicable cross-referenced sections and schedules will continue in full force and effect for a period of seven (7) years from the Expiry Date or the date of termination: Article A1 and any other applicable definitions, sections A3.2(d), A3.5, section 4.2, section A7.1 (to the extent that the Recipient has not provided the Reports to the satisfaction of the Province), section A6.2 , Article A7, Article A11, section A13.2, sections A14.2 and A14.3, sections A15.1, A15.2(d), (e), (f), (g) and (h), Article A17, Article A18, Article A19, Article A21, section A24.2, Article A25, Article A27, Article A28, Article A29, Article A30 and this Article A31.

A31.2 Survival After Creation. Despite section A31.1 of this Agreement, section A7.2 of this Agreement, including all cross-referenced provisions and Schedules, will continue in full force and effect for a period of seven (7) years from the date in which that document or record referred to in section A7.2 of this Agreement was created.

[REST OF PAGE INTENTIONALLY LEFT BLANK – SCHEDULE "B" FOLLOWS]

SCHEDULE "B"
ADDITIONAL TERMS AND CONDITIONS

B1.1 No Additional Terms And Conditions: *There are no additional terms or conditions for this Agreement.*

[REST OF PAGE INTENTIONALLY LEFT BLANK – SCHEDULE "C" FOLLOWS]

SCHEDULE "C"
OPERATIONAL REQUIREMENTS UNDER THE AGREEMENT

C1.1 ***Effective Date.*** The Effective Date of this Agreement is as of the date that the Province signs it.

C1.2 ***Expiry Date.*** The Expiry Date of this Agreement is March 31, 2027.

C1.3 ***Disposal Of Assets.*** The Recipient will retain any assets purchased, rehabilitated or built with the Funds under this Agreement for a period of five (5) years from the date that the Project is completed. Within this five (5) year period, the Recipient may ask for the Province's consent to dispose of any assets purchased, rehabilitated or built with the Funds under this Agreement. The Province may impose any reasonable conditions, including requesting the return of Funds from the Recipient, in return for its consent.

C1.4 ***Submission Of Reports.*** All Reports under this Agreement will be submitted to the Province using the address supplied under section C1.6 of this Schedule "C" of the Agreement or any other person identified by the Province in writing.

C1.5 ***Insurance Amount.*** The amount of insurance the Recipient will have for the purposes of section A12.1 of Schedule "A" of this Agreement is no less than two million dollars ($2,000,000.00) in general commercial liability insurance per occurrence.

C1.6 ***Providing Notice.*** All Notices under this Agreement will be provided to:

TO THE PROVINCE	TO THE RECIPIENT
Ministry of Agriculture, Food and Rural Affairs Rural Programs Branch 1 Stone Road West, 4NW Guelph, Ontario N1G 4Y2 Attention: Manager, Infrastructure Renewal Programs Fax: 519-826-3398 Email: OCIF@ontario.ca	The Corporation of the County of Grey 595 Ninth Avenue East, County Building Owen Sound, Ontario N4K 3E3 Attention: Kim Wingrove Fax: Email: kim.wingrove@grey.ca

or any other person identified by the Parties in writing.

[REST OF PAGE INTENTIONALLY LEFT BLANK – SCHEDULE "D" FOLLOWS]

SCHEDULE "D"
ELIGIBLE PROJECT CATEGORIES

D1.1 Eligible Project. Eligible Projects include:

(a) The development and implementation of asset management plans (e.g. software, training, inspections) and the implementation of Composite Correction Program recommendations.

(b) Capital projects and capital maintenance for the renewal, rehabilitation and replacement of core infrastructure assets or capital construction of new core infrastructure that addresses an existing health or safety issue, including:

- (i) Water:
  - a. Water treatment, and
  - b. Water distribution/transmission.
- (ii) Wastewater:
  - a. Wastewater treatment and disposal,
  - b. Sanitary sewer systems, and
  - c. Storm sewer systems (urban and rural).
- (iii) Roads:
  - a. Paved roads,
  - b. Unpaved roads,
  - c. Bus-only lanes,
  - d. Street lighting may be included as an eligible item when part of a road project, and
  - e. Sidewalks and/or cycling lanes located along an existing road.
- (iv) Bridges and Culverts:
  - a. Sidewalks and/or cycling lanes located along an existing road.

