

**CORPORATION OF THE TOWNSHIP
OF SOUTH ALGONQUIN
BY-LAW NO. 2026-860**

Being a By-Law to authorize the Mayor and Deputy CAO/Deputy Clerk-Planner to sign a funding agreement with His Majesty the King in right of Ontario as represented by Hon. Minister of Transportation

WHEREAS the Township of South Algonquin was approved for funding for a Pothole Prevention and Repair Program upon execution of the Agreement attached hereto.

AND WHEREAS the Township of South Algonquin, deems it expedient to enter into a funding agreement between the Township and His Majesty the King in right of Ontario as represented by Hon. Minister of Transportation.

NOW THEREFORE the Municipal Council of The Corporation of the Township of South Algonquin enacts as follows:

1. **THAT** the Mayor and Deputy CAO/Deputy Clerk-Planner is hereby authorized to execute the Agreement in the form attached to this By-Law and affix the Corporate Seal on behalf of the municipality.
2. **THAT** this By-Law will come into force and take effect on the date of the final passing thereof.

READ A FIRST AND SECOND TIME this 4th day of February 2026.

Ethel LaValley, Mayor

Tracy Cannon, Deputy CAO/Deputy Clerk-Planner

READ A THIRD TIME AND PASSED AND ENACTED this this 4th day of February 2026.

Ethel LaValley, Mayor
Planner

Tracy Cannon, Deputy CAO/Deputy Clerk-Planner

By signing this by-law, Mayor LaValley has granted approval and will not exercise the power to veto this by-law under Strong Mayor Powers

**ONTARIO TRANSFER PAYMENT AGREEMENT
POTHOLE PREVENTION AND REPAIR PROGRAM**

THE AGREEMENT is effective as of the 30th day of January 2026.

BETWEEN:

**His Majesty the King in right of Ontario
as represented by Hon. Minister of Transportation

(the “Province”)**

- and -

**CORPORATION OF THE TOWNSHIP OF SOUTH ALGONQUIN

(the “Recipient”)**

WHEREAS the Recipient has requested funding from the Province for the Project (as defined in section A.1.2) and the Province has agreed to provide such funding to the Recipient subject to certain terms and conditions;

AND WHEREAS the Agreement sets out the terms and conditions upon which the Province has agreed to provide funds, up to the Maximum Funds (as defined in section A1.2) to the Recipient for the purpose of carrying out the Project, and upon which the Recipient has agreed to carry out the Project.

NOW THEREFORE in consideration of the mutual covenants and agreements contained in the Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are expressly acknowledged, the Province and the Recipient agree as follows:

1.0 ENTIRE AGREEMENT

1.1 Schedules to the Agreement. The following schedules form part of the Agreement:

Schedule “A” -	General Terms and Conditions
Schedule “B” -	Project Specific Information
Schedule “C” -	Project Description and Timelines

Schedule "D" - Eligible Expenditures and Ineligible Expenditures
Schedule "E" - Payment Plan
Schedule "F" - Reporting and Compliance Audit
Sub-Schedule F1 - Project Reports

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

2.0 CONFLICT OR INCONSISTENCY

2.1 Conflict or Inconsistency. In the event of a conflict or inconsistency between the Additional Provisions, identified in Schedule "B" and the provisions in Schedule "A", the following rules will apply:

- (a) the Parties will interpret any Additional Provisions in so far as possible, in a way that preserves the intention of the Parties as expressed in Schedule "A"; and
- (b) where it is not possible to interpret the Additional Provisions in a way that is consistent with the provisions in Schedule "A", the Additional Provisions will prevail over the provisions in Schedule "A" to the extent of the inconsistency.

3.0 COUNTERPARTS

3.1 One and the Same Agreement. The Agreement may be executed in any number of counterparts, with the same effect as if the Parties had signed the same document, each of which will be deemed an original, but all of which together will constitute one and the same instrument.

4.0 AMENDING THE AGREEMENT

4.1 Amending the Agreement. The Agreement may only be amended by a written agreement duly executed by the Parties.

5.0 ACKNOWLEDGEMENT

5.1 Acknowledgement. The Recipient acknowledges that:

- (a) by receiving Funds it may become subject to legislation applicable to organizations that receive funding from the Government of Ontario, including the *Broader Public Sector Accountability Act, 2010* (Ontario), the *Public Sector Salary Disclosure Act, 1996* (Ontario), and the *Auditor*

General Act (Ontario);

- (b) His Majesty the King in right of Ontario has issued expenses, perquisites, and procurement directives and guidelines pursuant to the *Broader Public Sector Accountability Act, 2010* (Ontario);
- (c) the Funds are:
 - (i) to assist the Recipient to carry out the Project and not to provide goods or services to the Province;
 - (ii) funding for the purposes of the *Public Sector Salary Disclosure Act, 1996* (Ontario);
- (d) the Province is not responsible for carrying out the Project;
- (e) the Province is bound by the *Freedom of Information and Protection of Privacy Act* (Ontario) 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 that Act; and
- (f) the Province is bound by the *Financial Administration Act* (Ontario) (“FAA”) and, pursuant to subsection 11.3(2) of the FAA, payment by the Province of Funds under the Agreement will be subject to:
 - (i) an appropriation, as that term is defined in subsection 1(1) of the FAA, to which that payment can be charged being available in the Funding Year in which the payment becomes due; or
 - (ii) the payment having been charged to an appropriation for a previous fiscal year.

