9. SMALL BUSINESS AND ENTREPRENEURSHIP SERVICES: UPDATE

The Committee of the Whole recommends approval of the recommendation contained in the following report of the Interim City Manager dated April 2, 2019:

Recommendations

1. THAT, as required during the 2019-2022 Term of Council, the City Clerk and the Chief Financial Officer be authorized to execute any Transfer Payment Agreements between the City of Vaughan Economic and Cultural Development Department (including the Vaughan Business Enterprise Centre) and the Federal Government, Province of Ontario, and the Regional Municipality of York related to funding for small business and entrepreneurship programs, services and projects, subject to the form of such agreements being satisfactory to the City Solicitor (or designate), and content of such agreements being satisfactory to the Chief of Corporate Initiatives and Intergovernmental Relations (or designate); and

2. THAT the Manager, Small Business and Entrepreneurship Services and City Clerk be authorized to execute agreements, as required during the 2019-2023 time-frame related to awarding grants and/or sponsorship funding to eligible individuals and organizations through programs funded by the Federal Government, Province of Ontario, Regional Municipality of York, or non-governmental organizations (NGOs), and administered by the City of Vaughan; and

3. THAT, agreements shall be in a form satisfactory to the City Solicitor (or designate), and the content shall be satisfactory to the Chief Corporate Initiatives and Intergovernmental Relations (or designate).
Committee of the Whole Report

DATE: Tuesday, April 02, 2019 WARD(S): ALL

TITLE: SMALL BUSINESS AND ENTREPRENEURSHIP SERVICES: UPDATE

FROM:
Tim Simmonds, Interim City Manager

ACTION: DECISION

Purpose
Small Business is an important driver of Vaughan’s economy. The City of Vaughan, through the Economic and Cultural Development Department (ECD) and its Small Business and Entrepreneurship (SBE) division, has a strong track record of support for this segment of our economy. To build on success and enable staff to support the growth of these business, ECD is seeking Council approval to apply for relevant programs and partnerships, and to enter into agreements in support of the development of small business and entrepreneurship in Vaughan during the 2019-23 time-frame.

Report Highlights
- Small business and entrepreneurship are drivers of Vaughan’s economy, which, due to its talent and density, is a leading hub in Ontario.
- Small Business and Entrepreneurship in Economic and Cultural Development delivers leading services in the Greater Toronto Area and York Region.
- The Province of Ontario’s Transfer Payment Agreements for Small Business Enterprise Centre programs end on March 31, 2019. Staff require Council authority to enter into a new agreement on April 1, 2019. Staff have not been given details by the Province regarding the new agreement.
- To grow services beyond Provincially funded activities, staff require authority to execute agreements with partner organizations.
Recommendations

1. THAT, as required during the 2019-2022 Term of Council, the City Clerk and the Chief Financial Officer be authorized to execute any Transfer Payment Agreements between the City of Vaughan Economic and Cultural Development Department (including the Vaughan Business Enterprise Centre) and the Federal Government, Province of Ontario, and the Regional Municipality of York related to funding for small business and entrepreneurship programs, services and projects, subject to the form of such agreements being satisfactory to the City Solicitor (or designate), and content of such agreements being satisfactory to the Chief of Corporate Initiatives and Intergovernmental Relations (or designate); and

2. THAT the Manager, Small Business and Entrepreneurship Services and City Clerk be authorized to execute agreements, as required during the 2019-2023 time-frame related to awarding grants and/or sponsorship funding to eligible individuals and organizations through programs funded by the Federal Government, Province of Ontario, Regional Municipality of York, or non-governmental organizations (NGOs), and administered by the City of Vaughan; and

3. THAT, agreements shall be in a form satisfactory to the City Solicitor (or designate), and the content shall be satisfactory to the Chief Corporate Initiatives and Intergovernmental Relations (or designate).

Background

In May 2019, the Economic and Cultural Development Department shall be presenting a 2018 Year-in-Review Report to the Committee of the Whole that highlights Vaughan’s economic performance in 2018, as well as activities, services and achievements of the entire Department, including Small Business and Entrepreneurship.

