

Funding Agreement

BETWEEN:

**West Parry Sound Recreation and Cultural Centre
Joint Municipal Service Board**

(“Board”)

and

The Corporation of The Municipality of Whitestone

(“Whitestone”)

WHEREAS the municipalities of The Archipelago, Carling, McDougall, McKellar, Parry Sound and Seguin have formed a joint municipal service board known as the *West Parry Sound Recreation and Cultural Centre Joint Municipal Service Board*;

AND WHEREAS the Board is desirous of establishing a recreation and cultural centre (“**Facility**”) which meets the needs and interests of all West Parry Sound communities and encourages healthy lifestyles, social interactions and physical well being through education, recreation, wellness, cultural and athletic activities;

AND WHEREAS Whitestone has opted out of joining the Board, but nevertheless recognizes that a recreation and cultural centre is an important amenity for the economic and social well being of the residents of West Parry Sound, including the residents of Whitestone;

AND WHEREAS the Board has relied and will continue to rely on the financial support of Whitestone when making decisions about the Facility;

NOW THEREFORE, IN CONSIDERATION of the terms and conditions herein the parties agree as follows:

Whitestone Funding

1. Whitestone shall make a one-time financial contribution of \$250,000 towards the building of the Facility, within 30 days of the commencement of construction of the physical building, subject to the completion of the requirements outlined in section 4.
2. The Municipality of Whitestone further agrees to contribute annually towards any operating deficit of the Facility, up to 6.1% of such annual deficit, provided that the annual maximum shall not exceed \$18,316, commencing in the first year of the Facility’s operation for a total of ten (10) years, with the annual maximum amount to be increased by the annual consumer price index as of September of the preceding year. The contribution to the first calendar year of operation shall be prorated and shall be based

on the first day of operation being the first day the facility was open to the public with full services as determined and confirmed to the satisfaction of Whitestone.

Operating deficit means where the operating costs and expenses incurred by the Facility, as determined under Generally Accepted Accounting Principles (GAAP), that are related to the operation of the Facility and which shall not include depreciation or reserve funds, exceed the membership revenue and any other operating revenue received by the Board. Whitestone shall have the ability to review all operating costs, revenues and expenses and satisfy itself with the said deficit.

3. The Board shall invoice Whitestone for any operating deficit within 120 days of year-end (to be based on the Audited Financial Statements) for Whitestone's share of the prior year deficit. Whitestone shall pay the invoice within 90 days of receipt subject to the review noted above and concurrence of the operating deficit.

Conditions of Funding

4. The commitments outlined above are conditional on
 - a. A review of the operating model, projected operating revenues, costs, and reserve requirements for the Facility by independent management consultants with expertise in such reviews, to be completed prior to final design of the Facility, at the Boards' cost.

Benefits

5. The residents of Whitestone shall be entitled to use the Facility to the same extent and for the same cost as any other resident of the municipalities that make up the Board during the term of this agreement.

Relationship

6. Nothing in this Agreement is intended to convey ownership of the Facility, or constitute an agency, partnership, joint venture or other form of joint enterprise or fiduciary relationship between the Parties and neither Party shall have authority to bind the other Party in any manner whatsoever.

Counterparts

7. This Agreement may be executed in one or more counterparts, all of which will be considered one and the same Agreement, and will be binding when one or more counterparts have been signed by each of the parties and delivered, either manually

or electronically, to the other party, it being understood that all parties need not sign the same counterpart.

Entire Understanding


8. This Agreement constitutes the entire agreement of the Parties with respect to the subject matter contained herein, and supersedes all prior and contemporaneous understandings, agreements, representations, and warranties, both written and oral, with respect to such subject matter.

Successors and Assigns

9. This Agreement is binding upon and inures to the benefit of the Parties and their respective successors and assigns.


IN WITNESS WHEREOF the Parties hereto have hereunto affixed their corporate seals duly attested to by their proper signing officers in that behalf as of the 31 day of October, 2022.

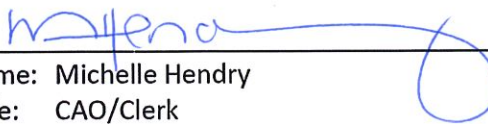
**West Parry Sound Recreation and Cultural Centre
Joint Municipal Service Board**

By: 
Name: Donald Sanderson
Title: Chair

By: 
Name: Rebecca Johnson
Title: Clerk

The Corporation of The Municipality of Whitestone

By: 
Name: George Comrie
Title: Mayor

By: 
Name: Michelle Hendry
Title: CAO/Clerk