- SIGNATURE PAGE FOLLOWS -

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

HIS MAJESTY THE KING IN RIGHT OF ONTARIO
as represented by the Minister of Transportation

Date

Name: Prabmeet Sarkaria

Title: Minister

**CORPORATION OF THE TOWNSHIP OF
SOUTH ALGONQUIN**

Date

Name: Bryan Martin

Title: CAO/Treasurer

I have authority to bind the Recipient

Date

Name:

Title:

I have authority to bind the Recipient

SCHEDULE "A"
GENERAL TERMS AND CONDITIONS

A1.0 INTERPRETATION AND DEFINITIONS

A1.1 Interpretation. For the purposes of interpretation:

- (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 the Agreement; they are for reference only and will not affect the interpretation of the Agreement;
- (d) any reference to dollars or currency will be in Canadian dollars and currency; and
- (e) "include", "includes" and "including" denote that the subsequent list is not exhaustive.
- (f) all accounting terms not otherwise defined in the Agreement have their ordinary meanings.

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

"Additional Provisions" means the terms and conditions set out in Schedule "B".

"Agreement" means this agreement entered into between the Province and the Recipient, all of the schedules listed in section 1.1, and any amending agreement entered into pursuant to section 4.1.

"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 has elected to be closed for business.

"Effective Date" means the date set out at the top of the Agreement.

“Eligible Expenditures” means the costs of the Project that are eligible for funding by the Province under the Agreement and that are further described in Scheduled D.

“Event of Default” has the meaning ascribed to it in section A12.1.

“Expiry Date” means the expiry date set out in Schedule “B”.

“Final Report” means the report described in Schedule “F”.

“Funding Year” means in the case, the period commencing on the Effective Date and ending on the following March 31.

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

“Indemnified Parties” means His Majesty the King in right of Ontario, and includes His ministers, agents, appointees, and employees.

“Loss” means any cause of action, liability, loss, cost, damage, or expense (including legal, expert and consultant fees) that anyone incurs or sustains as a result of or in connection with the Project or any other part of the Agreement.

“Materials” means material, machinery, equipment and fixtures forming part of the Project.

“Maximum Funds” means the maximum set out in Schedule “B”.

“Notice” means any communication given or required to be given pursuant to the Agreement.

“Notice Period” means the period of time within which the Recipient is required to remedy an Event of Default pursuant to section A12.3(b), and includes any such period or periods of time by which the Province extends that time pursuant to section A12.4.

“Parties” means the Province and the Recipient.

“Party” means either the Province or the Recipient.

“Proceeding” means any action, claim, demand, lawsuit, or other proceeding that anyone makes, brings or prosecutes as a result of or in connection with the Project or with any other part of the Agreement.

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

“Records Review” means any assessment the Province conducts pursuant to section A7.4.

“Reports” means the reports described in Schedule “F” and Sub-schedule “F1.”

“Requirements of Law” means all applicable requirements, laws, statutes, codes, acts, ordinances, approvals, orders, decrees, injunctions, by laws, rules, regulations, official plans, permits, licenses, authorizations, directions and agreements with all authorities.

“Substantial Performance” means when the Work or a substantial part thereof has passed inspection and testing and is ready for use or is being used for intended purposes.

A1.3 References This Agreement refers to the following standards, specifications or publications:

Ontario Provincial Standard Specifications, Construction

OPSS PROV 127

OPSS MUNI 301

OPSS MUNI 303

OPSS MUNI 304

OPSS MUNI 310

OPSS MUNI 336

OPSS MUNI 337

OPSS MUNI 341

OPSS MUNI 369

A2.0 REPRESENTATIONS, WARRANTIES, AND COVENANTS

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

- (a) it is, and will continue to be, a validly existing legal entity with full power to fulfill its obligations under the Agreement;
- (b) it has, and will continue to have, the experience and expertise necessary to carry out the Project;
- (c) it is in compliance with, and will continue to comply with, all federal and provincial laws and regulations, all municipal by-laws, and any other orders, rules, and by-laws related to any aspect of the Project, the Funds, or both; and
- (d) that, unless otherwise provided for in the Agreement, any information the Recipient provided to the Province in support of its request for funds (including information relating to any eligibility requirements) was true

and complete at the time the Recipient provided it and will continue to be true and complete.