Small Business and Entrepreneurship are important drivers of Vaughan’s economy.

In 2018, the number of businesses employing fewer than 10 people continues to count for roughly two-thirds of Vaughan’s over 12,000 business. Furthermore, Vaughan’s workforce is primed to foster innovation and entrepreneurship. The percentage of workers in Vaughan with a science, technology, engineering or mathematics (STEM) background is higher than the national average: based on data from the 2016 Census, Vaughan’s STEM workforce is 1.32 times more concentrated than the nation. Indeed, almost 9% of Vaughan’s workforce are employed in natural and applied sciences and related occupations. Vaughan also outperforms the country in with 1.25 times the
number of self-employed workers as compared to Canada (15% of Vaughan’s workforce).

Given the importance of small business, and the economic potential in entrepreneurship to generate prosperity and deploy social capital, the City of Vaughan has identified Economic Prosperity and Social Capital as a priority for the 2019-22 Term of Council. The networks and talent that make up Vaughan’s social capital are integral to supporting entrepreneurs. They are also composed of existing entrepreneurial networks.

*With the support of Council, Economic and Cultural Development will provide service excellence to local entrepreneurs and small business owners in the 2019-22 Term of Council through a two-pronged strategic approach: service delivery; and strategic partnerships.*

1. Service Delivery

*Economic and Cultural Development seeks Council support to enter into Transfer Payment Agreements with the Province and apply for relevant grants to support program delivery. At present, the Province of Ontario has not indicated how or if it will renew Small Business Enterprise Centre (SBEC) programming.*

A key service delivery vehicle for the small businesses and entrepreneurs in the City of Vaughan has been the Province of Ontario’s SBEC programming, operated by ECD as the Vaughan Business Enterprise Centre (VBEC) since 2001.

The Vaughan Business Enterprise Centre (VBEC) delivers the largest programs in York Region and is amongst the Province’s highest volume SBECs. This is a testament to the entrepreneurial spirit of Vaughan’s residents and the City’s vibrant and growing economy. Of Vaughan’s almost 12,000 businesses, more than 80 per cent are small businesses.

VBEC helps entrepreneurs and small business owners start or grow their business through:

- **Free one-on-one business advisory** services for entrepreneurs, answering key questions about business and identifying next steps, resources, and opportunities;
- **Focused seminar and workshop series** for entrepreneurs to connect with their peers and to stay up-to-date with best practices; and,
- High quality **Entrepreneurship Programs** like Starter Company Plus and Summer Company that deliver training, mentorship, and the opportunity for participants to apply for a Provincial grant.

These services have, from 2016 to 2018, **helped 949 business start or expand**.

To deliver these services, the City of Vaughan has been supported by the Province of Ontario since 2001 through transfer payment agreements (TPA) with the Ministry of Economic Development, Job Creation and Trade (MEDJCT) and its predecessors. TPAs require contribution of staff and facilities from the City of Vaughan. All current agreements end on March 31, 2019. It is expected that MEDJCT will renew some, but not all funding. However, no indication has been provided by Provincial staff as to how or if the funding will continue.

Since 2016, VBEC has seen an overall increase in demand on its services. Throughout this period, however, both MEDJCT and staff resources have not increased.

**One-on-one business advisory services**

The City of Vaughan’s business advisory services, delivered through VBEC, support local entrepreneurs and small business owners through both one on-one consulting, and the provision of education and best practices through seminars and networking opportunities.

The demand on services has increased dramatically since 2016.¹ For example:
- One-on-one consultations delivered has grown from 769 in 2016 to 1041 in 2018.
- Seminars delivered has grown from 48 to 59 between 2016 and 2018.
- Vaughan Business Expo registrations have grown from 320 in 2016 to 384 in 2018
- Staff continue to resolve over 4,000 inquiries annually.

MEDJCT funding supporting these activities has remained stable at $108,025 per year and staff resources have not increased.

