

PROVINCIAL-MUNICIPAL INFRASTRUCTURE AGREEMENT

THIS AGREEMENT made this 18th day of December, 1996.

BETWEEN:

HER MAJESTY THE QUEEN, in right of the
Province of Ontario as represented by the
Minister of Municipal Affairs and Housing,
referred to below as the "Province",

AND:

THE CORPORATION OF THE TOWN OF PELHAM
referred to below as the "Municipality",

WHEREAS on January 24, 1994, the Province and Canada entered into the Canada-Ontario Infrastructure Program Agreement, which was subsequently amended on August 26, 1996, and is appended to this Agreement as Schedule "A";

AND WHEREAS Canada and the Province are committed to the renewal and enhancement of Canada's physical infrastructure;

AND WHEREAS it is agreed that Canada and the Province should invest in the renewal and enhancement of infrastructure at the local community level;

AND WHEREAS Canada and the Province agree that sound investments in infrastructure can promote a competitive and productive economy, generate valuable short and long-term employment and accelerate economic recovery;

AND WHEREAS the Municipality is also committed to working toward this shared goal of investing to improve public infrastructure and the creation of employment;

AND WHEREAS the Municipality, by By-law 1871 (1997), dated JANUARY 20, 1998⁷ and appended hereto as Schedule "B" authorizes the Mayor, Reeve, Warden or Chair and the Clerk to enter into this Agreement on behalf of the Municipality;

THEREFORE the Province and the Municipality agree as follows:

1. Definitions

1.1 In this Agreement:

- (a) "Canada" means Her Majesty the Queen in right of Canada;
- (b) "eligible costs" means those costs defined in section 4.1 of this Agreement;
- (c) "fiscal year" means the period commencing April 1 of any year and terminating on March 31 of the immediately following year;
- (d) "Management Committee" means the Management Committee established pursuant to section 3.1 of Schedule "A";
- (e) "Minister" means Minister of Municipal Affairs and Housing;

- (f) "parties" means Canada and the Province; and
- (g) "project" means a project or projects approved by the Management Committee pursuant to section 3.5, as amended, of Schedule "A" and as further described in Schedule "C" of this Agreement.

2. Implementation

- 2.1 The Municipality shall implement and complete actual construction of the Project described in Schedule "C" in accordance with the terms and conditions set out in Schedule "C" and in the body of this Agreement on or before March 31, 1999.

- 2.2 (a) If at any time after this Agreement is entered into, the Municipality becomes aware that it is or may be in default on either the commencement date or the completion date for the Project or the projected cash flows for the Project as set out in Schedule "C", the Municipality shall give written notice immediately to the Province, by registered mail, of the actual or possible default.

- (b) The notice shall contain the following information:
 - (1) detailed reasons and justification for the actual or possible default; and
 - (2) the revised Schedule "C" setting out the new commencement or completion dates, and projected cash flows.
- (c) The notice, upon receipt by the Province, shall be deemed to be accepted unless the Province notifies the Municipality immediately that further Management Committee approval is required in order for the Project to continue as a Project under this Agreement.

- 2.3 The Municipality is solely and fully responsible for the implementation of the Project including but not limited to, the capital costs of the Project and the acquisition of all land and interests in lands that are required for the implementation of the Project.

- 2.4 The Municipality shall be responsible for obtaining all approvals, permits and licences required by all statutes, regulations and by-laws necessary for the implementation of the Project.

- 2.5 The Municipality shall implement the Project in compliance with the laws of the Province of Ontario, including but not limited to, labour, environmental, human rights and occupational health and safety statutes and regulations.
- 2.6 Upon completion of the implementation of the Project the Municipality shall be responsible for all on-going costs associated with the operation, maintenance and repair of the Project.

3. Tenders

- 3.1 The Municipality shall let all contracts relating to the implementation of the Project in accordance with purchasing policies of the Municipality or as otherwise approved by the Council of the Municipality.

- 3.2 To the extent permitted by law the Municipality shall ensure that when selecting a bid or proposal for work to be done in respect of the implementation of the Project that a bid or proposal price preference of up to 10 percent on the Canadian content (all values added in Canada) of the supplies, equipment and services will be applied when comparing bids and proposals of Fifteen Thousand (\$15,000) or more, with the exception of cement.

4. Financial Provisions

- 4.1 For purposes of this Agreement, "eligible costs" means all direct costs properly and reasonably incurred and paid solely and specifically in relation to this Project and for greater certainty means:

- (a) costs invoiced against a contract for goods and services necessary for the implementation of the Project;
- (b) any other costs which are incurred and paid in the course of implementation of the Project that are recognized and determined as relevant by the Management Committee;
- (c) the salaries and wages of any employee of the Municipality and other employment benefits of any employee engaged solely and specifically for the purpose of implementing the Project which costs have been determined and approved by the Management Committee, including the salaries and other employment benefits of any municipal employee in proportion to the employee's time solely and specifically devoted to the Project;

- (d) costs related to Project signage;
- (e) contributions in kind which are recorded at the lesser of fair market value or cost; and
- (f) any other administrative costs not otherwise covered in (a), (b), (c), (d) and (e) above, which have been determined and approved by the Management Committee; but shall not include costs which are for:
 - (g) services or works normally provided by the Municipality or an agency thereof; and
 - (h) the cost of any lands or any interest in land.

