

RURAL ECONOMIC DEVELOPMENT PROGRAM

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 MUNICIPALITY OF SOUTH HURON

(the "Recipient")

I. BACKGROUND

The Recipient has applied to the Ontario Ministry of Agriculture, Food and Rural Affairs (OMAFRA) for funding under the Rural Economic Development (RED) program to assist the Recipient in carrying out the project.

The Recipient intends to carry out the Project under the Program.

The Province wishes to provide Funds to the Recipient for the Project.

II. CONSIDERATION

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

III. ENTIRE AGREEMENT

This Agreement, including:

- Schedule "A" – General Terms And Conditions,
- Schedule "B" – Operational Requirements And Additional Terms And Conditions,
- Schedule "C" – Project Description,
- Schedule "D" – Project Financial Information,
- Schedule "E" – Reporting, and
- any amending agreement entered into as provided below,

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

IV. COUNTERPARTS

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.

V. AMENDING AGREEMENT

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

VI. ACKNOWLEDGEMENT

The Recipient:

- (a) acknowledges that it has read and understands the provisions contained in the entire Agreement; and
- (b) agrees to be bound by the terms and conditions in the entire Agreement.

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

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

THE CORPORATION OF THE MUNICIPALITY OF SOUTH HURON

Name: Maureen Cole
Title: Mayor

Date:

Name: Genevieve Scharback
Title: Clerk

Date:

I/We have authority to bind the Recipient.

SCHEDULE “A” GENERAL TERMS AND CONDITIONS

ARTICLE 1 INTERPRETATION AND DEFINITIONS

1.1 Interpretation. For the purposes of interpreting the 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 the 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.

1.2 Definitions. In the Agreement, the following terms will have the following meaning:

“Additional Terms And Conditions” means the terms and conditions referred to in section 8.1 of Schedule “A” of this Agreement and specified in section B.2 of Schedule “B” of 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 and/or the Auditor General of Canada, depending on the context.

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

“Budget” means the budget attached as section D.3 of Schedule “D” of this Agreement.

“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.

“Claim Submission Deadline” means the date or dates set out under section D.4 of Schedule “D” of this Agreement.

“Contract” means an agreement between the Recipient and a third-party whereby the third-party agrees to provide a good or service for the Project in return for financial consideration that may be claimed by the Recipient as an Eligible Cost.

“Cost-Share Funding Percentage” means the percentage the Province will pay toward the Recipient’s Eligible Costs, as set out under section D.1.1 of Schedule “D” of this Agreement.

“Incurred” in relation to costs, means a cost that a Recipient has become liable for, regardless whether actual payment has occurred (i.e., the Recipient has received the goods or services).

“Effective Date” means the date on which this Agreement is effective, as set out under section B.1.1 of Schedule “B” of this Agreement.

“Eligible Costs” means those costs set out under section D.6 of Schedule “D” of this Agreement.

“Event of Default” has the meaning ascribed to it in section 14.1 of Schedule “A” of this Agreement.

“Expiration Date” means the date on which this Agreement will expire, as set out under section B.1.2 of Schedule “B” 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*.

“Funding Year” means:

- (a) In the case of the first Funding Year, the period commencing on the Effective Date and ending on the following March 31, the Expiration Date, or the termination of this Agreement, whichever comes first; and;
- (b) In the case of Funding Years subsequent to the first Funding Year, the period commencing on April 1 following the end of the previous Funding Year and ending on the following March 31, the Expiration Date, or the termination of this Agreement, whichever comes first.

“Funds” means the money the Province provides to the Recipient pursuant to this Agreement.

“Guidelines” means any written documents setting out the criteria governing the operation of the Program.

“Holdback” means the amount set out under section D.1.3 of Schedule “D” of this Agreement.

“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 D.7 of Schedule “D” of this Agreement.

“Maximum Funds” means the maximum amount of Funds the Province will provide to the Recipient under this Agreement, as set out under section D.1.2 of Schedule “D” of this Agreement.

“MFIPPA” means the *Municipal Freedom of Information and Protection of Privacy Act*.

“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.

“Party” means either the Province or the Recipient, unless the context implies otherwise.

“Program” means the program created by the Province entitled Rural Economic Development Program under Order-in-Council 201/2011, as amended.

“Project” means the undertaking described in Schedule “C” of this Agreement.

“Project Approval Date” means the date set out in section B.1.3 of Schedule “B” of this Agreement.

“Project Completion Date” means the date that the Recipient must complete its Project under this Agreement, as set out in section B.1.4 of Schedule “B” of this Agreement.

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

“Reports” means the reports set out under Schedule “E” 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, those broader public sector accountability legislative provisions are deemed to be a Requirement of Law.

“Term” means the period of time beginning on the Effective Date of this Agreement and ending on the Expiration Date or the termination of this Agreement, whichever is shorter.

- 1.3 Conflict.** Subject to section 8.1 of Schedule “A” of this Agreement, in the event of a conflict between this Schedule “A” of the Agreement and any other Schedule of this Agreement, the terms and conditions set out under this Schedule “A” of the Agreement will prevail.

ARTICLE 2 REPRESENTATIONS, WARRANTIES AND COVENANTS

2.1 General. The Recipient represents, warrants and covenants that:

- (a) It is, and will continue to be for the Term of this Agreement, an eligible applicant as described in the Guidelines 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 the Project and is not indebted to any person(s) to the extent that that indebtedness would undermine the Recipient's ability to complete the Project by the Project Completion Date;
- (d) It is in compliance with all Requirements of Law and will remain in compliance with all Requirements of Law for the Term 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.

2.2 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.

2.3 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.

2.4 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 2 of Schedule "A" of this Agreement.

