

TRANSFER PAYMENT AGREEMENT

BETWEEN:

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

(the “Province”)

– and –

Association of Municipalities Ontario

(the “Recipient” or “AMO”)

CRA # 106 732 944

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:

1.0. ENTIRE AGREEMENT

1.1 This Agreement, including:

Schedule “A” – General Terms And Conditions,
Schedule “B” – Operational Requirements And Additional Provisions,
Schedule “C” – Project Description,
Schedule “D” – Budget,
Schedule “E” – Payment Plan,
Schedule “F” – Reports, and
any amending agreement entered into as provided for below,

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. In the case of the Schedule E - Payment Plan specifically, an amendment may be effected by means of a letter or an email exchanged between the person set out at section B1.9 of Schedule B.

4.0. ACKNOWLEDGEMENTS AND AGREEMENT

4.1 The Recipient:

- (a) Acknowledges that it has read and understands the provisions contained in the entire Agreement;
- (b) Agrees to be bound by the terms and conditions in the entire Agreement;
- (c) Acknowledges and accepts that by receiving and using the Funds provided under this Agreement that it may become subject to the *BPSAA*, the *PSSDA* and the *AGA*;
- (d) Acknowledges that Her Majesty the Queen in Right of Ontario has issued expenses, perquisites and procurement directives and guidelines pursuant to the *BPSAA*; it has access to them; and agrees to abide by them;
- (e) Acknowledges and agrees that the Province is not responsible for managing or carrying out the Project; and
- (f) Acknowledges that the Province is bound by the *FIPPA* and that 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 the *FIPPA* or other applicable Requirements of Law.

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	Date
Title: Assistant Deputy Minister, Economic Development Division	

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

ASSOCIATION OF MUNICIPALITIES ONTARIO (AMO)

_____	_____
Name: Pat Vanini	Date
Title: Executive Director	

I have the authority to bind the Recipient.

SCHEDULE “A” GENERAL TERMS AND CONDITIONS

ARTICLE A1 INTERPRETATION AND DEFINITIONS

A1.1 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, but 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 used in Canada and all calculations will be made and all financial data to be submitted will be prepared in accordance with the Generally Accepted Accounting Principles used in Canada; and
- (h) The words “include”, “includes” and “including” denote that the subsequent list is not exhaustive.

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

“**Additional Provisions**” means the additional terms and conditions referred to in section A9.1 of Schedule “A” and specified in section B2 of Schedule “B”.

“**AGA**” means the *Auditor General Act*.

“**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.

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

“**Budget**” means the budget attached as Schedule “D”.

“**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.

“**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 the Recipient wants to pay using the Funds under this Agreement.

“**Effective Date**” means the date on which this Agreement is effective, as set out under section B1.1 of Schedule “B”.

“Eligible Costs” means those costs set out under section D2 of Schedule “D”.

“Event of Default” has the meaning ascribed to it in section A14.1 of Schedule “A”.

“Expiration Date” means the date on which this Agreement will expire, as set out under section B1.3 of Schedule “B”, 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; and
- (b) In the case of any 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 may provide to the Recipient pursuant to the terms and conditions 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 as such under section D3 of Schedule “D”.

“Lower-tier Municipality” means a municipality that forms part of an upper-tier municipality for municipal purposes, as defined under the *Municipal Act, 2001* S.O. 2001, c.25.

“Maximum Funds” means the maximum amount of Funds the Province will provide to the Recipient under the terms and conditions of this Agreement, as set out under section B1.4 of Schedule “B”.

“Municipality” means a municipality as defined under the *Municipal Act, 2001*, S.O. 2001 c. 25.

“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.

“Project” means the undertaking described in Schedule “C”.

“Project Completion Date” means the date that the Recipient must complete its Project under this Agreement, as set out under section B1.2 of Schedule “B”.

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

“Reports” means the reports set out under Schedule “F”.

“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 using the Funds or carrying out the Project.

“Single-tier Municipality” means a municipality, other than an upper-tier municipality, that does not form part of an upper-tier municipality for municipal purposes as defined under the *Municipal Act, 2001*, S.O. 2001 c. 25.

“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.

“Timelines” means the Project schedule set out in Schedule “C”.

“Ultimate Recipient” means a Single-tier Municipality (excluding the City of Toronto) or a Lower-tier Municipality.

A1.3 Conflict. Subject to section A9.1 of this Schedule “A”, in the event of a conflict between this Schedule “A” and any other Schedule of this Agreement, the terms and conditions set out under this Schedule “A” 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 the Project and is not indebted to any person(s) to the extent that such 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 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 in a timely manner; 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 in a timely manner.

A2.4 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 Article A2 of Schedule "A".

A2.5 Additional Covenants. The Recipient covenants 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 or A2.3 of this Schedule "A" during the Term of this Agreement;
- (b) Any actions, suits, claims or petitions or other proceedings which could or would reasonably prevent the Recipient from complying with the terms and conditions of this Agreement; and
- (c) Any change in ownership or ownership structure or to its senior management.

ARTICLE A3 TERM OF THE AGREEMENT

A3.1 Term Of The Agreement. This Agreement will commence on the Effective Date and will end on the Expiration Date or the date of termination, whichever occurs earlier.

ARTICLE A4 FUNDS AND CARRYING OUT THE PROJECT

A4.1 Funds Provided. The Province will:

- (a) Provide funding to the Recipient up to the Maximum Funds for the sole purpose of carrying out the Project;
- (b) Provide the Funds to the Recipient in accordance with Schedule "E";
- (c) Deposit the Funds into an account designated by the Recipient, provided that account:
 - (i) Is with a Canadian financial institution at a branch in Ontario, and
 - (ii) Is solely in the name of the Recipient.

