



**The Corporation of the County of Northumberland  
County Council  
Minutes**

**July 20, 2022, 9:30 a.m.  
Virtual Meeting - Zoom Conference**

Members Present:     Warden Robert Crate  
                             Deputy Warden Mandy Martin  
                             Councillor William Cane  
                             Councillor John Henderson  
                             Councillor Gail Latchford  
                             Councillor Brian Ostrander  
                             Councillor Robert Sanderson

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**1. Notices**

**1.a Accessible Format:**

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**1.b Meeting Format**

Due to COVID-19, and in the interests of public health and safety, this meeting was conducted using Zoom conference technology for meeting participants (Council, County staff, media).

The public were invited to live-stream the meeting on YouTube:  
<https://www.youtube.com/user/CountyNorthumberland>

**1.c Estimated time of Adjournment - 4:00 p.m.**

**2. Call to Order**

Warden Crate called the meeting to order at 9:32 a.m.

*[Councillor Cane left the meeting at 1:00 p.m. and rejoined at 1:53 p.m.]*

*[Councillor Ostrander left the meeting at 3:27 p.m.]*

**2.a Territorial Land Acknowledgement**

**3. Approval of the Agenda**

**3.a Agenda dated July 20, 2022**

**Council Resolution 2022-07-20-489**

**Moved by** Councillor Robert Sanderson

**Seconded by** Deputy Warden Mandy Martin

"**Whereas** the Social Services Committee met on July 6, 2022 and recommended that Council hear delegations regarding homelessness and sheltering/encampments at the July 20th Council meeting; and

**Whereas** Procedural By-law 2020-60 allows delegations at Standing Committees only; and

**Whereas** Council may choose to waive a Rule of Procedure established by this by-law and that requires a two-thirds majority vote;

**Be It Resolved That** the Council Agenda for Wednesday, July 20, 2022 be approved, including Item 15.c (1) 'Delegations'; and

**Further Be It Resolved That** the Delegation Item will be timed for approximately 12:30 p.m."

**Carried**

**4. Declarations of Interest**

- No declarations

**5. Presentations**

**5.a Staff Service Awards**

**5.b Managed Services Review, StrategyCorp PRESENTATION**

**Council Resolution 2022-07-20-490**

**Moved by** Councillor Robert Sanderson

**Seconded by** Councillor Gail Latchford

"**That** Council receive the presentation from StrategyCorp, regarding the 'Managed Services Review', for information."

**Carried**

**6. Adoption of Minutes**

**6.a County Council Minutes**

**Council Resolution 2022-07-20-491**

**Moved by** Councillor Brian Ostrander

**Seconded by** Deputy Warden Mandy Martin

"**That** the Minutes of the County Council Session of June 15, 2022 be approved as distributed and the determinations contained therein be deemed those of Council."

**Carried**

**7. Business arising from the Minutes**

N/A

**8. Communications**

N/A

**9. Closed Session - TIMED ITEMS**

**Council Resolution 2022-07-20-492**

**Moved by** Councillor Brian Ostrander

**Seconded by** Deputy Warden Mandy Martin

*[morning]*

"**That** this Council proceed with the next portion of the meeting being closed to the public at 10:42 a.m.; and

**(i) Further That** the meeting is closed to the public as permitted under the *Municipal Act* Section 239.(2.k), in order to address matters related to plans, procedures and instructions to be applied to negotiations carried on by the

County regarding Broadband and a Municipal Services Corporation; and that Mark J. Rodger, Robert Watson, Jennifer Moore, Dan Borowec, TJ Flynn, Glenn Dees, Darrell Mast, Kate Campbell, Nancy MacDonald, Maddison Ellis and Cheryl Sanders remain present; and,

**(ii) Further That** the meeting is closed to the public as permitted under the *Municipal Act* Section 239.(2.b), in order to address Managed Services Review and personal matters about identifiable individuals including municipal employees, and that Deanna Veltri and Jaiman Chin from StrategyCorp, Jennifer Moore, Denise Marshall, Glenn Dees, Kate Campbell, Darrell Mast, Nancy MacDonald, Maddison Ellis, and Cheryl Sanders remain present."

**Carried**

**Council Resolution 2022-07-20-493**

**Moved by** Councillor John Henderson

**Seconded by** Councillor Brian Ostrander

*[afternoon]*

**"That** this Council proceed with the next portion of the meeting being closed to the public at 2:04 p.m.; and

**(iii) Further That** the meeting is closed to the public as permitted under the *Municipal Act* Section 239.(2.e) in order to address matters relating to County Infrastructure and litigation and potential litigation matters, and that Jennifer Moore, Bill Detlor, Lisa Ainsworth, Denise Marshall, Glenn Dees, Darrell Mast, Nancy MacDonald, Maddison Ellis, and Cheryl Sanders remain present; and

**(iv) Further That** the meeting is closed to the public as permitted under the *Municipal Act* Section 239.(2e) and (2f) in order to address property matters before an administrative tribunal, and advice that is subject to solicitor-client privilege, and that Jennifer Moore, Denise Marshall, John Ewart, Charles Painter, Darrell Mast, Kate Campbell, Nancy MacDonald, Maddison Ellis, and Cheryl Sanders remain present."

**Carried**

**10. Motions to Rise and Results from Closed Session**

**10.a Closed Session**

**Council Resolution 2022-07-20-494**

**Moved by** Councillor John Henderson

**Seconded by** Deputy Warden Mandy Martin

"**That** this Council rise from Closed Session at 11:38 a.m.; and

(i) **Further That** the confidential resolution moved in Closed Session regarding Broadband and a Municipal Services Corporations is hereby referred to the Council for adoption; and that the details will be made public at this July 20, 2022 meeting; and

(ii) **Further That** the confidential resolution moved in Closed Session regarding the Managed Services Review is hereby referred to Council for adoption."

**Carried**

**10.b Closed Session -**

**Council Resolution 2022-07-20-495**

**Moved by** Deputy Warden Mandy Martin

**Seconded by** Councillor Robert Sanderson

"That this Council rise from Closed Session at 3:49 p.m.; and

(iii) Further That the confidential resolution moved in Closed Session regarding Infrastructure and Litigation matters is hereby referred to Council for adoption; and

(iv) Further That the confidential resolution moved in Closed Session regarding Infrastructure and property matters before an administrative tribunal is hereby referred to Council for adoption."

**Carried**

**11. Implementation of Broadband as an Open Access Utility**

**11.a Broadband PRESENTATION**

Dan Borowec, Director, Economic Development, Planning and Strategic Initiatives

TJ Flynn, Investment Attraction Specialist

Mark J. Rodger, Partner, Borden Ladner Gervais LLP

**Council Resolution 2022-07-20-496**

**Moved by** Councillor Robert Sanderson

**Seconded by** Councillor John Henderson

"**That** Council receive the power point presentation 'Implementation of Broadband as an Open Access Utility', for information."

**Carried**

**11.b Enactment By-law - To Create an Asset Transfer Policy for the County of Northumberland**

**Council Resolution 2022-07-20-497**

**Moved by** Councillor Robert Sanderson

**Seconded by** Councillor Gail Latchford

"**That** By-law 25-2022 being a by-law to create an asset transfer policy (specific to the by-law to authorize and approve a municipal services corporation related to a digital communication network), be introduced, deemed to be read a first, second and third time, passed, signed and sealed this 20th day of July, 2022."

**Carried**

**11.c Enactment By-law - To Authorize and Approve Municipal Service Corporations and Certain Agreements and Other Matters Related to the Delivery of a High Speed Digital Communication Network**

**Council Resolution 2022-07-20-498**

**Moved by** Councillor Brian Ostrander

**Seconded by** Deputy Warden Mandy Martin

"**That** By-law 24-2022 being a by-law to authorize and approve Municipal Service Corporations and certain agreements and other matters related to the delivery of a high speed digital communication network be introduced, deemed to be read a first, second and third time, passed, signed and sealed this 20th day of July, 2022."

**Carried**

**12. Media Questions**

*[Council recessed at 12:09 p.m. until 12:44 p.m.]*

**13. Determination of Items Requiring Separate Discussion**

**13.a Standing Committees' Recommendations to Council - Summary Chart**

**13.b Community Health Committee - meeting cancelled**

**13.c Corporate Support Committee, July 5, 2022**

**13.d Economic Development, Tourism and Planning Committee, July 6, 2022**

**13.e Finance & Audit Committee, July 5, 2022**

**13.f Public Works Committee, July 4, 2022**

**13.g Social Services Committee, July 6, 2022**

**14. Adoption of Items Not Requiring Separate Discussion**

**Council Resolution 2022-07-20-499**

**Moved by** Deputy Warden Mandy Martin

**Seconded by** Councillor John Henderson

"That Council adopt all recommendations from the five Standing Committees, as contained within the Committee Minutes (meetings held July 4, 5 and 6, 2022)."

**Carried**

**15. Consideration of Items Requiring Separate Discussion**

**15.a Motion(s) for Held Item(s)**

- No items were held by Members

**15.b Items Recommended by Standing Committees for Separate Consideration**

**15.b.1 Delegations - Homelessness, Sheltering and Encampments TIMED ITEM**

**- TIMED ITEM at approximately 12:30 p.m., or following the lunch recess**

- Councillor Nicole Beatty and Councillor Emily Chorley, Town of Cobourg Council
- Tracey Vaughan, CAO and Brent Larmer, Director, Legislative Services/Municipal Clerk, Town of Cobourg
- Jeff Wheeldon
- Missy McLean
- Meaghan Sheffield
- Correspondence from Keith Oliver

**Council Resolution 2022-07-20-500**

**Moved by** Councillor Robert Sanderson

**Seconded by** Councillor Brian Ostrander

"**That** County Council receive for information the delegations regarding homelessness provided by:

Councillor Nicole Beatty and Councillor Emily Chorley (Town of Cobourg Council), Tracey Vaughan and Brent Larmer (Town of Cobourg), Jeff Wheeldon, Missy McLean, and Meaghan Sheffield; and

**Further That** Council receive for information the correspondence from Cobourg resident Keith Oliver."

**Carried**

15.b.2 Report 2022-112, Community and Social Services 'Homelessness System Response'

**Council Resolution 2022-07-20-501**

**Moved by** Councillor Brian Ostrander

**Seconded by** Deputy Warden Mandy Martin

"**Whereas** delegations regarding homelessness and encampments were heard at the July 6, 2022 Social Services Committee; and **Whereas** the Committee directed County staff to provide a report to the July 20th 2022 Council meeting regarding Northumberland County programs and services that support housing and homelessness; and

**Whereas** the Committee directed staff to continue their collaborations and discussions with the Town of Cobourg to



investigate potential options and proposals; and

**Whereas** staff prepared Report 2022-112 'Homelessness System Response', for Council's consideration at its July 20th; 2022 meeting.

**Be It Resolved That** Council direct staff to continue engagement with the Town of Cobourg and Cobourg's Police Service's Homelessness Addiction Resource Project (HARP), in response to concerns of individuals living unsheltered in Cobourg; and

**Further Be It Resolved That** County Council direct staff to continue engagement with the member municipalities and staff, including By-law enforcement, Fire, and Police Services."

**Carried**

## **16. Enactment By-laws**

### **16.a A By-law to Stop Up and Close a Portion of Courthouse Road**

**Council Resolution 2022-07-20-502**

**Moved by** Councillor John Henderson

**Seconded by** Councillor Robert Sanderson

"That By-law 26-2022 being a by-law to stop up and close a portion of Courthouse Road be introduced, deemed to be read a first, second and third time, passed, signed and sealed this 20th day of July, 2022."

**Carried**

### **16.b A By-law to Amend By-law 2015-41 to Regulate the Use and Operation of "All-Terrain Vehicles" (ATV's) on Highways Under the Jurisdiction of Northumberland County, and to Repeal By-law 2019-21**

**Council Resolution 2022-07-20-503**

**Moved by** Councillor John Henderson

**Seconded by** Deputy Warden Mandy Martin

"That By-law 27-2022 being a by-law to amend By-law 2015-41 to regulate the use and operation of all-terrain vehicles (ATVs) on Northumberland County highways and to repeal By-law 2019-21, be introduced, deemed to be read a first, second and third time, passed, signed and sealed this 20th day of July, 2022."

