

**THE CORPORATION OF THE
TOWNSHIP OF EDWARDSBURGH CARDINAL
BY-LAW NO. 2018-48**

**"A BY-LAW TO AUTHORIZE THE MAYOR AND CLERK TO EXECUTE A
FINANCING AGREEMENT WITH THE ROYAL BANK OF CANADA FOR THE
JAMES-REILLY / DEWITT-RICHTER MUNICIPAL DRAIN LOAN"**

WHEREAS subsection 401 (1) of the *Municipal Act, 2001*, as amended provides that a municipality may incur a debt for municipal purposes, whether by borrowing money or in any other way, and may issue debentures and prescribed financial instruments and enter prescribed financial agreements for or in relation to the debt; and

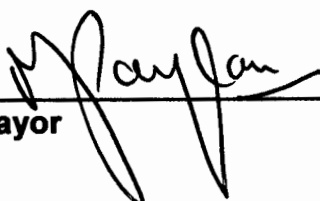
WHEREAS the Council of the Corporation of the Township of Edwardsburgh Cardinal deems it advisable to execute a financing agreement with the Royal Bank of Canada to renew the James Reilly Dewitt Richter Municipal Drain loan;

NOW THEREFORE the Council of the Corporation of the Township of Edwardsburgh Cardinal enacts as follows:

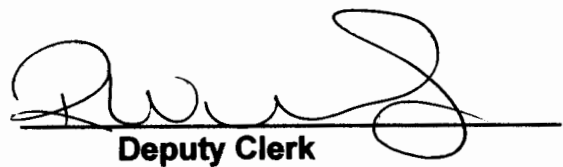
1. That the Mayor and Clerk are hereby authorized to execute the financing agreement with the Royal Bank of Canada attached hereto as Schedule "A", and shall form part of this by-law.
2. That this by-law shall come into force and take effect on the date of passing.

Read a first and second time in open Council this 23rd day of July, 2018.

Read a third and final time, passed, signed and sealed in open Council this 23rd day of July, 2018.



Mayor



Deputy Clerk



Royal Bank of Canada
Commercial Financial Services
90 Sparks Street, 2nd Floor
Ottawa, Ontario K1P 5T6

July 19, 2018

**The Corporation of the Township of
Edwardsburgh/Cardinal**
18 Centre Street
Spencerville, Ontario
K0E 1X0

We refer to the agreement dated January 11, 2013 and any amendments thereto, between The Corporation of the Township of Edwardsburgh/Cardinal, as the Borrower, and Royal Bank of Canada, as the Bank, (the "**Agreement**").

The Bank reserves all of its rights and remedies at any time and from time to time in connection with any or all breaches, defaults or Events of Default now existing or hereafter arising under any Bank document, and whether known or unknown, and this amending agreement shall not be construed as a waiver of any such breach, default or Events of Default.

All capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the Agreement.

The Agreement is amended as follows:

1. Facility (5) in the amount of \$73,084.17, which was payable in full on May 9, 2018 (the "**Original Facility (5) Maturity Date**"), is renewed, subject to the following revised terms and conditions, with effect retroactive to the Original Facility (5) Maturity Date. The Borrower understands and agrees that any payments which would have become due under this facility, as so revised and renewed, since the Original Facility (5) Maturity Date, will be charged to its account upon acceptance of this amending agreement:

Non-revolving term facility fully drawn in the amount of \$73,084.17 by way of FRT Loans. Repayable by consecutive monthly blended payments of \$1,331.00 including interest, based on a remaining 60 month amortization. First payment is due June 9, 2018. This loan has a 60 month term and all outstanding principal and interest is payable in full May 9, 2023. Interest rate: 3.53% per annum. Amount eligible for prepayment is 10%.

2. On **Schedule "C" - Borrowing Conditions**, the FRT Loans section is amended and restated as follows:

FRT Loans:

- (a) each FRT Loan shall be for a term of 1, 2, 3, 4 or 5 years, provided that the maturity date of any FRT Loan issued under any term facility shall not extend beyond the maturity date of the term facility;

* Registered Trademark of Royal Bank of Canada

- (b) the Borrower shall select an amount eligible for prepayment of 10% or 0% for each new FRT Loan prior to the advance of such FRT Loan;
- (c) each FRT Loan shall be in an amount not less than \$10,000 in Canadian currency and not less than \$100,000 in US currency; and

provided an Event of Default shall not have occurred and be continuing, the Borrower may prepay Borrowings made by way of FRT Loans on a non-cumulative basis up to the percentage, as selected by the Borrower for each FRT Loan, of the outstanding principal balance on the day of prepayment without fee or premium once per year during the 12 month period from each anniversary date of the Borrowing. Any prepayment of Borrowings by way of FRT Loans prior to the maturity date, in whole or in part (in excess of any prepayment explicitly permitted in this Agreement), requires an amendment of the terms of this Agreement. An amendment to permit such a prepayment requires the Bank's prior written consent. The Bank may provide its consent to an amendment to permit a prepayment upon satisfaction by the Borrower of any conditions the Bank may reasonably impose, including, without limitation, the Borrower's agreement to pay the Prepayment Fee as defined below.

