

DEMAND LOAN AGREEMENT

This Agreement is made as of the ___ day of June, 2025.

BETWEEN:

THE CORPORATION OF THE TOWNSHIP OF CLEARVIEW
(“Clearview”)

– and –

THE CORPORATION OF THE COUNTY OF SIMCOE
(the “County”)

WHEREAS:

- A.** Clearview is a lower tier municipality and wishes to commence its Klondike Park Water Infrastructure Project (the “Project”) to address its water infrastructure needs.
- B.** As part of its plan to expand its water infrastructure, Clearview is receiving funding from the Province of Ontario. This funding does not fully cover the cost of the Project.
- C.** The remaining funds are contingent on future development charges anticipated to be paid to Clearview. While Clearview works with developers to meet the conditions for the development charges to be paid, Clearview wishes to borrow from the County, and the County has agreed to lend to Clearview, up to \$30 million for a period of 5 years.

NOW THEREFORE in consideration of the mutual promises and covenants contained in this Agreement and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. THE LOAN**1.1 *The Loan***

- 1.1.1 The County will lend to Clearview, subject to the terms and conditions set forth in this Agreement, up to the amount of thirty million dollars (\$30,000,000.00) (the “Loan”).
- 1.1.2 The term of the Loan will be 5 years, commencing on September 30, 2025 and terminating on September 29, 2030.
- 1.1.3 The Loan will be interest only during the term.
- 1.1.4 Clearview has the right to pay all or any portion of the principal of the Loan prior to the expiry of the term at any time, without notice, bonus, or penalty.

1.1.5 When Clearview receives a development charge prepayment under its Development Charge Early Payment, Project Funding and Water Capacity Allocation Agreement dated October 31, 2024 it shall apply the full amount of such development charge prepayment toward the outstanding loan balance within thirty (30) days of receipt.

1.2 *Advances*

Clearview will provide monthly cash flow estimates for the Project, which it will update quarterly, including expected dates and amount of Loan advances.

Clearview will provide a minimum thirty (30) days notice of a request for Loan advance which will be a minimum of one million dollars (\$1,000,000.00) for each draw.

1.3 *Payment of Interest*

Interest on the Loan will be variable, based on Infrastructure Ontario's then current 5 year rate plus 0.5 percent.

The calculation of interest will begin when the County makes the first advance of funds (the "First Advance Date"). The interest rate will be updated monthly following the First Advance Date to calculate that month's interest payment.

Interest will increase each year by an additional 0.1 percent following the First Advance Date. Interest on the Loan will be calculated and applied monthly, and payable monthly.

1.4 *Re-Payment of the Loan*

At the end of the term, the outstanding balance under the Loan, any outstanding interest payable pursuant to this Agreement and all other monies payable pursuant to this Agreement shall become immediately due and payable. Payment shall be made by certified cheque payable to the County or as the County may direct by notice to Clearview.

1.5 *Payment on Demand on Default*

The outstanding balance under the Loan and all other monies payable pursuant to this Agreement will, at the County's option, become immediately due and payable in the event of a Default, as defined herein.

2. SECURITY

Clearview will execute and deliver to the County prior to the advance of the Loan, a collateral mortgage / charge of land (the "Mortgage") in favour of the County against the lands set out in Schedule A (the "Property") as continuing collateral security for the repayment of the Loan. The collateral Mortgage will be in form and content satisfactory to the County, incorporating Standard Charge Terms 200033 and the County's specific provisions attached as Schedule B.

The Mortgage will be registered first in priority against the Property.

3. TERMINATION

When the County receives repayment in full of the Loan including interest and all other monies owing under this Agreement, this Agreement will automatically terminate.