**Carried**

**16.c A By-Law to Prohibit Parking on Portions of County Road 20 (Town of Cobourg) and on Portions of County Road 50 (Municipality of Trent Hills)**

**Council Resolution 2022-07-20-504**

**Moved by** Deputy Warden Mandy Martin

**Seconded by** Councillor William Cane

"That By-law 28-2022 being a by-law to prohibit parking on portions of County Road 20 in the Town of Cobourg, and on portions of County Road 50 in the Municipality of Trent Hills, be introduced, deemed to be read a first, second and third time, passed, signed and sealed this 20th day of July, 2022."

**Carried**

**16.d A By-law to Appoint a Deputy Clerk for the Corporation of the County of Northumberland**

**Council Resolution 2022-07-20-505**

**Moved by** Councillor Gail Latchford

**Seconded by** Councillor John Henderson

"That By-law 29-2022 being a by-law to appoint a Deputy Clerk for the Corporation of the County of Northumberland be introduced, deemed to be read a first, second and third time, passed, signed and sealed this 20th day of July, 2022."

**Carried**

**16.e A By-law to Repeal Procedural By-law 2020-60, and Adopt a Council Procedural By-law**

**Council Resolution 2022-07-20-506**

**Moved by** Councillor William Cane

**Seconded by** Deputy Warden Mandy Martin

"That By-law 30-2022 being a by-law to repeal By-law 2020-60 and adopt a Council Procedural By-law, be introduced, deemed to be read a first, second and third time, passed, signed and sealed this 20th day of July, 2022."

**Carried**

**16.f A By-Law to Establish a Debt Management Policy**

**Council Resolution 2022-07-20-507**

**Moved by** Councillor Robert Sanderson

**Seconded by** Deputy Warden Mandy Martin

"That By-law 31-2022 being a by-law to establish a debt management policy be introduced, deemed to be read a first, second and third time, passed, signed and sealed this 20th day of July, 2022."

**Carried**

**16.g A By-law for the Procedure for Part-Lot Control Exemption**

**Council Resolution 2022-07-20-508**

**Moved by** Councillor Gail Latchford

**Seconded by** Councillor William Cane

"That By-law 32-2022 being a by-law for the procedure of part-lot control exemption, be introduced, deemed to be read a first, second and third time, passed, signed and sealed this 20th day of July, 2022."

**Carried**

**17. New Business**

**17.a Report 2022-113, Public Works '2022 Transportation Capital Budget Update and Award of RFQ 22-23 - Campbellford Bridge Expansion Joint Replacement'**

**Council Resolution 2022-07-20-509**

**Moved by** Deputy Warden Mandy Martin

**Seconded by** Councillor William Cane

"That County Council, having considered Report 2022-113 '2022 Transportation Capital Budget Update and Award of RFQ 22-23 – Campbellford Bridge Expansion Joint Replacement', receive this report for information, noting the status of key projects and funding sources within the 2022 Transportation Capital Budget; and

**Further That** County Council Approve the allocation of \$200,000 in savings from the County Road 42 Rehabilitation project (carried-out jointly

with Peterborough County) to increase the contingency amount for Contract 22-02 Paving of Various County Roads and approve allocation of \$25,000 of the same savings to increase the contingency amount for the County Road 42 Rehabilitation project to address forecasted overages on both projects due to the substantial increase in the Asphalt Cement Price Index; and

**Further That** having considered Report 2022-113 '2022 Transportation Capital Budget Update and Award of RFQ 22-23 – Campbellford Bridge Expansion Joint Replacement', receive this report for information, noting that the bid received from Bob Hendricksen Construction Ltd., in the amount of \$678,295.00 plus HST is the lowest bid meeting all specifications and that this bid combined with other project costs will total \$807,847.99, which can be accommodated using available funds in the 2022 Transportation Budget resultant from receipt of the County's 2022 OCIF formula-based funding and the remaining savings from the County Road 42 Rehabilitation project; and

**Further That** County Council Award Tender 22-23 - Campbellford Bridge Expansion Joint Replacement to Bob Hendricksen Construction Ltd. in the amount of \$678,295.00 plus HST, all in accordance with their bid submitted on June 30, 2022; and

**Further That** remaining available funds in the 2022 Transportation Capital Budget resultant from receipt of the County's 2022 OCIF formula-based funding in the amount of \$498,744.75 be retained within the 2022 Transportation Capital Budget to fund other 2022 capital works projects as necessary."

**Carried**

#### **17.b Quarter 2 (Q2) Financial Analysis**

##### **Council Resolution 2022-07-20-510**

**Moved by** Councillor Robert Sanderson

**Seconded by** Councillor John Henderson

"**That** Council receive the Quarter 2, 2022 Financial Analysis for information."

**Carried**

**17.c Eastern Ontario Wardens' Caucus (EOWC) - Verbal Update**

**Council Resolution 2022-07-20-511**

**Moved by** Councillor Robert Sanderson

**Seconded by** Councillor Gail Latchford

"**That** Council receive the Eastern Ontario Wardens' Caucus verbal update from Warden Crate, for information."

**Carried**

**17.d Northumberland CAOs' Committee Update - Verbal Update**

**Council Resolution 2022-07-20-512**

**Moved by** Councillor John Henderson

**Seconded by** Councillor William Cane

"**That** Council receive the verbal update from CAO Jennifer Moore, regarding the Northumberland CAOs Committee, for information."

**Carried**

**18. Proclamations**

N/A

**19. Media Questions**

**20. Confirming By-law**

**20.a A By-law to confirm the proceedings of a meeting of County Council held on July 20, 2022**

**Council Resolution 2022-07-20-513**

**Moved by** Councillor John Henderson

**Seconded by** Councillor Robert Sanderson

"**That** By-law 33-2022 being a By-law to confirm the proceedings of a meeting of County Council held on July 20, 2022 be introduced, be deemed to be read a first, second and third time, be passed, signed and sealed."

**Carried**

**21. Adjournment**

**Council Resolution 2022-07-20-514**

**Moved by** Councillor Gail Latchford

**Seconded by** Councillor William Cane

**"That** Council adjourn at 4:22 p.m."

**Carried**

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R.J. (Bob) Crate, Warden

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Nancy MacDonald, Clerk



## By-law 25-2022

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### A By-law Establish an Asset Transfer Policy for the County of Northumberland

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**Whereas** by By-law 24-2022, the Council of the County of Northumberland has authorized and directed the establishment of corporations pursuant to section 203 of the *Municipal Act*, 2001, S.O. 2001, c.25; and

**Whereas** the Council of the County of Northumberland deems it necessary to address tangible asset transfers to such corporations as required by paragraph 1 of section 7 of Ontario Regulation 599/06;

**Now Therefore Be It Enacted** as a by-law of the Council of the Corporation of the County of Northumberland as follows, and the Council approves and adopts as part of By-law 24-2022 (Schedule "B") the following policy in respect of asset transfers:

1. **That** Schedule "B" to By-law 24-2022 constitutes the asset transfer policy of the Council of the County of Northumberland as required by paragraph 1 of section 7 of Ontario Regulation 599/06; and
2. **That** in this policy, the following terms have the following meanings: **ASSET** includes real property, personal property, equipment, goods, capital shares in corporations, rights and grants of money, securities including debentures, contracts, permits, licences and similar regulatory authorizations, and goodwill;

**AUDITED NET BOOK VALUE** means the net difference between the assets and liabilities on the audited financial statements, without adjustment for goodwill or premiums that might be paid for the asset if it were to be exposed to the full market for sale;

**CORPORATION** means a corporation established by the Council of the County of Northumberland pursuant to the *Municipal Act*, 2001, including a municipal services corporation;

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**REGULATION** means Ontario Regulation 599/06, made pursuant to the Municipal Act, 2001, as amended or replaced from time to time;

**TRANSFER** means to assign or to convey; and

3. **That** the County may, from time to time, Transfer Assets to Corporations, in accordance with the provisions of the Regulation and this policy; and
4. **That** the Council of the County may attach conditions to the Transfer of an Asset to a Corporation, including a purchase price for the Asset to be paid or owed to the County by the Corporation, what the Corporation may do with the Asset, under what conditions the Corporation may further Transfer the Asset, including such conditions as to security and as to the exercise of governance over the use of the Asset by the transferee through the holding of such securities or other instruments as the Council deems appropriate, and how the Asset should be disposed of upon the winding-up, bankruptcy or dissolution of the Corporation; and
5. **That** if the County proposes to Transfer an Asset, other than a grant, to a Corporation that is wholly owned by the County, the Asset shall be transferred to the Corporation at Audited Net Book Value and the Chief Administrative Officer shall provide the Council with an estimate of the Audited Net Book Value, prior to the Transfer taking place. The net disposition value from the Transfer will be recorded in the financial and accounting records of the County; and
6. **That** if the County proposes to Transfer any grant to a Corporation, the County Treasurer shall prepare a statement of the value of such grant; and
7. **That** if the County proposes to Transfer an Asset to a Corporation to which the Province of Ontario and/or the Government of Canada has contributed funds, then the County shall comply with the notice and other requirements of the Regulation and with any other conditions imposed by the Province and/or Canada in respect of the Transfer or use of such funds; and
8. **That** if the County proposes to Transfer a right granted to the County in an agreement with the Province of Ontario and/or the Government of Canada, then the County shall obtain prior consent in compliance with the requirements of the Regulation; and



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9. **That** in addition to compliance with the provisions of this policy, any particular Transfer of an Asset, other than a grant that is Transferred in accordance with an agreement with the Province of Ontario and/or with Canada, shall be subject to the approval of the Council of the County of Northumberland; and
10. **That** this policy does not apply to Transfers of Assets between divisions or departments of the County; and
11. **That** this policy shall become effective on the date when By-law 24-2022 is passed.

**That** By-law 25-2022 be introduced and be deemed to be read a first, second and third time, passed, signed and sealed this 20<sup>th</sup> day of July, 2022.

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**R.J. (Bob) Crate, Warden**

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**Nancy MacDonald, Clerk**



## By-law 24-2022

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### **A By-law to Authorize and Approve Municipal Service Corporations and Certain Agreements and Other Matters Related to the Delivery of a High-Speed Digital Communications Network**

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**Whereas** a By-law to authorize and approve municipal service corporations and certain agreements and other matters related to the delivery of a turnkey high-speed digital communications network that will provide next generation Internet services to businesses, homes and community services for the benefit, and the economic and social well-being of the inhabitants of the County through a public-private partnership with a private-sector led utility (the "Broadband Project"), including such provisions for governance, security and other matters as are deemed necessary by the Council to ensure the successful delivery of the Broadband Project or as are, or may be required by the federal and provincial funding partners for the Broadband Project through certain agreements with the Province of Ontario and the Government of Canada; and

**Whereas** Section 203(1) of the *Municipal Act*, 2001, S.O. 2001, c.25 provides that without limiting sections 9, 10 and 11 of the said Act, those sections authorize a municipality inter alia to establish corporations and to nominate or authorize a person to act as an incorporator, director, officer or member of a corporation in accordance with such conditions and restrictions as may be prescribed; and

**Whereas** Section 9 of the *Municipal Act*, 2001, S.O. 2001, c.25 provides that a municipality has the capacity, rights, powers and privileges of a natural person for the purpose of exercising its authority under this or any other Act; and

**Whereas** Section 107 of the *Municipal Act*, 2001, S.O. 2001, c.25 provides that, subject to section 106 of the said Act, a municipality may make grants, on such terms as to security and otherwise as the Council considers appropriate, to any person, group or body, including a fund, for any purpose that the Council considers to be in the best interests of the municipality; and

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**Whereas** Section 110(3) of the *Municipal Act*, 2001, S.O. 2001, c.25 provides that despite section 106 of the said Act, a municipality may provide financial or other assistance to any person who has entered into an agreement to provide facilities under section 110; and

**Whereas** Section 22(1) of the *Municipal Act*, 2001, S.O. 2001, c.25 provides that a municipality may provide a system that it would otherwise not have power to provide within the municipality, if it does so in accordance with an agreement with the Province of Ontario under a program established and administered by the Province of Ontario; and