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

- (a) the full power and capacity to enter into the Agreement; and
- (b) taken all necessary actions to authorize the execution of the Agreement.

A2.3 Governance. The Recipient represents, warrants, and covenants that it has, will maintain in writing, and will follow:

- (a) a code of conduct and ethical responsibilities for all persons at all levels of the Recipient's organization;
- (b) procedures to enable the Recipient's ongoing effective functioning;
- (c) decision-making mechanisms for the Recipient;
- (d) procedures to enable the Recipient to manage Funds prudently and effectively;
- (e) procedures to enable the Recipient to complete the Project successfully;
- (f) procedures to enable the Recipient to identify risks to the completion of the Project and strategies to address the identified risks, all in a timely manner;
- (g) procedures to enable the preparation and submission of all Reports required pursuant to Article A7.0; and
- (h) procedures to enable the Recipient to address such other matters as the Recipient considers necessary to enable the Recipient to carry out its obligations under the Agreement.

A2.4 Supporting Proof. Upon the request of the Province, the Recipient will provide the Province with proof of the matters referred to in Article A2.0.

A3.0 TERM OF THE AGREEMENT

A3.1 Term. The term of the Agreement will commence on the Effective Date and will expire on the Expiry Date unless terminated earlier pursuant to Article A11.0 or Article A12.0.

A4.0 FUNDS AND CARRYING OUT THE PROJECT

A4.1 Funds Provided. The Province will:

- (a) provide the Recipient with \$38,000 in Funds for the purpose of carrying out the Project;
- (b) provide the Funds to the Recipient in accordance with the payment plan attached to the Agreement as Schedule “E” ; and
- (c) deposit the Funds into an account the Recipient designates provided that the account:
 - (i) resides at a Canadian financial institution; and
 - (ii) is in the name of the Recipient.

A4.2 Limitation on Payment of Funds. Despite section A4.1:

- (a) the Province is not obligated to provide any Funds to the Recipient until the Recipient provides the certificates of insurance or other proof required pursuant to section A10.2 ;
- (b) the Province may adjust the amount of Funds it provides to the Recipient for any Funding Year based upon the Province’s assessment of the information the Recipient provides to the Province pursuant to section A7.2.

A4.3 Use of Funds and Carry Out the Project. The Recipient will do all of the following:

- (a) carry out the Project in accordance with the Agreement;
- (b) use the Funds only for the purpose of carrying out the Project;
- (c) spend the Funds only in accordance with the maximum funds set out in Schedule B.”;
- (d) not use the Funds to cover any cost that has been or will be funded or reimbursed by any other funding program or source. .

A4.4 Interest-Bearing Account. If the Province provides Funds before the Recipient’s immediate need for the Funds, the Recipient will place the Funds in an interest-bearing account in the name of the Recipient at a Canadian financial institution.

A4.5 Interest. If the Recipient earns any interest on the Funds, the Province may do either or both of the following:

- (a) deduct an amount equal to the interest from any further instalments of Funds;
- (b) demand from the Recipient the payment of an amount equal to the interest.

A4.6 Rebates, Credits, and Refunds. The Province will calculate Funds based on the actual costs to the Recipient to carry out the Project, less any costs (including taxes) for which the Recipient has received, will receive, or is eligible to receive, a rebate, credit, or refund.

A5.0 RECIPIENT'S ACQUISITION OF GOODS OR SERVICES, AND DISPOSAL OF ASSETS

A5.1 Acquisition. If the Recipient acquires goods, services, or both with the Funds, it will do so through a process that promotes the best value for money.

A5.2 Disposal. The Recipient will not, without the Province's prior consent, sell, lease, or otherwise dispose off any asset purchased or created with the Funds or for which the Funds were provided.

A6.0 CONFLICT OF INTEREST

A6.1 Conflict of Interest Includes. For the purposes of Article A6.0, 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 by a reasonable person to, interfere with the Recipient's objective, unbiased, and impartial judgment relating to the Project, the use of the Funds, or both.

A6.2 No Conflict of Interest. The Recipient will carry out the Project and use the Funds without an actual, potential, or perceived conflict of interest unless:

- (a) the Recipient:
 - (i) provides Notice to the Province disclosing the details of the actual, potential, or perceived conflict of interest; and
 - (ii) requests the consent of the Province to carry out the Project with an actual, potential, or perceived conflict of interest;

- (b) the Province provides its consent to the Recipient carrying out the Project with an actual, potential, or perceived conflict of interest; and
- (c) the Recipient complies with any terms and conditions the Province may prescribe in its consent.

