

October 13, 2009



ELECTRONIC
SIGNATURE

LETTER OF OFFER

(hereinafter known as the "Agreement")

BETWEEN

GRENVILLE COMMUNITY FUTURES DEVELOPMENT CORPORATION

197 Water Street, Prescott, Ontario K0E 1T0

(hereinafter referred to as "GCFDC")

AND

TOWNSHIP OF AUGUSTA

3560 County Road 26, RR#2, Prescott, ON K0E 1T0

(hereinafter referred to as the "Recipient")

In response to your application received July 30, 2009, GCFDC approves the proposal under the Eastern Ontario Development Program (EODP) and outlines the "Contribution" in Annex 1 – The Project Statement of Work (the "Project"). All contributions exclude GST.

The Contribution to be made by GCFDC is dependent upon GCFDC receiving funding for the Eastern Ontario Development Program from Industry Canada.

The approved proposal, referred to herein as Schedule A, shall be considered an integral part of this Agreement.

CONDITIONS OF THE AGREEMENT

This Agreement comes into force on the date the duplicate copy of the offer, unconditionally accepted and duly executed by authorized representatives of the Recipient, is received by GCFDC (the "Date of Acceptance").

"Eligible Costs" means the reasonable and proper direct costs which are recorded in Annex 1 – The Project Statement of Work and supported by Schedule A and which are incurred and paid by the Recipient in carrying out the Project activities, within the Funding Period or prior to January 31, 2010, whichever comes first.

Subject to all other provisions of this Agreement, GCFDC will make a "non-repayable" contribution to the Recipient as outlined in Annex 1 – The Project Statement of Work (the "Project").

The Project will commence on or after August 12, 2009 (the "Commencement Date") and end on or before January 31, 2010 (the "End Date"). The ~~time~~ period is hereinafter referred to as the "Funding Period".



This Agreement shall remain in full force and effect from the Date of Acceptance until seven (7) years following the end of the Funding Period (the "Period of the Agreement").

This Agreement supersedes all previous documents and negotiations related to its subject matter.

Either party may terminate this Agreement at any time and for any reason on thirty (30) days written notice.

AMENDMENTS

It is understood that any alteration, or amendment to the approved proposal (Schedule A) or circumstance which will materially affect the objectives, activities or outcomes of the Project, or that will affect the total cost of the Project, require that the Agreement between GCFDC and the Recipient be re-negotiated.

DEFAULT

The Recipient shall inform GCFDC immediately should the Recipient be unable to meet any of the obligations of the Agreement for any reason. Should the Recipient fail to meet or satisfy any of the obligations of the Agreement, GCFDC reserves the right to withdraw this Agreement immediately and to recover any funds advanced and not utilized.

TERMS OF PAYMENT

GCFDC will pay the Contribution to the Recipient in respect of Eligible Costs incurred, on the basis of itemized claims, which claims shall be:

- (a) submitted monthly and no later than 15 days after the last day of the month in which the eligible costs were incurred and be certified by an Officer of the Recipient or other person satisfactory to GCFDC;
- (b) accompanied by an activity report completed to date, details of all costs in respect of which payment is claimed, and substantiating documentation as may be required by GCFDC. All claims for wage and benefits costs must be accompanied by payroll records/data substantiating the cost. GCFDC reserves the right to request other documentation as needed.

GCFDC shall not make any payment of the Contribution in respect of costs for which the Recipient has entered into a legal commitment prior to the Commencement Date.

GCFDC will not have any obligation to pay more than 90% of the Contribution prior to the End Date of the Project or prior to the date on which the Project is completed to the satisfaction of GCFDC, whichever is the earlier.

If the Recipient receives any Funding from any other source for eligible Project activities supported by the Contribution, the Recipient agrees to notify GCFDC and GCFDC may reduce its Contribution by all or by such portion of the revenue as it deems appropriate.

The Recipient, when purchasing goods and services for the performance of the Project, is strongly encouraged to provide a full and fair opportunity for use of local consultants, carriers, suppliers and sub-contractors, giving due consideration to price, quality, service and cost efficiencies. Consultants and suppliers will be at arms length and unrelated to the applicant and GCFDC.



The Recipient shall, in the procurement of goods and services in relation to the conduct of the Project, use its best efforts to achieve best value. The competitive bidding process will be used for significant capital purchases and contracts for services unless prior written authorization is received from GCFDC to do otherwise.

REPORTING

During the Period of the Agreement, the Recipient shall provide GCFDC with financial statements and progress reports as requested.

The Recipient shall provide to GCFDC all required Final Project Reports, satisfactory to GCFDC in scope and detail, within fifteen (15) days of the end of the Funding Period or upon completion of the Project, whichever comes first. Upon approval by GCFDC, the final 10% of the approved GCFDC Contribution will be released to the Recipient.