A4.2 Limitation On Payment Of Funds. Despite section A4.1 of this Schedule "A":

- (a) The Province is not obligated to provide any Funds to the Recipient until the Recipient provides the insurance certificate or other form of acceptable proof as the Province may request pursuant to section A11.2 of this Schedule "A";

- (b) The Province is not obligated to provide instalments of 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 a Funding Year based upon the Province's assessment of the information provided by the Recipient pursuant to Article A7 of this Schedule "A"; 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 A13.1 of this Schedule "A".

A4.3 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 for Eligible Costs that are necessary to carry out the Project; and
- (e) Spend the Funds only in accordance with the Budget.

A4.4 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. The Province is not responsible for carrying out the Project.

A4.5 No Changes. The Recipient will not make any changes to the Project, including to the Budget or the Timelines, without the prior written consent of the Province.

A4.6 Interest Bearing Account. If the Province provides Funds to the Recipient before the Recipient actually incurs, pays or reimburses any Eligible Costs, the Recipient will place the Funds in a separate, interest bearing account solely in the name of the Recipient at an Ontario branch of a Canadian financial institution. The Recipient will hold the Funds in trust for the Province until the Recipient needs the Funds for the Project and will report the quantum of the interest earned to the province as and when directed.

A4.7 Recipient Earning Interest. If the Recipient earns any interest on the Funds, the Province may:

- (a) Deduct an amount equal to the interest earned from any further installment of the Funds; or
- (b) Demand from the Recipient the repayment of an amount equal to the interest, together with further interest thereon as provided by section A17.3, and the Recipient shall repay that total amount as directed forthwith.

A4.8 No Provincial Payment Of Interest. The Province is not required to pay interest on any Funds under this Agreement. For greater clarity, the Province is not obliged to pay interest on any Funds that the Province has withheld paying to the Recipient.

A4.9 Maximum Funds. The Recipient acknowledges and agrees that, notwithstanding any other provision of the Agreement, the Funds available to it pursuant to the terms and conditions of this Agreement will not exceed the Maximum Funds.

A4.10 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.

A4.11 Purposes. The Recipient acknowledges and agrees that any funding it may receive from the Province is for the Project, and is not the provision of goods or services or both to the Province.

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

- A5.1 Acquisition.** If the Recipient acquires goods, 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 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 goods, services or both.
- A5.2 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 A7 of this Schedule "A".
- A5.3 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 would exceed the amount set out in section B1.5 of Schedule "B" at the time of sale, lease or disposal, prior to the Expiration Date.

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 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.
- A6.3 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 A7 REPORTING, ACCOUNTING AND REVIEW

A7.1 Preparation And Submission. The Recipient will:
March, 2018

- (a) Submit to the Province at the address referred to in section B1.6 of Schedule “B” all Reports in accordance with the timelines and content requirements set out in Schedule “F”, 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 applicable in Canada; and
- (b) All non-financial documents and records relating to the Funds or otherwise to the Project.

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 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 A7.2 of this Schedule “A”;
- (b) Remove any copies made pursuant to section A7.3(a) of this Schedule “A” 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 this Schedule “A”, 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.

ARTICLE A8 COMMUNICATIONS

- A8.1 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 B1.7 of Schedule “B”. The Recipient may use the Ontario Logo provided that the Recipient adheres to the Ontario Visual Identity Guidelines, which the Province will provide upon the Recipient’s request, and any other direction that Ontario provides to the Recipient.
- A8.2 Publication By The Recipient.** The Recipient will indicate, in any 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.
- A8.3 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.
- A8.4 Media Events and Announcements.** The Recipient shall notify the Province at least five (5) business days before any planned media events or announcements related to the Project, organized by the Recipient or a municipality, to facilitate the prospective attendance of the Province. Media events and announcements include, but are not limited to, news conferences, public announcements, official events or ceremonies, and news releases.
- A8.5 Marketing and Communications.** The communications plan the Recipient shall develop under ‘Schedule C’ of this agreement will contribute to the Province’s consultation and planning process to, without limitation:
- (a) Identify communications infrastructure;
 - (b) Promote other Projects where possible and appropriate; and
 - (c) Develop a reporting schedule for success stories.

ARTICLE A9 ADDITIONAL PROVISIONS

- A9.1 Additional Provisions.** The Recipient will comply with any Additional Provisions set out under section B2 of Schedule “B”. In the event of a conflict or inconsistency between any of the requirements of the Additional Provisions and any requirements of this Schedule “A”, the Additional Provisions will prevail.

ARTICLE A10 INDEMNITY

- A10.1 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 negligence or wilful misconduct of the Province.

A10.2 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.

A10.3 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.

A10.4 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 will co-operate with and assist the Recipient to the fullest extent possible in the proceeding and any related settlement negotiations.

A10.5 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 A11 INSURANCE

A11.1 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 the amount set out under section B1.8 of Schedule "B" per occurrence. The policy will include the following:

- (a) A cross-liability clause;
- (b) Contractual liability coverage;
- (c) A thirty (30) day written notice of cancellation or termination provision.

The policy will also include the Indemnified Parties as additional insureds from the date that the Recipient executes the Agreement or the Effective Date of the Agreement, whichever date is later, to the Expiration Date of this Agreement 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.

A11.2 Proof Of Insurance. The Recipient will:

- (a) Provide the Province with either:
 - (i) Certificates of insurance that confirm the insurance coverage required under section A11.1 of this Schedule "A" is in place within the time limit set out in the request, or
 - (ii) Other proof that confirms the insurance coverage required under section A11.1 of this Schedule "A" is in place within the time limit set out in that request; and
- (b) In the event that:
 - (i) A claim is made against the Province in relation to this Agreement, and
 - (ii) The insurer does not agree to defend and indemnify the Province in relation to that claim,

make available to the Province, upon request and within the time limit set out in that request, a copy of each insurance policy the Recipient is required to have under section A11.1 of this Schedule "A".

