

FUNDING AGREEMENT

BETWEEN:

SOUTHAMPTON ARTS CENTRE

(hereinafter “**RECIPIENT**”)

- and -

THE CORPORATION OF THE TOWN OF SAUGEEN SHORES

(hereinafter “**TOWN**”)

WHEREAS the TOWN is a municipal corporation incorporated pursuant to the *Municipal Act*;

AND WHEREAS the RECIPIENT is a non-for-profit corporation delivering arts education and experience through its operations at the Southampton Art School and the Southampton Art Gallery (the “**Services**”);

AND WHEREAS the RECIPIENT has requested funding from the TOWN in order to continue to provide the Services;

AND WHEREAS Town of Saugeen Shore’s Council, by Resolution 159-2025 passed on May 26, 2025, approved the payment of a lump sum amount to the RECIPIENT to be funded in 2025 in exchange for certain commitments from the RECIPIENT and to include funding for 2026 and 2027 in the Town’s draft business plan, to be considered by Council in those years;

AND WHEREAS to support the initiatives of community groups, such as the RECIPIENT, to provide services to the residents of, and visitors to, the Town of Saugeen Shores and to ensure the development of local facilities and services, the TOWN is prepared to advance funding, in part, as requested by the RECIPIENT, on those terms and conditions set out in this Agreement;

NOW THEREFORE in consideration of the mutual covenants contained in this Agreement and other good and valuable consideration the receipt and sufficiency of which is hereby irrevocably acknowledged, RECIPIENT and TOWN agree as follows:

SECTION 1 - RECITALS

1.1 The Recitals contained in this Agreement are true and correct and are legally binding and form part of this Agreement.

SECTION 2 - INTERPRETATION

- 2.1 In this Agreement, definitions are as set out below or within the recitals or applicable provisions, as indicated:
- a) **“Agreement”** means this agreement entered between the TOWN and RECIPIENT, including any recitals to this Agreement, as amended, supplemented or restated from time to time.
 - b) **“Applicable Law”** means all federal, provincial or municipal laws, regulations, licenses, permits, common law, orders, rules or by-laws that are applicable to RECIPIENT, the Services, this Agreement and the Parties’ obligations under this Agreement during the term of this Agreement.
 - c) **“Business Day”** means a day on which banks are open for business in the Province of Ontario, but does not include a Saturday, Sunday and any other day which is a legal holiday in the Province of Ontario.
 - d) **“Deliverables”** means the RECIPIENT’s obligations and commitments outlined in Schedule “B”.
 - e) **“Director”** means Director of Community Services or their designate.
 - f) **“Effective Date”** means as defined in Section 3.1.
 - g) **“Funding”** means the sum of money to be provided by the TOWN to the RECIPIENT and more particularly set out in Section 5 of this Agreement.
 - h) **“Funding Year”** means starting January 1st and ending on December 31st in the same calendar year.
 - i) **“MFIPPA”** means the *Municipal Freedom of Information and Protection of Privacy Act* (Ontario) and the regulations made under it as it and they may be amended from time to time.
 - j) **“Municipal Act”** means the *Municipal Act, 2001*, S.O. 2001, c.25, and its regulations, including any amendments and successor legislation.
 - k) **“Notice”** means any notice or other communication required to be provided pursuant to this Agreement.
 - l) **“Parties”** means both RECIPIENT and the TOWN and **“Party”** means only one of RECIPIENT or the TOWN, as applicable.
 - m) **“Premises”** means the municipally owned property identified in Schedule “A-1”.
 - n) **“Reporting”** means as defined in Section 4.2.
 - o) **“Services”** means those services identified in the Recitals and includes those activities outlined in the RECIPIENT’S Request for Funds attached as Schedule “A-2”.