A7.0 REPORTS, ACCOUNTING, AND REVIEW

A7.1 Province Includes. For the purposes of sections A7.4, A7.5 and A7.6, “Province” includes any auditor or representative the Province may identify.

A7.2 Preparation and Submission. The Recipient will:

- (a) submit to the Province at the address set out in Schedule “B”:
 - (i) all Reports in accordance with the timelines and content requirements set out in Schedule “F”;
 - (ii) any other reports in accordance with any timelines and content requirements the Province may specify from time to time;
- (b) ensure that all Reports and other reports are:
 - (i) completed to the satisfaction of the Province; and
 - (i) signed by an authorized signing officer of the Recipient.

A7.3 Record Maintenance. The Recipient will keep and maintain for a period of seven years from their creation:

- (a) all financial records (including invoices and evidence of payment) relating to the Funds or otherwise to the Project in a manner consistent with either international financial reporting standards or generally accepted accounting principles or any comparable accounting standards that apply to the Recipient; and
- (b) all non-financial records and documents relating to the Funds or otherwise to the Project.

A7.4 Records Review. The Province may, at its own expense, upon twenty-four hours’ Notice to the Recipient and during normal business hours enter upon the Recipient’s premises to conduct an audit or investigation of the Recipient regarding the Recipient’s compliance with the Agreement, including assessing any of the following:

- (a) the truth of any of the Recipient's representations and warranties;
- (b) the progress of the Project;
- (c) the Recipient's allocation and expenditure of the Funds.

A7.5 Inspection and Removal. For the purposes of any Records Review, the Province may take one or both of the following actions:

- (a) inspect and copy any records and documents referred to in section A7.3;
- (b) remove any copies the Province makes pursuant to section A7.5(a).

A7.6 Cooperation. To assist the Province in respect of its rights provided for in section A7.5, the Recipient will cooperate with the Province by:

- (a) ensuring that the Province has access to the records and documents wherever they are located;
- (b) assisting the Province to copy records and documents;
- (c) providing to the Province, in the form the Province specifies, any information the Province identifies; and
- (d) carrying out any other activities the Province requests.

A7.7 No Control of Records. No provision of the Agreement will be construed to give the Province any control whatsoever over any of the Recipient's records.

A7.8 Auditor General. The Province's rights under Article A7.0 are in addition to any rights provided to the Auditor General pursuant to section 9.1 of the *Auditor General Act* (Ontario).

A8.0 COMMUNICATIONS REQUIREMENTS

A8.1 Acknowledge Support. Unless the Province directs the Recipient to do otherwise, the Recipient will in each of its Project-related publications, whether written, oral, or visual:

- (a) acknowledge the support of the Province for the Project;
- (b) ensure that any acknowledgement is in a form and manner as the Province directs; and
- (c) indicate that the views expressed in the publication are the views of the Recipient and do not necessarily reflect those of the Province.

A9.0 INDEMNITY

A9.1 Indemnify. The Recipient will indemnify and hold harmless the Indemnified Parties from and against any Loss and any Proceeding, unless solely caused by the gross negligence or wilful misconduct of the Indemnified Parties.

A10.0 INSURANCE

A10.1 Insurance. The Recipient represents, warrants, and covenants that it has, and will maintain, at its own cost and expense, with insurers having a secure A.M. Best rating of B+ or greater, or the equivalent, all the 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 in Schedule "B" per occurrence, which commercial general liability insurance policy will include the following:

- (a) the Indemnified Parties as additional insureds with respect to liability arising in the course of performance of the Recipient's obligations under, or otherwise in connection with, the Agreement;
- (b) a cross-liability clause;
- (c) contractual liability coverage; and
- (d) at least 30 days' written notice of cancellation.

A10.2 Proof of Insurance. The Recipient will:

- (a) provide to the Province, either:
 - (i) certificates of insurance that confirm the insurance coverage required by section A10.1; or
 - (ii) other proof that confirms the insurance coverage required by section A10.1; and
- (b) in the event of a Proceeding, and upon the Province's request, the Recipient will provide to the Province a copy of any of the Recipient's insurance policies that relate to the Project or otherwise to the Agreement, or both.

A10.3 Subcontractor insurance. The Recipient will ensure that any subcontractors retained to perform any part or parts of the Project will obtain and maintain all

the necessary and appropriate insurance that a prudent person in the business of the subcontractor would obtain and maintain.

A11.0 TERMINATION ON NOTICE

A11.1 Termination on Notice. The Province may terminate the Agreement at any time without liability, penalty, or costs upon giving 30 days' Notice to the Recipient.