A11.3 Right Of "First Call" On Insurance Proceeds. The Recipient hereby provides 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 A11.1 of this Schedule "A" 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 A12 TERMINATION ON NOTICE

A12.1 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.

A12.2 Consequences Of Termination On Notice By The Province. If the Province terminates this Agreement pursuant to section A12.1 of this Schedule "A", 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 A12.2(c) of this Schedule "A"; and
 - (ii) Subject to section A4.6 of this Schedule "A", provide Funds to the Recipient to cover such costs.

ARTICLE A13 TERMINATION WHERE NO APPROPRIATION

A13.1 Termination Where No Appropriation. If, as provided for in section A4.2(d) of this Schedule "A", 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.

A13.2 Consequences Of Termination Where No Appropriation. If the Province terminates this Agreement pursuant to section A13.1 of this Schedule "A", 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 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 A13.2(b) of this Schedule "A".

A13.3 No Additional Funds. For greater clarity, if the costs determined pursuant to section 13.2(c) of this Schedule “A” 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 A14
EVENT OF DEFAULT, CORRECTIVE ACTION AND TERMINATION FOR DEFAULT

A14.1 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) 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.

A14.2 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.

A14.3 Opportunity To Remedy. If, in accordance with section A14(2)(b) of this Schedule “A”, 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.

A14.4 Recipient Not Remediating. If the Province has provided the Recipient with an opportunity to remedy the Event of Default pursuant to section A14.2(b) of this Schedule “A”, 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 A14(2)(a), (c), (d), (e), (f), (g), (h) and (i) of this Schedule "A".

A14.5 When Termination Effective. Termination under Article A14 of this Schedule "A" will take effect as set out in the Notice.

ARTICLE A15 UNSPENT FUNDS

A15.1 Unspent Funds. Without limiting any the Province's rights under Articles A12, A13 or A14 of this Schedule "A", if the Recipient or an Ultimate Recipient has not spent all of the Funds they may have received under the Agreement or under a transfer payment agreement between the Recipient and an Ultimate Recipient related to the Project by the Project Completion Date, upon demand the Province may demand the return of an amount equivalent to the unspent Funds together with interest thereon as provided by section A17.3, and the Recipient shall immediately return those Funds. To this end, the Recipient shall include provisions within its transfer payment agreements with Ultimate Recipients related to the Project that can effect the return of unspent Funds.

ARTICLE A16 FUNDS UPON EXPIRY

A16.1 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

A17.1 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 installments of the Funds; or
- (b) Demand that the Recipient pay an amount equal to the excess Funds to the Province.

A17.2 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.

A17.3 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.

A17.4 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 A18.1 of this Schedule "A".

A17.5 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 deduct any unpaid amount from any money payable to the Recipient by Her Majesty the Queen in Right of Ontario.

A17.6 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 A18 NOTICE

A18.1 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 B1.9 of Schedule "B" or as either Party later designates to the other by written Notice.

A18.2 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.

A18.3 Postal Disruption. Despite section A18.2(a) of this Schedule "A", 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 A19 CONSENT BY PROVINCE AND COMPLIANCE BY RECIPIENT

A19.1 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 he or she 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 A20 SEVERABILITY OF PROVISIONS

A20.1 *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 A21 WAIVER

A21.1 *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 A18 of this Schedule "A". 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 A22 INDEPENDENT PARTIES

A22.1 *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 A23 ASSIGNMENT OF AGREEMENT OR FUNDS

A23.1 *No Assignment.* The Recipient will not, without the prior written consent of the Province, assign any of its rights or obligations under this Agreement.

A23.2 *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 A24 GOVERNING LAW

A24.1 *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 A25 FURTHER ASSURANCES

A25.1 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 or not do or cause not to be done (as the case may be) 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**

A26.1 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 A27
RIGHTS AND REMEDIES CUMULATIVE**

A27.1 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 A28
JOINT AUTHORSHIP**

A28.1 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 A29
FAILURE TO COMPLY WITH OTHER AGREEMENT**

A29.1 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 A30
SURVIVAL**

A30.1 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: Article 1 and any other applicable definitions, sections A4.2(d), A4.7, A5.3, A7.1 (to the extent that the Recipient has not provided the Reports to the satisfaction of the Province), A7.2, A7.3, A7.4, A7.5, A7.6, Articles A8 and A10, sections A12.2, A13.2, A13.3, A14.1, A14.2(d), (e), (f), (g) and (h), Articles A15, A16, A17, A18, A22, section A23.2 and Articles A24, A26, A27, A28 and A29.

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SCHEDULE “B” OPERATIONAL REQUIREMENTS AND ADDITIONAL TERMS AND CONDITIONS

SECTION B.1 – OPERATIONAL REQUIREMENTS

B1.1 Effective Date. The Effective Date of this Agreement is January 1, 2018.

B1.2 Project Completion Date. The Recipient’s Project Completion Date is March 31, 2020.

B1.3 Expiration Date. The Expiration Date of this Agreement is March 31, 2021.

B1.4 Maximum Funds. The Maximum Funds the Province may provide under this Agreement is twenty-six million dollars (\$26,000,000.00).

B1.5 Disposal Of Assets. The amount for the purposes of section A5.3 of Schedule “A” is fifty thousand dollars (\$50,000.00).

B1.6 Submission Of Reports. All Reports under this Agreement will be submitted to the Province:

Attention: Rick Berthiaume, Manager, Business Development Branch
Address: 1 Stone Road West, 3SW, Guelph, ON, N1G4Y2
Fax: 519-826-3567
Email: rick.berthiaume@ontario.ca

or any other person identified by the Province to the Recipient in writing for this purpose.