- p) **“Term”** means as defined in Section 3.2.
- 2.2 The division of this Agreement into sections and subsections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement. The terms “this Agreement”, “hereof”, “herein”, “hereunder” and similar expressions refer to this Agreement and not to any particular section, subsection or other portion hereof and include any agreement supplemental hereto. Unless something in the subject matter or context is inconsistent therewith, references herein to “Sections” are to sections, subsections and further subdivisions of sections of this Agreement.
- 2.3 Unless otherwise specified, words importing the singular include the plural and vice versa and words importing gender include all genders. The term “including” means “including without limitation”.
- 2.4 All references to currency or dollar amount in this Agreement are to lawful currency of Canada.
- 2.5 All obligations herein contained, although not expressed to be covenants, will be deemed to be covenants.

SECTION 3 – TERM

- 3.1 This Agreement shall be effective as the date on which it is signed by the last of the Parties to do so (the **“Effective Date”**). Each Party agrees that its respective signature is binding as of the date indicated below its signature, and the Agreement shall be deemed to have full force and effect as of the Effective Date.
- 3.2 This Agreement shall commence on the Effective Date and will remain in full force and effect until it is terminated in accordance with Section 7 (the **“Term”**).

SECTION 4 – RECIPIENT’S OBLIGATIONS

- 4.1 During the Term of this Agreement, the RECIPIENT will be responsible for carrying out the Deliverables as outlined in Schedule B and any other obligations required by the TOWN as a condition of Funding, which are contained in this Agreement and Schedules, including managing its operations in accordance with this Agreement and Applicable Law.
- 4.2 The RECIPIENT will submit reports (**“Reporting”**) to the TOWN, in a form, and on a date specified by the Director, and will:
- a) Include a summary of the Deliverables performed by the RECIPIENT for the Funding Year;
 - b) Comply with the reporting requirements set out in Schedule B; and
 - c) Contain any other relevant information the Director may request from time to time.

4.3 The RECIPIENT represents, warrants and covenants that:

- a) It is and will continue for the term of this Agreement to be, a validly existing legal entity with full power to fulfill its obligations under this Agreement.
- b) It has the experience and expertise necessary to carry out the Deliverables.
- c) It holds all permits, licenses, consents, intellectual property rights and authorities necessary to perform its obligations under this Agreement.
- d) All information (including information relating to any eligibility requirements for Funding) that the RECIPIENT provided to the TOWN in support of its request for Funding was true and complete at the time RECIPIENT provided it, and will, subject to the provision of Notice otherwise, continue to be true and complete for the term of this Agreement.
- e) It does and will continue for the Term of this Agreement to operate in compliance with all Applicable Law.

SECTION 5 – FUNDING

5.1 The TOWN agrees to pay the RECIPIENT the sum of Fifty Thousand Dollars (\$50,000.00) for the 2025 Funding Year, subject to the terms and conditions contained herein.

5.2 The Funding shall be disbursed in accordance with the following schedule:

- a) Payment Amount: \$50,000.00 per Funding Year
- b) Date of First Payment: Within 10 days of the Effective Date or such date as agreed upon by the Parties in writing
- c) Payment Frequency: 1 lump sum advance per Funding Year
- d) Last Date of Payment: N/A

5.3 The method of payment made by the TOWN to the RECIPIENT will be as follows: cheque
[insert either EFT or cheque]

5.4 Prior to all, or part of the Funding being advanced, the RECIPIENT shall complete any documentation requested by the TOWN in order to facilitate the funds transfer and shall produce valid legal documentation confirming the identity and authority of the person receiving the Funding. The RECIPIENT acknowledges that Funding may be delayed if the requisite forms are not completed by the RECIPIENT within the time requested.

