

CONDITIONAL GRANT AGREEMENT

THIS AGREEMENT is effective June 18, 2020 (the “Effective Date”).

BETWEEN:

HER MAJESTY THE QUEEN IN RIGHT OF ONTARIO as represented by the **Minister of Economic Development, Job Creation and Trade** (hereinafter referred to as “Ontario”)

-AND-

THE CORPORATION OF THE TOWN OF TILLSONBURG (hereinafter referred to as the “Recipient”)

RECITALS:

1. The Recipient intends to implement the Project, as defined below. The Project will lead to long term economic benefits to the Province of Ontario through investment, job creation and/or job retention related to the Project.
2. Pursuant to the *Attracting Investment and Creating Jobs Act, 2012* (Ontario), Ontario is continuing the *Southwestern Ontario Development Fund program (“SWODF”)* to assist regional/municipal/sectoral organizations in Ontario to support business investment and economic development in key sectors in Ontario.
3. Ontario has agreed to provide a Grant to the Recipient on the terms more particularly described in this Agreement in order to assist the Recipient with the financing of the Project and the delivery of economic benefits to the community.

NOW THEREFORE THIS AGREEMENT WITNESSES that in consideration of the mutual promises and covenants contained in this Agreement, and other good and valuable consideration, the receipt and sufficiency of which is expressly acknowledged by the parties, Ontario and the Recipient agree as follows:

ARTICLE 1 - INTERPRETATION

- 1.1 Definitions. The following terms shall have the meanings ascribed to them below unless there is something in the context inconsistent therewith:

“**Actual Investment**” means the dollar amount of the actual and verifiable expenditures made by the Recipient on account of the Project Investment Commitment as at the date such calculation is to be made.

“Agreement” means this agreement, including all of the Schedules hereto, and all amendments made hereto in accordance with the provisions hereof.

“Amount Incurred” has the meaning set out in section 5.2(a)(i).

“Annual Cap” means the maximum financial obligation payable by Ontario in each Fiscal Year set out in section 5.1.

“Applicable Laws” means any law, statute, by-law, ordinance, decree, requirement, directive, order, judgment, license, permit, code or regulation having the force of law, and any applicable determination, interpretation, ruling, order or decree, of any governmental authority or arbitrator, which is legally binding at such time.

“Arm’s Length” has the meaning attributed thereto for the purposes of the *Income Tax Act* (Canada) and **“Non-Arm’s Length”** shall have the opposite meaning.

“Business Plan” means the business plan prepared by the Recipient and approved by Ontario on January 21, 2020 and supporting material submitted to Ontario in support of a request for the Grant.

“Carry Forward Amount” has the meaning set out in section 5.2(c).

“CPA Canada” means the Chartered Professional Accountants of Canada and any successor institute.

“Deemed Abandonment” means the failure to complete the Project on or before the Project Completion Date in the opinion of Ontario, acting reasonably.

“Disbursement” means any payment of funds by Ontario to the Recipient on account of the Grant and includes the Performance Payment.

“Effective Date” means the date first set out herein.

“Eligible Project Expenditures” means the dollar amount of the actual and verifiable expenditures made by the Recipient on account of the Eligible Project Expenditures Categories incurred and paid from the Project Start Date up to and including the Project Completion Date, or such other date as required under the Agreement.

“Eligible Project Expenditures Categories” means the categories of eligible expenditures related to the Project set out in Schedule “B”.

“Eligible Project Expenditures Table” means the Eligible Project Expenditures table substantially in the form contained in Schedule “C”.

“Event of Default” means the occurrence of any one or more of the events listed in section 10.1.

“Final Certificate and Report” means a final certificate substantially in the form of Schedule “F”, including all required attachments.

“Financial Statements” means the annual financial statements consisting of a statement of income, balance sheet, and statement of cash flow for a Fiscal Year, together with the notes thereto, all prepared in accordance with GAAP.

“Fiscal Year” means any of Fiscal Year 1, Fiscal Year 2 or Fiscal Year 3 (and **“Fiscal Years”** means more than one of them), where:

“Fiscal Year 1” means the period from the Project Start Date to and including December 31, 2020;

“Fiscal Year 2” means the period from January 1, 2021 to and including December 31, 2021; and

“Fiscal Year 3” means the period from January 1, 2022 to and including December 31, 2022.

“Force Majeure” has the meaning set out in section 11.13.

“GAAP” means Canadian generally accepted accounting principles as adopted by CPA Canada applicable as at the date on which such calculation is made or required to be made in accordance with generally accepted accounting principles and includes International Financial Reporting Standards to the extent the same is adopted by CPA Canada and is in effect on the relevant date.

“Government Assistance” has the meaning set out in section 2.4(a).

“Grant” means a conditional grant in the total amount of up to \$1,205,000, as such amount may be reduced in accordance with section 5.2.

“Hazardous Substance” means any pollutant, contaminant or substance that when released to the natural environment is likely to cause, at some immediate or future time, material harm or degradation to the natural environment or a material risk to human health and without restricting the generality of the foregoing, Hazardous Substance includes any pollutant, contaminant, waste, hazardous waste or dangerous good as defined by Applicable Laws for the protection of the natural environment or human health.

“HST” means tax imposed under Part IX of the *Excise Tax Act* (Canada) and any similar value-added or multi-staged tax imposed by any jurisdiction.

“Indemnified Parties” means Her Majesty the Queen in right of Ontario, Her Ministers, agents, appointees and employees.

“Independent Auditor’s Report” means the independent auditor’s report substantially in the form of Schedule “F-1”.

“Intellectual Property” means any intellectual, industrial or other proprietary right of any type in any form protected or protectable under the laws of Canada, any foreign country, or any political subdivision of any country, including, without limitation, any intellectual, industrial or proprietary rights protected or protectable by legislation, by common law or at equity.

“Investment Target Clawback” has the meaning set out in section 4.1.

“IP Rights” has the meaning set out in section 7.1(o)(i).

“Material Adverse Effect” means a material adverse effect on the business, assets, operations or financial condition of the Recipient.

“Ontario Support” means the actual amount of monies advanced by Ontario to the Recipient on account of the Grant.

“Performance Payment” means the final Disbursement, if any, calculated in accordance with section 5.3.

“Person” includes an individual, partnership, whether general, limited or undeclared, corporation, limited liability company, unlimited liability company, joint stock company, trust, unincorporated association, joint venture, governmental authority or other entity of whatever nature.

“Post-Project Fiscal Year” means any of Post-Project Fiscal Year 4, Post-Project Fiscal Year 5, or Post-Project Fiscal Year 6, where:

“Post-Project Fiscal Year 4” means the period from January 1, 2023 to and including December 31, 2023;

“Post-Project Fiscal Year 5” means the period from January 1, 2024 to and including December 31, 2024; and

“Post-Project Fiscal Year 6” means the period from January 1, 2025 to and including December 31, 2025.

“Project” has the meaning set out in summary in Schedule “A” and in greater detail in Schedule “A-1”.

“Project Completion Date” means December 31, 2022.

“Project Financing” means the financing for the Project as more particularly set out in Schedule “A-1”.

“Project Investment Commitment” means the minimum expenditures of \$2,410,000 on account of Eligible Project Expenditures.

“Project Investment Commitment Budget” means the Project investment commitment budget set out in Schedule “B-1”.

“Project Start Date” means April 16, 2020.

“Project Status Report” means the report substantially in the form of Schedule “C”.

“Project Site” means the project site located at *3001 Highway 3, Tillsonburg, ON N4G 5A7* and legally described as Part of Lots 1 and 2, Concession 5 North of Talbot Road,

Geographic Township of Middleton, Town of Tillsonburg, County of Oxford, and more particularly described as Parts 1, 4, 5, 6, 7, 8, 9, 10, 11, 12 and 13, Plan 41R-8326 and Parcel Identification Numbers 000380020, 000380157, 000380023, 000380024, 000380022.

“**Provincial Stacking Exceptions**” has the meaning set out in section 2.4(a).

“**Related Parties**” includes any member, director, officer or employee of the Recipient or any individual related by blood, adoption or marriage to any such person or any other Person not dealing at Arm’s Length with any such person.

“**Request for Disbursement**” means the senior officer’s certificate substantially in the form of Schedule “E”.

“**Term**” means the term of the Agreement which shall commence on the Effective Date and shall expire on July 31, 2023, unless terminated earlier in accordance with the provisions of the Agreement.

- 1.2 Currency. Any reference to currency is to Canadian currency and any amount advanced, paid or calculated is to be advanced, paid or calculated in Canadian currency.
- 1.3 Auditors. Other than audits conducted under section 6.8, all references to auditors in the Agreement are to independent third party external licensed public accountants.
- 1.4 Conflict. In the event of a conflict between any provision in the Schedules to the Agreement and the body of the Agreement, the provisions of the body of the Agreement shall prevail.
- 1.5 Schedules. All references to Schedules refer to Schedules of the Agreement which are part of and form an integral part of the Agreement. The schedules of the Agreement are:

| | |
|----------------|--|
| Schedule “A” | Table of Summary Project Information |
| Schedule “A-1” | Project Description, Milestones, Deliverables, Timelines and Project Related Definitions |
| Schedule “B” | Eligible Project Expenditures Categories |
| Schedule “B-1” | Project Investment Commitment Budget |
| Schedule “C” | Project Status Report |
| Schedule “D” | Annual Certificate |
| Schedule “E” | Request for Disbursement |
| Schedule “F” | Final Certificate and Report |
| Schedule “F-1” | Independent Auditor’s Report |
| Schedule “G” | Post-Project Annual Report |

- 1.6 Reference to Statute or Regulation. Any reference to a statute is to such statute and to the regulations made pursuant to such statute as such statute and regulations may at any time be amended or modified and in effect and to any statute or regulations that may be passed that have the effect of supplanting or superseding such statute or regulations, unless provided otherwise within the Agreement.
- 1.7 Singular/Plural and Gender Terms. Each definition in the Agreement using a singular capitalized term or other word or phrase within the Agreement shall also apply to the plural

form and such term, word or phrase and *vice versa*. All references to the masculine gender shall include reference to the feminine or neuter gender and *vice versa* in each case as the context may permit or require.