B1.7 Recognition Of Provincial Support: The Recipient will acknowledge the Province’s support for the Project in the following manner: “The Project is funded [if it is partly funded the Recipient should use “in part”] by the Ontario Ministry of Agriculture, Food and Rural Affairs.”

B1.8 Insurance Amount. The amount of insurance the Recipient will have for the purposes of section A11.1 of Schedule “A” is two million dollars (\$2,000,000.00).

B1.9 Providing Notice. All Notices under this Agreement will be provided to:

TO THE PROVINCE

Attention: Rick Berthiaume, Manager, BDB
Address: 1 Stone Road West, 3SW, Guelph, ON, N1G4Y2
Fax: 519-826-3567
Email: rick.berthiaume@ontario.ca

TO THE RECIPIENT

Attention: Pat Vanini, Executive Director
Address: 200 University Avenue, Suite 801, Toronto, ON, M5H3C6
Fax: 416-971-6191
Email: pvanini@amo.on.ca

or any other person subsequently identified by one Party to the other in writing.

SECTION B2 – ADDITIONAL PROVISIONS

B2.1 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.

The Additional Provisions survive the expiration or early termination of the Agreement for a period of seven (7) years from the Expiration Date or the date of early termination.

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SCHEDULE “C” PROJECT DESCRIPTION

SECTION C1 – BACKGROUND

The \$26 million Main Street Revitalization Initiative, approved under the \$40 million Main Street Enhancement Initiative (MSEI), is focused on helping Municipalities to undertake main street revitalization activities that support and benefit small businesses. The project specifically aligns with the Province’s priority of creating a supportive and dynamic business environment, and OMAFRA’s priorities of creating strong rural communities.

SECTION C2 – PROJECT OBJECTIVES

The Project is being undertaken to provide Municipalities in Ontario, excluding the City of Toronto, with funding to support small businesses in main street areas. This funding will support capital improvements for energy efficiency, accessibility, aesthetics, and marketability in small businesses within main street areas, and encourage strategic public investments in municipal and other public infrastructure within main street areas that will support small businesses.

In order to achieve that overall outcome, the Project activities are focused on the primary objective of enabling municipalities to undertake revitalization activities that will support small businesses, through two proposed program streams:

- Implementation of priority financial incentives in existing municipal Community Improvement Plans (e.g. grants for physical improvements such as renovations, retrofits, and structural improvements)
- Funding of strategic municipal physical infrastructure and promotional projects (e.g. signage, streetscape improvements, marketing plan implementation) that will contribute to the success of main street businesses.

The funding can only be used to support revitalization activities within main street areas, as defined through an existing Community Improvement Plan or other municipal land use planning policy. Funding will be allocated to each Single-tier or Lower-tier Municipality in Ontario to undertake revitalization activities. Municipalities will have the ability to use that funding in one or both of the proposed program streams.

Excluding the City of Toronto, all Single-tier and Lower-tier Municipalities in Ontario are eligible for funding under the Main Street Revitalization Initiative.

SECTION C3 – ACTIVITIES AND TIMELINES

ACTIVITY	TIMELINE
<p>Activity 1 – Confirm Project Budget The Recipient will develop a budget for administration of the Project, and confirm and upper limit of funding to be provided to each single-tier or lower-tier municipality in Ontario. The formula to be used is outlined below:</p> <p>Municipal Allocation = (1) Base Funding + (2) Small Community Adjustment + (3) Per Capita Allocation, where:</p>	<p>Confirmation of budget and funding allocations will be completed by April 16, 2018</p>

<p>(1) Base funding component = an amount distributed equally among all eligible municipalities;</p> <p>(2) Small Community Adjustment component = amount distributed equally among municipalities with a population less than 25,000; and</p> <p>(3) Per Capita component = a per capita amount based on 2016 population, as set out in the 2016 Census of Population</p> <p>The total funding amount will be determined through confirmation of administrative costs to be incurred by the Recipient. Total funding, less administrative costs, should be allocated as follows across the three preceding components:</p> <p>(1) 50% of total funding distributed as Base funding allocations</p> <p>(2) 11.5% of total funding distributed as Small Community Adjustment component; and</p> <p>(3) 38.5% of total funding distributed as Per Capita component</p> <p>Allocations will be finalized by the Recipient.</p>	
<p>Activity 2 – Implement Main Street Revitalization Initiative</p> <p>The Recipient will implement the Main Street Revitalization Initiative, including two streams of funding:</p> <ul style="list-style-type: none"> • CIP Implementation: funding that provides assistance for municipalities to implement priority financial incentives in their existing CIPs. • Main Street Revitalization: funding available to all municipalities to undertake municipal physical infrastructure improvements (e.g. street scape improvements, signage) or implementation of marketing plans that will contribute to the success of main street businesses. Projects should be noted as a strategic priority in an existing municipal strategic plan (e.g. downtown revitalization plan, community improvement plan, economic development strategy, marketing plan) <p>As part of the process, the Recipient will develop processes, procedures, guidelines, and timelines for:</p> <ul style="list-style-type: none"> • Developing project agreements to flow funding and monitor projects • Reporting on the performance of the program <p>The Recipient will establish appropriate financial controls and due diligence to deliver the program, as well as</p>	<p>The Main Street Revitalization Initiative will be launched by April 30, 2018</p>

