

Ontario Music Fund

Music Industry Development
Guidelines: 2017-18

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To receive further information on the OMF please contact the Program Coordinator, Ontario Music Office:

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Ontario Music Fund - Music Industry Development

Program Closure Date: Thursday October 26, 2017 by 5 pm.

Please note this program has a rolling deadline. Applications may be submitted at any time from program launch, throughout the year, until October 26, 2017 by 5 pm.

It is encouraged to apply prior to the Program Closure Date, as application evaluations and funding decisions occur throughout the year, from program launch through to October 26, 2017. **An application submitted earlier in the program cycle increases the likelihood of an earlier funding decision.**

If the activities are event based, it is strongly encouraged to apply 3 months in advance of the event taking place. Applications received in advance (3 months) of the event date will be viewed more favourably than retroactive activities.

Due to the volume of applications received closer to the program deadline, funding requests received after September 1, 2017 will be reviewed with those received on the final program deadline – October 26, 2017.

Information Session Date: Wednesday April 12, 2017
Time: 2:00pm – 3:30pm

Webinar Date: Wednesday May 10, 2017
Time: 2:00pm – 3:30pm

Registration is required. [Click here to register for Information Session](#) or [click here to register for Webinar](#).

Eligible Timeline for Activities and Costs: August 1, 2017– July 31, 2018

Eligible Applicants: Recognized music industry trade associations and music service organizations; recognized music industry event organizations; music training institutions; and consortiums of two or more non-associated companies and/or industry organizations.

Please note that all applications must be submitted through OMDC's Online Application Portal (OAP) at <https://apply.omdc.on.ca>. There is flexibility for completing the application form online – you may begin it at any time and can save

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information as it is entered, and can go back to edit and/or add information up until the time the application is actually submitted.

Applicants are strongly encouraged to begin the application process early to allow for ample time to complete the necessary information.

All OMF guidelines can be found on the OMDC website at <http://www.omdc.on.ca/music/>

Introduction: Ontario Music Fund Overview

*The following general information is applicable to **all** program streams of the OMF. Specific Music Industry Development program stream guidelines and eligibility requirements are detailed later in this document.*

The Ontario Music Fund (OMF), provides \$15M annually to Ontario's music industry. The Ontario Music Office (OMO) is responsible for delivering the OMF. The Ontario Music Office (OMO) is located within the Ontario Media Development Corporation (OMDC), an agency of the Government of Ontario.

The OMF is aimed at strengthening and stimulating growth in Ontario's music companies and supporting this key culture industry sector. The Fund is designed to drive activity and investment and to support Ontario's music companies and organizations in expanding their economic and cultural footprints within Canada and around the world.

The OMF is structured to complement other public funding programs and address investment gaps at key phases of company and industry development cycles.

Goals of the Ontario Music Fund

The OMF is based on the following four key goals:

- Increasing music production activity in Ontario and building strong, competitive and sustainable music companies;
- Strengthening Ontario's music industry by supporting institutions, organizations and initiatives that develop artists, drive revenue growth and attract audiences and increase tourism;
- Strategically advancing Ontario's Live Music Strategy and increasing opportunities for new/emerging Canadian artists to perform in Ontario, in Canada and internationally; and

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- Creating opportunities for emerging artists and music businesses in Francophone, Indigenous and culturally diverse communities and musical genres.

OMF Program Streams

Four program streams have been developed to support the overall OMF program goals:

1. Music Company Development
2. Music Industry Development
3. Live Music
4. Music Futures

Each program stream has specific eligibility and application requirements as set out in the individual program stream guidelines.

Beyond these program streams, the OMF will consider strategic support for non-conforming projects that are time-limited and have a high impact on the broader Ontario music industry. Interested applicants must contact the OMO in advance of applying to determine if their project is eligible.

OMF General Applicant Eligibility Requirements

The OMF is open to Ontario-based music companies and organizations, including independent domestic record companies and foreign owned record companies (multinationals), music promoters/presenters, music managers, booking agents, music festivals/industry conferences, not-for-profit music organizations, industry associations, music industry training organizations, artist entrepreneurs, and other not-for-profit organizations with a planned music-related activity. Eligibility is determined via primary business activity which must be music-based.

The individual program stream guidelines indicate the specific sub-set of eligible applicants for the stream.

In order to be eligible, applicants must demonstrate the following general criteria:

- Be incorporated in Canada, or in the process of incorporating;
- Have a permanent establishment in Ontario which serves as head office and base of operations (i.e. applicant is eligible to pay corporate income taxes in Ontario; and Ontario address is listed as head office in T2 filing);

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- Have key management personnel who are Canadian citizens or permanent residents of Canada living in Ontario;
- Be financially solvent and an ongoing entity;
- Be in operation for at least two years prior to application*; and
- Be in good standing with OMDC at time of application.

* Companies with less than two years of operation may be considered eligible if they are managed/controlled by individuals with at least three years of experience in a senior role in the music industry. Companies in this situation must contact the OMO at least 3-4 weeks ahead of the application deadline to discuss their eligibility.

Exceptions

Exceptions to the eligibility requirements stated above may be considered for applications from culturally diverse, Indigenous, and Franco-Ontarian companies or organizations. If applicable, please contact the Ontario Music Office at least 3-4 weeks prior to the application deadline to discuss.

Other exceptions are noted within the specific program stream guidelines.

Note: In addition to these general requirements, applicants must also meet specific eligibility criteria by program stream, as outlined in the program stream guidelines.

Ineligible Applicants

Applicants who do not meet the criteria outlined above are ineligible. The OMF will also not accept applications from the following:

- Festivals, except where music is the primary activity and the festival presenter meets the requirements outlined above
- Federal, provincial, municipal governments and/or their agencies
- Universities or Colleges
- Unincorporated or unregistered artists and organizations
- Venues and Clubs (unless acting in capacity of promoter for more than one venue)

Associated Corporations

Associated Corporations must apply to the fund under a single application. The annual eligible revenue from each company must be combined to establish an aggregate annual eligible revenue figure for the group of Associated Corporations. Please see glossary in Appendix 3 the definition of an Associated Corporation.

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Ontario Media Development
Corporation

Société de développement
de l'industrie des médias
de l'Ontario

As demand for funding may be high in this program, applicants must demonstrate – using metrics and year-over-year comparisons – clear, sustainable project outcomes which align with OMF Goals and the Objectives of the specific stream in which the application is made.

Applicants are required to demonstrate that their primary business is music-related and sources of revenue are derived from music-related activities. The OMO reserves the right to deem ineligible any applicant that does not sufficiently demonstrate this in their application.

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Music Industry Development Stream Guidelines

This section outlines the eligibility requirements and application details for the Music Industry Development stream.

Please see page 19 for important information on insurance and contract requirements for successful applicants.

Objectives

The Music Industry Development stream of the OMF is intended to strengthen and develop the support structures and systems that contribute to economic and cultural growth of the music industry in Ontario. It will provide successful recipients with funding towards new or expanded business activities that:

- Strengthen Ontario's music industry through co-ordinated, joint initiatives that expand skills, business capacity, market share, export (sales) and innovation;
- Collectively showcase Ontario's music and music sector; and
- Support Ontario's diverse music community to expand its capacity and resources.

Funding Assistance Available

The Music Industry Development stream will provide funding to recognized music associations, organizations, training institutions and/or company consortiums, to engage in strategic initiatives with long-term impacts on the growth and sustainability of Ontario's music industry.

The maximum annual contribution available through this stream of the OMF is \$350,000 per Applicant. A minimum request of \$10,000 is required. (Note: Exceptions to the minimum request level may be considered).

Funding is provided in the form of direct grants towards a share of the costs of eligible activities. Contributions are non-refundable except in the case of recipient default. Funding may not exceed 75% of the total eligible costs of activities.

Applicant Eligibility

Applicants must meet all General Eligibility Criteria as described in the Introduction section of this document. In addition, an Applicant in the Music Industry Development stream must be:

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- A recognized music industry trade or music service organization;
- A recognized music industry event organization;
- A music training institution;
- A not-for-profit organization with a music-based, planned activity that will meet the objectives of the program; or
- A consortium of two or more non-associated companies and/or industry organizations, including participants from other industries, provided that the primary purpose of the activity is music industry-based.
 - At least one member of the consortium must be a music industry organization or primarily a music company.
 - Each member of a consortium must have minimum annual revenues of \$30,000
 - Public educational institutions and municipalities and their agencies may participate in a consortium as secondary Applicants, but may not be a lead Applicant.
 - The activities must deliver an appropriate benefit to the Ontario music industry through knowledge transfer, promotional profile or new resources.
 - The specific role, responsibilities and financial participation of each partner must be disclosed and described in the application.

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Applicants interested in forming a consortium for the purpose of applying to the Music Industry Development stream must contact the Ontario Music Office (OMO) in advance to ensure eligibility, at least 3-4 weeks in advance of application submission.

Not-for-profit organizations, industry associations or training institutions will have their eligibility determined via their membership base (i.e., at least 50% of the membership must be Ontario-based) and their primary business or activity, which must be oriented towards the music industry.

An Applicant may apply to the Music Industry Development stream, either as part of a consortium or on their own. All Applicants must be able to demonstrate capacity and expertise to carry out the proposed activity.

Interested Applicants should refer to **Definitions of Eligible Applicants** in Appendix 1 of these guidelines.

Eligible Activities & Costs

The following is a list of activities that are eligible for support through the Music Industry Development stream.

Note: The Fund will not support activities that:

- Are not undertaken within the eligible activity period of August 1, 2017 through July 31, 2018.