- 1.8 Sections and Other Headings. The section and other headings contained in the Agreement are for reference purposes only and shall not affect the meaning or interpretation of the Agreement.
- 1.9 Recitals. The recitals to the Agreement do not form part of the Agreement.

ARTICLE 2 – THE PROJECT

- 2.1 Completion of Project. The Recipient shall complete the Project on or before the Project Completion Date in accordance with the Project description, milestones and deliverables, timelines and Project Investment Commitment Budget, all as more particularly set out in Schedules “A-1” and “B-1”.
- 2.2 Project Investment. The Recipient agrees to invest in the Project a minimum amount equal to the Project Investment Commitment from the Project Start Date up to and including the Project Completion Date.
- 2.3 Project Financing. The Recipient agrees that financing for completion of the Project has been confirmed as described in Schedule “A-1”. Any overruns or Project Financing deficiencies are to be the responsibility of the Recipient. In the event that the expected Project Financing becomes unavailable, the Recipient shall provide the funding from internal or other resources acceptable to Ontario.
- 2.4 Stacking.
- (a) Stacking with other provincial programs is not permitted except that the Recipient may receive supports provided through SWODF’s complementary services (“**Provincial Stacking Exceptions**”). The total amount of provincial and federal assistance for Eligible Project Expenditures, including those received from the Provincial Stacking Exceptions (collectively, “**Government Assistance**”) cannot exceed 75% of the Eligible Project Expenditures.
- (b) If Ontario determines that the Recipient has received Government Assistance that exceeds 75% of Eligible Project Expenditures, then the Recipient shall pay to Ontario, within 20 days of being notified by Ontario, an amount equal to the excess. For clarity, in no event shall the Recipient be required to pay to Ontario any amount under this section 2.4(b) greater than the Ontario Support together with the costs of collection pursuant to section 10.6 and interest pursuant to section 10.7.

ARTICLE 3 – CONDITIONAL GRANT

- 3.1 Grant. Subject to and in accordance with the terms and conditions of the Agreement, and in reliance on the representations and warranties in Article 7, Ontario agrees to provide the Grant to the Recipient to assist the Recipient to finance Eligible Project Expenditures.
- 3.2 Use of Funds. All Grant funds shall be used by the Recipient solely for the payment of Eligible Project Expenditures.

- 3.3 Interest Bearing Account. If Ontario provides Grant funds before the Recipient's immediate need for the Grant funds, the Recipient shall place the Grant funds in an interest bearing account in the name of the Recipient at a Canadian financial institution.

ARTICLE 4 - MANDATORY REPAYMENT OF GRANT

- 4.1 Investment Target Clawback. If the Project Investment Commitment is not achieved on or before the Project Completion Date, the Recipient shall repay a cash amount to Ontario in accordance with the following formula:

$$\text{Investment Target Clawback} = \text{Ontario Support} - \left(\frac{\text{Actual Investment}}{\text{Project Investment Commitment}} * \$\text{Grant} \right)$$

^^When calculating the Investment Target Clawback at the Project Completion Date, the Ontario Support shall be deemed to include any earned but unpaid portion of the Performance Payment

The Investment Target Clawback shall be calculated as at the earlier of (i) an Event of Default; and (ii) the Project Completion Date. The Recipient shall repay the Investment Target Clawback, if any, within 20 days of notification in writing from Ontario. Notwithstanding any other provision of the Agreement, if the Recipient does not deliver to Ontario the Independent Auditor's Report and the Final Certificate and Report within the required time, then the Investment Target Clawback amount shall be deemed to be an amount equal to the Ontario Support, which amount shall be immediately due and payable.

For greater certainty, should an Investment Target Clawback calculation result in a negative amount, such amount shall be deemed to be zero.

- 4.2 Maximum Clawback. Notwithstanding anything contained in the Agreement, the Investment Target Clawback cannot be negative or greater than the Ontario Support. Upon notice to the Recipient, interest shall accrue on the calculated amount in accordance with section 10.6.

ARTICLE 5 - TERMS AND CONDITIONS OF DISBURSEMENTS

- 5.1 Annual Cap. Subject to the provisions of the Agreement, the Grant is to be paid in annual instalments which shall not exceed the Annual Cap for each Fiscal Year. The Annual Cap for each Fiscal Year is the maximum amount specified below:

- (a) Fiscal Year 1 - \$241,000;
- (b) Fiscal Year 2 - \$723,000; and
- (c) Fiscal Year 3 - \$241,000 (being the Performance Payment).

- 5.2 Disbursement Calculation.

- (a) Disbursement Amount. For Fiscal Year 1, Ontario will disburse the Fiscal Year 1 Annual Cap in accordance with section 5.4; for all remaining Fiscal Years, in each Fiscal Year, Ontario will disburse the lesser of:
 - (i) the aggregate of (i) 50% Eligible Project Expenditures incurred and paid in that Fiscal Year (the "**Amount Incurred**") and (ii) any Carry Forward Amount; and

- (ii) the Annual Cap for that Fiscal Year.
- (b) Reduction of Grant.
 - (i) For Fiscal Years 1 and 2. Where the sum of the Amount Incurred in respect of Fiscal Year 1 and Fiscal Year 2 is less than the sum of the Annual Cap for Fiscal Year 1 and Fiscal Year 2, Ontario may reduce the aggregate amount of the Grant without liability, penalty or cost by the difference between (i) the sum of the Annual Cap for Fiscal Year 1 and Fiscal Year 2 and (ii) the sum of the Amount Incurred in respect of Fiscal Year 1 and Fiscal Year 2.
 - (ii) All remaining Fiscal Years. Where the Disbursement in a Fiscal Year, other than Fiscal Year 1 and Fiscal Year 2, is less than the Annual Cap for that Fiscal Year, Ontario may reduce the aggregate amount of the Grant without liability, penalty or cost by the difference between the Annual Cap and the Disbursement.
- (c) Determination of Carry Forward Amount. The “**Carry Forward Amount**” means the amount by which the Amount Incurred in a Fiscal Year exceeds the Annual Cap for that Fiscal Year. Each time a Carry Forward Amount is applied in a Disbursement calculation, the Carry Forward Amount available in the next Fiscal Year shall be reduced by the amount of the Carry Forward Amount already disbursed; any unused portion of any Carry Forward Amount shall continue to be included in the Disbursement calculation in succeeding Fiscal Years until all Carry Forward Amounts are fully exhausted. For the avoidance of doubt, in no event shall the Recipient be entitled to receive any funds in excess of the maximum amount of the Grant under the Agreement.

5.3 Performance Payment Disbursement. Subject to the provisions of the Agreement, Ontario will disburse the Performance Payment within 90 days of:

- (a) the Recipient meeting to Ontario’s satisfaction the conditions of disbursement including, in accordance with section 5.6, providing Ontario with a Request for Disbursement and the necessary evidence that the Recipient has incurred and paid Eligible Project Expenditures since the date of the immediately preceding Disbursement; and
- (b) receipt and acceptance by Ontario of an Independent Auditor’s Report and a Final Certificate and Report as required pursuant to sections 6.6 and 6.7.

Provided however that the Performance Payment shall be reduced by the amount of the Investment Target Clawback, if any. If the Performance Payment is less than the Investment Target Clawback, the Recipient shall pay to Ontario the difference between the Investment Target Clawback and the Performance Payment.

5.4 Conditions of First Disbursement. Subject to the terms and conditions of the Agreement, Ontario will disburse to the Recipient the Annual Cap for Fiscal Year 1 upon the Recipient’s completion, by no later than, September 30, 2020, of the following conditions precedent completed to the satisfaction of Ontario:

- (a) Insurance. The Recipient shall provide Ontario with a valid certificate of insurance evidencing the insurance coverage that the Recipient:

- (i) is required to maintain pursuant to section 8.8. and
 - (ii) has maintained from the Project Start Date to the Effective Date, at its own expense, with insurers having a secure A.M. Best rating of B + or greater, or the equivalent, all the necessary and appropriate insurance that a prudent Person carrying out a project similar to the Project would maintain, including commercial general liability insurance on an occurrence basis for third party bodily injury, personal injury and property damage, to an inclusive limit of not less than two million dollars (\$2,000,000) per occurrence.
- (b) Council Approval of Financing. Receipt of evidence by Ontario that the Recipient's council has authorized the Project and that Project Financing in the amounts identified in Schedule "A-1", other than the Grant, will be available as and when needed for the completion of the Project.
 - (c) Receipt of evidence by Ontario that the Recipient's council has authorized the Recipient's execution of the Agreement by municipal by-law.
 - (d) Receipt of evidence by Ontario that the Recipient has calculated an updated debt and finance obligation limit based on Ontario Regulation 403/02 under the Municipal Act, 2001.

5.5 Condition of Second Disbursement. In addition to the requirements set out in section 5.6, on or before the second Disbursement, the Recipient shall provide Ontario with a Request for Disbursement certifying, amongst other things that Eligible Project Expenditures in the amount of at least \$482,000 have been incurred and paid in respect of the Fiscal Year 1 Annual Cap.