<p>strong risk management and accountability frameworks similar to those used in the Federal Gas Tax Program.</p>	
<p>Activity 3 – Promote the program The Recipient will create a communications plan and develop accompanying marketing materials to promote and communicate information about the program to municipalities and other economic development or downtown revitalization organizations. Where possible, the Recipient should work with other MSEI Recipients to ensure a coordinated approach and work with delivery agents of other government initiatives that aim to promote Main Street Revitalization and support for small businesses.</p>	<p>Ongoing, throughout the Term of the Agreement.</p>
<p>Activity 4 – Monitor projects, collect information, and report The Recipient will develop procedures, processes, guidelines, and timelines to:</p> <ul style="list-style-type: none"> • Monitor, verify and validate results of the program • Gather information on projects and achievements towards program goals • Adjust processes, procedures, guidelines, and timelines as needed to achieve initiative goals. <p>As part of ongoing monitoring, the Recipient will work with the Province to develop a mechanism for re-allocation of funds not spent on administration or project activity 2, at the conclusion of Year 1 of the program.</p>	<p>Ongoing, throughout the Term of the Agreement.</p>

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SCHEDULE “D” BUDGET

SECTION D1 – THE BUDGET

PROJECT ACTIVITIES UNDER SCHEDULE “C”	FUNDING LIMITS (UP TO)
Funding to Recipient for eligible costs for program activities	Up to \$24,440,000.00
Recipient’s administrative costs for the program (6%)	Up to \$1,560,000.00
Maximum Funds	Up to \$26,000,000.00

SECTION D2 – ELIGIBLE COSTS

D2.1 Eligible Costs. Eligible Costs are those costs that are, in the Province’s sole and absolute discretion, properly and reasonably incurred, paid or reimbursed by the Recipient and are necessary for the successful completion of the Project. For greater clarity, Eligible Costs are those that are set out immediately below in this section D.2.1 of this Schedule “D”:

For the Recipient

Its “**Administrative Costs**” are:

1. The Recipient’s own costs for goods and services directly related to planning, coordinating, developing, or delivering the program incurred and paid on or after the Effective Date, and on or before the Project Completion Date, including all related shipping and transportation costs, costs of developing program, program communications, program advertising, program outreach and education, activities and program notices;
2. The Recipient’s own organizational costs that include, but are not limited to, incremental costs incurred related to the program. “**Organizational Costs**” include (but are not limited to):
 - Costs of goods and services and all related shipping and transportation costs;
 - Costs of staff time and expenses (e.g. salaries and benefits), excluding severances;
 - Proportionate overhead costs of the Recipient (based on incremental staff time directly related to the program);
 - Cost of audits and evaluations of the program;
 - Legal costs to administer the program, provided that those legal costs do not arise due to the Recipient’s own negligence and willful misconduct;
 - Incremental insurance costs;
 - Costs of telecommunications, postage, or other similar costs;
 - Payment processing costs;
 - Costs related to performance monitoring of activities;
 - Cost of information management and information technology (IM/IT) systems, excluding any capital assets. Where such assets must be purchased, they must be pre-approved by the Ministry;

- Incremental costs for rental, lease of facilities, equipment, or machinery directly related to the program;
 - Costs of developing public communications, advertisements and notices;
 - Harmonized sales tax for which the Recipient is not eligible for a rebate, credit, or refund; and
 - Costs for travel, meal, and catering, provided those costs were included in the project budget provided to the Province and were incurred in accordance with Schedule 'D' of this agreement;
3. Costs of translation into French and any costs related to the *Accessibility of Ontarians with Disabilities Act* related to communication materials distribution on website, media, etc. (where translation to other languages other than French may be warranted, the Recipient must seek and obtain the approval of the Ministry prior to incurring the expenditure); and
 4. Other costs that are, in the Province's sole and absolute discretion, direct, incremental and reasonable and necessary for the successful completion of the Project, provided those costs have been approved by the Province in writing prior to being incurred by the Recipient.

FOR ULTIMATE RECIPIENTS (I.E. MUNICIPALITIES)

Eligible Costs for municipalities receiving funding from the Recipient include:

5. Costs directly and reasonably incurred on or after April 1, 2018 up to and including the Project Completion Date and reimbursed or to be reimbursed by the Recipient for construction, renewal, renovation or redevelopment or material enhancement activities funded under existing Community Improvement Plan financial incentive programs, including projects in the following categories:
 - Commercial building façade improvements
 - Preservation and adaptive reuse of heritage and industrial buildings
 - Provision of affordable housing
 - Space conversion for residential and commercial uses
 - Structural improvements to buildings (e.g. Building Code upgrades)
 - Improvement of community energy efficiency
 - Accessibility enhancements
6. Costs directly and reasonably incurred on or after April 1, 2018 up to and including the Project Completion Date and reimbursed or to be reimbursed by the Recipient for construction, renewal or material enhancement activities funded under the Main Street Revitalization stream, including projects in downtown or main street areas, as defined through an existing Community Improvement Plan or other municipal land use planning policy that will support the success of small businesses in main street areas in the following categories:
 - Signage – wayfinding/directional, and gateway.
 - Streetscaping and landscape improvements – lighting, banners, murals, street furniture, interpretive elements, public art, urban forestation, accessibility, telecommunications/broadband equipment, parking, active transportation infrastructure (e.g. bike racks/storage, cycling lanes and paths) and pedestrian walkways/trails.
 - Marketing plan implementation – business attraction and promotion activities, special events

SECTION D3 – INELIGIBLE COSTS

D3.1 Ineligible Costs. The following costs are Ineligible Costs and therefore ineligible for funding under this Agreement with the Recipient:

1. Costs incurred prior to Effective Date or after the Project Completion Date;
2. Any cost that the Recipient incurs without first obtaining the Province's prior written consent, as required under section B.2.1 of Schedule "B";
3. Any costs that are not specifically set out as Eligible Costs under section D.2.1 of this Schedule "D" or that were not approved by the Province in writing prior to the Recipient or Ultimate Recipient incurring those costs;
4. Any costs that will be funded or reimbursed through any other agreement or by any third party, including other Ministries, agencies and organizations of the Government of Ontario;
5. Any costs associated with providing any Reports to the Province pursuant to Schedule "F";
6. Any costs associated with lobbying the Province, including other Ministries, agencies and organizations of the Government of Ontario;

