



**PRESCOTT TOWN COUNCIL
AGENDA**

April 22, 2025

6:00 pm

Council Chambers

360 Dibble St. W.

Prescott, Ontario

Our Mission:

To foster an environment of collaborative leadership to grow a safe, inclusive, and resilient community while preserving the unique character of Prescott.

Land Acknowledgement:

We acknowledge that we are meeting on aboriginal land that has been inhabited by Indigenous peoples.

In particular, we acknowledge the traditional territory of the Huron-Wendat, Anishinaabeg, Haudenosaunee, Anishinabek, and the Oneida and Haudenosaunee Peoples.

Pages

1. Call to Order

We will begin this meeting of Council by acknowledging that we are meeting on aboriginal land that has been inhabited by Indigenous peoples.

In particular, we acknowledge the traditional territory of the Huron-Wendat, Anishinaabeg, Haudenosaunee, Anishinabek, and the Oneida and Haudenosaunee Peoples.

2. Approval of Agenda

RECOMMENDATION

That the agenda for the Council meeting of April 22, 2025 be approved as

presented;

AND THAT Item 15. New Business be advanced to immediately proceed Item 2 Approval of Agenda.

3. Declarations of Interest

4. Presentations

5. Delegations

6. Minutes of the previous Council meetings

6.1 March 17, 2025

1

RECOMMENDATION

That the Council minutes dated March 17, 2025, be accepted as presented.

7. Communications & Petitions

7.1 Letter from Ministry of Municipal Affairs and Housing - Strong Mayor Powers

10

For Information. Related Staff Report to rise in May

8. Consent Reports

All matters listed under Consent Reports are to be considered routine and will be enacted by one motion. Should a member wish an alternative action from the proposed recommendation, the member shall request that the item be moved to the applicable section of the agenda.

RECOMMENDATION

That all items listed under the Consent Reports section of the agenda be accepted as presented.

8.1 Council Information Package (under separate cover)

9. Committee Reports

10. Mayor

11. Outside Boards, Committees and Commissions

11.1 Ontario Good Roads Conference Report - Councillor Mary Campbell

12

For Information

12. Staff

12.1 Staff Report 20-2025 - Prescott Porch Fest 14

RECOMMENDATION

THAT Council approves the establishment of the Prescott Porch Fest;

AND THAT Council designate Prescott Porch Fest as an event of Municipal Significance.

12.2 Staff Report 21-2025 - Site Plan Information - 119 Irvine Road, Prescott 18

For Information.

12.3 Staff Report 22-2025 - RSL Shareholders Agreement 33

RECOMMENDATION

THAT Council approve By-Law 16-2025 being a By-Law to approve the Unanimous Shareholder Agreement with Rideau St. Lawrence Holdings Inc.

12.4 Staff Report 23-2025 - 2025 Operational Budget 60

RECOMMENDATION

THAT Council approved the 2025 Operational Budget with total revenues and expenditures of \$12,050,526; AND

THAT Council approve the 2025 Water and Wastewater Budget with total revenues and expenditures of \$3,320,258.

12.5 Staff Report 24-2025 - Capital and Operating Projects 66

RECOMMENDATION

That Council approves the 2025 Capital and Operating Projects as outlined in Staff Report 24-2025

13. Resolutions

14. By-laws

15. New Business

15.1 Declaration of Vacancy - Councillor Ruth Lockett

RECOMMENDATION

THAT Council declare the Office of Town Councillor Ruth Lockett to be vacant, as required in accordance with Section 262 of the *Municipal Act, 2001*.

16. Notices of Motion

17. Mayor's Proclamation

18. Period for Media Questions

19. Closed Session

RECOMMENDATION

That Council move into Closed Session at _____ p.m. to discuss matters pertaining to:

19.1 Approval of Closed Session Minutes (March 17, 2025)

19.2 Potential Litigation

- Under Section 239(2)(e) under the *Municipal Act* - litigation or potential litigation, including matters before administrative tribunals, affecting the municipality or local board; and

That the CAO/Treasurer, Director of Administration/Clerk and Deputy Clerk remain in the room.

20. Rise and Report

21. Confirming By-Law – 17-2025

70

RECOMMENDATION

That By-Law 17-2025, being a by-law to confirm the proceedings of the Council meeting held on April 22, 2025, be read and passed, signed by the Mayor and Clerk, and sealed by the seal of the Corporation.

22. Adjournment

RECOMMENDATION

That the meeting be adjourned at _____ p.m.



**PRESCOTT TOWN COUNCIL
MINUTES**

Monday, March 17, 2025

6:00 p.m.

Council Chambers

360 Dibble St. W.

Prescott, Ontario

Present	Mayor Gauri Shankar, Councillor Leanne Burton, Councillor Mary Campbell, Councillor Ruth Lockett, Councillor Lee McConnell, Councillor Tracey Young
Staff	Matthew Armstrong, CAO/Treasurer, Dana Valentyne, Economic Development Officer, Matt Locke, Director of Operations, Chelsea Conklin, Deputy Clerk
Regrets	Councillor Justin Kirkby sends his regrets.

1. Call to Order

The meeting was called to order at 6:00 p.m.

2. Approval of Agenda

Motion 58-2025

Moved By Lockett

Seconded By Burton

That the agenda for the Council meeting of March 17, 2025 be approved as presented. There has been a request to defer Section 12.2 & 12.3 to the next meeting of April 7, 2025.

Carried

Discussion was held regarding the reasoning for deferring the two items.

3. Declarations of Interest

There were no declarations of interest.

4. Presentations

There were no presentations.

5. Delegations

There was no delegations.

6. Minutes of the previous Council meetings

6.1 Council Minutes - March 3, 2025

Motion 59-2025

Moved By Campbell

Seconded By Young

That the Council minutes dated March 3, 2025, be accepted as presented.

Carried

7. Communications & Petitions

There were no communications & petitions.

8. Consent Reports

Motion 60-2025

Moved By Young

Seconded By Lockett

That all items listed under the Consent Reports section of the agenda be accepted as presented.

Carried

8.1 Council Information Package (under separate cover)

9. Committee Reports

There was no committee reports.

10. Mayor

Mayor Shankar spoke to attending a Joint Services Committee meeting, and a St. Lawrence Lodge Committee meeting where they discussed updating the current agreement. He was also in attendance at a Emergency Management meeting, and the Prescott Fire Department held a food drive at O'Riellys Independent Grocer.

11. Outside Boards, Committees and Commissions

Councillor Campbell attended a Fire Administration meeting on March 4 where EMS services were present for additional training. The Prescott Fire Department also completed water rescue training on March 1 & 2, held a food drive at O'Rielly's Independent Grocer and attended Wellington Public School for a presentation on March 17. The Fire Department will continue training on our new fire truck.

Councillor Burton has nothing to report.

Councillor McConnell has nothing to report.

Councillor Young attended a Walker House meeting on March 11, the new Quality Inn Hotel is opening on March 18, the Lightworks Spa is opening on March 22 and the Business Improvement Area AGM is being held on March 25. The Town of Prescott Lighthouse Request For Proposals closes on March 31 and the new Wayfinding signs installation has been completed.

Councillor Lockett has nothing to report.

12. Staff

12.1 Staff Report 13-2025 - Docks B, C, & D Replacement Tender Results

Motion 61-2025

Moved By Lockett

Seconded By Campbell

That Council approve the selection of Kehoe Marine Construction Ltd. For the replacement of B, C, & D docks for delivery in May 2025 in the amount of \$493,090 plus applicable taxes.

Carried

Matt Locke, Director of Operations spoke to the report.

Discussion was held regarding electrical upgrades and GFI controls, and life expectancy of the new docks. Discussion was also held regarding the actions previously taken to extend the life of the current docks at the marina.

12.2 Staff Report 14-2025 - 2025 Operational Budget

That Council approve the 2025 Operational Budget with total revenues and expenditures of \$12,050,526.

Carried

This agenda item was deferred to the next Council meeting on April 7, 2025.

12.3 Staff Report 15-2025 - 2025 Capital and Operating Projects Budget

That Council approves the 2025 Capital and Operating Projects as outlined in Staff Report 15-2025.

Carried

This agenda item was deferred to the next Council meeting on April 7, 2025.

12.4 Staff Report 16-2025 - 2024 Prescott Drinking Water System and Wastewater System Annual Reports

Motion 62-2025

Moved By Burton

Seconded By Young

That Council accepts the 2024 Prescott Drinking Water System and Wastewater System Annual Reports.

Carried

Matt Locke, Director of Operations spoke to the report.

Discussion was held regarding informing the public on what is not to be flushed into our wastewater system.

12.5 Staff Report 17-2025 - Prescott Beer Fest Council Endorsement

Motion 63-2025

Moved By Burton

Seconded By McConnell

That Council approves the establishment of the Prescott Beer Fest and designates it as Municipally Significant.

Carried

Dana Valentyne, Economic Development Officer spoke to the report.

Discussion was held regarding differing festivals that Prescott has hosted in the past, the price of admission, parking options and the donation the food bank will receive. There was also discussion regarding the food vendor rotation, and the excitement for new festivals coming to Prescott.

12.6 Staff Report 18-2025 - 2025 Community Awards

Motion 64-2025

Moved By Burton

Seconded By Lockett

That Council direct Staff to proceed with the 2025 Community Awards as outlined in Staff Report 11-2025 Business, Citizen & Volunteer Awards recognition program; and

That Council appoint Councillors Kirkby, Lockett, and Young to the Business, Citizen, and Volunteer of the Year Awards Selection Panel for 2025.

Carried

Matthew Armstrong, CAO/Treasurer spoke to the report.

Discussion was held regarding nominations numbers.

12.7 Staff Report 19-2025 - Statement of Remuneration and Expenses - Council Members 2024

Motion 65-2025

Moved By Campbell

Seconded By Young

That Council receive this report for information as the annual disclosure of 2024 remuneration and expenses paid to members of Council, as per Section 284 of the Municipal Act.

Carried

Matthew Armstrong, CAO/Treasurer spoke to the report.

No discussion was held.

13. Resolutions

There were no resolutions.

14. By-laws

There were no new by-laws.

15. New Business

There was no new business.

16. Notices of Motion

There were no notices of motion.

17. Mayor's Proclamation

There was no Mayor's Proclamation.

18. Period for Media Questions

Media inquired further about the new business brought up by Councillor Young.

19. Closed Session

Motion 66-2025

Moved By Lockett

Seconded By Campbell

That Council move into Closed Session at 6:53 p.m. to discuss matters pertaining to:

19.1 Approval of Closed Session Minutes (February 3, 2025)

19.2 Potential Litigation

- Under Section 239(2)(e) under the *Municipal Act* - litigation or potential litigation, including matters before administrative tribunals, affecting the municipality or local board; and

That the CAO/Treasurer, and Deputy Clerk remain in the room.

Carried

Council recessed at 6:54 p.m.

Council resumed in closed session at 7:03 p.m.

Motion: 67-2025

Campbell, Lockett.

That Council reconvene in Open Session. (Time: 7:22 p.m.)

20. Rise and Report

During the Closed Session Council approved the Closed Session minutes under Item 19.1, received information and provided Staff direction on Item 19.2 - Potential Litigation.

21. Confirming By-Law – 15-2025

Motion 68-2025

Moved By Lockett

Seconded By Young

That By-Law 15-2025, being a by-law to confirm the proceedings of the Council meeting held on March 17, 2025, be read and passed, signed by the Mayor and Deputy Clerk, and sealed by the seal of the Corporation.

Carried

22. Adjournment

Motion 69-2025

Moved By Burton

Seconded By McConnell

That the meeting be adjourned to Monday, April 7, 2025. (Time: 7:25 p.m.)

Carried

Mayor

Clerk

**Ministry of
Municipal Affairs
and Housing**

Office of the Minister

777 Bay Street, 17th Floor
Toronto ON M7A 2J3
Tel.: 416 585-7000

**Ministère des
Affaires municipales
et du Logement**

Bureau du ministre

777, rue Bay, 17^e étage
Toronto (Ontario) M7A 2J3
Tél. : 416 585-7000



234-2025-1568

April 9, 2025

Dear Head of Council:

To further support municipalities in delivering much-needed housing and other provincial priorities, I am pleased to inform you that our government intends to expand strong mayor powers to your municipality.

Following previous expansions, we have seen strong mayors put these transformative powers into action to support growth, from proposing budgets to setting up organizational structures to proposing by-laws to help advance provincial priorities such as building more homes and constructing and maintaining infrastructure to support housing.

Our government's expectation is that you will make use of these powers in a similar way, supporting provincial priorities that will help our province and our communities grow. These priorities include supporting the construction of new homes, economic development and building infrastructure that supports community growth, including housing-enabling infrastructure like water and wastewater infrastructure, as well as roads, highways, transit and more.

Heads of council in strong mayor municipalities can:

- Choose to appoint the municipality's chief administrative officer.
- Hire certain municipal department heads, and establish and re-organize departments.
- Create committees of council, assign their functions and appoint the Chairs and Vice-Chairs of committees of council.
- Propose the municipal budget, which would be subject to council amendments and a separate mayoral veto and council override process.
- Veto certain by-laws if they are of the opinion that all or part of the by-law could potentially interfere with a provincial priority, such as housing, transit and infrastructure.
- Bring forward matters for council consideration if they are of the opinion that considering the matter could potentially advance a provincial priority.
- Propose certain municipal by-laws if they are of the opinion that the proposed by-law could potentially advance a provincial priority. Council can pass these by-laws if more than one-third of council members vote in favour.

If you have any questions, please reach out to my Director of Stakeholder and Caucus Relations, Tanner Zelenko, at 437-996-2487 or tanner.zelenko@ontario.ca.

Please accept my best wishes.

Sincerely,

A handwritten signature in black ink that reads "Rob Flack". The signature is written in a cursive, flowing style.