**Whereas** Section 275(6) of the *Municipal Act*, 2001, S.O. 2001, c.25 provides that nothing in section 275 of the said Act prevents any person or body exercising any authority of a municipality that is delegated to the person or body prior to nomination day for the election of a new Council; and

**Whereas** after an open/competitive Request For Proposals process in January 2021, the County has selected Digital Infrastructure Group Inc. ("DIG") and Meridiam Infrastructure North America Corp. ("Meridiam") as the preferred proponents to partner, through their affiliate Ontario Broadband Networks GP ("OBN GP"), with the County in a public-private partnership for the delivery of the Broadband Project; and

**Whereas** on March 10, 2021, in respect of the Broadband Project, the County made an application to the Universal Broadband Fund for Federal and Provincial funding support for the establishment of a broadband network on the model of Broadband as an Open Access Utility to address the high-speed Internet needs of businesses, social service institutions and residents within the County (the "UBF Application"); and

**Whereas** by letter dated August 12, 2021, the Director General, Connected Canada, on behalf of Innovation, Science and Economic Development Canada advised the County that the UBF Application had been accepted for funding by the Federal Government and by the Province of Ontario on condition that the County execute an Ontario Payment Transfer Agreement with the Province (the "PTA"); and

**Whereas** pursuant to the PTA, the County is required to maintain in respect of governance, inter alia, decision-making mechanisms, procedures to enable the County to manage the funds for the Broadband Project prudently and effectively, procedures to identify and manage risk associated with the Broadband Project, and procedures to enable the County to complete the Broadband Project successfully; and

**Whereas** in accordance with Section 6 of Ontario Regulation 599/06, as amended, the Council has received a business case study in respect of the establishment of Northumberland County Community Development Initiatives Corporation ("NCCDIC") and Intelligent Northumberland Inc. pursuant to Section 203 of the *Municipal Act*, 2001, S.O. 2001, c.25 (the "Business Case Study") for municipal purposes including the

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administration of Project funding with provisions in respect of security therefor, participation in governance and decision-making through a partial equity interest in the Project, risk management, and monitoring the successful completion of the Project, as required by the PTA and as deemed to be prudent and appropriate by the Council of the County; and

**Whereas** DIG, Meridiam and OBN GP intend to made additional investments through the same limited partnership structure used for the Project to expand next generation internet services to the towns and other municipalities within the County, the County's partial equity and debt interests can be expected to generate additional benefits as increased revenues result from the expanded internet business occur over time, but without the requirement for any additional equity or debt investment from the County.

**Now Therefore Be It Enacted** as a by-law of the Council of the Corporation of the County of Northumberland as follows:

1. **That** the Business Case Study for the establishment of NCCDIC and Intelligent Northumberland Inc. as municipal services corporations, attached hereto as Schedule "A" is hereby approved and adopted; and
2. **That** the establishment of NCCDIC and Intelligent Northumberland Inc. as municipal services corporations in accordance with the Business Case Study and their incorporation under the *Ontario Business Corporations Act*, is hereby authorized and approved; and
3. **That** the Asset Transfer Policy attached hereto as Schedule "B" is hereby approved and adopted; and
4. **That** the initial Boards of Directors of NCCDIC and Intelligent Northumberland Inc. shall consist of Jennifer Moore, T.J. Flynn and Robert Watson; and
5. **That** the Shareholders Agreement between the County and NCCDIC attached as Schedule "C" hereto, is hereby authorized and approved; and
6. **That** the structure of the Broadband Project described in Schedule "D" attached hereto, is hereby authorized and approved; and
7. **That** upon the establishment of NCCDIC and Intelligent Northumberland Inc., authority and direction is hereby given to NCCDIC and Intelligent Northumberland Inc. to enter into a General Partner Corporation Shareholder Agreement and a Limited Partnership Agreement with OBN GP, in accordance with the Term Sheets attached as Schedule "E" hereto; and

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8. **That** the CAO is hereby delegated, authorized and directed to finalize, execute and deliver, with the advice of the counsel for the County in respect of such matters as they may require, all agreements, documents, filings, instruments, notices and other writings and to perform and do all acts and things as they deem necessary to give effect to the approvals and directions set forth in this By-law and the attachments hereto.

**That** By-law 24-2022 be introduced and be deemed to be read a first, second and third time, passed, signed and sealed this 20<sup>th</sup> day of July, 2022.

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**R.J. (Bob) Crate, Warden**

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**Nancy MacDonald, Clerk**

**County of Northumberland**

**May 20, 2022**

### **Business Case:**

Northumberland County Community Development Initiatives Corporation as a Municipal Services Corporation

### **Introduction**

Located on the traditional territory of the Mississauga, Northumberland County is a thriving community just one hour east of Toronto along Highway 401, with easy access to urban centres to the north, east and west. As an upper tier level of municipal government for the region, Northumberland County's vision is to bring together people, partnerships and possibilities for a strong and vibrant Northumberland. Our community includes seven distinct yet complementary municipalities as well as Alderville First Nation, with County Council comprised of the Mayors of each of these member municipalities:

- Township of Alnwick/Haldimand
- Municipality of Brighton
- Town of Cobourg
- Township of Cramahe
- Township of Hamilton
- Municipality of Port Hope
- Municipality of Trent Hills

### **Background**

Northumberland County is a rural-urban mix whose economic well-being has been tied to the following four key sectors:

- Agriculture
- Tourism
- Manufacturing
- Small Business Entrepreneurship

All four of these key sectors receive on-going support from the County's Economic Development Planning and Strategic Initiatives Department in order to ensure growth and economic renewal opportunities are made available. To date this support has resulted in significant gains within each of the sectors by initiating strategies and operational action plans which increased capacity by overcoming the challenges related to human resource attraction, infrastructure investment and financial assistance through the public and private sector collaborations.

In order to continue to increase growth within these four key sectors the need to embrace technology was essential and as with most rural constituencies in order to achieve that goal **connectivity is critical and essential**.

## **Background**

In July of 2019 County Council approved a Digital Strategy which outlined the requirements for the creation of an Intelligent Community.

**SMARTnorthumberland** represents a planned, coordinated effort to shape the introduction and use of new technologies in County workplaces and the community by focusing on specific indicators i.e., broadband, knowledge workforce, innovation, digital equality, sustainability and advocacy. It is through this alignment that Northumberland County can move towards a more “intelligent community”.

Our staff, businesses and residents informed us of their opinions and ideas. These included:

- broadband availability and capacity was their number one concern
- internal and community readiness was as important for success as was collaboration between the County and its member municipalities
- concerns about security and privacy were raised
- the importance around communication and engagement between all vested parties
- acknowledgement of the potential economic development opportunities and benefits

Our vision is **SMARTnorthumberland: an intelligent community**. Our mission is to **use information and communications technology to create inclusive prosperity, tackle social and governance challenges and enrich quality of life**.

This can be achieved through the following actions:

- Building digital infrastructure
- Modernizing the workplace
- Transforming lines of business
- Expanding community engagement
- Enhancing digital service delivery
- Establishing an Open Data initiative
- Addressing broadband challenges
- Establishing a digital governance framework
- Pursuing innovative opportunities
- Facilitating digital literacy

Extensive research followed the approval of the Digital Strategy culminating in participation in Canada's first Rural Broadband Conference in late 2019 and the need to undertake a complete analysis and determination of the current state of connectivity in Northumberland. Over the course of 2020 it was determined that of the approximate 40,000 households in Northumberland 13,500 households were either unserved or underserved. With this determination of underserved/unserved households also came a series of recommendations in the form of a business case to assess cost and structure for the creation of a model to overcome this challenge. The result was the creation of a Broadband as a Utility model, whereby Northumberland would create a public-private partnership to bring fiber to the home to all unserved or underserved households. The private sector partner would be responsible for the design, construction and operational management/administration of the project.

## **Objectives**

A public-private sector partnership is best served through the creation of a municipal services corporation (MSC). Operating Northumberland County Community Development Initiatives Corporation as an MSC enables partnership activities to be conducted directly by the corporation and with the associated covenants and liabilities separate and shielded from Northumberland County. The risk profile associated with the project would be contained in the MSC, again separate from Northumberland County.

The corporate structure will enable a governance framework whereby the Directors of the MSC will hold an unequivocal fiduciary duty to the MSC, allowing Directors to make decisions that are not based on political factors which may contradict the interests of the corporation.

The success of a public-private partnership rests in part with the ability to gain the confidence of the private sector partner by conducting business in a manner which meets the private sector requirements for timely, efficient and effective decision making.

## **Mandate**

Operating Northumberland County Community Development Initiatives Corporation as a MSC will facilitate the goal of insuring proper stewardship of public funds within a private sector framework supplemented by Board appointments consistent with the MSC being a separate entity.

## **Guiding Principles**

Directors and Officers of a corporation have a fiduciary duty to act in the best interests of the corporation. The MSC will be owned by Northumberland which results in an interrelationship between corporate and municipal laws. There will be an expectation that the objectives of the MSC will be supportive of Northumberland County's objectives.



Given this context the operations of the MSC and Northumberland will be governed by the following principles:

- The MSC Board of Directors will follow reporting and approval requirements set out in a shareholder agreement declaration issued by Northumberland County.
- Independent and experience/skills-based board made up solely of independent directors with no elected official representation.
- Comprehensive measurement of returns – shareholder measurement and returns will be based on profit levels and market share growth.

## MSC Structure

Under an MSC structure, the MSC could raise financing without municipal guarantee and separate from the municipality. As a separate body corporate, the MSC's liabilities would be isolated from Northumberland. The MSC would be the entity that enters into loan or other financing agreements, and the entity responsible for the associated borrower covenants.

In addition, the MSC structure would enable equity contribution by a minority investor or a joint venture partner which would facilitate hedging risk, increasing scale and scope economies as well as other potential strategic benefits to support growth and renewal.

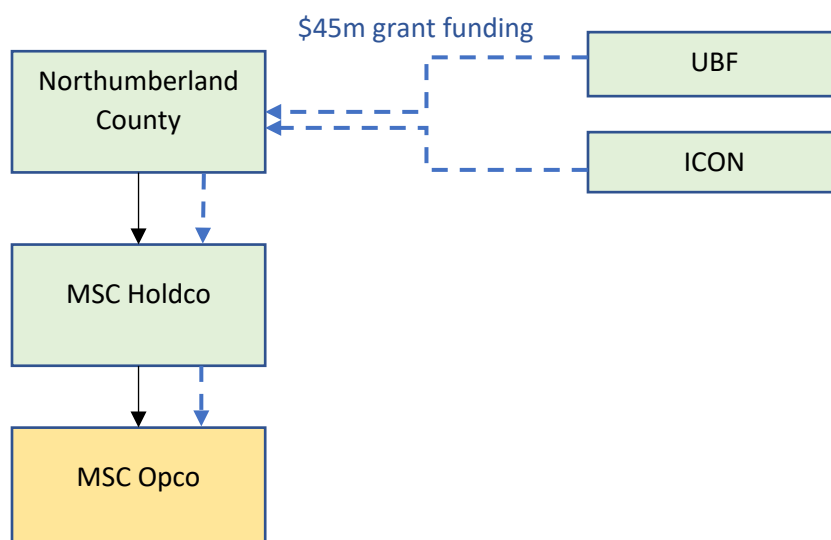
## Governance

The proposed structure involves establishing the MSC with a HOLDCO and an OPCO.

The HOLDCO will be wholly owned by Northumberland County. All the common voting shares in the MSC would be held by the HOLDCO. The creation of a HOLDCO allows for and enables future business growth.

The OPCO will be the operating structure for Broadband as a Utility. The OPCO is wholly owned by the HOLDCO.

The chart below illustrates the proposed structure.



As a corporation, a board (“**Board**”) of directors would need to be appointed for the MSC. Northumberland, as sole shareholder, would set the size of the Board and appoint directors.

Under this corporate structure, the Board would be charged with oversight over management of the business but would be required to seek shareholder approval over fundamental matters, as required under corporate statute and as may be set out in a shareholder declaration. Management would be charged with the day-to-day operations of the business but would be required to obtain board approval for major decisions.