5.6 Conditions of Subsequent Disbursements. On or before each subsequent Disbursement to the first Disbursement, upon the following conditions being met or complied with to the satisfaction of Ontario, and subject to the terms and conditions of the Agreement, Ontario will disburse such Disbursements to the Recipient:

- (a) Request for Disbursement. Within 90 days following the end of each Fiscal Year, starting with Fiscal Year 2, the Recipient shall provide Ontario with a Request for Disbursement. Ontario will have no obligation to pay the Disbursement and reserves the right to cancel the Grant in its sole discretion if the Recipient has not requested the Disbursement within the required 90 day period.
- (b) Accounting Evidence. The Recipient shall provide satisfactory evidence to Ontario that the Recipient has incurred and paid sufficient Eligible Project Expenditures to have earned the requested Disbursement, which evidence shall include the following:
 - (i) a Project Status Report;
 - (ii) if the Recipient submits a Request for Disbursement in respect of Eligible Project Expenditures incurred and paid to Non-Arm's Length suppliers, the Recipient shall provide the Project Status Report described in paragraph (i) above together with a certificate of the external auditor of the Recipient confirming that the transaction was on terms that are fair and reasonable to the Recipient and that are no less favourable to the Recipient than those

that could be obtained in a comparable transaction from an Arm's Length supplier. Provided however, that an auditor's certificate shall not be required for Eligible Project Expenditures which have been incurred and paid by the Recipient and submitted to Non-Arm's Length suppliers where invoices can be produced supporting the transaction at no increased cost; and

- (iii) at Ontario's option, invoices from suppliers and proof of payment may also be required.
- (c) Inspection. Ontario has had the opportunity to physically inspect the Project Site.
- (d) Attainment of Milestones, Deliverables and Timelines. The Recipient has satisfactorily performed and attained, in the opinion of Ontario, acting reasonably, the milestones, deliverables and timelines set out in Schedule "A-1" as of the date of the Request for Disbursement.

5.7 Conditions to the Grant.

- (a) Any Disbursement to be made by Ontario pursuant to the Agreement is subject to there being an appropriation by the Legislative Assembly for the Fiscal Year in which the Disbursement is to be made. If Ontario does not receive the necessary appropriation, Ontario shall not be obligated to make any such payment. As a consequence, Ontario may terminate the Agreement immediately upon giving notice to the Recipient and may demand repayment of any portion of the Grant that has not been used or committed by the Recipient to defray Eligible Project Expenditures.
- (b) The total Grant received by the Recipient cannot exceed 50% of total Eligible Project Expenditures, up to the maximum amount of the Grant.
- (c) If under any agreement between the Recipient and Her Majesty the Queen in right of Ontario, any fees, levies or taxes or other amounts are owed to Her Majesty the Queen in right of Ontario or her agencies, including the Minister of Finance, the Recipient hereby authorizes Ontario to pay any or all of these amounts on behalf of the Recipient out of the amount of the Grant. Ontario will notify the Recipient prior to implementing any set-off of funds.
- (d) Without restricting the applicability of other remedies or provisions of the Agreement, Ontario shall be entitled, in its sole and unfettered discretion, to refuse to make any Disbursements or any further Disbursements, if:
 - (i) an Event of Default has occurred and is continuing;
 - (ii) an event which would otherwise be an Event of Default but for the giving of notice and the passage of time to remedy the Event of Default has occurred and is continuing;
 - (iii) the occurrence of an Event of Default reasonably appears to be imminent, in Ontario's opinion; or
 - (iv) the Disbursement will result in the occurrence of an Event of Default.

- 5.8 Right to Collect Interest. Where the Amount Incurred in respect of Fiscal Year 1 and Fiscal Year 2, collectively, is less than the Annual Cap for Fiscal Year 1, Ontario may demand from the Recipient the interest earned in accordance with section 3.3 on the amount by which the Amount Incurred in Fiscal Year 1 and Fiscal Year 2, collectively, is less than the Fiscal Year 1 Annual Cap.

ARTICLE 6 - REPORTING AND MONITORING

- 6.1 Annual Certificate. Within 90 days after the end of each Fiscal Year, the Recipient shall provide Ontario with an annual certificate substantially in the form of Schedule “D” signed by a senior officer of the Recipient.
- 6.2 Annual Project Status Report. Within 90 days after the end of each Fiscal Year, the Recipient shall provide Ontario with a Project Status Report. Ontario, at its sole discretion, reserves the right to demand more frequent Project Status Reports.
- 6.3 ***Intentionally Deleted***
- 6.4 Post-Project Reporting. The Recipient shall:
- (a) within 120 days after the end of each Post-Project Fiscal Year, provide Ontario with a post-Project annual report substantially in the form of Schedule “G” signed by a senior officer of the Recipient; and
 - (b) during the Term and up to three years after the Project Completion Date, make best efforts to participate and respond to any SWODF surveys in relation to the Project or the Grant provided by Ontario.
- 6.5 Other Reports. The Recipient shall promptly furnish to Ontario such other reports and information as Ontario may reasonably require.
- 6.6 Independent Auditor’s Report.
- (a) Within 120 days of the Project Completion Date or as required by section 10.3, the Recipient shall provide Ontario an Independent Auditor’s Report certifying the total Eligible Project Expenditures that have been incurred and paid by the Recipient from the Project Start Date up to and including the Project Completion Date.
- 6.7 Final Certificate and Report. Within 120 days of the Project Completion Date or as required by section 10.3, the Recipient shall provide Ontario with a Final Certificate and Report signed by a senior officer of the Recipient together with such other information as may be requested by Ontario.
- 6.8 Review and Audit.
- (a) The Recipient shall permit persons designated by Ontario to visit and inspect the Project Site at Ontario’s expense, to examine and copy the Recipient’s books and financial records, and to discuss its affairs, finances and accounts all at such reasonable times as may be requested by Ontario.
 - (b) Ontario’s right of inspection includes the right to perform a full or partial audit at any time, including at the Project Completion Date, for purposes including confirming:

- (i) that Eligible Project Expenditures have been incurred and paid by the Recipient from the Project Start Date up to and including the Project Completion Date; and
 - (ii) the Eligible Project Expenditures Table of the Recipient with respect to total Project expenditures.
- (c) Without limiting the generality of the foregoing, the Recipient shall at Ontario's request meet with Ontario or its duly authorized agent at least annually to review the progress of the Project and to review the Recipient's compliance with the terms and conditions of the Agreement. As may be requested by Ontario, invoices from suppliers and proof of payment may also be required.
- (d) For greater certainty, Ontario's rights under this Article are in addition to any rights provided to the Auditor General of Ontario pursuant to section 9.2 of the *Auditor General Act* (Ontario).

ARTICLE 7 -REPRESENTATIONS AND WARRANTIES

7.1 Representations and Warranties. The Recipient represents and warrants to and in favour of Ontario that:

- (a) The Recipient has furnished to Ontario copies of its most recent Financial Statements and such Financial Statements are correct and complete and fairly present the financial position of the Recipient as of the date indicated therein and the results of its operation and the changes in its financial position for the years then ended in accordance with GAAP. Since the date of its last Financial Statements, there has been no material change in the financial condition of the Recipient other than changes in the ordinary course of business.
- (b) Recipient has taken all necessary actions to authorize the execution of the Agreement including passing a municipal by-law authorizing the Recipient to enter into the Agreement with Ontario.
- (c) The Recipient has established and shall maintain administrative practices and governance procedures to provide for the prudent and effective management of the Grant.
- (d) The Project Financing, Project budget and estimates of expenditures are accurately set out in Schedules "A-1" and "B-1".
- (e) With respect to the information and documentation, including forecasts, submitted to Ontario in support of the Business Plan, that:
 - (i) the forecasts were based upon the judgment of directors and officers of the Recipient, who considered the most likely set of future conditions in their opinion at that time and their impact upon the Recipient;
 - (ii) the information used in preparing the Business Plan substantially reflects the plans of the Recipient;
 - (iii) the assumptions relied upon in preparing the forecasts are appropriate and reasonable in the opinion of directors and officers of the Recipient;

- (iv) adequate support documentation outlining methods and procedures used in preparing the forecasts is available from the Recipient;
- (v) all statements and documentation provided to Ontario in support of the Business Plan are true and correct; and
- (vi) the Recipient confirms the Recipient's consent for Ontario to release the Recipient's taxpayer information to the Ministry of Finance for the purpose of verifying compliance with all statutes administered by the Ministry of Finance and for the purposes of administering the SWODF.

The Recipient recognizes that Ontario has relied upon the truth, authenticity and accuracy of the information and documentation contained in the Business Plan in authorizing the Grant.

- (f) The proceeds of the Grant will be used by the Recipient exclusively for Eligible Project Expenditures and for no other purpose.
- (g) There are no charges or criminal convictions under the *Criminal Code* (Canada) outstanding against the Recipient.
- (h) There are no actions, suits or proceedings pending or, to the knowledge of the Recipient, threatened, which would reasonably be expected to have a Material Adverse Effect on the Project or the ability of the Recipient to perform its obligations under the Agreement.
- (i) There is no fact which the Recipient has not disclosed in writing to Ontario which adversely affects or, so far as the Recipient can now reasonably foresee, will adversely affect the Project or the ability of the Recipient to perform its obligations under the Agreement in each case, in any material respect.
- (j) The Recipient is not in default in any material respect in connection with Canadian federal, provincial, municipal or local taxes, assessments or other imposts or penalties due and unpaid in respect of its income, business or property or for the payment of any tax instalment due in respect of its current taxation year. The Recipient has fulfilled all material requirements under the *Income Tax Act* (Canada), the *Canada Pension Plan* (Canada) and the *Employment Insurance Act* (Canada) for withholding of amounts from employees and has remitted all amounts withheld to the appropriate authorities within the prescribed times.
- (k) In connection with the Project Site, the Recipient does not have any knowledge of having caused or permitted the release of any Hazardous Substance on the Project Site except in compliance with Applicable Laws. All Hazardous Substances have, to the knowledge of the Recipient, been used, disposed of, treated and stored by the Recipient in compliance with Applicable Laws.
- (l) The Recipient has not received any notice of any construction liens currently outstanding in respect of the Project Site.
- (m) The Recipient is in compliance with all Applicable Laws.
- (n) With respect to the Intellectual Property required for the Recipient to carry out its obligations under the Agreement:

- (i) The Recipient has all necessary rights to the Intellectual Property (including any necessary technology transfer and know how) (“IP Rights”) required to carry out and complete the Project;
 - (ii) The Recipient has not received any notice, claim or threat of any claim that it is infringing the IP Rights of third parties in respect of the Project; and
 - (iii) The Recipient has not and will not dispose of, license or otherwise encumber the IP Rights referred to in subparagraph (i) in such a way that the Recipient knowingly compromises such IP Rights required to carry out and complete the Project.
- (o) The business of the Recipient and all its properties and assets are covered by such policies of insurance, issued by licensed insurers, as are appropriate to such business, property and assets, in such amounts and against such risks as set out in section 8.8.
 - (p) No Event of Default has occurred and is continuing, nor has any event occurred which with the giving of notice, the passage of time, or both, will result in an Event of Default.
 - (q) The Recipient is in actual possession of the Project Site and has good and marketable title or leasehold interest to its properties and assets necessary to carry out the Project.