Hon. Rob Flack
Minister of Municipal Affairs and Housing

c: Robert Dodd, Chief of Staff
Martha Greenberg, Deputy Minister
Caspar Hall, Assistant Deputy Minister, Local Government Division
Sean Fraser, Assistant Deputy Minister, Municipal and Housing Operations
Division
Municipal Clerk and Chief Administrative Officer

Highlights from the Good Roads Conference, Toronto, March 31-April 1, 2025

Respectively submitted by Councillor Mary Campbell, Town of Prescott

KEYNOTE

Wes Marshall, Civic Engineer of Transportation

Wider roads are not necessarily safer. People don't pay enough attention on a wider road than they would driving on a more dangerous road.

VISION ZERO has been initiated in Toronto to keep pedestrian and traffic fatalities down.

TZD – Toward Zero Deaths – has been initiated in the USA.

"You cannot manage what you cannot measure". You need the 4 E's:

Engineering

Education

Enforcement

Evaluation

You have to educate before enforcement.

Safety is a shared responsibility.

TRANSPORTATION EQUITY

Challenges are:

Urban versus Rural

Connectivity to urban

Aging infrastructure and funding constraints.

Challenges:

Public engagement – it is challenging due to low participation, limited awareness, and lack of interest

Limited data

Lack of planning.

Strategies and Solutions:

Data, analytics, see what other small communities have done

Planning, equity, environmental benefits

Resilient transportation system.

Need Social media campaigns and interactive on line surveys.

Steps towards a Transportation Master Plan:

Vision and Goals

What is not working right now

Safety

Active Transportation

Public engagement

Future needs assessment

Growth scenario analysis

Cost estimates and funding strategies

Implementation plan and strategy

Monitoring and evaluation.

WINTER ROAD OPERATIONS

Safe roads with the use of salt versus damaging the environment.

Eg. 400 Numbered Highways use 3x more salt than other roads, killing fish, frogs, and birds in related streams and runoff.

The liquid slurry is quick working but 1 salt truck = 23 tanker trucks.

AI can determine climate, pavement type, pavement temperature, and other stats to determine how much salt to use.

Precision salt application – City of Guelph sends out trucks with mobile sensors early in the day to assess and determine how much salt it will use before sending out the salt trucks.

RoadSurf can predict how much salt to use (based in Finland)

Satellites (remote sensing) can also predict.

Make decisions based on data and science, to avoid liability and to increase cost savings.

There was also mention of the Ontario Research Fund, of which you may be aware, but just wanted it noted for infrastructure funding purposes.



STAFF REPORT TO COUNCIL

Report No. 20-2025

Date: April 22, 2025

From: Dana Valentyne, Economic Development Officer

Re: Prescott Porch Fest Council Endorsement

Recommendation:

THAT Council approves the establishment of the Prescott Porch Fest;
AND THAT Council designate Prescott Porch Fest as an event of Municipal Significance.

Background:

The Economic Development Department has been approached by the South Grenville Events Committee, spearheaded by George Tierney, with an interest in partnering with the Town to organize a porch festival event on May 31st, 2025, from 1-8pm. Prescott will be one of a few communities hosting the event this season, including Merrickville and Spencerville. The event will feature a variety of local musicians performing from a mix of residential and commercial porches, from 1-4pm throughout the afternoon and culminate with an evening dinner and musical performance, located in the Town Hall Grand Room from 5-8pm. The evening portion of the event will be located indoors (Grand Room) and provide alcohol service as part of the meal which requires a Special Occasion Permit through the AGCO. Only the evening portion of the event will be licensed, no alcohol will be served by event organizers during the afternoon performances.

The event will provide a unique, zero-to-low-cost experience for residents and visitors to enjoy. It will showcase a variety of local artists, performing against the backdrop of some of Prescott's most noteworthy properties, generating a variety of tourism and economic benefits for the Town. Event attendees will be encouraged to stroll from porch to porch taking in the variety of music throughout the afternoon. Several music genres will be featured at performances, appealing to a wide variety of attendees. Performances will take place at approximately sixteen residential and commercial properties throughout the community, including several heritage designated sites; exposing countless event attendees to impressive properties and residential opportunities.



Private/public event partnerships such as this greatly enhance the Town's ability to offer appealing events to its residents & visitors, through reducing staffing and resource dependencies while supporting the Town's strategic goals.

To host a licensed event that is open to the public, the Alcohol and Gaming Commission of Ontario (AGCO) requires that the event be designated "of significance and/or to raise funds for charitable purposes and objects that benefit the public-at-large". The Prescott Porch Fest will serve as a high-profile attraction that directly benefits the local economy and business community. If successful, the event has the potential to become an annual signature festival, enhancing Prescott's reputation as a thriving event destination.

The Prescott Porch Fest aligns with the Town's Strategic Plan and Economic Development/Tourism Strategy by attracting visitors, supporting small businesses, and activating public spaces for enhanced community engagement. Additionally, the event aligns with Prescott's Official Plan priorities such as continuing to encourage tourism by supporting existing festivals and events, and encouraging new festivals and events, including through public-private partnerships, that will attract visitors to the Town.

In accordance with SOP requirements, event notice has been circulated to other departments for feedback including fire, building, and by-law. The event will also be required to provide liability insurance, naming the Town of Prescott as additionally insured, obtain necessary Health Unit approvals and notify 3rd party agencies such as the OPP.

Alternatives:

Council could decide to modify or decline to approve the recommendation at this time.

Financial Implications:

The direct financial cost to the Municipality for hosting the event will not exceed \$1,500, to be expensed to the 2025 Economic Development Department budget. A fee waiver of the Town Hall rental fee will be requested, and some direct costs will be incurred for items such as a contribution towards musician fees, marketing support and event supplies. In-kind support will include staff time for coordination and on-site support, event space use, and provision of municipal event supplies such as tables/chairs/linens. The event organizer will cover the majority of costs including musician fees, marketing, catering/alcohol service and operational supplies.

Environmental Implications:



The event will prioritize sustainability by implementing waste management initiatives such as composting and recycling. Additionally, the event's walkable location within downtown Prescott promotes reduced vehicular traffic and supports active transportation.

Conclusion:

The Prescott Porch Fest presents a strategic opportunity to enhance economic development, support local businesses, and attract new visitors to the community. Designating the festival as a municipally significant event will facilitate necessary approvals while reinforcing its importance as a driver of economic growth and tourism. With careful planning and strong partnerships, the event has the potential to establish itself as an annual signature attraction, further solidifying Prescott's growing reputation as a vibrant and dynamic destination.

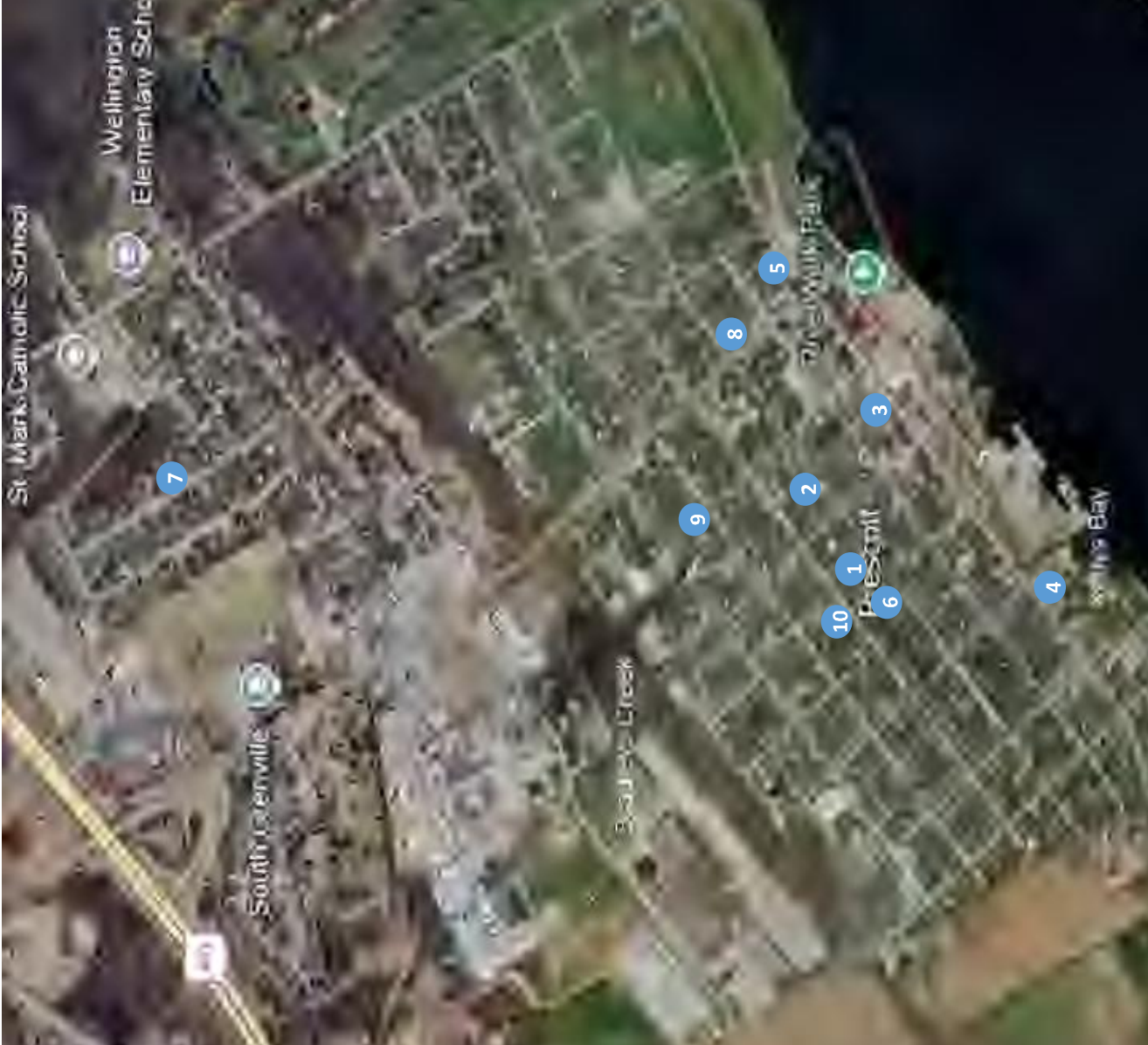
Attachments:

Preliminary Event Site Plan – final stage locations to be confirmed

Submitted by:

Dana Valentyne, Economic Development Officer

PRESCOTT PORCH FEST - DRAFT SITE MAP



PORCH FEST LOCATIONS	
1	Town Hall Grand Room (AGCO licensed site)
2	Porch 1
3	Porch 2
4	Porch 3
5	Porch 4
6	Porch 5
7	Porch 6
8	Porch 7
9	Porch 8
10	Porch 9
11	Porch 10
12	Porch 11
13	Porch 12
14	Porch 13
15	Porch 14
16	Porch 15
17	Porch 16



STAFF REPORT TO COUNCIL

Report No. 21-2025

Date: April 22, 2025

From: Tim Fisher, Municipal Land Use Planner

Re: Site Plan Agreement SPC 2025-01
199 Irvine Road, Ros-Bay Developments (Grocery Store and Two Buildings)

Recommendation:

For information.

Background / Analysis:

Proposed Development

The applicant is seeking to develop the site in two phases. The first phase is to develop a 2,993.80 square metre grocery store on the site (Building A). The structure will be located on the northern portion of the parcel and will maintain road access from Irvine Road for the purposes of shipping and receiving. On-site parking will be located on the south side of the grocery store which will provide approximately 126 parking spaces which includes 4 barrier free parking spaces, 3 family parking spaces, 4 electrical vehicle charging stations, 5 cart corral areas and 3 future customer pick up spaces.

Additional parking is located along the eastern side of the building. Approximately 16 parking spaces with a cart corral.

A snow storage area is proposed in the southwest parking lot which will occupy approximately 16 parking spaces.

Landscaping is proposed along the east and west property lines and a triangular area in the northwest corner of the lot abutting the loading area at the rear of the building.

Vehicular access to the site is proposed from Irvine Road, Edward Street and Churchill Road West.

The second phase will develop the southern portion of the site which proposes a 510.19 square metre commercial building (Building B) and 537.91 square metre commercial building (Building C).

Parking for Phase 2 will be separated from the Grocery Store use in Phase 1. The parking area will be located between Buildings B and C and will provide approximately 47 parking spaces which includes 4 barrier free parking spaces. Approximately 9 additional parking spaces will be provided on the north side of buildings accessed from the internal main driveway.



A loading space is proposed for each of the two buildings. Building B will have a loading area for larger deliveries on the west side of the buildings and Building C will have a smaller loading area located at the northeast corner of the building.

Each building will have access to their own separate earth bins located next to each building. Access to each earth bin is located within the loading zones.

Sidewalks and landscaping is provided around each building which will provide separation from pedestrian and vehicle access.