4.2

- (a) The Province shall contribute an amount not exceeding one third (1/3) of the eligible costs of the Project, and on behalf of Canada, shall contribute an amount not exceeding a further one third (1/3) of the eligible costs of the Project, and the final one third (1/3) of the eligible costs of the Project shall be contributed by the Municipality.

(b) If the Municipality receives grants or other funding from Canada in addition to the funding set out in this Agreement the Municipality may apply those other funds to the Project however the aggregate funding received from Canada from all sources shall not exceed one third (1/3) of the eligible costs of the Project.

- (c) A Project is not eligible for funding under this Agreement if the Project receives funding from the Province under any provincial capital program.

5. Payment Provisions

5.1 The Municipality shall submit to the Province its claims for payment of the eligible costs of the Project which it has paid or which it has been billed for but has not paid. In all instances claims for payment shall be submitted on or before March 31 of the year following the fiscal year in which the cost was incurred, but no claim for payment shall be submitted after March 31, 2000.

5.2 Where the Municipality in accordance with section 5.1 submits a claim to the Province for payment of eligible costs for which it has been billed but has not paid, the Municipality agrees to supply the Province with proof of payment of that bill within 90 days of submitting the claim to the Province.

5.3 In the event that the Municipality does not file the proof of payment required by section 5.2, the Province may withhold or reduce future payments to the Municipality;

5.4 The Province shall not be responsible for the payment of any costs incurred before January 24, 1994 in relation to the implementation of the Project regardless of when such costs are billed to the Municipality.

5.5 The Municipality shall submit its claims for payment of eligible costs to the Province on claim forms which will be provided by the Province.

5.6 Subject to satisfactory review and approval of the claim by the Province, the Province shall pay to the Municipality the Parties' share of the eligible costs.

5.7 The Municipality shall submit with its final claim for payment of eligible costs a Project Completion Report for the Project and the said Report shall be submitted on forms which will be provided by the Province.

5.8 In the event that the Municipality does not submit a Project Completion Report as required by section 5.7, the Province shall withhold payment of the final claim.

6. Financial Records

6.1 The Municipality shall keep separate financial records for all amounts incurred, claimed, paid and received with respect to the implementation of the Project.

6.2 The Municipality shall retain and preserve all documents, contracts, records, claims and accounts that relate to the implementation of the Project until March 31, 2001.

7. Public information

7.1 The Municipality shall not make any public announcements with respect to the approved Project without the prior written consent of the Management Committee;

7.2 The public information described in section 10 of Schedule "A", public announcements and official ceremonies concerning the Project shall be developed and organized by a joint federal-provincial communications committee in consultation with the Municipality. Costs associated with the public information, public announcement or official ceremony shall be shared equally by Canada and the Province.

7.3(a) At the request of Management Committee the Municipality shall install at the appropriate location, and maintain throughout the duration of the Project, one or more signs indicating that the Project is an Infrastructure Project undertaken under the auspices of the Canada-Ontario Infrastructure Program Agreement or bearing any other such message approved by the Management Committee.

(b) The cost of the signage referred to in paragraph (a) is considered an eligible cost for the purposes of section 4.1(d) of this Agreement.

7.4(a) At the request of Management Committee the Municipality shall install, upon completion of the Project, where feasible, a plaque or permanent sign bearing an inscription approved by the Management Committee.

(b) The cost of the plaque or permanent sign referred to in paragraph (a) shall be shared equally by Canada and the Province.

7.5 All public information material related to calls and tenders for the Project, including Project signage, shall clearly and prominently indicate that funding was provided under the terms of Schedule "A", and non-compliance by the Municipality may result in the termination of such funding.

7.6 (a) All public information material approved by the Management Committee in relation to this Project shall be in both English and French.

(b) Paragraph (a) does not apply to public information material related to calls and tenders for the Project unless the Municipality has passed a by-law pursuant to section 14 of the French Language Services Act R.S.O. 1990, c.F.32, as amended or re-enacted from time to time.

8. Audit and Inspection

8.1 Upon reasonable notice from either or both Parties the Municipality shall make available to either or both Parties, and their respective auditors, all documents, contracts, records, claims and accounts associated with the implementation of this Project, for inspection.

8.2 Each of the Parties may inspect the amounts of all claims in respect of the implementation of the Project, and all documents, contracts, records and accounts, related to the claims.

8.3 After completion of the implementation of the Project, the Province may undertake a final accounting and audit of the actual costs and may make appropriate adjustments in accordance with the permitted eligible costs. The Municipality shall immediately refund any overpayment upon the Province's written request regardless of when the overpayment is discovered.

8.4 If the Province, during its inspection of any of the documents, contracts, records, claims and accounts determines that any payment made by the Province has been used by the Municipality for any purpose other than implementation of the Project the Municipality shall, immediately upon written request from the Province, remit the amounts requested to the Province.

8.5 Upon written request from the Management Committee, the Municipality shall provide the Committee with any information which is available to the Municipality with respect to the Project and which the Committee requires for any purpose.