Without limiting the foregoing, the Project must be part of the Recipient's asset management plan in order to be eligible.

A Recipient may transfer its yearly allocation to another recipient in the furtherance of a joint project, provided:

(a) The joint project is listed as a priority in the asset management plans for the Recipient and other recipients;

(b) The Recipient and other recipients inform the Province in writing that they are undertaking a joint project prior to implementation; and

(c) The Recipient and other recipients have an agreement in place governing the joint project, including how the joint project is being funded.

D2.1 Ineligible Projects. Ineligible projects are any project not part of the Recipient's Asset Management Plan, and also include:

(a) Projects that are routine upgrades or improvements to storm water infrastructure and drainage (Note: an eligible project must eliminate or significantly reduce the potential for serious damages to adjacent critical infrastructure (e.g. roads, bridges, etc.));

(b) Growth-related expansion projects (e.g. new subdivision infrastructure);

(c) Infrastructure expansion projects to accommodate future employment or residential development on greenfield sites; and

(d) Recreational trail projects.

SCHEDULE "E"
ELIGIBLE AND INELIGIBLE COSTS

E1.1 ***Eligible Costs.*** Subject to the terms and conditions of this Agreement and section E.2 of this Schedule "E" of the Agreement, Eligible Costs shall only include all direct and incremental costs that are attributable to the development and implementation of the Project and are in the Province's sole and absolute discretion, properly and reasonably incurred as well as necessary for the Project. Eligible Costs must also be actual, verifiable cash outlays that are documented through invoices, receipts or other records that is acceptable to the Province.

Without limiting the generality of the foregoing, Eligible Costs shall only include the following:

(a) The capital costs of constructing, rehabilitating, replacing or improving, in whole or in part, a tangible core infrastructure asset;

(b) Development and implementation of asset management plans (e.g. software, training third-party condition assessments), including Consultant costs;

(c) Activities that improve the performance or increase the capacity of existing water and wastewater infrastructure under the Composite Correction Program including third-party comprehensive performance evaluations and third-party comprehensive technical assistance;

(d) Up to 40% of the annual Funds allocation to a maximum of eighty thousand dollars ($80,000.00) per year for Recipient staff members whose responsibilities include asset management and/or Composite Correction Program implementation while receiving third-party comprehensive technical assistance;

(e) All capital planning and assessment costs, such as the costs of environmental planning, surveying, engineering, architectural supervision, testing and management consulting services;

(f) The costs for permits, approvals, licences and other authorizing documents, as well as inspections and other fees directly attributable to obtaining a permit, approval, licence or other authorizing document, provided those costs are directly attributable to the construction and implementation of Project;

(g) Loan payments and interest charges on eligible core infrastructure activities started after January 1, 2017 that the Recipient has obtained financing to complete;

(h) The costs for consulting with an Aboriginal Group, including the Recipient's legal fees, provided they are reasonable, on matters pertaining to the Project, including the translation of documents into languages spoken by the affected Aboriginal Group, but does not include any capacity-building funding unless specifically approved by the Province in writing prior to being incurred;

(i) The costs of Project-related signage, lighting, Project markings and utility adjustments;

(j) The costs of joint communication activities, such as press releases, press conferences, translation and road signage recognition, as described in Schedule "H" of this Agreement; and

(k) Other costs that are, in the Province's sole and absolute discretion, direct, incremental and necessary for the successful implementation of the Project, provided those costs have been approved by the Province in writing prior to being incurred.