1. Shareholder Rights

- a. As sole voting shareholder, Northumberland would determine what matters it considers to be so fundamental that the Board **must** obtain its approval before undertaking such actions. Such matters, particularly if not already found in the applicable corporate statute, would be set out in a shareholder declaration.
- b. At its sole option and discretion, Northumberland **may** direct the MSC (Northumberland County Community Development Initiatives Corporation) to carry out certain actions in relation to its Business, subject to applicable Laws.

2. Independence of the Board

- a. A key advantage to the MSC structure is the ability to appoint directors who are independent from the municipality. The MSC structure enables a focus on industry business experiences as qualifications for Board members. The Board’s fiduciary responsibility would be to the MSC and as such the directors would be guided by what is in the best interest of the corporation, free from the pressures of immediate political issues.

## Public Accountability

Corporate structures require that corporations conduct an annual general meeting (“**AGM**”). At the AGM, the voting shareholders will appoint the slate of directors and receive the financial statements.

Operating as an MSC, Northumberland would expect that the HOLDCO report to council on major business developments or events. The expected reporting obligations would be set out in a shareholder declaration issued by Northumberland to the MSC.

Reporting and communications between the MSC and its sole voting shareholder, Northumberland, would be shareholder communications as provided under corporate statute, and thus, subject to confidentiality and not conducted in public council meetings. Northumberland may also receive such information in the context of municipal council proceedings as appropriate, including in camera but subject to the requirements of the Municipal Act.

## **Financial**

The OPCO will be the recipient of financial returns subject to the completion of the project and operation of the utility model based upon final negotiation(s) within the public -private sector partnership.

## **Conclusion**

With the creation of a MSC it enables the financing and risk profile associated with economic prosperity to be contained in a corporation, separate from Northumberland, and allowing for a more fulsome public-private relationship within a business context.

## Schedule "B" to By-Law 24-2022



## By-law 25-2022

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### A By-law Establish an Asset Transfer Policy for the County of Northumberland

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**Whereas** by By-law 24-2022, the Council of the County of Northumberland has authorized and directed the establishment of corporations pursuant to section 203 of the *Municipal Act*, 2001, S.O. 2001, c.25; and

**Whereas** the Council of the County of Northumberland deems it necessary to address tangible asset transfers to such corporations as required by paragraph 1 of section 7 of Ontario Regulation 599/06;

**Now Therefore Be It Enacted** as a by-law of the Council of the Corporation of the County of Northumberland as follows, and the Council approves and adopts as part of By-law 24-2022 (Schedule "B") the following policy in respect of asset transfers:

1. **That** Schedule "B" to By-law 24-2022 constitutes the asset transfer policy of the Council of the County of Northumberland as required by paragraph 1 of section 7 of Ontario Regulation 599/06; and
2. **That** in this policy, the following terms have the following meanings: **ASSET** includes real property, personal property, equipment, goods, capital shares in corporations, rights and grants of money, securities including debentures, contracts, permits, licences and similar regulatory authorizations, and goodwill;

**AUDITED NET BOOK VALUE** means the net difference between the assets and liabilities on the audited financial statements, without adjustment for goodwill or premiums that might be paid for the asset if it were to be exposed to the full market for sale;

**CORPORATION** means a corporation established by the Council of the County of Northumberland pursuant to the *Municipal Act*, 2001, including a municipal services corporation;

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**REGULATION** means Ontario Regulation 599/06, made pursuant to the Municipal Act, 2001, as amended or replaced from time to time;

**TRANSFER** means to assign or to convey; and

3. **That** the County may, from time to time, Transfer Assets to Corporations, in accordance with the provisions of the Regulation and this policy; and
4. **That** the Council of the County may attach conditions to the Transfer of an Asset to a Corporation, including a purchase price for the Asset to be paid or owed to the County by the Corporation, what the Corporation may do with the Asset, under what conditions the Corporation may further Transfer the Asset, including such conditions as to security and as to the exercise of governance over the use of the Asset by the transferee through the holding of such securities or other instruments as the Council deems appropriate, and how the Asset should be disposed of upon the winding-up, bankruptcy or dissolution of the Corporation; and
5. **That** if the County proposes to Transfer an Asset, other than a grant, to a Corporation that is wholly owned by the County, the Asset shall be transferred to the Corporation at Audited Net Book Value and the Chief Administrative Officer shall provide the Council with an estimate of the Audited Net Book Value, prior to the Transfer taking place. The net disposition value from the Transfer will be recorded in the financial and accounting records of the County; and
6. **That** if the County proposes to Transfer any grant to a Corporation, the County Treasurer shall prepare a statement of the value of such grant; and
7. **That** if the County proposes to Transfer an Asset to a Corporation to which the Province of Ontario and/or the Government of Canada has contributed funds, then the County shall comply with the notice and other requirements of the Regulation and with any other conditions imposed by the Province and/or Canada in respect of the Transfer or use of such funds; and
8. **That** if the County proposes to Transfer a right granted to the County in an agreement with the Province of Ontario and/or the Government of Canada, then the County shall obtain prior consent in compliance with the requirements of the Regulation; and

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9. **That** in addition to compliance with the provisions of this policy, any particular Transfer of an Asset, other than a grant that is Transferred in accordance with an agreement with the Province of Ontario and/or with Canada, shall be subject to the approval of the Council of the County of Northumberland; and
10. **That** this policy does not apply to Transfers of Assets between divisions or departments of the County; and
11. **That** this policy shall become effective on the date when By-law 24-2022 is passed.

**That** By-law 25-2022 be introduced and be deemed to be read a first, second and third time, passed, signed and sealed this 20<sup>th</sup> day of July, 2022.

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**R.J. (Bob) Crate, Warden**

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**Nancy MacDonald, Clerk**

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**SHAREHOLDER DECLARATION**

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**THE CORPORATION OF THE COUNTY OF NORTHUMBERLAND**

**-and-**

**NORTHUMBERLAND COUNTY COMMUNITY DEVELOPMENT INITIATIVES  
CORPORATION**

**Dated as of ●**

## TABLE OF CONTENTS

1. Definitions and Interpretation .....	1
2. Purpose.....	3
3. Shareholder's Expectations.....	3
4. Principles.....	4
5. Permitted Business Activities .....	4
6. Standards of Governance .....	5
7. Board of Directors and Responsibilities .....	5
8. Board of Directors.....	5
9. Qualifications of Directors.....	7
10. Conflict of Interest Policy .....	7
11. Direction by the Shareholder .....	7
12. Decisions of the Shareholder .....	7
13. Matters Requiring Shareholder Approval.....	8
14. Audit .....	9
15. Accounting.....	9
16. Annual Financial Statements .....	10
17. Annual meeting.....	10
18. Reporting.....	10
19. Revisions to this Shareholder Declaration.....	12
20. Notices .....	12
Schedule A: NCCDIC. Dividend Policy	
Schedule B: Director Compensation Policy	



**THE CORPORATION OF THE COUNTY OF NORTHUMBERLAND**  
**SHAREHOLDER DECLARATION**

**RECITALS:**

- A. Northumberland County Community Developments Initiatives Corporation (“**NCCDIC**”) is a municipal services corporation wholly-owned by the Corporation of the Municipality of the County of Northumberland (“**Northumberland**”) pursuant to Section 203 of the *Municipal Act, 2001* and Ontario Regulation 599/06, with Northumberland as sole shareholder;
- B. This Shareholder Declaration sets out the requirements of Northumberland relating to the governance and other fundamental principles and policies of NCCDIC.

**1. Definitions and Interpretation**

- 1.1 Wherever used in this Shareholder Declaration, the following terms shall have these respective meanings:

“**Auditor**” is defined in Section 17(b);

“**Board**” means the board of directors of NCCDIC;

“**Book Value**” means the book value of NCCDIC as at the end of its last completed Fiscal Year as shown in its audited Financial Statements;

“**Business**” is defined in Section 5;

“**Business Plan**” means a five year business plan and budget for NCCDIC prepared and approved in accordance with Section 18.1;

“**CAO**” means the chief administrative officer of Northumberland;

“**Chair**” means the Chair of the Board of NCCDIC from time to time;

“**Council**” means the municipal council of the County of Northumberland;

“**Financial Statements**” means, for any particular period, audited or unaudited (as stipulated in this Declaration), comparative financial statements of NCCDIC consisting of not less than a balance sheet, a statement of income and retained earnings, a statement of changes in financial position, a report or opinion of the Auditor (in the case of audited Financial Statements) and such other statements, reports, notes and information prepared in accordance with generally accepted accounting principles (consistently applied) and as are required in accordance with any applicable law;

“**Fiscal Year**” means, in respect of NCCDIC, the annual period of twelve (12) consecutive months as determined by the Board for tax and accounting purposes, including the preparation of financial statements;

**“Governmental Authority”** means any federal, provincial, or municipal government, parliament or legislature, or any regulatory authority, agency, tribunal, commission, board or department of any such government, parliament or legislature, or any court or other law, regulation or rule making entity, having jurisdiction in the relevant circumstances, including the Canadian Radio-television and Telecommunications Commission, and any person acting under the authority of any Governmental Authority;

**“Northumberland”** means the Corporation of the County of Northumberland;

**“Laws”** means:

- (i) applicable Canadian federal, provincial or municipal laws, orders-in-council, by laws, codes, rules, policies, regulations and statutes;
- (ii) applicable orders, decisions, codes, judgments, injunctions, decrees, awards and writs of any court, tribunal, arbitrator, Governmental Authority or other person having jurisdiction;
- (iii) applicable rulings and conditions of any licence, permit, certificate, registration, authorization, consent and approval issued by a Governmental Authority; and
- (iv) any requirements under or prescribed by applicable common law;

**“Lien”** means any mortgage, assignment, encumbrance, security interest, regardless of form, that secures the payment of any indebtedness or liability or the observance or performance of any obligation;

**“Nominating Committee”** means a committee of the Board established by the Board for the purpose set out in Section 8(h)(iii);

**“NCCDIC”** means Northumberland County Community Developments Corporation;

**“OBCA”** means the *Business Corporations Act* (Ontario);

**“Person”** means a natural person, firm, trust, partnership, limited partnership, company or corporation (with or without share capital), joint venture, sole proprietorship, governmental or regulatory authority or other entity of any kind;

**“President and CEO”** means the president and chief executive officer of NCCDIC;

**“Private Director”** means an individual who is not a member of Northumberland County Council or an employee of, or consultant to, Northumberland or of any agency, board or commission of Northumberland;

**“Shareholder”** means the Corporation of the County of Northumberland;

**“Shareholder Declaration”** or **“Declaration”** means this shareholder declaration;

**“Shareholder Representative”** is defined in Section 12.2;

**“Strategic Plan”** is defined in Section 3(d);

**“Subsidiary”** has the meaning given to such term in the OBCA.

- 1.2 Schedules – The following schedules form a part of this Shareholder Declaration and are incorporated by reference:

Schedule A: NCCDIC Inc. Dividend Policy

Schedule B: Director Compensation Policy

- 1.3 Headings and Table of Contents – The inclusion of headings and a table of contents in this Shareholder Declaration are for convenience of reference only and shall not affect the construction or interpretation of this Shareholder Declaration.

- 1.4 Number – In this Shareholder Declaration, unless the context otherwise requires, words importing the singular include the plural and vice versa and words importing gender include all genders.

- 1.5 Laws – All references to statutes or Law contained in this Shareholder Declaration means those statutes or Law in effect from time to time, and all amendments thereto or any re-enactment thereof or replacement statutes.

## **2. Purpose**

The purposes of this Declaration are as follows:

- (a) Subject to the Board’s authority to manage or supervise the management of the business and affairs of NCCDIC, to provide the Board with the Shareholder’s expectations relating to the principles of governance and other fundamental principles and policies regarding the Business;
- (b) To inform the residents of the County of Northumberland of the Shareholder’s fundamental principles regarding the Business;
- (c) To set out the accountability, responsibility and relationship between the Board and the Shareholder

Except as provided in Section 13, this Shareholder Declaration is not intended to constitute a unanimous shareholder declaration under the OBCA or to formally restrict the exercise of the powers of the Board.