9. Indemnification

9.1 The Municipality shall indemnify and save harmless the Parties, their Ministers, officers, employees and agents from and against all claims, demands, losses, costs, damages, actions, suits or other proceedings by whomsoever made, sustained, brought or prosecuted, in any manner arising from any wilful or negligent act, or attributable to anything done or omitted to be done in the implementation, operation, maintenance and repair of the Project.

9.2 If the Municipality enters into an agreement with a Third Party for the purpose of implementing the Project, the Municipality shall ensure that it is a term of that agreement that the Third Party shall indemnify and save harmless the Parties, their Ministers, officers, employees and agents from and against all claims, demands, losses, damages and costs of any kind based upon any injury or loss of property arising from any wilful or negligent act, omission or delay on the part of the Third Party, its directors, officers, employees or agents in carrying out the contract.

10. Insurance

10.1 The Municipality shall maintain comprehensive policies of public liability and property damage insurance, insuring the Municipality for all sums which the Municipality may become obliged to pay as damages by reason of injury to persons (including death) or damage to or destruction of property in the course of any activity carried out under this Agreement.

11. Time is of the Essence

11.1 Time is of the essence in this Agreement and any dates or deadlines are to be strictly adhered to.

12. Priority

12.1 In the event of conflict between the body of this Agreement and Schedule "A", Schedule "A" shall prevail. In the event of a conflict between the body of this agreement and Schedule "C" this Agreement shall prevail.

13. Notice

13.1 Any notices, invoices, reports or communications under this Agreement shall be given by personal delivery or by regular mail, posted in Canada, delivered or addressed as follows:

to the Ministry:

MINISTRY OF MUNICIPAL AFFAIRS AND HOUSING
CANADA ONTARIO INFRASTRUCTURE WORKS PROGRAM
OFFICE (COIW)
13TH FLOOR
777 BAY STREET
TORONTO, ONTARIO
M5G 2E5

to the Municipality:

The Corporation of the Town of Pelham
20 PELHAM TOWN SQUARE, Box 400
FORTMILL, Ontario
L0S 1E0
Attn: MURRAY HACKERT, CAO / Clerk

14. Schedules

14.1 Schedules "A", "B" and "C" of this Agreement and the provisions contained in those Schedules form part of this Agreement.

15. Alteration or Addition

15.1 No change or modification to this Agreement and Schedules hereto shall be valid unless authorized in writing by both the Municipality and the Province.

16. Binding

16.1 This Agreement binds the Province and the Municipality to it and their respective successors and permitted assigns.

17. Financial Administration Act

17.1 Notwithstanding any other provision in this Agreement all obligations on the part of the Province and the Municipality are subject to the Financial Administration Act R.S.O. 1990, c.F.12, as amended or re-enacted from time to time.

18. Failure to Comply

18.1 Where, in the opinion of the Province, the Municipality has failed to comply with any of the terms of this Agreement, the Province shall give the Municipality written notice, by registered mail, of the Municipality's failure to comply.

18.2 If the Municipality upon receipt of the notice referred to in section 18.1 fails to comply with the terms of this Agreement within fourteen (14) days of receiving the notice, the Province may recommend to the Management Committee that it revoke the Project and where the approval is revoked, the Province may recover any and all funds paid to the Municipality under this Agreement.

19. Dispute Resolution

19.1 Any dispute arising out of the Agreement shall be submitted to and determined by a court having jurisdiction in the Province to hear and determine such dispute.

IN WITNESS WHEREOF this Agreement has been executed
on behalf of the Province by the Minister of Municipal Affairs
and Housing, and on behalf of the Municipality by the Mayor,
Reeve, Warden or Chair and the Clerk.

GOVERNMENT OF THE PROVINCE OF ONTARIO

Witness Minister of Municipal Affairs and
Housing

Date

THE CORPORATION OF THE Town of PELHAM

Witness Mayor/Reeve/Warden/Chair

Date

Witness Clerk

Date

CANADA-ONTARIO

INFRASTRUCTURE PROGRAM AGREEMENT

This Agreement made this 24 day of January 1994.

BETWEEN

THE GOVERNMENT OF CANADA
(herein referred to as
"Canada") represented by the
Minister responsible for
infrastructure and the
Minister of Industry, Science
and Technology

AND

THE GOVERNMENT OF THE PROVINCE
OF ONTARIO (herein referred
to as "the Province")
represented by the Minister of
Economic Development and Trade
and the Minister of Municipal
Affairs.

WHEREAS Canada and the Province agree that there is a need to renew and enhance Canada's and Ontario's physical infrastructure, notably in local communities;

AND WHEREAS Canada and Ontario agree that sound investments in infrastructure can promote a competitive and productive economy, generate valuable short and long-term employment and accelerate economic recovery;

AND WHEREAS Canada and Ontario agree that it is opportune to invest in needed Infrastructure in periods of high national or regional unemployment;

AND WHEREAS Canada and Ontario agree that such investments need to be undertaken in an efficient and timely manner;

AND WHEREAS Canada and Ontario are committed to environmental sustainability and recognize that infrastructure investments can enhance the quality of the environment;

AND WHEREAS the Governor in Council by Order in Council P.C.1993-7/2182 dated, December 22, 1993 has authorized the Minister of Infrastructure together with the Minister of Industry, Science and Technology to execute this Agreement on behalf of Canada;

