

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

**BY-LAW NO. 2021-36**

**"A BY-LAW TO AUTHORIZE THE EXECUTION OF AN AGREEMENT FOR  
CREDIT AND LEASE FACILITIES WITH THE ROYAL BANK OF CANADA"**

**WHEREAS** the Municipal Act 2001, SO 2001, Chapter 25, Section 8(1) states that the powers of a municipality shall be interpreted broadly so as to confer broad authority on municipalities to govern their affairs as they consider appropriate and to enhance their ability to respond to municipal issues; and

**WHEREAS** the Municipal Act 2001, SO 2001, Chapter 25, Section 8(2) states that in the event of ambiguity, the ambiguity shall be resolved so as to include, rather than exclude, municipal powers that existed before the Municipal Act, 2001 came into force; and

**WHEREAS** the Municipal Act 2001, SO 2001, Chapter 25, Section 9 gives the Municipality the capacity, rights, powers and privileges of a natural person for the purpose of exercising its authority under this Act; and

**WHEREAS** the Council of the Corporation of the Township of Edwardsburgh Cardinal deems it advisable to enter into an agreement for credit and lease facilities with the Royal Bank of Canada ;

**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 agreement and necessary documents with the Royal Bank of Canada, attached hereto as Schedule "A", forming part of this bylaw, on behalf of the Township of Edwardsburgh Cardinal.
2. That bylaw 2013-05 and all other bylaws previously passed that are inconsistent with the provisions of this bylaw are hereby repealed.
3. That this bylaw shall come into force and take effect on the date of passing.

Read a first and second time in open Council this 28 day of June, 2021.

Read a third and final time, passed, signed and sealed in open Council this 28 day of June, 2021.

\_\_\_\_\_  
Mayor

\_\_\_\_\_  
D/ Clerk





Royal Bank of Canada  
Commercial Financial Services  
5501 Manotick Main Street, PO Box 70  
Manotick, Ontario K4M 1A2

May 26, 2021

**Private and Confidential**

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

We are pleased to confirm the credit facilities described below (the "**Credit Facilities**") and the lease facilities described below (the "**Lease Facilities**"), subject to the following terms and conditions. This agreement amends and restates without novation our existing letter agreement dated January 11, 2013 and any amendments thereto. In addition, any amount owing by the Borrower to the Bank under such previous agreement is deemed to be a Borrowing under this agreement. Any and all security that has been delivered to the Bank and is set forth as security in the Security section herein, shall remain in full force and effect, is expressly reserved by the Bank and, unless expressly indicated otherwise, shall apply in respect of all obligations of the Borrower under the Credit Facilities.

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 this agreement or any other agreement delivered to the Bank, and whether known or unknown, and this agreement shall not be construed as a waiver of any such breach, default or Event of Default.

**DEFINITIONS AND SCHEDULES**

The attached schedules are incorporated into this agreement by reference. Schedule "A" contains definitions of capitalized terms used and not otherwise defined in this agreement. Unless otherwise provided, all dollar amounts are in Canadian currency and all accounting terms used in this agreement shall be interpreted in accordance with GAAP.

**BORROWER**

The Corporation of the Township of Edwardsburgh/Cardinal (the "**Borrower**")

**LENDER**

Royal Bank of Canada (the "**Bank**")

**CREDIT FACILITIES**

The aggregate of Facility (5) and Facility (6) shall not exceed \$100,000.00 at any time.

Facility (1): \$1,000,000.00 revolving demand facility, by way of:

- (a) RBP based loans ("RBP Loans");
- (b) Letters of Guarantee ("LGs").

Facility (2): \$100,000.00 revolving demand facility, by way of:

- (a) LGs.

Facility (3): \$30,817.99 non-revolving term facility, by way of:

- (a) fixed rate term loans ("FRT Loans").

Facility (4): \$300,192.00 non-revolving term facility, by way of:

- (a) FRT Loans.

Facility (5): \$100,000.00 revolving facility available by way of a series of term loans, by way of:

- (a) FRT Loans.

#### **LEASE FACILITIES**

Facility (6): \$100,000.00 revolving lease line of credit, by way of Leases.

Leases will be governed by this agreement and separate agreements between the Borrower and the Bank. In the event of a conflict between this agreement and a separate agreement, the terms of the separate agreement will govern.

Each use of the Credit Facilities, other than advances made by way of Leases, is a "**Borrowing**" and all such usages outstanding at any time are "**Borrowings**". Schedule "C" contains terms and conditions applicable to Borrowings made by way of FRT Loans or LGs which must be complied with.

#### **TERMS OF OTHER FACILITIES**

The Credit Facilities and the Lease Facilities are in addition to the following:

- (a) VISA Business to a maximum amount of \$90,000.00 which is governed by this agreement and separate agreements between the Borrower and the Bank.