ARTICLE 8 –AFFIRMATIVE COVENANTS

- 8.1** Project Completion. The Recipient shall complete the Project in accordance with the terms of the Agreement. The Recipient shall immediately notify Ontario of any increase in the total cost of the Project.
- 8.2** Use of Proceeds. The Recipient will use the Grant solely for Eligible Project Expenditures.
- 8.3** Rights of Inspection and Inquiry. The Recipient shall keep and maintain all records, invoices and other documents relating to the Project and the Grant in a manner consistent with GAAP, and keep them available for review by Ontario and its agents or authorized representatives, including the Auditor General of Ontario, during the Term and for a period of seven years thereafter.
- 8.4** Compliance with Agreements. The Recipient will perform and satisfy all covenants and obligations to be performed by it under the Agreement, and under any other agreement or undertaking now or hereafter made between it and Her Majesty the Queen in right of Ontario.
- 8.5** Existence. The Recipient will preserve and maintain its existence, rights, powers, licences, privileges, and goodwill, and exercise any rights of renewal or extensions of any leases, licences, or any other rights which are necessary or material to the conduct of its business.
- 8.6** Compliance with Laws. The Recipient shall comply with all Applicable Laws which could affect the Project Site, the Project, and the Recipient’s obligations under the Agreement.

- 8.7** Taxes. The Recipient shall file all material tax returns and pay or cause to be paid as they become due all taxes, assessments, and governmental charges lawfully levied and imposed upon its property or upon its business, including the Project Site, unless the same are being diligently contested in good faith and by appropriate proceedings or as to which a *bona fide* dispute may exist.
- 8.8** Insurance. The Recipient shall put in effect and maintain for the period during the Term, at its own expense, with insurers having a secure A.M. Best rating of B + or greater, or the equivalent, all the necessary and appropriate insurance that a prudent Person carrying out a project similar to the Project would maintain, including commercial general liability insurance on an occurrence basis for third party bodily injury, personal injury and property damage, to an inclusive limit of not less than two million dollars (\$2,000,000) per occurrence. The policy shall include the following:
- (a) the Indemnified Parties as additional insureds with respect to liability arising in the course of performance of the Recipient's obligations under, or otherwise in connection with, the Agreement;
 - (b) a cross-liability clause;
 - (c) contractual liability coverage; and
 - (d) 30 day written notice of cancellation, termination or material change.

The Recipient shall provide Ontario with a copy of the certificate that confirms the required insurance coverage and, within 90 days of the renewal, any renewal replacement certificates as may be necessary. Upon the request of Ontario, the Recipient shall make available to Ontario a copy of each insurance policy.

- 8.9** Indemnity. The Recipient shall indemnify and hold harmless the Indemnified Parties from and against any and all liability, loss, costs, damages and expenses (including without limitation, legal, expert and consultant fees and disbursements), causes of action, actions, claims, demands, lawsuits or other proceedings, by whomever made, sustained, incurred, brought or prosecuted, in any way arising out of or in connection with the Project or otherwise in connection with the Agreement, unless solely caused by the negligence or wilful misconduct of the Indemnified Parties.
- 8.10** Litigation. The Recipient shall promptly provide notice to Ontario, including reasonable particulars as to be determined by Ontario, of: (a) any criminal charges filed against the Recipient and (b) each action, suit or proceeding which claims damages in excess of \$500,000 against the Recipient pending, or to the knowledge of the Recipient, threatened before any court or before any tribunal, governmental department, commission or agency.
- 8.11** Project Expenditures. The Recipient shall promptly notify Ontario of any cost overrun or change orders that may have a Material Adverse Effect on the Project as compared with the Project Investment Commitment Budget, as set forth in Schedule "B-1", attached hereto. Ontario will not be obliged to fund any such overrun of costs and may require proof of payment prior to any further Disbursements.
- 8.12** Environmental. In connection with the Project Site, the Recipient shall not knowingly cause or permit the release of any Hazardous Substance on the Project Site, except in compliance with Applicable Laws. All Hazardous Substances shall be used, disposed of, treated and stored by the Recipient in compliance with Applicable Laws.

- 8.13** Notice to Ontario. The Recipient shall provide prompt notice of:
- (a) any Material Adverse Effect;
 - (b) any abandonment of the Project by the Recipient; or
 - (c) any representation or warranty made by the Recipient in the Agreement or any certificate delivered to Ontario pursuant hereto that has become or is likely to become untrue in any respect.
- 8.14** Procurement. The Recipient shall ensure that all contracts and subcontracts, including consultant contracts, for work and services and for the purchase of goods related to the Project are obtained pursuant to a process that ensures best value for money.
- 8.15** Reports. The Recipient shall ensure that all reports, certificates and other documents required to be delivered to Ontario pursuant to the Agreement are completed to the satisfaction of Ontario. Ontario may, from time to time, require the Recipient to complete reports, certificates and other documents on an electronic system, including Transfer Payment Ontario.

ARTICLE 9 – NEGATIVE COVENANTS

- 9.1** The Recipient covenants and agrees that, during the Term, it shall not, without the prior written approval of Ontario:
- (a) Disposition of Assets. sell, assign, transfer, lease, license, convey or otherwise dispose of any of the Project assets or all or substantially all of the assets comprising the Project Site, except such dispositions as would be consistent with the disposition of surplus assets in the normal course of business and sales of real property contemplated by the Business Plan.
 - (b) Transactions with Affiliates. sell property or services to, or purchase property or services from, or otherwise engage in any other transactions with, any Related Parties, except for transactions in the ordinary course of business at prices and on terms and conditions not less favourable to the Recipient than could be obtained on an Arm's Length basis from unrelated third parties.

ARTICLE 10 - DEFAULT AND ENFORCEMENT

- 10.1** Events of Default. Each of the following is an Event of Default:
- (a) failure by the Recipient to perform or comply with any covenant or other term of the Agreement required to be performed or complied with by the Recipient, including, but not limited to, the failure to perform or comply with the reporting requirements set out in Article 6;
 - (b) failure by the Recipient to repay any amount of the Grant when it becomes due, including failure to pay the Investment Target Clawback required pursuant to Article 4;
 - (c) failure by the Recipient to make a Request for Disbursement in accordance with section 5.6;
 - (d) abandonment or Deemed Abandonment of the Project by the Recipient;

- (e) if any representation or warranty made by the Recipient in the Agreement or any certificate delivered to Ontario pursuant hereto shall be or become materially untrue in any respect;
- (f) default of any material obligations of the Recipient under the Agreement including a default of a term or condition, but for the giving of notice and/or the passage of time to remedy;
- (g) default of a term or condition in any other agreement between Her Majesty the Queen in right of Ontario and the Recipient but for the giving of notice and/or the passage of time to remedy;
- (h) final judgment or decree for the payment of money due is obtained or entered against the Recipient, except in respect of a judgment which (i) was the subject of a *bona fide* dispute, (ii) is not material to the financial condition, business or operations of the Recipient (and without restricting the generality of the foregoing, a judgment of \$50,000 or more shall be deemed to be material), and (iii) is paid in full within 30 days after judgment;
- (i) any part of the Project Financing that has become unavailable is not replaced by the Recipient within 90 days on similar terms and conditions; or
- (j) occurrence of a Material Adverse Effect in the opinion of Ontario, acting reasonably.

10.2 Ontario May Waive. Ontario may, at any time, waive any Event of Default which may have occurred provided that no such waiver shall extend to, or be taken in any manner whatsoever to affect, any subsequent Event of Default or the right to remedies resulting therefrom, and that no such waiver shall be, or shall be deemed to constitute, a waiver of such Event of Default unless such waiver is explicit and in writing from Ontario.

10.3 Remedies. In addition to any other rights which Ontario may have under the Agreement, if any Event of Default shall occur and be continuing, Ontario shall have the following rights and remedies provided that it has first given written notice of the Event of Default to the Recipient and the Recipient has failed for whatever reason, subject to Force Majeure, to remedy the Event of Default within 20 days of the receipt of such notice, or such longer period of time as Ontario may consent to in writing:

- (a) Ontario may, immediately, without further notice to the Recipient, without liability, penalty or costs to Ontario, terminate the Agreement;
- (b) Ontario shall be relieved of all obligations to make any Disbursements or any further Disbursements to the Recipient;
- (c) Ontario shall be entitled to retain the Performance Payment and any unpaid Carry Forward Amount;
- (d) An amount equal to the amount of the Investment Target Clawback shall become immediately due and payable to Ontario; such sum shall be calculated as of the date of the specified Event of Default based upon the Actual Investment as of the date of calculation as verified by an Independent Auditor's Report and/or a Final Certificate and Report, such Independent Auditor's Report and Final Certificate and Report being due within 60 days of the specified Event of Default; and

- (e) Ontario may avail itself of any of its legal remedies that are available to Ontario at law or in equity and in its sole discretion, exercise any right or recourse and/or proceed by any action, suit, remedy, or proceeding against the Recipient authorized or permitted by law for the recovery of any and all amounts payable to Ontario pursuant to the Agreement, and no such remedy for the enforcement of the rights of Ontario shall be exclusive of, or dependent on, any other remedy, but any one or more of such remedies may from time to time be exercised independently or in combination, provided however, that subject to section 8.9, in no event shall the Recipient be required to pay to Ontario any amount in excess of the Ontario Support together with the costs of collection pursuant to section 10.5 and interest pursuant to section 10.6.