A11.2 Consequences of Termination on Notice by the Province. If the Province terminates the Agreement pursuant to section A11.1, the Province may take one or more of the following actions:

- (a) cancel further instalments of Funds;
- (b) demand from the Recipient the payment 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 do either or both of the following:
 - (i) permit the Recipient to offset such costs against the amount the Recipient owes pursuant to section A11.2(b); and
 - (ii) subject to section A4.1(a), provide Funds to the Recipient to cover such costs.

A12.0 EVENT OF DEFAULT, CORRECTIVE ACTION, AND TERMINATION FOR DEFAULT

A12.1 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 the Agreement:
 - (i) carry out the Project;
 - (ii) use or spend Funds; or
 - (iii) provide, in accordance with section A7.2, Reports or such other reports as the Province may have requested pursuant to section A7.2(a)(ii);
- (b) the Recipient's operations, its financial condition, its organizational structure or its control 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 for an order adjudging the Recipient bankrupt, or applies for the appointment of a receiver;
- (d) the Recipient ceases to operate.

A12.2 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 period as the Province determines appropriate;
- (d) reduce the amount of the Funds;
- (e) cancel further instalments of Funds;
- (f) demand from the Recipient the payment of any Funds remaining in the possession or under the control of the Recipient;
- (g) demand from the Recipient the payment of an amount equal to any Funds the Recipient used, but did not use in accordance with the Agreement;
- (h) demand from the Recipient the payment of an amount equal to any Funds the Province provided to the Recipient;
- (i) demand from the Recipient the payment of an amount equal to the costs the Province incurred or incurs to enforce its rights under the Agreement, including the costs of any Records Review and the costs it incurs to collect any amounts the Recipient owes to the Province; and
- (j) upon giving Notice to the Recipient, terminate the Agreement at any time, including immediately, without liability, penalty or costs to the Province.

A12.3 Opportunity to Remedy. If, pursuant to section A12.2(b), the Province provides the Recipient with an opportunity to remedy the Event of Default, the

Province will give Notice to the Recipient of:

- (a) the particulars of the Event of Default; and
- (b) the Notice Period.

A12.4 Recipient not Remediating. If the Province provides the Recipient with an opportunity to remedy the Event of Default pursuant to section A12.2(b), 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 A12.2(a), (c), (d), (e), (f), (g), (h), (i) and (j).

A12.5 When Termination Effective. Termination under Article A12.0 will take effect as provided for in the Notice.

A13.0 FUNDS AT THE END OF A FUNDING YEAR

A13.1 Funds at the End of a Funding Year. Without limiting any rights of the Province under Article A12.0, if, by the end of a Funding Year, the Recipient has not spent all of the Funds allocated for that Funding Year as provided for in the maximum funds set out in Schedule B.”, the Province may take one or both of the following actions:

- (a) demand from the Recipient payment of the unspent Funds;
- (b) adjust the amount of any further instalments of Funds accordingly.

A14.0 FUNDS UPON EXPIRY

A14.1 Funds Upon Expiry. Upon expiry of the Agreement, the Recipient will pay to the Province any Funds remaining in its possession, under its control, or both.

A15.0 DEBT DUE AND PAYMENT

A15.1 Payment of Overpayment. If at any time the Province provides Funds in excess of the amount to which the Recipient is entitled under the Agreement, the Province may:

- (a) deduct an amount equal to the excess Funds from any further instalments of Funds; or
- (b) demand that the Recipient pay to the Province an amount equal to the excess Funds.

A15.2 Debt Due. If, pursuant to the Agreement:

- (a) the Province demands from the Recipient the payment of any Funds, an amount equal to any Funds or any other amounts owing under the Agreement; or
- (b) the Recipient owes to the Province any Funds, an amount equal to any Funds or any other amounts owing under the Agreement, whether or not the Province has demanded their payment,

such amounts will be deemed to be debts due and owing to the Province by the Recipient, and the Recipient will pay the amounts to the Province immediately, unless the Province directs otherwise.

A15.3 Interest Rate. The Province may charge the Recipient interest on any money owing to the Province by the Recipient under the Agreement at the then current interest rate charged by the Province of Ontario on accounts receivable.

A15.4 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 set out in Schedule “B”.

A15.5 Fails to Pay. Without limiting the application of section 43 of the *Financial Administration Act* (Ontario), if the Recipient fails to pay any amount owing under the Agreement, His Majesty the King in right of Ontario may deduct any unpaid amount from any money payable to the Recipient by His Majesty the King in right of Ontario.

A16.0 NOTICE

A16.1 Notice in Writing and Addressed. Notice will be:

- (a) in writing;
- (b) delivered by email, postage-prepaid mail, personal delivery, or courier; and
- (c) addressed to the Province or the Recipient as set out in Schedule “B”, or as either Party later designates to the other by Notice.