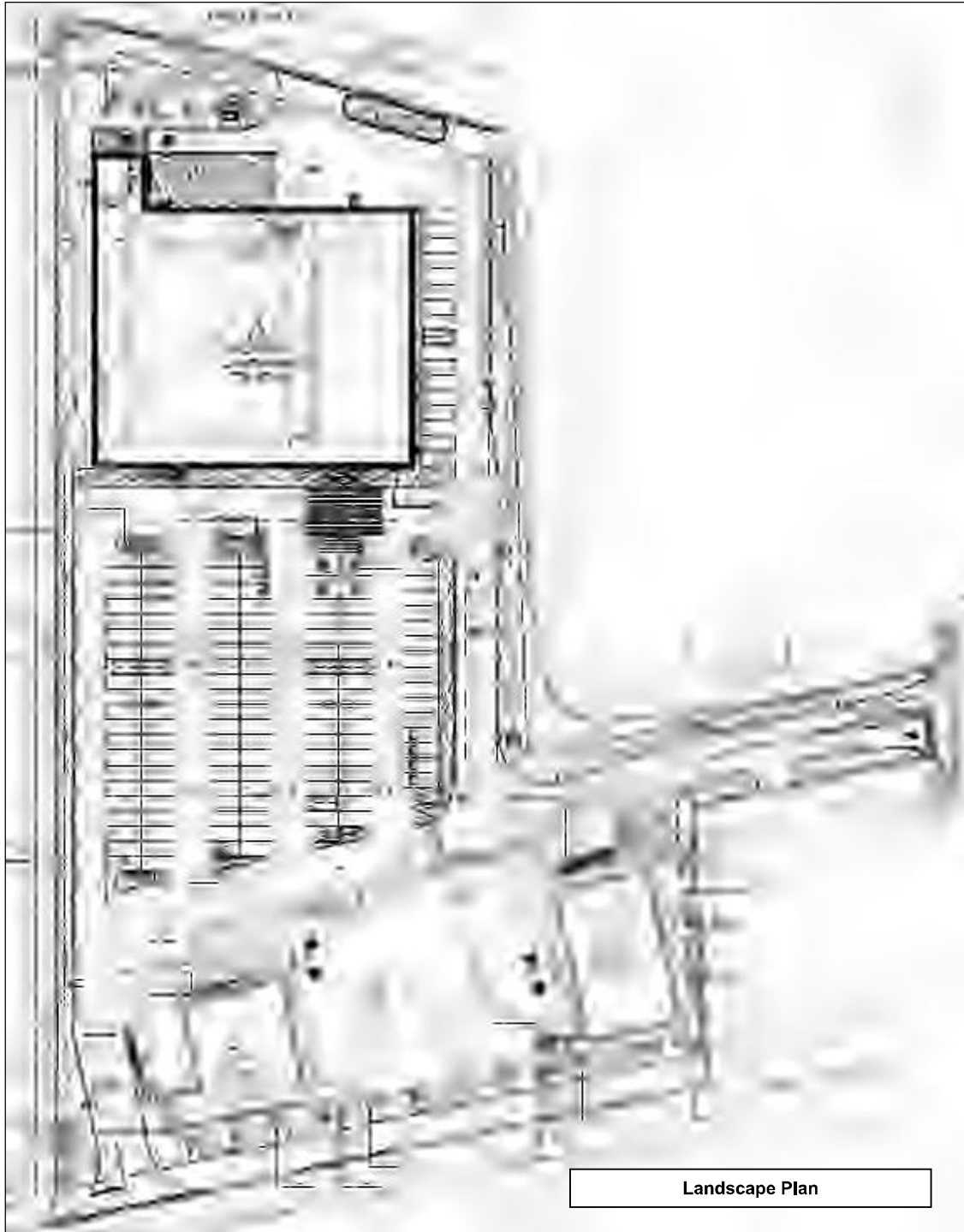
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Site Information

The 18,941.54 square metre site is a through lot with road frontage on Irvine Road and Churchill Road West and a small portion of the property has frontage on Edward Street.

The northern portion of the site (199 Irvine Road) was previously developed with a 1,191 square metre retail store which has since been removed from the site. Access to the site was from Irvine Road and an internal driveway from the parking lot to Edward Street.

The surrounding area is characterized by commercial uses (e.g., gas bar, grab-and-go food establishments and light industrial uses).

The following uses are located immediately adjacent to the subject site:

North: Light Industrial

East: Commercial

South: Commercial

West: Light Industrial



Official Plan Policies:

The site is designated General Commercial on Schedule “A” of the Town of Prescott Official Plan, as amended.

Section 2.1.3 General Commercial Designation

The proposed development conforms with the permitted uses in the General Commercial designation in the Town’s Official Plan as detailed in Section 2.1.3, which includes grocery stores, restaurants and general retail stores. Therefore, the proposed use is permitted by the OP and an Official Plan Amendment is not required.

The Official Plan requires Site Plan Control Approval for all new commercial development in the Commercial designations, including the preparation of a stormwater management plan in accordance Ministry of the Environment, Conservation and Parks guidelines, for larger scale development (Policy 2.9.1.7). As such, a Site Plan Control application is required for the proposed development.

Section 5.2 Land Use Controls

Section 5.2 Land Use Controls contains policies under the heading “Site Plan Control” which designates the entire Town of Prescott as a Site Plan Control area and requires Site Plan Control for all new non-residential development (Policy 5.2.2.15). An application for Site Plan Control must include plans and drawings that show the location of all buildings and structures to be built and all facilities to be provided as part of the proposed development. Criteria for the review of applications include: compatibility with adjacent uses; urban design standards; function and efficiency; safety and access; adequacy of servicing; grading and drainage; landscaping and lighting.





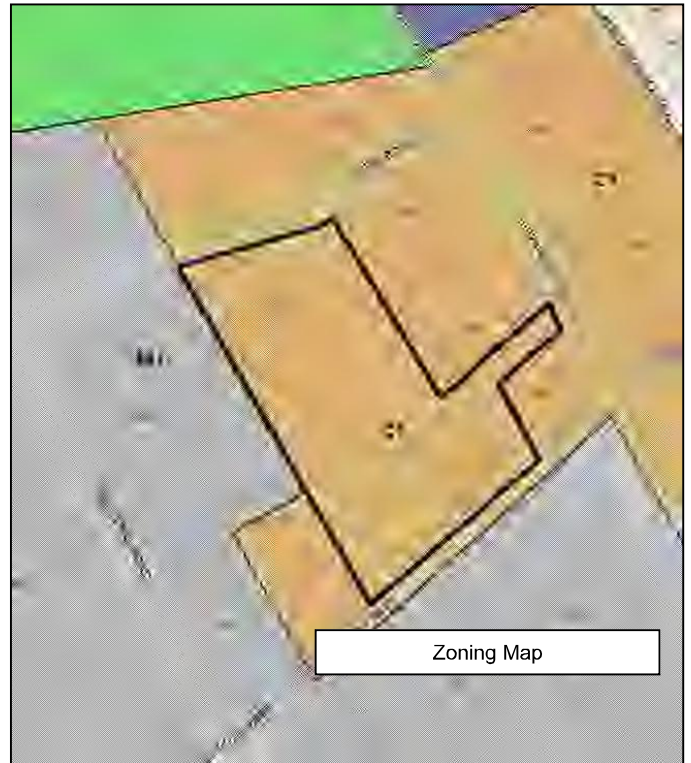
Zoning By-Law Provisions

The site is currently zoned General Commercial (C1) in the Town of Prescott's Zoning By-law #09-2009, as amended.

Section 5.8.1 Permitted Uses

Permitted uses in the General Commercial (C1) zone are established in Section 5.8.1 of the Zoning By-law and includes a "Restaurant" and permitted uses in the Core Commercial (CC) zone such as a "Food Supermarket" and a variety of retail uses.

The proposed uses are permitted in the C1 Zone.





Section 5.8.2 General Commercial (C1) Zone Requirements

Zone Requirements	Provision	Proposed	Complies
Minimum Lot Area	600 m ²	18,941.54	Yes
Minimum Lot Frontage	20 m	121.41 m (Churchill Rd)	Yes
Minimum Front Yard	6 m	6 m (Churchill Rd)	Yes
Minimum Rear Yard	9 m	12.68 m (Irvine Dr)	Yes
Minimum Exterior Side Yard	9 m	n/a (Edward St)	Not Applicable
Minimum Interior Side Yard	0 m	3.20 m	Yes
Maximum Building Height	10.5 m	9.5 m	Yes
Maximum Lot Coverage	60%	21.3%	Yes
Maximum Gross Floor Area	2,500 m ²	4,042.68 m ²	Yes (minor variance 2024-009), Permit 4,500 m ²
Maximum Floor Area Ratio	0.25	0.15	Yes

Other General Requirements

Requirements	Provision	Proposed	Complies
Minimum Parking Spaces, Shopping Plaza	1 space per 20 m ² GLFA (193 spaces)	198 spaces	Yes
Parking Space Dimensions	shall be a minimum of 2.7 m in width by 6 m in length	2.8m x 6m	Yes
Barrier-Free Parking	For 151-200 standard parking spaces, six (6)	8 spaces	Yes



	barrier-free parking spaces are required.		
Barrier-Free Parking Dimensions	3.7m x 6m	3.7m x 6m	Yes
Bicycle Parking	1 space per 40 m2 GLFA (98 spaces)	18 spaces	Yes (minor variance 2024-009), 16 spaces required
Loading Spaces	Commercial Uses - Net Floor Area: over 1,000m2 = 1 plus 1 additional space for each additional 1,000 m2 of net floor area or part thereof Required: 4 spaces	5 spaces	Yes
Loading Spaces Dimensions	3.74m x 7.50m if situated parallel to the building wall Minimum height clearance: 4.25m	3.74m x 7.50m	Yes

Plans and Reports

The following plans and reports have been received and are being reviewed. Any outstanding items will be addressed prior to the Site Plan Agreement being finalized.

Plans

- A1, Site Plan – Clare Avenue Design Inc., revised February 13, 2025
- A3a, Building ‘A’ Exterior Elevations – Clare Avenue Design Inc., dated December 5, 2024
- A3b, Building ‘B’ Exterior Elevations – Clare Avenue Design Inc., dated December 5, 2024
- A3c, Building ‘C’ Exterior Elevations – Clare Avenue Design Inc., dated December 5, 2024
- ESP1, Electrical Photometric Site Plan – Hammerschlag & Joffe Inc, revision date January 14, 2025



Civil Plan Package, Prepared by CIMA+, revised February 28, 2025

- P1, Legal Boundary Plan;
- P2, Topographical Survey Plan;
- SW-N1, Technical Notes and Specifications;
- SW-C1, Sediment & Erosion Control and Demolition Plan;
- SW-1, Site Plan;
- SW-C2, Grading Control Drainage Plan;
- SW-C3, Servicing Plan;
- SW-C4A, Details;
- SW-C4B, Details;
- SW-C4C, Details;
- SW-C4D, Details;
- SW-C4E, Details;
- SW-C4F, Details;
- SW-C4G, Details;
- SW-C4H, Details;
- SW-C4J, Details;
- SW-CSA, SWM Plan - Pre-Development;
- SW-CSB, SWM Plan - Post Development;
- L-1, Landscape Plan; and
- L-2, Landscape Details.

Reports/Studies

- Phase 1 & 2 Environmental Site Assessment – Paterson Group, dated January 19, 2025
- Preliminary Geotechnical Investigation – Paterson Group, dated June 7, 2024
- Traffic Impact Brief – BT Engineering, January 9, 2025

Important Note

The Stormwater Management Report prepared by CIMA+, dated February 28, 2025 was reviewed and sent back for minor edits. We anticipate the revised report in the next



coming weeks. The final approved report and any revised plans will be referenced in the Site Plan Agreement, which is to be registered on title.

Staff Conclusion:

After reviewing the submitted documentation and working with the applicant to address any concerns noted throughout the process, Staff is satisfied that this site plan application can be brought forward to the Planning Advisory Committee for review and feedback.

With recent changes to the Planning Act, Site Plan Control applications are no longer approved by the Planning Advisory Committee or Council but is delegated to Staff. The Planning Advisory Committee and Council are given an opportunity to review the application and provide feedback.

Alternatives:

- None

Financial Implications:

- None

Environmental Implications:

- None

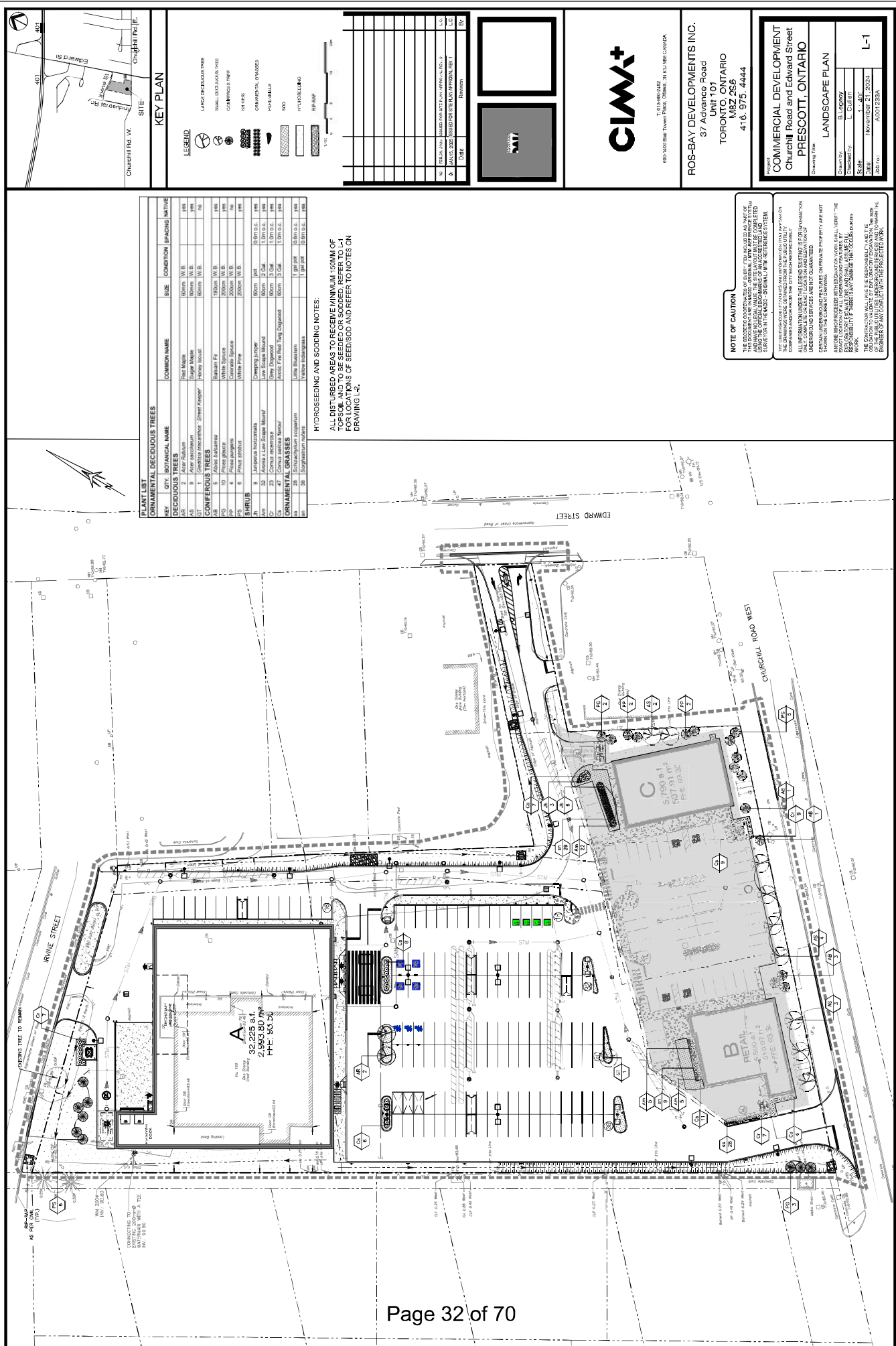
Attachments:

- Site Plan dated February 13, 2025
- Landscape Plan dated February 28, 2025

Submitted by:

Tim Fisher,
Municipal Land Use Planner







STAFF REPORT TO COUNCIL

Report No. 22-2025

Date: 4/22/2025

From: Chloe Preston, Director of Administration/Clerk

RE: Unanimous Shareholder Agreement – RSL – Addendum

Recommendation:

THAT Council approve By-Law 16-2025 being a By-Law to approve the Unanimous Shareholder Agreement with Rideau St. Lawrence Holdings Inc.

