

THE CORPORATION OF THE TOWN OF CALEDON

BY-LAW NO. 2021-08

A By-law to authorize the Treasurer and Chief Administrative Officer 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 interest 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 Town of Caledon has signed a non-binding Letter of Intent dated June 5, 2020 providing SWIFT with Town of Caledon's intent to issue the Guarantee, limited to the amount of \$955,000;

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

NOW THEREFORE the Council of The Corporation of the Town of Caledon enacts as follows:

1. The Treasurer and Chief Administrative Officer 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 June 5, 2020 issued by the Town to SWIFT, provided that the Town Solicitor is satisfied that such documents are substantially in compliance with the terms of the Letter of Interest and are in a form acceptable to the Town.
2. The Town Solicitor is hereby authorized to confirm, once satisfied, that the documents constitute a good, valid and binding and enforceable obligation on the Town of Caledon.
3. The execution of these documents is deemed to be in the interest of the Town of Caledon.
4. The documents referred to in section 1 are:
 - 4.1 A Guarantee Agreement between the Corporation of the Town of Caledon and the Toronto-Dominion Bank (the "Guarantee") limited to an amount of no more than Nine Hundred and Fifty-Five Thousand dollars (\$955,000); and
 - 4.2 Any other related documentation contemplated by the Letter of Interest reasonably required in order to support the provision of the Guarantee.

Enactment

This By-law shall come into full force and effect on the day of its passing.

Enacted by the Town of Caledon Council this 16th day of February, 2021.

Allan Thompson, Mayor

Laura Hall, Town Clerk