**Starter Company Plus**

In addition to core business advisory services, MEDJCT contracted the City of Vaughan to deliver a new program, Starter Company Plus, from January 2017 to March 2019.

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¹ See: Province of Ontario, *Enterprise Centre Reporting*, 2016-18. Detailed metrics can be provided by ECD. Please contact ecd@vaughan.ca for copies.
From January 2017 to December 2018, Starter Company Plus, trained, mentored, and helped entrepreneurs receive a Provincial grant as they started or expanded a full-time business. Starter Company Plus has been a $550,000 investment into the City of Vaughan to grant 71 entrepreneurs and support 120 residents. Of this amount, $400,000 has been disbursed to local business people, totaling eighty $5,000 grants. 440 businesses have been supported through this program.

Starter Company Plus has helped 114 business start or expand.

Summer Company

Since VBEC's founding it has administered MEDJCT's Summer Company program, designed to support students aged 15-29 as they start a business over the summer. In recent years, VBEC has supported 17-30 students per year. This represents a significant annual investment from the Province of Ontario into the City of Vaughan. To consider this in context, the average Summer Company program allotment in Ontario in 2017 was between 13 and 14 participants, whereas VBEC received funding to support 23 to 27 participants.

In 2018, the Summer Company program created 30 summer jobs for participants and their employees. Furthermore 16 of the 17 participants in 2018 were still running their business (part-time, after returning to school in September 2018) as of December 2018.

MEDJCT has opened applications for the 2019 program but has not yet allocated funding to program delivery agents like the City of Vaughan.

2. Strategic Partnerships

To deliver the robust program they do, staff in the SBE branch of ECD are leaders in York Region and the Greater Toronto Area (GTA) in building partnerships. However, there are times when partnerships are lost due to the inability of staff to enter into agreements or memorandum of understanding (MOU) to formalize and govern partnerships.

Partnerships are an integral element of any economic development program. The Federation of Canadian Municipalities (FCM), for example, in its 2014 whitepaper Building Community Prosperity Through Local Economic Development lists partnering and partnerships as a guiding principle of local economic development. As the whitepaper explains, the opportunities in local economic development are often too
great for one organization to seize on its own. As such, there is a need to multiply resources to effectively support the local economy.\(^2\)

Staff in SBE seek partnerships with: governmental partners; non-governmental, not-for-profit private partners; and occasionally, private sector, for-profit partners.

First, through the Ontario Network of Entrepreneurs (ONE), the City of Vaughan is partnered with the Province’s Regional Innovation Centres (RIC) – ventureLAB is York Region’s RIC – as well as other SBECs, Campus Linked Accelerators (CLA) on Ontario’s post-secondary campuses, and the Ontario Centres of Excellence (OCE). Such partnerships allow for co-marketed initiatives, sharing of best-practices, and co-delivered initiatives. One such example is the recent ventureLAB-Vaughan pilot program to support accelerating technology companies in Vaughan.

More difficult to solidify, are the partnerships with non-governmental organizations. Examples of these include the City of Vaughan’s emerging partnership with Multiplicity Labs, a not-for-profit accelerator connecting tech entrepreneurs with corporate partners. Multiplicity’s premier program is InfinitiLAB: a program helping Nissan-Renault to incubate entrepreneurs in automotive technology. To open access for Vaughan businesses to such programs that connect entrepreneurs with Multi-National Enterprises (MNE), staff in SBE hosted a corporate innovation session on February 28, 2019. The invite-only event featured a speaker from Multiplicity, IBM Canada, and local entrepreneur, and alumni of both VBEC and InfinitiLAB, Shiva Bhardwaj, to lead a discussion with Vaughan’s leading corporate innovators. However, without the ability to enter into an MOU with Multiplicity that lays out roles and responsibilities for a long-term effort to launch programming in Vaughan, the partnership remains ad hoc.