4. REPRESENTATIONS AND WARRANTIES

Clearview represents and warrants to the County that:

- 4.1.1 Clearview is a corporation incorporated, duly organized, validly existing and in good standing under the laws of Ontario, and is qualified to carry on its business in all jurisdictions where the nature of its business or the character or location of its assets make such qualification necessary.
- 4.1.2 The borrowing of money by Clearview and the execution, delivery and performance of this Agreement are within the corporate power and capacity of Clearview and have been duly authorized by all proper and required corporate proceedings, and do not require the consent, approval or registration of any other party.
- 4.1.3 The execution and delivery of this Agreement by Clearview, the consummation of the transactions contemplated thereby and the compliance with the covenants, terms, provisions and conditions of this Agreement will not conflict with or result in a breach of any applicable laws or any agreement or instrument to which either Clearview is a party or by which either of them or their assets are bound.
- 4.1.4 This Agreement and all other documents or instruments to be delivered pursuant to this Agreement will, when executed and delivered, constitute valid and binding obligations of Clearview enforceable against it in accordance with their respective terms.
- 4.1.5 Clearview will have good and marketable title to the Property free and clear of any security, charge, pledge, lien or other encumbrance.
- 4.1.6 There are no actions, suits or proceedings pending or to the knowledge of Clearview threatened against or adversely affecting Clearview in any court or before any federal, provincial, municipal, or other governmental department, commission, board, bureau or agency which might materially affect the financial condition of Clearview or its title to the Property.

5. COVENANTS

5.1 *Affirmative Covenants*

Clearview covenants with the County that so long as any amounts advanced under the Loan remain outstanding, Clearview will:

- a. insure and keep insured the Property and the Project with extended coverage against loss or damage by fire, theft, accident or other insurance hazards commonly insured against, to their full insurable value. All insurance shall be maintained with an insurer or insurers as may be approved by the County, and such approval shall not be unreasonably withheld. Clearview will pay or cause to be paid all premiums in connection with the insurance and will deposit certified copies of insurance policies with the County or otherwise deal with them as the County may require.
- b. give to the County prompt written notice of any material adverse change in the Project, financial or otherwise.
- c. carry on and conduct the Project a proper and efficient manner so as to preserve and protect the Property.
- d. maintain at all times proper records and books of account and make true and correct entries in the records of all dealings and transactions relating to the Project and the Property.
- e. duly and punctually pay to the County the accrued interest payable on the dates, at the place and in the manner provided for in this Agreement.
- f. do all acts that are necessary to maintain Clearview's existence and the Project under applicable laws and obtain, renew and maintain in full force and effect all authorizations, approvals, consents, licences, permits and exceptions as may be required to enable it to observe and perform the obligations on its part to be performed under this Agreement, and all ancillary documents delivered in connection with or incidental thereto.
- g. give the County written notice of any event of default immediately on the occurrence of such an event.
- h. give the County written notice of the occurrence of any material litigation, proceeding or dispute affecting the Project and provide to the County all reasonable information requested by the County concerning the status of such litigation, proceeding or dispute.

6. DEFAULT

Clearview will be in default under this Agreement on the occurrence of any of the following events (a "Default"):

- a. if Clearview makes default in the payment of any installment of interest under the Loan when it becomes due and payable in accordance with this Agreement.
- b. if Clearview fails to re-pay the outstanding balance on the Loan when it becomes due and payable in accordance with this Agreement.

- c. if Clearview fails to perform or observe any of the covenants contained in this Agreement.
- d. if any representation, warranty, certificate, statement or report made in connection with this Agreement, or otherwise in connection with advances under the Loan is or becomes false, misleadingly incomplete or erroneous in any material respect.
- e. if for any reason the County in good faith believes, and has commercially reasonable grounds to believe, that the ability of Clearview to pay any amounts due when due pursuant to the Loan, or to perform any of its other covenants or obligations under this Agreement,

and any such instance of default is not remedied by Clearview within 10 days following written notice being given by the County.

7. ASSIGNMENT

Clearview may not assign this Agreement or any of its rights or obligations hereunder, without the prior written consent of the County. Any such actual, attempted or purported assignment without such prior written consent, other than by operation of law, will be null and void.