A16.2 Notice Given. Notice will be deemed to have been given:

- (a) in the case of postage-prepaid mail, five Business Days after the Notice is mailed; or
- (b) in the case of email, personal delivery or courier on the date on which the Notice is delivered.

A16.3 Postal Disruption. Despite section A16.2(a), in the event of a postal disruption:

- (a) Notice by postage-prepaid mail will not be deemed to be given; and
- (b) the Party giving Notice will give Notice by email, personal delivery, or courier.

A17.0 CONSENT BY PROVINCE AND COMPLIANCE BY RECIPIENT

A17.1 Consent. When the Province provides its consent pursuant to the Agreement:

- (a) it will do so by Notice;
- (b) it may attach any terms and conditions to the consent; and
- (c) the Recipient may rely on the consent only if the Recipient complies with any terms and conditions the Province may have attached to the consent.

A18.0 SEVERABILITY OF PROVISIONS

A18.1 Invalidity or Unenforceability of Any Provision. The invalidity or unenforceability of any provision of the Agreement will not affect the validity or enforceability of any other provision of the Agreement.

A19.0 WAIVER

A19.1 Condonation not a waiver. Failure or delay by the either Party to exercise any of its rights, powers or remedies under the Agreement will not constitute a waiver of those rights, powers or remedies and the obligations of the Parties with respect to such rights, powers or remedies will continue in full force and effect.

A19.2 Waiver. Either Party may waive any of its rights, powers or remedies under the Agreement by providing Notice to the other Party. A waiver will apply only to the specific rights, powers or remedies identified in the Notice and the Party providing the waiver may attach terms and conditions to the waiver.

A20.0 INDEPENDENT PARTIES

A20.1 Parties Independent. The Recipient 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.

A21.0 ASSIGNMENT OF AGREEMENT OR FUNDS

A21.1 No Assignment. The Recipient will not, without the prior written consent of the Province, assign any of its rights or obligations under the Agreement.

A21.2 Agreement Binding. All rights and obligations contained in the Agreement will extend to and be binding on:

- (a) the Recipient's heirs, executors, administrators, successors, and permitted assigns; and
- (b) the successors to His Majesty the King in right of Ontario.

A22.0 GOVERNING LAW

A22.1 Governing Law. The 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 the Agreement will be conducted in the courts of Ontario, which will have exclusive jurisdiction over such proceedings.

A23.0 FURTHER ASSURANCES

A23.1 Agreement into Effect. The Recipient will:

- (a) provide such further assurances as the Province may request from time to time with respect to any matter to which the Agreement pertains; and
- (b) do or cause to be done all acts or things necessary to implement and carry into effect the terms and conditions of the Agreement to their full extent.

A24.0 JOINT AND SEVERAL LIABILITY

A24.1 Joint and Several Liability. Where the Recipient comprises more than one entity, each entity will be jointly and severally liable to the Province for the fulfillment of the obligations of the Recipient under the Agreement.

A25.0 RIGHTS AND REMEDIES CUMULATIVE

A25.1 Rights and Remedies Cumulative. The rights and remedies of the Province under the Agreement are cumulative and are in addition to, and not in substitution for, any of its rights and remedies provided by law or in equity.

A26.0 FAILURE TO COMPLY WITH OTHER AGREEMENTS

A26.1 Other Agreements. If the Recipient:

- (a) has failed to comply with any term, condition, or obligation under any other agreement with His Majesty the King in right of Ontario or one of His agencies (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 for such period as the Province determines appropriate.

A27.0 SURVIVAL

A27.1 Survival. The following Articles and sections, and all applicable cross-referenced Articles, sections and schedules, will continue in full force and effect for a period of seven years from the date of expiry or termination of the Agreement: Article 1.0, Article 2.0, Article A1.0 and any other applicable definitions, section A2.1(a), sections A4.4, A4.5, A4.6, section A5.2, section A7.1, section A7.2 (to the extent that the Recipient has not provided the Reports or other reports as the Province may have requested and to the satisfaction of the Province), sections A7.3, A7.4, A7.5, A7.6, A7.7, A7.8, Article A8.0, Article A9.0, section A11.2, section A12.1, sections A12.2(d), (e), (f), (g), (h), (i) and (j), Article A13.0, Article A14.0, Article A15.0, Article A16.0, Article A18.0, section A21.2, Article A22.0, Article A24.0, Article A25.0 and Article A27.0.

A28.0 ELECTRONIC SIGNATURE

A28.1 Electronic Signature. The Province and the Recipient agree that the Agreement may be validly executed electronically, and that their respective electronic signature is the legal equivalent of a manual signature. An electronic signature of

an authorized signing representative may be evidenced by (i) a manual signature, (ii) a digital signature including the name of the authorized signing representative in the respective signature line of the Agreement, (iii) an image of a manual signature, (iv) an Adobe signature, or (v) any other digital signature with the prior written consent of both Parties, placed in the respective signature line of the Agreement and the Agreement delivered by electronic means to the other Party, including by email.