Furthermore, there are times when staff in ECD need to partner with for-profit enterprises. If, for example, a Multiplicity program were to be duplicated in Vaughan, and ECD were to take part, such an agreement would be required. However, there are tactical, day-to-day examples of the need for staff in SBE to leverage private sector resources. In its business advisory services, SBE is often asked to refer citizens to local for-profit service providers like lawyers, accountants, financiers, etc. At present, staff share local providers with clients through the Vaughan Business Cafe. These local providers are not required to, in return, promote our services or even to share with us the volume of clients who make their way to them through ECD. MOUs would allow

ECD to put a governing arrangement in place with such service providers, to ensure co-marketing and reporting back to the City of Vaughan.

Other notable partnerships are underway as well. The organizations not being leveraged to their fullest with an MOU or Province of Ontario backed agreement through the ONE, in support of ECD, include: The Centre for Social Innovation (CSI); Artscape; The York Region Arts Council Artrepreneur Program; Ryerson University’s Zone Learning; York Mastermind; Tech Connex; Startup York Region; Y2 Labs; and the York Region District School Board’s Innovation, Creativity, and Entrepreneurship program.

**Previous Reports/Authority**

Item 5, Report No. 4, of the Finance, Administration and Audit Committee, which was adopted without amendment by the Council of the City of Vaughan on April 19, 2017: VAUGHAN BUSINESS ENTERPRISE CENTRE – 2017-2019 PROVINCE OF ONTARIO ENTREPRENEURSHIP PROGRAMMING FUNDING AGREEMENTS

**By-Law Number 154-2018**: A By-Law to Amend By-Law Number 78-2010 with Respect to Executing Grant Applications and Agreements.

**Analysis and Options**

*To continue to leverage small businesses and entrepreneurs in the service of Vaughan’s economic prosperity and social capital, ECD requires Council authority to apply for and pursue relevant programs and partnerships, and to enter into agreements with other governmental bodies, like-minded organizations, and local businesses. Staff recommend that Council grant them the ability to enter such Agreements.*

ECD has delivered business inquiry resolution and consultation, seminars and events, and entrepreneurship programs through VBEC since 2001. On March 31, 2019, the most recent TPA (2014-19) from the Province of Ontario will end. Although no details have been offered by the Province, it is expected that a new agreement will be presented to SBEC partners, including the City of Vaughan. As in the past, staff will require authorization to enter into that agreement.

In the Provincial fiscal year April 2018-March 2019, the City of Vaughan has been the beneficiary of over $200,000 of funding through Provincial TPAs. To not have the ability to receive such resources through bodies like the Province of Ontario, would be to put the City of Vaughan behind the other 46 municipal operators of SBECs.
Provincial TPAs require staff to administer direct grant funding to local small business owners. As in 2017, Staff recommend that Council grant the Manager, Small Business and Entrepreneurship, or designate, the ability to enter into grant agreements with program participants.

ECD manages two grant programs on behalf of the Province of Ontario: Summer Company and Starter Company Plus (both described above). These programs require the City of Vaughan and all 47 SBEC program providers across the province to enter into grant agreements with local business owners.

These agreements mitigate risk to the City of Vaughan while disbursing Provincial grant dollars. In these cases, the Director or Manager of the SBEC signs such agreements on behalf of their municipality. This is commonplace and low risk, given that agreements do not exceed $10,000 in value.

The current participant grant agreement, in use since 2017, was developed with Legal Counsel and governs the granting relationship between ECD and the entrepreneurs receiving funding.

To ensure a fair and transparent process, disbursement of all grant funds go through a Province of Ontario approved adjudication process.

In 2018 alone, ECD managed 78 grants between the Province’s two programs. Staff in ECD require the ability to deploy these resources.

Entrepreneurship programs and services would benefit from solid partnerships backed by strong agreements in the form of MOUs. Staff require the ability to quickly enter into such agreements, in form satisfactory to the City Solicitor.

As outlined previously, partnerships are integral to local economic development. There is an opportunity to deepen the benefits of partnerships by backing them with MOUs.