The Prepayment Fee will be calculated by the Bank as the sum of:

- a) the greater of:
 - (i) the amount equal to 3 months' interest payable on the amount of the FRT Loan Borrowings being prepaid, calculated at the interest rate applicable to the FRT Loan Borrowings on the date of prepayment; and
 - (ii) the present value of the cash flow associated with the difference between the Bank's original cost of funds for the FRT Loan and the current cost of funds for a loan with a term substantially similar to the remaining term of the FRT Loan and an amortization period substantially similar to the remaining amortization period of the FRT Loan, each as determined by the Bank on the date of such prepayment;
- plus:
 - b) foregone margin over the remainder of the term of the FRT Loan. Foregone margin is defined as the present value of the difference between the Bank's original cost of funds for the FRT Loan and the interest that would have been charged to the Borrower over the remaining term of the FRT Loan;
- plus:
 - c) a processing fee.

The Prepayment Fee shall also be payable by the Borrower in the event that the Bank demands repayment of the outstanding principal of the FRT Loan on the occurrence of an Event of Default. The Borrower's obligation to pay the Prepayment Fee will be in addition to any other amounts then owing by the Borrower to the Bank, will form part of the loan amount and will be secured by the Security described herein.

BUSINESS LOAN INSURANCE PLAN

The Borrower hereby acknowledges that the Bank has offered it group creditor insurance coverage on the Borrowings under the Business Loan Insurance Plan and the Borrower hereby acknowledges that it is the Borrower's responsibility to apply for any new or increased insurance amount for the Borrowings that may be eligible.

If the Borrower decides to apply for insurance on the Borrowings, the application will be made via the Bank's Business Loan Insurance Plan application (form 3460 ENG or 53460 FRE). If the Borrower has existing uninsured Borrowings and decides not to apply for Business Loan Insurance Plan coverage on any new Borrowings, it hereby acknowledges that the Bank may accept the Borrower's signature below as the Borrower's waiver of the Bank's offer to apply for Business Loan Insurance Plan coverage on all such

Borrowings, and that all such Borrowings are not insured under the Policy as at the date of acceptance of this Agreement.

If the Borrower has Business Loan Insurance Plan coverage on previously approved Borrowings, such coverage will be applied automatically to all new Borrowings eligible for Business Loan Insurance Plan coverage that share the same loan account number, up to the approved amount of Business Loan Insurance Plan coverage. This Agreement cannot be used to waive coverage on new Borrowings eligible for Business Loan Insurance Plan coverage if Business Loan Insurance Plan coverage is in effect on the Borrower's existing Borrowings. If the Borrower does not want Business Loan Insurance Plan coverage to apply to any new Borrowings, a different loan account number will need to be set up and all uninsured loans attached to it.

If the Borrower has existing Borrowings to which Business Loan Insurance Plan coverage applies, and any new Borrowings would exceed the approved amount of Business Loan Insurance Plan coverage already in place, the Borrower must apply for additional Business Loan Insurance Plan coverage (if eligible) in order for Business Loan Insurance Plan coverage to apply to any new Borrowings. If the Borrower decides not to apply for additional Business Loan Insurance Plan coverage in respect of any new Borrowings (if eligible), the Borrower hereby acknowledges that the Bank may accept the Borrower's signature below as the Borrower's waiver of the Bank's offer to apply for additional Business Loan Insurance Plan coverage on such new Borrowings and that such new Borrowings are not insured under the Policy as at the date the Borrower executes this Agreement.

If there are any discrepancies between the insurance information in this Agreement and the Business Loan Insurance Plan documents regarding the Borrowings, the Business Loan Insurance Plan documents govern.

Business Loan Insurance Plan premiums (plus applicable taxes), will be taken as a separate payment, directly from the bank account associated with the loan, at the same frequency and schedule as your regular loan payments, where applicable. As premiums are based on the outstanding loan balance and the insured person's age at the time the premiums are due, the cost of Business Loan Insurance Plan coverage may increase during the term of the loan. The premium calculation is set out in the Business Loan Insurance Plan terms and conditions provided to the Borrower at the time the application for Business Loan Insurance Plan coverage was completed. Refer to the terms and conditions (form 3460 ENG or 53460 FRE) for further explanation and disclosure.

CONDITIONS PRECEDENT

The effectiveness of this amending agreement is conditional upon receipt of:

- a) a duly executed copy of this amending agreement;
- b) the Security provided for herein, registered, as required, to the satisfaction of the Bank;
- c) such financial and other information or documents relating to the Borrower or any Guarantor if applicable as the Bank may reasonably require; and
- d) such other authorizations, approvals, opinions and documentation as the Bank may reasonably require.

Additionally;

- e) all documentation to be received by the Bank shall be in form and substance satisfactory to the Bank.

COUNTERPART EXECUTION

This amending agreement may be executed in any number of counterparts and by different parties in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together constitute one and the same instrument.

All other terms and conditions outlined in the Agreement remain unchanged and in full force and effect.

This amending agreement is open for acceptance until August 20, 2018, after which date it will be null and void, unless extended in writing by the Bank.

ROYAL BANK OF CANADA




Per: _____
Name: Mike Cussen
Title: Vice President, Business Credit

/kb

Agreed to and accepted this 23 day of July, 2018.

**THE CORPORATION OF THE TOWNSHIP OF
EDWARDSBURGH/CARDINAL**



Per: _____
Name: Pat Sayerau, Mayor



Per: _____
Name: Debra McKinstry, CAO

I/We have the authority to bind the Borrower.