2.5 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 2.1, 2.2 or 2.3 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 3 FUNDS AND CARRYING OUT THE PROJECT

3.1 Funds Provided. The Province will:

- (a) Provide Funds to the Recipient up to the Maximum Funds, based on the Cost-Share Funding Percentage, for the sole purpose of carrying out the Project;
- (b) Provide the Funds to the Recipient in accordance with section D.5 of Schedule "D" of this Agreement provided that the Recipient makes claims for payment of Funds in accordance with section D.5 of Schedule "D" of this Agreement;
- (c) Provide funding as long as the total combined amount of provincial and federal assistance for the Eligible Costs actually incurred and paid by the Recipient do not exceed ninety per cent (90%) of those costs; and
- (d) 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.

3.2 Limitation On Payment Of Funds. Despite section 3.1 of Schedule "A" of this Agreement:

- (a) The Province is not obligated to provide any Funds to the Recipient until the Recipient provides the insurance certificate or other proof as the Province may request pursuant to section 11.2 of Schedule "A" of this Agreement;
- (b) The Province is not obligated to provide any Funds until it is satisfied with the progress of the Project;
- (c) The Province may adjust the amount of Funds it provides to the Recipient without liability, penalty or costs in any Funding Year based upon the Province's assessment of the information provided by the Recipient pursuant to Article 6 of Schedule "A" of this Agreement;

- (d) If, pursuant to the *FAA*, the Province does not receive the necessary appropriation from the Ontario Legislature for 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) Recover Funds already paid to the Recipient; or
 - (iii) Terminate the Agreement pursuant to section 13.1 of Schedule "A" of this Agreement;
- (e) The Province shall impose a Holdback on any payment of Funds and will not be obligated to pay that Holdback to the Recipient until after the Province approves the Recipient's Final Report pursuant to Article 6 of Schedule "A" of this Agreement; and
- (f) The Province is not obligated to pay interest on the Holdback as described in (e) or any other payments under this Agreement.

3.3 Use Of Funds And Project. The Recipient will:

- (a) Carry out the Project in accordance with the terms and conditions of this Agreement;
- (b) Complete the Project by the Project Completion Date;
- (c) Not use the Funds for Ineligible Costs;
- (d) Use the Funds only:
 - (i) for Eligible Costs that are necessary for the purposes of carrying out the Project; and
 - (ii) for those activities set out in section D.3.1 of Schedule "D" of this Agreement; and
- (e) Use the Funds only in accordance with the Budget.

3.4 Province's Role Limited To Providing Funds. For greater clarity, the Province's role under this Agreement is strictly limited to providing Funds to the Recipient for the purposes of the Project and the Province is not responsible for carrying out the Project. Without limiting the generality of the foregoing, the fact that the Province may conduct reviews and/or audits of the Project as provided for in this Agreement or issues directions, approves changes to the Project or imposes conditions upon an approval in accordance with the terms and conditions of this Agreement will not be construed by the Recipient as the Province having a management, decision-making or advisory role in relation to the Project. The Recipient further agrees that the Recipient will not seek to include the Province as a decision-maker, advisor or manager of the Project through recourse to a third party, court, tribunal or arbitrator.

3.5 No Changes. The Recipient will not make any changes to the Project, including to the Budget or timelines, without the prior written consent of the Province.

3.6 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 in trust for the Province until the Recipient needs the Funds for the Project.

3.7 Recipient Earning Interest. If the Recipient earns any interest on the Funds, the Province may:

- (a) Deduct an amount equal to the interest from any further installment of the Funds; or
- (b) Demand from the Recipient the repayment of an amount equal to the interest.

3.8 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.

3.9 Maximum Funds. The Recipient acknowledges and agrees that the Funds available to it pursuant to this Agreement will not exceed the Maximum Funds.

3.10 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, including taxes, for which the Recipient has received, will receive or is eligible to receive, a rebate, credit or refund.

3.11 Funding, Not Procurement. For greater clarity, the Recipient acknowledges and agrees that:

- (a) It is receiving funding from the Province for the Project and is not providing goods or services to the Province; and
- (b) The funding the Province is providing under this Agreement is funding for the purposes of the PSSDA.

ARTICLE 4

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

4.1 Acquisition. If the Recipient acquires goods or services or both with the Funds, it will:

- (a) Do so through a process that is transparent, fair and promotes the best value for the money expended and at competitive prices that are no greater than fair market value after deducting trade discounts and/or any other discounts available to the Recipient; and
- (b) Comply with any Requirements of Law that may be applicable to how the Recipient acquires any goods or services or both.

4.2 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 as the Province sees fit in connection with Article 6 of Schedule "A" of this Agreement.

4.3 Disposal. The Recipient will not, without the Province's prior written consent, sell, lease or otherwise dispose of any asset purchased or created with the Funds or for which Funds were provided, the cost of which exceeded the amount set out in section B.1.5 of Schedule "B" of this Agreement at the time of purchase within the date set out in section B.1.6 of Schedule "B" of this Agreement.

ARTICLE 5 CONFLICT OF INTEREST

- 5.1 *No Conflict Of Interest.*** The Recipient will carry out the Project and use the Funds without an actual, potential or perceived conflict of interest.
- 5.2 *Conflict Of Interest Includes.*** For the purposes of this Article, a 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.
- 5.3 *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 6 REPORTING, ACCOUNTING AND REVIEW

- 6.1 *Preparation And Submission.*** The Recipient will:
- (a) Submit to the Province at the address referred to in section B.1.7 of Schedule "B" of this Agreement all Reports in accordance with the timelines and content requirements set out in Schedule "E" of this Agreement, or in a form as specified by the Province from time to time;
 - (b) Submit to the Province at the address provided in section B.1.7 of Schedule "B", of this Agreement or in a manner specified by the Province, any other reports as may be requested by the Province in accordance with the timelines and content requirements specified by the Province;
 - (c) Ensure that all Reports are completed to the satisfaction of the Province; and
 - (d) Ensure that all Reports are signed on behalf of the Recipient by an authorized signing officer and that the accompanying confirmation has been completed.
- 6.2 *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.
- 6.3 *Inspection.*** The Province, its authorized representatives or an independent auditor identified by the Province may, at their own expense, upon twenty-four (24) hours' Notice to the Recipient during normal business hours, enter upon 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 section 6.2 of Schedule "A" of this Agreement;
 - (b) Remove any copies made pursuant to section 6.3(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.