The OMF will support new activities, and expanded and/or enhanced approaches to activities that contain the following elements:

- **Music Education/Training:** support for skills development and training initiatives delivered by music industry associations and/or music education organizations and targeted at professional artists, technical or business staff and owner/managers.
- **Professional Development:** support to develop and implement business learning opportunities for the music sector. This could include activities such as developing new components to existing conferences; running a regional industry conference; providing online training resources.
- **Digital Innovation:** support for new initiatives that provide resources, develop tools, or leverage digital platforms to raise the profile and economic impact of Ontario music.
- **Market Development:** support for new opportunities to showcase Ontario artists at domestic and international festivals and events, engage in trade missions and expand export activities at global industry marketplaces.
- **Strategic Development:** support to music organizations to develop new strategic initiatives to address challenges and opportunities for their stakeholder groups, and/or address specific environmental changes, and activities that contribute to the capacity of the Applicant.
- **Group Marketing:** support to organizations or consortiums undertaking new strategies and approaches to access new markets, overcome barriers or enter a high potential new niche. Possible activities could include marketing through new channels, targeting niche markets, exploiting new geographic targets, and promotional focus of specific genres.
- **Research activities** to support business development opportunities.

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Other considerations:

- Activities for this application deadline must be completed by July 31, 2018. Applicants may apply for a slate of activities to support strategic initiatives as part of a business plan or may apply on an activity by activity basis.
- Annual events may be applied for one year at a time. It is strongly encouraged to apply 3 months in advance of the event taking place.
- Joint development of proprietary products, technologies and services by consortiums and organizations will be considered where the applicant can demonstrate a clear benefit to the wider Ontario music industry that is not based on normal commercial exploitation.

Administration and Capital Cost Limitations:

These costs can include staff salaries only, office space and corporate services that are directly used in the delivery of the planned activities.

- Administration costs are capped at 15% of the total budget for all eligible activities. Administrative costs should be attributed to and included in the cost breakdowns of each individual activity.
- Budget allocations towards capital expenditures such as equipment purchases may be eligible depending on the type of activity (such as Digital Innovation and Infrastructure), but may not exceed 15% of the total budget. In such cases:

New Equipment, Materials and Software:

Where necessary and appropriate, these costs may be included as noted below:

- Equipment and Materials: if purchased, amortization expense using the straight-line method with a prescribed useful life of 24 months; if rented, actual rental cost.
- Software: 50% of cost or amortization expense using the straight-line method with a prescribed useful life of 12 months (whichever is less).

Other Important Information:

- All budgeted items outside of staff and administration costs must be paid to third parties, unrelated to the applicant.
- Staff time directly related to the activity at the current wage rate is eligible, provided that the company incurs additional costs related to re-allocation of staff resources.

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- Confirmed funding from other sources should be supported by appropriate documentation.
- Unconfirmed funding from other sources should be supported by information and documentation to substantiate the likelihood of receiving such funding.

Ineligible Expenses

The following expenses are ineligible:

- expenses incurred outside of the eligible activity period;
- expenses incurred over the course of the activity that were not in the original budget and which did not receive pre-approval by OMO;
- salaries and wages of staff not directly related to activities outlined in the application;
- staff benefit costs;
- in-kind costs for staff;
- occupancy costs, unless otherwise stated in program guidelines;
- real estate costs and leasehold improvements;
- capital costs related to permanent structures (e.g., materials, labour, land acquisition, purchase of equipment for project construction, any rehabilitation or retrofit of existing infrastructure assets);
- cost of alcoholic beverages;
- fees relating to the compilation (notice-to-reader), review, or audit of applicant financial statements;
- cost of General Liability insurance (however, the cost of event insurance for specific performances is eligible).
- sales Taxes: Taxes that are recoverable by the recipient may not be claimed as an eligible cost on the Activity Budget. Examples of taxes that are recoverable include GST/HST, PST, VAT.
- related party transactions which did not receive pre-approval by the OMO.

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Budget and Financing Requirements

Budgets:

Applicants are required to submit two distinct sets of financial information:

- Applicant Budget – an overall applicant financial plan outlining all revenue and expenditures for a specified fiscal period. For **comparative** purposes, the budget must include both actual revenues and expenses for the previous fiscal period as well as a **forecast** of revenues and expenses that correspond to the current fiscal year, and/or to the end of the 2017-18 eligibility window; and
- Activity Budget – includes cost breakdowns for each of the eligible activities in the request for funding, along with a summary of sources of financing for those activities (“Financing Plan”).

The Applicant Budget will allow the OMO to review overall corporate expenditures and revenue, including government funding, within the eligible activity period.

The Activity Budget will allow the evaluation of the funding request in relation to the overall budget of the applicant. The Activity Budget must be completed using the template provided by the OMO.

For budgeting purposes, please note the following cost guidance for travel and accommodation:

Travel Costs - Air travel should be budgeted at economy rates and should reflect the costs of booking at least 30 days in advance of travel.

Accommodation Costs - Hotel expenses should be at moderate per night rates and should reflect the average for the travel destination/activity.

Per Diems - Capped at C\$75/day. Including daily meals and incidentals.

OMDC will cover arrival the day prior to and departure the day after an event. Any additional time at an event must be addressed in the application and a rationale provided.

Related Party Transactions

All Related Party Transactions (RPTs) must be declared on the Related Party Transaction template and denoted on the activity budget at the time of application. Any Related Party Costs (cash or in-kind) not approved at the time of application may be deemed ineligible. The OMO reserves the right to request supporting documentation for all RPTs. Note re: Related Party Personnel: The allocation of time

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devoted to the activity must be reasonable and appropriate and must be supported by documents such as T4s, employment contracts, timesheets, specifying the activity, etc.

Please see Appendix 3 for the definition of a RPT. For accounting and reporting rules on RPTs, please refer to the Final Cost Report Guidelines.

Sources of Financing:

The maximum amount of funding available through the Music Industry Development stream of the OMF is \$350,000 per funding cycle, capped at 75% of the total eligible costs of activities. Applicants will be required to fund a minimum 25% of the total activity costs using non-government sources (i.e., applicant and partnership contributions, sponsorships, donations, earned revenue and fees). Up to 25% of the applicant's contribution may be in the form of in-kind contributions, provided these are reasonably valued. Applicants bringing a higher percentage of non-government funding will be considered more favourably.

The Activity Budget must contain complete information as to how the applicant will pay for the activities. The total amount of financing must match the total cost of all eligible activities. Specifically, the financing component of the Activity Budget will indicate all sources and amounts from corporate investment (cash in the bank), financed investment (e.g., line of credit, investors), projected revenue derived from execution of the activity, confirmed funding from government or other private funding bodies, and *anticipated* funding from government or other funding bodies – including the request for OMF-Music Industry Development stream funding.

As indicated above, financing from public/private funding agencies/bodies does not need to be confirmed at the time of application. However, unconfirmed funding from these sources should be supported with information, timelines and documentation to demonstrate the applicant's level of confidence in receiving such funding. For example, a company with a history of receiving funding from the Canada Music Fund – Music Entrepreneur Component would include the last approval letter from CMF-MEC, along with a projection of how much the company hopes to receive in the next round and an estimated date of notification from the CMF-MEC.

Should confirmation of projected or additional government funding occur after OMO approval, the OMO will reconcile the OMF contribution upon receipt of the final report. However, should the non-government percentage of funding become less than 25% of the total budget, the company may be required to return the excess funding to the OMO.

If new employment positions or ongoing company activities are being created which are intended to be permanent, the application should show how they will be

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sustained after the initial OMF-supported period (e.g. through increased membership dues, sales).

A minimum funding request of \$10,000 is recommended. Note: Exceptions may be considered; Applicants should contact OMO to discuss at least 3-4 weeks in advance of application submission.

Application Process

Applications may be submitted at any time from program launch, throughout the year, until October 26, 2017 by 5 pm. Late applications will not be considered.

It is encouraged to apply prior to the Program Deadline date, as application evaluations and funding decisions occur throughout the year, from the time of program launch.

All applications must be submitted electronically through the OMDC Online Application Portal (OAP) at <https://apply.omdc.on.ca>.

Business Plan / Strategic Plan

A business plan or strategic plan is required for all applicants. Business Plans should include forward-looking information on plans for industry growth, supported by a discussion of organizational strengths, overall development strategies for Ontario's music industry, human resources, corporate financing and other key details.

Strategic Plans should include a detailed action plan, including specific activity due dates and timelines. At minimum, it should outline objectives for the next few years and address how organizational goals will be achieved.

Either plan must provide a case for OMF funding and its contribution toward Ontario's music industry, and its growth and long-term potential. The OMO recommends a 12-18 month time horizon. If an applicant has submitted a Strategic Plan or Business Plan to the OMO in a prior year that covers multiple years, applicants need only to re-submit the plan in the case of material updates. If the plan's timeframe has expired by the time of application, a new plan must be submitted.

While applicants have the flexibility to structure their plans on the basis of their individual activities and business profiles, either plan submitted for review must contain, at minimum, the following components:

- Overall mandate and strategy;
- Applicant profile including profile of key personnel;

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- Overview of general business activities and short/long-term goals;
- Organizational SWOT analysis;
- Budget for the overall business; and
- Revenue and expense projections going forward for the next 12 - 18 months, compared with actual results for the most recently ended fiscal years.

Corporate Financial Statements

The applicant's corporate financial statements must be submitted as part of the application to the Music Industry Development Stream of the OMF. Financial statements for the **two** most recently completed fiscal years are required.

