



COUNCIL ADDENDUM
Thursday, May 12, 2016
7:00 p.m.

10. BY LAWS

2016-26 A by-law to approve an agreement between the Corporation of the County of Dufferin and Dufferin Wind Power Inc. (Line Fences Fund Agreement)
(Authorization: Council – March 6, 2014)

Not Listed
on the
Agenda

CORPORATION OF THE COUNTY OF DUFFERIN

BY-LAW NUMBER 2016-26

A BY-LAW TO APPROVE AN AGREEMENT BETWEEN THE CORPORATION OF THE COUNTY OF DUFFERIN AND DUFFERIN WIND POWER INC. (Line Fences Fund Agreement)

BE IT ENACTED BY THE MUNICIPAL COUNCIL OF THE CORPORATION OF THE COUNTY OF DUFFERIN AS FOLLOWS:

1. That the Agreement between the County of Dufferin and Dufferin Wind Power Inc., in a form substantially the same as attached hereto as Schedule "A" be approved.
2. That the Warden and Clerk be hereby authorized to execute the agreement and affix the corporate seal thereto.
3. That the staff of the County of Dufferin is hereby authorized to take such actions as are appropriate, and the Warden and Clerk are hereby authorized to execute such documents as are appropriate to implement the agreement referred to herein.

READ a first, second and third time and finally passed this 12th day of May, 2016.

Laura Ryan, Warden

Pam Hillock, Clerk



LINE FENCES FUND AGREEMENT

THIS AGREEMENT dated the _____ day of April, 2016.

BETWEEN:

THE CORPORATION OF THE COUNTY OF DUFFERIN
(hereinafter called the “**County**”)

OF THE FIRST PART

- and -

DUFFERIN WIND POWER INC.
(hereinafter called “**DWPI**”)

OF THE SECOND PART

WHEREAS the County and DWPI entered into an agreement to grant easement (the “**Transmission Easement Agreement**”) dated the 6th day of March, 2014 pursuant to which the County granted to DWPI transmission easements and rights over a certain corridor of land approximately 32 km in length;

AND WHEREAS DWPI provided the County with standby letter of credit No. LG14VI0012 issued on April 9, 2014 by Bank of China (Canada) (the “**Bank**”) in the amount of \$500,000.00 (the “**2014 LC**”) constituting the Line Fences Fund for the County to draw upon for the purposes set forth in Section 4 of the Transmission Easement Agreement;

AND WHEREAS the obligation of DWPI pursuant to Section 4 of the Transmission Agreement has expired while various fencing requests have not been completed and cannot be completed in winter conditions;

AND WHEREAS the County and DWPI have agreed to enter into this Agreement to extend DWPI’s obligations under Section 4 of the Transmission Easement Agreement on the terms hereof and to reduce the amount of DWPI’s obligation to provide the Line Fences Fund by \$250,000.00 from \$500,000.00 to \$250,000.00, which will permit the County a longer period of time to draw upon a \$250,000.00 Line Fences Fund.

NOW THEREFORE this Agreement witnesses that in consideration of the sum of Ten Dollars (\$10.00) and other good and valuable consideration (the receipt and sufficiency of which is hereby acknowledged by each of the parties), the County and DWPI agree as follows:

1. All capitalized terms used in this Agreement and not otherwise defined herein shall have the meanings ascribed to them in the Transmission Easement Agreement.
2. With effect from the date hereof, DWPI's obligations under Section 4 of the Transmission Easement Agreement will be extended to 11:59 p.m. on October 31, 2016 and its obligations to deposit with the County the Line Fences Fund will be reduced by an amount of \$250,000.00, subject to the following:
 - (a) any request of a farming business to construct or repair a fence pursuant to section 20 of the *Line Fences Act* must have been made in writing and received by the County on or before August 15, 2016; and
 - (b) any construction or repairs to be carried out pursuant to such a request on lands adjoining the County Lands must have been completed on or before August 31, 2016, but, if the County is not able to complete the construction or repairs due to poor weather conditions, labour shortages or material unavailability on or before August 31, 2016, the construction or repairs must have been completed by the County and the 2016 LC drawn upon on or before 11:59 pm on October 31, 2016.
3. The County confirms that it has not drawn upon the 2014 LC and has returned the 2014 LC to DWPI for cancellation. DWPI will promptly cause the Bank to issue and deliver a new standby letter of credit (the "**2016 LC**") to the County in the amount of \$250,000 expiring on October 31, 2016.
4. The 2016 LC will constitute the Line Fences Fund for the purposes of Section 4 of the Transmission Easement Agreement to provide a fund to the County to draw upon to cover its costs of constructing or repairing fences which it has been required to carry out pursuant to section 20 of the *Line Fences Act* at the written request of a farming business made on or before August 15, 2016 which is being carried out on lands adjoining the County Lands where the construction or repairs have been performed on or before August 31, 2016, but, if the County is not able to complete the construction or repairs due to poor weather conditions, labour shortages or material unavailability on or before August 31, 2016, the construction or repairs must have been completed by the County and the 2016 LC drawn upon on or before 11:59 pm on October 31, 2016, at which time DWPI's obligations with respect thereto and hereunder will permanently cease. The County will return the remaining original 2016 LC to DWPI on or before November 1, 2016 with instructions to the Bank to cancel the 2016 LC.
5. The County undertakes to account to DWPI from time to time in a timely fashion with respect to amounts to be drawn on the Line Fences Fund. DWPI acknowledges having been advised that the County has carried out certain work for which it is entitled to draw upon the Line Fences Fund pursuant to Section 4 of the Transmission Easement Agreement, but the County has not yet done so. Any such work meeting the requirements of Section 4 of the Transmission Easement Agreement may be drawn upon the 2016 LC.

6. Notices to be given to DWPI or the County pursuant to this Agreement shall be given in the manner contemplated by the Transmission Easement Agreement.
7. Time is of the essence of this Agreement.
8. This Agreement is governed by and shall be construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.
9. This Agreement shall enure to the benefit of, and be binding upon, the parties hereto and their respective successors and assigns.

DATED this ____ day April, 2016.

**THE CORPORATION OF THE COUNTY
OF DUFFERIN**

Per: _____
Name: ■
Title: Warden

Per: _____
Name: ■
Title: Clerk

We have authority to bind the Corporation.

DUFFERIN WIND POWER INC.

Per: _____
Name: Dong Zhu
Title: President

Per: _____
Name: Jeff Hammond
Title: Senior Vice President

Per: _____
Name: Chuanlin Liu
Title: Vice-President

We have authority to bind the Corporation.