## **3. Shareholder’s Expectations**

The Shareholder expects that the Board will establish for itself policies to:

- (a) develop and maintain a prudent financial and capitalization structure for NCCDIC consistent with industry benchmarks and sound financial principles and established on the basis that the Corporation is intended to be a self-financing entity;
- (b) subject to Schedule A, preserve and enhance the value of the Business, and provide the Shareholder with a commercially reasonable return on equity:
  - (i) through the payment of dividends or otherwise;
  - (ii) increase enterprise value over time; and
  - (iii) consistent with a prudent financial and capitalization structure;
- (c) manage all risks related to the business conducted by NCCDIC, through the timely adoption of appropriate risk management strategies and internal controls consistent with industry norms; and
- (d) develop a long range strategic plan (“**Strategic Plan**”) for NCCDIC which is consistent with the maintenance of a viable, competitive business and preserves and enhances the value of NCCDIC.

#### 4. Principles

The following principles will govern the operations of NCCDIC:

- (a) NCCDIC recognizes that it is in the best interests of NCCDIC and the Shareholder that it conduct its affairs:
  - (i) on a for-profit and commercially prudent basis, and in accordance with the financial performance objectives of the Shareholder as set out herein; and
  - (ii) in a manner consistent with policies as may be established by the Shareholder from time to time.
- (b) NCCDIC will operate in a safe and environmentally responsible manner.
- (c) The Board is responsible for determining and implementing the appropriate balance among the foregoing principles and for causing NCCDIC to conduct its affairs in accordance with the same.
- (d) Shareholder return and benefits will be measured by several metrics, including but not limited to, dividends and increase in enterprise value over time. In general, a long term, strategic view will be applied to the measure of shareholder return.

#### 5. Permitted Business Activities

Subject to the restrictions in Section 13, NCCDIC may engage in businesses and related services and activities which are permitted by any Laws applicable from time to time (the

“**Business**”), and as the Board of NCCDIC may authorize in accordance with the terms of this Shareholder Declaration. In so doing, NCCDIC shall comply with all applicable Laws.

## **6. Standards of Governance**

As required by the OBCA, the Board shall supervise the management of the business and affairs of NCCDIC, and, in so doing, shall act honestly and in good faith with a view to the best interests of NCCDIC and shall exercise the same degree of care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

## **7. Board of Directors and Responsibilities**

Subject to any matters requiring approval of the Shareholder pursuant to this Shareholder Declaration, the Board will supervise the management of the business and affairs of NCCDIC, including the following specific matters:

- (a) approving the Business Plan;
- (b) approving the Strategic Plan;
- (c) approving any dividend payment as provided for in Schedule A;
- (d) appointing the officers of NCCDIC; and
- (e) approving the remuneration of the senior management of NCCDIC (which includes but is not necessarily limited to the officers).

## **8. Board of Directors**

- (a) Number of Directors – The Board of NCCDIC shall consist of no less than one (1) director and no more than five (5) directors to be appointed by and approved by the Shareholder.
- (b) Initial Board: The first board of directors shall consist of the following three (3) directors: Jennifer Moore, T.J. Flynn and Robert Watson (the “Initial Board”). The Initial Board shall serve until the construction of the turnkey high-speed digital communications network to provide Internet services to Northumberland businesses, homes and community services through a public-private partnership with a private sector led utility is completed (the “Broadband Project”).
- (c) Composition of the Board – Except for the Initial Board of directors as contemplated in Section 8(b), unless otherwise determined by the Shareholder in its discretion, the Board shall consist of Private Directors only.
- (d) Chair of NCCDIC – The Chair of the Board shall not have a deciding vote in the case of a tie.

- (e) President and CEO, Chief Financial Officer and Chief Operating Officer of NCCDIC – The President and Chief Executive Officer and the Chief Financial Officer of NCCDIC shall not be Directors but may be invited to attend meetings of the Board, at the discretion of the Board.
- (f) Term of Directors; Staggered Board – Except for the Initial Board, the Shareholder shall elect Directors to hold office for a term of three (3) years, except that any one or more Directors may be elected for a one (1) or two (2) year term if necessary and at the discretion of the Shareholder to provide staggered terms. At the first annual meeting of the Shareholder, up to two (2) of the Directors may be elected with a one (1) year or two (2) year term to give effect to a staggered Board. If directors are not elected at an annual meeting, the incumbent directors continue in office until their successors are elected.
- (g) Successive Terms - Any member of the Board may serve for successive terms as determined by the Shareholder in its discretion, except for any initial Director that is not a Private Director.
- (h) Vacancies – If a member of the Board ceases to be a director for any reason, the Shareholder will fill the vacancy created thereby as soon as reasonably possible.
- (i) Board Committees – The Board shall establish the following committees:
  - (i) Audit and Finance Committee to review financial results, which may comprise only directors of the Board;
  - (ii) Governance Committee to determine senior management compensation and the detailed procedures for Director compensation, which may comprise only directors of the Board; and
  - (iii) Nominating Committee to identify, evaluate and recommend candidates for the Board to the Shareholder, which may comprise only directors of the Board.
- (j) Role of Nominating Committee – After the initial Board is appointed, the Shareholder shall consider candidates nominated by the nominating committee of the Board (the “**Nominating Committee**”), but shall not be obliged to select such candidates. It is expected that the Nominating Committee will develop a process to identify and evaluate potential Board candidates in order to recommend a slate of qualified candidates to the Shareholder.
- (k) Compensation
  - (i) Directors – The directors shall receive such remuneration for their service as directors as determined from time to time by the Shareholder, provided that each member of the Board shall be entitled to incur reasonable expenses for travel and/or training in respect of the director’s role on the Board, in accordance with policies established by the Board from time to

time and approved by the Shareholder. Initially, the director compensation policy will be as set out in Schedule B.

## **9. Qualifications of Directors**

The Board will be residents of Canada. In appointing directors to the Board, the Shareholder will give due regard to the qualifications of candidates, including experience or knowledge with respect to:

- (a) awareness of commercial and public policy issues related to NCCDIC including, among other areas, the telecommunications/broadband market;
- (b) relevant business expertise and industry knowledge in the telecom sector and other businesses which NCCDIC may pursue;
- (c) governance experience with private and public boards of directors involved in significant commercial corporations;
- (d) financial, legal, accounting, marketing and/or commercial experience;
- (e) knowledge and experience with risk management strategy, including financial literacy.

## **10. Conflict of Interest Policy**

The directors and officers of NCCDIC will strictly abide by the requirements of the OBCA and NCCDIC in respect of conflicts of interest, including any requirements in respect of disclosure and abstention from voting. A detailed conflict of interest policy will be established by NCCDIC within six (6) months of the date hereof.

## **11. Direction by the Shareholder**

- 11.1 Direction by the Shareholder – At its sole option and discretion, the Shareholder may direct NCCDIC to carry out certain actions in relation to its Business, subject to applicable Laws.
- 11.2 Notification of Shareholder Directions – Directions of the Shareholder shall require a resolution or bylaw of Council duly passed at a meeting of Council, and any such direction shall be delivered to the Board by written notice signed by the Shareholder Representative. The Shareholder Representative shall deliver a copy of each such written notification delivered to the Board contemporaneously with each notification.

## **12. Decisions of the Shareholder**

- 12.1 Advance Notice – No required approval or decision of the Shareholder will be given unless NCCDIC has given reasonable advance notice in writing of the need for approval and has provided such information as is reasonably necessary for the Shareholder to make an informed decision regarding the subject matter requiring approval.

- 12.2 Shareholder Representative – The Shareholder hereby designates the CAO as the legal representative of the Shareholder (the “**Shareholder Representative**”) for purposes of communicating to the Board pursuant to Section 12.3, any consent or approval required by this Shareholder Declaration or by the OBCA. NCCDIC shall be entitled to rely on any communication received by the CAO.
- 12.3 Notification of Shareholder Approval – Approvals or decisions of the Shareholder required pursuant to this Shareholder Declaration or the OBCA shall require a resolution or bylaw of Council duly passed at a meeting of Council, and any such decision shall be delivered to the Board by written notice signed by the Shareholder Representative.

### **13. Matters Requiring Shareholder Approval**

The Shareholder hereby directs NCCDIC at all times to seek the approval of the Shareholder in respect of each of the following matters prior to NCCDIC undertaking or causing to be undertaken any of the following matters:

- (a) in any one financial year, entry into one or more transactions to acquire or be acquired, whether by way of purchase or otherwise, of, or merger or amalgamation with, any one or more Persons, which transactions have a transaction value of greater than 25% of the Book Value individually, or in the aggregate;
- (b) entry into any joint venture, partnership, strategic alliance or other venture, which would require an investment, or which would have a financial impact greater than 25% of the Book Value;
- (c) in any financial year, enter into one or more transactions which individually or in the aggregate, except as provided in the Business Plan, result in the disposition, lease or sale of any part of the business of NCCDIC equal to or greater than 25% of its Book Value;
- (d) entry into formal or informal discussions or preparation or execution of any letter, memorandum of understanding or other binding or non-binding document with any Person in relation to any transaction described in paragraph (a), (b) or (c) of this Section 13;
- (e) changing or removing any restriction on the business of NCCDIC;
- (f) creating new classes of shares of NCCDIC;
- (g) enter into one or more amalgamations of NCCDIC with any other corporation(s);
- (h) the institution of proceedings for any winding up, arrangement or dissolution of NCCDIC;
- (i) appointment of auditors of NCCDIC;



- (j) an application to continue NCCDIC as a corporation under the laws of another jurisdiction;
- (k) issue, or enter into any agreement to issue, any shares of any class, or any securities convertible into any shares of any class of NCCDIC;
- (l) redeem or purchase any outstanding shares of NCCDIC;
- (m) any change in the dividend policy of NCCDIC;
- (n) engaging in any business activity other than as expressly permitted under Section 5;
- (o) salary, benefits and other compensation of members of the Board;
- (p) election, replacement, composition and number of members of the Board;
- (q) directors and officers insurance arrangements for NCCDIC;
- (r) provide any financial assistance, whether by loan, guarantee or otherwise, to any director or officer of NCCDIC;
- (s) establish a new Subsidiary; and
- (t) enter into any agreement, commitment or investment that creates any Lien or recourse in favour of any third party to the assets of NCCDIC.

For purposes of this Section 13, the Book Value of all assets of NCCDIC shall be the values reported in the audited Financial Statements of NCCDIC as at the end of its most recently completed Fiscal Year. For the purpose of paragraph (r) of this Section 13, the term "financial assistance" does not include remuneration paid in the normal course of business to directors, officers or employees, including honoraria, wages, salaries or bonuses, or any reimbursement for expenses arising from such persons' duties.

#### **14. Audit**

NCCDIC's Financial Statements will be audited annually. The first Auditor of NCCDIC is [NTD – INSERT NAME THE AUDITOR].

#### **15. Accounting**

NCCDIC will, in consultation with the Auditor, adopt and use the accounting policies and procedures which may be approved by the Board from time to time and all such policies and procedures will be in accordance with generally accepted accounting principles and applicable regulatory requirements.

## **16. Annual Financial Statements**

The Board will cause the Auditor to deliver, as soon as practicable and in any event within ninety (90) days after the end of each Fiscal Year, the audited Financial Statements of NCCDIC for consideration by the Shareholder.

## **17. Annual meeting**

- (a) Within six (6) months after the end of each Fiscal Year, the Board shall report to the Shareholder at a public meeting of Council and provide such information concerning NCCDIC as the Board considers appropriate.
- (b) The Shareholder shall annually, consider candidates for the Board as proposed by the Nominating Committee and elect the members of the Board, appoint the auditor (the “**Auditor**”) of NCCDIC, receive the audited Financial Statements of NCCDIC for the last completed Fiscal Year and complete such other business as would normally be completed at an annual meeting of shareholders under the OBCA.

