

Ministry of
Northern Development, Mines
and Forestry

Strategic Development Branch
Trade, Investment and Strategic Sectors Unit

435 James Street South, Suite 332
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Ministère du
Développement du Nord
des Mines et des Forêts

Direction du développement stratégique
Unité du commerce, de l'investissement et
des secteurs stratégiques
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MNDM
Ontario

October 28, 2010

M10-0621

John Santarossa
Economic Development Officer
Municipality of Temagami
7 Lakeshore Drive Box 220
Temagami, ON, P0H 2H0

Dear Mr Santarossa

This is further to the letter of October 20, 2010 from the Honourable Michael Gravelle, Minister of Northern Development, Mines and Forestry, approving funding for your Economic Development Strategy project. The funding is conditional on the enclosed legal agreements being signed by both parties.

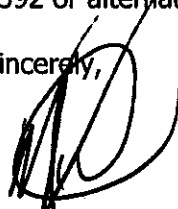
Three (3) copies of the agreement are enclosed. If the agreement is acceptable, please arrange for signatures on all three (3) copies by an authorized signing authority for the Municipality of Temagami and that as appropriate, the corporate seal is affixed. All three (3) original signature documents should then be returned to me at:

Michael Dunlop, GO North Advisor
Trade, Investment & Strategic Sectors Unit
Ministry of Northern Development, Mines and Forestry
435 James Street South, Suite 332
Thunder Bay, ON P7E 6S7

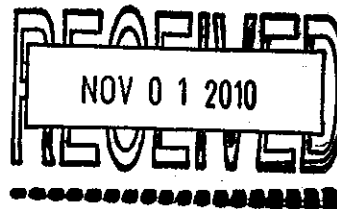
One original copy will be returned to you after a Ministry official signs it. Please note that NCIR project funding is conditional on the terms of this agreement.

If you should have questions about any aspects of the agreement, Anne Marie LeRoy, Northern Development Advisor in North Bay, will be pleased to assist you and can be reached at (705) 647 - 7392 or alternatively by e-mail at anne-marie.leroy@ontario.ca.

Sincerely,



Michael Dunlop, GO North Advisor
Trade, Investment & Strategic Sectors Unit



cc: Louise Brinkmann Area Team Manager
Anne Marie LeRoy, Northern Development Advisor

File Incoming Other
Mayor
Council BA
CAO
Building
Finance S C
Ec Dev S C
Parks & Rec S C
Planning S C
Public Wks S C
PPP
Social Services

Funding Agreement

This agreement is made with effect as of October 20, 2010 between **Her Majesty the Queen in right of Ontario, as represented by the Minister of Northern Development, Mines and Forestry** (the "Crown"), and the Municipality of Temagami (the "Recipient").

The Recipient has applied to the Crown for funding in support of a project described in its application dated September 24, 2010 (the "Application"). Capitalized terms used but not otherwise defined in this agreement have the meanings given to them in the Application.

In consideration of the mutual promises contained in this agreement, the parties agree as follows:

1. The Application is incorporated by reference in, and forms part of, this agreement. For convenience, the terms and conditions contained in the Application are appended as Schedule A to this agreement.
2. Subject to the provisions of this agreement, the Crown will contribute up to 75% of eligible Project costs, to a maximum of \$10,000.00
3. The Recipient shall carry out the Project as described in the Application, subject to the changes listed below (if any) and any other changes agreed between the parties in writing:

Changes: None

4. The Recipient shall carry out the project in accordance with the agreement with due diligence and in an economical and businesslike manner.
5. Any notice to be given under the agreement shall be given by fax or personal delivery to the parties at their respective addresses contained in the Application. Either party may change its address for notice or contact person by giving the other party written notice of the change.

In witness whereof, each of the parties has signed this agreement by its authorized signing officer(s):

HER MAJESTY THE QUEEN IN RIGHT OF ONTARIO, as represented by the Minister of Northern Development, Mines and Forestry

The Municipality of Temagami

By: _____
 Name: Faye Johnson
 Title: Director
 Strategic Development Branch
 Date:

By: _____
 Name:
 Title:
 Date:

Northern Communities Investment Readiness TERMS AND CONDITIONS

By signing this application, the Applicant agrees that, in the event that this application for funding of the project described above (the "Project") is approved by the Ministry of Northern Development, Mines and Forestry (the "Ministry"), the successful Applicant (the "Recipient") shall comply with the following terms and conditions. The Applicant acknowledges that any funding provided by the Ministry (the "Contribution") will be conditional upon compliance with these terms and conditions.

Project

1. The Recipient will carry out the Project as described in this application, subject to any changes agreed to in writing between the Ministry and the Recipient, and any other terms and conditions contained in the Minister's letter of approval.

Funding

2. The Contribution shall not exceed the maximum amount set out in the Minister's letter of approval.

3. The Contribution shall be used solely for costs included under the heading "eligible costs" in section 3.1 of this application. Any changes in Project costs or scope from the costs set out in section 3.1 and the scope described elsewhere in this application must be reported to the Ministry, in writing, before the changes take effect. The Ministry reserves the right to reduce or demand repayment of the Contribution in response to such changes.

4. The Contribution may not be used for ineligible costs. In case of doubt or dispute, the Ministry shall decide whether a particular cost or category of costs is "ineligible" and the Ministry's decision shall be final.

5. The Ministry will make the Contribution by way of reimbursement of eligible costs actually incurred, unless the Ministry decides, in its sole discretion, to pay some or all of the Contribution in advance.