E2.1 ***Ineligible Costs.*** The following costs are Ineligible Costs and are therefore ineligible to be paid from the Funds being provided under this Agreement:

(a) Costs incurred which are not in accordance with section A5.1 of Schedule "A" of this Agreement;

(b) Any costs related to any ineligible projects set out under section D2.1 of Schedule "D" of this Agreement;

(c) Costs associated with the acquisition or leasing of:
  (i) Land,
  (ii) Buildings,
  (iii) Equipment,
  (iv) Other facilities, and
  (v) Obtaining easements, including costs or expenses for surveys,
  and includes real estate fees and other related costs;

(d) Costs associated with moveable / transitory assets (e.g. portable generators, etc.) or rolling stock (e.g. trucks, graders, etc.);

(e) Costs related to recreational trails;

(f) Legal fees, other than those association with consultation with Aboriginal Groups (provided such legal fees are reasonable), as well as loan and interest payments that do not comply with section E1.1(g) of Schedule "E" of this Agreement;

(g) Taxes, regardless of any rebate eligibility;

(h) The value of any goods and services which are received through donations or in kind;

(i) Employee wages and benefits, overhead costs as well as other direct or indirect operating, maintenance and administrative costs incurred by the Recipient for the Project, and more specifically, but without limiting the generality of the foregoing, costs relating to services delivered directly by permanent employees of the Recipient;

(j) Meal, hospitality or incidental costs or expenses of Consultants;

(k) Costs associated with completing Expressions of Interest and/or applications for the Ontario Community Infrastructure Fund or the Building Canada Fund – Small Communities Fund;

(l) Costs of accommodation for any Aboriginal Group; and

(m) Costs incurred contrary to section A16.1 of Schedule "A" of this Agreement.

E2.2 ***Costs Of Non-Arm's Length Parties.*** The costs or expenses of goods or services acquired from parties that are not Arm's Length from the Recipient must be valued at the cost of the supplying entity and shall not include any mark up for profit, return on investment or overhead costs and shall not exceed fair market value. The Province may not consider the eligibility of any of these costs unless access is provided to the relevant records of the supplying entity.

[REST OF PAGE INTENTIONALLY LEFT BLANK – SCHEDULE "F" FOLLOWS]

SCHEDULE "F"
FINANCIAL INFORMATION

F1.1 ***Allocation Notices Form Part Of Schedule "F" Upon Being Issued.*** The Parties agree that when the Province issues an Allocation Notice to the Recipient for a Funding Year, that Allocation Notice will become part of this Schedule "F" of the Agreement upon being issued by the Province and is enforceable under this Agreement.

F1.2 ***Revised Allocation Notices Form Part Of Schedule "F" Upon Being Issued.*** The Parties agree that in the event that the Province issues a Revised Allocation Notice for whatever reason, that Revised Allocation Notice will revoke and replace the Allocation Notice for which the Revised Allocation Notice was issued and that Revised Allocation Notice will become part of this Schedule "F" of the Agreement upon being issued by the Province and will be enforceable under this Agreement.

F1.3 ***No Amending Agreement Needed To Have Allocation Notice Or Revised Allocation Notice Become Part Of Schedule "F" Of Agreement.*** For greater clarity, and despite section 3.1 of the Agreement, the Parties agree that this Schedule "F" may be altered by the issuance of an Allocation Notice or a Revised Allocation Notice without having to amend this Agreement.

F2.1 ***Payment Of Funds.*** Subject to the terms and conditions of this Agreement, the Province will provide any Funds pursuant to this Agreement in accordance with the following:

(a) Where the Funds are less than one hundred fifty thousand dollars ($150,000.00), the Province will make one (1) payment to the Recipient by March 31 of the allocation year;

(b) Where the Funds are more than one hundred fifty thousand dollars ($150,000.00), but less than one million dollars ($1,000,000.00), the Province will make six (6) payments to the Recipient over the calendar year; and

(c) Where the Funds are more than one million dollars ($1,000,000.00), the Province will make twelve (12) payments to the Recipient over the calendar year.

[REST OF PAGE INTENTIONALLY LEFT BLANK – SCHEDULE "G" FOLLOWS]

SCHEDULE "G"
ABORIGINAL CONSULTATION REQUIREMENTS

G1.1 Purpose. This Schedule sets out the responsibilities of the Province and the Recipient in relation to consultation with Aboriginal Groups on the Project, and to delegate procedural aspects of consultation from the Province to the Recipient.