Background:

At the January 27, 2025 Regular Council Meeting, Council received a delegation by Simon Wu to present the draft Unanimous Shareholder Agreement. All shareholders received the same presentation.

The municipalities of South Dundas, Westport, and Edwardsburgh Cardinal have passed by-laws approving the agreement. Once approved by Prescott, the remaining shareholder, being Fortis will sign the agreement as well.

Alternatives:

- None

Financial Implications:

- None

Attachments:

- Draft By-Law 16-2025

**THE CORPORATION OF THE
TOWN OF PRESCOTT**

BY-LAW NO. 16-2025

**BY-LAW TO ENTER INTO AN AMENDED AND RESTATED UNANIMOUS
SHAREHOLDER AGREEMENT WITH RESPECT TO RIDEAU ST. LAWRENCE
HOLDINGS INC.**

**Being a by-law to enter into an amended and restated Unanimous Shareholder
Agreement with respect to Rideau St. Lawrence Holdings Inc.**

WHEREAS, Rideau St. Lawrence Holdings Inc. (the “Corporation”) is a corporation incorporated under the Business Corporations Act (Ontario);

WHEREAS, the Corporation holds all of the issued and outstanding shares in the capital of three subsidiary companies, namely Rideau St. Lawrence Distribution Inc., Rideau St. Lawrence Utilities Inc., and Rideau St. Lawrence Services Inc.;

WHEREAS, the Corporation of the Town of Prescott is a shareholder of the Corporation, together with the Corporation of the Municipality of South Dundas, the Corporation of the Township of Edwardsburgh/Cardinal, the Corporation of the Village of Westport, and FortisOntario Inc.;

WHEREAS, the shareholders wish to enter into an Amended and Restated Unanimous Shareholders’ Agreement (the “Agreement”) to define the management and operation of the Corporation and its subsidiaries, the rights and responsibilities of the Shareholders, and the rights and obligations of the parties with respect to each other

NOW THEREFORE IT BE RESOLVED THAT the Council of the Corporation of the Town of Prescott enacts as follows:

1. That the Mayor and Clerk are hereby authorized to sign the Unanimous Shareholders’ Agreement, attached hereto as Schedule A, between Rideau St. Lawrence Holdings Inc., The Corporation of the Municipality of South Dundas, the Corporation of the Township of Edwardsburgh/Cardinal, the Corporation of the Village of Westport, FortisOntario Inc., and the Corporation of the Town of Prescott.
2. That Schedule A, (the Unanimous Shareholders’ Agreement), forms part of this by-law.

3. This by-law shall come into force and take effect upon final passage.

**READ AND PASSED, SIGNED AND SEALED THE 22nd DAY OF
APRIL, 2025.**

Mayor

Clerk

AMENDED AND RESTATED UNANIMOUS SHAREHOLDERS' AGREEMENT

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AMENDED AND RESTATED
UNANIMOUS SHAREHOLDERS' AGREEMENT

**THIS AMENDED AND RESTATED UNANIMOUS SHAREHOLDERS' AGREEMENT (the
“Agreement”) is made this 28th day of February 2025**

BETWEEN:

RIDEAU ST. LAWRENCE HOLDINGS INC., a company incorporated under the laws
of the Province of Ontario

(hereinafter referred to as the "Corporation")

AND:

THE CORPORATION OF THE TOWN OF PRESCOTT
(formerly known as the Separated Town of Prescott)
(hereinafter referred to as "Prescott ")

AND:

THE CORPORATION OF THE MUNICIPALITY OF SOUTH DUNDAS
(formerly known as The Corporation of the Township of South Dundas)
(hereinafter referred to as "South Dundas ")

AND:

THE CORPORATION OF THE TOWNSHIP OF EDWARDSBURGH/CARDINAL
(formerly known as The Village of Cardinal)
(hereinafter referred to as "Edwardsburgh/ Cardinal ")

AND:

THE CORPORATION OF THE VILLAGE OF WESTPORT
(hereinafter referred to as "Westport ")

AND:

FORTISONTARIO INC. a company amalgamated under the laws of the Province of Ontario
(formerly known as Canadian Niagara Power Company Limited)
(hereinafter referred to as " FortisOntario ")

WHEREAS:

- A. The Corporation holds all of the issued and outstanding shares in the capital of three subsidiary companies (collectively, the "Subsidiaries"), namely
- Rideau St. Lawrence Distribution Inc. (hereinafter called "Distribution")
 - Rideau St. Lawrence Utilities Inc. (hereinafter called "Utilities")
 - Rideau St. Lawrence Services Inc. (hereinafter called "Services")
- B. The parties wish to enter this Agreement to define the management and operation of the Corporation, Distribution, Utilities, and Services, the rights and responsibilities of the Shareholders in regard to the Corporation, and the rights and obligations of the parties with respect to each other;

NOW THEREFORE THIS AGREEMENT WITNESSES that in consideration of the mutual covenants and agreements herein contained, the parties hereto agree as follows:

1. INTERPRETATION

1.1. Recitals Correct. The parties hereto confirm the validity and truth of the above noted recitals, which have the same force and effect as if repeated herein at length.

1.2. Definitions. In this Agreement and in any amendment hereto, unless otherwise expressly stated to the contrary, the following words and phrases shall be conclusively considered to have the following meaning:

1.2.1. "**Act**" means the *Business Corporations Act*, R.S.O. 1990, c. B.16, and any statute that may be substituted therefor, as from time to time amended, and the regulations thereto and any regulations that may be substituted therefor, as from time to time amended;

1.2.2. "**arm's length**" shall have the same meaning as that term is given in the *Income Tax Act* (Canada);

1.2.3. "**Articles of the Corporation**" means the Certificate of Incorporation of the Corporation issued under the Act and any subsequent amendments thereto;

1.2.4. "**Board of Directors**" means the board of directors of the Corporation from time to time;

1.2.5. "**Business Day**" means any day other than a Saturday, Sunday or a day which is a statutory holiday in the Province of Ontario;

1.2.6. "**Business of the Corporation**" means the businesses carried on by the Corporation and the Subsidiaries from time to time;

- 1.2.7. **"Business Plan"** means the business plan, which shall include an annual budget, of the Corporation and the Subsidiaries approved by the Directors as provided herein;
- 1.2.8. **"By-Laws"** means the by-laws of the Corporation in effect on the date of execution of the within Agreement and any subsequent additions or amendments thereto;
- 1.2.9. **"Common Shares"** means the Class A shares of the Corporation;
- 1.2.10. **"Director"** means each person elected or appointed by the Shareholders from time to time pursuant to section 2.2.
- 1.2.11. **"Directors"** means every Director;
- 1.2.12. **"Dividend Policy"** means the manner of declaring, determining the amount of and paying dividends as prescribed by Subsection 5.1.2 of this Agreement;
- 1.2.13. **"Person"** means any individual, company, corporation, partnership, firm, trust, sole proprietorship, government or governmental agency, authority or entity howsoever designated or constituted;
- 1.2.14. **"Preference Shares"** means the Class B, C, D, E, and F shares of the Corporation;
- 1.2.15. **"Prime Bank Rate"** means the commercial lending rate of interest which the Corporation's principal bankers quote as the reference rate of interest (commonly known as the "prime rate") for the purpose of determining the rate of interest that it charges to its best commercial customers for loans in Canadian funds;
- 1.2.16. **"Shareholder"** means at any time a person that is (a) a party to this Agreement that is bound by this Agreement at the time and holds one or more Shares at the time or (b) a person that becomes bound by this Agreement at any time and is bound by this Agreement at the time and holds one or more Shares at the time;
- 1.2.17. **"Shareholders"** means every Shareholder
- 1.2.18. **"Shares"** means the Common Shares, Preference Shares, and any other shares of the Corporation which may be authorized pursuant to the Articles of the Corporation.
- 1.3. **Extended Meanings.** In this Agreement, all words and personal pronouns relating thereto whether expressed in the singular or plural or in the masculine, feminine or neuter gender, shall be read and construed as referring to the number and gender of the party or parties referred to in each case as may be required and all verbs shall be construed as agreeing with the required words and pronouns.
- 1.4. **Headings.** The division of this Agreement into paragraphs, 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.

- 1.5. **Calculation of Time.** When calculating the period of time within which or following which any act is to be done or step taken pursuant to this Agreement, the date which is the reference date in calculating such period shall be excluded. If the last day of such period is not a Business Day, the period in question shall end on the next Business Day.
- 1.6. **References to Legalization.** Any references herein to any law, by-law, rule, regulations, order or act of any government, governmental body or other regulatory body shall be construed as a reference thereto as amended or re-enacted from time to time or as a reference to any successor thereto.
- 1.7. **Entire Agreement.** This Agreement represents the entire understanding of the parties and no modifications thereof, nor additions thereto, will be binding unless in writing, having direct reference to this Agreement and executed by all parties.
- 1.8. **Governing Law.** This Agreement shall be governed by and construed in accordance with the laws in force in the Province of Ontario and shall be treated in all respects as an Ontario contract.
- 1.9. **Amendment and Restatement.** This Agreement amends and restates the unanimous shareholders' agreement dated October 31, 2000 in respect of the Corporation (the "Original USA") in its entirety as of the date hereof. All of the rights, liabilities and obligations of the parties under the Original USA arising on or prior to the date hereof continue in full force and effect, as amended and restated in accordance with the terms hereof.

2. WARRANTIES AND COVENANTS

- 2.1. **Calculation of Shares and Warranties of the Shareholders.** Each Shareholder warrants as follows:

- 2.1.1. The Shareholders of the Corporation, as of the date of this Agreement, are Prescott, South Dundas, Edwardsburgh/Cardinal, Westport and FortisOntario. All Shareholders hold Common Shares of the Corporation.
- 2.1.2. FortisOntario owns, or shall own, Common Shares equal to but not greater than 10% of the capital of the Corporation.
- 2.1.3. Prescott, South Dundas, Edwardsburgh/Cardinal and Westport own, or shall own, in aggregate, the balance of the Common Shares of the Corporation, being not less than ninety per cent (90%) of the Common Shares of the capital of the Corporation.
- 2.1.4. The Common Shares issued to the Shareholders are, or once issued, shall be, free and clear of all claims, liens and encumbrances whatsoever and no Person, has any agreement or option or right capable of becoming an agreement for the purchase of any such Shares other than pursuant to this Agreement;
- 2.1.5. Such Shareholder has not entered into with any Person, or granted to any Person any

agreement or option or right capable of becoming an agreement for the purchase, subscription or issuance of any of the unissued Shares of the Corporation.

2.2. **Covenants of the Shareholders.** Each Shareholder acknowledges and agrees that:

2.2.1. The policies and control of the affairs of the Corporation shall be determined by a Board of Directors consisting of five (5) individuals, representing the Shareholders. The Directors of the Corporation shall from time to time appoint the Officers of the Corporation. It is agreed that each of the Shareholders shall designate one (1) individual as its designated representative, respectively, on the Board of Directors. Subject to the provisions of this Agreement, the Board of Directors shall be responsible for the oversight of, and shall monitor, the business and affairs of the Corporation, the day-to-day management of which shall be conducted by management of the Corporation.

2.2.2. The Shareholders covenant and agree that, for so long as they are shareholders of the Corporation, they shall vote their shares so as to elect the designated representative(s) of the Shareholders as Directors of the Corporation.

2.3. **Warranties of the Corporation.** The Corporation warrants that:

2.3.1. The authorized share capital of the Corporation is as follows:

An unlimited number of Class A common shares

An unlimited number of Class B preference shares

An unlimited number of Class C preference shares

An unlimited number of Class D preference shares

An unlimited number of Class E preference shares

An unlimited number of Class F preference shares

2.3.2. No person, firm or corporation has any agreement or option or right capable of becoming an agreement for the purchase, subscription or issuance of any of the unissued Shares.

3. **OPERATION OF THE CORPORATION AND THE SUBSIDIARIES GENERALLY**

3.1. **The Business.** The parties acknowledge that the businesses which they intend for the Corporation and the Subsidiaries to carry on shall be described in Schedule B attached hereto.

3.2. **General Operation.** The parties hereto hereby agree to cause such meetings of the Corporation to be held, resolutions passed, By-laws enacted, agreements and other documents signed and things performed or done as may be required to provide for the following arrangements in connection with the operation and control of the Corporation:

3.2.1. **Board of Directors:** The affairs of the Corporation shall be managed by a Board of Directors which shall consist of five (5) individuals and which may consist of such other

persons or persons, if any, as the Shareholders may unanimously agree upon. Meetings of the Board of Directors may be called by any Director and shall be held at the head office of the Corporation or any other location as agreed upon by a quorum of Directors. Proxies shall not be used at any Board of Directors meeting.