END OF GENERAL TERMS AND CONDITIONS

SCHEDULE "B"
PROJECT SPECIFIC INFORMATION

Maximum Funds	\$38,000
Program Title	Pothole Prevention and Repair Program
Expiry Date	June 30, 2026
Insurance	\$ 5,000,000
Contact information for the purposes of Notice to the Province	<p>Position: James Flanders, Team Lead, Special Highway Operations Initiatives Highway Operations Management Branch, Operations Division</p> <p>Address: 2nd Floor 301 St. Paul Street St. Catharines, Ontario L2R 7R4</p> <p>Email: PPRP@ontario.ca</p>
Contact information for the purposes of Notice to the Recipient	<p>Position:</p> <p>Address:</p> <p>Fax:</p> <p>Email:</p>
Contact information for the senior financial person in the Recipient organization (e.g., CFO, CAO) – to respond as required to requests from the Province related to the Agreement	<p>Position:</p> <p>Address:</p> <p>Fax:</p> <p>Email:</p>

Additional Provisions:

None

**SCHEDULE “C”
PROJECT DESCRIPTION AND TIMELINES**

C1.0 PROJECT DESCRIPTION

C1.1 Project Details. The Project will use the pothole prevention and repair measures set out in section C1.2, C1.3 and C1.4 on road(s) under the jurisdiction of the Recipient. The Project will deploy one or a combination of the methods set out in this Schedule “C”.

C1.2 Pothole Prevention Strategies

- (a) Rout and Seal, means routing, cleaning and sealing cracks using hot poured rubberized asphalt sealant compound as per OPSS MUNI 341.
- (b) Microsurfacing means applying a thin lift of polymer modified asphalt emulsion mix to distressed pavement.as per OPSS MUNI 336.
- (c) Slurry Seal means applying a homogeneous mixture of emulsified asphalt, fine aggregates, water, mineral filler, and, if required, additive in a cold fluid state on a prepared bituminous surface as per OPSS.MUNI 337.
- (d) Single Surface Treatment means a single application of bituminous binder followed by a single application of Class 1, Class 2, Class 3, Class 4, Class 5, or Class 6 aggregate as per OPSS.MUNI 304
- (e) Double Chip Seal means two successive single chip seals with different aggregate gradations as per OPSS.MUNI 303.and
- (f) Granular In-Fill and Grading, Drainage and Stabilization of Unpaved Roadways means surfaces that are typically existing granular but may include sub grade soil surfaces as per OPSS.MUNI 301.

C1.3 Pothole Repair Strategies

- (a) Hot Mix Asphalt (HMA) Patching of Flexible Pavement means resurfacing localized areas of distressed pavement using Hot Mix Asphalt as per OPSS MUNI 310.
- (b) Scarification and Grading of Unpaved Roadways means uniform loosening of the roadway surface to remove damaged areas such as raveling and potholes as per OPSS.MUNI 301.
- (c) Concrete – Pavement and Joint Seal Repairs means sawcutting, cleaning and sealing or resealing cracks in concrete pavement and concrete base as per OPSS MUNI 369.

C1.4 Other

- (a) Project design works related to pothole preservation and repair works that will be completed between April 1, 2025 and March 31, 2026.

C2.0 PROJECT TIMELINES

C2.1 Project Timelines. The Recipient will begin the Project by April 1, 2025, and will achieve Substantial Performance of the Project by March 31, 2026.

SCHEDULE “D”

ELIGIBLE AND INELIGIBLE EXPENDITURES

D1.0 ELIGIBLE EXPENDITURES

D1.1 Eligible Expenditures. Subject to Article D2.0, Eligible Expenditures include the direct costs incurred and paid by the Recipient between April 1, 2025, and March 31, 2026 and that, in the opinion and at the sole discretion of the Province, are considered to have been properly and reasonably incurred and are necessary for the successful implementation of the Project, and include:

- (a) Purchase and delivery of materials required for the Project;
- (b) Project design related to preservation and repair works that will be completed between the period of April 1, 2025, and March 31, 2026;
- (c) Labour for contracted construction and repairs if used for Eligible Expenditures;
- (d) Recipient-owned equipment to be reimbursed at OPSS 127 Rates if used for Eligible Expenditures;
- (e) Updating Road Condition Reports if prepared by an external consultant;
- (f) Any other costs, as determined by the Province from time to time and at its sole discretion.

D1.2 Required Documentation. Eligible Expenditures must be documented through paid invoices or original receipts, or both, satisfactory to the Province.