In the event of conflict between this agreement and any separate agreement delivered in connection with any such other facilities, the terms of such separate agreement shall govern.

#### **PURPOSE**

##### **Facility (1)**

Finance general operating requirements.

##### **Facility (2)**

Finance security for obligations of a third party, namely Canadian Grain Commission.

##### **Facility (3)**

Long term financing for construction drainage loan.

##### **Facility (4)**

Finance the equipment purchase of a grader.

##### **Facility (5)**

Finance the acquisition of capital assets.



Facility (6)

Finance the acquisition of capital assets.

**AVAILABILITY**

Facility (1)

The Borrower may borrow, convert, repay and reborrow up to the amount of this revolving facility, provided:

- (a) this facility is made available at the sole discretion of the Bank and the Bank may cancel or restrict availability of any unutilized portion of this facility at any time and from time to time without notice or demand.

Facility (2)

The Borrower may borrow, repay and reborrow up to the amount of this revolving facility, provided:

- (a) this facility is made available at the sole discretion of the Bank and the Bank may cancel or restrict availability of any unutilized portion of this facility at any time and from time to time without notice or demand.

Facility (4)

The Borrower may borrow up to the amount of this term facility, provided:

- (a) this facility is made available at the sole discretion of the Bank and the Bank may cancel or restrict availability of any unutilized portion of this facility at any time and from time to time without notice or demand;
- (b) FRT Loans may not be converted or reborrowed and must be repaid on their maturity;
- (c) an Event of Default shall not have occurred and be continuing at the time of any Borrowing.

Facility (5)

The Borrower may borrow, repay and reborrow up to the amount of this facility, provided:

- (a) this facility is made available at the sole discretion of the Bank and the Bank may cancel or restrict availability of any unutilized portion of this facility at any time and from time to time without notice or demand;
- (b) an Event of Default shall not have occurred and be continuing at the time of any Borrowing;
- (c) the amount of any Borrowing does not exceed 75% of the purchase price of the capital asset being financed with such Borrowing;
- (d) the aggregate Borrowings outstanding under this facility plus the aggregate amount owing under Leases advanced under Facility (6) must not exceed \$100,000.00.

Facility (6)

The Borrower may borrow, repay and reborrow up to the amount of this facility, provided:

- (a) this facility is made available at the sole discretion of the Bank and the Bank may cancel or restrict availability of any unutilized portion of this facility at any time and from time to time without notice or demand;
- (b) the determination by the Bank as to whether it will enter into any Lease will be entirely at its sole discretion;



- (c) an Event of Default shall not have occurred and be continuing at the time of advance of any Lease;
- (d) any Lease advanced under this facility must meet the leasing criteria established by the Bank;
- (e) the Borrower is not in default of any covenants or other terms or conditions of this agreement or any other agreement delivered to the Bank;
- (f) the aggregate amount owing under Leases advanced under this facility plus the aggregate Borrowings outstanding under Facility (5) must not exceed \$100,000.00 at any time.

#### **REPAYMENT**

##### **Facility (1)**

Borrowings under this facility are expected to revolve with operating requirements.

Notwithstanding compliance with the covenants and all other terms and conditions of this agreement, and regardless of the maturities of any outstanding instruments or contracts, Borrowings under this facility are repayable on demand and the Bank may terminate this facility at any time, without notice or demand.

Upon demand or termination, the Borrower shall pay to the Bank all Borrowings outstanding under this facility including, without limitation, an amount equal to the aggregate of the face amounts of all LGs which are unmaturing or unexpired, which amount shall be held by the Bank as security for the Borrower's obligations to the Bank in respect of such instruments or contracts. The Bank may enforce its rights to realize upon its security and retain an amount sufficient to secure the Bank for the Borrower's obligations to the Bank in respect of such instruments or contracts.

##### **Facility (2)**

Borrowings under this facility are expected to revolve with operating requirements.

Notwithstanding compliance with the covenants and all other terms and conditions of this agreement, and regardless of the maturities of any outstanding instruments or contracts, Borrowings under this facility are repayable on demand and the Bank may terminate this facility at any time, without notice or demand.

Upon demand or termination, the Borrower shall pay to the Bank all Borrowings outstanding under this facility including, without limitation, an amount equal to the aggregate of the face amounts of all LGs which are unmaturing or unexpired, which amount shall be held by the Bank as security for the Borrower's obligations to the Bank in respect of such instruments or contracts. The Bank may enforce its rights to realize upon its security and retain an amount sufficient to secure the Bank for the Borrower's obligations to the Bank in respect of such instruments or contracts.

##### **Facility (3)**

Borrowings under this facility are repayable by consecutive, blended monthly payments of principal and interest in the amount of \$1,331.00 each based on a remaining amortization period of 25 months, on the 9<sup>th</sup> day of each month, and the balance of this facility shall be repayable in full on May 9, 2023.