G1.2 Definitions. For the purposes of this Schedule:

"Section 35 Duty" means any duty the Province may have to consult and, if required, accommodate Aboriginal Groups in relation to the Project flowing from section 35 of the *Constitution Act, 1982*.

G2.1 The Province's Responsibilities. The Province is responsible for:

(a) Determining the Aboriginal Groups to be consulted in relation to the Project, if any, and advising the Recipient of same;

(b) The preliminary and ongoing assessment of the depth of consultation required with the Aboriginal Groups;

(c) Delegating, at its discretion, procedural aspects of consultation to the Recipient pursuant to this Schedule;

(d) Directing the Recipient to take such actions, including without limitation suspension as well as termination of the Project, as the Province may require;

(e) Satisfying itself, where it is necessary to do so, that the consultation process in relation to the Project has been adequate and the Recipient is in compliance with this Schedule; and

(f) Satisfying itself, where any Aboriginal or treaty rights and asserted rights of Aboriginal Groups require accommodation, that Aboriginal Groups are appropriately accommodated in relation to the Project.

G3.1 Recipient's Responsibilities. The Recipient is responsible for:

(a) Giving notice to the Aboriginal Groups regarding the Project as directed by the Province, if such notice has not already been given by the Recipient or the Province;

(b) Immediately notifying the Province of contact by any Aboriginal Groups regarding the Project and advising of the details of the same;

(c) Informing the Aboriginal Groups about the Project and providing to the Aboriginal Groups a full description of the Project unless such description has been previously provided to them;

(d) Following up with the Aboriginal Groups in an appropriate manner to ensure that Aboriginal Groups are aware of the opportunity to express comments and concerns about the Project, including any concerns regarding adverse impacts on hunting, trapping, fishing, plant harvesting or on burial grounds or archaeological sites of cultural significance to the Aboriginal Groups, and immediately advising the Province of the details of the same;

(e) Informing the Aboriginal Groups of the regulatory and approval processes that apply to the Project of which the Recipient is aware after reasonable inquiry;

(f) Maintaining the Aboriginal Groups on the Recipient's mailing lists of interested parties for environmental assessment and other purposes and providing to the Aboriginal Groups all notices and communications that the Recipient provides to interested parties and any notice of completion;

(g) Making all reasonable efforts to build a positive relationship with the Aboriginal Groups in relation to the Project;

(h) Providing the Aboriginal Groups with reasonable opportunities to meet with appropriate representatives of the Recipient and meeting with the Aboriginal Groups to discuss the Project, if requested;

(i) If appropriate, providing reasonable financial assistance to Aboriginal Groups to permit effective participation in consultation processes for the Project, but only after consulting with the Province;

(j) Considering comments provided by the Aboriginal Groups regarding the potential impacts of the Project on Aboriginal or treaty rights or asserted rights, including adverse impacts on hunting, trapping, fishing, plant harvesting or on burial grounds or archaeological sites of cultural significance to an Aboriginal Group, or on other interests, or any other concerns or issues regarding the Project;

(k) Answering any reasonable questions to the extent of the Recipient's ability and receiving comments from the Aboriginal Groups, notifying the Province of the nature of the questions or comments received and maintaining a chart showing the issues raised by the Aboriginal Groups and any responses the Recipient has provided;

(l) Where an Aboriginal Group asks questions regarding the Project directly of the Province, providing the Province with the information reasonably necessary to answer the inquiry, upon the Province's request;

(m) Subject to section G3.1(o) of this Schedule "G" of the Agreement, where appropriate, discussing with the Aboriginal Groups potential accommodation, including mitigation of potential impacts on Aboriginal or treaty rights, asserted rights or associated interests regarding the Project and reporting to the Province any comments or questions from the Aboriginal Groups that relate to potential accommodation or mitigation of potential impacts;

(n) Consulting regularly with the Province during all discussions with Aboriginal Groups regarding accommodation measures, if applicable, and presenting to the Province the results of such discussions prior to implementing any applicable accommodation measures;

(o) Complying with the Province's direction to take any actions, including without limitation, suspension or termination of the Project, as the Province may require; and

(p) Providing in any contracts with Third Parties for the Recipient's right and ability to respond to direction from the Province as the Province may provide.