Notwithstanding the foregoing, Ontario shall not be required to provide any notice or a remedy period under this section 10.3 for any Event of Default arising under section 10.1 (b), (d), (f) or (g).

- 10.4** Additional Remedies Upon Certain Events of Default. In addition to the remedies contained in section 10.3, section 10.5 and section 10.6, upon the occurrence of an event specified in section 10.1(b), (d), (f) or (g) an amount equal to the remaining Ontario Support which has not already been repaid pursuant to section 10.3 herein shall become immediately due and payable to Ontario.
- 10.5** Costs of Collection. All reasonable costs and expenses of collection, including legal fees and professional fees associated therewith, of Ontario and its agents of all amounts owing hereunder shall be for the account of the Recipient and shall be immediately due and payable to Ontario.
- 10.6** Interest after Default. Interest at the then current rate charged by the Province of Ontario on accounts receivable shall apply, from the date of any default notice to the Recipient, to any and all amounts in the event that Ontario exercises any of its remedies pursuant to section 10.3 or 10.4 until payment in full. For greater certainty, during the course of any and all proceedings to collect such amounts such interest rate shall apply to and be exigible as additional damages in any award of damages made by a court of competent jurisdiction pursuant to any such action, all without the necessity of any further act or agreement or notification to the Recipient.

ARTICLE 11 - GENERAL

- 11.1** No Conflict of Interest. The Recipient will carry out the Project and use the Grant funds without an actual, potential, or perceived conflict of interest. A conflict of interest includes any circumstances where: (a) the Recipient or (b) any Person who has the capacity to influence the Recipient's decisions, has outside commitments, relationships, or financial interests that could, or could be seen to, interfere with the Recipient's objective, unbiased, and impartial judgment relating to the Project, the use of the proceeds of the Grant, or both. Nothing in this section shall prevent the Recipient if it so chooses from reimbursing its volunteers for their reasonable out of pocket expenses incurred in connection with the Project. The Recipient will disclose to Ontario, without delay, any situation that a reasonable Person would interpret as an actual, potential, or perceived conflict of interest and comply with any terms and conditions that Ontario may prescribe as a result of the disclosure.

- 11.2** Entire Agreement. The Agreement contains the entire agreement between the Recipient and Ontario and supersedes all prior agreements, obligations, statements, representations, understandings, warranties, communications and negotiations, whether oral or written, with respect to the subject matter of the Agreement.
- 11.3** Amendments. The Agreement may be amended, altered or modified only by written documents signed by both Ontario and the Recipient.
- 11.4** Survival. Section 1.1 (Definitions), section 2.4 (Stacking), Article 4 (Mandatory Repayment of Grant), sections 5.1, 5.2 and 5.3 (as it relates to the Performance Payment Disbursement), section 5.8 (Right to Collect Interest), Article 6 (Reporting and Monitoring), Article 7 (Representations and Warranties), section 8.3 (Rights of Inspection and Inquiry), section 8.9 (Indemnity), section 8.15 (Reports), Article 10 (Default and Enforcement), section 11.2 (Entire Agreement), section 11.4 (Survival), section 11.6 (Materiality and Merger), section 11.11 (Non-Agent), section 11.12 (Governing Law), section 11.15 (Severability), section 11.16 (No Control of Records), section 11.17 (Disclosure of the Agreement to the Public and Third Parties), and section 11.20 (Rights and Remedies Cumulative) and all applicable cross-referenced provisions and Schedules shall survive any expiry, termination or cancellation of the Agreement. Without limiting the foregoing, all representations and warranties of the Recipient contained herein or in any certificate or other writing delivered in connection herewith will survive the transactions contemplated hereby and are material and have been or will be relied upon by Ontario notwithstanding any investigation made by or on behalf of Ontario. For the purpose of the foregoing, all statements contained in any certificate or other writing delivered by or on behalf of the Recipient pursuant hereto or in connection with the transactions contemplated hereby shall be deemed to be representations and warranties of the Recipient contained herein.
- 11.5** Waiver. No provision of the Agreement shall be deemed to be waived, and no breach excused, unless such waiver or consent excusing the breach is explicit and in writing. A waiver of any provision of the Agreement, or of any breach of any provision of the Agreement, is not to be deemed or construed to be a waiver of any other provision of the Agreement, or of any other breach, whether of the same or of any other provision, nor shall any delay or omission on the part of any party to the Agreement to exercise or avail itself of any right it has or may have under the Agreement, operate as a waiver of any such breach or right, nor will any waiver or failure to enforce any of the provisions of the Agreement in any way affect the validity of the Agreement or any part of it.
- 11.6** Materiality and Merger. All representations, warranties and covenants of the Recipient made in the Agreement, the Business Plan or in any other document, certificate, expenditure statement, or writing delivered by or on behalf of the Recipient pursuant to the provisions of the Agreement, or otherwise with respect to the Project or the Agreement and the transactions contemplated in the Agreement, are material, are deemed to have been relied upon by Ontario and survive the execution of the Agreement.
- 11.7** Time. Time is of the essence of the Agreement.
- 11.8** Assignment. The Agreement and all documents delivered pursuant to it enure to the benefit of Ontario and the Recipient, their respective assigns and successors at law. The Agreement may not be assigned by the Recipient without the prior written consent of Ontario.

- 11.9** Further Assurances. The Recipient agrees at any time and from time to time after the execution and delivery of the Agreement to perform and deliver such further acts and things as Ontario may reasonably request in order to fully effect the purpose of the Agreement and the transactions contemplated herein.
- 11.10** Notices. Any notice, request, demand, consent, approval, correspondence, report or other communication required pursuant to or permitted under the Agreement must be in writing and must be given by personal delivery, or transmitted by fax or e-mail, or be sent by postage prepaid mail, and addressed to the party to whom it is intended at its address as set out below or addressed as either party may later designate to the other in writing:

To Ontario:

Ministry of Economic Development, Job Creation and Trade
Business Partnerships and Programs Division
Funding Administration Branch
Program Operations Unit
10 Dundas St. E., 8th Floor
Toronto, ON M7A 0B2
Attention: Manager, Program Operations Unit
Facsimile No.: (416) 212 – 8696
Email: NoticesFundingPrograms@ontario.ca

To the Recipient:

Town of Tillsonburg
10 Lisgar Ave
Tillsonburg ON N4G 5A5
Attention: Development Commissioner and Clerk Department
Facsimile No.: (519) 842-9431
Email: cpanschow@tillsonburg.ca, clerks@tillsonburg.ca

Any such notice shall be deemed to be received, if personally delivered or sent by fax or other electronic message on the day it is sent and if such notice is sent by postage prepaid mail it shall be deemed to have been received on the date that is five days after the date of mailing.

- 11.11** Non-Agent. The Recipient and Ontario agree and declare that nothing in the Agreement shall be construed as creating a partnership, joint venture, or agency relationship between the Recipient and Ontario.
- 11.12** Governing Law. The Agreement and the rights of the parties hereto shall be governed in all respects by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein and each party irrevocably attorns to the exclusive jurisdiction of the courts of the Province of Ontario for any dispute, action or proceeding arising out of or in connection with the Agreement. Nothing in the Agreement affects the rights, protections and immunities of the Crown under the *Crown Liability and Proceedings Act, 2019* (Ontario).
- 11.13** Force Majeure. In the Agreement, “Force Majeure” includes civil commotions, acts of God, weather, fires, floods, explosions, natural catastrophes, sabotages, accidents, failures of power, riots, invasion, insurrection and any additional peril or occurrence which is, in the opinion of Ontario a Force Majeure. Upon the occurrence, if any, of an event which is a Force Majeure, the party whose performance is affected, whether Ontario or the Recipient,

shall to the extent reasonably possible, minimize its adverse impact. Neither Ontario nor the Recipient shall be in breach of the Agreement, if, upon the occurrence of a Force Majeure and after delay minimization, either Ontario or the Recipient delays performance of its obligations hereunder for such reasonable period of time so as to enable the harmed party to overcome the effects of the Force Majeure; provided, however, neither Ontario nor the Recipient shall delay performance of any obligation of the Agreement such that, cumulatively, such delays will extend the Term for more than two years.

11.14 Counterparts. The Agreement may be signed in counterparts, and/or by facsimile or e-mail (PDF or other image format), each of which shall constitute an original and all of which, when taken together, shall constitute an original Agreement.

11.15 Severability. Any provision of the Agreement prohibited by law or otherwise ineffective will be ineffective only to the extent of such prohibition or ineffectiveness and will be severable without invalidating or otherwise affecting the remaining provisions of the Agreement.

11.16 No Control of Records. No provision of the Agreement will be construed so as to give Ontario any control whatsoever over the Recipient's records.

11.17 Disclosure of the Agreement to the Public and Third Parties.

(a) *Freedom of Information and Protection of Privacy Act.*

The Recipient acknowledges that Ontario is bound by the *Freedom of Information and Protection of Privacy Act* (Ontario) and that Ontario may be required to disclose information contained in the Agreement or the entire Agreement itself pursuant to the provisions of that act.