6.4 *Disclosure.* To assist in respect of the rights set out under section 6.3 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.

6.5 *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.

6.6 *Auditor General.* For greater certainty, the Province’s rights to audit under this Article 6 of the Agreement are in addition to any rights provided to the Auditor General.

ARTICLE 7 COMMUNICATIONS

7.1 *Acknowledgement And Support.* Unless otherwise directed by the Province, the Recipient will acknowledge the support of the Province in the form and manner set out under section B.1.8 of Schedule “B” of this Agreement.

7.2 *Approvals Prior To Publication.* The Recipient will submit all Project-related publications – whether written, oral or visual – to the Province for the approval of the Province prior to publication. The Recipient will indicate, in all of its Project-related publications – whether written, oral or visual – that the views expressed in the publication are the views of the Recipient and do not necessarily reflect those of the Province.

7.3 *Publication By The Province.* The Recipient agrees that 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. Without limiting the generality of the foregoing, the types of information the Province may publicize includes:

- (a) The Recipient’s name;
- (b) A description of the Recipient’s Project;
- (c) The amount of Funds the Recipient was approved to receive under this Agreement; and
- (d) The amount of Funds the Recipient actually received under this Agreement.

7.4 *News Releases.* The Recipient will ensure that all news releases related to the Project and created by the Recipient:

- (a) Are approved beforehand by the Province and
- (b) Include quotes from the Province, unless the Province declines to participate.

7.5 *News Conferences.* The Recipient will notify the Province in a timely manner of any planned news conferences organized by the Recipient to facilitate the attendance of the Province. The date for the news conference and other logistical considerations will be negotiated between the Province and the Recipient.

ARTICLE 8 ADDITIONAL TERMS AND CONDITIONS

8.1 *Additional Terms And Conditions.* The Recipient will comply with any Additional Terms and Conditions set out under section B.2 of 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 the Agreement, the Additional Terms and Conditions will prevail.

ARTICLE 9 DISCLOSURE OF INFORMATION PROVIDED BY RECIPIENT

9.1 *FIPPA.* The Recipient acknowledges that the Province is bound by the *FIPPA* and undertakes to perform its obligations under this Agreement in a manner that ensures that the Province is not in breach of its obligations under *FIPPA*.

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

ARTICLE 10 INDEMNITY

10.1 *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.

10.2 *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.

10.3 *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.

10.4 *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, as the case may be, will co-operate with and assist the Recipient to the fullest extent possible in the proceeding and any related settlement negotiations.

10.5 *Recipient’s Co-operation.* If the Province conducts the defence of any proceedings, the Recipient will co-operate with and assist the Province, as the case may be, to the fullest extent possible in the proceedings and any related settlement negotiations.

ARTICLE 11 INSURANCE

11.1 Recipient's Insurance. The Recipient represents and warrants that it has, and will maintain for the Term of this Agreement, 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 two million dollars (\$2,000,000.00) per occurrence. The policy will include the following:

- (a) The Indemnified Parties as additional insureds with respect to liability arising in the course of 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; and
- (d) A thirty (30) day written notice of cancellation provision.

11.2 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 11.1 of Schedule "A" of this Agreement. Upon the request of the Province, the Recipient will make available to the Province a copy of each insurance policy.

11.3 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 11.1 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 12 TERMINATION ON NOTICE

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

12.2 Consequences Of Termination On Notice By The Province. If the Province terminates this Agreement pursuant to section 12.1 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 payments 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 12.2(b) of Schedule "A" of this Agreement; and

- (ii) Subject to section 3.9 of Schedule “A” of this Agreement, provide Funds to the Recipient to cover such costs.

ARTICLE 13 TERMINATION WHERE NO APPROPRIATION

13.1 Termination Where No Appropriation. If, as provided for in sections 3.2(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.

13.2 Consequences Of Termination Where No Appropriation. If the Province terminates this Agreement pursuant to section 13.1 of Schedule “A” of this Agreement, the Province may take one or more of the following actions:

- (a) Cancel any further payments of the Funds;
- (b) Demand the repayment of any 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 13.2(b) of Schedule “A” of this Agreement.

13.3 No Additional Funds. For greater clarity, if the costs determined pursuant to section 13.2(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 14 EVENT OF DEFAULT, CORRECTIVE ACTION AND TERMINATION FOR DEFAULT

14.1 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, in accordance with section 6.1 of Schedule “A”, Reports or any such other reports as may have been requested pursuant to section 6.1(b) of Schedule “A”, under this Agreement; or
 - (iv) The Recipient fails to follow any directions that the Province provides under this Agreement.
- (b) 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;
- (c) 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
- (d) The Recipient ceases to operate.

14.2 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 by an amount the Province determines is appropriate, acting reasonably;
- (e) Cancel any further payments 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.

14.3 Opportunity To Remedy. If, in accordance with section 14.2(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.

14.4 Recipient Not Remediating. If the Province has provided the Recipient with an opportunity to remedy the Event of Default pursuant to section 14.2(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 14.2(a), (c), (d), (e), (f), (g), (h) and (i) of Schedule "A" of this Agreement.

14.5 When Termination Effective. Termination under this Article 14 of Schedule "A" of this Agreement will take effect as set out in the Notice.