##### **Facility (4)**

Borrowings under this facility shall be repayable by consecutive, blended monthly payments of principal and interest in an amount to be determined at drawdown, each based on an amortization period of 3 years, on the same day of each month, commencing 30 days from the date of drawdown and the balance of this facility shall be repayable in full on the last day of a 3 year term.

For any Borrowings that are repayable by scheduled payments, if the scheduled payment date is changed then the maturity date of the applicable Borrowings shall automatically be amended accordingly.



The specific repayment terms for Borrowings under this facility will be agreed to between the Borrower and the Bank at the time of drawdown by way of a Borrowing Request substantially in the form of Schedule "H" provided by the Borrower and accepted by the Bank.

Facility (5)

The Borrower agrees that each Borrowing under this facility shall be repayable by consecutive monthly principal payments or blended payments of principal and interest, based on a maximum amortization of 5 years and a maximum term of 5 years. The specific repayment terms for each new Borrowing will be agreed to between the Borrower and the Bank at the time of the Borrowing by way of a Borrowing Request substantially in the form of Schedule "E" provided to the Bank.

For any Borrowings that are repayable by scheduled payments, if the scheduled payment date is changed then the maturity date of the applicable Borrowings shall automatically be amended accordingly.

**INTEREST RATES AND FEES**

Facility (1)

RBP Loans: RBP plus 0.00% per annum.

LGs: fee to be quoted by the Bank at the time of issue of each LG, subject to a minimum fee of \$100.

Facility (2)

LGs: fee to be quoted by the Bank at the time of issue of each LG, subject to a minimum fee of \$100.

Facility (3)

FRT Loans: 3.53% per annum. Amount eligible for prepayment is 10%.

Facility (4)

FRT Loans: Fixed interest rate to be quoted by the Bank and fixed at the time of Borrowing. Amount eligible for prepayment is to be determined at drawdown.

Facility (5)

FRT Loans: Fixed interest rate to be quoted by the Bank and fixed at the time of Borrowing. Amount eligible for prepayment is to be determined at drawdown.

**CALCULATION AND PAYMENT OF INTEREST AND FEES**

RBP Loans

The Borrower shall pay interest on each RBP Loan, monthly in arrears, on the 26th day of each month or such other day as may be agreed to between the Borrower and the Bank. Such interest will be calculated monthly and will accrue daily on the basis of the actual number of days elapsed and a year of 365 days.

LG Fees

The Borrower shall pay LG fees in advance on a quarterly basis calculated on the face amount of the LG issued and based on the number of days in the upcoming quarter or remaining term thereof and a year of 365 days. LG fees are non-refundable.

FRT Loans

The Borrower shall pay interest on each loan monthly in arrears at the applicable rate on the 26th day of each month or such other date as may be agreed upon between the Bank and the Borrower. Such interest will be calculated monthly and will accrue daily on the basis of the actual number of days elapsed and a year of 365 days.

Limit on Interest

The Borrower shall not be obligated to pay any interest, fees or costs under or in connection with this agreement in excess of what is permitted by law.



**Overdue Payments**

Any amount that is not paid when due hereunder shall, unless interest is otherwise payable in respect thereof in accordance with the terms of this agreement or the instrument or contract governing same, bear interest until paid at the rate of RBP plus 5% per annum. Such interest on overdue amounts shall be computed daily, compounded monthly and shall be payable both before and after any or all of default, maturity date, demand and judgement.

**Equivalent Yearly Rates**

The annual rates of interest or fees to which the rates calculated in accordance with this agreement are equivalent, are the rates so calculated multiplied by the actual number of days in the calendar year in which such calculation is made and divided by 365.

**Time and Place of Payment**

Amounts payable by the Borrower hereunder shall be paid at such place as the Bank may advise from time to time in the applicable currency. Amounts due on a day other than a Business Day shall be deemed to be due on the Business Day next following such day. Interest and fees payable under this agreement are payable both before and after any or all of default, maturity date, demand and judgement.

**EXCHANGE RATE FLUCTUATIONS**

If, for any reason, the amount of Borrowings and/or Leases outstanding under any facility in a currency other than Canadian currency, when converted to the Equivalent Amount in Canadian currency, exceeds the amount available under such facility, the Borrower shall immediately repay such excess or shall secure such excess to the satisfaction of the Bank.

**INCREASED COSTS**

If any change in Applicable Laws or the interpretation thereof after the date hereof (i) imposes or increases taxes on payments due to the Bank hereunder (other than taxes on the overall net income of the Bank), (ii) imposes or increases any reserve or other similar requirement or (iii) imposes or changes any other condition affecting the Credit Facilities, and the result of any of the foregoing results in any additional cost to the Bank of making available, continuing or maintaining any of the Credit Facilities hereunder (or maintaining any obligations to make any such Credit Facilities available hereunder) or results in any reduction in the amount of any sum received or receivable by the Bank in connection with this agreement or the Credit Facilities made available hereunder, then from time to time, upon written request of the Bank, the Borrower shall promptly pay to the Bank, such additional amount or amounts as will compensate the Bank for any such additional costs incurred or reduction suffered.

