

THIS AMENDING AGREEMENT made this 4<sup>th</sup> day of September, 2008.

BETWEEN:

**HER MAJESTY IN RIGHT OF CANADA ("Canada")**  
represented by the Minister of Transport, Infrastructure and Communities

- and -

**HER MAJESTY IN RIGHT OF THE PROVINCE OF SASKATCHEWAN**  
("Saskatchewan")  
represented by the Minister of Municipal Affairs

**WHEREAS** Canada and Saskatchewan entered into an Agreement for the Transfer of Federal Gas Tax Revenues Under the New Deal for Cities and Communities dated August 23, 2005, (the "Canada-Saskatchewan Agreement"), whereby Saskatchewan agreed to administer funds made available pursuant to the Canada-Saskatchewan Agreement on behalf of Canada;

**AND WHEREAS** the Canada-Saskatchewan Agreement outlines a joint framework for the transfer of funds to Saskatchewan in order to provide Saskatchewan's Local Governments with stable, reliable and predictable funding for environmentally sustainable infrastructure purposes;

**AND WHEREAS** Canada and Saskatchewan have agreed to amend the Agreement;

**NOW THEREFORE** this Amending Agreement witnesseth that:

1. The preamble forms an integral part of this Amending Agreement.

2. Terms not defined in this Amending Agreement have the meanings assigned in the Canada-Saskatchewan Agreement.
3. The defined term "Northern Municipality" under Section 1, Interpretation, be amended to include the Flin Flon Boundary Area which lies in Saskatchewan as follows:

**"Northern Municipality"** means a municipality as defined in The Interpretation Act, 1995 (Saskatchewan), or any equivalent successor legislation and includes the City of Flin Flon, Manitoba for the boundary area as defined in The Flin Flon Extension of Boundaries Act, 1952.

4. Sub-section 6.2.9 be amended to provide sufficient time for Flin Flon, Manitoba to submit its first Infrastructure Investment Plan as follows:

Sub-section 6.2.9

A municipality may accumulate its annual Funds allocations up until March 31, 2008, at which time, if an Infrastructure Investment Plan has not been submitted by the municipality, Ministers may, after receiving the Committee's advice, redirect the municipality's allocation for use by other municipalities for Eligible Projects described in sub-sections 6.2.1 and 6.2.2 except in the case of Flin Flon, Manitoba which may accumulate its annual Funds allocation up until March 31, 2009.

5. Sub-section 6.2.2 be amended to allow for the New Deal Partnership Committee to make recommendations to the Parties to exempt some municipalities from meeting the requirement that twenty percent of each municipality's total allocation be applied towards eligible projects that produce Regional Benefit, as follows:

#### Sub-section 6.2.2

Twenty percent of each municipality's total allocation for the period beginning with Fiscal Year 2005-06 and ending with Fiscal Year 2009-10 is to be used for Eligible Projects that produce Regional Benefit; notwithstanding subject to the following:

- a municipality is not required to use any portion of its allocation during the first two Fiscal Years of this Agreement for Eligible Projects producing Regional Benefit; *and*
- an exemption to 6.2.2 may be approved by the New Deal Partnership Committee.

The percentage of each municipality's allocation for each Fiscal Year to be used for Eligible Projects producing Regional Benefit will be reviewed as part of the evaluation described in section 7.3 of this Agreement.

6. Section 5.1 and sub-section 7.1.1 be amended as follows to reflect December 31 of each year as the new date by which Saskatchewan deliver its Annual Allocation and Expenditure Report to Canada:

#### Section 5.1

Provided there is no default under section 8.2 of this Agreement, Canada's annual contribution, as set out in sub-section 3.1.1, will be paid to Saskatchewan for deposit in the account referred to in sub-section 6.4.1 in equal semi-annual payments as follows:

- i. the first payment will be made not later than July 1<sup>st</sup> of each Fiscal Year; *and*
- ii. the second payment will be made not later than February 1<sup>st</sup> of each Fiscal Year.

Sub-section 7.1.1

Saskatchewan agrees to:

- a. prepare and deliver to Canada no later than ~~September 30~~ December 31 of each year, in respect of the prior Fiscal Year, an Annual Allocation and Expenditure Report; (...)

7. Sub-section 6.4.4 be amended to broaden the use of interest earned to include capacity building projects sponsored by at least one of Saskatchewan's municipal associations, as follows:

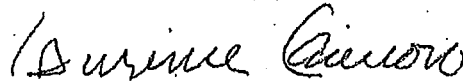
Sub-section 6.4.4

Interest earned on funds held by Saskatchewan shall be deposited to the account referred to in sub-section 6.4.1 and shall be used only for the purpose of making payments to municipalities, or for paying administrative costs incurred by Saskatchewan in the delivery of funds, or in fulfilling the reporting and audit requirements set out below in Section 7, if approved pursuant to 6.4.3 above, or to support the capacity building efforts of the Saskatchewan Urban Municipalities Association and/or the Saskatchewan Association of Rural Municipalities, and/or the New North - Saskatchewan Association of Northern Communities Services Inc., provided that these associations submit in advance, for review and approval by the New Deal Partnership Committee, a proposal justifying such use of funds.

8. This amendment may be signed in counterpart, and the signed copies will, when compiled, constitute an original Amendment.

IN WITNESS WHEREOF this Agreement has been executed by the duly authorized officers of the parties hereto as of the date first above written.

**GOVERNMENT OF CANADA**



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The Honourable Lawrence Cannon  
Minister of Transport, Infrastructure and  
Communities

**GOVERNMENT OF SASKATCHEWAN**



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The Honourable Bill Hutchinson  
Minister of Municipal Affairs