3.2.2. **Quorum for a Board Meeting:** A quorum for a meeting of the Board of Directors shall be a majority of the Directors.

3.2.3. **Quorum for a Shareholders Meeting:** A quorum for a meeting of the Shareholders shall be a majority of the Shareholders.

3.2.4. **Location of Shareholders Meetings:** Meetings of Shareholders may be called by any of the Directors. Meetings of Shareholders may be held at the head office of the Corporation, or any other location as agreed upon by a quorum of Shareholders. Minutes of said meetings shall be prepared by the Corporation and the minute book(s) of the Corporation shall be kept at either the Corporation's head office or the offices of the Corporation's solicitors.

3.2.5. **Approval of decisions by the Board:** Each Director is authorized to exercise one (1) vote. At all meetings of the Board, every question will be decided by a majority of the votes cast on the question. Subject to the Act and this agreement, except where a ballot is demanded, voting on any question proposed for consideration at a meeting of the Board will be determined on a show of hands.

3.2.6. **Execution of Contracts:** All contracts and documents binding the Corporation shall require the signatures of those individuals determined by the Board of Directors from time to time.

3.2.7. **Approval of Share Transfer:** The Board of Directors and the Shareholders shall sanction, approve, consent to and otherwise facilitate any transfer of Shares in the capital stock of the Corporation made in compliance with, or which is required to be made by, any provision of this Agreement.

3.2.8. **Issue or Transfer of Shares:** Every issue or transfer of Shares will be subject to the condition that the subscriber therefor shall, if not a party, agree to be bound by the terms of this Agreement and become a party in accordance with this Agreement.

3.2.9. **Share Certificates:** The Board of Directors shall cause all share certificates representing Shares in the capital stock of the Corporation which at any time are issued and outstanding to bear the following legend or words similar in effect thereon:

"The share(s) represented by this certificate are subject to the terms and conditions of a unanimous shareholders agreement, and are not transferable except in compliance with the terms and conditions of said Agreement, a copy of which is on file at the registered office of the Corporation."

3.3. **Books and Records.** Proper books of account shall be kept on behalf of the Corporation

at its premises and entries shall be made therein of all matters, terms, transactions and things as are usually written and entered into books of account in accordance with the required accounting standard as set by the Canadian Accounting governing body at that time. Any Shareholder may, at any time during usual business hours and without causing unreasonable disruption to the Corporation, cause such Shareholder's employees, agents, professional advisors or authorized representatives to review any of the books and records of the Corporation.

- 3.4. **Auditor.** The Shareholders shall appoint the auditor for the Corporation annually at a meeting of the Shareholders in accordance with section 4.1 and such auditors shall, at the fiscal year end of the Corporation prepare financial statements of the Corporation and for such purposes, they shall have access to all books of account, records and all vouchers, cheques, papers and documents of or which may relate to the Corporation, including those of the Shareholders to the extent to which such books, records, vouchers, cheques, papers and documents relate to the Corporation.
- 3.5. **Waiver of Audit.** The requirement for an audit of the Corporation for any financial year may only be waived by way of resolution of all of the Shareholders.
- 3.6. **Dividends.** Any payment of dividends by the Corporation shall be declared and paid to the Shareholders in compliance with the Dividend Policy.
- 3.7. **Financial Year End.** The financial year end of the Corporation shall be such date as may be recommended from time to time, by the auditors of the Corporation and approved by the Shareholders in accordance with section 4.1. The parties hereto acknowledge that at present, the financial year end is December 31st.

Business Plan. For the current financial year of the Corporation and for each and every subsequent financial year of the Corporation, the Directors, acting reasonably and in good faith and in the best interests of the Corporation, shall cause to be prepared and approved in accordance with section 4.2 a Business Plan showing, among other things, in a reasonable degree of detail the anticipated revenues, expenditures and cash flow of the Corporation and the Subsidiaries for such financial year of the Corporation. The Business Plan for any particular financial year of the Corporation shall be prepared and delivered to each Shareholder: (i) in the case of the current financial year, no more than 30 days after the date of this Agreement, and (ii) in the case of any other financial year, at least 60 days prior to the beginning of such financial year.

In the management and operation of the business, each Shareholder shall, and shall cause its designated representatives to, endeavour to the extent it is reasonable to do so to cause the Corporation and the Subsidiaries to adhere to the final Business Plan (as approved by the Directors) for a financial year and not exceed expenditures provided for therein except as permitted or approved pursuant to section 4.2.

4. MATTERS REQUIRING SPECIAL APPROVAL

- 4.1. Without the prior written consent of Shareholders holding, in the aggregate, not less than 80% of the total number of issued Common Shares:

- 4.1.1. the Corporation shall not enter into an undertaking inconsistent with the operations of the Corporation contemplated in Schedule B;
- 4.1.2. no proceedings for the winding-up or dissolution of the Corporation shall be taken or instituted;
- 4.1.3. the Articles of Incorporation of the Corporation shall not be amended;
- 4.1.4. the Corporation shall not amalgamate with another corporation or other corporations;
- 4.1.5. the Corporation shall not be continued under the laws of another jurisdiction;
- 4.1.6. no subsidiaries (other than the Subsidiaries) shall be created by the Corporation and the Corporation shall not acquire any shares or securities of any other corporation. Notwithstanding the above, the Corporation may, with approval of the Board of Directors, without requiring the prior written consent of the Shareholders as provided above, acquire shares, securities or interest in another business provided such acquisition is for a business which produces products or services that are related to, support or contribute to the activities which falls within the permitted business activities described in Schedule B; and; the cost of acquisition is an amount which is less than fifteen percent (15%) of the owners' total equity (as specified in the Corporation's audited consolidated financial statements from the previous fiscal year);
- 4.1.7. no Shares shall be purchased by the Corporation except as may be provided for herein and no Shares shall be redeemed by the Corporation unless the same are required to be redeemed in accordance with the Articles of Incorporation of the Corporation and are being so redeemed;
- 4.1.8. there shall be no change to the end of a financial year or taxation year of the Corporation;
- 4.1.9. there shall be no change of Dividend Policy or other policy with respect to the distribution of surplus and the declaration or payment of any dividend or other distribution on any class of shares;
- 4.1.10. the auditors of the Corporation shall not be appointed, removed or replaced except in accordance with Section 3.4 of this Agreement; and
- 4.1.11. no property of the Corporation or any Subsidiary shall be sold, leased, exchanged or otherwise disposed of other than in the ordinary course of the Business of the Corporation or as provided in the Business Plan for the applicable fiscal year.
- 4.2. Without the approval of Directors representing Shareholders holding, in aggregate, not less than 80% of the total number of issued Common Shares:
 - 4.2.1. no money shall be borrowed on the credit of the Corporation or any Subsidiary other than under a line of credit with the Corporation's bank which has been established with the approval of the Board of Directors if the debt incurred would exceed by more than twenty-five percent (25%) the debt provided for in the Business Plan for the applicable fiscal year;

- 4.2.2. no debt obligations of the Corporation or any Subsidiary shall be issued, sold or pledged, except any promissory notes, banker's acceptances or commercial letters of credit made or issued in respect of the indebtedness from time to time of the Corporation under a line of credit provided for in the Business Plan for the applicable fiscal year or approved pursuant to subparagraph 4.2.1;
- 4.2.3. no currently owned or subsequently acquired real or personal, movable or immovable, property of the Corporation or any Subsidiary, including book debts, rights, powers, franchises and undertaking, shall be charged, mortgaged, hypothecated, pledged or encumbered to secure any debt obligations or any money borrowed, or other debt or liability of the Corporation or any Subsidiary if the debt incurred would exceed by more than twenty-five percent (25%) the debt provided for in the Business Plan for the applicable fiscal year;
- 4.2.4. no property of the Corporation or any Subsidiary shall be sold, leased, exchanged or otherwise disposed of other than in the ordinary course of the Business of the Corporation or as provided in the Business Plan for the applicable fiscal year;
- 4.2.5. no agreements shall be made with any of the Shareholders not in the ordinary course of business;
- 4.2.6. no Business Plan shall be adopted or substantially amended;
- 4.2.7. the Corporation and the Subsidiaries shall not acquire all or substantially all of the assets of any other corporation or business entity or enter into any amalgamation, merger, partnership or joint venture, or other combination with any other corporation or business entity not in the ordinary course of Business of the Corporation;
- 4.2.8. the Corporation and the Subsidiaries shall not at any time incur, or enter into any commitment to make, any capital expenditure in any financial year of the Corporation or incur, or enter into commitments to make, capital expenditures if the expenditure exceeds by more than twenty-five percent (25%) the capital expenditure amount provided for in the Business Plan; and
- 4.2.9. the Corporation and the Subsidiaries shall not advance or loan money to any person who is an officer, director or employee of the Corporation or any Subsidiary.

5. CAPITAL REQUIREMENTS AND DIVIDEND POLICY

5.1. It is agreed that:

- 5.1.1. If at any time hereafter and from time to time capital or further capital is required for carrying on the Business of the Corporation, such capital shall be advanced by the Shareholders in proportion to their respective shareholdings of Common Shares. All Shareholder loans to the Corporation shall bear interest at the Prime Bank Rate, from time to time, per annum plus 2%, and shall be secured on the assets of the company. Repayment of Shareholder loans may only be demanded by a Shareholder upon giving sixty (60) days' written notice to the Corporation and may only be repaid if approved by the Board of Directors. All Shareholder loans may be repaid in whole or in part from

time to time on a pro rata basis in the discretion of the Board of Directors, whether or not repayment has been demanded. If a Shareholder (a “Defaulting Shareholder”) fails to advance its portion of the capital required, the other Shareholders (the “Non-Defaulting Shareholders”) may agree that one or more of them shall provide all or part of the short fall in accordance with subsection 5.1.3;

5.1.2. Unless otherwise agreed by the Shareholders in writing, the Board shall declare and the Corporation shall pay, subject to applicable law and subject to any restrictions imposed upon the payment of dividends by lenders or other third parties, on or about the last day of the third month following the annual general meeting, if at such time the Corporation has net income arising from the immediately preceding fiscal year and has retained earnings as at the end of such fiscal year, as shown on the financial statements of the Corporation for such fiscal year, out of the monies of the Corporation available for payment of dividends, cash dividends on the Common Shares equal in the aggregate to the consolidated after-tax net profit of the Corporation for such preceding fiscal year, less any reasonable reserves determined by the Board to be required for working capital or required to meet any obligations of the Corporation; and

5.1.3. If, with the consent of the Non-Defaulting Shareholders, any Shareholder advances more than its proportion of the Corporation capital requirements as provided for in paragraph 5.1.1, such Shareholder shall be deemed to have made such an advance on behalf of each Defaulting Shareholder and shall be entitled to repayment from the Defaulting Shareholder, on demand, of its proportionate share of the excess advances, together with interest at the Prime Bank Rate plus 4%, secured by a security interest in the shares of the Defaulting Shareholder. Should the Shareholders agree, the excess advance may alternatively be provided in the form of either additional equity in the Corporation or as additional debt owed by the Corporation, on such terms as the Non-Defaulting Shareholders may determine.

6. SUBSIDIARIES

6.1. The Shareholders agree that it shall cause the Corporation to enter into Unanimous Shareholder Declarations with the Subsidiaries, to ensure continuing compliance with the provisions of this Agreement as it applies to the Subsidiaries. In addition to any Unanimous Shareholder Declarations, specific governance requirements for Distribution are detailed in Schedule A, attached hereto.

7. TRANSFER OR DISPOSAL OF SHARES

7.1. Each Shareholder agrees that, except as expressly provided herein, it will not sell, transfer, assign, mortgage, pledge or otherwise dispose of or cease to be the holder of any Shares in the capital stock of the Corporation except with the unanimous consent in writing of all Shareholders of the Corporation, or as provided hereunder. The Corporation agrees that no other Shares of the Corporation shall be issued without the express written consent of all Shareholders.

7.2. The provisions of this Agreement shall apply mutatis mutandis to any shares into which the

Common Shares of the Corporation or any other class of shares to be issued may hereafter be converted or changed or to any shares resulting from a reclassification, subdivision or consolidation of any such shares and also to any shares of the Corporation which are received by the Shareholders as a stock dividend and to any shares or other securities of the Corporation or of a successor company thereof respectively which may be received by the Shareholders of such shares on an amalgamation, reorganization or reconstruction of the Corporation.