D2.0 INELIGIBLE EXPENDITURES

D2.1 Ineligible Expenditures. Without limitation, the following costs, unless they have received the prior written approval of the Province, will be considered Ineligible Expenditures:

- (a) Costs not associated with the Project;
- (b) Costs incurred before April 1, 2025, or after March 31, 2026;
- (c) Costs associated with feasibility studies and design work that will not be completed between April 1, 2025 and March 31, 2026;
- (d) Any costs related to a project that has already received funding for eligible expenses from another funding source;
- (e) Administrative costs;
- (f) Audit and financial reporting costs;
- (g) Any other costs, as determined by the Province from time to time and at its sole discretion.

**SCHEDULE “E”
PAYMENT PLAN**

Project Milestones	Required Reports/ Documents	Date	Payment
# 1 TPA Dually Executed		January 30, 2026 to February 27, 2026	100% of Maximum Funds
# 2 Compliance Reporting	<ul style="list-style-type: none"> • As per F1.1 	January 30, 2026	
# 3 Final Reporting	<ul style="list-style-type: none"> • As per F2.1 	April 17, 2026	

SCHEDULE “F” REPORTING AND COMPLIANCE AUDIT

F1.0 DEFINITION

F1.1 Definition. In this Schedule “F”:

“Generally Accepted Auditing Standards” means Canadian Generally Accepted Auditing Standards as adopted by the Chartered Professional Accountants of Canada or the Public Sector Accounting Board applicable as of the date on which such a record is kept or required to be kept in accordance with such standards.

F2.0 REPORTS, DOCUMENTS AND SUBMISSION DATES

F2.1 Description and Submission Dates The Recipient will submit to the Province, at the email address pprp@ontario.ca, the Reports and other documents described as requested that are further described in Sub-schedule “F1” and section A.10.2 by their respective submission dates.

F3.0 COMPLIANCE AUDIT

F3.1 Compliance Audit. The Province may, at its sole discretion and within timelines set out by the Province, request that the Recipient carry out a Project compliance audit in accordance with Generally Accepted Auditing Standards and delivers the corresponding compliance audit report(s) within the timelines set out by the Province.

F3.2 Compliance Audit Requirements. If the Province requests a Project compliance audit pursuant to section F3.1, the Recipient will retain at the Recipient’s expense and within the timelines set out by the Province, an accredited external independent auditor(s) to carry out the audit and will deliver any compliance audit reports(s) from such audit to the province within seven Business Days of the Recipient’s receipt of the report.

F3.3 Compliance Audit Objectives. The key objectives of the compliance audit(s) are to:

- (a) determine whether Funds were expended for the purposes intended and with due regard to the economy, efficiency and effectiveness;
- (b) determine compliance with the Agreement;

- (c) ensure that the Project, Reports and other reports, and financial information are complete, timely, accurate, in accordance with the terms and conditions of the Agreement;
- (d) ensure that information and monitoring processes and systems are sufficient for the identification, capture, validation and monitoring of the service performance measures;
- (e) assess the overall management and administration of the Project;
- (f) provide recommendations for improvement or redress; and
- (g) ensure that prompt and timely corrective action is taken on audit findings.

SUB SCHEDULE “F1” PROJECT REPORTS

F1.0. COMPLIANCE REPORT

F1.1. The Recipient shall submit the following to the Province by January 30th, 2026:

- (a) a copy of the Recipient’s 2022 Asset Management Plan or current;
- (b) a copy of the Recipient’s most recent Pavement/Road Condition Reports;
- (c) a confirmation of submission of the Recipient’s 2024 Financial Information Return to Ministry of Municipal Affairs and Housing;
- (d) the number of pothole complaints received by the Recipient in the 2024 and 2025 calendar years, as available;
- (e) additional information requested by the Province.

F1.2.0 FINAL REPORT

F1.2.1 Description and Submission Date. The Recipient shall submit to the Province a description of the activities completed and certify the completion of the Project as per the Agreement. The reporting period for the Projects and information that pertains to them is April 1, 2025 to March 31, 2026. The deadline to submit required reporting is April 17, 2026.

The final report will include the following:

- (a) Quantitative data on road maintenance supported by the Program, that the Recipient carried out, including the number of kilometres maintained;
- (b) Project details of activities and/or materials related to the use of the Funds. Examples of accepted documentation include: invoices and payment certificates, post construction report, purchase and delivery of assets or supplies;
- (c) Other activities that achieved the Project’s objectives.

F1.2.2 Reporting Failure. The Province requires submission of the program reports to inform future development of the Program, ensure effective administration and monitor performance of the Program. Any failure by the Recipient to provide Reports to the Province as set out in this Agreement may result in an Event of Default by the Recipient under Section A12.1.