AND WHEREAS the Lieutenant Governor in Council, by Order in Council 105/94 of the 19 day of January 1994, has authorized the Minister of Economic Development and Trade and the Minister of Municipal Affairs to enter into this Agreement on behalf of the Province of Ontario;

NOW THEREFORE the parties hereto mutually agree as follows:

1.0 DEFINITIONS

1.1 In this Agreement, unless the context requires otherwise,

- (a) "Canada" means Her Majesty the Queen in Right of Canada;
- (b) "Contributors" includes any local government and any body corporate, whether public or private, sharing in the Eligible Costs of a Project;
- (c) "Eligible Costs" means those costs defined in 7.1 of this Agreement;
- (d) "Federal Minister" means the Minister responsible for Infrastructure and includes anyone authorized to act on the Minister's behalf;
- (e) "Federal Implementing Minister" means the Minister of Industry, Science and Technology and includes anyone authorized to act on the Minister's behalf;
- (f) "Federal Ministers" means the Federal Minister and the Federal Implementing Minister;
- (g) "Fiscal Year" means the period commencing on April 1 of any year and terminating on March 31 of the immediately following year;
- (h) "Infrastructure" means physical capital assets in Canada instrumental in the provision of public services;
- (i) "Local governments" means villages; towns; townships; cities; counties; regional, district and metropolitan municipalities; the County of Oxford and school boards;
- (j) "Management Committee" means the Committee established pursuant to Section 3.1 of this Agreement responsible for managing and administering this Agreement;
- (k) "Ministers" means the Federal Ministers and the Provincial Ministers;
- (l) "Minister responsible for Infrastructure" means the President of the Treasury Board of Canada in his capacity as Minister responsible for Infrastructure and includes anyone authorized to act on the Minister's behalf;
- (m) "Parties" means CANADA and the Province of ONTARIO;

- (n) "Project" means a proposed Infrastructure Project that receives approval for implementation by the Management Committee as per section 3.5 of this Agreement;
- (o) "Province" means the Province of Ontario;
- (p) "Provincial Implementing Minister" means the Minister of Economic Development and Trade and includes anyone authorized to act on the Minister's behalf;
- (q) "Provincial Minister" means the Minister of Municipal Affairs and includes anyone authorized to act on the Minister's behalf;
- (r) "Provincial Minister(s)" means the Provincial Minister and the Provincial Implementing Minister; and
- (s) "Third Party" means any person, other than a Party to this Agreement or a Contributor, "with whom an agreement is signed for the completion of a Project.

1.2 Words in the singular include the plural, and words in the plural include the singular.

2.0 PURPOSE

2.1 The purpose of this Agreement is to enable CANADA and the Province of ONTARIO, in co-operation, where and as appropriate, with Contributors to undertake a program of investment in order to:

- renew and enhance the quality of Canada's and Ontario's infrastructure which is instrumental in the provision of public services, notably in local communities; and
- provide for timely and effective employment creation.

3.0 MANAGEMENT AND COORDINATION

Establishment and Internal rules

3.1 A Management Committee shall be established to administer and manage this Agreement. It shall consist of four members, two to be jointly appointed by the Federal Ministers and two to be appointed by the Provincial Minister(s). In addition, the Federal Minister and the Provincial Minister may each appoint one representative as an ex-officio member of the Management Committee. The Management Committee shall continue to exist and operate for as long as necessary to meet the requirements of the Agreement.

3.2 The Management Committee shall be headed by two Co-Chairs, one from the two federal members, to be known as the federal Co-Chair, and one from the two provincial members, to be known as the provincial Co-Chair. The federal and provincial members not appointed as Co-Chairs shall act, in absence of their Co-Chair, as the substitute.

3.3 The Management Committee shall meet on a timely basis at such places and on such dates as may be agreed by the Co-Chairs. A quorum for all meetings of the Management Committee shall be made of the Canada Co-Chair or substitute member and the Provincial Co-Chair or substitute member;

3.4 Decisions of the Management Committee can only be acted upon if agreed by the Co-Chairs or their respective substitutes duly acting for them.

Project Review and selection

3.5 The Management Committee shall:

- (a) assess all nominated Projects, make an approval determination but ensure that no nominated Project is approved after March 31, 1996.
- (b) develop, where appropriate and in a timely manner, guidelines for the eligibility, assessment and approval of nominated Projects having due regard to the following criteria:
 - incrementality and/or acceleration of investment;
 - short and long-term job creation;
 - enhancing Canada's and Ontario's economic competitiveness;
 - use of innovative technologies;
 - bringing infrastructure up to community standards, codes and by laws;
 - enhancing long-term skills in the workforce;
 - enhancing environmental quality and sustainability;
 - use of sound innovative financing techniques which may include private capital; and
 - distribution of program benefits within Ontario.
- (c) ensure that any Project is
 - consistent with provincial capital planning practices, guidelines and any overall infrastructure development plan(s) affecting the particular region or area of the Province; and
 - structured as to ensure that any ongoing additional operating costs are borne by the Project proponent and that satisfactory financial arrangements are in place or have been approved by the Province.
- (d) ensure that all contracts awarded for the implementation of a Project incorporate the relevant provisions of this Agreement.

