

LOAN AGREEMENT

This Agreement is made as of March 25, 2025.

B E T W E E N:

THE CORPORATION OF THE COUNTY OF MIDDLESEX
(the "County")

- and -

THE CORPORATION OF THE MUNICIPALITY OF THAMES CENTRE
(the "Municipality")

WHEREAS:

- A. The Middlesex County Loan Program, as established pursuant to By-law #7265 (the "**By-law**"), is designed to provide financial assistance to lower-tier municipalities within Middlesex County for eligible growth-related sewer and water infrastructure projects that enhance the County's property assessment base;
- B. The Municipality, being a lower-tier municipality within Middlesex County, has submitted an application under the Middlesex County Loan Program seeking financial assistance for a qualifying project as defined in the By-law; and
- C. The County has reviewed and approved the Municipality's application in accordance with the By-law and has agreed to provide financial assistance to the Municipality upon the terms and conditions set forth herein;

NOW THEREFORE, in consideration of the premises and the mutual agreements contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties covenant and agree as follows:

1. LOAN AMOUNT

- a. The County agrees to loan the Municipality the principal sum of **\$930,000.00** (the "**Loan**"), provided that the Loan shall not exceed the lesser of \$4,800,000 or 50% of the eligible capital costs of the Project, as determined by the County pursuant to the By-law.

2. PURPOSE OF THE LOAN

- a. The Loan shall be used exclusively for funding eligible costs related to the construction of the Thorndale Industrial Drain (the "Project"), as described in **Schedule "A"**.

3. INTEREST

- a. The Loan shall be interest-free, provided the Municipality adheres to the repayment schedule and all other terms of this Agreement.
- b. In the event of default, interest shall accrue on any overdue amounts at the rate of fifteen percent (15%) per annum, as stipulated in the By-law.

4. REPAYMENT TERMS

- a. The Loan shall be repaid in full within fifteen (15) years, but in no case exceeding ten (10) years from the date of this Agreement.
- b. Repayments shall be made in equal installments of **\$62,000.00** on a **ANNUAL** (once per year) basis, commencing on **June 15, 2026** and continuing until **June 15, 2039** as outlined in **Schedule "B"** attached hereto.
- c. Each payment shall be applied as follows:
 - i. First, to any accrued interest (if applicable); and
 - ii. Second, to the principal balance.
- d. The Municipality may prepay the Loan, in whole or in part, at any time without penalty. Any prepayment shall be applied in the same order as described in Section 4(c).
- e. The County shall issue a receipt or written confirmation of each payment received from the Municipality within thirty (30) business days.

5. CONDITIONS PRECEDENT

- a. The County's obligation to disburse the Loan is subject to the following conditions:
 - i. Submission by the Municipality of all required documentation, including but not limited to:
 - 1. Project designs, specifications, and studies;
 - 2. Funding agreements associated with the Project;
 - ii. The Municipality's Council approving the award of the contract for work associated with the Project to a qualified contractor;
 - iii. A dually executed agreement between the Municipality and the awarded contractor identified in Section 5(a.ii).
- b. Confirmation that the Project complies with the Middlesex County Official Plan; and
- c. The Municipality's representation that it does not have any other active projects funded under the Program.

6. LATE PAYMENTS

- a. A payment not received by the County within fifteen (15) days of the due date shall be deemed late.
- b. In the event of late payment, the County reserves the right to:

- i. Apply interest to the overdue amount at the rate of fifteen percent (15%) per annum;
- ii. Exercise any remedies available under this Agreement or at law.

7. DEFAULT AND REMEDIES

- a. The Municipality shall be in default under this Agreement if:
 - i. Any payment due hereunder remains unpaid for more than fifteen (15) days;
 - ii. The Municipality uses the Loan for purposes not permitted under this Agreement or the By-law;
 - iii. The Municipality breaches any other material term of this Agreement.
- b. Upon default, the County may declare the entire unpaid balance of the Loan immediately due and payable and may take any action available to it at law or in equity to recover the same.

8. REPRESENTATIONS AND WARRANTIES

- a. The Municipality represents and warrants that:
 - i. It has the legal authority to enter into this Agreement;
 - ii. All information provided to the County in connection with its Loan application is true and accurate; and
 - iii. The Loan will be used solely for the purposes set out in this Agreement.