ARTICLE 15 FUNDS AT THE END OF A FUNDING YEAR

15.1 Funds At The End Of A Funding Year. Without limiting any rights of the Province under Article 14 of Schedule "A" of this Agreement, if the Recipient has not spent all of the Funds allocated for the Funding Year as provided for in the Budget, the Province may take one or both of the following actions:

- (a) Demand the return of the unspent Funds; and
- (b) Adjust the amount of any further payments of Funds accordingly.

ARTICLE 16 FUNDS UPON EXPIRY

16.1 *Funds Upon Expiry.* The Recipient will, upon the expiry of the Agreement, return to the Province any Funds remaining in its possession or under its control.

ARTICLE 17 REPAYMENT

17.1 *Repayment Of Overpayment.* 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, the Province may:

- (a) Deduct an amount equal to the excess Funds from any further payments of the Funds; or
- (b) Demand that the Recipient pay an amount equal to the excess Funds to the Province.

17.2 *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 17.2 of Schedule "A" of this Agreement will not affect any Funds that the Recipient is holding in trust for the Province under section 3.6 of Schedule "A" of this Agreement.

17.3 *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.

17.4 *Payment Of Money To 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 18.1 of Schedule "A" of this Agreement.

17.5 *Repayment.* Without limiting the application of section 43 of the *FAA*, if the Recipient fails to repay any amount owing under this Agreement, Her Majesty the Queen in Right of Ontario may deduct any unpaid amount from any money payable to the Recipient by Her Majesty the Queen in Right of Ontario.

17.6 *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 18 NOTICE

18.1 *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 B.1.9 of Schedule "B" of this Agreement or as either Party later designates to the other by Notice.

18.2 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.

18.3 Postal Disruption. Despite section 18.2(a) of Schedule “A” of this Agreement, in the event of a postal disruption,

- (a) Notice by postage-prepaid mail will not be deemed to be received; and
- (b) The Party giving Notice will provide Notice by email, personal delivery or fax.

ARTICLE 19 CONSENT BY PROVINCE AND COMPLIANCE BY RECIPIENT

19.1 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 that 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 such consent and the Recipient will comply with such terms and conditions.

ARTICLE 20 SEVERABILITY OF PROVISIONS

20.1 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 21 WAIVER

21.1 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 18 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 such a waiver.

ARTICLE 22 INDEPENDENT PARTIES

22.1 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 23 ASSIGNMENT OF AGREEMENT OR FUNDS

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

23.2 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 24 GOVERNING LAW

24.1 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 25 FURTHER ASSURANCES

25.1 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 26 JOINT AND SEVERAL LIABILITY

26.1 Joint And Several Liability. Where the Recipient comprises 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 27 RIGHTS AND REMEDIES CUMULATIVE

27.1 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 28 ACKNOWLEDGMENT OF OTHER LEGISLATION AND DIRECTIVES

28.1 Recipient Acknowledges. The Recipient acknowledges that:

- (a) By receiving Funds it may become subject to legislation applicable to organizations that received funding from the Government of Ontario, including the *BPSAA*, the *PSSDA* and the *Auditor General Act*;
- (b) Her Majesty the Queen in Right of Ontario has issued expenses, perquisites and procurement directives and guidelines pursuant to the *BPSAA*; and
- (c) It will comply with any such legislation, including directives issued thereunder, to the extent applicable.

ARTICLE 29 JOINT AUTHORSHIP

29.1 *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 30 FAILURE TO COMPLY WITH OTHER AGREEMENT

30.1 *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 31 SURVIVAL

31.1 *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 date of expiry or 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 date of expiry or termination: Articles 1 and any other applicable definitions, 9, 10, 17, 18, 20, 21, 24, 25, 27 and 29 as well as sections 3.2(d), 3.2(e), 3.4, 3.9, 3.10, 3.11, 6.1 (to the extent that the Recipient has not provided the Reports to the satisfaction of the Province), 6.2, 6.3, 6.4, 6.5, 6.6, 12.2, 13.2, 14.1, 14.2, 14.4 of Schedule "A" of this Agreement and any cross-referenced Schedules therein as well as any other provision in this Agreement that specifically sets out it will survive the expiration or early termination of this Agreement. Despite the above, section 4.3 of Schedule "A" shall survive for a period of two (2) years from the date of expiry or termination of this Agreement.

ARTICLE 32 BPSAA

32.1 *BPSAA.* For the purposes of clarity, if the Recipient is subject to the *BPSAA* and there is a conflict between any of the requirements of this Agreement and the requirements of the *BPSAA*, the *BPSAA* will prevail.

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SCHEDULE “B” OPERATIONAL REQUIREMENTS AND ADDITIONAL TERMS AND CONDITIONS

B.1 OPERATIONAL REQUIREMENTS

- B.1.1 Effective Date.** The Effective Date of this Agreement is: **July 24, 2017**
- B.1.2 Expiration Date.** The Expiration Date of this Agreement is: **March 31, 2019**
- B.1.3 Project Approval Date.** The Project Approval Date is the same as the Effective Date.
- B.1.4 Project Completion Date.** The Project Completion Date is: **March 31, 2018**
- B.1.5 Disposal Of Assets.** The amount for the purposes of section 4.3 of Schedule “A” of this Agreement is fifty thousand dollars (\$50,000.00) unless Ontario’s contribution is less than twenty five thousand dollars (\$25,000.00) in which case section 4.3 of Schedule “A” of this Agreement does not apply.
- B.1.6 Asset Retention Time Period.** For the purposes of section 4.3 of Schedule “A” of this Agreement the Recipient will retain the asset(s) for two (2) years from the date that the Project is completed.
- B.1.7 Submission Of Publications For Approval And Reports.** All Reports and Project-related publications under this Agreement will be submitted to:
- Name:** Ontario Ministry of Agriculture, Food and Rural Affairs
- Address:** Rural Programs Branch
4th Floor NW, 1 Stone Road West
Guelph, Ontario N1G 4Y2
- Attention:** Jennifer Dale, Program Coordinator
- Fax:** 519-826-3398
- Email:** RED@ontario.ca

or any other person identified by the Province in writing.