If your fiscal year-end is within 6 months prior to the date you apply, we will accept your previous year's results as your most recently completed financial statements.

For example: If you apply in April 2017, and your fiscal-year end is December 31st, we require your December 31st, 2015 financial statements.

If you apply in April 2017, and your fiscal year-end is September 30th, we require your September 30th, 2016 financial statements.

For OMF requests of \$150,000 or more, review engagement or audited financial statements are required. Reviewed/Audited financial statements must include an income statement, balance sheet, statement of cash flows and retained earnings statement along with the minimum note disclosures required in the CPA Handbook. Review engagement and audited financial statements must be conducted by an independent public accountant.

For OMF funding requests below \$150,000, Notice-to-Reader financial statements are sufficient, if review engagement or audited financial statements are not available. At a minimum, Notice-to-Reader financial statements must include an income statement and a balance sheet. Notice-to-Reader financial statements must be prepared and signed by an accountant who is a member in good standing of a provincial branch of the Chartered Professional Accountants (CPA), Chartered Accountants (CA), Certified General Accountants (CGA) or Certified Management Accountants (CMA).

Summary of Application Requirements

A complete list of required application materials is outlined in the application form on the Online Application Portal (OAP). For the Music Industry Development stream, the following application components are required:

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- Activity Budget Template (sections to be completed for each eligible activity in order of priority);
- Activity Plan (for each eligible activity);
- Applicant's Budget;
- Applicant's Strategic/Business Plan;
- Articles of Incorporation;
- Corporate Financial Statements for the **two** most recent fiscal year ends;
- Back up confirmation to support confirmed or pending financing;
- Copy of Insurance listing OMDC and Her Majesty the Queen as additional insured parties;
- Documentation indicating that eligibility requirements have been met (e.g., provincial membership breakdown
- Signed Related Party Transaction form; and
- Signed Applicant Declaration.

Applicants should refer to the application form in the OMDC Online Application Portal for other required application materials.

Note: Applicants to the Music Industry Development stream of the OMF must designate a **Key Contact** who is a full time key decision maker of the applicant company or consortium. This individual will act as the project manager and oversee the applicant company's or consortium's participation in the program. The Key Contact will be the point of contact for all communications with OMO during application adjudication and if the application is successful, for the duration of the activity. OMO will not discuss potential or actual applications with external grant writers or practitioners.

All applications must be submitted electronically through the Online Application Portal (OAP) at <https://apply.omdc.on.ca/>

Applicants that do not have a user account on OAP, should go to <https://apply.omdc.on.ca> and click on "Register". For assistance, please see OMDC's website for the "OAP Quick Start Guide".

Applicants are encouraged to register on the OAP well in advance of submitting an application to the stream.

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Applicants that are already registered will see the OMF program stream deadline in their dashboard. To start the application, click on “Start New Application” and follow the directions through the five step wizard to access the application form. For technical assistance, please contact the OAP Helpdesk at applyhelp@omdc.on.ca.

Application Assessment

Timing of funding decisions will be dependent on the date of receipt of the applications and volume of applications received. It is encouraged to apply prior to the Program Closure Date, as application evaluations and funding decisions occur throughout the year, from program launch through to **October 26, 2017**.

Applications will be reviewed and evaluated by OMO. Some evaluation functions may be outsourced to experts as appropriate.

In some cases, applicants may be required to provide clarification or to make changes to their activities before a decision is made. However, OMO is not obligated to provide applicants with the opportunity to include additional information or to adjust their application after it has been submitted.

All funding decisions are final. The OMO reserves the right to alter program guidelines with general public notice to all potential applicants and to refuse any application for any reason. The OMO is not required to make any minimum number of awards. Subject to the Freedom of Information and Protection of Privacy Act, all information contained in the application will remain strictly confidential. All inquiries pertaining to the Ontario Music Fund are to be directed to OMO staff only.

Decision Criteria

The Music Industry Development stream of the Ontario Music Fund is a competitive program. Applicants are advised to ensure that they meet all eligibility requirements before submitting an application. Applicants should also ensure that their application material clearly conveys the strengths of their application with respect to the program guidelines. The number of applicants that will receive funding and the amount of funding awarded is dependent on the quantity and quality of the activities selected, and the individual needs of each applicant.

Once applicant and activity eligibility have been confirmed, applications will be assessed according to the following criteria:

Economic & Cultural Impact: Return on Investment for the province and a demonstration of the net impact of the applicant's activities on Ontario's music industry and economy, as measured by core program objectives (i.e. job creation, critical success and commercial success).

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Activities/Proposal: Applicant's ability to clearly explain and provide adequate documentation to support their proposed activities, including the presentation of feasible budgets, achievable activities and demonstrating innovation and creativity in the business plan and activity plan(s).

Organizational Impact: Return on Investment for the applicant, applicant's membership and stakeholders, and a demonstration of net benefits to the overall broader provincial music industry as a result of OMF funding.

Sustainability: The ability of the applicant to leverage OMF funding to build on success and strengthen its profile/capital/human resources pool for future investment and growth.

Operational Capacity & Financial Risk: Applicant's demonstrated track record and organizational capacity (financial, human resources) to undertake and execute the activities. Applicant's financial stability and position as demonstrated by financial statements.

Further to the above, applicants are required to provide targets for measurable outcomes (see "Ontario Music Fund Anticipated Outcomes" in Appendix 1).

Note: Approval of an application in one fiscal cycle does not guarantee funding in future years.

Obligations of Successful Applicants

Successful applicants will receive a non-refundable contribution to be paid out at intervals during the course of the term of activities, triggered by meeting pre-determined milestones and deliverables. The OMO will determine the deliverables and payment schedule based on the company's activities and timelines. At minimum, the following will trigger payments:

- Execution of the OMDC funding agreement;
- Delivery of interim report(s); and
- Delivery of the completed activities and all deliverables outlined in the funding agreement.

Funding Agreement

On acceptance into the program, the recipient company will be required to sign a standard Ontario government agreement covering the terms of its participation in the program including authorizing OMDC to publicly release the name of the applicant and a description of the funded activities and deliverables. The agreement will outline payment dates based upon activity milestones and deliverables (see

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“Reporting and Deliverables” below) set out in the application. A copy of this agreement is attached for review in Appendix 4. Recipients may not amend the agreement template.

Insurance

Participating companies will be required to carry Commercial General Liability Insurance on an occurrence basis for Third Party Bodily Injury, Personal Injury and Property Damage. The inclusive limit must be not less than \$2,000,000 per occurrence, \$2,000,000 products and completed operations aggregate. OMDC and Her Majesty the Queen must be named as an additional insured on all policies, and must cover the full activity window for the 2017-18 program year (August 1, 2017 – July 31, 2018).

Weeks of Work

Successful Applicants will be required to provide an estimate of the jobs created or retained for Ontario residents in total paid weeks of work (35 hour week).

Reporting and Deliverables

Successful applicants will prepare interim reports on the progress of their activities (if applicable) and a final report upon conclusion of their activities.

Recoupable Recording Costs

In cases where costs that are ordinarily recoupable are being claimed, the participant must supply either a) artists contracts including a clause indicating that expenses funded by the OMF will not be recouped from the artist or another source, or b) where artist contracts are not available, the OMO will accept a “certificate and undertaking” signed by the company principals, confirming that the artist is being compensated and undertaking that expenses funded by the OMF will not be recouped from the artist or any other source. A signed acknowledgement must be provided by the artist, or his or her legal representative, attesting that artist and management are aware of the terms of OMF participation in their recording activities.

Cost Report

A final cost report and financing statement will be required for all activities supported by the Ontario Music Fund. Successful Applicants receiving \$150,000 or more from OMF will be required to have an audit of project expenses conducted by an independent public accountant. Note: the cost of the audit may be included in the activity budget as an eligible expense.

Corporate Financial Statements

Successful applicants receiving \$150,000 or more from the OMF will be required to have an audit or review engagement conducted on the applicant corporation’s next annual financial statements. The audit or review engagement must be performed by

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an independent public accountant. These financial statements must be submitted on an annual basis within six months of the applicant's fiscal year-end (as part of the interim or final reporting stage). Depending on the applicant corporation's fiscal year, this may be required throughout the term of the funding agreement with the OMDC.

Changes to the Activities

OMO must be notified of any significant changes to the activities as defined in the contract and will require consent of OMO.

Confirmation of Additional Government Funding

Successful applicants will be required to inform OMO immediately in writing of any government funding decisions made after the OMO funding decision. Notification must be submitted for unconfirmed funding that was included in the original financing plan of the application and any new applications made to funding bodies not included in the financing plan.

Credit

The Ontario Music Fund support is to be acknowledged with an OMDC credit and logo on suitable elements and all related publicity and promotional materials. Other acknowledgement of the support of the Government of Ontario may be required.

These guidelines are current for this deadline only. This document is subject to change for future deadlines. For more information please email: OMF@omdc.on.ca

Applicants are advised to consult the OMDC website for any relevant documents and Ontario Music Fund Bulletins for clarifications and alterations to these guidelines.

Ontario Media Development Corporation

An agency of the Ontario Ministry of Tourism, Culture and Sport, OMDC facilitates economic development opportunities for Ontario's cultural media industries including book and magazine publishing, film and television, music and interactive digital media industries.

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Appendix 1

Definitions of Eligible Applicants

Music Industry Trade Associations and Music Service Organizations

Incorporated organizations whose primary purpose is to provide services such as business and market development; artistic development; professional development; skills development; research; and other services to music stakeholders. Members of such organizations must be primarily music companies, musicians, songwriters, or organizations representing these groups.