8. NOTICES

All notices, consents, approvals, statements, authorizations, documents, or other communications (collectively “notices”) required or permitted to be given hereunder will be in writing, and will be delivered personally, sent by fax, or mailed by registered mail, postage prepaid, at the addresses set forth hereunder, namely:

If to Clearview, at:

Attention:

To be confirmed

If to the County, at:

1110 Highway 26,
Midhurst, ON, L0L 1X0
Attention: County Clerk
clerks@simcoe.ca

or at any such other address or addresses as may be given by any of them to the other in writing, in accordance with this Notices Section, from time to time. If sent by registered mail, such notice will be deemed to have been given on the fifth business day following such mailing; provided that if such notice will have been mailed and if regular mail service will be interrupted by strike or other irregularity before the deemed receipt of such notice as aforesaid, then such notice will not be effective unless delivered personally or sent by email. If delivered personally or

sent by email during regular business hours, such notice will be deemed to have been given on the day of delivery or transmission, if during regular business hours on a business day, or if not, on the business day next following the day of delivery or transmission.

9. GENERAL PROVISIONS

9.1 *Entire Agreement / Amendments*

This Agreement, including all Schedules, together with any ancillary documents executed in connection herewith constitutes the entire agreement and understanding between the parties relating to the subject matter hereof, and supersedes all other agreements, oral or written, made between the parties with respect to such subject matter. Except as provided herein, this Agreement may not be amended or modified in any way except by a written instrument signed by all parties.

9.2 *Interpretation*

The headings and section, subsection and paragraph numbers in this Agreement are inserted for convenience of reference only and will not in any way affect the construction or interpretation of this Agreement. The words “hereof”, “herein”, “hereunder” and similar expressions used in any section, subsection or paragraph of this Agreement relate to the whole of this Agreement and not to that section, subsection or paragraph only, unless otherwise expressly provided for or the context clearly indicates the contrary. For the purposes of this Agreement a “business day” means any day other than a Saturday, Sunday or other day on which the County’s administrative offices are not open for business.

9.3 *Severability*

If for any reason whatsoever, any term or condition of this Agreement or the application thereof to any party or circumstance is to any extent invalid or unenforceable, all other terms and conditions of this Agreement and/or the application of such terms and conditions to parties or circumstances will not be affected thereby and will be separately valid and enforceable to the fullest extent permitted by law. The unenforceable provision(s) will be deemed to be amended to the extent needed to render them enforceable, so as best to reflect the intentions of the parties.

9.4 *Waiver*

No waiver by any party of any obligation, restriction or remedy under this Agreement will be valid unless by specific written instrument. No acceptance by a party of any payment by another party and no failure, refusal or neglect of any party to exercise any right under this Agreement or to insist upon full compliance by any other party with their obligations hereunder, will constitute a waiver of any other provision of this Agreement or any further or subsequent non-compliance with the same or any other provision. No exercise or enforcement by a party of any right or remedy hereunder will preclude the exercise or enforcement by such party of any other right or remedy to which such party is entitled by law to enforce.

9.5 *Governing Law*

This Agreement will be construed in accordance with and governed by the laws of the Province of Ontario and the laws of Canada applicable therein.

9.6 Further Assurances

Each party hereby covenants and agrees to execute and deliver such further and other agreements, assurances, undertakings, acknowledgments or documents, and do and perform and cause to be done and performed any further and other acts and things as may be necessary or desirable to give full effect to this Agreement and every part hereof.

9.7 Enurement

Subject to the restrictions on assignment and transfer herein contained, this Agreement will enure to the benefit of and be binding upon the parties and their respective (as applicable) heirs, executors, administrators, successors and permitted assigns.

9.8 Time of the Essence

Time is of the essence of this Agreement and of every part hereof.

9.9 Counterparts and Electronic Signatures

This Agreement may be signed in counterparts, each of which when signed and delivered will be deemed to be an original, but all such counterparts will together constitute one and the same instrument. The exchange of copies of this Agreement and of signature pages by electronic mail, or by any other electronic means, or by combination of such means, shall constitute effective execution and delivery of this Agreement and may be used in lieu of the original agreement for all purposes. Signatures of the parties transmitted by email or other electronic means shall be deemed to be their original signatures for all purposes.