**EVIDENCE OF INDEBTEDNESS**

The Bank shall open and maintain accounts and records evidencing the Borrowings made available to the Borrower by the Bank under this agreement. The Bank shall record the principal amount of each Borrowing, the payment of principal and interest and all other amounts becoming due to the Bank under this agreement.

The Bank's accounts and records constitute, in the absence of manifest error, conclusive evidence of the indebtedness of the Borrower to the Bank pursuant to this agreement.

The Borrower authorizes and directs the Bank to automatically debit, by mechanical, electronic or manual means, any bank account of the Borrower for all amounts payable by the Borrower to the Bank pursuant to this agreement.

**GENERAL ACCOUNT**

The Borrower shall establish a current account with the Bank (the "General Account") for the conduct of the Borrower's day to day banking business. If the balance in the General Account:

- (a) is a credit, the Bank may apply, at any time in its discretion, the amount of such credit or part thereof, rounded to the nearest \$5,000.00, as a repayment of Borrowings outstanding by way of RBP Loans under Facility (1), or



- (b) is a debit, the Bank may, subject to availability, make available a Borrowing by way of an RBP Loan under Facility (1) in an amount, rounded to the nearest \$5,000.00, as is required to place the General Account at not less than a zero balance.

**CONDITIONS PRECEDENT**

The availability of any Borrowing and/or any Leases is conditional upon the receipt of:

- (a) a duly executed copy of this agreement;
- (b) the security provided for herein, in form and substance satisfactory to the Bank, registered as required to perfect and maintain the security created thereby;
- (c) such certificates, authorizations, resolutions and legal opinions as the Bank may reasonably require;
- (d) such documentation as required by the Bank in respect of any Lease Facilities and/or any Leases, in form and substance satisfactory to the Bank; and
- (e) such financial and other information or documents relating to the Borrower 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;
- (f) no Borrowing under Facility (4) will be made available unless the Bank has received a Borrowing Request from the Borrower substantially in the form of Schedule "H", together with an invoice, bill of sale or cancelled cheque in respect of the equipment being financed with such Borrowing;
- (g) no Borrowing under Facility (5) will be made available unless the Bank has received a Borrowing Request from the Borrower substantially in the form of Schedule "E", at the time of each and every Borrowing.

**SECURITY**

Security for the Borrowings and all other obligations of the Borrower to the Bank, including without limitation any amounts owing under any Leases, shall include:

- (a) Ontario Municipal Corporations Temporary Borrowing By-Law on the Bank's form 348 for the current year;
- (b) Ontario Municipal Corporations Statement by Treasurer re Borrowing on the Bank's form 349 for the current year;
- (c) Borrowing by-law authorizing the financing granted in the amount of \$2,371,500.00;
- (d) Borrowing by-law authorizing the financing granted in the amount of \$675,000.00;
- (e) Borrowing by-law authorizing the financing granted under Facility (3);
- (f) Borrowing by-law authorizing the financing granted under Facility (4);
- (g) Borrowing by-law authorizing the financing granted under Facility (5).



**REPRESENTATIONS AND WARRANTIES**

The Borrower represents and warrants to the Bank, that:

- (a) it is duly constituted and validly existing under the *Municipal Act 2001* (Ontario), and is qualified to carry on its operations and activities in all jurisdictions where the nature of its properties, assets or activities make it necessary or desirable to do so;
- (b) it has the capacity to borrow and pledge security in the manner contemplated in this agreement;
- (c) the execution, delivery and performance by it of this agreement have been duly authorized by all necessary actions and approvals and do not violate its constating documents or legislation or any Applicable Laws or agreements to which it is subject or by which it is bound;
- (d) no event has occurred which constitutes, or which, with notice, lapse of time, or both, would constitute, an Event of Default; and
- (e) its indebtedness under this agreement is its direct, unconditional and general indebtedness and (save for its preferred liabilities arising by operation of law) ranks at least pari passu with all its other unsecured and unsubordinated indebtedness.

Representations and warranties are deemed to be repeated as at the time of each Borrowing and/or Lease hereunder.

**REPORTING COVENANTS**

The Borrower covenants and agrees with the Bank, while this agreement is in effect, to provide the Bank with:

- (a) annual audited financial statements for the Borrower, within 240 days of each fiscal year end;
- (b) annual budget and financial information return for the Borrower, within 240 days of each fiscal year end; and
- (c) such other financial and operating statements and reports as and when the Bank may reasonably require.