- 3.6 (a) It is understood and agreed by Canada and the Province that the project approval process shall be initiated by the Provincial Co-Chair who shall nominate Projects. The Province shall promptly inform the federal Co-Chair of all project proposals or requests as they are received from potential contributors.
- (b) It is understood and agreed by the Parties that the Province will consult with local governments and others, with the purpose of advising the Province on Project identification and management of this Infrastructure Program.

Administration

- 3.7 The Management Committee shall be responsible for the administration and management of this Agreement, and without limiting the generality of the foregoing, shall:
- (a) ensure that the expected completion date of a Project shall not be later than March 31, 1997;
- (b) ensure the implementation of the management information and evaluation provisions of this Agreement and ensure a free flow of information between the Parties;
- (c) adopt such standards, procedures, forms (eg. Project Authorization form), reports and guidelines consistent with this Agreement as it deems expedient and appropriate to achieve its purpose;
- (d) establish Sub-Committees as may be required from time to time to assist in the management of this Agreement, delegate to them all necessary authority to carry out their mandate and establish all procedures with respect to its own meetings and those of the Sub-Committees, including rules for the conduct of meetings and the making of decisions where the members are not physically present; and
- (e) carry out any other duties, powers and functions specified elsewhere in this Agreement or as may be assigned to the Management Committee by the Ministers to accomplish the purpose of the Agreement.

4.0 IMPLEMENTATION

- 4.1 Subject to the terms of this Agreement, the Province shall undertake or shall cause to be undertaken the implementation of all Projects.
- 4.2 The review, approval and implementation of any Projects shall be undertaken in mutual respect of applicable federal and provincial environmental legislation.

5.0 CONTRACT PROCEDURES

5.1 All contracts to be entered into by the Province or by any Contributor with a Third Party for the due implementation of a Project shall be awarded and administered in accordance with the administrative, management and contract procedures within the Province.

5.2 All contracts entered into pursuant to Section 5.1 shall incorporate the relevant provisions of this Agreement and in particular, that

- any of the members of the Management Committee shall be permitted, at all reasonable times, to inspect the terms of the contract and any records and accounts maintained thereunder;
- all applicable labour, environmental and human rights legislation and standards shall be respected; and
- the Third Party shall indemnify and save harmless the Parties to this Agreement and their Ministers, officers and employees from and against all claims, demands, losses, damages, costs of any kind based upon any injury or death of a person or damage to or loss of property arising from any willful or negligent act, omission or delay on the part of the Third Party or its servants or agents in carrying out the contract.

5.3 The Province and where applicable and at the demand of the Province, the Contributors or any Third Party shall indemnify and save harmless Canada, its Ministers, officers and employees from and against all claims and demands arising out of the implementation, operation, maintenance and repair of such Project except to the extent that claims and demands relate to the act of negligence or breach of duty of any officer, employee or agent of Canada.

5.4 Upon the completion of any Project, the Province or, where applicable, the Contributor or any Third Party to whom is assigned the on-going responsibility for such Project shall take over full responsibility for that Project's operation, maintenance and repair, except in cases where other arrangements between Parties hereto specifically apply.

6.0 FINANCIAL PROVISIONS

6.1 (a) Notwithstanding anything in this Agreement but subject to the express condition that there be an appropriation by the Parliament of Canada for the funds necessary for the Fiscal Year in which they are required, the total contribution by Canada under this Agreement shall not exceed \$722.370 million.

(b) Except with the written agreement of the Federal Minister,

(i) should the federal share of direct costs referred to in Subsections 7.1 (a), (b), (c) and (d) that are incurred but not necessarily paid for Projects approved account for less than \$252.829 million by March 31, 1995, the maximum total contribution by Canada under this Agreement shall be reduced by the amount corresponding to the shortfall; and

(ii) no more than \$108.356 million of the federal share of direct costs referred to in Subsections 7.1 (a), (b), (c) and (d) may be incurred after March 31, 1996 which, in any case, shall be incurred on or before March 31, 1997.

6.2 (a) The contribution by Canada from all sources, including this Agreement, with respect to any one Project shall not exceed one-third (1/3) of the total Eligible Costs approved for that Project, except as otherwise provided in subsection 6.2 (b) of this Agreement.

(b) Canada may, at the request of the Province but subject to the agreement of the federal Co-Chair, fund more than one third (1/3) of the Eligible costs of a specific Project provided that Canada's share of Eligible costs for all projects approved under this Agreement, at any given time, by the Management Committee does not exceed one-third (1/3).

(c) Eligible Costs referred to in Subsection 7.1 (d) shall be shared equally by the Parties.

7.0 PAYMENT PROCEDURES

7.1 For the purposes of this Agreement, "Eligible Costs" include all direct costs properly and reasonably incurred and paid solely and specifically in relation to this Agreement that are:

(a) invoiced against a contract for goods and services necessary for the implementation of a Project;

(b) any other costs which are incurred and paid in the course of implementation of the Project that are recognized and determined as relevant by the Management Committee;

(c) the salaries and other employment benefits of any employee of Canada, the Province or the Contributor engaged solely and specifically for the purpose of implementing a Project under this Agreement which costs have been determined and approved by the Management Committee; and

(d) any other administrative costs not otherwise covered in (a), (b) and (c) above, including those referred to in sections 9.1 and 10.1 of this Agreement, which have been determined and approved by the Management Committee;

but shall not include costs which are for:

- (e) services or works normally provided by either Party or Contributor or any other agency of either Party or Contributor; and
- (f) the costs of any lands or any interest therein.