In addition, Music Industry Trade Associations and Music Service Organizations must:

- Be a non-profit Canadian organization (registered in Canada with a majority Canadian board of directors);
- Serve Ontario artists and entrepreneurs working in the music industry;
- Be engaged in activities in Ontario (may also be engaged at the national level);
- Demonstrate expertise and experience in supporting the industry through the delivery of activities or programming; and
- Have a membership base that is at least 50% Ontario-based, and their primary business or activity must be oriented towards the music industry.

For new or first-time activities, the Applicant must show at least two years' related experience necessary to undertake an activity of that nature.

Music Industry Event Organizations

Music Industry Event Organizations are companies or organizations whose primary activity is to plan, develop, market and stage training events, conferences, workshops, and other events that provide educational and networking opportunities for music industry professionals in Ontario. Eligible industry event organizations must take the primary business risk in developing and staging these activities.

Applicants in this category must:

- Be Ontario-based and Canadian controlled;

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- Be incorporated (for profit or not-for-profit); and
- Have operated as an event organization for at least two years prior to the date of an application to the Ontario Music Fund.

Music Training Institutions

For purposes of the OMF, a Music Training Institution is an organization based in Ontario which provides curriculum-based training in music industry technical skills (including music recording, mixing, editing, mastering and live performance sound engineering) and/or music business skills.

The institution must:

- Be primarily focused on music industry disciplines;
- Offer career-oriented training (i.e., post-secondary programs to prepare entry-level or above individuals for professional music industry careers, including career-long learning);
- Issue certificates or diplomas; and
- Be registered with the Superintendent of Private Career Colleges of Ontario.

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Appendix 2

Ontario Music Fund Anticipated Outcomes

Anticipated outcomes for the four OMF streams may include any of the following, depending on the type of activity/project undertaken. **It is not expected that each applicant will address all the outcomes listed for their program stream.** Applicants should, however, provide a list all anticipated outcomes they intend to track and report on in their interim and final reports, should their funding request be successful.

Measurable Outcomes	Music Company Development	Music Industry Development	Live Music	Music Futures
# of jobs created and/or retained	X	X	X	X
Company growth: Increased gross revenue	X	X	X	X
Company growth: Increased net revenue	X	X	X	X
Return on Investment of OMF funding	X	X	X	X
Sustainability of project outcomes	X	X	X	X
Number of artists supported	X	X	X	X
Sales success of supported projects	X	X	X	X
Critical success of supported projects	X	X	X	X
Fees paid to artists	X	X	X	X
Online and social media impact (metrics)	X	X	X	X
Traditional media impact (metrics): radio spins, video plays, interviews, articles, reviews, etc.	X	X	X	X
Number of new artists being represented by professional companies: management, label, booking agent, publisher, promoter	X		X	X
Number of new recordings supported - domestic artists	X			X
Number of international artists recording in Ontario	X			
Amount of international investment in Ontario recording studios	X			
Promote Ontario as a Live Music centre		X	X	
# of international markets targeted	X	X		X
Increased revenue from international sales	X	X		X

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Measurable Outcomes	Music Company Development	Music Industry Development	Live Music	Music Futures
Number of new performance opportunities for artists	X	X	X	X
Number of tickets sold for performances	X	X	X	X
Number of shows/tours developed	X		X	X
Revenue for companies involved in developing Shows/tours	X		X	X
Number of business connections/leads by participants	X	X	X	X
Number of Ontario attendees/participants at events		X	X	
Activities that stimulate knowledge transfer and business opportunities		X		
Professional development opportunities created for Ontario participants		X		

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Appendix 3

Glossary

Activity Budget

The total of Eligible Costs within a Business or Project Plan. The Activity Budget must outline all sources of project financing and expenditures pertaining to the application.

Administrative/Overhead Costs

Currently-incurred, ongoing expenditures that support the corporate and administrative operations of the applicant company and are not directly attributable to specific activities or functions.

Annual Funding Cap

Maximum funding that an applicant can receive per Ontario Government fiscal year – April 1 – March 31. The Annual Funding Cap is based on all OMF funding paid out to an Applicant in the fiscal year. The Annual Funding Cap may also apply to other sources of government funding (see: Total Government Contribution and specific OMF Stream guidelines).

Applicant

The business entity making the application for funding. The Applicant is the entity who will enter into a binding agreement with OMDC and is responsible for fulfilling the obligations and outcomes specified in the Applicant Agreement. Upon approval of funding, the Applicant becomes the Recipient, and is the sole party responsible for fulfilling the funding agreement.

Applicant Agreement

The legal agreement between the OMDC and an Applicant that sets out the terms of the funding, deliverables, milestones and general requirements with respect to administration of funding and results.

Applicant Contribution

A direct financial contribution, investment or payment by an eligible music company towards eligible expenditures in its business plan.

Artist

One or more persons performing as a solo singer/musician, musical group or band.

Associated Corporation

One corporation is associated with another in a taxation year if, at any time in the year:

- One of the corporations controlled, directly or indirectly in any manner whatever, the other;
- Both of the corporations were controlled, directly or indirectly in any manner whatever, by the same person or group of persons;

Each of the corporations was controlled, directly or indirectly in any manner whatever, by a person and the person who so

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controlled one of the corporations was related to the person who so controlled the other, and either of those persons owned, in respect of each corporation, not less than 25% of the issued shares of any class, other than a specified class, of the capital stock thereof;

One of the corporations was controlled, directly or indirectly in any manner whatever, by a person and that person was related to each member of a group of persons that so controlled the other corporation, and that person owned, in respect of the other corporation, not less than 25% of the issued shares of any class, other than a specified class, of the capital stock thereof; or

Each of the corporations was controlled, directly or indirectly in any manner whatever, by a related group and each of the members of one of the related groups was related to all of the members of the other related group, and one or more persons were members of both related groups, either alone or together, owned, in respect of each corporation, not less than 25% of the issued shares of any class, other than a specified class of the capital stock thereof.

[This definition is quoted directly from Subsection 256(1) of the Income Tax Act (Canada)].

Audit Engagement

An audit engagement is the process of engaging an independent public accountant to examine the accounting records and other evidence supporting the financial statements; and to render a professional opinion that the financial statements present a fair picture of the organization's financial position and its activities during the period in which the audit was carried out.

Audited Cost Report

Successful applicants in receipt of \$150,000 or more must provide an audited cost report as part of the final deliverable. The audit is to include revenue and expenses for OMF-funded activities or projects. The audit of the applicant's cost report is to be conducted by an independent public accountant.

Strategic Plan / Business Plan

A document that outlines the applicant's short and long-term business goals (variable) and revenue and expenditure projections. The Plan also documents the business entity's strategic priorities, strengths, strategies, human resources, financing and other key details.

Company Budget

An overall company financial plan outlining all corporate revenue and expenditures for a specified fiscal period.

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	<p>As the OMDC would like to provide as much flexibility as possible to companies, we do not have a prescribed template for the company budget and allow companies the opportunity to provide information in their preferred format. These documents, however, should provide a clear basis for the OMDC to assess the eligibility of the company, the feasibility of the activities as they pertain to the goals and objectives of the Ontario Music Fund, and how the activities relate to the company budget and business plan.</p>
Consortium	<p>An association between two or more Eligible Music Companies that join together for the purposes of a project. The consortium must be represented by an Applicant which will take on financial responsibility for the project.</p>
Direct Costs	<p>A direct payment by an eligible music company to a third party towards eligible expenditures in its business or project plan.</p>
Eligible Cost/Expenditure	<p>Each and every cost that is eligible to be supported by the OMF, as determined by the OMF guidelines.</p>
Eligible Music Companies/Organizations	<p>The OMF is accessible to Ontario-based music companies, including independent domestic record companies and foreign-owned labels (majors), music promoters, music managers, agents, festivals, and not-for-profits, including music education organizations and industry associations.</p>
Financing Template	<p>A section of the Activity Budget outlining all sources of project financing. Financing sources include government and non-government funding.</p>
Ineligible	<p>An activity or entity that the OMF will not approve nor reimburse. See detailed program guidelines for a list of ineligible applicants and activities.</p>
In-House	<p>Goods or services that are provided, or an activity that is undertaken, by the Applicant itself rather than outsourcing to a third party. In-house expenditures must be booked at market rates or lower.</p>
In-Kind	<p>A non-cash item identified in the budget. In kind costs are limited to a maximum percentage of the total Eligible Budget. Please consult the OMF guidelines for details on financing requirements.</p>
Key Contact	<p>The individual at the applicant company responsible for the delivery and day-to-day operations of the project. This person will be the key contact with OMO staff.</p>
License	<p>An agreement by which a party (the licensor) who controls certain exploitation and other rights in a sound recording and/or its underlying composition, grants limited rights to another party (the licensee) in exchange for a license fee and</p>