Recipients are required to maintain proper books and records of the costs of the Project, including invoices and cancelled cheques. Recipients shall agree to provide GCFDC auditors with access to these records when requested for up to seven (7) years following completion of the Project. Recipients understand that the Minister of Industry and/or representatives of the Minister have the right to audit, or cause to have audited, the Recipients' accounts and records and have a right of access to the Recipient's books and accounts. Recipients shall release to GCFDC, upon request and in a timely manner, for the purpose of releasing to the Auditor General of Canada, all records held by Recipient, or by agents or contractors of the Recipient, relating to this Agreement and the use of funds and such further information and explanations as the Auditor General, or anyone acting on behalf of the Auditor General, may request relating to any part of this Agreement or the use of funds.

The Recipient shall assist GCFDC in completing any evaluation of the outcomes and impacts that result from the Project. Recipients shall participate fully in any inquiry undertaken by the Auditor General of Canada with respect to the use of funds under this Agreement.

The Recipient shall agree to a post mortem meeting with GCFDC after completion of the final report, in which the Recipient will outline the plans for implementing the recommendations derived from the Project.

All reports and other information that the Recipient collects, creates, manages and produces in accordance with this Agreement, shall be deemed to be "Canada Information" and is subject to the provisions of the *Access to Information Act* and the Minister of Industry maintains the rights to release to the public, table before Parliament, or publish by any means, any Canada Information, including such excerpts or summaries of the Canada Information as he may from time to time, decide to make.

The Recipient waives any confidentiality rights to the extent that such rights would impede the Minister from fulfilling its obligations to the World Trade Organization under Article 25 of the *Agreement on Subsidies and Countervailing Measures*.

PUBLIC ANNOUNCEMENTS AND COMMUNICATIONS

The Recipient shall collaborate with GCFDC to arrange publicity regarding the contribution from GCFDC and agrees to the following as it relates to any and all announcements, ceremonies and communications activities:



- (a) The Recipient will acknowledge the Federal Government's role in the funding provided through the agreement in all announcements, ceremonies and communications activities and will include GCFDC and Industry Canada logos on all such material;
- (b) The Recipient hereby consents to a public announcement of this Project by or on behalf of the Minister of Industry in the form of a news release;
- (c) The Minister of Industry, through Industry Canada, shall inform the Recipient of the date the public announcement is to be made, and the Recipient shall maintain the confidentiality of this Agreement until such date;
- (d) The Recipient hereby consents to the participation of the Minister of Industry or the Minister of Industry's representatives at the announcement event of this Project, and to have the event take place on a day mutually agreed upon by the Recipient and the Minister of Industry or the Minister of Industry's representatives; and,
- (e) The Recipient hereby agrees to display promotional material provided by Industry Canada at the event.

OFFICIAL LANGUAGES

Where any:

- a) notice, advertisement or other matter relating to the Recipient's activities is to be printed in a publication for the information of members of the public who are residents in the community; or,
- b) services are to be provided or made available by the Recipient to members of the public who are residents in the community;

the Recipient shall make such publications and services available in both official languages if, in the opinion of GCFDC, there is, or is likely to be, a significant demand therefore.

LIABILITY

The Recipient shall at all times indemnify and save harmless GCFDC, the Minister of Industry, their officials, employees and agents, from and against all claims and demands, losses, costs, damages, actions, suits or other proceedings (including, without limitation, those relating to injury to persons, damage to or loss or destruction of property, economic loss or infringement of rights) by whomsoever brought or prosecuted, or threatened to be brought or prosecuted, in any manner based upon, caused by, or arising directly or indirectly from:

- a) the Project, its operation, conduct or any other aspect thereof;
- b) the performance or non-performance of this Agreement, or the breach or failure to comply with any term, condition, representation or warrant of this Agreement, by the Recipient, its officers, employees, or agents; or,
- c) any omission or other willful or negligent act or delay of the Recipient or third party and their respective employees, officers, or agents.

The Recipient is solely responsible for the hiring, employment, dismissal and all related matters with respect to persons employed for the purposes of the Project, as well as contractual arrangements with individuals or firms.

The Recipient understands and agrees that it shall be responsible for its compliance with all Federal, Provincial, territorial, municipal and other applicable laws governing the Recipient or the Recipient's Project, or both, including but not limited to, statutes, regulations, by-laws, rules, ordinances and decrees. This includes legal requirements and regulations relating to environmental protection.



The Recipient confirms that no current or former public servant or public office holder to whom the *Conflict of Interest and Post-Employment Code* for Public Office Holders, the *Values and Ethics Code for the Public Service* or the *Conflict of Interest Act* applies shall derive direct benefit from this Agreement, including any employment, payments or gifts, unless the provision or receipt of such benefits is in compliance with such codes and legislation.

The Recipient further confirms that no Member of Parliament or Senator will benefit in any way from the Agreement or obtain any advantages resulting from the Agreement.

The Recipient agrees to release and indemnify GCFDC, its employees, volunteers, representatives, and agents from any and all claims, demands, actions or causes of action that may arise out of, or be related to, the Recipient's participation in the Project or non-compliance with Federal and Provincial laws and regulations applicable to the Project.