G3.2 Acknowledgement By Recipient. The Recipient hereby acknowledges that, notwithstanding section A4.2 of Schedule "A" of this Agreement, the Province, any provincial ministry having an approval role in relation to the Project, or any responsible regulatory body, official, or provincial decision-maker, may participate in the matters and processes enumerated therein as they deem necessary.

G3.3 Recipient Shall Keep Records And Share Information. The Recipient shall carry out the following functions in relation to record keeping, information sharing and reporting to the Province:

(a) Provide to the Province, upon request, complete and accurate copies of all documents provided to the Aboriginal Groups in relation to the Project;

(b) Keep reasonable business records of all its activities in relation to consultation and provide the Province with complete and accurate copies of such records upon request;

(c) Provide the Province with timely notice of any Recipient mailings to, or Recipient meetings with, the representatives of any Aboriginal Group in relation to the Project;

(d) Immediately notify the Province of any contact by any Aboriginal Groups regarding the Project and provide copies to the Province of any documentation received from Aboriginal Groups;
(e) Advise the Province in a timely manner of any potential adverse impact of the Project on Aboriginal or treaty rights or asserted rights of which it becomes aware;
(f) Immediately notify the Province if any Aboriginal archaeological resources are discovered in the course of the Project;
(g) Provide the Province with summary reports or briefings on all of its activities in relation to consultation with Aboriginal Groups, as may be requested by the Province; and
(h) If applicable, advise the Province if the Recipient and an Aboriginal Group propose to enter into an agreement directed at mitigating or compensating for any impacts of the Project on Aboriginal or treaty rights or asserted rights.

G3.4 ***Recipient Shall Assist The Province.*** The Recipient shall, upon request lend assistance to the Province by filing records and other appropriate evidence of the activities undertaken both by the Province and by the Recipient in consulting with Aboriginal Groups in relation to the Project, attending any regulatory or other hearings, and making both written and oral submissions, as appropriate, regarding the fulfillment of Aboriginal consultation responsibilities by the Province and by the Recipient, to the relevant regulatory or judicial decision-makers.

G4.1 ***No Acknowledgment Of Duty To Consult Obligations.*** Nothing in this Schedule shall be construed as an admission, acknowledgment, agreement or concession by the Province or the Recipient, that a Section 35 Duty applies in relation to the Project, nor that any responsibility set out herein is, under the Constitution of Canada, necessarily a mandatory aspect or requirement of any Section 35 Duty, nor that a particular aspect of consultation referred to in subsection G2.1 hereof is an aspect of the Section 35 Duty that could not have lawfully been delegated to the Recipient had the Parties so agreed.

G5.1 ***No Substitution.*** This Schedule shall be construed consistently with but does not substitute for any requirements or procedures in relation to Aboriginal consultation or the Section 35 Duty that may be imposed by a ministry, board, agency or other regulatory decision-maker acting pursuant to laws and regulations. Such decision-makers may have additional obligations or requirements. Nonetheless, the intent of the Province is to promote coordination among provincial ministries, boards and agencies with roles in consulting with Aboriginal Groups so that the responsibilities outlined in this Agreement may be fulfilled efficiently and in a manner that avoids, to the extent possible, duplication of effort by Aboriginal Groups, the Recipient, the Province, and provincial ministries, boards, agencies and other regulatory decision-makers.

G6.1 ***Notices In Relation To Schedule.*** All notices to the Province pertaining to this Schedule shall be in writing and shall be given sent to the person identified under section C1.6 of Schedule "C" of this Agreement.

