

THIS OPERATING AGREEMENT made in triplicate as of this 19th day of January, 2005

BETWEEN

THE MUNICIPALITY OF MARKSTAY-WARREN

Hereinafter called the "Municipality" of the First Part

AND

THE MARKSTAY-WARREN COMMUNITY DEVELOPMENT CORPORATION

Hereinafter called the" Markstay-Warren Community Development Corporation"

WHEREAS the Municipality is a municipal corporation;

AND WHEREAS the Markstay-Warren Community Development Corporation is a community development corporation within the meaning of Section 109. (2) (a) of the *Municipal Act, 2001, S.O. 2001 c. 25* as amended, duly incorporated pursuant to Part III of the *Corporations Act, R.S.O. 1990, C.38* as amended;

AND WHEREAS the mandate of the Markstay-Warren Community Development Corporation is to promote community economic development with the participation of the community by facilitating an supporting community strategic planning and increasing self reliance, investment and job creation within the community (the "Mandate");

AND WHEREAS the Municipality is the sole shareholder of the Markstay-Warren Community Development Corporation and wishes to assist the Markstay-Warren Community Development Corporation.

AND WHEREAS the Municipality was authorized to enter into this agreement under By-Law 2005-04 and the Markstay-Warren Community Development Corporation was authorized to enter into this agreement under Resolution of the Board of Directors on 2005-16.

NOW THEREFORE IN CONSIDERATION OF THE MUTUAL COVENANTS HEREIN CONTAINED, THE PARTIES AGREE AS FOLLOWS:

Provision of Facilities, Equipment and Employees

1. (1) The Municipality shall provide, at no cost to the Markstay-Warren Community Development Corporation, for the purposes of carrying out of the Markstay-Warren Community Development Corporation's mandate:

- (a) office space in a municipal facility;
- (b) such equipment, furniture, fixtures, vehicles, supplies and other materials; and
- (c) services of such employees of the Municipality to carry out the day tasks of the Markstay-Warren Community Development Corporation,

as the Municipality in its sole discretion, from time to time determines to be necessary or appropriate.

(2) While this agreement is in effect, the Markstay-Warren Community Development Corporation shall not, on its own behalf:

- (a) employ any person; or
- (b) purchase or lease any property or real property.

Provision of Administrative Services

2. The Municipality shall provide, at no cost to the Markstay-Warren Community Development Corporation, personnel to deliver such:

- (1) legal services;
- (2) financial services;
- (3) internal audit services;
- (4) building services;
- (5) purchasing services;
- (6) human resources services;
- (7) communications services; and
- (8) information technology services

as the Municipality in its sole discretion, determines to be necessary or appropriate for the Markstay-Warren Community Development Corporation to operate.

Insurance Coverage

3. (1) The Municipality shall include the Markstay-Warren Community Development Corporation and its Directors as insured under its comprehensive insurance policies.
- (2) The Markstay-Warren Community Development Corporation shall cause its directors and volunteers to co-operate fully with the Municipality insurance adjusters and Counsel appointed by the insurers in the preparation for and conduct of any defence of a proceeding.

Compliance with Purchasing By-Law

4. The Markstay-Warren Community Development Corporation shall follow the procedures established in the Municipality's current Purchasing By-Law as amended or replaced, in all purchases or sale of goods or services to which the By-law applies, as if the Markstay-Warren Community Development Corporation were governed by such by-law. The said by-law shall be read with such changes as may be reasonably required to apply to the Markstay-Warren Community Development Corporation.

Compliance with Remuneration By-Law

5. The Markstay-Warren Community Development Corporation shall be bound by the guidelines established in the Municipality's By-Law Respecting the Payment of Expenses for Members of Council, Officers and Employees of the Municipality of Markstay-Warren as amended or replaced, for payment of expenses of the Directors and Officers of the Markstay-Warren Community Development Corporation. The said By-Law shall be read with such changes as may be reasonably required to apply to the Markstay-Warren Community Development Corporation.

Compliance with Retention By-Law

6. The Markstay-Warren Community Development Corporation shall follow the procedures regarding the keeping of records as are established from time to time in the Municipality's Record Retention By-Law, as amended or replaced from time to time.

Records, etc.