For example, ECD is currently engaged through York Region in Collision 2019, North America’s fastest growing conference for technology businesses. To ensure that the City of Vaughan has a presence at the conference, staff are required to enter into an agreement as a co-exhibitor with York Region. Approval of this report will grant staff to enter into the agreement.

If Council grants staff the ability to enter into such arrangements, ECD would have the added benefit of requiring partners to market the City’s services and to share successes of joint clients, for example.
Financial Impact

There are no new financial requests associated with this report.

Full financial impact is not known at this time. The Province of Ontario has not indicated potential funding levels beyond March 31, 2019.

However, across three TPAs with the Province, ECD has received approximately $900,000 to undertake programs since April 1, 2017:

1. VBEC Core Programming for which the Province allocated over $200,000 to the City of Vaughan to the end of March 2019;
2. Summer Company, for which the Province of Ontario allocated $126,500 to support 23-27 young entrepreneurs in 2017, and over $80,000 in 2018. Of this amount, over $130,000 was disbursed in grant dollars to Vaughan’s young entrepreneurs. Individuals receive grants of up to $3,000;
3. Starter Company Plus, for which the Province allocated $550,000 to support 71 local entrepreneurs to the end of March 2019. Of this amount, $400,000 was disbursed to local business people. Individuals received grants of up to $5,000.

Through ECD, the City of Vaughan contributes the salary of the Manager, Small Business and Entrepreneurship and the Small Business Advisor, along with the benefits payments of the Information and Administrative Representative and facilities, as its contribution to the partnership with the Province of Ontario.

The Province of Ontario’s funding covers the salaries of the Entrepreneurship Coordinator and the Information and Administrative Representative. Even though the City of Vaughan delivers the largest programs in York Region, it lags in staffing. For example, the York Region SBEC delivers half the number of consultations with four permanent full-time staff.

Broader Regional Impacts/Considerations

SBE maintains the largest small business programs in York Region. As such, it works closely with the other SBECs in the Region – Markham, Richmond Hill, and York Region, who serve the northern six municipalities. In the past, SBE has supported their programs by taking on overflow applicants, by offering training to regional entrepreneurs, and by assisting with applicant adjudication. SBE and its regional counterparts expect to continue in this manner. It should be noted that these actions do not have a negative impact on SBE as they help the Department to meet its MEDJCT requirements, attract business to the City of Vaughan, and, since these actions leverage existing programming, require no additional cost.
In addition, SBE has built a robust ecosystem of partners as noted above. This affords SBE the opportunity to attract entrepreneurs from across York Region and the Greater Toronto Area into the City of Vaughan.

**Conclusion**

SBE is one of the leaders amongst the Province’s 47 SBECs and is a strong contributor to local economic development. Since 2016, for example, SBE has grown the number of annual number of consultations from 700 to over 1,000. Those businesses and entrepreneurs working with SBE have started or expanded over 900 businesses in Vaughan.

SBE’s core client – entrepreneurs and small business with fewer than 20 employees – made up more than 80 per cent of Vaughan’s over 12,000 businesses in 2018. These businesses benefit from the services and ecosystem access that ECD and SBE offer. The Department looks forward to continuing to work with local and provincial partners like the Vaughan Chamber of Commerce, ventureLAB, COSTI Employment Services, and its partners through the Province of Ontario’s Ontario Network of Entrepreneurs (ONE).

To maintain status as a leading SBEC, SBE will implement Provincial programming with Council’s approval, and solidify partnerships across the region.

**For more information**, please contact: (Raphael Costa, Manager, Small Business and Entrepreneurship)

**Attachments**

1. Entrepreneurship Program Participant Grant Agreement, Economic and Cultural Development

**Prepared by**
Raphael Costa, Manager, Small Business and Entrepreneurship, ext. 8891
Participant Agreement for Grant

THIS AGREEMENT made in duplicate as of the _____ day of ______, 20___.