[REST OF PAGE INTENTIONALLY LEFT BLANK – SCHEDULE "H" FOLLOWS]

SCHEDULE "H"
COMMUNICATIONS PROTOCOL

H1.1 ***Application Of Protocol.*** This Protocol applies to all communications activities related to any funding the Recipient receives under this Agreement. Communications activities may include, but are not limited to:

(a) Project signage;
(b) Media events and announcements, including news conferences, public announcements, official events or ceremonies, news releases;
(c) Printed materials;
(d) Websites;
(e) Photo compilations;
(f) Award programs; or
(g) Awareness campaigns.

H2.1 ***Project Signage.*** The Province may require that a sign be installed at the site of the Project. If the Recipient installs a sign at the site of a Project, the Recipient shall, at the Province's request, provide acknowledgement of the provincial contribution to the Project. Sign design, content and installation guidelines will be provided by the Province.

Where the Recipient decides to install a permanent plaque or other suitable marker with respect to a Project, it must recognize the provincial contribution to the Project and be approved by the Province prior to installation.

The Recipient is responsible for the production and installation of Project signage, unless otherwise agreed upon in writing prior to the installation of the signage.

H3.1 ***Media Events.*** The Province or the Recipient may request a media event, announcement or recognition of key milestones related to Project.

In requesting a media event or an announcement, the Party requesting the event will provide at least twenty-one (21) Business Days' notice to the other Party of its intention to undertake such an event. The event will take place at a date and location that is mutually agreed to by the Parties. The Parties will have the opportunity to participate in such events through a designed representative. Each participant will choose its designated representative.

All joint communications material related to media events and announcements must be approved by the Province and recognize the funding provided by the Province.

Media events and announcements include but are not limited to:

(a) News conferences;
(b) Public announcements;
(c) Official events or ceremonies; or
(d) News releases.

H4.1 ***Awareness Of Project.*** The Recipient may include messaging in its own communications products and activities with regards to the Project. When undertaking such activities, the Recipient will provide the opportunity for the Province to participate and will recognize the funding provided by the Province.

H5.1 ***Issues Management.*** The Recipient will share information promptly with the Province should significant emerging media, Project or stakeholder issues relating to a Project arise. The Province will advise the Recipient, when appropriate, about media inquiries concerning the Project.

H6.1 ***Communicating Success Stories.*** The Recipient agrees to communicate with the Province for the purposes of collaborating on communications activities and products including but not limited to success stories and features relating to the Project.

The Recipient acknowledges and agrees that the Province may publicize information about the Project. The Province agrees it will use reasonable efforts to consult with the Recipient about the Province's publication about the Project prior to making it.

H7.1 ***Disclaimer.*** If the Recipient publishes any material of any kind relating to the Project or the Ontario Community Infrastructure Fund, the Recipient will indicate in the material that the views expressed in the material are the views of the Recipient and do not necessarily reflect the Province's views.

[REST OF PAGE INTENTIONALLY LEFT BLANK – SCHEDULE "I" FOLLOWS]

SCHEDULE "I"
REPORTS

I1.1 ***Reports.*** The Recipient will submit the following Reports in accordance with the reasonable directions provided by the Province by the date indicated in the chart immediately below. The Province will provide the contents of the Report at a later date.

NAME OF REPORT	DUE DATE
Annual Financial Report	See section I2.1 of this Schedule.
Project Information Report	See section I2.1 of this Schedule.
Other Reports	Within the time period set out in the written request from the Province.

I2.1 ***Timing Of Reports.*** The Recipient will provide to the Province the following Reports at the times noted below:

(a) By January 15th of each year:

(i) Project Information Report

- Project Status and Financial Update for all Projects
- For Asset Management Planning or Composite Correction Program, Implementation Staff Time Attestations (as appropriate)
- Completed Project Being Debt Financed – Yearly Update (as appropriate)

(ii) Annual Financial Report from the previous year (Interest Earned must be reported for the previous calendar year)

(b) By April 15th of each year:

(i) Project Information Report – Proposed Project Information for any new or revised Project (reminder – a Duty to Consult assessment must be completed by the Province for each Project forty-five (45) Business Days prior to the start of construction of that Project)

(c) Within forty-five (45) Business Days of Project or construction completion or no later than January 15th of the year following completion of the Project

(i) Project Information Report – Completed Project information