6. The Recipient is responsible for implementing the Project and for ensuring that sufficient funds are available and, if necessary, for raising the balance of funding from sources other than the Ministry. The Ministry shall not be responsible for any cost overruns relating to the Project.

Acknowledgements

7. The Recipient will acknowledge the Ministry's Contribution in press releases, conference and workshop materials and all other printed materials relating to the Project, including electronic versions of those materials. The Recipient will not use or reproduce any visual identifier or logo of the Ministry or the Government of Ontario, except with the Ministry's prior written consent.

Reporting and audit

8. The Recipient shall maintain, for 4 years after the completion of the Project, original invoices and financial books and records respecting the Project (maintained in accordance with generally accepted accounting procedures), and records respecting the carrying out of the Project. The Recipient shall provide to the Ministry and the Provincial Auditor these and any other information and documents as they may reasonably require for purposes of monitoring and evaluating the Project and the Contribution.

9. During and at all times after the Project, the Recipient shall allow representatives of the Ministry and the Provincial Auditor access to the Recipient's premises and the Project site, if any, to inspect the progress and results of the Project and the books, records and documents described above.

Default

10. The Recipient will be in default if: (i) it fails to comply with these terms and conditions, (ii) it becomes bankrupt or insolvent or goes into receivership or, in the Ministry's sole opinion, faces other serious financial difficulty, (iii) it ceases to operate or takes steps or an order is made to dissolve or wind up, (iv) it submits false or misleading information to the Ministry at any time, or (v) it fails to proceed diligently with the Project. Upon default by the Recipient, the Ministry may in its sole discretion recover some or all of the Contribution already paid to the Recipient, or an amount equal to those funds, and may refrain from making further payments.

Freedom of Information

11. Subject to the Freedom of Information and Protection of Privacy Act, all information pertaining to the Contribution and the Recipient's obligations to the Ministry is public information and may be released to third parties on request.

Project completion

12. The Project must be completed and eligible Project costs incurred on or before the completion date specified in the application. The Recipient shall complete and submit the Project Report, including a certified statement of expenditures, to the Ministry, upon project completion or before the completion date, whichever date comes first.

13. If the Ministry has advanced funds to the Recipient that are not needed for, or spent on, eligible Project costs, or if the Ministry has demanded repayment of some or all of the Contribution in accordance with these terms and conditions, the amount in question will be a debt owing to the Ministry. The Recipient shall pay the debt promptly by cheque, made payable to the Minister of Finance and sent to the Ministry of Northern Development, Mines and Forestry along with the Project Report and certified statement of expenditures.

Indemnity and Insurance

14. The Recipient shall, both during and at all times after the Project, indemnify and save the Ministry harmless from all costs, claims, losses or damages which may arise as a result of any action or inaction of the Recipient, its officers, directors, employees, contractors or agents in connection with the Project or these terms and conditions. The Recipient shall maintain at all times during the Project a policy of comprehensive general liability insurance subject to limits not less than \$2,000,000 per occurrence, covering bodily injury, personal injury, death, property damage, products and completed operations, that names Her Majesty the Queen in right of Ontario, her ministers, employees, contractors and agents as additional insureds. The Recipient will provide a certificate evidencing this insurance upon request by the Ministry. The Recipient shall ensure that any contractors it engages to perform Project-related work carry insurance appropriate in nature and amount of coverage for the work being performed.

General terms

15. The Recipient shall comply with all applicable federal, provincial and municipal laws, statutes, regulations, rules, ordinances and orders in respect of the performance of these terms and conditions.

16. The Recipient may not assign any of its rights or obligations under these terms and conditions, without the prior written consent of the Ministry.

17. If selecting third-party contractors to perform any of the Project for an amount greater than \$25,000, the Recipient must (unless the Ministry otherwise agrees in writing) use a competitive process, including a written request for at least 3 proposals, written evaluation of bids received and a written agreement with the successful bidder. The Recipient will ensure that the Ministry is granted sufficient licence or other rights in all materials produced by the Recipient or a third party contractor for the Project to enable the Ministry to use, reproduce and share those materials with other Ontario government ministries and agencies.

18. Nothing in these terms and conditions permits the Recipient to act on behalf of the Ministry in any manner, whether as agent, employee, partner, joint venturer or otherwise. The Recipient may not change its ownership, legal status or purposes without the prior written consent of the Ministry.

19. The Ministry may make any consent it gives in accordance with these terms and conditions subject to such terms and conditions as it considers appropriate.

20. Waiver by the Ministry of its right to require performance of any of these terms and conditions in a particular instance shall not be construed as an ongoing waiver of the Ministry's right to require future performance of those terms and conditions.

21. These terms and conditions may be changed only by written agreement signed by the Recipient and the Ministry.

6. Certification	
Certification	On behalf of and with the authority of the Applicant, I certify that the information given on this application for a conditional contribution is true, correct and complete in every respect and that the Applicant agrees to abide by the Terms and Conditions outlined governing the conditional contribution. I am aware that the information contained herein can be used for the assessment of conditional contribution eligibility and for statistical reporting. I understand that the information in this application may be subject to disclosure under provincial Freedom of Information legislation. If MNDMF discovers that this application contains a material misrepresentation, this application shall be deemed to be withdrawn immediately by the Applicant.
Name:	Patrick Cormier
Community or EDC:	Municipality of Temagami
Position:	CAO
Signature:	