**GENERAL COVENANTS**

The Borrower covenants and agrees with the Bank, while this agreement is in effect:

- (a) to pay all sums of money when due by it under this agreement;
- (b) to provide the Bank with prompt written notice of any event which constitutes, or which, with notice, lapse of time, or both, would constitute an Event of Default;
- (c) to keep its assets fully insured against such perils and in such manner as would be customarily insured by Persons carrying on a similar business or owning similar assets and, in addition, for any buildings located in areas prone to flood and/or earthquake, will insure and keep fully insured such buildings against such perils;
- (d) to file all material tax returns which are to be filed by it from time to time, to pay or make provision for payment of all taxes (including interest and penalties) and Potential Prior-Ranking Claims when due, and to provide adequate reserves for the payment of any tax, the payment of which is being contested;
- (e) to comply in all material respects with all Applicable Laws including, without limitation, all Environmental and Health and Safety Laws;



- (f) not to, without the prior written consent of the Bank, grant, create, assume or suffer to exist any mortgage, charge, lien, pledge, security interest or other encumbrance affecting any of its properties, assets or other rights, except for Permitted Encumbrances;
- (g) not to, without the prior written consent of the Bank, guarantee or otherwise provide for, on a direct, indirect or contingent basis, the payment of any monies or performance of any obligations by any other Person, except as may be provided for herein;
- (h) to provide the Bank with prompt written notice if it merges or amalgamates with any other Person;
- (i) to provide the Bank with prompt written notice of any non-compliance by the Borrower with any Environmental and Health and Safety Laws or any Release from the land of the Borrower of a Contaminant into the natural environment and to indemnify and save harmless the Bank from all liability or loss as a result of an Environmental Activity or any non-compliance with any Environmental and Health and Safety Law;
- (j) to permit the Bank or its representatives, from time to time, i) to visit and inspect the Borrower's premises, properties and assets and examine and obtain copies of the Borrower's records or other information, ii) to collect information from any entity regarding any Potential Prior-Ranking Claims and iii) to discuss the Borrower's affairs with the auditors, counsel and other professional advisers of the Borrower. The Borrower hereby authorizes and directs any such third party to provide to the Bank or its representatives all such information, records or documentation requested by the Bank;
- (k) to provide the Bank with prompt written notice of any request, application or decision made pursuant to the Freedom of Information and Protection of Privacy Act or other applicable freedom of information legislation that relates or may relate in any way to this agreement or any security agreement given in connection therewith;
- (l) it will ensure that its indebtedness under this agreement will rank at least *pari passu* with all its other unsecured and unsubordinated indebtedness from time to time with the exception of its preferred liabilities arising by operation of law;
- (m) not to use the proceeds of the Credit Facilities for the benefit or on behalf of any Person other than the Borrower.

Nothing contained in the foregoing Covenants sections shall limit any right of the Bank under this agreement to terminate or demand payment of, or cancel or restrict availability of any unutilized portion of, any demand or other discretionary facility made available under this agreement.

#### **EVENTS OF DEFAULT**

Without limiting any other rights of the Bank under this agreement, if any one or more of the following events (herein an "**Event of Default**") has occurred and is continuing:

- (a) the Borrower fails to pay when due any principal, interest, fees or other amounts due under this agreement;
- (b) the Borrower breaches any provision of this agreement or any security or other agreement with the Bank or any subsidiary or affiliate of the Bank;
- (c) the Borrower defaults in the payment of any indebtedness to any Person other than the Bank or in the performance or observance of any agreement in respect of any such indebtedness where, as a result of such default, the maturity of such indebtedness is or may be accelerated;
- (d) any representation or warranty made or deemed to have been made herein or in any certificate or security provided for herein shall be false or inaccurate in any materially adverse respect;



- (e) there is, in the opinion of the Bank, a material adverse change in the financial condition or operation of the Borrower;
- (f) the Borrower is unable to pay its debts as such debts become due, or is, or is adjudged or declared to be, or admits to being, bankrupt or insolvent;
- (g) any notice of intention is filed or any voluntary or involuntary case or proceeding is filed or commenced for (i) the bankruptcy, liquidation, winding-up, dissolution or suspension of general operations of the Borrower, or (ii) the composition, re-scheduling, reorganization, arrangement or readjustment of, or other relief from, or stay of proceedings to enforce, some or all of the debts of the Borrower, or (iii) the appointment of a trustee, receiver, receiver and manager, liquidator, administrator, custodian or other official for, all or any significant part of the assets of the Borrower, or (iv) the possession, foreclosure or retention, or sale or other disposition of, or other proceedings to enforce security over, all or any significant part of the assets of the Borrower;
- (h) any secured creditor, encumbrancer or lienor, or any trustee, receiver, receiver and manager, agent, bailiff or other similar official appointed by or acting for any secured creditor, encumbrancer or lienor, takes possession of, or forecloses or retains, or sells or otherwise disposes of, or otherwise proceeds to enforce security over all or any significant part of the assets of the Borrower or gives notice of its intention to do any of the foregoing,

then, in such event, the ability of the Borrower to make further Borrowings under any term facility under this agreement shall immediately terminate and the Bank may, by written notice to the Borrower, declare the Borrowings outstanding under such term facility to be immediately due and payable. Upon receipt of such written notice, the Borrower shall immediately pay to the Bank all Borrowings outstanding under any term facility under this agreement and all other obligations of the Borrower to the Bank in connection with any such term facility under this agreement.