- B.1.8 Recognition Of Provincial Support:** The Recipient will acknowledge the Province’s support for the Project in the following manner:

The Recipient will include on all Project-related publications – whether written, oral or visual – graphic identifiers of the Program or a tag line that is acceptable to the Province. All Project-related publications, including the manner in which Program support is recognized on such publications, are subject to approval by the Province under section 7.2 of Schedule “A” of this Agreement.

- B.1.9 Providing Notice.** All Notices under this Agreement will be provided to:

	The Province:	The Recipient:
Name:	Ontario Ministry of Agriculture, Food and Rural Affairs	The Corporation of the Municipality of South Huron
Address:	4th Floor NW, 1 Stone Road West Guelph, Ontario N1G 4Y2	PO Box 759, 322 Main Street South Exeter, Ontario N0M 1S6
Attention:	Brent Kennedy, Director	Dan Best, CAO
Email:	RED@ontario.ca	cao@southhuron.ca

or any other person identified by the Parties in writing through a Notice.

B.2 ADDITIONAL TERMS AND CONDITIONS**B.2.1 *Notice Of Recipient's Insolvency.*** The Recipient will:

- (a) Provide the Province with Notice at least five (5) Business Days prior to making an assignment, proposal, compromise or arrangement for the benefit of its creditors and will not incur any additional costs for the Project under this Agreement without the Province's prior written consent from the date the Notice is sent to the Province; and
- (b) Provide the Province with Notice within five (5) Business Days of a creditor providing the Recipient with a notice of an intent to enforce security or applying for an order adjudging the Recipient bankrupt or the appointment of a receiver, and will not incur any additional costs under this Agreement without the prior approval of the Province from the date that the Recipient received notice of the creditor's action.

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

SCHEDULE "C" PROJECT DESCRIPTION

C.1 PROJECT NAME

Feasibility Study for Community/Recreation Facility

C.2 PROJECT OBJECTIVE

The Municipality of South Huron will receive up to \$12,500.00 to conduct a feasibility study to determine the suitability and capacity of developing a new community hub/recreation facility in South Huron.

C.3 ACTIVITIES

The Recipient will	1. Complete a recreation facility feasibility study.
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All activities identified above will be completed by the Project Completion Date identified under section B.1.4 of Schedule "B" of this Agreement.

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

SCHEDULE "D"

PROJECT FINANCIAL INFORMATION

D.1 FUNDING INFORMATION

D.1.1 Cost-Share Funding Percentage. The Cost-Share Funding Percentage is fifty per cent (50.00%) of incurred paid Eligible Costs up to the Maximum Funds.

The percentage noted above is rounded to a whole number. Note that for payment purposes the percentage is calculated to 10 decimal places and is based on the Maximum Funds against the Project's Total Eligible Costs.

D.1.2 "Maximum Funds". The Maximum Funds the Recipient is eligible to receive from the Province under this Agreement is \$12,500.00

D.1.3 Holdback. The Holdback will be up to ten per cent (10%) of Maximum Funds from the final payment of Funds made under this Agreement.

D.2 INCURRING ELIGIBLE COSTS

D.2.1 Incurring Eligible Costs. The Recipient will incur Eligible Costs in accordance with the following chart and no later than by the Project Completion Date.

TOTAL ELIGIBLE COSTS TO BE INCURRED BY QUARTER WITHIN FUNDING YEAR					
FUNDING YEAR	QUARTER 1 (APR. – JUN.)	QUARTER 2 (JUL. – SEP.)	QUARTER 3 (OCT. – DEC.)	QUARTER 4 (JAN. – MAR.)	TOTAL
2017-18	\$0.00	\$0.00	\$12,500.00	\$12,500.00	\$25,000.00
TOTAL ELIGIBLE COSTS UP TO					\$25,000.00

D.3 BUDGET

D.3.1 The Budget. The Budget for the Project is set out in the following chart:

#	ELIGIBLE COST ITEM	
1.	Consultant fees	
TOTAL ELIGIBLE COSTS UP TO		\$25,000.00

D.3.2 Project Financing For Eligible Costs. The Financing for the Project is set out in the following chart:

PROJECT FINANCING	\$ AMOUNT
The Corporation of the Municipality of South Huron	\$12,500.00
RED Funding	\$12,500.00
TOTAL ELIGIBLE COSTS	\$25,000.00

D.4 CLAIM SUBMISSION DEADLINES

D.4.1 Claim Submission Deadlines. The Recipient will submit claims to the Province in accordance with whatever is the shorter time period:

(a) Claims or reports as set out in E.1 will be submitted after the end of each fiscal quarter according to the following schedule:

- (i) Q1 (April 1 to June 30) - by August 31;
- (ii) Q2 (July 1 to September 30) - by November 30;

(iii) Q3 (October 1 to December 31) - by February 28; or

(iv) Q4 (January 1 to March 31) - by May 31.

(b) The Final Claim will be submitted within three (3) months after the Project Completion Date as specified in Schedule "B" (B.1.4).

Despite the foregoing, the Province is not required to accept or pay on any claims that have been submitted after the Recipient has submitted their Final Report and the Project has been closed. Only Eligible Costs that are incurred and paid will be reimbursed at the percent cost-share as per section D.1.1 of Schedule "D" of this Agreement.

D.5 PAYMENT OF FUNDS

D.5.1 *Payment Of Funds.* Subject to the terms and conditions of this Agreement, the Recipient will incur Eligible Costs in accordance with the following chart (Column B) and the Province will pay Funds to the Recipient in accordance with the following chart (Column C):

FUNDING YEAR (A)	ELIGIBLE COSTS BY FUNDING YEAR (B)	MAXIMUM FUNDS BY FUNDING YEAR (C)
2017-18	\$25,000.00	\$12,500.00
TOTAL	\$25,000.00	\$12,500.00

D.6 ELIGIBLE COSTS

D.6.1 *Eligible Costs.* Eligible Costs are those costs that are, in the Province's sole and absolute discretion, necessary for the successful completion of the Project, properly and reasonably incurred, paid or reimbursed by the Recipient; and consistent with an Eligible Cost category as set out below in this section D.6.1 of Schedule "D" of the Agreement.