(b) Public Disclosure. The Recipient:

(i) irrevocably consents to Ontario making all or a portion of the Agreement including but not limited to the information contained in Schedule "A" available to the public in a form Ontario deems appropriate in Ontario's sole discretion. However, such consent does not apply to the information solely contained in Schedules "A-1" and "B-1", which in the Recipient's view is commercially sensitive information; and

(ii) acknowledges, without limiting its consent under section 11.17(b)(i) in any way, that the information set forth in Schedule "A" will be made available to the public by being posted to a government website approximately 90 days after the execution of the Agreement.

(c) *Attracting Investment and Creating Jobs Act, 2012.* The Recipient acknowledges that in accordance with the requirements under the *Attracting Investment and Creating Jobs Act, 2012* (Ontario) the Agreement must be made available for inspection by the public, provided that commercially-sensitive information may be redacted.

11.18 Publications, Press Releases, Media Events, Communiqués. The Recipient shall:

(a) not make any announcement with respect to the Grant, the Project, or the Agreement, except as may be required by law, without the prior written approval of Ontario; and

- (b) if requested by Ontario, participate in a public event announcing Ontario's funding to the Recipient in connection with the Project at the Project Site, or other venue as may be agreed between the parties.

11.19 Economic Program. The Recipient acknowledges and agrees that the Grant provided under the Agreement is for the purpose of the administration of economic programs and/or the provision of direct or indirect support to members of the public in connection with economic policy, and as such section 16 of the *Limitations Act, 2002* (Ontario) shall apply.


11.20 Rights and Remedies Cumulative. The rights and remedies of Ontario under the Agreement are cumulative and are in addition to, and not in substitution for, any of its rights and remedies provided by law or in equity.

[remainder of this page intentionally left blank]

The parties hereby execute the Agreement in the Province of Ontario.

HER MAJESTY THE QUEEN IN RIGHT OF ONTARIO as represented by the Minister of Economic Development, Job Creation and Trade


July 14, 2020
Date of Signature

Per: 
Name: Victor Severino
Title: Assistant Deputy Minister

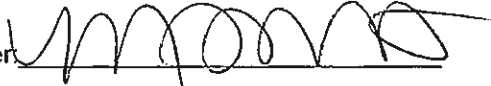
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THE CORPORATION OF THE TOWN OF TILLSONBURG

June 27, 2020
Date of Signature

Per: 
Name: Stephen Molnar
Title: Mayor
I have the authority to bind the Recipient.

July 22, 2020
Date of Signature

Per: 
Name: Michelle Smibert
Title: Town Clerk
I have the authority to bind the Recipient.

SCHEDULE "A"
TABLE OF SUMMARY PROJECT INFORMATION

| | |
|-------------------------------|--|
| Grant Recipient | THE CORPORATION OF THE TOWN OF TILLSONBURG |
| Project Location | Tillsonburg |
| Effective Date of Agreement | June 18, 2020 |
| Project Start Date | April 16, 2020 as long as the Recipient agrees to the terms of the Conditional Grant Agreement by June 29, 2020, otherwise the Project Start Date will be the date the Recipient agrees to the terms. |
| Project Completion Date | December 31, 2022 |
| Project Overview | The Project involves servicing of the Innovation Park land including sewer, watermain and roadwork construction that will improve the value of the land in order to encourage businesses to purchase land in the Innovation Park. |
| Maximum Amount of Grant | \$1,205,000 |
| Project Investment Commitment | \$2,410,000 |
| Total Project Investment | \$4,370,700 |

SCHEDULE "A-1"
PROJECT DESCRIPTION, MILESTONES, DELIVERABLES, TIMELINES
AND PROJECT RELATED DEFINITIONS

PROJECT DESCRIPTION

The Recipient has purchased and acquired 37 acres of industrial zoned land southwest of the town centre directly on Provincial Highway 3 that it intends to create the Van Norman Innovation Park "Innovation Park".

The Project involves servicing of the Innovation Park land including sewer, watermain and road-work construction that will improve the value of the land in order to encourage businesses to purchase land in the Innovation Park.

The Innovation Park is intended to help the Recipient attract more businesses and secure new jobs.

The Recipient's Project's objectives include the following:

- promoting regional economic development
- attracting and retaining investment
- promoting innovation
- fostering collaboration and cluster development

Milestones, Deliverables and Timelines:

| Milestones and timelines | Deliverable(s) at this milestone |
|---|---|
| Fiscal Year 1: (Project Start Date to and including December 31, 2020) | <ul style="list-style-type: none"> • Approvals required for project obtained (ECA, Tenders, etc). • Preliminary Earthworks completed. • Underground Works and Storm Water Management Pond completed. |

| | |
|--|---|
| | |
| Fiscal Year 2: (January 1, 2021 to and including December 31, 2021) | <ul style="list-style-type: none"> • Utility Servicing completed. • Road and lot servicing completed. Subdivision completed. |
| Fiscal Year 3: (January 1, 2022 to and including December 31, 2022) | |
| Project Completion Date:(December 31, 2022) | Project complete. |

Definitions

“Project Financing” means

| Source | Nature of Financing | Amount |
|--|--|---------------|
| Recipient | Future Cash Flow from land sales or Debt Financing | \$1,010,000 |
| Ontario | SWODF Grant | \$1,205,000 |
| Recipient | Debt Financing | \$195,000 |
| TOTAL, being the Project Investment Commitment | | \$2,410,000 |

SCHEDULE “B” ELIGIBLE PROJECT EXPENDITURES CATEGORIES

- *This schedule contains the list of Eligible Project Expenditures Categories for the Project.*
- *In order to be eligible, the expenditure must be incurred and paid on or after the Project Start Date up to and including the Project Completion Date.*
- *Deposits paid prior to the Project Start Date are not eligible.*
- *Stacking with other provincial programs is not permitted except that the Recipient may receive supports provided through **SWODF’s** complementary services (“**Provincial Stacking Exceptions**”). The total amount of provincial and federal assistance for Eligible Project Expenditures, including those received from the Provincial Stacking Exceptions (collectively, “**Government Assistance**”) cannot exceed 75% of the Eligible Project Expenditures.*
- *If Ontario determines that the Recipient has received Government Assistance that exceeds 75% of Eligible Project Expenditures, then the Recipient shall pay to Ontario, within 20 days of being notified by Ontario, an amount equal to the excess. For clarity, in no event shall the Recipient be required to pay to Ontario any amount under section 2.4(b) greater than the Ontario Support together with the costs of collection pursuant to section 10.6 and interest pursuant to section 10.7.*

ELIGIBLE PROJECT EXPENDITURES

The following shall be used, where necessary, to clarify the categories and description of Eligible Project Expenditures set out in the budget sections of Schedule “B-1”. They do not expand the universe of Eligible Project Expenditures.

Eligible Project Expenditures are actual expenditures to be incurred on or after the Project Start Date up to and including the Project Completion Date that are directly attributable to and necessary for the completion of the Project and are not wholly or partially for another purpose, subject to the terms and conditions of the Agreement, and subject to review and approval by Ontario.

Eligible Project Expenditures are one-time expenditures directly attributable to the development and implementation of the Project.

Eligible Project Expenditures do not include ongoing expenditures associated with production or operations. Labour, materials, overhead, and other expenditures for the production of saleable items are not eligible.

Eligible Project Expenditures are actual cash outlays, net of applicable HST, that must be documented through invoices, receipts, or Recipient records acceptable to Ontario and are subject to verification by an independent auditor. Evidence of payment must be maintained for audit purposes. Acting reasonably, Ontario’s decisions as to the expenditure eligibility and valuation shall be final and determinative.

Eligible Project Expenditures Categories:

Business Attraction Expenditures

- Business attraction expenditures (e.g. expenditures to support presentations to investment prospects, or to engage prospects in communities shortlisted for a specific investment). Any business attraction expenditures spent outside of Ontario are subject to prior written approval by Ontario.
- The creation and development of presentations, consultation and marketing materials.

Project Facilities and Infrastructure required for the Project:

- Construction/leasehold improvement expenditures that are directly attributable to the Project, are eligible, subject to Ontario's approval.
- Site servicing, power service upgrades, etc. required to execute the Project are eligible.
- This would include work performed under contracts and subcontracts with third parties.
- For clarity, in the case of projects that involve an expansion or relocation to a larger building, only the construction/ retrofit expenditures associated with the incremental/ additional productive space are eligible.
- Municipal economic infrastructure directly related to the Project.

Equipment and Machinery:

- Equipment and machinery necessary for the successful completion of the Project.
- E.g. new technology, new high-performance equipment and machinery, maintenance equipment associated with new technologies or systems.
- If new equipment is acquired via capital lease (as a method of purchase financing) the non-interest portions of the capital lease are eligible. Interest expenditures are ineligible under any circumstances.

Labour (one-time internal):

- One-time labour expenditures must be directly attributable to the development and implementation of the Project, including expenditures to set up/commission new equipment, technology or systems for the Project.
- Incremental specialized labour that is directly related to the Project (e.g. research and development) is eligible to a maximum of two years.
- This would include direct salaries, wages, and benefits, paid by the Recipient, for employees of the Recipient working on the Project and in proportion to the amount of time spent working directly on the Project. *Note: Ongoing operational and production labour expenditures are ineligible.*
 - Benefits means employees' regular entitlements for payroll-related benefits (CPP, EI, employer health tax), medical and dental-related benefits, the actual cost of sick leave, vacation, statutory holidays and pension. Any other benefits must be approved by Ontario.
- The Recipient is required to maintain timesheets or appropriate records for all employees working directly on the Project to verify time spent on Project work, and to verify expenditures for audit purposes.
- Bonuses that meet the following criteria are eligible:
 - Non-discretionary (e.g. part of a compensation package that provides that a money payment at a pre-determined rate, related to explicit employee performance targets);
 - Paid to employees of the Recipient up to the first-level managerial level or equivalent; and
 - Directly related to the Project.