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	other consideration.
Master	The primary recording that serves as the basis from which other copies are made. The owner of the Master Recording holds the copyright for that particular recording over its legal life.
Net Revenue	Typically refers to a company's revenue net of discounts and returns. It is advised to consult generally accepted accounting principles (GAAP) and industry standards to determine whether your organization should report revenue at net or gross.
Notice-to-Reader (Compilation) Engagement	The compiling of unaudited financial information into financial statements, based on information provided by the accountant's client. For OMF purposes, Notice-to-Reader financial statements must be prepared and signed by an accountant who is a member in good standing of a provincial branch of the Chartered Professional Accountants (CPA), Chartered Accountants (CA), Certified General Accountants (CGA) or Certified Management Accountants (CMA).
Own or Control	Refers to control of the exclusive exploitation rights flowing from copyright in a sound recording.
Permanent Establishment	Generally refers to a fixed place of business. However, whether a fixed place of business is a "permanent establishment" is a question of fact which must be determined on a case-by-case basis. Further information on what constitutes a permanent establishment can be found at Subsection 400(2) of the Income Tax Act (Canada).
Project Plan	A document that outlines an Applicant's project for a specific initiative or a slate of activities over a given year. Projects include all of the eligible activities intended to be undertaken by the Applicant and that are proposed under the eligible expenditures for a particular OMF stream.
Public Accountant	A person with the following qualifications: <ul style="list-style-type: none"> • Is a member in good standing of a provincial branch of the Chartered Professional Accountants (CPA), Chartered Accountants (CA), Certified General Accountants (CGA) or Certified Management Accountants (CMA); • has any provincial licenses required to conduct an audit or review engagement in the province where the engagement will take place; and • Is independent of the applicant corporation.
Recipient	An applicant receiving OMF funding as the result of an approved Application.
Recoupable	An amount of money, and/or the cost of goods or services

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Related Party Transaction

that is offered to an artist in a recording, license, publishing, performance or any service agreement; the recoupable amount is then paid back to the record label or publisher, usually at the rate of the artist's share of royalties and/or other form of earnings. Recoupable amounts are generally paid back to the offerer in first position, meaning that the artist receives no royalties until recoupment.

Applicants will be required to clearly state recoupable expenditures where applicable. OMF funding provided to eligible Applicants for artist expenditures and investment may be non-recoupable in certain cases.

Related parties exist when one party has the ability to exercise, directly or indirectly, control, joint control or significant influence over the other. Two or more parties are related when they are subject to common control, joint or common significant influence. Related parties also include management and immediate family members.

A related party transaction is a transfer of economic resources or obligations between related parties, or the provision of services by one party to a related party, regardless of whether any consideration is exchanged. The parties to the transaction are related prior to the transaction. When the relationship arises as a result of the transaction, the transaction is not one between related parties.

Control of an enterprise is the continuing power to determine its strategic operating, investing and financing policies without the cooperation of others.

Joint control of an economic activity is the contractually agreed sharing of the continuing power to determine its strategic operating, investing and financing policies.

Significant influence over an enterprise is the ability to affect the strategic operating, investing and financing policies of the enterprise.

[This definition is quoted directly from the CICA Standards & Guidance Collection paragraph 3840.03.]

Review Engagement

A review engagement is the process of engaging an independent public accountant to prepare financial statements on a review basis. The accountant will not express an opinion on the fairness of the financial statements, but will provide a limited assurance that the



Ontario Media Development
Corporation

Société de développement
de l'industrie des médias
de l'Ontario

Showcase

financial information is plausible and conforms to generally accepted accounting principles.

A performance for a target audience of music industry professionals more so than the general public; the goal of a Showcase is to attract interest of potential industry partners and buyers such as booking agents, music managers, record labels, publishers. A showcase can be a component of a tour or event.

Tour

A Tour is a continuous series of public engagements, taking place at different venues, for a contracted performance fee.

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Appendix 4

Standard Ontario government agreement template

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THE AGREEMENT is effective as of the _____ day of _____, 20____

B E T W E E N :

**Her Majesty the Queen in right of Ontario
as represented by the Minister of Tourism, Culture and Sport
(the “Province”)**

- and -

**[enter the full legal name of the Recipient]
(the “Recipient”)**

CONSIDERATION

In consideration of the mutual covenants and agreements contained in this Agreement and for other good and valuable consideration, the receipt and sufficiency of which are expressly acknowledged, the Province and the Recipient agree as follows:

1.0 ENTIRE AGREEMENT

1.1 This Agreement, including:

- Schedule “A” - General Terms and Conditions
 - Schedule “B” - Project Specific Information and Additional Provisions
 - Schedule “C” - Project Description and Timelines
 - Schedule “D” - Budget
 - Schedule “E” - Payment Plan
 - Schedule “F” - Reports, and
- any amending agreement entered into as provided for below,

constitutes the entire agreement between the Parties with respect to the subject matter contained in the Agreement and supersedes all prior oral or written representations and agreements.

2.0 COUNTERPARTS

2.1 The Agreement may be executed in any number of counterparts, each of which will be deemed an original, but all of which together will constitute one and the same instrument.

3.0 AMENDING THE AGREEMENT

3.1 The Agreement may only be amended by a written agreement duly executed by the Parties.

4.0 ACKNOWLEDGEMENT

4.1 The Recipient acknowledges that:

- (a) by receiving Funds it may become subject to legislation applicable to organizations that receive funding from the Government of Ontario, including the *Broader Public Sector Accountability Act, 2010* (Ontario), the *Public Sector Salary Disclosure Act, 1996* (Ontario), and the *Auditor General Act* (Ontario);
- (b) Her Majesty the Queen in right of Ontario has issued expenses, perquisites, and procurement directives and guidelines pursuant to the *Broader Public Sector Accountability Act, 2010* (Ontario);
- (c) the Funds are:
 - (i) to assist the Recipient to carry out the Project and not to provide goods or services to the Province;
 - (ii) funding for the purposes of the *Public Sector Salary Disclosure Act, 1996* (Ontario);
- (d) the Province is not responsible for carrying out the Project; and
- (e) the Province is bound by the *Freedom of Information and Protection of Privacy Act* (Ontario) and that any information provided to the Province in connection with the Project or otherwise in connection with the Agreement may be subject to disclosure in accordance with that Act.

- SIGNATURE PAGE FOLLOWS -

The Parties have executed the Agreement on the dates set out below.

**HER MAJESTY THE QUEEN IN RIGHT OF
ONTARIO as represented by the Minister of
Tourism, Culture and Sport**

Date

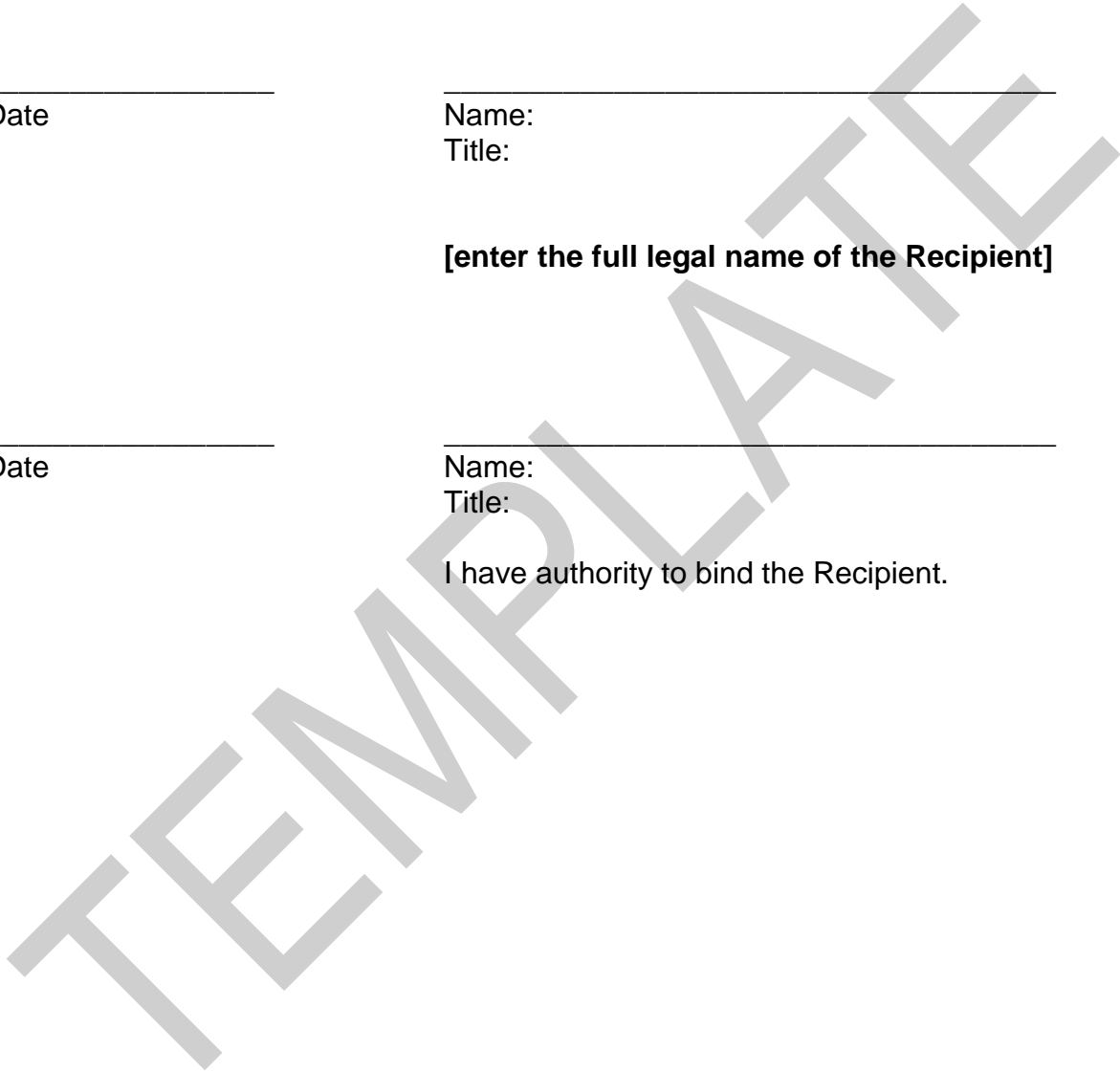
Name:
Title:

[enter the full legal name of the Recipient]

Date

Name:
Title:

I have authority to bind the Recipient.



