

Corporation of the County of Grey

By-Law 5087-20

A By-law to Authorize the Warden and Clerk to Execute a Guarantee Agreement with the Toronto-Dominion Bank in respect of Certain Borrowing of Southwestern Integrated Fibre Technology Inc.

WHEREAS Section 8 of the *Municipal Act*, 2001, as amended, provides that a municipality has the authority to govern its affairs as it considers appropriate and enables the municipality to respond to municipal issues;

AND WHEREAS Section 107 of the *Municipal Act*, 2001 provides that a municipality may make grants to any person, group or body, including a fund, within or outside the boundaries of the municipality for any purpose that council considers to be in the interests of the municipality;

AND WHEREAS the power to make a grant includes the power to guarantee a loan;

AND WHEREAS SWIFT (Southwestern Integrated Fibre Technology Inc.) intends to obtain from the Toronto-Dominion Bank (TD) a loan and credit facility in the amount of \$27.5 million to be utilized as short-term bridge financing for SWIFT's Phase 3 projects;

AND WHEREAS TD has informed SWIFT that it will require formal loan guarantee agreements from municipalities participating in the Phase 3 projects for the credit facility (the Guarantee);

AND WHEREAS the County of Grey has signed a non-binding Letter of Intent dated May 20, 2020 providing SWIFT with Grey County's intent to issue the Guarantee, limited to the amount of \$2,929,000;

AND WHEREAS Council for the Corporation of the County of Grey deems it necessary and in the County's interest to execute an agreement and other documentation required to provide the Guarantee;

NOW THEREFORE BE IT RESOLVED THAT THE COUNCIL OF THE CORPORATION OF THE COUNTY OF GREY HEREBY ENACTS AS FOLLOWS:

1. The Warden and Clerk are hereby authorized and directed to execute, and the Clerk to affix the Corporate seal, if required, to certain documents in respect of the borrowing of Southwestern Integrated Fibre Technology Inc. ("SWIFT") as contemplated in a Letter of Intent dated May 20, 2020 issued by the County to SWIFT (the "LOI"), a copy of which is attached as a schedule to this By-law, provided that the Chief Administrative Officer and the Director of Legal Services – County Solicitor are satisfied that such documents are substantially in compliance with the terms of the LOI and are in a form acceptable to the County.

2. The execution of these documents is deemed to be in the interest of the County of Grey.
3. The documents referred to in section 1 are:
 - 3.1 a Guarantee Agreement between the Corporation of the County of Grey and the Toronto-Dominion Bank (the "Guarantee") limited to an amount of no more than Two Million Nine-Hundred Twenty-Nine Thousand dollars (\$2,929,000); and
 - 3.2 any other related documentation contemplated by the LOI reasonably required in order to support the provision of the Guarantee.
4. This By-law shall come into force and effect upon the final passing thereof.

ENACTED AND PASSED this 28th day of May, 2020.

WARDEN: Paul McQueen

CLERK: Heather Morrison

Schedule

DocuSign Envelope ID: 46D8E93F-3BE4-4E55-A24A-0BCEB9182FAA

May 20, 2020

Private and Confidential

Southwestern Integrated Fibre Technology Inc.
789 Broadway Street
Box 3000
Wyoming, Ontario
N0N 1T0

Attention: David Mayberry, Board Chair
Barry Field, Chief Operating Officer

Dear Messrs. Mayberry and Field:

Re: Letter of Intent – SWIFT Credit Facility

This non-binding letter of intent (this "LOI") sets out the basis upon which Grey County would be prepared to provide a guarantee in respect of a \$27,531,000 revolving credit facility (the "Credit Facility") to be secured by Southwestern Integrated Fibre Technology Inc. ("SWIFT") in connection with its initiative to deploy funding provided by the Governments of Ontario and Canada (and administered by the Ontario Minister of Agriculture, Food and Rural Affairs ("OMAFRA")) for broadband network infrastructure projects to serve underserved areas within Brant County, Bruce County, Town of Caledon, Dufferin County, Elgin County, Essex County, Grey County, Huron County, Middlesex County, Niagara Region, Oxford County, Perth County, Simcoe County and Region of Waterloo (each, a "Project" and collectively, the "Projects").