BETWEEN:

THE CORPORATION OF THE CITY OF VAUGHAN

("Vaughan")

- and -

___________________________

(the "Participant")

Recitals

A. WHEREAS the Participant has applied for a grant under the __________________ program which provides training, mentorship and funding for entrepreneurs aged 18 and older to start or expand their eligible business (the “Program”)

B. AND WHEREAS Her Majesty the Queen In Right of Ontario, as represented by the Minister of Economic Development and Growth and the Ministry of Research Innovation and Science, has provided grant funds to Vaughan to assist with the Program.

C. AND WHEREAS Vaughan and the Participant wish to set out in this Agreement their respective rights and obligations concerning the grant of funds from Vaughan.

D. NOW THEREFORE THIS AGREEMENT WITNESSES that in consideration of the mutual promises and covenants contained in it, Vaughan and the Participant agree as follows:

Section 1 - Interpretation of the Agreement

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

“Agreement” means this agreement together with the Application, Guidelines, appendices and any amendments thereto;

"Application" means the Program grant application completed by the Participant and includes the Business Plan;

"Award" means the financial assistance in the amount of up to $____ to be disbursed by Vaughan to the Participant in the manner provided in this Agreement;

“Business” means the operation of the independent business as described in the Application and the Business Plan;

"Business Mentoring Group" means the committee of local business representatives referred to in the Guidelines to which the Participant is assigned;
"Business Plan" means the appropriate business model or impact document submitted by the Participant as part of the Application and approved by Vaughan;

"Disbursement" means any advance of funds authorized by Vaughan on account of the Award;

"Guidelines" means the guidelines posted by the Program Provider which are also provided to the Participant with the Application setting out the criteria and conditions for the Program, and which guidelines are subject to change from time to time without notice;

“Participant Survey” means the survey on the Program that the Participant is required to complete;

“Program” is defined in Recital A;

"Program Provider" means the community based organization that delivers small business programs and training modules;

"Term" means the time period the Participant commences and completes the Program under the Program Provider.

**Section 2 – Participant Covenants**

2.01 The Participant agrees to implement or run the Business substantially in accordance with this Agreement and operate the Business. The Participant shall use best efforts to satisfy the targets set out in the Business Plan. Material changes should be noted and Vaughan notified immediately of this change.

2.02 The Participant shall not use more than ninety percent (90%) of the grant awarded on equipment purchases for the Business.

2.03 The Participant shall provide to the Program Provider a copy of the Business’ articles of incorporation, partnership agreement and/or, business name registration, as applicable;

2.04 The Participant shall obtain all applicable licenses required to operate the Business, and upon request, provide evidence of compliance to the Program Provider.

2.05 The Participant and the Business shall comply with and duly observe all present and future applicable federal and provincial laws, regulations and municipal by-laws.

2.06 The Participant agrees to, on a predetermined basis by their Program Provider:

(a) attend meetings with the Business Mentoring Group appointed by the Program Provider:
Participant Agreement for Grant

(b) submit a description of the progress of the Business, time allocations, outlining business tasks and operations and marketing activities, in a form and substance satisfactory to the Business Mentoring Group and Vaughan; and

(c) submit a cash flow statement of the Business operations together with copies of all receipts and invoices organized, totaled and reconciled to the cash flow record.

2.07 The Participant agrees to participate in business training as recommended by the Program Provider.

2.08 The Participant will permit the Program Provider to visit the Business site at such reasonable times as may be requested by the Program Provider to review the progress of the Business and to review the Business’ compliance with the terms and conditions of this Agreement.

2.09 The Participant agrees to attend an Exit Interview to provide information to the Program Provider Centre about the Participant’s experience with the Program.

2.10 The Participant agrees to provide such other information and comply with such other reasonable requirements as established by the Program Provider, and Vaughan.