For greater clarity, Eligible Costs are those that are set out immediately below in this Section D.6.1 of Schedule "D" of this Agreement where those costs have been incurred and paid by the Recipient.

Eligible costs must be incurred by the Recipient on or after the Effective Date set out in section B.1.1 of Schedule "B" and by the Project Completion Date set out in section B.1.4 of Schedule "B", which is identified in this Agreement.

Recipients must follow a process that is transparent and fair, that promotes the best value for the money expended and is at competitive prices that are no greater than the fair market value when purchasing goods or services, including consultants and contractors, for the Project. All businesses from which goods or services are purchased must be at arm's length to the Recipient in order for the costs to be considered eligible.

Eligible costs include:

(a) Project management, including:

- (i) Consultant's fees;
- (ii) Project-related professional fees (e.g., legal, architectural and accounting fees) ; and
- (iii) Project evaluation.

(b) Minor capital, including:

- (i) Subcontractor's fees;
- (ii) Equipment (e.g., plumbing, electrical) and structural modifications to accommodate the installation of equipment within an existing building; and

- (iii) Renovations and retrofits to existing structures (e.g., materials or supplies and labour to renovate an existing space).
- (c) Training;
- (d) Marketing or promotion-related costs;
- (e) Travel costs in Canada and the continental United States associated with a specific public-facing event or series of events, public-facing hospitality costs directly related to the project, subject to provincial directives (including but not limited to the current Ontario Public Sector Travel, Meal and Hospitality Expenses Directive);
- (f) Studies;
- (g) Administrative costs directly related to project implementation (e.g., third-party expenses for printing or other administration); and
- (h) Wages for new hires to work 100 per cent on project-related activities.

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

D.7 INELIGIBLE COSTS

D.7.1 *Ineligible Costs.* The following costs are Ineligible Costs and therefore ineligible for funding under this Agreement. Those costs include, but are not limited to:

- (a) Costs incurred prior to the Project Approval Date or after the Project Completion Date;
- (b) Any cost not specifically required for the execution of a project;
- (c) Normal operating costs associated with carrying out a business such as salaries and benefits for non-contract staff (i.e., full-time and part-time staff), office space, equipment and machinery, utilities, phone, materials, labour, board, committee and annual meetings;
- (d) Deposits (prepayments), on their own, are not eligible for reimbursement as they are not an expense in the recipient's financial records as the goods/services have yet to be fully received;
- (e) Direct wage subsidies for existing staff or any other staff who are not 100 per cent dedicated to the activities required to complete the project;
- (f) Costs to maintain compliance with current Requirements of Law that pertain to the current operations of the recipient;
- (g) Any travel, meal or hospitality costs beyond those provided for in the current Ontario Public Sector Travel, Meal and Hospitality Expenses Directive;
- (h) Any in-kind contribution, which are those goods and services that are contributed to a project by the Recipient, Co-recipient(s) or other sources that would otherwise have to be purchased or contracted in order to complete the Project;
- (i) Financing charges, loan interest payments, bank fees and charges, as well as debt restructuring or fundraising;
- (j) Major capital costs, including:
 - (i) New construction of buildings, structures (moveable and non-moveable) and other major infrastructure;
 - (ii) Additions to buildings, teardowns or rebuilds;
 - (iii) Purchase or lease of land, buildings and facilities;
 - (iv) Power lines, plumbing, telecommunications/broadband lines or equipment, water lines outside of the building; and

- (v) Community aesthetics and functionality (e.g., streetscaping, green space development, murals, street lights, paved surfaces, tree islands).
- (k) Costs of vehicles;
- (l) Taxes including Harmonized Sales Tax (HST);
- (m) Any refund or rebate received, or which the Recipient is eligible to receive;
- (n) Costs incurred in preparing an application;
- (o) Cost of alcohol, international travel (outside of Canada and the continental United States), per diems, gifts or incentives;
- (p) Costs of permits and approvals;
- (q) Costs of academic research;
- (r) Costs related to activities that directly influence or lobby any level of government;
- (s) Sponsorship of conferences and events; and
- (t) Honorariums, membership costs.

D.8 TRAVEL AND MEAL COSTS

If travel or meal costs are not necessary to complete the Project, any costs related to travel or meals will not be reimbursed by the Province.

D.8.1 *Transportation.* Local public transportation including hotel/airport shuttles should be used wherever possible. When road transportation is the most practical, economical way to travel the order of preference is rental vehicle then personal vehicle.

D.8.2 *Rental Vehicles.* Compact model or its equivalent is required. Exceptions to this are guided by the principle that the vehicle is the most economical and practical size, taking into account the business purpose, number of occupants and safety (including weather) considerations. Luxury and sports vehicles are prohibited. Gasoline charges are an eligible expense.

D.8.3 *Personal Vehicle.* If using a personal vehicle, daily logs must be kept to track the business use, with distances calculated in kilometers. The current rates for travelling (per kilometer) in a personal vehicle, based on kilometers accumulated from April 1 of each Funding Year, are as follows:

- (a) From 0 – 4,000 km; \$0.40 in Southern Ontario and \$0.41 in Northern Ontario;
- (b) From 4,001 – 10,700 km; \$0.35 in Southern Ontario and \$0.36 in Northern Ontario;
- (c) From 10,701 – 24,000 km; \$0.29 in Southern Ontario and \$0.30 in Northern Ontario;
- (d) More than 24,000 km; \$0.24 in Southern Ontario and \$0.25 in Northern Ontario; and
- (e) Necessary expenditures for parking, tolls for bridges, ferries and highways are eligible. If 200 km or more will be driven a day, use of a rental vehicle is required.