## **18. Reporting**

### **18.1 Business Plan**

Not later than sixty (60) days prior to the end of each Fiscal Year, the Board will approve and submit to the Shareholder on a strictly private and confidential basis in camera and in accordance with applicable law, a business plan for NCCDIC for the next five Fiscal Years (the “**Business Plan**”). The Business Plan will be prepared on a consistent basis with the Business Plan then in effect. NCCDIC will carry on its business and operations in accordance with the Business Plan which will include, in respect of the period covered by such plan:

- (a) the strategic direction and any new business initiatives which NCCDIC will undertake;
- (b) an operating and capital expenditure budget for the next Fiscal Year and an operating and capital expenditure projection for each Fiscal Year thereafter, including the resources necessary to implement the draft business plan;
- (c) the projected annual revenues and profits for each Fiscal Year of the Business Plan for NCCDIC;
- (d) pro forma consolidated and unconsolidated financial statements, including projected dividend payments to the Shareholder;
- (e) an acquisition budget setting forth the nature and type of capital expenditures proposed to be made in the following Fiscal Year, supported by explanations, notes and information upon which the budget was based;

- (f) any material variances in the projected ability of any business activity to meet or continue to meet the financial objectives of the Shareholder; and
- (g) any material variances from the Business Plan then in effect.

## **18.2 Quarterly Reports**

Within 60 days after the end of each fiscal quarter, the Board will prepare (on a consistent basis with the previous fiscal quarter) and submit in writing to the treasury department of the Shareholder a quarterly report on a strictly confidential basis. The quarterly report will include, in respect of the immediately preceding fiscal quarter:

- (a) quarterly unaudited consolidated and unconsolidated Financial Statements;
- (b) such explanations, notes and information as is required to explain and account for any variances between the actual results from operations and the budgeted amounts set forth in the current Business Plan, including any material variances in the projected ability of any business activity to meet or continue to meet the financial objectives of the Shareholder;
- (c) information that is likely to materially affect the Shareholder's financial objectives;
- (d) information that is likely to materially affect customers' perceptions or opinions regarding NCCDIC;
- (e) information regarding any matter, occurrence or other event which is a material breach or violation of any law; and
- (f) any such additional information as the Shareholder may specify from time to time.

## **18.3 Access to Records**

The duly appointed Shareholder Representative shall have unrestricted access to the books and records of NCCDIC during normal business hours. The Shareholder Representative shall treat all information of NCCDIC with the same level of care and confidentiality as any confidential information of the Shareholder and in compliance with applicable Laws, having regard to the commercially sensitive and highly competitive nature of the Business.

## **18.4 Reporting on Major Developments**

In addition to the annual meeting described in Section 17, the Board shall report to the Shareholder Representative on major business developments or materially adverse results as the Board, in its discretion, considers appropriate and such reports received may be considered by the Shareholder Representative in a forum determined to be appropriate by the Shareholder Representative giving consideration to the Board's recommendation and the nature of the commercially sensitive and highly competitive nature of the Business.

## **18.5 Confidentiality**

Except as required by applicable Laws or any Governmental Authority and except for the annual report to Council pursuant to Section 17, the Shareholder shall treat as confidential each Business Plan and all other information provided to it in confidence pursuant to this Section 18, subject to the *Municipal Act* and other applicable Laws.

## **19. Revisions to this Shareholder Declaration**

The Shareholder and NCCDIC acknowledge that this Shareholder Declaration may be revised from time to time as circumstances may require and that the Shareholder will consult with the Board prior to completing any revisions and will promptly provide NCCDIC with a copy of such revisions.

## **20. Notices**

Any notice, designation, communication, request, demand or other document, required or permitted to be given or sent or delivered to or from the Shareholder or NCCDIC shall be in writing and shall be sufficiently given or sent or delivered if it is:

- (a) delivered personally,
- (b) sent to the party entitled to receive it by registered mail, postage prepaid, mailed in Canada, or
- (c) sent by email.

Notices shall be sent to the following addresses or email addresses:

- (i) in the case of the Shareholder,  
  
The Corporation of the County of Northumberland  
  
Address  
  
Attention: Chief Administrative Officer  
  
Email:
- (ii) in the case of NCCDIC,  
  
Address  
Attention: Chief Executive Officer  
  
Email:

or to such other address or telecopier number as the party entitled to or receiving such notice, designation, communication, request, demand or other document shall, by a notice given in

accordance with this Section 20, have communicated to the party giving or sending or delivering such notice, designation, communication, request, demand or other document.

Any notice, designation, communication, request, demand or other document given or sent or delivered as aforesaid shall:

- (d) if delivered personally as aforesaid, be deemed to have been given, sent, delivered and received on the date of delivery;
- (e) if sent by registered mail as aforesaid, be deemed to have been given, sent, delivered and received (but not actually received) on the fourth Business Day following the date of mailing, unless at any time between the date of mailing and the fourth Business Day thereafter there is a discontinuance or interruption of regular postal service, whether due to strike or lockout or work slowdown, affecting postal service at the point of dispatch or delivery or any intermediate point, in which case the same shall be deemed to have been given, sent, delivered and received in the ordinary course of the mails, allowing for such discontinuance or interruption of regular postal service; and
  - (i) if sent by telecopy machine, be deemed to have been given, sent, delivered and received on the date the sender receives the telecopy answer back confirming receipt by the recipient.

DATED at Northumberland, Ontario this ● day of ●, 2022.

**THE CORPORATION OF THE  
MUNICIPALITY OF NORTHUMBERLAND**

By: \_\_\_\_\_  
Name:  
Title:

By: \_\_\_\_\_  
Name:  
Title:

**NORTHUMBERLAND COUNTY  
COMMUNITY DEVELOPMENT  
INITIATIVES CORPORATION**

By: \_\_\_\_\_  
Name:  
Title:

By: \_\_\_\_\_  
Name:  
Title:

## **SCHEDULE “A”**

### **NCCDIC INC.** **DIVIDEND POLICY**

The dividend policy of NCCDIC is predicated on the mandate of the Board which includes maximizing value to the Shareholder. Such value is generally realized by the Shareholder through dividends or the appreciation of Shareholder investment. The Board shall declare and pay dividends from available earnings and cash flow, as follows:

#### **1. Conditions Precedent to the Payment of Dividends**

Dividends will be paid to the extent that such payment would not otherwise cause:

- (a) noncompliance with relevant statutes and regulations;
- (b) a breach of contract or the immediate or anticipated failure to otherwise meet the terms of financing arrangements;
- (c) an impairment in the operations and maintenance of the assets of the Corporation;
- (d) an impairment in financial prudence including capital investment in infrastructure;
- (e) a deterioration in the credit rating of NCCDIC, as applicable;
- (f) an impairment in the maintenance and growth of businesses, consistent with the Business Plan.

#### **2. Payment of Dividends**

Dividends will be paid quarterly and paid March 1st (or shortly following the approval of the annual audited financial statements of the preceding year), June 1st, September 1st and December 1st. The first dividend of the Fiscal Year, targeted for payment on March 1st, will also include any adjustment to bring the total annual dividend for the preceding year to the full Dividend Amount in the event that the previous annual dividend declared and paid was less than \$\*. All of the foregoing will be subject to the Conditions Precedent.

#### **3. Reporting to Shareholder**

In the event that the Board does not approve a payment of a Regular Dividend, the Board will promptly report the circumstances underlying the non-payment to the Shareholder and, thereafter, provide progress reports to the Shareholder and, as applicable to NCCDIC on a quarterly basis until such time as the payment of Regular Dividends resumes.

4. Amendment to Dividend Policy

The Shareholder may amend this dividend policy if business circumstances change to warrant such change, all in the sole discretion of the Shareholder.



**SCHEDULE “B”**  
**DIRECTOR COMPENSATION POLICY**

**1. COMPENSATION PRINCIPLES**

- (a) **Goals.** NCCDIC offers remuneration to directors in order to:
- (i) attract and retain skilled, productive Board members with core governance competencies;
  - (ii) ensure external market competitiveness and equity;
  - (iii) recognize the additional responsibilities undertaken by the Chair; and
  - (iv) be fiscally responsible and consistent with corporate governance best practices.
- (b) **Review.** The Board shall ensure that the compensation of Elected Directors is reviewed every five years by an independent consultant, using the principles set out in this section, to ensure compensation practices remain current and in-line with market practices.

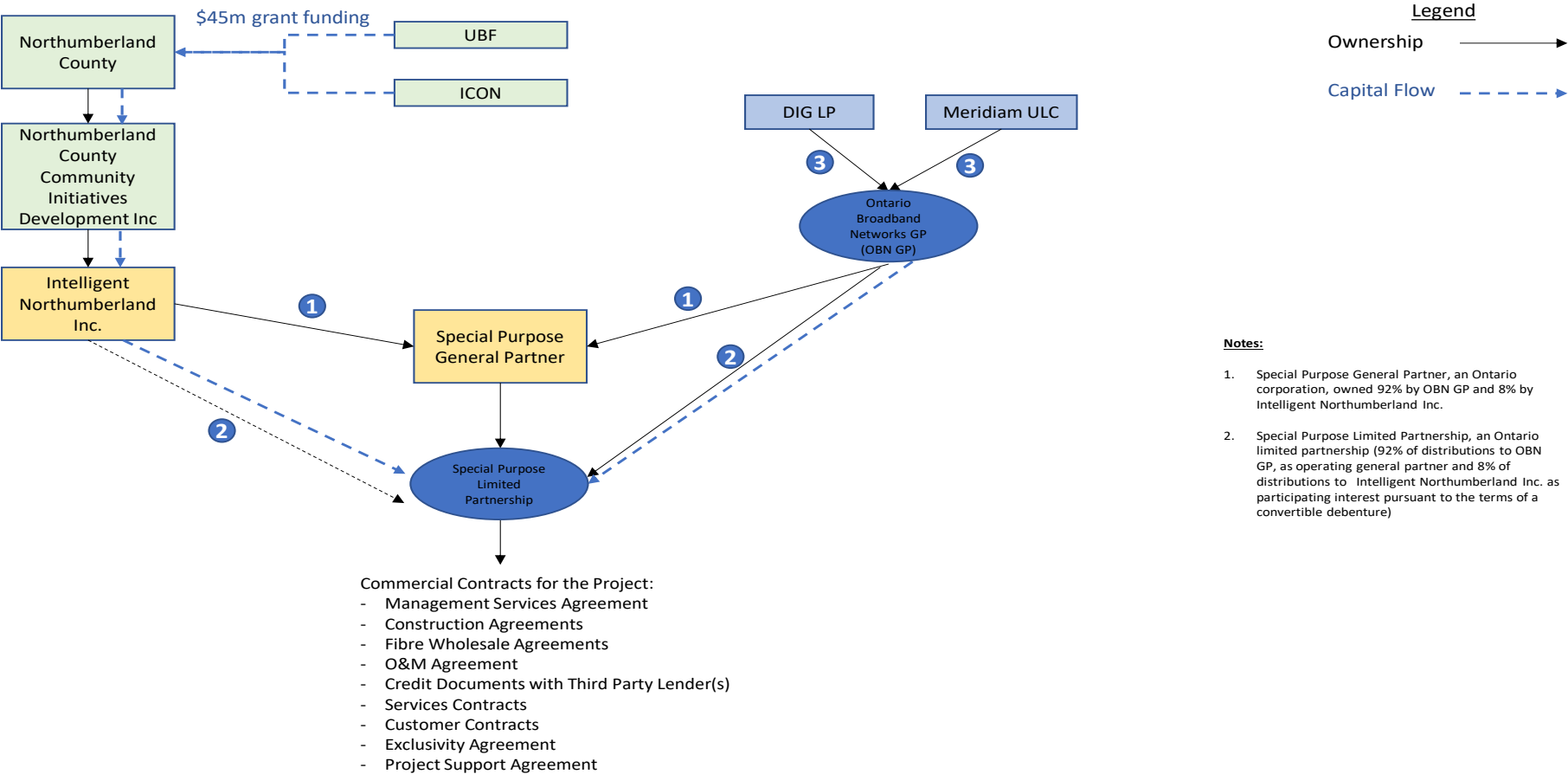
**2. COMPENSATION**

- (a) **Components.** Compensation of directors may consist of an annual retainer or a per diem for each meeting attended, or a combination of the foregoing.
- (b) **Maximum Compensation.** The compensation paid to a Director is expected to comprise a base annual retainer of approximately \$\*. The aggregate compensation paid to a Director, whether as a per diem for meetings attended or as annual retainer or combination of the foregoing, shall not exceed \$\*except in the case of the Chair. The aggregate compensation which may be paid to the Chair will not exceed \$\*.
- (c) **Procedures.** The Governance Committee will be charged with determining the specific details and procedures of Director compensation, subject to the requirements of this policy.