Section 3 – Participant’s Representations and Warranties

3.01 The Participant represents and warrants to and in favour of Vaughan:

(a) that the information supplied to Vaughan in the Application or in support of the Application by the Participant is true and accurate. The Participant acknowledges that Vaughan has relied upon the truth, authenticity and accuracy of the information in authorizing the Award;

(b) that if the Business is incorporated pursuant to the provincial or federal Business Corporations Act, that it is a corporation duly incorporated, organized, and validly existing and in good standing under the law of Ontario or Canada, as the case may be, and that the Participant is the majority shareholder of such corporation;

(c) that the Participant operates the Business arms length from any family business operation or venture;

(d) that the Business proposed in the Business Plan is a new or expanding business venture;

(f) that the Participant is a resident of Ontario;
Participant Agreement for Grant

(g) that the Participant is a Canadian citizen or a permanent resident of Canada;

(h) that the Participant has not previously received an award from a program that is the same as or similar to the Program.

(i) that the Participant is not concurrently making use of any other self-employment programs during the Term of this Agreement.

(j) that the Participant is not presently enrolled, and shall not be returning, to full-time education during the Term of this Agreement.

Section 4 - The Award

4.01 Subject to and in accordance with all of the terms and conditions of this Agreement, and in reliance on the representations and warranties in Section 3, Vaughan agrees to provide an Award to the Participant to a maximum aggregate amount of $________ to assist the Participant to carry out the Business Plan for the Business.

Section 5 - Terms and Conditions of Disbursement

5.01 The Term in this instance begins June 2018 and ends September 2018 for the final milestone of the Program.

5.02 Disbursements by Vaughan to the Participant on account of the Award shall be made available as follows:

(a) The Disbursement may be up to $________ upon execution of the Agreement by both parties;

i. cash flow statements of the Business’ operations;

ii. copies of the bank statements for the Business; and

iii. a detailed expenditure statement and accounting, satisfactory to the Program Provider, and Vaughan, for the expenditure of the disbursement by providing a statement of all costs incurred and paid by the Participant on account of the Business together with, invoices and other appropriate records supporting the said expenditures and proof of payment thereof organized, totaled and reconciled to the cash flow statement and expenditure statement.

_____/_____
Participant Agreement for Grant

Section 6 - Termination

6.01 In the event that the Participant is in breach of a covenant, term or condition set out in this Agreement, upon 15 days written notice to the Participant:

(a) All obligations of Vaughan to make Disbursements on account of the Award shall be immediately extinguished;

(b) Vaughan may, at its option, terminate this Agreement and may demand immediate repayment from the Participant of the total Disbursement made by Vaughan, and the total amount of all Disbursement made pursuant to this Agreement shall be immediately due and payable by the Participant to The Corporation of the City of Vaughan.); and

(c) Vaughan may avail itself of any of its legal remedies, which it may deem appropriate.

Section 7 - General

7.01 Audit

All contracts, papers, correspondence, copies, books, payrolls, records, accounts, invoices, statements, accounting records and other information and material of the Participant relating to the expenses incurred by the Participant pursuant to the Business and this Agreement shall be open to audit examination by Vaughan or its agent at all reasonable times during the Term of this Agreement and for a period of 7 years thereafter and the Participant hereby agrees to maintain such records for such period of time.

7.02 Applicable Law

This Agreement is to be governed by and interpreted in all respects in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.

7.03 Entire Agreement

This Agreement, including the Application and Guidelines, forms the entire Agreement between the Participant and Vaughan and supersedes all prior agreements and understandings.

7.04 Time

Time is of the essence of this Agreement.

7.05 Assignment

This Agreement and all documents delivered pursuant thereto ensure to the benefit of Vaughan and the Participant, their respective assigns and successors at law. This Agreement may not be assigned by the Participant without the written consent of Vaughan.

_____ / _____
Participant Agreement for Grant

7.06 **Limitations of Liability**

In no event will Vaughan be responsible for any direct, indirect, or consequential damages sustained by the Participant or any of its employees, customers or any other third parties, howsoever caused.

7.07 **Insurance**

The Participant should carry all the necessary and appropriate insurance that a prudent person in the business of the Participant would maintain. The Participant is responsible for his/her own insurance and is not covered by the Province of Ontario’s, or Vaughan’s insurance program. No protection will be afforded to the Participant by the Government of Ontario or Vaughan for any claims that may arise from the Participants’ operation of the Business.