The following costs are Ineligible Costs and therefore ineligible for funding under agreements between the Recipient and any Ultimate Recipient:

7. Costs incurred prior to Effective Date or after the Project Completion Date;
8. Any costs associated with providing any Reports to the Province pursuant to Schedule "F";
9. Any costs associated with lobbying the Province, including other Ministries, agencies and organizations of the Government of Ontario;
10. Costs associated with construction, renewal, renovation or redevelopment or material enhancement of all things in the following categories: highways, short-sea shipping, short-line rail, regional or local airports, and brownfields;
11. Costs of infrastructure construction, renewal, renovation or redevelopment or material enhancement that do not improve energy efficiency, accessibility, aesthetics or marketability of small businesses within an Ultimate Recipient's main street areas; or that do not encourage strategic public investments in municipal and other public infrastructure within main street areas that will benefit small businesses; or that otherwise will likely fail to contribute to the success of main street businesses;
12. Costs of infrastructure construction, renewal, renovation or redevelopment or material enhancement outside of an Ultimate Recipient's main street areas, as defined through an existing Community Improvement Plan or other municipal land use planning policy;
13. The cost of leasing of equipment by an Ultimate Recipient, any overhead costs, including salaries and other employment benefits of any employees of an Ultimate Recipient, its direct or indirect operating or administrative costs of Ultimate Recipients, and more specifically its costs related to planning, engineering, architecture, supervision, management and other activities normally carried out by its staff, except in accordance with Eligible Costs above;
14. Taxes, for which an Ultimate Recipient is eligible for a tax rebate;
15. Costs to purchase of land or any interest therein, and related costs; and,
16. Costs of routine repair and maintenance of municipal physical infrastructure.

SCHEDULE "E" **PAYMENT PLAN (TO BE CONFIRMED)**

PROJECT REPORT AND DATE	AMOUNT UP TO (\$)
Within fifteen (15) business days of the date that the agreement is executed by both Parties	Up to \$13,000,000.00 to the Recipient
Subject to the terms and conditions of this Agreement, payment will be provided within fifteen (15) Business Days of the Province's approval of Progress and Financial Report #1	Up to \$10,000,000.00 to the Recipient
Subject to the terms and conditions of this Agreement, payment will be provided within fifteen (15) Business Days of the Province's approval of Progress and Financial Report #2	Up to \$2,610,000.00 to the Recipient
Subject to the terms and conditions of this Agreement, payment will be provided within fifteen (15) Business Days of the Province's approval of Mid-term Report	Up to \$390,000.00 to the Recipient
MAXIMUM FUNDS	\$26,000,000

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SCHEDULE “F” REPORTING

SECTION F.1 – TABLE OF REPORTS

F1.1 Reports. The Recipient will submit the following Reports in the corresponding format provided in the Appendix to this Schedule and with such content as is satisfactory to the Province:

NAME OF REPORT	DUE DATE
Confirmation of Budget and Funding Allocations	April 16, 2018
Progress and Financial Report #1 (covering the period from April 1, 2018 to June 30, 2018)	July 13, 2018
Progress and Financial Report #2 (covering the period from July 2, 2018 to September 31, 2018)	October 15, 2018
Mid-term Report (covering the period from Effective Date to December, 2018)	June 30, 2019
Progress and Financial Report #3 (covering the period from January 1, 2019 to September 31, 2019)	October 14, 2019
Final Report (covering the period from the Effective Date to the Project Completion Date)	June 30, 2020
Other Reports	Within ten (10) Business Days of a written request from the Province

Progress and Financial Reports

These reports will document the following:

- Detailed project financial information, including funding received from the Province, funding transferred to Ultimate Recipients, administrative costs, interest earned, and closing balance for the statement period, and cumulatively since the effective date; and
- An overview of any issues encountered and actions undertaken to resolve issues, by stream.

Mid-term Report

This report is provided at the end of year 1, and will document the following:

- Detailed project financial information, including funding received from the Province, funding transferred to Ultimate Recipients, administrative costs, interest earned, and closing balance cumulatively since the effective date;
- Details on municipal expenditures, in aggregate, including funds received from the Recipient, municipal interest earned, and expenditure on eligible projects by stream, cumulatively since the effective date;
- An overview of any issues encountered and actions undertaken to resolve issues, by stream;
- An ongoing summary of projects funded under the initiative by Municipality, outlining project activity description, cost, funds allocated, funds spent (by stream), start date, end date, and completion status;
- A update on the metrics outlined in ‘Schedule F’; and,
- An outline of the project successes and challenges encountered to-date.

In addition, the Recipient will provide an independent audit opinion, or an attestation based on an independent audit and signed by a senior official designated in writing by the Recipient, as appropriate, as to:

- The accuracy of the information submitted in the Recipient Balance and Municipal Aggregate Expenditure Report tables; and
- That Provincial funding and unspent funds, and any interest thereon, were expended for the purposes intended.

Final Report

This report is provided at the conclusion of year two of the program, and will document the following:

- Detailed project financial information, including funding received from the Province, funding transferred to Ultimate Recipients, administrative costs, interest earned, and closing balance cumulatively since the effective date;
- Details on municipal expenditures, in aggregate, including funds received from the Recipient, municipal interest earned, and expenditure on eligible projects by stream, cumulatively since the effective date;
- An overview of any issues encountered and actions undertaken to resolve issues, by stream;
- An ongoing summary of projects funded under the initiative by Municipality, outlining project activity description, cost, funds allocated, funds spent (by stream), start date, end date, and completion status;
- An update on the metrics outlined in 'Schedule F'; and,
- An overview, in aggregate, on the degree to which investments have supported progress towards the following outcomes:
 - Small businesses in main street areas received financial support for revitalization efforts through municipal CIPs.
 - Municipalities implemented strategic physical improvements to their community that contributed to main street businesses' success.