Nothing contained in the foregoing Events of Default section shall limit any right of the Bank under this agreement to terminate or demand payment of, or cancel or restrict availability of any unutilized portion of, any demand or other discretionary facility made available under this agreement.

#### **SUCCESSORS AND ASSIGNS**

This agreement shall be binding upon and enure to the benefit of the parties and their respective successors and permitted assigns.

The Bank may assign all or part of its rights and obligations under this agreement to any Person. The rights and obligations of the Borrower under this agreement may not be assigned without the prior written consent of the Bank.

The Bank may disclose to potential or actual assignees confidential information regarding the Borrower (including, any such information provided by the Borrower to the Bank) and shall not be liable for any such disclosure.

#### **GENERAL**

##### **Fees, Costs and Expenses**

The Borrower agrees to pay the Bank all fees stipulated in this agreement and all fees charged by the Bank relating to the documentation or registration of this agreement and the security provided for herein. In addition, the Borrower agrees to pay all fees (including legal fees), costs and expenses incurred by the Bank in connection with the preparation, negotiation, documentation and registration of this agreement and any security provided for herein and the administration, operation, termination, enforcement or protection of its rights in connection with this agreement and the security provided for herein. The Borrower shall indemnify and hold the Bank harmless against any loss, cost or expense incurred by the Bank if any facility under the Credit Facilities is repaid or prepaid other than on its maturity date. The determination by the Bank of such loss, cost or expense shall be conclusive and binding for all purposes.



and shall include, without limitation, any loss incurred by the Bank in liquidating or redeploying deposits acquired to make or maintain any facility.

Review

The Bank may conduct periodic reviews of the affairs of the Borrower, as and when determined by the Bank, for the purpose of evaluating the financial condition of the Borrower. The Borrower shall make available to the Bank such financial statements and other information and documentation as the Bank may reasonably require and shall do all things reasonably necessary to facilitate such review by the Bank.

Potential Prior-Ranking Claims

The Borrower hereby grants its consent (such consent to remain in force as long as this agreement is in effect or any Borrowings and/or Leases are outstanding) to any Person having information relating to any Potential Prior-Ranking Claim arising by any law, statute, regulation or otherwise and including, without limitation, claims by or on behalf of government to release such information to the Bank at any time upon its written request for the purpose of assisting the Bank to evaluate the financial condition of the Borrower.

Set Off

The Bank is authorized, but not obligated, at any time, to apply any credit balance, whether or not then due, to which the Borrower is entitled on any account in any currency at any branch or office of the Bank in or towards satisfaction of the obligations of the Borrower due to the Bank under this agreement. The Bank is authorized to use any such credit balance to buy such other currencies as may be necessary to effect such application.

Electronic Mail and Fax Transmission

The Bank is entitled to rely on any agreement, document or instrument provided to the Bank by the Borrower, by way of electronic mail or fax transmission as though it were an original document. The Bank is further entitled to assume that any communication from the Borrower received by electronic mail or fax transmission is a reliable communication from the Borrower.

Electronic Imaging

The parties hereto agree that, at any time, the Bank may convert paper records of this agreement and all other documentation delivered to the Bank (each, a "Paper Record") into electronic images (each, an "Electronic Image") as part of the Bank's normal business practices. The parties agree that each such Electronic Image shall be considered as an authoritative copy of the Paper Record and shall be legally binding on the parties and admissible in any legal, administrative or other proceeding as conclusive evidence of the contents of such document in the same manner as the original Paper Record.

Non-Merger

The provisions of this agreement shall not merge with any security provided to the Bank, but shall continue in full force for the benefit of the parties hereto.

Amendments and Waivers

No amendment or waiver of any provision of this agreement will be effective unless it is in writing signed by the Borrower and the Bank. No failure or delay, on the part of the Bank, in exercising any right or power hereunder or under any security document shall operate as a waiver thereof.

Severability

If any provision of this agreement is or becomes prohibited or unenforceable in any jurisdiction, such prohibition or unenforceability shall not invalidate or render unenforceable the provision concerned in any other jurisdiction nor invalidate, affect or impair any of the remaining provisions of this agreement.

Judgement Currency

If for the purpose of obtaining judgement in any court in any jurisdiction with respect to this agreement, it is necessary to convert into the currency of such jurisdiction (the "Judgement Currency") any amount due hereunder in any currency other than the Judgement Currency, then conversion shall be made at the



rate of exchange prevailing on the Business Day before the day on which judgement is given. For this purpose "rate of exchange" means the rate at which the Bank would, on the relevant date, be prepared to sell a similar amount of such currency in the Toronto foreign exchange market, against the Judgement Currency, in accordance with normal banking procedures.