SCHEDULE "A"
GENERAL TERMS AND CONDITIONS

A1.0 INTERPRETATION AND DEFINITIONS**A1.1 Interpretation.** For the purposes of interpretation:

- (a) words in the singular include the plural and vice-versa;
- (b) words in one gender include all genders;
- (c) the headings do not form part of the Agreement; they are for reference only and will not affect the interpretation of the Agreement;
- (d) any reference to dollars or currency will be in Canadian dollars and currency; and
- (e) "include", "includes" and "including" denote that the subsequent list is not exhaustive.

A1.2 Definitions. In the Agreement, the following terms will have the following meanings:

"Additional Provisions" means the terms and conditions referred to in section A9.1 and as specified in Schedule "B".

"Agreement" means this agreement entered into between the Province and the Recipient and includes all of the schedules listed in section 1.1 and any amending agreement entered into pursuant to section 3.1.

"Budget" means the budget attached to the Agreement as Schedule "D".

"Business Day" means any working day, Monday to Friday inclusive, excluding statutory and other holidays, namely: New Year's Day; Family Day; Good Friday; Easter Monday; Victoria Day; Canada Day; Civic Holiday; Labour Day; Thanksgiving Day; Remembrance Day; Christmas Day; Boxing Day and any other day on which the Province has elected to be closed for business.

"Effective Date" means the date set out at the top of the Agreement.

"Event of Default" has the meaning ascribed to it in section A14.1.

"Expiry Date" means the date on which the Agreement will expire and is the date provided for in Schedule "B".

“Funding Year” means:

- (a) in the case of the first Funding Year, the period commencing on the Effective Date and ending on the following March 31; and
- (b) in the case of Funding Years subsequent to the first Funding Year, the period commencing on April 1 following the end of the previous Funding Year and ending on the following March 31.

“Funds” means the money the Province provides to the Recipient pursuant to the Agreement.

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

“Maximum Funds” means the maximum amount the Province will provide the Recipient under the Agreement as provided for in Schedule “B”.

“Notice” means any communication given or required to be given pursuant to the Agreement.

“Notice Period” means the period of time within which the Recipient is required to remedy an Event of Default pursuant to section A14.3(b), and includes any such period or periods of time by which the Province extends that time in accordance with section A14.4.

“Parties” means the Province and the Recipient.

“Party” means either the Province or the Recipient.

“Project” means the undertaking described in Schedule “C”.

“Reports” means the reports described in Schedule “F”.

A2.0 REPRESENTATIONS, WARRANTIES, AND COVENANTS

A2.1 General. The Recipient represents, warrants, and covenants that:

- (a) it is, and will continue to be, a validly existing legal entity with full power to fulfill its obligations under the Agreement;
- (b) it has, and will continue to have, the experience and expertise necessary to carry out the Project;

- (c) it is in compliance with, and will continue to comply with, all federal and provincial laws and regulations, all municipal by-laws, and any other orders, rules, and by-laws related to any aspect of the Project, the Funds, or both;
- (d) unless otherwise provided for in the Agreement, any information the Recipient provided to the Province in support of its request for funds (including information relating to any eligibility requirements) was true and complete at the time the Recipient provided it and will continue to be true and complete; and
- (e) it is not aware of any actions, suits, proceedings or investigations that relate to the Project that may be pending or threatened against the Recipient or any person associated with the Project.

A2.2 Execution of Agreement. The Recipient represents and warrants that it has:

- (a) the full power and authority to enter into the Agreement; and
- (b) taken all necessary actions to authorize the execution of the Agreement.

A2.3 Governance. The Recipient represents, warrants, and covenants that it has, will maintain in writing, and will follow:

- (a) a code of conduct and ethical responsibilities for all persons at all levels of the Recipient's organization;
- (b) procedures to enable the Recipient's ongoing effective functioning;
- (c) decision-making mechanisms for the Recipient;
- (d) procedures to enable the Recipient to manage Funds prudently and effectively;
- (e) procedures to enable the Recipient to complete the Project successfully;
- (f) procedures to enable the Recipient to identify risks to the completion of the Project and strategies to address the identified risks, all in a timely manner;
- (g) procedures to enable the preparation and submission of all Reports required pursuant to Article A7.0; and
- (h) procedures to enable the Recipient to address such other matters as the Recipient considers necessary to enable the Recipient to carry out its obligations under the Agreement.

A2.4 Supporting Proof. Upon the request of the Province, the Recipient will provide the Province with proof of the matters referred to in this Article A2.0.

A3.0 TERM OF THE AGREEMENT

A3.1 Term. The term of the Agreement will commence on the Effective Date and will expire on the Expiry Date unless terminated earlier pursuant to Article A12.0, Article A13.0, or Article A14.0.

A4.0 FUNDS AND CARRYING OUT THE PROJECT

A4.1 Funds Provided. The Province will:

- (a) provide the Recipient up to the Maximum Funds for the purpose of carrying out the Project;
- (b) provide the Funds to the Recipient in accordance with the Payment Plan attached to the Agreement as Schedule “E”; and
- (c) deposit the Funds into an account designated by the Recipient provided that the account:
 - (i) resides at a Canadian financial institution; and
 - (ii) is in the name of the Recipient.

A4.2 Limitation on Payment of Funds. Despite section A4.1:

- (a) the Province is not obligated to provide any Funds to the Recipient until the Recipient provides the certificates of insurance or other proof as the Province may request pursuant to section A11.2;
- (b) the Province is not obligated to provide instalments of Funds until it is satisfied with the progress of the Project;
- (c) the Province may adjust the amount of Funds it provides to the Recipient in any Funding Year based upon the Province’s assessment of the information the Recipient provides to the Province pursuant to section A7.1; and
- (d) if, pursuant to the *Financial Administration Act (Ontario)*, the Province does not receive the necessary appropriation from the Ontario Legislature for payment under the Agreement, the Province is not obligated to make any such payment, and, as a consequence, the Province may:

- (i) reduce the amount of Funds and, in consultation with the Recipient, change the Project; or
- (ii) terminate the Agreement pursuant to section A13.1.

A4.3 Use of Funds and Carry Out the Project. The Recipient will do all of the following:

- (a) carry out the Project;
- (b) use the Funds only for the purpose of carrying out the Project;
- (c) spend the Funds only in accordance with the Budget;
- (d) not use the Funds to cover any cost that has or will be funded or reimbursed by one or more of any third party, ministry, agency, or organization of the Government of Ontario.

A4.4 Interest Bearing Account. If the Province provides Funds before the Recipient's immediate need for the Funds, the Recipient will place the Funds in an interest bearing account in the name of the Recipient at a Canadian financial institution.

A4.5 Interest. If the Recipient earns any interest on the Funds, the Province may:

- (a) deduct an amount equal to the interest from any further instalments of Funds; or
- (b) demand from the Recipient the repayment of an amount equal to the interest.

A4.6 Maximum Funds. The Recipient acknowledges that the Funds available to it pursuant to the Agreement will not exceed the Maximum Funds.

A4.7 Rebates, Credits, and Refunds. The Recipient acknowledges that the amount of Funds available to it pursuant to the Agreement is based on the actual costs to the Recipient to carry out the Project, less any costs (including taxes) for which the Recipient has received, will receive, or is eligible to receive, a rebate, credit, or refund.

A5.0 RECIPIENT'S ACQUISITION OF GOODS OR SERVICES, AND DISPOSAL OF ASSETS

A5.1 Acquisition. If the Recipient acquires goods, services, or both with the Funds, it will:

- (a) do so through a process that promotes the best value for money; and
- (b) comply with the *Broader Public Sector Accountability Act, 2010* (Ontario), including any procurement directive issued thereunder, to the extent applicable.

A5.2 Disposal. The Recipient will not, without the Province's prior written consent, sell, lease, or otherwise dispose of any asset purchased or created with the Funds or for which Funds were provided, the cost of which exceeded the amount as provided for in Schedule "B" at the time of purchase.

A6.0 CONFLICT OF INTEREST

A6.1 No Conflict of Interest. The Recipient will carry out the Project and use the Funds without an actual, potential, or perceived conflict of interest.

A6.2 Conflict of Interest Includes. For the purposes of this Article, 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 Funds, or both.

A6.3 Disclosure to Province. The Recipient will:

- (a) disclose to the Province, without delay, any situation that a reasonable person would interpret as an actual, potential, or perceived conflict of interest; and
- (b) comply with any terms and conditions that the Province may prescribe as a result of the disclosure.

A7.0 REPORTS, ACCOUNTING, AND REVIEW

A7.1 Preparation and Submission. The Recipient will:

- (a) submit to the Province at the address referred to in section A18.1, all Reports in accordance with the timelines and content requirements provided for in Schedule "F", or in a form as specified by the Province from time to time;
- (b) submit to the Province at the address referred to in section A18.1, any other reports as may be requested by the Province in accordance with

the timelines and content requirements specified by the Province;

- (c) ensure that all Reports and other reports are completed to the satisfaction of the Province; and
- (d) ensure that all Reports and other reports are signed on behalf of the Recipient by an authorized signing officer.

A7.2 Record Maintenance. The Recipient will keep and maintain:

- (a) all financial records (including invoices) relating to the Funds or otherwise to the Project in a manner consistent with generally accepted accounting principles; and
- (b) all non-financial documents and records relating to the Funds or otherwise to the Project.