IN WITNESS WHEREOF the parties have caused this Agreement to be executed as follows:

THE CORPORATION OF THE COUNTY OF SIMCOE

Basil Clarke, Warden

Jonathan Magill, County Clerk
We have authority to bind the County.

THE CORPORATION OF THE TOWNSHIP OF CLEARVIEW

Name:

Title:

Name:

Title:

We have authority to bind Clearview.

SCHEDULE A

LEGAL DESCRIPTION OF THE PROPERTY

Part Lot 10 Concession 13 Sunnidale, Part 1 51R10511; Clearview

(All of PIN 58333-0078)

SCHEDULE B**MORTGAGE ADDITIONAL PROVISIONS**

1. This Charge/Mortgage of Land is given as continuing collateral security for repayment of all debts and liabilities, present or future, direct or indirect, absolute or contingent, matured or not, at any time owing by the Chargor to the Chargee (such debts and liabilities being hereinafter called the "Liabilities"), but the Chargor's liability hereunder being limited to the sum of the Principal Amount stated on Page 1 of this Charge plus costs of the Chargee, as permitted; and is in addition to and not in substitution for any other security held by the Chargee for all or any part of the monies secured under this Charge/Mortgage of Land.
2. The Chargor covenants to pay each and every liability to the Chargee punctually as the same falls due; provided that this Charge is void upon payment on demand of the ultimate balance of the liabilities whatsoever from time to time representing the liabilities or any part thereof, not exceeding the sum of the Principal Amount stated on Page 1 of this Charge together with interest, (if applicable), based on Infrastructure Ontario's five-year amortizing rate.
3. The Chargor and the Chargee covenant and agree that:
 - a. Payments shall be interest only for the five-year term.
 - b. Interest on the Loan will be variable, based on Infrastructure Ontario's five-year amortizing rate plus 0.5 percent, increasing annually by an additional 0.1 percent. The calculation of interest will begin when the County makes the first advance of funds (the "First Advance Date"). The interest rate will be updated monthly following the First Advance Date to calculate that month's interest payment
 - c. If the Chargor receives a development charge prepayment under its Development Charge Early Payment, Project Funding and Water Capacity Allocation Agreement prior to the end of term of this Loan, it shall apply the full amount toward the outstanding loan balance within thirty (30) days of receipt.
4. The Chargor covenants with the Chargee that if the Chargee makes any payment, in connection with the determination, establishment or preservation of its priority, whether such payment is made to a lien claimant or other person claiming an interest in the Charged Premises or is paid into court, then the amount or amounts so paid and all costs, charges and expenses incurred in connection therewith shall be forthwith payable to the Chargee by the Chargor and shall be a charge on the Charged Premises and shall be added to the debt hereby secured, and in default of payment, the power of sale and other remedies hereunder may be exercised. It is further agreed that the Chargee shall not become a mortgagee in possession by reason only of exercising any of the rights given to

it under this paragraph or in making any payment to preserve, protect or secure the Charged Premises.

5. The Chargor covenants with the Chargee that if the Chargor sells, conveys, or transfers the Charged Premises to a purchaser or transferee, all monies hereby secured with accrued interest thereon, if applicable, at the option of the Chargee, shall forthwith become due and payable.
6. The Chargor shall have the right to pay all or any portion of the principal sum owing, at any time, without notice, bonus or penalty. The Chargor shall be responsible for its legal charges associated with the Discharge of Mortgage.
7. The Chargor shall not further mortgage or encumber the Charged Premises without the prior written consent of the Chargee.
8. The Chargor shall indemnify and hold the Chargee harmless from and against all losses, costs, damages or expenses (including, without limitation, legal fees and costs incurred in the investigation, defence and settlement of any claims) relating to the presence of any hazardous waste or contaminant referred to herein.