In the event that there is a change in the rate of exchange prevailing between the Business Day before the day on which judgement is given and the date of payment of the amount due, the Borrower will, on the date of payment, pay such additional amounts as may be necessary to ensure that the amount paid on such date is the amount in the Judgement Currency which, when converted at the rate of exchange prevailing on the date of payment, is the amount then due under this agreement in such other currency together with interest at RBP and expenses (including legal fees on a solicitor and client basis). Any additional amount due from the Borrower under this section will be due as a separate debt and shall not be affected by judgement being obtained for any other sums due under or in respect of this agreement.

Governing Law

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

Whole Agreement

This agreement, the security and any other written agreement delivered pursuant to or referred to in this agreement constitute the whole and entire agreement between the parties in respect of the Credit Facilities. There are no verbal agreements, undertakings or representations in connection with the Credit Facilities.

Joint and Several

Where more than one Person is liable as Borrower for any obligation under this agreement, then the liability of each such Person for such obligation is joint and several with each other such Person.

Counterpart Execution

This 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.

Time

Time shall be of the essence in all provisions of this agreement.

Acceptance

This offer is open for acceptance until June 25, 2021, after which date it will be null and void, unless extended in writing by the Bank.

Please confirm your acceptance of this agreement by signing the attached copy of this letter in the space provided below and returning it to your account manager.

Yours truly,

Per:

Name: Mike Cussen

Title: Vice President, Business Credit

/kb/gw/mw



The Corporation of the Township  
of Edwardsburgh/Cardinal

May 26, 2021

We acknowledge and accept the foregoing terms and conditions as of June 28, 2021.

THE CORPORATION OF THE TOWNSHIP OF EDWARDSBURGH/CARDINAL

By: M. P. Cavan

Name: PATRICK SAUPEAU

Title: MAYOR

By: D. S. Grant

Name: DAVID S GRANT

Title: CAO

I/We have authority to bind the Borrower.



Schedule "A" to the agreement dated May 26, 2021, between The Corporation of the Township of Edwardsburgh/Cardinal, as Borrower, and Royal Bank of Canada, as the Bank.

#### DEFINITIONS

For the purpose of this agreement, the following terms and phrases shall have the following meanings:

**"Applicable Laws"** means, with respect to any Person, property, transaction or event, all present or future applicable laws, statutes, regulations, rules, policies, guidelines, rulings, interpretations, directives (whether or not having the force of law), orders, codes, treaties, conventions, judgments, awards, determinations and decrees of any governmental, quasi-governmental, regulatory, fiscal or monetary body or agency or court of competent jurisdiction in any applicable jurisdiction;

**"Business Day"** means a day, excluding Saturday, Sunday and any other day which shall be a legal holiday or a day on which banking institutions are closed throughout Canada;

**"Contaminant"** includes, without limitation, any pollutant, dangerous substance, liquid waste, industrial waste, hazardous material, hazardous substance or contaminant including any of the foregoing as defined in any Environmental and Health and Safety Law;

**"Environmental Activity"** means any activity, event or circumstance in respect of a Contaminant, including, without limitation, its storage, use, holding, collection, purchase, accumulation, assessment, generation, manufacture, construction, processing, treatment, stabilization, disposition, handling or transportation, or its Release into the natural environment, including movement through or in the air, soil, surface water or groundwater;

**"Environmental and Health and Safety Laws"** means all Applicable Laws relating to the environment or occupational health and safety, or any Environmental Activity;

**"GAAP"** means, Canadian Generally Accepted Accounting Principles, as appropriate, for publicly accountable enterprises, private enterprises, not-for-profit organizations, pension plans and in accordance, as appropriate, with Public Sector Accounting Standards for government organizations in effect from time to time, applied on a consistent basis from period to period. All financial statements and/or reports shall be prepared using one of the above bases of presentation, as appropriate. Except for the transition of accounting standards in Canada, any change in accounting principles or the application of accounting principles is only permitted with the prior written consent of the Bank;

**"Lease"** means an advance of credit by the Bank to the Borrower by way of an equipment lease, a conditional sales contract, or pursuant to an Interim Funding Agreement or an Agency Agreement, in each case issued to the Borrower by the leasing division of the Bank;

**"Letter of Guarantee" or "LG"** means a documentary credits issued by the Bank on behalf of the Borrower for the purpose of providing security to a third party that the Borrower or a person designated by the Borrower will perform a contractual obligation owed to such third party;

**"Permitted Encumbrances"** means, in respect of the Borrower:

- (i) liens arising by operation of law for amounts not yet due or delinquent, minor encumbrances on real property such as easements and rights of way which do not materially detract from the value of such property, and security given to municipalities and similar public authorities when required by such authorities in connection with the operations of the Borrower in the ordinary course of business; and
- (ii) security granted in favour of the Bank;