**3. NO COMPENSATION FOR INITIAL BOARD**

- (a) **Initial Board.** The Initial Board, defined in section 8 (b), shall receive no director compensation, but these directors shall be entitled to be reimbursed for their reasonable expenses incurred as a result of serving as a director of NCCDIC and its subsidiaries.

# Broadband Project Corporate Structure



**Schedule “E” to By-law 24-2022**  
**NORTHUMBERLAND COUNTY BROADBAND PROJECT**  
Equity Term Sheet

Reference is made to the project to design, construct, operate and maintain a high speed fibre optic network in Northumberland County that initially services 13,448 households located within the geographic boundaries of Northumberland County and any future extension or expansion of such high speed fibre optic network to service additional households, institutions, commercial and industrial customers within the geographic boundaries of Northumberland County (the “**Project**”).

The purpose of this term sheet is to describe in broad terms the basis upon which Intelligent Northumberland Inc. (“**Intelligent Northumberland**”) and Ontario Broadband Networks GP (“**OBN GP**”) are prepared to form a special purpose general partner and a special purpose limited partnership to undertake the Project. The provisions of this term sheet outline the principal terms and conditions upon which the Parties will negotiate the shareholders agreement on the terms contemplated in Section B.(I) below (the “**Shareholders Agreement**”) the limited partnership agreement on the terms contemplated in Section B.(II) below (the “**LP Agreement**”) in respect of the Project and the terms of the convertible debenture to be held by which Intelligent Northumberland (the “**Convertible Debenture**”). The provisions of this term sheet under Parts A, B C and D do not create or constitute legally binding obligations between the Parties, nor impose any liability on any Party to another. The provisions of this term sheet under Part E will be legally binding on the Parties upon execution and delivery of this term sheet.

The OBN GP will, on behalf of Project LP, be required to obtain debt financing from an arm’s length third party on commercially reasonable terms to finance the construction and commissioning of the Project (the “**Project Financing**”). For clarity, OBN GP will be required fund the full amount of Project Financing to Project LP or cause one or more of its affiliates to fund the full amount of Project Financing to Project LP if the Project Financing is not available from an arm’s length third party on commercially reasonable terms.

The parties intend that the execution and delivery of the LP Agreement, the Shareholders Agreement and the Project Agreements will occur immediately prior to or concurrently with the financial close of Project Financing (“**Financial Close**”). For clarity, (i) any Project Financing will be without recourse of any kind to Intelligent Northumberland and/or Northumberland County, and (ii) Intelligent Northumberland will not be required to pledge its interest in Project LP or the GP as security to any lender in connection with a Project Financing or otherwise provide security of any kind.

<b>A. PRELIMINARY MATTERS</b>	
<b>Item</b>	<b>Details</b>
<b>1. Purpose</b>	<p>To document the general terms of the proposed limited partnership (“<b>Project LP</b>”) between Intelligent Northumberland, as a limited partner, and Ontario Broadband Networks GP, as a limited partner (together, the “<b>Parties</b>”).</p> <p>The purpose of SPV LP will be to bring fibre optic connectivity to Northumberland County through the Project.</p>
<b>2. Parties and Project Agreements</b>	<ul style="list-style-type: none"><li>• The Parties will, as applicable, cause the following to occur (i) incorporate, under the laws of the Province of Ontario, a corporation that as the general partner of SPV LP (the “<b>Special Purpose GP</b>”</li></ul>

	<p><b>Corp.”), (ii) enter into the Shareholders Agreement, (iii) form Project LP, and (iv) enter into the LP Agreement.</b></p> <ul style="list-style-type: none"><li>• It is anticipated that Project LP will enter into the following material contracts in connection the Project:<ul style="list-style-type: none"><li>○ a management services agreement with the Parties or their affiliates (the “<b>Management Services Agreement</b>”);</li><li>○ one or more agreements to design, engineer and construct the Project, in one or phases, with the Parties or their affiliates (the “<b>Construction Agreements</b>”);</li><li>○ form of wholesale contract with one or more internet service providers (the “<b>Fibre Wholesale Agreement</b>”);</li><li>○ an operations and maintenance agreement for the Project (the “<b>O&amp;M Agreement</b>”);</li><li>○ a credit agreement and certain security documents, direct agreements and other ancillary documents (“<b>Credit Documents</b>”), each on the terms and conditions agreed between the SPV LP and the lender;</li><li>○ one or more services contracts between SPV LP, the Parties or their affiliates or other third parties to provide customer services (the “<b>Services Contracts</b>”);</li><li>○ an exclusivity agreement between, on the one hand, OBN GP and [NTD: insert applicable parent entities of the partners] and, on the other hand, Intelligent Northumberland with respect to the expansion of the Project to greater than 13,448 households located and/or the design, construction, operation and maintenance of an additional high speed fibre optic network in Northumberland County (the “<b>Exclusivity Agreement</b>”);</li><li>○ a contribution support agreement between Project LP and Northumberland County pursuant to which Project LP will (i) provide documentation, support and evidence to assist to Northumberland County in the performance of any conditions to secure grant funding from the Province of Ontario or the Government of Canada, and (ii) pay an administration fee to Northumberland County by way of set-off from amounts received from grant funding from</li></ul></li></ul>
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	<p>the Province of Ontario or the Government of Canada (the “<b>Project Support Agreement</b>”); and</p> <p>○ [●].</p> <p>Collectively, the LP Agreement, Shareholders Agreement, Management Services Agreement, Construction Agreements, O&amp;M Agreement, Credit Documents, Fibre Wholesale Agreement, Exclusivity Agreement, the Project Support Agreement and [●] are referred to herein as the “<b>Project Agreements</b>”. The execution, delivery and performance of the Project Agreements, together with all agreements and instruments contemplated by or ancillary to such agreements by the Project LP, in will be unanimously approved by the shareholders of the Special Purpose GP Corp. within the Shareholders Agreement.</p>
<b>B. SPECIAL PURPOSE GENERAL PARTNER CORP.</b>	
<b>I. SHAREHOLDERS AGREEMENT</b>	
<b>Item</b>	<b>Details</b>
<b>1. Ownership</b>	<p>As set out in Section A.2, the Parties will incorporate a corporation that will serve as the managing general partner of Project LP. The proportion of common shares in the capital of the Special Purpose GP Corp. will be issued and held as follows:</p> <ul style="list-style-type: none"> <li>• Intelligent Northumberland: 8%; and</li> <li>• OBN GP: 92%</li> </ul> <p>(Intelligent Northumberland and OBN GP are referred together in this Section A.2 as the “<b>Shareholders</b>”).</p>
<b>2. Governance</b>	<p>The Special Purpose GP Corp. will be governed by a Shareholders Agreement which will set out, among other things, the following:</p> <ul style="list-style-type: none"> <li>• The board of directors of the Special Purpose GP Corp will consist of 5 directors (the “<b>Board</b>”), of which Intelligent Northumberland will nominate 1 director, and OBN GP will nominate 4 directors.</li> <li>• Quorum for a meeting of the board of directors will be 3 directors, provided at least one nominee director from each of Intelligent Northumberland and OBN GP are present.</li> <li>• The board of directors will meet at least once every 2 months monthly during the construction phase of the Project and quarterly thereafter. Participation in board meetings may occur through videoconference.</li> </ul>

	<ul style="list-style-type: none"> <li>• A director may at any time call a meeting of the directors by giving not less than 5 business days' notice.</li> </ul>
<b>3. Reserved Matters</b>	<p>The Special Purpose GP Corp. shall not take any of the following corporate actions without the unanimous approval of the Shareholders:</p> <p><i>Amendments to Constatating Documents</i></p> <ul style="list-style-type: none"> <li>• any amendment to the articles or by-laws of the Special Purpose GP Corp .or its subsidiaries, except as may be necessary to resolve any conflict in favour of the Shareholder Agreement;</li> <li>• any amendment, renewal or cancellation of the certificate of Project LP or any amendment to the LP Agreement;</li> </ul> <p><i>New Issuances, Redemptions, Variances and Transfers of Securities</i></p> <ul style="list-style-type: none"> <li>• the issuance of any securities of Project LP or the Special Purpose GP Corp., or the issuance or granting of any options, rights, warrants or other agreements to purchase, acquire or otherwise obtain any securities except to the existing Shareholders or partners of Project LP or upon a conversion of the Debenture (as defined in Section B.(II) below);</li> <li>• the approval of any transfer or indirect transfer of securities of Project LP or the Special Purpose GP Corp, the Encumbrance of any securities of Project LP or the Special Purpose GP Corp. other than to a Permitted Transferee;</li> <li>• the admission of any additional partners of Project LP other than a Permitted Transferee and acceptance of subscriptions for new Units (as defined in Section B.(II) below) or the approval of any agreement to vary a partner's right to receive distributions or the distributions to the holder of the Convertible Debenture;</li> <li>• any repayment of all or a portion of the principal amount of the Convertible Debenture;</li> <li>• the admission of any new shareholder of the Special Purpose GP Corp. other than a Permitted Transferee or approval of any agreement to vary a Shareholder's right to receive dividends or distributions;</li> </ul> <p><i>Fundamental Matters</i></p> <ul style="list-style-type: none"> <li>• any change in the fiscal year of the Special Purpose GP Corp., any subsidiary or Project LP;</li> <li>• the filing of any application under the <i>Bankruptcy and Insolvency Act</i>, the <i>Companies Creditors Arrangement Act</i> or legislation of similar effect in respect of the Special Purpose GP Corp., Project LP or any subsidiary;</li> <li>• the purchase, lease or other acquisition of any property or assets out of the ordinary course of the business of the Special Purpose GP</li> </ul>