TITLE TO INTELLECTUAL PROPERTY

Title to intellectual property created in the context of This Agreement shall be determined by applicable Canadian law.

CAPITAL PURCHASES

Any capital assets purchased as agreed to in Annex 1 – The Statement of Work, (and any substantial materials purchased and not consumed in the operation of the Project), must be disposed of in a manner acceptable to GCFDC and which will be in accordance with the requirements established between GCFDC and the Federal Government.

ENVIRONMENT

The Recipient warrants that any environmental issues or concerns related to the Project as known to the Recipient have been disclosed to GCFDC. The Recipient also warrants that Project activities, as required, are in compliance with all applicable legislation, including the Canadian Environmental Assessment Act and the *Canadian Environmental Protection Act*. GCFDC will not disburse any part of the Contribution if the Recipient fails to satisfy the environmental requirements of all regulatory bodies having jurisdiction over the Recipient or the Project during the term of this Agreement.

This Letter of Offer(s) must be signed and executed by the proper authority and both original documents received by GCFDC no later than, 4:00 p.m. on November 6, 2009 ("Date of Acceptance"), after which time, the Letter of Offer(s) will become null and void.

Yours truly,



Heather Lawless
Executive Director



Project No. CCB-081209-01

TOWNSHIP OF AUGUSTA

GCFDC

Per: [Signature]
Signature of Recipient's Representative
(I have the authority to bind the Corporation)

Per: [Signature]
GCFDC Representative

REEVE
Title or Position

Executive Director
Title or Position

Per: [Signature]
Signature of Recipient's Representative
(I have the authority to bind the Corporation)

Per: [Signature]
GCFDC Representative

CAO
Title or Position

[Signature]
Title or Position

OCTOBER 26 2009
Date

Nov 12/09
Date



THE PROJECT - STATEMENT OF WORK**Recipient:** Township of Augusta**Project No.:** CCB-081209-01**Project Location:** Prescott, Ontario**Activity:** Electronic Signage at Municipal Office Property**Performance Targets:** An electronic sign will be purchased and installed in front of the Township office to showcase information about business activities and community events and services.**Outcomes:** The project is part of the Township's communications strategy and will convey important dates and events to community members as well as promote local business by offering advertising space. The Township will be responsible for the maintenance and repair of the sign and Township staff will donate their time to keep the displayed information current.**Timing:** August 12, 2009 – January 31, 2010**Program and Financing:**

<u>Costs:</u>		<u>Financing:</u>	
Eligible Supported Costs:	\$ 21,558	GCFDC Contribution*	\$ 21,558
Purchase and installation of electronic sign			
Unsupported Costs:	\$ 5,389	Township of Augusta	\$ 5,389
Remaining costs of purchasing and installing an electronic sign			
TOTAL COSTS	\$ 26,947	TOTAL FINANCING	\$ 26,947

* GCFDC will contribute up to \$21,558.00 or up to a maximum of 80%, whichever is the lesser, of eligible project costs excluding GST.



INELIGIBLE COSTS:

By way of example only, ineligible costs include the following;

- a) Costs of capital acquisitions; for the purpose of this Agreement, capital acquisitions include land, building and related construction;
- b) Costs of intangible assets such as goodwill, whether capitalized or expensed; depreciation or amortization expenses;
- c) Interest on invested capital, bonds, debentures, or mortgages;
- d) Bond discounts;
- e) Losses on investments, bad debts;
- f) Fines or penalties;
- g) Costs related to litigation;
- h) Payments to any member or Officer of the Recipient's or GCFDC Board of Directors;
- i) Opportunity costs;
- j) Travel and Entertainment costs (excluding reasonable travel costs for consultants);
- k) Payments to:
 - i) any Director or Officer of the Recipient's Board of Directors;
 - ii) any employee, Director or Officer of GCFDC's Board of Directors;
 - iii) a partnership and/or business in which an employee, Director or Officer of the Recipient's Board of Directors is a partner and/or has a significant business interest;
 - iv) a partnership and/or business in which an employee, Director or Officer of GCFDC's Board of Directors is a partner and/or has a significant business interest.

"Significant Business Interest" means the ownership, whether directly, indirectly or beneficially, of more than 10% of the capital stock of the incorporated body, or shares or debentures to which are attached more than 10% of the voting rights in the incorporated body.

- l) Benefit costs, inclusive of mandatory employment related costs, that exceed 20% of wage costs (gross pay rate).



Schedule A

- a) Approved application signed by the proper authority of the Recipient (on file with GCFDC).
- b) Proof of legal name, business registration or if incorporated, copies of articles of incorporation (on file with GCFDC).
- c) Copy of Contract with Consultant, if applicable (to be provided prior to disbursement of funds).
- d) Demonstration of Project compliance with the *Canadian Environmental Assessment Act* (on file with GCFDC).
- e) Council motion of support verifying Applicant's support of 20% of total project costs (on file with GCFDC).