A7.3 Inspection. The Province, any authorized representative, or any independent auditor identified by the Province may, at the Province's expense, upon twenty-four hours' Notice to the Recipient and during normal business hours, enter upon the Recipient's premises to review the progress of the Project and the Recipient's allocation and expenditure of the Funds and, for these purposes, the Province, any authorized representative, or any independent auditor identified by the Province may take one or more of the following actions:

- (a) inspect and copy the records and documents referred to in section A7.2;
- (b) remove any copies made pursuant to section A7.3(a) from the Recipient's premises; and
- (c) conduct an audit or investigation of the Recipient in respect of the expenditure of the Funds, the Project, or both.

A7.4 Disclosure. To assist in respect of the rights provided for in section A7.3, the Recipient will disclose any information requested by the Province, any authorized representatives, or any independent auditor identified by the Province, and will do so in the form requested by the Province, any authorized representative, or any independent auditor identified by the Province, as the case may be.

A7.5 No Control of Records. No provision of the Agreement will be construed so as to give the Province any control whatsoever over the Recipient's records.

A7.6 Auditor General. For greater certainty, the Province's rights under this Article are in addition to any rights provided to the Auditor General pursuant to section 9.1 of the *Auditor General Act* (Ontario).

A8.0 COMMUNICATIONS REQUIREMENTS

A8.1 Acknowledge Support. Unless otherwise directed by the Province, the Recipient will:

- (a) acknowledge the support of the Province for the Project; and
- (b) ensure that the acknowledgement referred to in section A8.1(a) is in a form and manner as directed by the Province.

A8.2 Publication. The Recipient will indicate, in any of its Project-related publications, whether written, oral, or visual, that the views expressed in the publication are the views of the Recipient and do not necessarily reflect those of the Province.

A9.0 FURTHER CONDITIONS

A9.1 Additional Provisions. The Recipient will comply with any Additional Provisions. In the event of a conflict or inconsistency between any of the requirements of the Additional Provisions and any requirements of this Schedule “A”, the Additional Provisions will prevail.

A10.0 INDEMNITY

A10.1 Indemnification. The Recipient hereby agrees to indemnify and hold harmless the Indemnified Parties from and against any and all liability, loss, costs, damages, and expenses (including legal, expert and consultant fees), 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.

A10.2 Recipient’s Participation. The Recipient will, at its expense, to the extent requested by the Province, participate in or conduct the defence of any proceeding against any Indemnified Parties and any negotiations for their settlement.

A10.3 Province’s Election. The Province may elect to participate in or conduct the defence of any proceeding by providing Notice to the Recipient of such election without prejudice to any other rights or remedies of the Province under the Agreement, at law, or in equity. Each Party participating in the defence will do so by actively participating with the other’s counsel.

A10.4 Settlement Authority. The Recipient will not enter into a settlement of any proceeding against any Indemnified Parties unless the Recipient has obtained the prior written approval of the Province. If the Recipient is requested by the

Province to participate in or conduct the defence of any proceeding, the Province will co-operate with and assist the Recipient to the fullest extent possible in the proceeding and any related settlement negotiations.

A10.5 Recipient's Co-operation. If the Province conducts the defence of any proceedings, the Recipient will co-operate with and assist the Province to the fullest extent possible in the proceedings and any related settlement negotiations

A11.0 INSURANCE

A11.1 Recipient's Insurance. The Recipient represents, warrants, and covenants that it has, and will maintain, at its own cost and 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 the amount provided for in Schedule "B" per occurrence. The policy will 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) a 30-day written notice of cancellation.

A11.2 Proof of Insurance. The Recipient will:

- (a) provide to the Province, either:
 - (i) certificates of insurance that confirm the insurance coverage as provided for in section A11.1; or
 - (ii) other proof that confirms the insurance coverage as provided for in section A11.1; and
- (b) upon the request of the Province, provide to the Province a copy of any insurance policy.

A12.0 TERMINATION ON NOTICE

A12.1 Termination on Notice. The Province may terminate the Agreement at any time without liability, penalty, or costs upon giving at least 30 days' Notice to the Recipient.

A12.2 Consequences of Termination on Notice by the Province. If the Province terminates the Agreement pursuant to section A12.1, the Province may take one or more of the following actions:

- (a) cancel all further instalments of Funds;
- (b) demand the repayment of any Funds remaining in the possession or under the control of the Recipient; and
- (c) determine the reasonable costs for the Recipient to wind down the Project, and do either or both of the following:
 - (i) permit the Recipient to offset such costs against the amount the Recipient owes pursuant to section A12.2(b); and
 - (ii) subject to section A4.7, provide Funds to the Recipient to cover such costs.

A13.0 TERMINATION WHERE NO APPROPRIATION

A13.1 Termination Where No Appropriation. If, as provided for in section A4.2(d), the Province does not receive the necessary appropriation from the Ontario Legislature for any payment the Province is to make pursuant to the Agreement, the Province may terminate the Agreement immediately without liability, penalty, or costs by giving Notice to the Recipient.

A13.2 Consequences of Termination Where No Appropriation. If the Province terminates the Agreement pursuant to section A13.1, the Province may take one or more of the following actions:

- (a) cancel all further instalments of Funds;
- (b) demand the repayment of any Funds remaining in the possession or under the control of the Recipient; and
- (c) determine the reasonable costs for the Recipient to wind down the Project and permit the Recipient to offset such costs against the amount owing pursuant to section A13.2(b).

A13.3 No Additional Funds. For greater clarity, if the costs determined pursuant to section A13.2(c) exceed the Funds remaining in the possession or under the control of the Recipient, the Province will not provide additional Funds to the Recipient.

A14.0 EVENT OF DEFAULT, CORRECTIVE ACTION, AND TERMINATION FOR DEFAULT

A14.1 Events of Default. Each of the following events will constitute an Event of Default:

- (a) in the opinion of the Province, the Recipient breaches any representation, warranty, covenant, or other material term of the Agreement, including failing to do any of the following in accordance with the terms and conditions of the Agreement:
 - (i) carry out the Project;
 - (ii) use or spend Funds; or
 - (iii) provide, in accordance with section A7.1, Reports or such other reports as may have been requested pursuant to section A7.1(b);
- (b) the Recipient's operations, or its organizational structure, changes such that it no longer meets one or more of the eligibility requirements of the program under which the Province provides the Funds;
- (c) the Recipient makes an assignment, proposal, compromise, or arrangement for the benefit of creditors, or a creditor makes an application for an order adjudging the Recipient bankrupt, or applies for the appointment of a receiver; or
- (d) the Recipient ceases to operate.

A14.2 Consequences of Events of Default and Corrective Action. If an Event of Default occurs, the Province may, at any time, take one or more of the following actions:

- (a) initiate any action the Province considers necessary in order to facilitate the successful continuation or completion of the Project;
- (b) provide the Recipient with an opportunity to remedy the Event of Default;
- (c) suspend the payment of Funds for such period as the Province determines appropriate;
- (d) reduce the amount of the Funds;
- (e) cancel all further instalments of Funds;
- (f) demand the repayment of any Funds remaining in the possession or under the control of the Recipient;
- (g) demand the repayment of an amount equal to any Funds the Recipient

used, but did not use in accordance with the Agreement;

- (h) demand the repayment of an amount equal to any Funds the Province provided to the Recipient; and
- (i) terminate the Agreement at any time, including immediately, without liability, penalty or costs to the Province upon giving Notice to the Recipient.

A14.3 Opportunity to Remedy. If, in accordance with section A14.2(b), the Province provides the Recipient with an opportunity to remedy the Event of Default, the Province will provide Notice to the Recipient of:

- (a) the particulars of the Event of Default; and
- (b) the Notice Period.

A14.4 Recipient not Remediating. If the Province has provided the Recipient with an opportunity to remedy the Event of Default pursuant to section A14.2(b), and:

- (a) the Recipient does not remedy the Event of Default within the Notice Period;
- (b) it becomes apparent to the Province that the Recipient cannot completely remedy the Event of Default within the Notice Period; or
- (c) the Recipient is not proceeding to remedy the Event of Default in a way that is satisfactory to the Province,

the Province may extend the Notice Period, or initiate any one or more of the actions provided for in sections A14.2(a), (c), (d), (e), (f), (g), (h), and (i).

A14.5 When Termination Effective. Termination under this Article will take effect as provided for in the Notice.

A15.0 FUNDS AT THE END OF A FUNDING YEAR

A15.1 Funds at the End of a Funding Year. Without limiting any rights of the Province under Article A14.0, if the Recipient has not spent all of the Funds allocated for the Funding Year as provided for in the Budget, the Province may take one or both of the following actions:

- (a) demand the return of the unspent Funds; and
- (b) adjust the amount of any further instalments of Funds accordingly.

A16.0 FUNDS UPON EXPIRY

A16.1 Funds Upon Expiry. The Recipient will, upon expiry of the Agreement, return to the Province any Funds remaining in its possession or under its control.

A17.0 REPAYMENT

A17.1 Repayment of Overpayment. If at any time the Province provides Funds in excess of the amount to which the Recipient is entitled under the Agreement, the Province may:

- (a) deduct an amount equal to the excess Funds from any further instalments of Funds; or
- (b) demand that the Recipient pay an amount equal to the excess Funds to the Province.

