

Attachment 1 – Entrepreneurship Program Participant Grant Agreement

THIS AGREEMENT made in duplicate as of the ____ day of December, 2021.

BETWEEN:

THE CORPORATION OF THE CITY OF VAUGHAN

("Vaughan")

- and -

[_____]

(the "Participant")

Recitals

- A. WHEREAS the Participant has applied for a grant under the **Starter Company Plus** 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, Job Creation and Trade, 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 \$5,000.00 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;

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"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;

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- (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;

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- (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 \$5,000.00 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 December 2021 and ends February 2022 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 First Disbursement may be up to \$3,500.00 upon execution of the Agreement by both parties;
 - (b) Disbursement up to \$1,500.00 provided that the Participant is in compliance with the terms and conditions of this Agreement, has complied with the covenants set out in Section 2 and has provided Vaughan, the Program Provider, as applicable, with the following documents on or before the end of the Term which shall be in form and substance satisfactory to Vaughan:
 - 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.

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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.

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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.

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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.

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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