Materials (one-time):

- Expenditures of direct materials necessary for, and specifically identified and measured as having been used for, the completion of the Project, including:
 - Materials used for configuring and testing production processes and systems.
 - Materials used for training employees.
 - Materials used for prototypes.
 - Other materials directly related to the Project as approved by Ontario.
- *Materials used for the regular production of saleable items are not eligible.*

Specialized Expertise:

- Specialized expertise required for the Project including third-party engineering services, software development, management, etc.

Training and Talent:

- Skills training, including employer provided training, related to the Project. For greater clarity, expenditures for staff wages to deliver the training (i.e. internal trainer), are eligible, but wages for staff receiving the training are not.
- Expenditures to provide the training (e.g. training materials) are eligible.
- Training infrastructure (e.g. retrofits to a training room, equipment required for training, etc.) is eligible.
- Subject to limits approved in writing by Ontario, the following may be eligible:
 - Third-party expenditures related to the training of owners and/or management to address specific business needs.
 - Expenditures to hire external expertise related to the development of a Human Resource (HR) strategy and/or succession planning (or hiring an internal HR professional for a period of up to one year if the function did not previously exist with the company).
 - Expenditures for the recruitment of talent to support company growth.

Permits and Fees:

- Expenditures incurred by the Recipient for permits, inspections, and other fees directly attributable to the Project (but not ongoing operations).

Other eligible expenditures directly attributable to the Project that have been approved in writing by Ontario.

Ineligible Project Expenditures:

Only expenditures that are specified as eligible above or approved in writing by Ontario will be eligible for reimbursement. The following expenditures, among others, are ineligible:

Ongoing Expenditures Associated with Production or Operations:

- Labour, materials, overhead, and other expenditures for the production of saleable items.

General Working Capital Requirements:

- Capital requirements not directly attributable to the Project including: debt service, federal or provincial taxes, surtaxes and special expenses, e.g. legal fees.
- Working capital expenditures associated with the Recipient's regular production or operations, e.g. materials.

Land or Buildings:

- Expenditures related to the purchase of land or buildings.
- Expenditures associated with landscaping or parking lots.

Labour (ongoing/operational):

- Labour expenditures that are not directly related to the Project including ongoing production or operations.

Project Case Preparation:

- Expenditures associated with the preparation of the proposal (successful or not) such as success fees or third-party government relations consulting services.

Vehicles and Off-Site Equipment:

- Expenditures associated with the purchase/lease or operation of vehicles or off-site equipment.

Remuneration to Shareholders:

- Dividends or any type of shareholder payments.

Expenditures Not Incurred in Ontario:

- Except for purchases from suppliers located outside of Ontario.

Mergers and Acquisitions.

Travel and Meal Expenses:

- Expenditures for any travel, hospitality, food and incidental expenses, including but not limited to expenses in respect of meals, snacks and beverages; gratuities; laundry, dry cleaning and valet services; dependent care; and personal telephone calls.

Rebates, Credits and Refunds:

- Any expenditures, including taxes, for which the Recipient has received, will receive, or is eligible to receive, a rebate, credit or refund.

Distribution/shipping expenditures of marketing/sales materials, including acquisition of paid media space, printing, and airtime.

HST.

**SCHEDULE “B-1”
PROJECT INVESTMENT COMMITMENT BUDGET**

| | Fiscal Year 1 | Fiscal Year 2 | Fiscal Year 3 | Fiscal Year 4 | Total (All Fis- cal Years) |
|--|--------------------------|--------------------------|--------------------------|--------------------------|---------------------------------------|
| ELIGIBLE PROJECT EXPENDITURES | | | | | |
| Business Attraction Expendi- tures | 0 | 0 | 0 | 0 | 0 |
| Project Site and Infrastructure | 482,000 | 1,446,000 | 482,000 | 0 | 2,410,000 |
| Equipment & Machinery | 0 | 0 | 0 | 0 | 0 |
| Labour (one-time internal) | 0 | 0 | 0 | 0 | 0 |
| One-time Materials | 0 | 0 | 0 | 0 | 0 |
| Specialized Expertise | 0 | 0 | 0 | 0 | 0 |
| Training and Talent | 0 | 0 | 0 | 0 | 0 |
| Project-related Permits and Fees | 0 | 0 | 0 | 0 | 0 |
| Other Eligible Project Expenditures | 0 | 0 | 0 | 0 | 0 |
| TOTAL ELIGIBLE PROJECT EXPENDITURES | 482,000 | 1,446,000 | 482,000 | 0 | 2,410,000 |

Note: For greater certainty, the sum of the Eligible Project Expenditures for all Fiscal Years is the same amount as the Project Investment Commitment.

SCHEDULE “C”

PROJECT STATUS REPORT

Milestone Status Table:

Provide a Project status report with respect to the achievement of Milestones, Deliverables and Timelines for the Project as described in Schedule “A-1”.

Under the column entitled “Actual Achieved”, please outline your progress relative to each Deliverable as at the given Milestone.

| Milestone | Deliverables (Please list the deliverables as they appear in Schedule “A-1”) | Actual Achieved (Please report on progress relative to each Deliverable) |
|------------------|--|--|
| Fiscal Year 1 | | |
| Fiscal Year 2 | | |
| Fiscal Year 3 | | |
| Fiscal Year 4 | | |
| Project End | | |

Additional Comments:

Performance Measures Table:

Provide a Project status report with respect to the achievement of the performance measures highlighted below.

| Performance Measure | Fiscal Year 1 | Fiscal Year 2 | Fiscal Year 3 | Fiscal Year 4 |
|---|---------------|---------------|---------------|---------------|
| Number of private sector jobs impacted by the Project | | | | |
| Number of economic development partners engaged in the Project. | | | | |
| New private sector investment stimulated by the Project (\$) | | | | |
| Investment in economic assets (\$) | | | | |
| Number of innovations/new processes introduced | | | | |
| Number of new companies added to business park | | | | |

Comments:

Eligible Project Expenditures Table:

Provide a budget status report detailing the Project Investment Commitment Budget (“PICB”) (for reference, see Schedule “B-1” for the Project Investment Commitment Budget) and actual Eligible Project Expenditures as applicable. For rows below with zero dollar values, insert “0” or “nil.” Explain any variances greater than 10% in any category of Eligible Project Expenditures below the table, under ‘Comments’.

| | PICB | Actual Eligible Project Expenditures | PICB | Actual Eligible Project Expenditures | PICB | Actual Eligible Project Expenditures | PICB | Actual Eligible Project Expenditures | PICB | Actual Eligible Project Expenditures | Variance | |
|--------------------------------------|---------------|--------------------------------------|---------------|--------------------------------------|---------------|--------------------------------------|---------------|--------------------------------------|-----------|--------------------------------------|----------|---|
| | Fiscal Year 1 | Fiscal Year 1 | Fiscal Year 2 | Fiscal Year 2 | Fiscal Year 3 | Fiscal Year 3 | Fiscal Year 4 | Fiscal Year 4 | Total | Total | | |
| | | | | | | | | | All Years | All Years | \$ | % |
| ELIGIBLE PROJECT EXPENDITURES | | | | | | | | | | | | |
| Project Site and Infrastructure | | | | | | | | | | | | |

| | | | | | | | | | | | | |
|--|--|--|--|--|--|--|--|--|--|--|--|--|
| Equipment & Machinery | | | | | | | | | | | | |
| One-time internal labour | | | | | | | | | | | | |
| One-time materials | | | | | | | | | | | | |
| Specialized Expertise | | | | | | | | | | | | |
| Training and Talent | | | | | | | | | | | | |
| Project-related permits, fees | | | | | | | | | | | | |
| Other Eligible Project Expenditures | | | | | | | | | | | | |
| Total Eligible Project Expenditures | | | | | | | | | | | | |

Note: Recipient to retain all records and invoices in support of paid Eligible Project Expenditures, which are subject to audit by Ontario.

Comments:

**SCHEDULE "D"
ANNUAL CERTIFICATE**

DATE: ●

FISCAL YEAR: ●

TO:

Minister of Economic Development, Job Creation and Trade ("Ontario")
Southwestern Ontario Development Fund
Funding Administration Branch, Program Operations Unit
10 Dundas St. E., 8th Floor
Toronto, ON M7A 0B2
Attention: Manager, Program Operations Unit

RE: **Agreement between Ontario and The Corporation of the Town of Tillsonburg (the "Recipient") effective June 18, 2020 (the "Agreement")**

Except as otherwise defined herein, all capitalized terms shall have the meanings given to them in the Agreement.

I, *[insert name and title of senior officer]* of the Recipient, on behalf of the Recipient, hereby certify without personal liability as follows:

1. Attached hereto is a Project Status Report, comprised of a Milestone Status Table, Performance Measures Table, and Eligible Project Expenditures Table, which is true, complete and accurate.
2. As at the end of Fiscal Year ●, the Recipient is forecasting total Eligible Project Expenditures of \$ ● by the Project Completion Date [**NTD: not required for final Fiscal Year**].
3. On and as of the date hereof, no Event of Default, whether or not Ontario has been given notice thereof, has occurred and is continuing.
4. I have reviewed the activities of the Recipient with a view of determining whether during Fiscal Year ● the Recipient has observed each of the covenants and conditions in the Agreement. I confirm that to the best of my knowledge and belief the Recipient has observed each of the covenants and conditions.
5. On and as of the date hereof, all representations and warranties contained in Article 7 of the Agreement are true and correct.

The undersigned has signed this certificate on this ● day of ●, 202●.