8. RIGHT OF FIRST REFUSAL

8.1. Subject to the provisions of sections 8.3 and 9, if any Shareholder (hereinafter in this section 8.1 called the "Offeror") desires to sell all but not less than all of the Common Shares owned by it, the Offeror shall give notice (hereinafter in this section 8.1 called the "Selling Notice") to the other Shareholders (hereinafter in this section 8.1 called collectively the "Offerees" and) of its intention to do so. Such Selling Notice shall set forth the number and class of the Common Shares (hereinafter in this section 8.1 called the "Offered Shares") which the Offeror wishes to sell, the price per share at which the Offeror is prepared to sell the Offered Shares and any other terms and conditions, provided that such must not be contrary to the provisions of section 9 of this Agreement, and the proposed date of sale (hereafter called the "Sale Date"), which shall not be less than thirty (30) days nor more than sixty (60) days after the date on which the Selling Notice is given to the Offerees. In such event, unless all the Shareholders otherwise agree, the following provisions of this section 8.1 shall govern such purchase and sale:

- 8.1.1. the Selling Notice shall be deemed to be an offer, irrevocable within the time hereinafter specified for acceptance, by the Offeror to sell the Offered Shares to the Offerees;
- 8.1.2. within thirty (30) days after receipt of the Selling Notice, each Offeree may give to the Offeror a notice of acceptance which shall set forth the number of Offered Shares which such Offeree is willing to purchase from the Offeror;
- 8.1.3. if the Offerees accepting the offer collectively are prepared to purchase all the Offered Shares, then they shall be entitled to purchase the Offered Shares as nearly as may be in proportion to the number of Common Shares of the Corporation then held by them respectively, provided that, if any such Offeree claims less than its respective proportion, the difference in unclaimed Offered Shares shall be used to satisfy the claims of those who claim in excess of their proportions and if the claims in excess are more than sufficient to exhaust such unclaimed Offered Shares, the unclaimed Offered Shares shall be divided *pro rata* among the Offerees desiring to purchase excess shares in proportion to their holdings of Shares of the Corporation immediately prior to the delivery of the Selling Notice, but no Offeree shall be bound to purchase any Offered Shares in excess of the number which it agreed to purchase in its notice of acceptance;
- 8.1.4. if none of the Offerees accepts the offer or the Offerees accepting the offer collectively are not prepared to purchase all of the Offered Shares, then the Offeror may sell all of the Offered Shares to any other Person within sixty (60) days after the Sale Date at a price per security not less than and on terms and conditions not more favorable to such

Person than the price per security and the terms and conditions set forth in the Selling Notice. In the event that the Offeror does not sell the Offered Shares to such Person within such sixty (60) day period, then the provisions of this Agreement shall once again apply and so on from time to time;

8.1.5. if the Offeror has received a *bona fide* offer from a third party to purchase the Offered Shares prior to the date of the Selling Notice which it wishes to accept, then a copy of such offer shall be sent to each Offeree with the Selling Notice and the terms and conditions of sale set forth in the Selling Notice shall be the same as those set forth in such offer, and the Sale Date proposed shall not be less than thirty (30) days nor more than sixty (60) days after the date on which the Selling Notice is given to each Offeree. By delivering a Selling Notice, the Offeror represents and warrants to each other Offeree that there is no direct or indirect supplementary consideration (whether or not in the nature of a tangible or intangible asset, money property, securities or other benefits) to be received by the third party or any other Person in connection with such offer and that such offer is not made as part of or in connection with any other transaction;

8.1.6. if the Offered Shares shall not be capable, without division into fractions, of being offered to or being divided among such Offerees in the proportions above mentioned, the same shall be offered to or divided among such Offerees as nearly as may be in the proportions hereinbefore mentioned and any balance shall be offered to or divided among such Offerees or some of them in such manner as may be determined by the Board of Directors of the Corporation.

8.2. **Piggyback Rights.** Where, after compliance with the provisions of section 8.1, any group of Shareholders desires and is entitled to sell all but not less than all of the Common Shares held by them to a third party and such group holds more than fifty percent (50%) of the Common Shares, then such sale, notwithstanding the provisions of section 8.1, shall be permitted only if such third party makes an offer in writing to all other Shareholders holding Common Shares to purchase such Common Shares held by such Shareholders at the same price and upon the same terms and conditions, which written offer shall be irrevocable for forty-five (45) days following the day on which the rights of all such Shareholders under section 8.1 have been waived or expired.

8.3. If (i) an offer is made by a third party to purchase all outstanding Common Shares held by Shareholders holding more than eighty percent (80%) of the outstanding Common Shares; or (ii) an amalgamation, merger, plan of arrangement or other reorganization of the Corporation, (for greater certainty, excluding a municipal amalgamation or other restructuring), is proposed by a third party or an offer is made by a third party to purchase all or substantially all of the assets of the Corporation (collectively a "Reorganization"), all Shareholders are required to sell their Common Shares to the Offeror or approve such Reorganization, as the case may be, if such sale or Reorganization is approved by the holders of more than eighty percent (80%) of the outstanding Common Shares.

8.4. **Put Right.** If the Directors have decided in accordance with section 4.2 that the Shareholders shall make advances to the Corporation pursuant to section 5.1, any

Shareholder whose representative on the Board of Directors voted against such proposed advances may sell all but not less than all of the Common Shares held by it by giving a notice (the "Put Notice") to the other Shareholders stating that it will sell all of such Common Shares pursuant to this section 8.4, whereupon the other Shareholders shall purchase (*pro rata* in accordance with section 8.1.3, unless otherwise agreed between them), or cause the Corporation to purchase, in the sole discretion of the other Shareholders, all of such Common Shares for a cash purchase price equal to the fair market value of such Common Shares determined in accordance with section 10.4 as at the date of the Put Notice. Any transaction of purchase and sale pursuant to this section 8.4 shall be completed in accordance with the provisions of Article 9.

9. GENERAL SALE PROVISIONS

9.1. **Sale Provisions.** Each Shareholder who hereafter sells any Shares pursuant to the provisions of this Agreement (such Shareholder being herein sometimes in this section 9 called the "Seller") shall hereby be deemed to warrant to each other Shareholder or other person who purchases such Shares (such Purchasing Shareholder or other person being herein sometimes called the "Buyer") that, at the time of Closing of the transaction of purchase and sale in question, (a) the Seller shall have good and marketable title to such Shares, and (b) the Buyer will acquire such Shares free of any encumbrance of any kind, and in addition the Seller shall hereby be deemed to agree to indemnify and save the Buyer harmless against any loss suffered by the Buyer as a result of there being any encumbrance upon or any defect in the title of the Seller to such Shares.

9.2. **Closing.** Each purchase and sale of Shares between Shareholders pursuant to this Agreement shall, unless otherwise expressly provided herein or otherwise agreed between the Seller and the Buyer, be closed at the offices of the solicitors of the Corporation at 10:00 a.m. on the fifteenth (15th) day after the date of the last notice given (or deemed to be given) by the Buyer or Seller, as the case may be, pursuant to the applicable sections of this Agreement.

9.3. **Conditions and Closing.** At the time of closing of any purchase of Shares of the Corporation as set forth in section 9.2, the Seller shall table:

9.3.1. a certificate or certificates representing the Shares being sold by the Seller, duly endorsed by the Seller in blank for transfer and transfers of any Shares being sold in such form as the Buyer may reasonably require;

9.3.2. in the case of a sale of Shares by a person which is not a natural person, such authorizing resolutions, orders or other instruments as the solicitors for the Buyer shall reasonably consider necessary to effect and evidence a valid sale and transfer of such Shares; and

9.3.3. evidence of the consent of the Shareholders and/or the Directors to the purchase of Shares in question if such consent is required by this Agreement and/or the Articles of the Corporation;

and each Buyer shall pay for such Shares by bank draft, certified cheque, wire transfer, or other means of immediately available funds. If the Seller fails to comply with the

requirements set out in this section, the Buyer shall, in addition to its other rights, including its right to specific performance, be entitled to rescind and shall have an action for damages.

9.4. Indebtedness of Seller to Corporation. If, on the date of closing of any sale and purchase of Shares of the Corporation, the Seller is indebted to the Corporation in an amount recorded on the books of the Corporation and verified by the auditor of the Corporation, then unless otherwise agreed in writing between the Corporation and the Seller, each Buyer shall pay the purchase price payable therefor by it to the Corporation's solicitors, in trust, by tabling and delivering to the Corporation's solicitors, in trust, at the time of closing of such purchase and sale, the purchase price for such Shares. The Corporation's solicitor is hereby authorized by the Seller to apply the total purchase price proceeds to repayment of the indebtedness of the Seller to the Corporation. If such proceeds exceed such indebtedness, the Corporation's solicitors are hereby authorized by the Buyer to pay the excess over to the Seller at the time of closing of such purchase and sale. In the event that the Seller sells all of the Shares of the Corporation owned by it and the indebtedness of the Seller to the Corporation exceeds the proceeds of such sale, then the Seller shall at the time of closing of such purchase and sale pay the balance of such indebtedness to the Corporation to retire such indebtedness.

9.5. Indebtedness of Corporation to Seller. If, on the date of closing of any sale and purchase of Shares of the Corporation, the Corporation is indebted to the Seller all of whose Shares are purchased by other Shareholders or if such Seller is the guarantor of any indebtedness of the Corporation, the Buyer or Buyers shall, at the time of closing, purchase such indebtedness at its face value or assume such guarantee in either case *pro rata* in accordance with the number of Shares purchased by it or them.

9.6. Agreement, Binding on Transferees. No Shares of the Corporation shall be effectively issued, sold, assigned, transferred, disposed of or conveyed by the Corporation or a Shareholder to any Person other than a Shareholder, until the proposed transferee or purchaser executes and delivers to the parties hereto an agreement agreeing to be bound by this Agreement and any further agreement with respect to the Corporation to which the Shareholders are then, or are then required to be, parties, and unless the proposed transferee or Buyer, on becoming a party to this Agreement, would be in compliance with the provisions of this Agreement. Upon the proposed transferee or Buyer so doing, such agreements shall enure to the benefit of and be binding upon it as if it had executed and delivered, this Agreement and such other agreements.

9.7. Continuing Obligations. Any Shareholder who sells to a person all of the shares of the Corporation owned by it in accordance with the terms of this Agreement, shall thereafter be released and discharged from the further performance of all of its covenants and obligations hereunder from and after the date of such sale and compliance by the transferee with section 9.6 except for any obligations under this Agreement which expressly or impliedly are to survive any such sale.

10. INSOLVENCY OF SHAREHOLDER

10.1 If any Shareholder of the Corporation shall become insolvent or bankrupt, the other Shareholders ("Solvent Shareholders") shall have the right and option to purchase all of the

Shares in the capital of the Corporation held by such Shareholder ("Insolvent Shareholder"), in accordance with their proportionate shareholdings, at and for the fair market value of each such Share as at the date immediately preceding such insolvency or bankruptcy. Such option must be exercised by notice in writing to the Insolvent Shareholder (with a copy to the Corporation), within the one hundred and twenty (120) day period following the day upon which the Shareholders first became aware of the insolvency, or bankruptcy, as the case may be.

- 10.2 The purchase price shall be paid in equal semi-annual payments without interest over a period of 60 months with the first payment to be made on the first day of the month following the exercise of the option. Such amount may be prepaid in whole or in part at any time without notice.
- 10.3 Subject to the provisions of the Act, if within the period of one hundred and twenty (120) days set out in section 10.1 a notice in writing shall not have been given to the Insolvent Shareholder (with a copy to the Corporation) by all or any of the Solvent Shareholders setting out therein the intention of such Solvent Shareholder or Shareholders to purchase, effective immediately prior to the insolvency event, all of the Common Shares owned by the Insolvent Shareholder, then the Corporation shall have the right to redeem and repurchase such portion of the Common Shares as shall not be the subject of a purchase and sale transaction with the Solvent Shareholder(s), effective immediately prior to the insolvency event, for a cash price equal to the fair market value of the Common Shares as at the date immediately preceding the insolvency or bankruptcy of the Insolvent Shareholder.
- 10.4 For the purpose of this Section 10, the fair market value of the Shares of an Insolvent Shareholder at the relevant time shall be determined by a certified business valuator as appointed by the Board of Directors, the costs of which shall be borne by the Corporation. In the event the Board of Directors shall not have appointed a certified business valuator within thirty (30) days of the Shareholders first becoming aware of the insolvency or bankruptcy, as the case may be, then the certified business valuator shall be chosen by the auditor of the Corporation. The determination of such fair market value by such certified business valuator shall be conclusive and binding on the parties for the purposes of this section 10.
- 10.5 Any transaction of purchase and sale pursuant to this section 10 shall be completed in accordance with the provisions of Article 9 hereof but with effect and deemed completion as of the time immediately prior to the occurrence of an insolvency event.

11. SHAREHOLDER INDEMNITY

- 11.1. Each Shareholder (an "Indemnifying Party") hereby agrees to indemnify, hold harmless, reimburse and defend the Corporation and the Subsidiaries and each and every other Shareholder (hereinafter in this section referred to as an "Indemnified Party") for, from and against any and all liability, loss, damage or expense (including, without limitation, reasonable legal fees and disbursements) and any claim thereof or therefor which is asserted against, imposed on, or incurred or sustained by, any Indemnified Party (regardless of the form or nature of such liability, damage, loss, expense or claim) and either:

- 11.1.1. results from, arises out of or is connected with;

- i. the nonfulfillment or breach by the Indemnifying Party of any covenant in or obligation under this Agreement; or
- ii. the negligence or misconduct of (x) the Indemnifying Party or (y) any shareholder, director, officer, employee or agent of the Indemnifying Party or (z) any affiliate (other than the Corporation or any Subsidiary) of the Indemnifying Party; or

11.1.2 arose in respect of or was incurred by the Indemnifying Party or any electricity commission or public utility commission or corporation under section 142 of the *Electricity Act, 1998* associated with such Indemnifying Party, except as expressly provided in any transfer by-laws in respect of the transfer of assets to the Corporation and its Subsidiaries ("Transfer By-Laws") passed by the Indemnifying Party.

11.2. Except as provided in any Transfer By-Laws, none of the Corporation or its Subsidiaries assumes or will be liable for any obligations or liabilities of the Shareholders or any electricity commission or public utility commission or corporation under section 142 of the *Electricity Act, 1998* associated with any of them.

12. NOTICES

Notices. Any notices required to be given herein will be given to the parties in writing at the addresses provided below, or to such other address as the parties may hereafter substitute by written notice. Each party hereto agrees that such notices will be deemed to have been received, if sent by mail, on the fifth (5th) day following the date of mailing and, if delivered personally, by facsimile, by registered mail, by courier, or by electronic means, on the day they were delivered.

If to Corporation:	985 Industrial Road P.O. Box 699 Prescott, Ontario KOE 1T0 Attention: CEO
If to Prescott:	360 Dibble Street, P.O. Box 160 Prescott, Ontario KOE 1T0 Attention: Clerk
If to South Dundas	P.O. Box 740 Morrisburg, Ontario KOC 1X0 Attention: Clerk
If to Edwardsburgh/Cardinal	18 Centre Street P.O. Box 129 Spencerville, Ontario K0E 1X0 Attention: Clerk

If to Westport	Bedford Street P.O. Box 68 Westport, Ontario K0G 1X0 Attention: Clerk
If to FortisOntario	1130 Bertie Street, P.O. Box 1218 Fort Erie, Ontario L2A 5Y2 Attention: Chief Executive Officer

Any party may from time to time change its or its address by written notice to each other party given in accordance with the provisions of this Paragraph.