- 5.5 Any payments required by this Agreement from the TOWN to the RECIPIENT will be made payable to: Southampton Arts Centre.
- 5.6 In addition to the Funding committed by the TOWN for the 2025 Funding Year, the TOWN agreed to have staff include the sum of \$50,000.00 for consideration by the Mayor, with Council input, in the Town's draft business plan for 2026, as well as again in 2027. There are no representations or warranties being made by the TOWN that the RECIPIENT's \$50,000 funding requests for 2026 and 2027 will be approved. The TOWN reserves its right to reject the requests in whole or in part or to attach further conditions. If the funding request is approved in whole or in part, in either or both of those years, all terms and conditions of this Agreement shall apply subject to any additional terms or conditions imposed by the TOWN at the time of consideration of the 2026 and 2027 funding requests.
- 5.7 Payment of the Funding is subject to and conditional on the RECIPIENT's compliance with the terms of this Agreement, including but not limited to, submission of required documentation, performance of Deliverables and Reporting, using the Funding for the purpose for which it was approved for, and complying with Applicable Law. The TOWN reserves the right to withhold or suspend all or part of the payment of the Funding if the RECIPIENT fails to meet agreed-upon milestones, Deliverables or Reporting requirements or if there is evidence of mismanagement or misuse of the Funding.

SECTION 6 – EVENT OF DEFAULT

- 6.1 The RECIPIENT shall be deemed to be in default of this Agreement if one of the following occurs ("**Event of Default**"):
- a) The RECIPIENT ceases to maintain the level of Services in the TOWN of Saugeen Shores as represented to the TOWN and which existed at the time of execution of this Agreement; or
 - b) The RECIPIENT ceases to function as a legal entity, a receiver is appointed for its assets, or any proceedings under any bankruptcy or insolvency law are brought by or against the RECIPIENT; or
 - c) Any execution or other enforcement process becomes enforceable against any material property of either Party; or
 - d) The RECIPIENT breaches a material term or condition of this Agreement and fails to remedy such breach within ten (10) business days from receipt of Notice thereof.
- 6.2 If an Event of Default occurs or this Agreement is terminated relying upon Section 7.1 a) or b), the RECIPIENT shall be responsible for repaying to the TOWN the whole, or any part of, the Funding as demanded in writing by the

TOWN. Interest shall accrue on any amounts outstanding at a rate of 1.25 % per month until paid in full.

SECTION 7 - TERMINATION

- 7.1 This Agreement may be terminated by the TOWN effective immediately on the occurrence of any of the following:
- a) There has been an Event of Default; or
 - b) If the TOWN is deemed prohibited by law from paying any amounts payable under this Agreement; or
 - c) A date agreed to by the Director on behalf of the TOWN, and the RECIPIENT, when all terms and conditions of this Agreement have been satisfied.

SECTION 8 - DISPUTE RESOLUTION

- 8.1 In the event of any dispute, controversy or claim arising out of or relating to this Agreement, the Parties agree to first attempt to resolve the matter through good faith negotiations. Either Party may initiate this process by providing written notice to the other Party, outlining the nature of the dispute.
- 8.2 If the dispute is not resolved through negotiation within thirty (30) days of the initial notice, the Parties agree to submit the dispute to non-binding mediation. The mediation shall be conducted by a mutually agreed-upon mediator, and the costs shall be shared equally by the Parties.
- 8.3 If the dispute remains unresolved after mediation, the Parties may agree to utilize the arbitration procedure as set out and established in the legislation and regulation for the jurisdiction on the general conduct of arbitration. The arbitration shall be conducted in Bruce County. Any matter in dispute that is submitted for arbitration shall be heard by a single arbitrator chosen unanimously by the Parties. If the Parties are unable to agree on a person to act as a single arbitrator, such single arbitrator shall be appointed by reference to the court. The decision of the arbitrator(s) shall be final and binding on the Parties.
- 8.4 Nothing in this clause shall prevent either Party from seeking interim or injunctive relief from a court of competent jurisdiction where necessary to protect its rights or property.

SECTION 9 - NOTICE

- 9.1 All notices, requests, demands or other communications by the terms hereof required or permitted to be given by one party to another will be given in writing

by personal delivery or electronic or email transmission, or by registered mail, postage prepaid, addressed to the other party or delivered to the other party as follows:

a) **To the RECIPIENT:**

Full legal name of Entity: Southampton Arts Centre

Name of Representative: _____

Address: _____

Email: _____

Tel: _____

b) **To the TOWN:**

The Corporation of the Town of Saugeen Shores
600 Tomlinson Drive, Box 820
Port Elgin, ON N0H 2C0
Attention: Clerk
Email: clerk@saugeenshores.ca
Tel: 519-832-2008

or at such other address as may be given by any/either of them to the other in writing from time to time, and such notices, requests, demands, acceptances and other communications will be deemed to have been received when delivered, or sent by electronic transmission, when received with confirmation, or if mailed, on the fifth (5th) business day after the mailing thereof.