9. CONDITIONS

This Agreement and disbursement of the Loan's proceeds under this Agreement shall be conditional on the following:

- a. Approval by County Council of the Project, this Agreement and any other matter relating to the Project, acting in its sole discretion;
- b. Approval by County staff of the Project, this Agreement and any other matter relating to the Project, acting in its sole discretion;
- c. Satisfactory evidence must be provided to the County that all the representations and warranties contained in this Agreement are true and accurate as of the date the Loan is disbursed;
- d. Satisfactory evidence that the amount of the Loan is within the borrowing limits of the Municipality as defined and determined by the Ministry of Municipal Affairs and Housing or, alternatively, that the full amount of the Loan has been approved by the Ontario Municipal Board;
- e. Satisfactory evidence that the Certificate of Approval for the Project has been obtained and there are no amendments to the Certificate of Approval that are contemplated by the Municipality. In the alternative, if there are amendments to the Certificate of Approval that are contemplated, either as of the date of this Agreement or thereafter, such amendments must be approved by the County, County Council and County Staff;

- f. The Project must comply with and further the objectives of the County Official Plan in the opinion of the County, County Council and County Staff, acting in their sole discretion.

10. ELECTRONIC SIGNATURES

- a. The parties agree that this Agreement may be executed electronically in accordance with the *Electronic Commerce Act* and any applicable law.
- b. Electronic signatures affixed to this Agreement shall be deemed valid and binding.
- c. This Agreement may be executed in counterparts, each of which shall be deemed an original, and all of which together shall constitute one and the same instrument. Execution by the parties at separate times or locations shall not affect the validity of this Agreement.

11. ENTIRE AGREEMENT

- a. This Agreement constitutes the entire understanding between the parties with respect to the subject matter herein and supersedes all prior negotiations, discussions, and agreements, whether written or oral.

12. GOVERNING LAW

- a. This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the provisions of By-law #7265, as amended or replaced from time to time.

[ONE (1) ENDORSEMENT PAGE FOLLOWS]

IN WITNESS WHEREOF the parties have caused this Agreement to be executed as of the date first written above.

**THE CORPORATION OF THE MUNICIPALITY
OF THAMES CENTRE**

By: _____

By: _____

*We have authority to bind the Municipal
Corporation.*

**THE CORPORATION OF THE COUNTY OF
MIDDLESEX**

By: _____

By: _____

*We have authority to bind the Municipal
Corporation.*

SCHEDULE "A"



Middlesex County Loan Program

Applicant Details:

Municipality: Thames Centre

Project Name: Thorndale Industrial Drain

Application Details:

Description of Project:

This project focuses on the development of an effective storm water management system within an industrial zoned area. It will feature two large storm water management ponds designed to implement both quality and quantity controls, ensuring the effective handling of storm water runoff. Additionally, a large open channel and tiled subsurface drainage system will be integrated to efficiently convey flows to the ponds.

Identify how the Project will grow the Middlesex County Property Assessment and/or Industrial Property Assessment Base:

The implementation of the storm water management project will enhance the overall value of properties within the industrial zoned area in several ways. With 80% of each property in the industrial zone able to directly flow into the storm water management system businesses can maximize their site utilization. This storm water system will provide the ability to efficiently manage storm water runoff which reduces the risk of flooding and water damage. The project alleviates the need for individual businesses to secure their own outlets. This simplifies the development process for property owners.

Timeline of Project:

The project is currently in the design stage and is anticipated to be construction-ready early 2025. If the project receives approval through the Middlesex County Loan Program, a Report will be presented to Thames Centre Council recommending to proceed.

Capital Cost of the Project:	<u>\$1,860,000</u>
Municipal Portion of Capital Cost:	<u>\$1,860,000</u>
Requested Funding Amount:	<u>\$930,000</u>
Requested Payback Timeline (15 Year Maximum):	<u>15 years</u>

Applicant is to accompany submission with any additional documentation to support application including but not limited to Debenture By-Law, designs, specifications, studies, and background reports.

The application shall be provided to the County a minimum of sixty (60) days in advance of Middlesex County Council funding consideration.

	<u>Jarrod Craven</u>	<u>Director of Public Works</u>	<u>2025 02 10</u>
Applicant Signature	Applicant Name	Applicant Position	Date

I have legal authority to bind the Corporation/Municipality

Return completed application to Josh White, Procurement Service Manager, jwhite@middlesex.ca

SCHEDULE “B”

**MIDDLESEX COUNTY LOAN PROGRAM
AMORTIZATION SCHEDULE**

MUNICIPALITY OF THAMES CENTRE

Payment #	Payment Due Date (M/D/Y)	Payment Amount
1	6/15/2025	\$ 62,000.00
2	6/15/2026	\$ 62,000.00
3	6/15/2027	\$ 62,000.00
4	6/15/2028	\$ 62,000.00
5	6/15/2029	\$ 62,000.00
6	6/15/2030	\$ 62,000.00
7	6/15/2031	\$ 62,000.00
8	6/15/2032	\$ 62,000.00
9	6/15/2033	\$ 62,000.00
10	6/15/2034	\$ 62,000.00
11	6/15/2035	\$ 62,000.00
12	6/15/2036	\$ 62,000.00
13	6/15/2037	\$ 62,000.00
14	6/15/2038	\$ 62,000.00
15	6/15/2039	\$ 62,000.00
Total		\$ 930,000.00