7.2 Subject to this Agreement, each Party and where applicable and at the demand of the Province, the Contributors shall be responsible for contributing to the Eligible Costs of Projects implemented under this Agreement.

7.3 Payments by Canada shall be promptly made to the Province on the basis of progress claims setting out the costs actually incurred and paid for the Project, submitted in a form and verified in a manner satisfactory to Canada.

7.4 In order to assist with the interim financing of any Project, Canada may make interim payments to the Province of up to one hundred percent (100%) of Canada's share of claims submitted, based on estimates, certified by a senior officer of the Province, of costs actually incurred.

7.5 The Province shall account for each interim payment by submitting to Canada, within ninety (90) days after such payment by Canada, a detailed statement of the actual expenditures incurred and paid, verified in a manner satisfactory to Canada. Any discrepancy between the amounts paid by Canada by way of interim payments and the amounts actually paid by the Province shall be promptly adjusted between the Parties.

7.6 Notwithstanding anything in section 7.4, the Province shall not be entitled to any interim payment in a subsequent fiscal year until all such payments received by the Province in a previous fiscal year have been repaid or accounted for in a manner satisfactory to Canada.

7.7 No claim shall be paid by the Parties unless it is received on or before March 31 of the year following the fiscal year in which the Eligible Cost is incurred and in all circumstances, no later than March 31, 1998.

7.8 The Management Committee shall not normally consider cost overruns on Projects approved under this Agreement unless, and only in exceptional circumstances:

- (a) the Party implementing the Project informs the Management Committee immediately when it became aware that a cost overrun was probable; and

- (b) the Management Committee approved, as being justified, the inclusion of the cost overruns; and
- (c) funds are available to cover said costs overruns.

8.0 AUDIT AND INSPECTION

- 8.1 Canada and the Province shall ensure that proper and accurate accounts and records are maintained with respect to each Project undertaken pursuant to this Agreement and shall, upon reasonable notice, make such accounts and records available for inspection.
- 8.2 Accounts shall be maintained for a period of three years beyond March 31, 1996.
- 8.3 Each of the Parties may inspect the amounts of all claims in respect of any Project implemented under this Agreement and the accounts and records related thereto. Any discrepancy between the amounts paid by any of the Parties and the amount payable under this Agreement shall be promptly adjusted between the Parties.
- 8.4 Each of the Parties hereto will provide to any member of the Management Committee on request all information that would indicate that a Project hereunder has been undertaken or completed and the costs incurred with respect thereto.

9.0 PROGRAM EVALUATION

- 9.1 The Management Committee shall approve a plan and budget for the evaluation of the Program of Infrastructure within six months of the signing of the Agreement. Costs associated with the evaluation shall be shared equally by the Parties.
- 9.2 The evaluation plan shall identify: responsibilities for evaluation activity and data collection; evaluation issues; and the character and timing of data collection.
- 9.3 The Management Committee shall approve the terms of reference for the evaluation before it is undertaken.
- 9.4 The Management Committee shall submit to the Ministers an evaluation report no later than twelve months after March 31, 1996.
- 9.5 Each Party will provide the other with all relevant information as may reasonably be required for such evaluation.

11.0 GENERAL

11.1 This Agreement may be amended from time to time on written agreement of the Federal Ministers and Provincial Ministers. It is expressly agreed and understood, however, that any amendment to Section 2.0 dealing with PURPOSE, to the part of Subsection 3.5(a) dealing with the last approval date, to Subsections 6.1 (a) and 6.2 (a) dealing with the financial participation of Canada must be approved by the Governor in Council or must obtain any other approval that may be otherwise statutorily required.

11.2 No member of the House of Commons of Canada or of the Senate of Canada or of the Legislative Assembly of Ontario shall be admitted to any share or part of any contract, agreement or commission made pursuant to this Agreement or to any benefit arising therefrom.

11.3 Nothing in this Agreement is to be construed as authorizing one Party or, at the demand of the Province, any Contributor to contract for or to incur any obligation on behalf of the other or to act as agent for the other.

11.4 All property including patents, copyrights and other intellectual property and any revenue acquired as a result of the work performed under any approved Projects shall be disposed of, licensed or otherwise dealt with as the Management Committee may from time to time determine.

11.5 Notwithstanding any other provision of this Agreement, all obligations of Canada incurred by virtue of this Agreement shall be subject to the Financial Administration Act.

11.6 (a) Any dispute between Canada and Ontario hereto or any question of law or fact arising out of this Agreement shall be submitted to and determined by the Federal Court of Canada pursuant to the Federal Court Act of Canada.

(b) Any dispute arising from contracts entered into pursuant to Section 5.1 of this Agreement shall be submitted to and determined by the court having jurisdiction and governing said contracts.

This Agreement has been executed on behalf of Canada by the Minister of Infrastructure and the Minister of Industry, Science and Technology and on behalf of the Province of Ontario by the Minister of Economic Development and Trade and the Minister of Municipal Affairs.