SECTION 10 - GENERAL PROVISIONS

10.1 The Agreement represents the entire agreement between the Parties regarding its subject matter. It replaces all previous and supersedes all previous agreements, negotiations, discussions and understandings, whether written or oral, between the Parties. Except as specifically stated in this Agreement, there are no other terms, conditions, covenants, promises, agreements, representations, warranties, acknowledgements or other provisions, express or implied, collateral, statutory or otherwise, that apply.

10.2 If any term of this Agreement is found to be invalid, illegal, or unenforceable by a court with proper authority, that term is to be considered to have been severed from the Agreement and the rest of the Agreement remains fully in effect.

10.3 This Agreement will be governed by the laws of the Province of Ontario and the applicable laws of Canada. Any legal proceedings related to this Agreement must take place in Ontario.

- 10.4 Any representations, warranties, covenants, responsibilities, or obligations contained in this Agreement or in any related documents delivered hereunder shall survive an expiration or termination of this Agreement.
- 10.5 The Parties are, and will at all times, remain independent of each other. Nothing in this Agreement creates a partnership, joint venture, agency, or employee-employer relationship. Neither Party may act on behalf of or bind the other in any way.
- 10.6 The RECIPIENT shall not assign or transfer this Agreement or the Funding in whole or in part, directly or indirectly, without the prior written consent of the TOWN. Any approved assignment does not release the RECIPIENT from its responsibilities and obligations under this Agreement, and the TOWN will not be liable to any assignee or subcontractor.
- 10.7 The Agreement is binding on and enures to the benefit of both Parties, their legal successors, trustees, executors, and administrators.
- 10.8 Both Parties agree to take any further actions needed to fully carry out the terms and intent of this Agreement.
- 10.9 No amendment, supplement or restatement of any term of this Agreement is binding unless it is in writing and signed by each party.
- 10.10 The RECIPIENT acknowledges that the TOWN is a municipal corporation governed by the laws of the Province of Ontario and is subject to MFIPPA. Accordingly, the TOWN may be required to disclose information provided by the RECIPIENT under this Agreement in response to a request for access under MFIPPA, unless the information qualifies for an exemption under the Act. The RECIPIENT agrees to clearly identify any information it considers to be confidential or proprietary at the time it is provided to the TOWN.
- 10.11 This Agreement may be executed and delivered in any number of counterparts and by electronic means. All signed copies together will be considered one original, legally binding document.

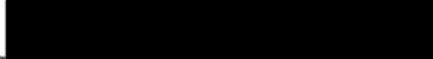
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The Parties have executed this Agreement on the dates set out below.

SIGNED, SEALED AND DELIVERED

Date: Sept. 8, 2025

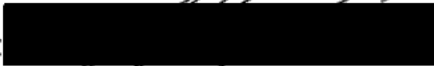

SOUTHAMPTON ARTS CENTRE

Per: 
Name: _____
Title: J. Fred Kuntz
Chair, Board of Directors
Per: Southampton Arts Centre
Name: _____
Title: _____

I/WE have authority to bind the
RECIPIENT.

**THE CORPORATION OF THE TOWN
OF SAUGEEN SHORES**

Date: Sept. 8, 2025

Per: 
Name: Luke Charbonneau
Title: Mayor
Per: 
Name: Dawn Mittelholtz
Title: Clerk
We have authority to bind the corporation.