For the Final Report, the Recipient will provide an independent audit opinion, or an attestation based on an independent audit and signed by a senior official designated in writing by the Recipient, as appropriate, as to:

- The accuracy of the information submitted in the Recipient Balance and Municipal Aggregate Expenditure Report tables; and
- That Provincial funding and unspent funds, and any interest thereon, were expended for the purposes intended.

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APPENDIX

PROGRESS AND FINANCIAL REPORT

PART I – PROJECT INFORMATION

Recipient:	
Recipient's Address:	
Project Manager:	
Telephone Number:	
E-Mail:	
Date Of Progress Report:	
Project Start Date:	
Project Completion Date:	

The information contained in this Progress and Financial Report covers the period of _____
to _____.

PART II – PROJECT FINANCIAL INFORMATION

RECIPIENT STATEMENT PERIOD BALANCE

	<Statement Period>	Cumulative (Since Effective Date)
Opening Balance		
Received from Province		
Transferred to Municipalities		
Administration Costs		
Interest Earned by Recipient		
Closing Balance		
Funding Requested		

1. The expenses being identified in this Progress and Financial Report were properly and reasonably incurred and were necessary in order to carry out the Project.

2. The Project remains on budget.

3. The Recipient does not anticipate the need to deviate from the Budget set out in Schedule “D” of the Agreement.

Explanation
<p>If you are unable to check one or more of the above check boxes, use the space below to explain why you are not able to check those boxes. Please note which question you are referring to in your explanation. Use a row for each box that was not checked. Insert additional rows as needed.</p>

PART III – PROJECT INFORMATION

1. Progress On Project Activities And Timelines

Activity	Timelines for Completion under Schedule “C”	Issues Encountered And Actions Undertaken To Resolve Issues
Activity 2 - Implement Main Street Revitalization Initiative	Launch by April 30, 2018 Ongoing	
Activity 3 – Promote the Program	Ongoing	
Activity 4 - Monitor projects, collect information, and report	Ongoing	

Copies of supporting documents verifying the Activity has been completed are are not attached to this Progress and Financial Report.

Explanation
<p>If the Recipient is not providing copies of supporting documents, explain why.</p>

PART IV – ATTESTATION

The below attestation is to be signed by a duly authorized signing officer for the Recipient.

I, _____ (please print), hereby attest to the following:

- (a) The work on the Project has been completed as of the date this attestation is signed in accordance with the description of the Project set out under section C.3 of Schedule "C" of the Agreement;
- (b) No Funding has been spent on Ineligible Costs;
- (c) The work on the Project has been completed as of the date this attestation is signed in accordance with the terms/conditions of the Agreement and all Requirements of Law; and
- (d) All information provided in this Progress and Financial Report is – to the best of my knowledge, belief and understanding – true and correct in all material aspects.

_____ (date)

I am a duly authorized signing officer for the Recipient.

MID-TERM REPORT

PART I – PROJECT INFORMATION

Recipient:	
Recipient's Address:	
Project Manager:	
Telephone Number:	
E-Mail:	
Date Of Progress Report:	
Project Start Date:	
Project Completion Date:	

The information contained in this Progress and Financial Report covers the period of _____ to _____.

PART II – PROJECT FINANCIAL INFORMATION

RECIPIENT BALANCE

	Cumulative (Since Effective Date)
Opening Balance	
Received from Province	
Transferred to Municipalities	
Administration Costs	
Interest Earned by AMO	
Closing Balance	

1. The administrative expenses being identified in this Progress and Financial Report were properly and reasonably incurred and were necessary in order to carry out the Project.
2. The Project remains on budget.
3. The Recipient does not anticipate the need to deviate from the Budget set out in Schedule "D" of the Agreement.

Explanation

If you are unable to check one or more of the above check boxes, use the space below to explain why you are not able to check those boxes. Please note which question you are referring to in your explanation. Use a row for each box that was not checked. Insert additional rows as needed.

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ULTIMATE RECIPIENT EXPENTIDURE REPORT

	Cumulative (Since Effective Date)
Opening Balance	
Received from Recipient (including payables)	
Municipal Interest Earned	
Municipal Asset Disposal	
Expenditures on Eligible Projects	
Community Improvement Plan Projects	
Municipal Physical Infrastructure Projects	
Closing Balance	

PART III – PROJECT INFORMATION

1. Progress On Project Activities And Timelines

Activity	Timelines for Completion under Schedule “C”	Issues Encountered And Actions Undertaken To Resolve Issues
Activity 2 - Implement Main Street Revitalization Initiative	Launch by April 30, 2018 Ongoing	
Activity 3 – Promote the Program	Ongoing	
Activity 4 - Monitor projects, collect information, and report	Ongoing	

Copies of supporting documents verifying the Activity has been completed are are not attached to this Progress and Financial Report.

Explanation

If the Recipient is not providing copies of supporting documents, explain why.

2. Project List

The Recipient will maintain, and provide to the Province, a project list submitted in accordance with the following template.

Ultimate Recipient	Project Description	Total Project Cost	Funds Allocated (Main Street)	Funds Spent (Main Street), by stream		Start Date	End Date	Completed
				CIP	Revit			
								(yes/no/ongoing)

3. Performance Measures

Outcome(s) or Activities	Performance Measure	Cumulative Results
Community Improvement Plan (CIP) Implementation Stream	Number of small businesses supported	
	Total value of physical improvements	
	Total Main Street funds provided	
	Total municipal investment	
	Total private investment	
Main Street Revitalization Stream	Total value of physical improvements	
	Total Main Street Funds provided	
	Total municipal investment	

Copies of evaluations/survey results and other documents supporting the Recipient's achievement in relation to its performance measures are are not attached to this Final Report.