GOVERNMENT OF THE
PROVINCE OF ONTARIO

GOVERNMENT OF CANADA

Minister of Economic
Development and Trade

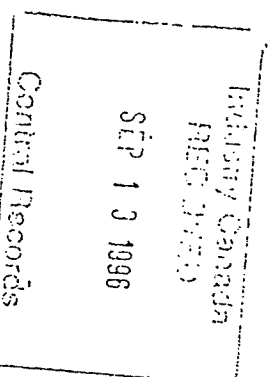
President of Treasury
Board in his capacity as
Minister responsible for
Infrastructure

Minister of Municipal
Affairs

Minister of Industry,
Science and Technology

AMENDMENT TO THE CANADA-ONTARIO

INFRASTRUCTURE PROGRAM AGREEMENT



This Amendment to the Canada-Ontario Infrastructure Program Agreement made this day of , 1996.

As of 26 MAR 1996

BETWEEN

THE GOVERNMENT OF CANADA (herein referred to as "Canada") represented by the Minister responsible for Infrastructure and the Minister of Industry

AND

THE GOVERNMENT OF THE PROVINCE OF ONTARIO (herein referred to as "the Province") represented by the Minister of Municipal Affairs and Housing.

1.0 DEFINITIONS

Clause 1.1 In this Agreement, unless the context requires otherwise,

- (e) "Federal Implementing Minister" means the Minister of Industry, Science and Technology and includes anyone authorized to act on the Minister's behalf;
- (p) "Provincial Implementing Minister" means the Minister of Economic Development and Trade and includes anyone authorized to act on the Minister's behalf;
- (q) "Provincial Minister" means the Minister of Municipal Affairs and includes anyone authorized to act on the Minister's behalf;

is amended as follows:

- (e) "Federal Implementing Minister" means the Minister of Industry and includes anyone authorized to act on the Minister's behalf;
- (p) "Provincial Implementing Minister" means the Minister of Municipal Affairs and Housing and includes anyone authorized to act on the Minister's behalf
- (q) "Provincial Minister" means the Minister of Municipal Affairs and Housing and includes anyone authorized to act on the Minister's behalf;

3.0 MANAGEMENT AND COORDINATION

Project Review and selection

Clause 3.5 The Management Committee shall:

- (a) assess all nominated Projects, make an approval determination but ensure that no nominated Project is approved after March 31, 1996.

is amended as follows:

3.5 The Management Committee shall:

- (a) assess all nominated Projects, make an approval determination but ensure that no nominated Project is approved after December 31, 1996;

Administration

Clause 3.7

The Management Committee shall be responsible for the administration and management of this Agreement, and without limiting the generality of the foregoing, shall:

- a) ensure that the expected completion date of a project shall not be later than March 31, 1997;

is amended as follows:

- (a) ensure that the expected completion date of a project shall not be later than March 31, 1999;

6.0 FINANCIAL PROVISIONS

Clause 6.1(b) Except with the written agreement of the Federal Minister,

- (i) should the federal share of direct costs referred to in Subsections 7.1 (a), (b), (c) and (d) that are incurred but not necessarily paid for Projects approved account for less than \$252.829 million by March 31, 1995, the maximum total contribution by Canada under this Agreement shall be reduced by the amount corresponding

- (ii) no more than \$108.356 million of the federal share of direct costs referred to in Subsections 7.1 (a), (b), (c) and (d) may be incurred after March 31, 1996 which, in any case, shall be incurred on or before March 31, 1997.

is amended as follows:

6.1 (b) (i) Deletion

(b) (ii) Deletion

7.0 PAYMENT PROCEDURES

Clause 7.7

No claim shall be paid by the Parties unless it is received on or before March 31 of the year following the Fiscal Year in which the Eligible Cost is incurred and in all circumstances, no later than March 31, 1998.

is amended as follows:

7.7 No claim shall be paid by the Parties unless it is received on or before March 31 of the year following the Fiscal Year in which the Eligible Cost is incurred and in all circumstances, no later than March 31, 2000.

8.0 AUDIT AND INSPECTION

Clause 8.2 Accounts shall be maintained for a period of three years beyond March 31, 1996.

is amended as follows:

8.2 Accounts shall be maintained for a period of three years beyond March 31, 1998.

9.0 PROGRAM EVALUATION

Clause 9.1 The Management Committee shall approve a plan and budget for the evaluation of the Program of Infrastructure within six months of the signing of the Agreement. Costs associated with the evaluation shall be shared equally by the Parties.

is amended as follows:

9.1 The Management Committee shall approve a plan and budget for the evaluation of the Program of Infrastructure. Costs associated with the evaluation shall be shared equally by the Parties.

Clause 9.4 The Management Committee shall submit to the Ministers an evaluation report no later than twelve months after March 31, 1996.

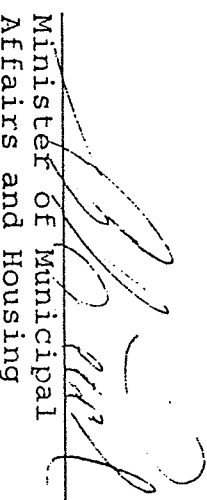
is amended as follows:


9.4 The Management Committee shall submit to the Ministers an evaluation report no later than twelve months after March 31, 1998.