SCHEDULE A-1

Premises:

210 High Street, Southampton, N0H 2C5

Services:

The RECIPIENT provides the following Services from the Premises:

- arts education and experiences to the benefit of the local community

SCHEDULE A-2

[attach RECIPIENT'S REQUEST]

SCHEDULE B
THE RECIPIENT'S DELIVERABLES

The Funding being advanced by the TOWN to the RECIPIENT pursuant to this Agreement is subject to, and conditional on, the RECIPIENT doing the following during the Funding Year:

1. The RECIPIENT shall:
 - a) Continue to provide its current level of Service.
 - b) Operate the Southampton Art Gallery free of charge for public visitors, for at least 10 months a year (March through December), and at least 5 days a week including weekends during peak summer months (July and August), with vibrant and interesting art exhibits.
 - c) Sell art on consignment to the public for 30 or more contracted artists and artisans, with a strong focus on local and regional artists.
 - d) Offer a robust schedule of Art Gallery events and featured exhibits throughout the peak summer months and in the year-end holiday season.
 - e) Operate the Southampton Art School with at least 120 courses a year, for students and adults, with a bursary program for children of families who could not otherwise afford the tuition.
 - f) Collaborate with other arts and cultural organizations, and building partnerships in our community, to the benefit of the community, on joint events such as an annual Arts Festival, including, if possible, the Town of Saugeen Shores, Bruce County Playhouse, Bruce County Museum and Cultural Centre, Marine Heritage Society, Shoreline Artists, the Saugeen Shores Chamber of Commerce, and others.
 - g) Develop a Reconciliation Action Plan in consultation with First Nations and Metis, including potential partnerships on a journey of economic reconciliation.
 - h) Implement key strategies and tactics outlined in the Marketing Plan 2025, as well as additional or updated strategies to be developed in subsequent years, on a path to greater financial independence and sustainability.

- i) Provide one (1) seat with voting rights on the Southampton Arts Centre Board of Directors for a member of Council or Town personnel (“the appointee”) for the duration of the Funding Years, subject to the individual meeting the eligibility requirements (membership fee, police check and conflict of interest compliance). The Town shall nominate the appointee, to be elected by the RECIPIENT’S voting members at the Annual General Meeting or appointed by the Board if the appointment falls between annual meetings.
- j) Report to the TOWN as follows:
 - i. **PROGRESS REPORTS:** The RECIPIENT will appear before TOWN Council, in the fall of 2025 during Town business planning, to provide a report for its use of municipal funds so far in 2025 and progress toward its Budget 2025 goals and Marketing Plan 2025; and the RECIPIENT will similarly appear before Council in subsequent years during fall in the Town business-planning season, if further funding is being considered, with timing of such delegations to be determined by the Director.
 - ii. **ANNUAL REPORTING:** The RECIPIENT will issue a report to the TOWN on the completion of year-end financial results (for the fiscal years ending on December 31 in 2025, 2026, and 2027), after the results have been approved by the Southampton Arts Board of Directors, reviewed by a Certified Professional Accountant and distributed to members (typically by the end of March), as required in the Southampton Arts by-laws; and further, the RECIPIENT will apply to appear before Council to speak to the highlights of the financial results and other accomplishments in the prior year.

2. In addition to the above, the RECIPIENT will commit to the following:

- a) The RECIPIENT’S Chair, along with other Directors or staff that the Chair may wish to include, will meet with TOWN staff, on reasonable notice, to address any questions or concerns that the TOWN may identify as a cause to meet, during the Funding Year.
- b) The RECIPIENT will extend an invitation to TOWN Council to all significant events, including: the Annual General Meeting for members (typically in March); the Gratitude Gala (to thank members, funders, sponsors and volunteers), and fund-raising events such as 50 Little Masterpieces on Aug. 2, 2025. If responding to invitations to ticketed

events, Town personnel will still be required to purchase tickets like other attendees to cover costs such as food.

- c) **THE RECIPIENT will actively seek other sources of revenue including, but not limited to, seeking memberships, donations, sponsorships, grants and other sources of funding – and will account for these activities and results in the Annual Report and Progress Reports to the TOWN.**