

CANADA – BRITISH COLUMBIA
MUNICIPAL RURAL INFRASTRUCTURE FUND AGREEMENT
AMENDMENT N° 2

THIS AMENDING AGREEMENT (the “Amending Agreement”) is entered in quadruplicate on this ___ day of _____ 2009,

BETWEEN: **HER MAJESTY THE QUEEN IN RIGHT OF CANADA**, represented by the Minister of Transport, Infrastructure and Communities and the Minister of Western Economic Diversification

AND

THE GOVERNMENT OF THE PROVINCE OF BRITISH COLUMBIA ("British Columbia") represented by the Minister of Transportation and Infrastructure and the Minister of Community and Rural Development,

Collectively referred to as the “Parties”;

WHEREAS the Parties entered into the Canada – British Columbia Municipal Rural Infrastructure Fund Agreement (“Original Agreement”) dated 19th day of June 2006;

WHEREAS by amending Agreement dated the 29th day of May 2007, (“the First Amending Agreement”), the Parties agreed, amongst other things, to adjust the financial terms of their contributions to MRIF;

(The Original Agreement and the First Amending Agreement are herein collectively referred to as the “Agreement”.)

AND WHEREAS the Parties agree that unforeseen project complexity, changes to federal and provincial standards, and difficulties in coordinating interdependent projects, have resulted in unavoidable delays;

AND WHEREAS the Parties agree that these unavoidable delays may result in the lapse of funds publicly promised to British Columbia;

AND WHEREAS the Parties wish to amend critical deadlines and to extend the termination date of this Agreement.

NOW THEREFORE, in accordance with the principles set out above, the Parties hereby agree as follows:

1. Subsection 3.3 of the Agreement is deleted and replaced with the following:

The total contribution by Canada will be notionally allocated as follows:

Fiscal year	British Columbia	Canada
2007-2008	\$500,000	\$500,000
2008-2009	\$ 10,000,000	\$ 10,000,000
2009-2010	\$18,000,000	\$18,000,000
2010-2011	\$23,000,000	\$23,000,000
2011-2012	\$23,091,000	\$23,091,000
TOTAL	\$ 74,591,000	\$ 74,591,000

2. Subsection 7.2 of the Agreement is deleted and replaced by the following:

“Canada will pay claims in respect of Eligible Costs provided they are received by Canada:

- a) No later than March 31 of the year following the Fiscal year in which the Eligible Cost was incurred; and
- b) In any event, no later than March 31, 2013”

3. Subsection 7.3 (Contribution Imbalance) of the Agreement is deleted and replaced by the following:

“The parties shall ensure that by October 1, 2013, each has paid the same amount in contributions and in direct expenses for the administration of this Agreement as per Section 3.1, and will correct any imbalance by March 31, 2014.”

4. Subsection 11.2 of the Agreement is deleted and replaced by the following:

“This Agreement will be effective when signed by the Parties and will end on March 31, 2014.”

5. Schedule A.1, A.1.1 (f) is deleted and replaced by the following:

“Stipulate a project completion date of no later than March 31, 2012.”

6. All dates in the headers of the Agreement are replaced by “2006/2007 – 2013/2014.”

7. All capitalized terms not otherwise defined in this Amending Agreement have the meaning ascribed to them in the Agreement.

8. All other sections of the Agreement remain unchanged and in full force and effect.

This Amending Agreement may be signed in counterpart, and the signed copies will, when compiled, constitute an original Amending Agreement.

This Amendment has been executed on behalf of Canada by the Minister of Transport, Infrastructure and Communities and the Minister of Western Economic Diversification and on behalf of British Columbia by the Minister of Transportation and Infrastructure and the Minister of Community and Rural Development.