Per:

[insert name and title of senior officer]

**SCHEDULE “E”
REQUEST FOR DISBURSEMENT**

Date: ●

Fiscal Year: ●

To:

Minister of Economic Development, Job Creation and Trade (“Ontario”)
Southwestern Ontario Development Fund
Funding Administration Branch
Program Operations Unit 10 Dundas St. E., 8th Floor
Toronto, ON M7A 0B2
Attention: Manager, Program Operations Unit

From: The Corporation of the Town of Tillsonburg (the “Recipient”)

Re: Agreement between Ontario and the Recipient effective June 18, 2020 (the “Agreement”)

Except as otherwise defined herein, all capitalized terms shall have the meanings given to them in the Agreement.

1. I, *[insert name and title of senior officer]* of the Recipient, on behalf of the Recipient, hereby certify without personal liability as follows:
 - (a) On and as of the date hereof, all representations and warranties contained in Article 7 of the Agreement are true and correct.
 - (b) On and as of the date hereof, no Event of Default, whether or not Ontario has been given notice thereof, has occurred and is continuing.
 - (c) On and as of the date hereof, the Recipient is in actual possession of the Project Site.
 - (d) On and as of the date hereof, the Recipient has not incurred a cost overrun for the Project for which the Recipient has not obtained additional financing to pay for any such cost.
 - (e) On and as of the date hereof, the Recipient is in compliance with Applicable Laws as required pursuant to the Agreement.
 - (f) On and as of the date hereof, no Material Adverse Effect has occurred.
 - (g) Attached hereto is a Project Status Report, which includes an Eligible Project Expenditures Table which is true and accurate and relates to Eligible Project Expenditures on account of the Project which have been incurred and paid by the Recipient during the period commencing ● and ending ●. The Eligible Project Expenditures Table in Schedule “C” does not include any Eligible Project Expenditures incurred and paid to Non-Arm’s Length suppliers. *[Note: In the event*

that there are expenditures paid to Non-Arm's Length suppliers include the certificate or invoices required by section 5.6(b)(ii) of the Agreement.]

(h) **[NTD: include the following for the second Disbursement]** I certify that Eligible Project Expenditures in the amount of \$● have been incurred and paid with respect to the first Disbursement.

2. I certify that the Disbursement will be used in accordance with the Agreement.
3. I certify that the information provided herein is accurate and is being relied upon to disburse funds in respect of the Grant.
4. I certify that the attached Project Status Report is true and correct.
5. As reflected in the Disbursement Status Table set out below:
 - (a) The Annual Cap for this Fiscal Year ● is \$●.
 - (b) The Support Earned (as defined in the table below) for this Fiscal Year ● is \$●.
 - (c) The Recipient has an unused Carry Forward Amount from previous Fiscal Years in the amount of \$●.
 - (d) The Recipient hereby requests a Disbursement for this Fiscal Year ● in the amount of \$●.
 - (e) After the requested Disbursement, the Recipient will have an unused Carry Forward Amount in the amount of \$●.

Disbursement Status Table:

| Maximum Grant Amount: | | | | | |
|-------------------------------------|------------------------|------------------------------------|---|---------------------|-----------------------------|
| Disbursement Period | Annual Cap Amount (\$) | Eligible Project Expenditures (\$) | Support Earned = (●)% x Eligible Project Expenditures | Disbursement Amount | Unused Carry Forward Amount |
| Fiscal Year 1 | | | | | |
| Fiscal Year 2 | | | | | |
| Fiscal Year 3 | | | | | |
| Fiscal Year 4 (Performance Payment) | | | | | |
| Total | | | | | |

The undersigned has signed this certificate on this ● day of ● 202●.

Per:

[insert name and title of senior officer]

SCHEDULE "F"
FINAL CERTIFICATE AND REPORT

DATE: ●

TO:

Minister of Economic Development, Job Creation and Trade ("Ontario")
Southwestern Ontario Development Fund
Program Operations Unit
10 Dundas St. E., 8th Floor
Toronto, ON M7A 0B2
Attention: Manager, Program Operations Unit

**RE: **Agreement between Ontario and The Corporation of the Town of Tillsonburg
(the "Recipient") effective June 18, 2020 (the "Agreement")****

Except as otherwise defined herein, all capitalized terms shall have the meanings given to them in the Agreement.

I, *[Insert name and title of senior officer]* of the Recipient, on behalf of the Recipient, hereby certify without personal liability as follows:

1. The Recipient has incurred and paid a minimum of \$● in total Eligible Project Expenditures.
2. Attached hereto are the final Project Status Report, which is true and accurate, and the Independent Auditor's Report.
3. If applicable, attached hereto are detailed calculations of the Investment Target Clawback in accordance with the formula set out in Article 4 of the Agreement.
4. On and as of the date hereof, all representations and warranties contained in Article 7 of the Agreement are true and correct.
5. The total Government Assistance that the Recipient has received or is entitled to receive is in the amount of \$●.

The undersigned has signed this certificate on this ● day of ●, 202●.

Per: _____
[insert name of senior officer]

**SCHEDULE “F-1”
INDEPENDENT AUDITOR’S REPORT**

TO:

Minister of Economic Development, Job Creation and Trade (“Ontario”)
Southwestern Ontario Development Fund
Funding Administration Branch
Program Operations Unit
10 Dundas St. E., 8th Floor
Toronto, ON M7A 0B2
Attention: Manager, Program Operations Unit

RE: Agreement between Ontario and The Corporation of the Town of Tillsonburg (the “Recipient”) effective June 18, 2020 (the “Agreement”)

Except as otherwise defined herein, all capitalized terms shall have the meanings given to them in the Agreement.

At the request of the Recipient, we have undertaken a reasonable assurance engagement of the accompanying Schedules (the “Schedules”) relating to the Project for the period [*] to [*]. The Schedules have been prepared by management of the Recipient based on the Conditions of Subsequent Disbursements (section 5.6) and Final Certificate and Report (section 6.7) provisions of the Agreement. The Schedules include:

- The final Project Status Report (Schedule “C”)
- Final Certificate and Report (Schedule “F”)
- Each Request for Disbursement (Schedule “E”) submitted per section 5.6(a) of the Agreement

Management’s responsibility for the Schedules

Management of the Recipient is responsible for the preparation of the Schedules in accordance with the Conditions of Subsequent Disbursements and Final Certificate and Report provisions of the Agreement, and for such internal control as management of the Recipient determines is necessary to enable the preparation of the Schedules that is free from material misstatement, whether due to fraud or error.

Independent practitioner’s responsibility

Our responsibility is to express a reasonable assurance opinion on the Schedules, based on the evidence we have obtained. We conducted our reasonable assurance engagement in accordance with Canadian Standard on Assurance Engagements (CSAE) 3000, *Attestation Engagements Other than Audits or Reviews of Historical Financial Information*. This standard requires that we plan and perform this engagement to obtain reasonable assurance about whether the Schedules are fairly stated, in all material respects.

Reasonable assurance is a high level of assurance, but is not a guarantee that an engagement conducted in accordance with this standard will always detect a material instance of non-compliance with specified requirements when it exists. Instances of non-compliance can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users of our report. A reasonable assurance compliance reporting engagement involves performing procedures to obtain evidence about management’s

statement of the Company's compliance with specific requirements. The nature, timing and extent of procedures selected depends on our professional judgement, including an assessment of the risks of material misstatement of the Schedules, whether due to fraud or error, and requires obtaining evidence about the preparation of the Schedules in accordance with the Agreement.

We believe that the evidence we have obtained is sufficient and appropriate to provide for a basis of our opinion.

Independence and quality control

We have complied with the relevant rules of professional conduct / code of ethics applicable to the practice of public accounting and related to assurance engagements, issued by various professional accounting bodies, which are founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

The firm applies Canadian Standard on Quality Control 1, *Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance Engagements* and, accordingly, maintains a comprehensive system of quality control, including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Opinion

In our opinion, the Schedules of the Recipient for the period from ● to ●, are prepared, in all material respects, in accordance with the Agreement.

Cumulative Jobs of [*insert number] have been achieved for the period between ● and ●.

Total Eligible Project Expenditures of [*insert number] have been achieved for the period between ● and ●.

Actual Final Year Payroll Achieved is [\$***].

Purpose of statement and restriction on distribution and use

This report is prepared to assist the Recipient to comply with the financial reporting provisions of the Agreement. As a result, the report may not be suitable for another purpose. Our report is intended solely for the Recipient and Ontario and should not be distributed to or used by parties other than the Recipient and Ontario.

[Practitioner's signature]

[Date]

[Practitioner's address]

**SCHEDULE “G”
POST-PROJECT ANNUAL REPORT**

DATE: ●

TO:

Minister of Economic Development, Job Creation and Trade (“Ontario”)
Southwestern Ontario Development Fund
Funding Administration Branch
Program Operations Unit
10 Dundas St. E., 8th Floor
Toronto, ON M7A 0B2
Attention: Manager, Program Operations Unit

RE: Agreement between Ontario and The Corporation of the Town of Tillsonburg (the “Recipient”) effective June 18, 2020 (the “Agreement”)

Except as otherwise defined herein, all capitalized terms shall have the meanings given to them in the Agreement.

The Recipient has achieved the following results for the Post-Project Fiscal Year ended [insert date]:

| Performance Measure | Fiscal Year 1 | Fiscal Year 2 | Fiscal Year 3 | Fiscal Year 4 |
|---|---------------|---------------|---------------|---------------|
| Number of private sector jobs impacted by the Project | | | | |
| Number of economic development partners engaged in the Project. | | | | |
| New private sector investment stimulated by the Project (\$) | | | | |
| Investment in economic assets (\$) | | | | |
| Number of innovations/new processes introduced | | | | |

For each of the Performance Measures listed above, provide a description of the outcomes to date.

Per: _____
[insert name and title of senior officer]