**"Person"** includes an individual, a partnership, a joint venture, a trust, an unincorporated organization, a company, a corporation, an association, a government or any department or agency thereof, and any other incorporated or unincorporated entity;

**"Potential Prior-Ranking Claims"** means all amounts owing or required to be paid, where the failure to pay any such amount could give rise to a claim pursuant to any law, statute, regulation or otherwise, which ranks or is capable of ranking in priority to the Bank's security or otherwise in priority to any claim by the Bank for repayment of any amounts owing under this agreement;

**"RBP"** and **"Royal Bank Prime"** each means the annual rate of interest announced by the Bank from time to time as being a reference rate then in effect for determining interest rates on commercial loans made in Canadian currency in Canada;

**"Release"** includes discharge, spray, inject, inoculate, abandon, deposit, spill, leak, seep, pour, emit, empty, throw, dump, place and exhaust, and when used as a noun has a similar meaning.



Schedule "C" to the agreement dated May 26, 2021, between The Corporation of the Township of Edwardsburgh/Cardinal, as Borrower, and Royal Bank of Canada, as the Bank.

#### **BORROWING CONDITIONS**

Borrowings made by way of FRT Loans or LGs will be subject to the following terms and conditions:

##### **LGs:**

- (a) each LG shall expire on a Business Day and shall have a term of not more than 365 days;
- (b) at least 2 Business Days prior to the issue of an LG, the Borrower shall execute a duly authorized application with respect to such LG and each LG shall be governed by the terms and conditions of the relevant application for such contract;
- (c) an LG may not be revoked prior to its expiry date unless the consent of the beneficiary of the LG has been obtained;
- (d) any LG issued under a term facility must have an expiry date on or before the maturity date of the term facility, unless otherwise agreed by the Bank; and
- (e) if there is any inconsistency at any time between the terms of this agreement and the terms of the application for LG, the terms of the application for LG shall govern.

##### **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;
- (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; 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.



Schedule "E" to the agreement dated May 26, 2021, between The Corporation of the Township of  
Edwardsburgh/Cardinal, as Borrower, and Royal Bank of Canada, as the Bank.

**REVOLVING FACILITY AVAILABLE BY WAY OF A SERIES OF TERM LOANS**

**FACILITY ( ) BORROWING REQUEST**

The Borrower hereby requests the following be established under Facility ( ):

Amount of Borrowing: \$ \_\_\_\_\_  
Date of Borrowing: \_\_\_\_\_  
Selected Amortization: \_\_\_\_\_  
Borrowing Option: \_\_\_\_\_  
Interest Rate (per annum)/  
Acceptance Fee (per annum): \_\_\_\_\_  
Payment Amount: \$ \_\_\_\_\_  
Payment Type: Blended Principal plus Interest  
Payment Frequency weekly bi-weekly semi-monthly monthly quarterly  
semi-annual annual  
First Payment due date: \_\_\_\_\_  
Maturity Date: \_\_\_\_\_  
(Date Borrowing repayable in full)  
Amount Eligible for Prepayment of FRT Loan 0% 10%

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

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

Per: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

SRF# 647005917 .



Schedule "H" to the agreement dated May 26, 2021, between The Corporation of the Township of Edwardsburgh/Cardinal, as Borrower, and Royal Bank of Canada, as the Bank.

NON-REVOLVING TERM FACILITY

BORROWING REQUEST

The Borrower hereby requests the following be established under Facility ( 4 ):

Date of Borrowing	<u>Jun 28, 2021</u>		
Amount of Borrowing:	<u>\$ 300,192.00</u>		
Amortization (in months):	<u>36</u>		
Selected Term (in months): (Borrowing repayable in full on the last day of the Term)	<u>36</u>		
Payment Amount:	<u>\$ 8562.77</u>		
Payment Frequency:	monthly		
Selected Interest Rate (per annum)/Acceptance Fee (per annum):	<u>1.73 %</u> <input checked="" type="checkbox"/>	RBP +	% <input type="checkbox"/>
Selected Payment Type:	Blended (Principal and Interest) <input checked="" type="checkbox"/>	Principal plus Interest	<input type="checkbox"/>
First Payment Due Date:	<u>Jul 28, 2021</u>		
Amount Eligible for Prepayment of FRT Loans:	0% <input checked="" type="checkbox"/>	10%	<input type="checkbox"/>

Dated this 28 day of June, 2021.

THE CORPORATION OF THE TOWNSHIP OF EDWARDSBURGH/CARDINAL

Per: [Signature]  
Name: PATRICK SANEAU  
Title: MAYOR

Per: [Signature]  
Name: DAVID S GRANT  
Title: CAO

I/We have the authority to bind the Borrower

SRF# 647005917