This Amendment has been executed on behalf of Canada by the Minister responsible for Infrastructure and the Minister of Industry and on behalf of the Province of Ontario by the Minister of Municipal Affairs and Housing.

GOVERNMENT OF PROVINCE OF
ONTARIO

GOVERNMENT OF CANADA


Minister of Municipal
Affairs and Housing


President of Treasury
Board in his capacity as
Minister responsible for
Infrastructure


Minister of Industry

SCHEDULE "B"

THE CORPORATION OF THE
TOWN OF PELHAM
BY-LAW NO. 1871 (1997)

Being a by-law to authorize the Mayor & Clerk to enter into an Agreement between Her Majesty the Queen, in right of the Province of Ontario as represented by the Minister of Municipal Affairs & Housing re Canada-Ontario Infrastructure Program Agreement - Reconstruction of Broad Street.

WHEREAS the Council of the Corporation of the Town of Pelham deems it desirable to enter into an agreement between Her Majesty the Queen, in right of the Province of Ontario as represented by the Minister of Municipal Affairs & Housing and the Corporation of the Town of Pelham with regard to the Canada-Ontario Infrastructure Program - Reconstruction of Broad Street;


NOW THEREFORE THE CORPORATION OF THE TOWN OF PELHAM ENACT AS FOLLOWS:

(1) THAT the Agreement attached hereto and made part of this by-law between Her Majesty the Queen, in right of the Province of Ontario as represented by the Minister of Municipal Affairs & Housing and the Corporation of the Town of Pelham be and the same is hereby approved.

(2) THAT the Mayor & Clerk be and each of them is hereby authorized and instructed on behalf of the Corporation of the Town of Pelham to execute the said Agreement and the Clerk is hereby authorized to affix the Corporate Seal thereto.

READ A FIRST, SECOND AND THIRD TIME
AND FINALLY PASSED BY COUNCIL THIS
20th. DAY OF JANUARY, 1997 A.D.


MAYOR


CLERK

SCHEDULE "C"

1. MUNICIPALITY: TOWN OF
PELHAM

2. PROJECT NAME:
BROAD STREET RECONSTRUCTION

3. PROJECT NUMBER: M1840510

4. LOCATION OF PROJECT: VILLAGE OF FONTHILL

5. ELIGIBLE PROJECT COSTS: \$35,500.00

As approved and set out in the attached
Project Expenditure Schedule.

6. PROJECT START DATE: 1997/01/01

7. PROJECT COMPLETION DATE: 1997/03/31

SCHEDULE 2/ANNEXE 2
PROJECT EXPENDITURE FORECAST/DEPENSES PREVUES DU PROJET
(Section 2.1 through 2.11 - Guide to the Application Form)/(Article 2.1 à 2.11 - Guide pour remplir le formulaire de demande)

TOWN OF PELHAM

Project Name/Nom du projet
RECONSTRUCTION OF BROAD STREET
M/18405-10

1994/95				1995/96				1996/97			
Apr-Jun/ Jul-Sep/ Oct-Dec/ Jan-Mar	Apr-Jun/ Jul-Sep/ Oct-Dec/ Jan-Mar	Apr-Jun/ Jul-Sep/ Oct-Dec/ Jan-Mar	Apr-Jun/ Jul-Sep/ Oct-Dec/ Jan-Mar	Apr-Jun/ Jul-Sep/ Oct-Dec/ Jan-Mar	Apr-Jun/ Jul-Sep/ Oct-Dec/ Jan-Mar	Apr-Jun/ Jul-Sep/ Oct-Dec/ Jan-Mar	Apr-Jun/ Jul-Sep/ Oct-Dec/ Jan-Mar	Apr-Jun/ Jul-Sep/ Oct-Dec/ Jan-Mar	Apr-Jun/ Jul-Sep/ Oct-Dec/ Jan-Mar	Apr-Jun/ Jul-Sep/ Oct-Dec/ Jan-Mar	Apr-Jun/ Jul-Sep/ Oct-Dec/ Jan-Mar

2.1 Invoiced Costs - Major Contract/ Coûts facturés - Contrat important											35500
2.2 Other relevant contract costs/ Autres coûts pertinents du contrat											
2.3 Salaries & Employee Benefits/ Salaires et avantages sociaux des employés											
2.4 Equipment/Matériel											
2.5 Other Costs (specify)/Autres coûts (préciser)											
2.6 Total Estimated Project Gross Cost/Coût brut total estimé du projet											
2.7 Less GST Rebates/Moins remboursements de la TPS											1327
2.8 Total Estimated Project Net Cost/Coût net total estimé du projet											34173

Proposed Method of Financing/Méthode de financement proposée	Total Funding & Financing Totals
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2.9 Canada Ontario Infrastructure Works Capital (Federal and Provincial Shares)/ Recettes en capital - Programme sur les travaux d'infrastructure Canada-Ontario (Parts fédérale et provinciale)	23666.67 22102.00
2.10 Local Partners Own Resources/Fonds propres du partenaire local	11833.33
2.11 Private Sector Contributions (Attach Business Case)/Contributions du secteur privé (Pièce de joindre un rapport d'affaires)	11391.00

TOTAL TOTAL	35500
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total project cost is \$35,500, as confirmed with Alan Mannell Jan 3/97