7.08 **Notices**

Any notice, request, demand, consent, approval, correspondence, report or other communication required pursuant to or permitted under this Agreement must be in writing and must be given by personal delivery, or transmitted by telex, fax, telegram, facsimile, or other electronic message which provides a hard copy, or be sent by first class mail, postage or charges prepaid, and addressed to the party to whom it is intended at, in the case of the Participant, at the address set out in the Application and in the case of Vaughan, at the address set out below:

**City of Vaughan**
C/O: The Vaughan Business Enterprise Centre
Level 200
2141 Major Mackenzie Dr
Vaughan, ON
L6A 1T1

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

7.09 **Non-Agent**

The Participant and Vaughan agree and declare that nothing in this Agreement shall be construed as creating a partnership, joint venture, agency or employment relationship between the Participant and Vaughan.

7.10 **Conflict in Documents**

In the event of any conflict or inconsistency in this Agreement, (a) the main body of the Agreement shall govern over the Appendices to the Agreement; (b) the Agreement (including its Appendices) shall govern over the Guidelines and the Application; and (c) the Guidelines shall govern over the Application.
Participant Agreement for Grant

7.11 **Conflict of Interest.**

The Participant shall ensure that any person associated with the Business, in whatever capacity, carries out the Business, in all its aspects, without a conflict of interest. For these purposes, a conflict of interest includes any circumstances where (a) the Participant; or (b) any person who has the capacity to influence the Participant’s decisions; has outside commitments, relationships or financial interests that could, or could be seen to, interfere with the Participant’s objective, unbiased and impartial judgment relating to the Business and the use of the Award. Nothing in this section shall prevent the Participant if it so chooses from reimbursing its volunteers for their reasonable out of pocket expenses incurred in connection with the Business. The Participant shall (a) disclose to Vaughan without delay any actual or potential situation that may be reasonably interpreted as either a conflict of interest or a potential conflict of interest; and (b) comply with any terms and conditions that Vaughan may prescribe as a result of the disclosure.

7.12 **Amendments.** This Agreement may be amended, altered or modified only by a written agreement signed by both Vaughan and the Participant.

7.13 **Waiver.** The benefit of any provision of this Agreement may be waived in whole or in part by the party for whose benefit the provision operates and any party may waive any or all of its rights in the event of a breach of any provision of this Agreement by the other party. A waiver is binding on the waiving party only if it is in writing. A waiver may be absolute or may be limited in any way as to duration or scope.

7.14 **Further Assurances.** The Participant agrees at any time and from time to time after the execution and delivery of this Agreement to execute and deliver such further acts and things as Ontario may reasonably request in order to fully effect the purpose of this Agreement and the transactions contemplated herein.

7.15 **Municipal Freedom of Information and Protection of Privacy Act.** The Participant acknowledges that Vaughan is bound by the *Municipal Freedom of Information and Protection of Privacy Act*, R.S.O. 1990, c. M.56 as amended and that the information provided to Vaughan in connection with the Business or otherwise in connection with the Agreement may be subject to disclosure under that legislation.

7.16 **Force Majeure.** Neither party shall be responsible for failures in performance resulting from matters beyond the control of the party, including acts of God, riots or other civil insurrection, war, strikes and lock-outs.

7.17 **Severability.** The invalidity or unenforceability of any provision of this Agreement or any covenant in it will not affect the validity or enforceability of any other provision or covenant in it, and the invalid provision or covenant will be deemed to be severable.

_____ / _____
Participant Agreement for Grant

In Witness Whereof the Participant and Vaughan have executed this Agreement as of the date first set out above.

THE CORPORATION OF THE CITY OF VAUGHAN

Per:
Title:
Name:

______________________
Signature of Participant

______________________
Print name of Participant

If Participant is under 18:

______________________
Signature of parent/guardian of Participant

______________________
Print name of parent/guardian of Participant

______________________
Signature of Witness

______________________
Print Name of Witness
Participant Agreement for Grant