13. ENFORCEMENT OF SHAREHOLDER AGREEMENT

- 13.1. **Voting Power.** The parties hereto shall at all times use their voting powers (whether expressed by way of vote or written consent) in accordance with the provisions of this Agreement and for the purposes of effectuating the same and for the purposes of ensuring that the Directors of the Corporation shall exercise their powers consistently with the provisions of this Agreement and for the purposes of effectuating the same. The Directors of the Corporation shall see to it that its officers and employees carry out all duties which they are required to perform under the provisions of this Agreement.
- 13.2. **Arbitration.** The parties agree in the event of a dispute, controversy or claim as to any matter within the terms of this Agreement, (other than a matter in respect of which this Agreement otherwise expressly provides for its conclusive determination) that such dispute shall be referred to arbitration of a single arbitrator as agreed upon by the parties or as appointed pursuant to provisions of the Arbitrations Act, (Ontario) 1991, as amended, whose decision shall be final and binding on all parties.

14. TERM

- 14.1. **Termination Generally.** This Agreement shall come into force and effect as of the date set out above and shall continue in force until the earlier of:
- 14.1.1. The date on which this Agreement is terminated by written agreement of the parties;
 - 14.1.2. The date on which the Corporation is dissolved in accordance with the applicable provision of the Act;
 - 14.1.3. The date on which an order is made for the winding-up of the Corporation;
 - 14.1.4. The date on which all issued and outstanding Shares become owned by a single person; or
 - 14.1.5. The date on which the Corporation becomes insolvent or makes an authorized assignment in bankruptcy or is petitioned into bankruptcy.

15. GENERAL

15.1. **Partial Invalidity.** If for any reason whatsoever any term, covenant or condition of this Agreement or the application thereof to any person or circumstance, is to any extent held or rendered invalid, unenforceable or illegal, then such term, covenant or condition:

15.1.1. is deemed to be independent of the remainder of the Agreement and to be severable and divisible therefrom, and its invalidity, unenforceability and illegality does not affect, impair or invalidate the remainder of the Agreement or any part thereof; and

15.1.2. continues to be applicable to and enforceable to the fullest extent permitted by law against any person and in any circumstances other than those as to which it has been held or rendered invalid, unenforceable or illegal.

No party is obligated to enforce any term, covenant or condition of this Agreement against any person, if, or to the extent by so doing, such party is caused to be in breach of any laws, rules, regulations or enactments from time to time in force.

15.2. **Time of Essence.** Time shall be of the essence of this Agreement.

15.3. **Further Documents.** Each of the parties hereto will, from time to time at any other party's request and expense and without further consideration, execute and deliver such other instruments of transfer, conveyance and assignment and take such further action as such other party may require to more effectively complete any matter provided for herein.

15.4. **No Partnership.** Nothing in this Agreement shall be deemed in any way or for any purpose to constitute any party a partner of any other party to this Agreement in the conduct of any business or otherwise, or a member of a joint venture or a joint venture enterprise with any other party to this Agreement.

15.5. **Counterparts.** This Agreement may be executed in several counterparts, each of which when so executed shall be deemed to be an original and such counterparts together shall constitute one and the same instrument, which shall be sufficiently evidenced by any such original counterpart.

15.6. **Successors and Assigns.** This Agreement and all of the terms, covenants, provisions, options and conditions of and contained in this Agreement. and obligations hereunder, shall be binding upon and enure to the benefit of the parties hereto, their respective heirs, executors, administrators, estate trustees, personal representatives, successors and permitted assigns, and shall be binding upon any trustee or receiver in bankruptcy of any party hereto, his or its executors, administrators, estate trustees, personal representatives, successors and permitted assigns and upon any person upon whom shall devolve, by operation of law or otherwise, any interest or claim in or to the property of or the interest herein of any party hereto, his or its heirs, executors, administrators, estate trustees, personal representatives, successors and permitted assigns.

15.7. **English Language.** Each of the parties hereto acknowledges that it has required that all documentation in connection with this transaction be drawn upon in the English language. Chacune des parties reconnait par les presentes qu'on a exigé que toute la documentation

concernant cette transaction soit rédigée en anglais.

15.8. **Independent Legal Advice.** The parties acknowledge that each of them:

15.8.1. has had independent legal advice;

15.8.2. understands its rights and obligations under this Agreement and the nature and consequences of the Agreement;

15.8.3. agrees that the terms of the Agreement are fair and reasonable; and

15.8.4. is entering into the Agreement with the prior approval of its Council or its directors and shareholders, as applicable.

15.9. **Construction Clause.** Notwithstanding any rule or maxim of construction to the contrary, any ambiguity or uncertainty will not be construed against any party hereto by reason of the authorship of any of the provisions hereof.

15.10. **Termination of Prior Agreements.** It is agreed that all prior agreements among some or all of the parties hereto regarding the shareholdings of the Corporation, whether written or oral, are hereby terminated.

IN WITNESS WHEREOF this Agreement has been executed by the parties hereto.

SIGNED, SEALED AND DELIVERED in the presence of:

**RIDEAU ST. LAWRENCE HOLDINGS
INC.**

by: _____
President & CEO

by: _____
Vice President & CFO

**THE CORPORATION OF THE TOWN OF
PRESCOTT**

by: _____
Mayor

by: _____
Clerk

**THE CORPORATION OF THE
MUNICIPALITY OF SOUTH DUNDAS**

by: _____
Mayor

by: _____
Clerk

**THE CORPORATION OF THE
TOWNSHIP OF
EDWARDSBURGH/CARDINAL**

by: _____
Mayor

by: _____
Clerk

**THE CORPORATION OF THE VILLAGE
OF WESTPORT**

by: _____
Mayor

by: _____
Clerk

FORTISONTARIO INC.

by: _____
President

by: _____
Vice President

SCHEDULE A

RIDEAU ST. LAWRENCE DISTRIBUTION INC. – SPECIFIC GOVERNANCE REQUIREMENTS

The following are specific corporate government requirements for Rideau St. Lawrence Distribution Inc., which are intended to be supplementary and in addition to its corporate by-laws and other constating documents. If there is any ambiguity or inconsistency between such documents and the items provided for below, the intention is for the items below to govern.

1. Board Composition - Notwithstanding anything to the contrary, Distribution's board of directors shall at all times comply with the requirements under Ontario Energy Board's Affiliate Relationships Code (ARC) for Electricity Distributors, as may be prescribed from time to time. This shall include but not be limited to having at least one-third (1/3) of the directors comprised of independent directors.

SCHEDULE B

PERMITTED BUSINESS ACTIVITIES OF THE CORPORATION AND THE SUBSIDIARIES

The Shareholders acknowledge and agree that the Corporation and the Subsidiaries shall be operated with a view to profitability and maximizing shareholder value, including actively pursuing appropriate growth and merger opportunities relating to the Businesses, adhering to applicable laws and regulations while maintaining appropriate commitments to customer satisfaction, community service, safety and environmental protection. The permitted activities shall include:

- (i) the distribution of electricity, and activities related thereto, in the areas of Prescott, South Dundas, Edwardsburgh/Cardinal and Westport and those other service areas as determined by the Board of Directors from time to time;
- (ii) the provision of retail services; communications; fibre optics; streetlighting, electric vehicle charging, power generation, energy storage, decentralized energy resources, energy conservation, emission reduction services, and activities related thereto; and
- (iii) provision of human resources and asset services to the Corporation, Distribution, Utilities and Services.

Unless the Shareholders otherwise determine by a resolution duly passed by all of them or an instrument in writing signed by all Shareholders, the Corporation and the Subsidiaries shall not, either directly or indirectly, carry on any business other than a business described in this Schedule.



STAFF REPORT TO COUNCIL

Report No. 23-2025

Date: 4/22/2025

From: Matthew Armstrong, Chief Administrative Officer & Treasurer

RE: Staff Report 23-2025 - 2025 Operational Budget

Recommendation:

THAT Council approved the 2025 Operational Budget with total revenues and expenditures of \$12,050,526; AND

THAT Council approve the 2025 Water and Wastewater Budget with total revenues and expenditures of \$3,320,258.

Background:

The 2025 Budget has been developed and reviewed over several meetings.

1. December 2, 2024 – Council reviewed the information that was known to date, pertaining to revenue and expenses for the 2025 budget and discussed a preliminary target range for a property tax rate change for 2025.
2. December 9, 2024 – Council reviewed the Health Services and the Social Services Budgets at the regular meeting of Council.
3. January 13, 2025 – Council reviewed the Administration and Protective Services Budgets at the regular meeting of Council
4. January 27, 2025 – Council reviewed the Transportation, Parks, and Recreation Budgets at the regular meeting of Council
5. February 18, 2025 – Council reviewed the Environmental, Water and Sewer, and Planning and Development Budgets at the regular meeting of Council
6. March 3, 2025 – Council reviewed the Revenue, Fees, and Property Taxes Budgets at the regular meeting of Council



7. March 17, 2025 – Council to review the overall 2025 Operational Budget and how it aligns with the Strategic Plan at the regularly scheduled Council meeting.

Analysis:

The 2025 Operational Budget includes a municipal property tax rate increase of 3.95% inclusive of the 1% dedicated to the Infrastructure Reserve. The education tax rate remains the same as 2024, resulting in an overall property tax rate increase of 3.40%.

The following table provides a breakdown of the municipal property tax and overall tax increases for 2025.

Component	Amount	Municipal	Overall
Joint Services, Health Unit, OPP Increases	73,096	1.08%	0.94%
1% dedicated to Infrastructure	65,248	0.96%	0.84%
Cemetery, Community Grant, Heritage and Library Increases	38,568	0.57%	0.50%
Other Inflationary items	91,404	1.34%	1.15%
Total	268,316	3.95%	3.43%

The table below illustrates the effect on the median property in each category of the 3.40% overall tax increase.

	2024 Median Current Value Assessment	2025 Median Current Value Assessment	Value % Change	2024 Total 2024 Taxes	2025 Total 2025 Taxes	\$ Change	% Change
Single Family Home	158,000	158,000	0.00%	2,878.01	2,770.89	-96.08	-3.59%
Residential Condo Unit	152,000	152,000	0.00%	2,573.83	2,665.77	92.44	3.59%
Apartment Building	1,231,000	1,231,000	0.00%	30,409.36	31,535.81	1,126.45	3.70%
Small Office Building	152,000	152,000	0.00%	5,771.40	5,946.48	175.08	3.03%
Small Retail Commercial	207,000	207,000	0.00%	7,863.73	8,098.17	238.44	3.03%
Standard Industrial	659,400	659,400	0.00%	32,503.41	33,564.03	1,064.62	3.24%

The 2025 Operational Budget will support the Strategic Plan through several initiatives.

- Staff will be coordinating the design work required for the expansion of the Wastewater Treatment Plant and expansion of water and sewer services into Augusta Township in support of the Encouraging Significant Housing Development Priority 1, Object 1.



- The Zoning Bylaw will be updated to align with the Official Plan in support of Encouraging Significant Housing Development Priority 1, Objective 1, and Supporting Business Retention and Growth Priority 1, Objective 2.
- An Economic Development Committee will be created to Support Business Retention and Growth Priority 1, Objective 2
- Ribfest will be coming to Prescott this year to Facilitate a Thriving Downtown Priority 1, Objective 3 and Increase Tourism Priority 3 Objective 1.
- A Youth Advisory Committee and Recreation Committee will be created to Mobilize Youth and Public Engagement Priority 2, Objective 1,
- The Town is financially supporting the Prescott Family Physicians while also participating in the county wide physician recruitment initiative with Health Force Innovations to Promote Community Healthcare and Active Living Priority 2, Objective 2.
- Phase 1 of the outdoor activities at the Seymour Recreation Complex will be constructed this year which Promotes Community Healthcare and Active Living Priority 2, Objective 2 and Enrich Prescott's Recreational and Leisure Infrastructure Priority 3, Objective 3.
- The Grenville Police Services Board for Augusta, Edwardsburgh Cardinal, and Prescott will address the action plan for the Community Safety and Well-being Plan which will Enhance Community Safety and Well-being Priority 2, Objective 3.
- The Water Treatment Plant Filter upgrade is progressing and is expected to be completed this year which will Enhance Community Safety and Security Priority 2, Objective 3.
- The branding and marketing strategy is underway and is expected to be completed this year will Increase Tourism Priority 3, Objective 1.
- It is expected the new wayfinding signage will Increase Tourism Priority 3, Objective 1.
- The continued growth of the Pop-Ups including experiential vendors helps to Maximize Waterfront Use Priority 3, Objective 2.



- The completion of the 2nd Floor, continued expansion of the use of the Leo Boivin Community Centre, and engagement with partner organizations will Enrich Prescott's Recreational and Leisure Infrastructure Priority 3, Objective 3.

Alternatives:

An increase of the overall tax rate to 3.95% would result an additional \$39,492 in Property Tax Revenue which could be transferred into the Fiscal Policy Reserve to address the unknown financial impacts on the budget from tariffs and inflationary pressures that are expected to persist throughout 2025.