Explanation
If the Recipient is not providing supporting documentation, explain why.

4. Project Successes To Date

Project Successes

Set out any successes in relation to the Project to date. Provide an explanation of the successes. Insert additional rows as needed.

Success	Explanation

5. Project Challenges To Date

Project Challenges

Set out any challenges that have arisen in relation to the Project to date. Provide an explanation of those challenges as well as what you did to address those challenges. Insert additional rows as needed.

Challenges To Date	Explanation

6. Doing Things Differently

Doing Things Differently

Knowing what you know now, identify what you would have done differently to date in relation to the Project. Include an explanation as to why you would have done it differently and how doing it differently would have helped in relation to the Project. Insert additional rows as needed.

Item(s) Done Differently	Explanation

7. Other Information

Other Information

Set out any other information that you think the Province should know about the Project to date. Include additional rows as needed.

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PART IV – ATTESTATION

The below attestation is to be signed by a duly authorized signing officer for the Recipient.

I, _____ (please print), hereby attest to the following:

- (a) The work on the Project has been completed as of the date this attestation is signed in accordance with the description of the Project set out under section C.3 of Schedule “C” of the Agreement;
- (b) No Funding has been spent on Ineligible Costs;
- (c) The work on the Project has been completed as of the date this attestation is signed in accordance with the terms/conditions of the Agreement and all Requirements of Law; and
- (d) All information provided in this Progress and Financial Report is – to the best of my knowledge, belief and understanding – true and correct in all material aspects.

(date)

I am a duly authorized signing officer for the Recipient.

FINAL REPORT

PART I – PROJECT INFORMATION

Recipient:	
Recipient's Address:	
Project Manager:	
Telephone Number:	
E-Mail:	
Date Of Final Report:	
Project Start Date:	
Project Completion Date:	

The information contained in this Final Report covers the period of _____ to _____.

PART II – PROJECT FINANCIAL INFORMATION

RECIPIENT FINAL BALANCE

	Cumulative (Since Effective Date)
Opening Balance	
Received from Province	
Transferred to Municipalities	
Administration Costs	
Interest Earned by AMO	
Closing Balance	

1. The expenses being identified in this Final Report were properly and reasonably incurred and were necessary in order to carry out the Project.
2. The Project was on budget.

Explanation

If you are unable to check one or more of the above check boxes, use the space below to explain why you are not able to check those boxes. Please note which question you are referring to in your explanation. Use a row for each box that was not checked. Insert additional rows as needed.

ULTIMATE RECIPIENT AGGREGATE EXPENDITURE REPORT

	Cumulative (Since Effective Date)
Opening Balance	
Received from Recipient (including payables)	
Municipal Interest Earned	
Municipal Asset Disposal	
Expenditures on Eligible Projects	
Community Improvement Plan Projects	
Municipal Physical Infrastructure Projects	
Closing Balance	

PART III – PROJECT INFORMATION

1. Project Activities And Timelines

Activity	Timelines for Completion under Schedule “C”	Status Of Activity (e.g. Complete/Incomplete)	Description of Activity Completed	Issues Encountered And Actions Undertaken To Resolve Issues
Activity 2 - Implement Main Street Revitalization Initiative	Launch by April 30, 2018 Ongoing			
Activity 3 – Promote the Program	Ongoing			
Activity 4 - Monitor projects,	Ongoing			

collect information, and report				
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Copies of supporting documents verifying the Activity has been completed are are not attached to this Final Report.

Explanation
If the Recipient is not providing copies of supporting documents, explain why.

2. Project List

The Recipient will maintain, and provide to the Province, a project list submitted in accordance with the following template.

Ultimate Recipient	Project Description	Total Project Cost	Project Stream	Funds Allocated (Main Street)	Funds Spent (Main Street)	Start Date	End Date	Completed
			(CIP/ Revitalization)					(yes/no/ongoing)

3. Performance Measures

Outcome(s) or Activities	Performance Measure	Cumulative Results
Community Improvement Plan (CIP) Implementation Stream	Number of small businesses supported	
	Total value of physical improvements	
	Total Main Street funds provided	
	Total municipal investment	
	Total private investment	
Main Street Revitalization Stream	Total value of physical improvements	
	Total Main Street Funds provided	
	Total municipal investment	

Copies of evaluations/survey results and other documents supporting the Recipient's achievement in relation to its performance measures are are not attached to this Final Report.

Explanation
If the Recipient is not providing supporting documentation, explain why.

4. Key Project Successes

Project Successes	
Set out any key successes in relation to the Project. Provide an explanation of the successes. Insert additional rows as needed.	
Success	Explanation

PART IV – ATTESTATION

Attestation For Final Report

I, _____ (please print), hereby attest to the following:

- (a) The Project is complete and was completed in accordance with the description of the Project set out under section C.3 of Schedule “C” of the Agreement;
- (b) The Project was completed in accordance with the terms/conditions of the Agreement and all Requirements Of Law;
- (c) No Funding was spent on Ineligible Costs;
- (d) The Recipient will provide any remaining Funds to the Province within thirty (30) Business Days of receiving Notice from the Province that the Province has approved the Recipient's Final Report; and
- (e) All information provided in this Final Report as well as all previous Reports submitted to the Province is – to the best of my knowledge, belief and understanding – true and correct in all material aspects.

(signature)

(date)

I am a duly authorized signing officer for the Recipient.