D.8.4 *Air and Rail Travel.* Air and rail travel is permitted if it is the most practical and economical way to travel. Economy (coach) class is the standard option for ticket purchase. Business class is only appropriate on a train in limited circumstances such as:

- (a) The need to work with a team;
- (b) Choosing a travel time that allows you to reduce other expenditures or accommodation;
- (c) Accommodation requirements; and
- (d) Health and safety requirements.

The standard for international air travel is economy class. The lowest available airfares appropriate to particular itineraries are required to be sought and bookings are required to be made as far in advance as possible.

D.8.5 *Taxis.* Taxis may be justified in cases where:

(a) Group travel by cab is more economical than the total cost of individuals travelling separately by public transit or shuttle; or

(b) Taking a cab allows you to meet an unusually tight schedule for meetings.

D.8.6 Accommodations. Reimbursement can be made for single accommodation in a standard room. Private stays with friends or family are acceptable, and a cash payment or gift may be provided to the friends or family.

(a) A maximum of \$30 per night is allowed for accommodation including any meals with friends or family, in lieu of commercial accommodation. The \$30 value may be given in the form of a small gift (which must be accompanied by a receipt) or by cash or cheque.

D.8.7 Travel-Related Tips/Gratuities. Examples of reasonable amounts include:

(a) 10% - 15% on a restaurant meal;

(b) 10% on a taxi fare;

(c) \$2 - \$5 for housekeeping for up to two nights in a hotel, up to \$10 for a longer stay; and

(d) \$2 - \$5 per bag for a porter.

D.8.8 Telecommunication While Travelling. Audio or video conferencing should be considered as an alternative to travel. Whenever possible, the least expensive means of communications should be used while travelling, such as calling card.

D.8.9 Meals While Travelling. Alcohol cannot be claimed and will not be reimbursed as part of a travel or meal expense. Taxes and gratuities are included in the meal rates. Reimbursement is for restaurant/prepared food only.

Meal Rates in Canada:

Meals	Maximum Amount
Breakfast	\$10.00
Lunch	\$12.50
Dinner	\$22.50

Meal Rates in U.S. (in Canadian dollars):

Meals	Maximum Amount
Breakfast	\$17.00
Lunch	\$17.25
Dinner	\$45.55

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SCHEDULE “E” REPORTING

E.1 Reporting Requirements. The following Reports will be provided in full in the corresponding format provided hereafter and with such content as is satisfactory to the Province:

	Name of Report	Due Date
1.	Progress Report and Claim Statement	Both the Progress Report and Claim Statement together (Schedules “E.2” and “E.3” of this Agreement) as set out in D.4.1(a) will be submitted at a minimum of once every quarter for each Funding Year. A Progress Report and Claim Statement must be submitted even during periods where the amount claimed is zero, unless the Recipient has submitted the Final Report.
2.	Final Claim	The final claim (Schedule “E.3” of this Agreement) is to be completed and submitted to the Province within three (3) months of the Project Completion Date (Schedule B.1.4 of this Agreement).
3.	Final Report	The Final Report (Schedule “E.4” of this Agreement) is to be completed and submitted to the Province on or before: July 31, 2018
4.	Other Reports Any other Report regarding the Project that the Province requests.	As directed by the Province.

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SCHEDULE “E.2” PROGRESS REPORT

File No.: RED4-08065

Project Title: Feasibility Study for Community/Recreation Facility

Progress Report and Claim Statement are to be completed and submitted to the Province at a minimum of once every quarter for each Funding Year **for the Term of the Agreement** unless a Final Report has been submitted. Please contact your Project Analyst should you have any questions filling in this report.

Please describe the project activities that have been completed or are in progress for this reporting period.

Description of Activities	Approved Eligible Costs per Activity	Amount Claimed to Date per Activity	Activity Status (On, Ahead, or Behind Schedule)	Issues to Date and Actions Taken to Resolve Issues	Actual Expected Completion Date	Percentage of Activity Complete

For each RED outcome that you indicated on your application that would occur as a direct result of this project, please enter your results to date.	Results to Date
Number and description of economic development barriers addressed	
Increased ability to undertake evidence-based planning to identify priorities and measure economic performance (Planning projects only)	
Number and description of collaborations established	
Increased economic competitiveness and diversity (e.g., attraction, retention and expansion of businesses)	
Innovative communities	
Expansion of markets	
Number of jobs created /retained	
Attraction, development or retention of a highly skilled workforce	
Support for provincial government priorities	

I understand that this information will, subject to the terms and conditions of the agreement, be relied upon by the Government of Ontario to issue funds.

Name of Authorized Official (Print):	
Signature:	
Date:	



Part 1 - Project Information			
File No.: RED4-	Project Title:	Date:	
Part 2 - Authorized Official			
Recipient's Company Name:	Project Representative:	Title:	Telephone:
			Email:
<p>1. The information provided herein and in any document attached is accurate and complete, and being relied upon by OMAFRA to provide Funds in respect of the Project;</p> <p>2. The Recipient is in compliance with all of the terms and conditions of the Agreement for the Project;</p> <p>3. The Project as described in the Agreement will be completed by the Project Completion Date as set out in the respective schedule of the Agreement;</p> <p>4. There has been no overlap of funding from OMAFRA and from any other organization/level of government and the total amount of provincial and federal assistance claimed for the Eligible Costs for the Project does not exceed ninety per cent (90%) of the costs actually incurred and paid by the Recipient;</p> <p>5. There have been no overpayments by OMAFRA or any other organization or government; and</p> <p>6. The undersigned confirms these statements as of the date written below.</p>			
Signature			Date