1. The purpose of the Credit Facility is for SWIFT to have access to financing to bridge the mismatch in timing between SWIFT's obligation to pay the internet service providers ("ISP") who will undertake the Projects (generally within 28 days of receipt of a proper invoice, in accordance with the *Construction Act* (Ontario)) and the receipt of the corresponding payment from OMAFRA (expected to be approximately 12 weeks following receipt by OMAFRA of a payment claim from SWIFT). SWIFT will use the Credit Facility solely for such purpose.
2. Each of Brant County, Bruce County, Town of Caledon, Dufferin County, Elgin County, Essex County, Grey County, Huron County, Middlesex County, Niagara Region, Oxford County, Perth County, Simcoe County and Region of Waterloo will guarantee a portion of the Credit Facility, with the amount of the guarantee provided by each county being proportionate to the amount of funding from the Governments of Ontario and Canada allocated to the Project in such county, as follows:

Municipality	Funding Amount	% of Funding	Guarantee Amount	Rounded
Brant County	\$ 4,754,471	3.17%	\$ 871,867	\$ 872,000
Bruce County	\$ 13,604,131	9.06%	\$ 2,494,702	\$ 2,495,000
Caledon	\$ 5,207,608	3.47%	\$ 954,962	\$ 955,000
Dufferin County	\$ 7,157,589	4.77%	\$ 1,312,546	\$ 1,313,000
Elgin County	\$ 6,102,135	4.06%	\$ 1,118,999	\$ 1,119,000
Essex County	\$ 12,770,735	8.51%	\$ 2,341,875	\$ 2,342,000
Grey County	\$ 15,974,079	10.64%	\$ 2,929,299	\$ 2,929,000
Huron County	\$ 7,203,898	4.80%	\$ 1,321,038	\$ 1,321,000
Middlesex County	\$ 10,592,728	7.06%	\$ 1,942,476	\$ 1,942,000
Niagara Region	\$ 13,301,085	8.86%	\$ 2,439,130	\$ 2,439,000
Oxford County	\$ 8,168,527	5.44%	\$ 1,497,930	\$ 1,498,000
Perth County	\$ 5,522,160	3.68%	\$ 1,012,644	\$ 1,013,000
Simcoe County	\$ 27,886,302	18.58%	\$ 5,113,741	\$ 5,114,000
Waterloo Region	\$ 11,881,400	7.91%	\$ 2,178,790	\$ 2,179,000
TOTAL	\$ 150,126,848	100.00%	\$ 27,530,000	\$ 27,531,000

3. SWIFT does not expect to receive any direct financial contribution from Brant County, Bruce County, Town of Caledon, Dufferin County, Elgin County, Essex County, Grey County, Huron County, Middlesex County, Niagara County, Oxford County, Perth County, Simcoe County and Region of Waterloo for the Projects in addition to the guarantee described in paragraph 2 above.
4. SWIFT will procure the Credit Facility and negotiate the terms and conditions of the definitive agreements to be entered into by SWIFT and the guarantee agreement to be entered into by each of Brant County, Bruce County, Town of Caledon, Dufferin County, Elgin County, Essex County, Grey County, Huron County, Middlesex County, Niagara Region, Oxford County, Perth County, Simcoe County and Region of Waterloo in connection with the Credit Facility, all at SWIFT's sole cost and expense. SWIFT will keep a representative (or representatives) designated by Grey County informed of discussions and negotiations with the financial institution selected by SWIFT to provide the Credit Facility and, if requested by Grey County, will allow such representatives to participate in such discussions and negotiations.
5. The final terms and conditions of the Credit Facility (including the guarantee agreement to be entered into by Grey County) will be subject to approval by Lambton County.

This LOI is a non-binding indication of interest and, accordingly, Grey County does not intend this LOI to create legally enforceable obligations, which would arise only upon the execution of definitive legal documentation to give effect to the arrangements described in this LOI. The entering into this LOI does not constitute an obligation or commitment of Grey County to enter into such definitive legal documents.

Sincerely yours,


The Corporation of the County of Grey

DocuSigned by:
 By:  5/20/2020
 Name: Paul McQueen Date
 Title: Warden

DocuSigned by:
 5/19/2020
 Name: Heather Morrison Date
 Title: Clerk

Accepted by:

**SOUTHWESTERN INTEGRATED FIBRE
 TECHNOLOGY INC.**

DocuSigned by:
 By:  Date: 5/20/2020
 Name: Barry Field
 Title: Executive Director