7. The Markstay-Warren Community Development Corporation shall co-operate with the Municipality to implement and maintain such systems, provide such information and keep such records in such form, as may be required from time to time by the Municipality.

Provision of Agendas and Minutes

8. The Markstay-Warren Community Development Corporation shall prepare an agenda for and minutes of each meeting of the Board of Directors of the Markstay-Warren Community Development Corporation and shall provide a copy of each to the Clerk of the Municipality, in a timely manner.

Appointments

9. The Markstay-Warren Community Development Corporation shall appoint the Municipal Treasurer and his or her delegate as the Markstay-Warren Community Development Corporation's Treasurer and shall appoint the Municipal CAO/Clerk and his or her delegate as the Markstay-Warren Community Development Corporation 's Secretary.

MFIPP Act

10. The Markstay-Warren Community Development Corporation shall delegate to the Municipal Clerk the powers and duties of the head of the purposes of the *Municipal Freedom of Information and Protection of Privacy Act*, R.S.O. 1990, c. M.56.

Compliance with Municipal Policies

11. (1) The Markstay-Warren Community Development Corporation shall follow such policies of general application in the municipality as may be implemented by by-law of the municipality from time to time, or as may be provided to the Markstay-Warren Community Development Corporation from time to time.

(2) Notwithstanding 11 (1) above, nothing herein shall prevent the Markstay-Warren Community Development Corporation from adopting a policy which may be more stringent or rigorous than a policy implemented by the Municipality.

Administration of Agreement

12. This Agreement shall be administered by the Chair of the Board of the Markstay-Warren Community Development Corporation on behalf of the Markstay-Warren Community Development Corporation and by the CAO/Clerk on behalf of the Municipality.

Term

13. (1) This agreement shall come into effect as of January 20, 2005 and continue in effect until terminated.
- (2) Either party may terminate this Agreement at any time upon giving at least one hundred twenty (120) days written notice to the other party without reason or cause and without liability, cost or penalty. Notice shall be sent by personal delivery, facsimile transmission or by ordinary prepaid mail.
- (3) Notices by mail shall be deemed to have been received on the fourth business day after the date of mailing.
- (4) Notices by personal delivery or by fax shall be deemed to have been received at the time of delivery or transmission, if sent between the hours of 8:30 a.m. and 4:00 p.m. on Monday to Friday inclusive, unless such day is a holiday, and otherwise, on the next following day between Monday and Friday inclusive
- (5) Notices to the parties shall be sent to the following addresses:
- Municipality of Markstay-Warren
21 Main Street South, P.O. Box 79
Markstay, Ontario POM 2G0
Attention: CAO/Clerk
Fax (705) 853-4964
- The Markstay-Warren Community Development Corporation
21 Main Street South, P.O. Box 79
Markstay, Ontario POM 2G0
Attention: Secretary
Fax (705) 853-4964
- (6) The parties may designate in writing to each other a change of address at any time.

Relationship

14. Nothing in this Agreement shall be read or construed as conferring upon the Markstay-Warren Community Development Corporation, its officers or directors the status of employee or agent of, or partner or joint venturer with the Municipality.

No Assignment

- 15. The Markstay-Warren Community Development Corporation will not assign this Agreement, or any part thereof, without the prior written approval of the Municipality, which approval may be withheld by the Municipality in its sole discretion or may be given subject to such terms and conditions as the Municipality may impose.

Entire Agreement

- 16. This agreement embodies the entire Agreement and supercedes any other understanding or agreement, collateral, oral or otherwise, existing between the parties at the date of execution.

Interpretation

- 17. This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario.

Effect

- 18. This agreement shall be binding upon the parties, their successors and permitted assigns.


IN WITNESS WHEREOF the parties hereto sign by their duly authorized signing officers.

Municipality of Markstay-Warren



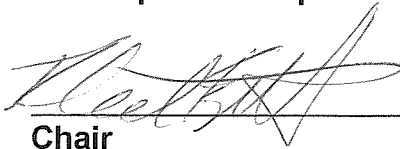
Mayor

Municipality of Markstay-Warren




Clerk

**Markstay-Warren Community
Development Corporation**



Chair

**Markstay-Warren Community
Development Corporation**



Secretary