Part 3 – Claim Information	
Claim #:	Period Covered by this Claim:
	Final Claim? Yes/No:

Attach invoices and proofs of payment and send to:

Ministry of Agriculture, Food and Rural Affairs
 Rural Programs Branch, 4th Floor
 1 Stone Road West
 Guelph, ON N1G 4Y2

Email: RED@Ontario.ca

**To request access to the Online Claims Portal
 please email us at the address above**

[illegible]

SCHEDULE “E.4” FINAL REPORT

File No.: RED4-08065
Project Title: Feasibility Study for Community/Recreation Facility
Project Completion Date: 31-Mar-18
Date of Final Report: 31-Jul-18
Project Recipient: The Corporation of the Municipality of South Huron

Final Report is to be completed and submitted to the Province on or before the ‘Final Report Due’ identified under section E.1 of Schedule “E” of this Agreement. Please contact your Project Analyst should you have any questions completing this report.

Section 1 Project Details

Is the following description of your Project as completed accurate?

The Municipality of South Huron will receive up to \$12,500.00 to conduct a feasibility study that will determine the suitability and capacity to develop a new community hub/recreation facility in South Huron.

☐ Yes
 ☐ No

Project Variances (if applicable)

In reading the description and project completion date above, has your Project experienced any variances either in project scope or schedule? Please identify any other information with respect to the Project that may have changed or may have been altered. Ensure that you provide a rationale for any variances from the project description noted above.

Section 2 Outcomes

Economic Barriers

Describe how the Project removed barriers to community economic development.

Description of Barriers:

For each RED outcome that you indicated on your application that would occur as a direct result of this Project, please enter a brief description. Please give quantitative and qualitative statistics where applicable.

1. Increased ability to undertake evidence-based planning to identify priorities and measure economic performance (Planning projects only)

- Describe how the Project led to evidence-based economic development policy, programs or strategies. What was the outcome for the region or sector?

2. Collaboration for economic growth

- Describe how Recipient(s) worked with communities, organizations or others to make this project successful and support economic growth. How many collaborations were established?

Number of Collaborations: _____

Description of Collaborations: _____

3. Increased economic competitiveness and diversity (e.g., attraction, retention and expansion of businesses)

- Describe how the Project increased economic competitiveness and diversity.

4. Innovative communities

- Describe how the Project led to more innovative communities. Innovation is defined as the application of new ideas, leading-edge process, services or methods of delivery to solve problems, address challenges and take advantage of new opportunities.

5. Expansion of markets

- Describe how the Project assisted with the expansion of existing markets or access to new markets.
-

6. Creation and/or retention of jobs

- Indicate the number of total jobs that were created and/or retained in rural Ontario as a result of the Project.

	Temporary (e.g., seasonal, construction)	Part-time (e.g., approximately 20 hours/week)	Full-time
Jobs Created			
Jobs Retained			

7. Attraction, development or retention of a highly skilled workforce

- Describe how the Project contributed to the attraction, retention or development (e.g., training) of a highly skilled and knowledgeable local workforce.

8. Support for provincial government priorities

- Describe which provincial priorities the Project supported, and how.

Section 3

Financial Information

Approved Total Eligible Costs \$25,000.00

Budget Item	Budgeted Costs	Actual Costs	Variance
	\$	\$	\$
	\$	\$	\$
	\$	\$	\$
	\$	\$	\$
	\$	\$	\$
	\$	\$	\$
	\$	\$	\$
	\$	\$	\$
	\$	\$	\$
	\$	\$	\$
	\$	\$	\$
	\$	\$	\$
GROSS ELIGIBLE COST	\$	\$	\$
Less HST (if included in the above numbers)	\$	\$	\$
TOTAL NET ELIGIBLE COSTS*	\$	\$	\$

* Total Net Eligible Cost should match the approved amount noted above.

Section 4 Other Benefits/Information

Please provide any other information which demonstrates the success of the Project and its impact on other stakeholders, rural communities and the Province of Ontario.

Section 5 Service Experience

Based on your project experience with OMAFRA, please indicate with an "X" in the appropriate box for your response.

1. Please indicate the extent to which you agree or disagree with the following statements.	Strongly Agree	Agree	Neither Agree nor Disagree	Disagree	Strongly Disagree
Once my project was approved, I received all the information needed to proceed to the next step of the project.					
The claim forms were easy to understand and complete.					
I was able to reach appropriate ministry staff without difficulty.					
Ministry staff were knowledgeable.					
I received consistent advice from ministry staff.					
Ministry staff were courteous.					

2. Overall, how satisfied were you with the amount of time it took to get the service that you required?	Very Satisfied	Satisfied	Neither Satisfied nor Dissatisfied	Dissatisfied	Strongly Dissatisfied

3. Overall, how satisfied were you with the service you received while implementing your project?	Very Satisfied	Satisfied	Neither Satisfied nor Dissatisfied	Dissatisfied	Strongly Dissatisfied

4. To what extent did the availability of this funding assistance influence your decision to undertake this project?	To a Great Extent	Somewhat	Very Little	Not at all

5. Overall, did you find working in the portal fairly easy to understand?	Very Easy	Somewhat	Not Easy	Did Not Use the Portal

Section 6

Confidentiality, Certification and Signature

Confidentiality

Information submitted in this report to the Province of Ontario will be subject to the *Freedom of Information and Protection of Privacy Act*. Any information submitted in confidence should be clearly marked "CONFIDENTIAL" by the Recipient(s). Inquiries about confidentiality should be directed to OMAFRA's Rural Programs Branch.

Certification

1. The Project as described in the Agreement has been completed;
2. The Recipient is in compliance with all of the terms and conditions of the Agreement for the Project;
and
3. There have been no overpayments by OMAFRA or any other organization or government.

The undersigned warrants that these statements are true.

Name of Authorized Official (Print):	
Signature:	
Date:	