	2025 Estimated Total Taxation (\$)			Difference Between 2024 and 2025 Taxation						CVAs Used to determine municipa		
Class	Municipal	Education	Total 2025	Municipal		Education		Total Change		CVA	Tax Ratio	du. Tax Rat
				\$	%	\$	%	\$	%			
Taxable												
Residential	4,318,553	410,384	4,728,937	187,942	4.55%	0	0.00%	187,942	4.14%	268,224,800	1.000000	0.00153000
New Multi-residential	52,972	4,576	57,548	2,305	4.55%	0	0.00%	2,305	4.17%	2,991,000	1.100000	0.00153000
Multi-residential	544,679	34,397	579,077	23,704	4.55%	0	0.00%	23,704	4.27%	22,482,000	1.504757	0.00153000
Com. Occupied	1,546,348	448,324	1,994,672	67,297	4.55%	0	0.00%	67,297	3.49%	50,705,000	1.894162	0.00880000
Com. Exc. Land	7,329	3,021	10,350	319	4.55%	0	0.00%	319	3.18%	343,300	1.325913	0.00880000
Com. Vac. Land	24,855	10,246	35,101	1,082	4.55%	0	0.00%	1,082	3.18%	1,164,300	1.325913	0.00880000
Ind. Occupied	277,050	57,893	334,943	12,057	4.55%	0	0.00%	12,057	3.73%	6,542,800	2.630000	0.00880000
Ind. Exc. Land	3,094	989	4,083	135	4.55%	0	0.00%	135	3.41%	112,400	1.709500	0.00880000
Ind. Vac. Land	19,674	6,290	25,964	856	4.55%	0	0.00%	856	3.41%	714,800	1.709500	0.00880000
Aggregate Extraction	0	0	0	0	0.00%	0	0.00%	0	0.00%	0	0.000000	0.00511000
Pipelines	27,140	10,771	37,911	1,181	4.55%	0	0.00%	1,181	3.22%	1,224,000	1.377180	0.00880000
Farm	0	0	0	0	0.00%	0	0.00%	0	0.00%	0	0.250000	0.00038250
Managed Forests	0	0	0	0	0.00%	0	0.00%	0	0.00%	0	0.250000	0.00038250
Com Total Taxable	1,578,532	461,591	2,040,123	68,698	4.55%	0	0.00%	68,698	3.48%	52,212,600		
Ind Total Taxable	299,818	65,172	364,990	13,048	4.55%	0	0.00%	13,048	3.71%	7,370,000		
Total Taxable	6,821,695	986,892	7,808,588	296,879	4.55%	0	0.00%	296,879	3.95%	354,504,400		

Financial Implications:

The following table captures the 2025 Operational Budget excluding projects.



2025 Operational Budget

	2025 Expense Budget	2025 Revenue Budget	2025 Town Levy
Corporate	1,745,390	2,484,518	(739,128)
Protective	2,410,457	461,048	1,949,409
Transportation	2,628,682	628,064	2,000,618
Environmental	333,200	194,565	138,635
Health	438,010	36,000	402,010
Social	1,001,108	81,200	919,908
Recreation and Cultural	3,056,183	1,312,659	1,743,524
Planning & Development	437,496	70,000	367,496
Total	12,050,526	5,268,054	6,782,472
Water & Wastewater	3,320,258	3,320,258	0
Total	15,370,784	8,588,312	6,782,473

As noted above, the 2025 Operational Budget includes a 3.95% municipal property tax rate increase. The educational tax rates for 2025 are unchanged from 2024. This results in an overall property tax rate increase of 3.43%.

The 2025 Operational Budget includes a contribution to reserves of \$1,298,378 before capital and operational projects are considered. The Waste and Wastewater Budgets include a contribution to reserves of \$445,205.

The table below shows the effects of the change on each tax class.

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	2025 Estimated Total Taxation (\$ Difference Between 2024 and 2025 Taxation)								CVAs Used to determine municipal le			
Class	Municipal	Education	Total 2025	Municipal		Education		Total Change		CVA	Tax Ratio	Edu. Tax Rate
				\$	%	\$	%	\$	%			
Taxable												
Residential	4,293,724	410,384	4,704,108	163,113	3.95%	0	0.00%	163,113	3.59%	268,224,800	1.000000	0.00153000
New Multi-residential	52,668	4,576	57,244	2,001	3.95%	0	0.00%	2,001	3.62%	2,991,000	1.100000	0.00153000
Multi-residential	541,547	34,397	575,945	20,573	3.95%	0	0.00%	20,573	3.70%	22,482,000	1.504757	0.00153000
Com. Occupied	1,537,457	448,324	1,985,781	58,406	3.95%	0	0.00%	58,406	3.03%	50,705,000	1.894162	0.00880000
Com. Exc. Land	7,287	3,021	10,308	277	3.95%	0	0.00%	277	2.76%	343,300	1.325913	0.00880000
Com. Vac. Land	24,712	10,246	34,958	939	3.95%	0	0.00%	939	2.76%	1,164,300	1.325913	0.00880000
Ind. Occupied	275,458	57,893	333,351	10,464	3.95%	0	0.00%	10,464	3.24%	6,542,800	2.630000	0.00880000
Ind. Exc. Land	3,076	989	4,065	117	3.95%	0	0.00%	117	2.96%	112,400	1.709500	0.00880000
Ind. Vac. Land	19,561	6,290	25,851	743	3.95%	0	0.00%	743	2.96%	714,800	1.709500	0.00880000
Aggregate Extraction	0	0	0	0	0.00%	0	0.00%	0	0.00%	0	0.000000	0.00511000
Pipelines	26,984	10,771	37,755	1,025	3.95%	0	0.00%	1,025	2.79%	1,224,000	1.377180	0.00880000
Farm	0	0	0	0	0.00%	0	0.00%	0	0.00%	0	0.250000	0.00038250
Managed Forests	0	0	0	0	0.00%	0	0.00%	0	0.00%	0	0.250000	0.00038250
Com Total Taxable	1,569,456	461,591	2,031,047	59,622	3.95%	0	0.00%	59,622	3.02%	52,212,600		
Ind Total Taxable	298,094	65,172	363,267	11,324	3.95%	0	0.00%	11,324	3.22%	7,370,000		
Total Taxable	6,782,473	986,892	7,769,366	257,657	3.95%	0	0.00%	257,657	3.43%	354,504,400		

The 2025 Water and Wastewater Budgets were brought forward to Council as part of the review process. The Wastewater Treatment Board met on April 3, 2025 and approved the Wastewater Treatment Plant Budget for 2025. The Waste and Wastewater Budget for 2025 requires a 4.0% rate increase effective July 1, 2025.

Attachments:

None



STAFF REPORT TO COUNCIL

Report No. 24-2025

Date: 4/22/2025

From: Matthew Armstrong, Chief Administrative Officer & Treasurer

RE:2025 Capital and Operational Projects Budget

Recommendation:

That Council approves the 2025 Capital and Operating Projects as outlined in Staff Report 24-2025

Background:

The following process was used to develop the 2025 Projects Budget.

2025 Project Budget Development Timelines

1. November 5, 2024 – January 3, 2025 – Staff and Council develop and submit project ideas for 2025
2. November 18, 2024 - Review of key infrastructure projects at the regularly scheduled meeting of Council
3. December 2, 2024 – Approval of key infrastructure projects at the regularly scheduled meeting of Council to allow for tender release
4. January 13, 2025 – Council reviews the initial project list at the regularly scheduled Council meeting. This meeting is expected to illicit comments and questions around the ideas that have been generated thus far
5. January 14, 2025 – February 7, 2025 - Staff and Council identify project top priorities for 2024
6. February 18, 2025 – Council to prioritize projects at the regularly scheduled Council meeting



7. March 17, 2025 – Council to review the overall 2025 Project Budget and how it aligns with the Strategic Plan.

The following table outlines the description and funding sources for various projects that are being put forward for approval for 2025.

2025 Capital and Operational Projects

Description	Strategic Plan / Type	Estimated Cost	Funding Source
East Street Reconstruction – Dibble/(James) to King Street	Replacement	1,400,000 / (2,100,000)	Water/Wastewater Reserves & Canada Community Building Funding
Replacement of Docks B, C, & D	Replacement	540,000	Marina and Infrastructure Reserve
Tender for demolition of old water tower	Priority 1, Objective 1	500,000	Water Tower Debt
River Route Bus	Replacement	180,000	Canada Rural Transit Solutions Fund & River Route Reserve
Truck Replacement	Replacement	80,000	Public Works Reserve
Brockville and District Hospital Foundation Donation Year 8 of 10	Commitment – Donation	30,000	Fiscal Policy Reserve
Tri-Municipal Recreation Master Plan Update	Priority 3, Objective 3	30,000	Recreation Reserve
Fire Department Replacement Gear – Health & Safety	Health & Safety	30,000	Fire Department Reserve
Replace Town Hall HVAC Unit	Replacement	16,700	Building Reserve
Brand Strategy Implementation	Priority 3, Objective 1	15,000	Fiscal Policy Reserve
Pool Building Repairs	Repairs	10,000	Recreation Reserve
Play structure deficiency fixes – Health & Safety	Health & Safety	10,000	Parks Reserve



Marina Washroom Refresh	Repairs	10,000	Fiscal Policy Reserve
Pool walls and floor repairs	Repairs	10,000	Recreation Reserve
Prescott Family Medical Associates – Support Request – Year 1	Priority 2, Objective 2	7,333	St. Lawrence Lodge Reserve
Physician Recruitment and Health Human Resources Project – Year 1	Priority 2, Objective 2	7,020	St. Lawrence Lodge Reserve
Condition Assessment – Salt Dome	Future Planning	7,000	Building Reserve
Marina Pathway – Pop-ups to marina	Priority 3, Objective 2	5,000	Fiscal Policy Reserve
Total		2,888,053	

Alternatives:

Council could decide not to modify the list of 2025 Projects or decide not to approve them at this time.

Financial Implications:

The table below shows the methods being used to fund the 2025 Capital and Operation Projects.

2025 Capital and Operational Project Funding	
Total Capital and Operational Projects	2,888,053
Project Financing	
Reserves	1,429,053
Debt	500,000
Funding	959,000
Total Capital and Operational Projects	2,888,053

The following tables show the change in the estimated balances of the reserves with the addition of contributions included in the Draft – 2025 Operating Budget and the subtraction of the Projects as outlined above.

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Reserve Fund	2023	2024 Budget	2024 Budget	2024 Est	2025 Budget	2025 Budget	2024 Est
	Balance	Contributions	Usage	Balance	Contributions	Usage	Balance
Working Funds	880,000	-		880,000	-	-	880,000
Fiscal Policy	202,010	170,000	(331,500)	40,510	70,000	(60,000)	50,510
Election	9,510	5,100	-	14,610	5,100	-	19,710
Building	93,579	24,550	-	118,129	24,550	(23,700)	118,979
Emergency Management	2,011	-	-	2,011	-	-	2,011
Community Centre	-	300,000	(300,000)	-	300,000	(300,000)	-
Planning & Building Department	21,621	-	-	21,621	-	-	21,621
Community Improvement Plan	189,989	225,000	-	414,989	25,000	-	439,989
PSB Sponsored Programs	3,351	-	-	3,351	-	-	3,351
Fire Vehicles/Equipment	58,956	30,000	(30,000)	58,956	30,000	(30,000)	58,956
Infrastructure Reserve	28,426	-	-	28,426	-	-	28,426
Public Works Vehicle/Equipment	118,921	91,525	-	210,446	108,880	(80,000)	239,326
Heritage	2,068	-	-	2,068	-	-	2,068
Recreation	75,000	25,000	(9,000)	91,000	25,000	(50,000)	66,000
Library	27,718	-	-	27,718	-	-	27,718
Library E-Learning	1,050	-	-	1,050	-	-	1,050
Kinsmen	1,235	-	-	1,235	-	-	1,235
Outdoor Rink Bell Sport	1,328	-	-	1,328	-	-	1,328
Walker House Building	5,250	1,750	-	7,000	1,750	-	8,750
Marina	713	79,435	(75,000)	5,148	79,435	(80,000)	4,583
Business Improvement Area	40,134	-	-	40,134	-	-	40,134
Parks	17,174	12,600	(10,000)	19,774	12,600	(10,000)	22,374
Water Fountain	18,276	3,000	-	21,276	3,000	-	24,276
Cemetery Board	36,940	-	-	36,940	-	-	36,940
Dedicated Infrastructure	147,344	398,977	(325,000)	221,321	464,225	(460,000)	225,546
Municipal Modernization	60,655	-	-	60,655	-	-	60,655
Public Transit	36,777	-	-	36,777	-	(36,000)	777
St. Lawrence Lodge	-	102,136	-	102,136	148,838	(14,353)	236,621
Sanitary Sewer	46,373	183,969	-	230,342	174,392	(350,000)	54,734
Wastewater Plant	3,592,829	66,700	-	3,659,529	202,185	-	3,861,714
Water Department	73,560	156,751	-	230,311	58,769	(235,000)	54,080
Water Treatment Plant	935,219	-	(450,000)	485,219	9,859	-	495,078
Total	6,728,015	1,876,493	(1,530,500)	7,074,008	1,743,583	(1,729,053)	7,088,538

Attachments:

None

**THE CORPORATION OF THE
TOWN OF PRESCOTT**

BY-LAW NO. 17-2025

**A BY-LAW TO ADOPT THE PROCEEDINGS OF THE
COUNCIL MEETING HELD ON APRIL 22, 2025.**

WHEREAS, Section 5(3) of the *Municipal Act, 2001 S.O. 2001, c.25, as amended*, provides that Council's powers shall be exercised by by-law; and

WHEREAS certain actions of Council do not require the enactment of a specific by-law;

NOW THEREFORE BE IT RESOLVED THAT, the Council of the Corporation of the Town of Prescott enacts as follows:

1. Subject to Paragraph 3 of this by-law, the proceedings of the above-referenced Council meeting, including all Resolutions, By-laws, Recommendations, Adoptions of Committee Reports, and all other motions and matters decided in the said Council Meeting are hereby adopted and confirmed, and shall have the same force and effect, as if such proceedings were expressly embodied in this by-law.
2. The Mayor and Clerk are hereby authorized to execute all such documents, and to direct other officials of the Town to take all other action, that may be required to give effect to the proceedings of the Council Meeting referred to in Paragraph 1 of this by-law.
3. Nothing in this by-law has the effect of conferring the status of a by-law upon any of the proceedings of the Council Meeting referred to in Paragraph 1 of this by-law where any legal prerequisite to the enactment of a specific by-law has not been satisfied.
4. Any member of Council who complied with the provisions of Section 5 of the Municipal Conflict of Interest Act, R.S.O. 1990, Chapter M.50 respecting the proceedings of the Council Meeting referred to in Paragraph 1 of this by-law shall be deemed to have complied with said provisions in respect of this by-law.

READ AND PASSED, SIGNED AND SEALED THIS 22nd DAY OF APRIL 2025.

Mayor

Clerk