A17.2 Debt Due. If, pursuant to the Agreement:

- (a) the Province demands the payment of any Funds or an amount equal to any Funds from the Recipient; or
- (b) the Recipient owes any Funds or an amount equal to any Funds to the Province, whether or not their return or repayment has been demanded by the Province,

such Funds or other amount will be deemed to be a debt due and owing to the Province by the Recipient, and the Recipient will pay or return the amount to the Province immediately, unless the Province directs otherwise.

A17.3 Interest Rate. The Province may charge the Recipient interest on any money owing by the Recipient at the then current interest rate charged by the Province of Ontario on accounts receivable.

A17.4 Payment of Money to Province. The Recipient will pay any money owing to the Province by cheque payable to the “Ontario Minister of Finance” and delivered to the Province as provided for in Schedule “B”.

A17.5 Fails to Repay. Without limiting the application of section 43 of the *Financial Administration Act* (Ontario), if the Recipient fails to repay any amount owing under the Agreement, Her Majesty the Queen in right of Ontario may deduct any unpaid amount from any money payable to the Recipient by Her Majesty the Queen in right of Ontario.

A18.0 NOTICE

A18.1 Notice in Writing and Addressed. Notice will be in writing and will be delivered by email, postage-prepaid mail, personal delivery, or fax, and will be addressed to the Province and the Recipient respectively as provided for Schedule “B”, or as either Party later designates to the other by Notice.

A18.2 Notice Given. Notice will be deemed to have been given:

- (a) in the case of postage-prepaid mail, five Business Days after the Notice is mailed; or
- (b) in the case of email, personal delivery, or fax, one Business Day after the Notice is delivered.

A18.3 Postal Disruption. Despite section A18.2(a), in the event of a postal disruption:

- (a) Notice by postage-prepaid mail will not be deemed to be received; and
- (b) the Party giving Notice will provide Notice by email, personal delivery, or fax.

A19.0 CONSENT BY PROVINCE AND COMPLIANCE BY RECIPIENT

A19.1 Consent. When the Province provides its consent pursuant to the Agreement, it may impose any terms and conditions on such consent and the Recipient will comply with such terms and conditions.

A20.0 SEVERABILITY OF PROVISIONS

A20.1 Invalidity or Unenforceability of Any Provision. The invalidity or unenforceability of any provision of the Agreement will not affect the validity or enforceability of any other provision of the Agreement. Any invalid or unenforceable provision will be deemed to be severed.

A21.0 WAIVER

A21.1 Waivers in Writing. If a Party fails to comply with any term of the Agreement, that Party may only rely on a waiver of the other Party if the other Party has provided a written waiver in accordance with the Notice provisions in Article A18.0. Any waiver must refer to a specific failure to comply and will not have the effect of waiving any subsequent failures to comply.

A22.0 INDEPENDENT PARTIES

A22.1 Parties Independent. The Recipient is not an agent, joint venturer, partner, or employee of the Province, and the Recipient will not represent itself in any way that might be taken by a reasonable person to suggest that it is, or take any actions that could establish or imply such a relationship.

A23.0 ASSIGNMENT OF AGREEMENT OR FUNDS

A23.1 No Assignment. The Recipient will not, without the prior written consent of the Province, assign any of its rights or obligations under the Agreement.

A23.2 Agreement Binding. All rights and obligations contained in the Agreement will extend to and be binding on the Parties' respective heirs, executors, administrators, successors, and permitted assigns.

A24.0 GOVERNING LAW

A24.1 Governing Law. The Agreement and the rights, obligations, and relations of the Parties will be governed by and construed in accordance with the laws of the Province of Ontario and the applicable federal laws of Canada. Any actions or proceedings arising in connection with the Agreement will be conducted in the courts of Ontario, which will have exclusive jurisdiction over such proceedings.

A25.0 FURTHER ASSURANCES

A25.1 Agreement into Effect. The Recipient will provide such further assurances as the Province may request from time to time with respect to any matter to which the Agreement pertains, and will otherwise do or cause to be done all acts or things necessary to implement and carry into effect the terms and conditions of the Agreement to their full extent.

A26.0 JOINT AND SEVERAL LIABILITY

A26.1 Joint and Several Liability. Where the Recipient is comprised of more than one entity, all such entities will be jointly and severally liable to the Province for the fulfillment of the obligations of the Recipient under the Agreement.

A27.0 RIGHTS AND REMEDIES CUMULATIVE

A27.1 Rights and Remedies Cumulative. The rights and remedies of the Province 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.

A28.0 FAILURE TO COMPLY WITH OTHER AGREEMENTS

A28.1 Other Agreements. If the Recipient:

- (a) has failed to comply with any term, condition, or obligation under any other agreement with Her Majesty the Queen in right of Ontario or one of Her agencies (a “**Failure**”);
- (b) has been provided with notice of such Failure in accordance with the requirements of such other agreement;
- (c) has, if applicable, failed to rectify such Failure in accordance with the requirements of such other agreement; and
- (d) such Failure is continuing,

the Province may suspend the payment of Funds for such period as the Province determines appropriate.

A29.0 SURVIVAL

A29.1 Survival. The following Articles and sections, and all applicable cross-referenced sections and schedules, will continue in full force and effect for a period of seven years from the date of expiry or termination of the Agreement: Article 1.0, Article 3.0, Article A1.0 and any other applicable definitions, sections A4.2(d), A4.5, section A5.2, section A7.1 (to the extent that the Recipient has not provided the Reports or other reports as may have been requested to the satisfaction of the Province), sections A7.2, A7.3, A7.4, A7.5, A7.6, Article A8.0, Article A10.0, sections A12.2, sections A13.2, A13.3, sections A14.1, A14.2(d), (e), (f), (g) and (h), Article A16.0, Article A17.0, Article A18.0, Article A20.0, section A23.2, Article A24.0, Article A26.0, Article A27.0, Article A28.0 and Article A29.0.

- END OF GENERAL TERMS AND CONDITIONS -

SCHEDULE "B"
PROJECT SPECIFIC INFORMATION AND ADDITIONAL PROVISIONS

Maximum Funds	\$
Expiry Date	
Amount for the purposes of section A5.2 (Disposal) of Schedule "A"	\$1,000.00
Insurance	\$ 2,000,000
Contact information for the purposes of Notice to the Province	Name: Address: Attention: Fax: Email:
Contact information for the purposes of Notice to the Recipient	Name: Address: Attention: Fax: Email:

Additional Provisions:

1. The following definition is hereby added to Section A1.2 of Schedule "A" to this Agreement:

"Online Application Portal (OAP)" means the database through which an application under this Agreement must be submitted.

2. Subsection A4.1(c) of Schedule "A" to this Agreement is hereby deleted and replaced with the following:

(c) provide the Funds to the Recipient by cheque and the Recipient will

deposit the Funds into an account designated by the Recipient provided that the account:

- (i) resides at a Canadian financial institution; and
- (ii) is in the name of the Recipient.

3. Article A8 of Schedule “A” to this Agreement is hereby deleted and replaced with the following:

A8.0 CREDIT, PUBLICITY AND DISCLOSURE

A8.1 Acknowledge Support. Unless otherwise directed by the Province, the Recipient shall, in a form approved by the Province, acknowledge the support of the Province in any publication of any kind, written or oral, relating to the Project.

A8.2 Prominent Credit. As appropriate, the Province shall receive a prominent credit on Project materials and in paid advertising, press releases, publicity and promotional material for the Project as follows or in a substantially similar form: “Made possible with the support of the Ontario Media Development Corporation [LOGO]” (or the French version thereof). In all material respects (including size of type and placement), such credit is not to be less prominent than credit accorded to any and all other financial participant(s) in the Project, where applicable, taking into consideration the respective size of the contribution.

A8.3 Final Approval. The Province shall have the final approval right over the credit proposed for the Province by the Recipient in accordance with section A8.2, including the right to elect that no such credit is to be provided after the date of such election. The Recipient shall provide the Province with draft materials incorporating the credit that the Recipient proposes 14 Business Days in advance of the date when final approval is required from the Province.

A8.4 Public. The Recipient agrees that the Province may make public the name and business address of the Recipient, the amount of Funds, and the purpose for which such Funds are being provided to the Recipient under the Agreement.

A8.5 Promotion. The Province reserves the right to use the Recipient’s name, Project title and key art or images to promote the Province’s involvement in the

Project. While this right is to be exercised at the discretion of the Province, due consideration is to be given to the appropriate timing of such promotion as it relates to the Project.

4. The reference to the “Ontario Minister of Finance” in Section A17.4 of Schedule “A” to this Agreement is deleted and replaced with the “Ontario Media Development Corporation”.
5. The references to Her Majesty the Queen in right of Ontario in Section A17.5 of Schedule “A” to this Agreement are deleted and replaced with the Province.
6. Section A18.1 of Schedule “A” to this Agreement is hereby deleted and replaced with the following:

A18.1 **Notice in Writing and Addressed.** Notice will be in writing and will be delivered by electronic means on the Online Application Portal (OAP), email, postage-prepaid mail, personal delivery or fax, and will be addressed to the Province and the Recipient respectively as set out in Schedule “B”, or as either Party later designates to the other by Notice.

7. Article A30.0 is hereby added to Schedule “A” of the Agreement as follows:

A30.0 BUDGET REALLOCATION

A30.1 **Where No Formal Amendment Required.** Notwithstanding section 3.1 of the Agreement, the reallocation of Funds between line items within the Budget will not constitute a change to the Budget requiring a written amendment to the Agreement duly executed by the Parties, unless the reallocation of such Funds on one or more occasions represents a cumulative amount of reallocated Funds equalling over 10% of the total Funds within the Budget.