	<p>Corp., Project LP or any subsidiary or the making of any commitment to do so;</p> <ul style="list-style-type: none"><li>• the issuance or making of any material correspondence to the residents of Northumberland County or any other Governmental Authority or any Indigenous community in respect of the Project, including any material correspondence that could reasonably be expected to have an adverse effect on the Project;</li><li>• the purchase or other acquisition of any securities or other ownership, equity or proprietary interest in any other Person or the incorporation or creation of any subsidiary of the Special Purpose GP Corp., Project LP or any subsidiary;</li><li>• the amendment, modification and/or termination of any Project Agreement or the granting of any waivers or consents thereunder;</li><li>• the determination of any matter referred to the Shareholders pursuant to a Conflict of Interest pursuant to Section 4;</li><li>• any amalgamation or merger of the of the Special Purpose GP Corp., Project LP or any subsidiary with another Person;</li><li>• the dissolution, winding-up or liquidation of the of the Special Purpose GP Corp., Project LP or any subsidiary or the Special Purpose GP Corp., Project LP or any subsidiary ceasing to carry on business in the ordinary course;</li><li>• an initial public offering, whether on a treasury or secondary basis, resulting in the holding of equity of the of the Special Purpose GP Corp., Project LP or any subsidiary, directly or indirectly, by the public, or a transaction giving rise to a stock market listing or over-the-counter quotation of equity of the of the Special Purpose GP Corp., Project LP or any subsidiary or any subsidiary, directly or indirectly, including an amalgamation, securities exchange take-over bid or other transaction having a similar result, and an offering of units of an income trust or similar offering where the trust, directly or indirectly, owns equity of the of the Special Purpose GP Corp., Project LP or any subsidiary;</li><li>• the transfer, lease, exchange or other disposition of any assets of the Special Purpose GP Corp., Project LP or any subsidiary out of the ordinary course of its Business or the granting of any right, option or privilege to purchase, lease or otherwise acquire those assets;</li><li>• the resignation of the Special Purpose GP Corp. as the general partner or the transfer of its Units to another Person or the admission of a new or additional general partner of Project LP;</li><li>• any change from Canada in the place of tax residence of the Special Purpose GP Corp., Project LP or any subsidiary;</li><li>• the entering into of any arrangement whereby the Special Purpose GP Corp, in its capacity as managing general partner of Project LP,</li></ul>
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	<p>delegates all or substantially all of its duties as managing general partner of the Project LP to any other Person;</p> <ul style="list-style-type: none"><li>• a material change in, or the taking of any action which may lead to or result in a material change in, the business;</li><li>• the making of any tax elections pursuant to the LP Agreement; and</li><li>• entering into any agreement or other commitment to do any of the matters set out in this section, either with respect to Project LP, the Special Purpose GP Corp. or with respect to any subsidiary.</li></ul>
<b>4. Conflicts of Interest</b>	<p>For the purpose of this Section 4, "<b>Representative</b>" means a director and/or officer of an appointing Shareholder. "<b>Conflict of Interest</b>" means any matter before the board of directors which requires the board of directors to determine whether or how Project LP should:</p> <ul style="list-style-type: none"><li>a) enforce or waive a right against a Representative's appointing Shareholder or any affiliate of such Shareholder in relation to a liability, loss, cost, charge or expense paid, suffered or incurred by Project LP from an act or omission of that appointing Shareholder or any affiliate of such Shareholder, including the initiation of any legal or dispute resolution process;</li><li>b) respond to or defend the exercise or purported exercise of a right by a Representative's appointing Shareholder or any affiliate of such Shareholder against Project LP in relation to a liability, loss, cost, charge or expense paid, suffered or incurred by such person;</li><li>c) determine not to enforce any rights of Project LP under any Project Agreement or grant any allowances or relief to a Representatives' appointing Shareholder or any affiliate of such Shareholder with respect to its obligations under such Project Agreement; or</li><li>d) budget or allocate any Partnership funds to allow for, or otherwise fund, defend or otherwise respond to the matters set forth in (a), (b) and (c) above.</li></ul> <p>In the event of a Conflict of Interest, the terms of the Shareholders Agreement will relieve the board from the power to vote or deliberate on matters relating to any such Conflict of Interest and vest such power with the applicable Shareholder whose representatives are not subject to a Conflict of Interest.</p>



<b>5. Other Non-Arm's Length Transactions</b>	<p>Other than the Project Agreements, any other agreement, arrangement or understanding entered into by the Project LP or the Special Purpose GP Corp with any person who is not at arm's length within the meaning of the <i>Income Tax Act</i> (Canada) in respect of the activities and affairs of the Project LP or the Special Purpose GP Corp will be on terms that are no less favourable to the Project LP or the Special Purpose GP Corp, as applicable, than those that would have been available from an arm's length third party.</p>
<b>6. Financial Matters</b>	<p>The financial year of the Special Purpose GP Corp will end on December 31 of each year.</p> <ul style="list-style-type: none"> <li>• The Special Purpose GP Corp will: <ul style="list-style-type: none"> <li>○ furnish to each Shareholder, within 90 days following the end of each fiscal quarter of the Special Purpose GP Corp, the unaudited financial statements of the Special Purpose GP Corp for such quarter; and</li> <li>○ furnish to each Shareholder, within 120 days following the end of each fiscal year, the audited annual financial statements of the Special Purpose GP Corp for such fiscal year.</li> </ul> </li> <li>• The Special Purpose GP Corp and the Project LP will prepare financial statements in accordance with Canadian generally accepted accounting principles applicable to private enterprises under Part II of the CPA Canada Handbook of the Chartered Professional Accountants of Canada.</li> </ul>
<b>7. Share Transfers</b>	<ul style="list-style-type: none"> <li>• Any transfer of shares of the Special Purpose GP Corp, other than a transfer to an affiliate (such term to be defined in the Shareholders Agreement), will require prior written consent of all of the Shareholders.</li> <li>• Shareholders will be entitled to transfer shares to an affiliate without the consent of all of the Shareholders, providing: <ol style="list-style-type: none"> <li>1. the transferor Shareholder gives notice to the other Shareholders;</li> <li>2. the transferor Shareholder transfers all, but not less than all, of the shares owned by them;</li> <li>3. the transferee Shareholder executes an agreement to be bound by the Shareholders Agreement; and</li> </ol> </li> </ul>

	<p>4. the transferee Shareholder continues to be an affiliate of the transferor, unless the other Shareholders unanimously agree in writing.</p> <ul style="list-style-type: none"> <li>• If a Shareholder transfers all, or a portion, of its units in the Project LP to a transferee, that Shareholder will concurrently transfer the same proportion of its shares in the Special Purpose GP Corp to the same transferee.</li> <li>• Other than with respect to securing any senior debt, the Shareholders will not be allowed to create a security interest on its shares in the Special Purpose GP Corp or its rights under the Shareholders Agreement without the consent of the other Shareholders.</li> </ul>
<b>B. PROJECT LP</b>	
<b>II. LP AGREEMENT</b>	
<b>Item</b>	<b>Details</b>
<b>1. Partnership Structure</b>	<p>The Special Purpose GP Corp., as general partner (the “<b>Managing General Partner</b>”) and OBN GP, as general partner (the “<b>Operating General Partner</b>”) and the Special Purpose GP Corp, as limited partner, will together form the Project LP under the laws of Ontario to design, build, own, operate and maintain the Project with such Project LP governed by the terms and conditions of the LP Agreement.</p> <p>The interests of the partners of the limited partnership will be divided into and represented by units, as follows:</p> <ol style="list-style-type: none"> <li>1. Class A general partner units (the “<b>Class A GP Units</b>”), of which 1 Class A GP Unit will be authorized for issuance and issued to the Managing General Partner;</li> <li>2. Class B general partner units (the “<b>Class B GP Units</b>”), of which 92 units will be authorized for issuance and issued to the Managing General Partner;</li> <li>3. Class A limited partnership units (the “<b>Class A LP Units</b>”), of which 1 Class A LP Unit will be authorized for issuance and issued to the Managing General Partner; and</li> <li>4. Class B limited partnership units (the “<b>Class B LP Units</b>”), of which 8 Class B LP Units will be authorized and reserved for issuance pursuant to the terms of the Convertible Debenture</li> </ol> <p>The Class A GP Units, Class B GP Units, Class A LP Units and Class B LP Units are collectively referred to as the “<b>Units</b>”.</p>

<b>2. Attributes of Units</b>	Except as set forth above and with respect to distributions, all of the Units will be of equal preference and priority, and will have the same rights and restrictions attached.
<b>3. Voting</b>	<ul style="list-style-type: none"><li>• Each Partner will have voting rights in proportion to its holding of Units in the Project LP. General meetings of the partners will be held at any time determined by the Managing General Partner. Approval of all of the Partners (an “<b>Extraordinary Resolution</b>”) will be required for the following matters:<ul style="list-style-type: none"><li>○ removal or dismissal of the Managing General Partner;</li><li>○ appointment or admission of a new or successor Managing General Partner;</li><li>○ any material change in the business carried on by Project LP;</li><li>○ the sale, lease, exchange, transfer or other disposition of all or substantially all of the assets of the Project LP, except on dissolution or as otherwise contemplated by the LP Agreement.</li></ul></li></ul> <p>For clarity, all Project-specific decisions will remain the responsibility of the GP, as set out in the Shareholders Agreement.</p>
<b>4. Equity Commitment and Contributions</b>	<ul style="list-style-type: none"><li>• The Operating General Partner will be required to contribute capital to Project LP in such amounts as required to complete the design, construction, operation and commissioning of the Project. For clarity, Operating General Partner will be solely responsible to contribute additional equity to finance construction cost overruns or other liabilities and expenses of Project LP.</li><li>• Intelligent Northumberland will not be required to contribute any capital to Project LP except for an aggregate amount of \$8 upon the conversion of its Convertible Debenture.</li></ul>
<b>5. Project Financing</b>	<ul style="list-style-type: none"><li>• The GP will use commercially reasonable efforts to negotiate non-recourse long-term debt with an institutional or other lender on the best available market terms (the “<b>Senior Debt</b>”).</li><li>• Any Senior Debt will not include any recourse or claim against Intelligent Northumberland, Northumberland County Community Initiatives Development Inc. or the County of Northumberland of any kind or the require the subordination of the Convertible Debenture.</li></ul>
<b>6. Allocations and Distribution</b>	<p><b>Allocation</b></p> <ul style="list-style-type: none"><li>• Distributions of distributable cash of Project LP will be allocated as follows:</li></ul>

	<ul style="list-style-type: none"><li>○ <i>first</i>, the partner holding the Class A GP Unit will be entitled to be paid a priority distribution equal to 0.01% of any amount available for distribution, up to a maximum of \$500 in any calendar year;</li><li>○ <i>second</i>, the partner holding Class A LP Unit will be entitled to be paid a priority distribution equal to 0.01% of any amount available for distribution, up to a maximum of \$500 in any calendar year; and</li><li>○ <i>third</i>:<ul style="list-style-type: none"><li>● to the partner holding Class B GP Units, in proportion to the number of Class B Units held by them, 92% of distributions of net income; and</li><li>● to the partner holding Class A LP Units, in proportion to the number of Class A Units held by them, 8% of distributions of net income, provided that if no Class A LP Units are issued and outstanding on the applicable distribution date all such distributions will be paid as participating interest to the holder of the Convertible Debenture.</li></ul></li></ul> <ul style="list-style-type: none"><li>● For tax purposes, income and loss of the Project LP will be allocated as set out above.</li></ul> <p><b>Distributions</b></p> <ul style="list-style-type: none"><li>● The Managing General Partner will make distributions of Distributable Cash each quarter.</li><li>● Distributions of Distributable Cash may be subject to the payment waterfall required by the lenders and such payment waterfall will be set out in the Credit Documents.</li><li>● “<b>Distributable Cash</b>” means, with respect to a particular period, the amount by which the Project LP’s cash on hand at the end of such period (including any amounts borrowed by the Operating General Partner on behalf of Project LP and net proceeds received by Project LP from the Partners or the sale of assets) exceeds:<ul style="list-style-type: none"><li>○ unpaid operating and administration expenses of Project LP for that and any previous period;</li><li>○ unpaid debt service payments and charges incurred during that and any previous period; and</li></ul></li></ul>
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	<ul style="list-style-type: none"> <li>○ any reasonable cash reserve for appropriate levels of working capital which the Managing General Partner determines is necessary to satisfy Project LP's current and anticipated obligations incurred or to be incurred in connection with the Project including funds set aside or reserves required by lenders to Project LP in respect of its borrowings or funds which cannot be distributed due to restrictions set out in the Credit Agreement.</li> </ul>
<b>7. Functions and Powers of the Partners</b>	<ul style="list-style-type: none"> <li>• The LP Agreement will contain standard provisions setting out the limitations on the authority and powers of the Limited Partners.</li> <li>• The duties of the Operating General Partner will be to undertake the operation and management of Project LP and the Project on a day-to-day basis. The Operating General Partner will not be permitted to take any actions that are Reserved Matters under the terms of the Shareholder Agreement (as set out in Section B.1.(3) above) for and on behalf of Project LP, which will be incorporated by reference into the terms of the LP Agreement.</li> </ul>
<b>8. Financial Matters</b>	<p>The financial year of Project LP will end on December 31 of each year. The GP will:</p> <ul style="list-style-type: none"> <li>• furnish to each Partner, within 90 days following the end of each fiscal quarter of the Project LP, the unaudited financial statements of the Project LP for such quarter;</li> <li>• furnish to each Partner, within 120 days following the end of each fiscal year, the audited annual financial statements of the Project LP for such fiscal year;</li> <li>• furnish to each Partner information concerning the amount of income or loss and tax income or tax loss for the fiscal year, the allocation thereof among the partners and all necessary income tax and provincial corporation capital tax reporting information.</li> </ul> <p>Project LP will, at the request of any Partner:</p> <ul style="list-style-type: none"> <li>• engage such accountants or auditors for the Project LP as may be approved by the Partners (the "<b>Auditors</b>");</li> <li>• require the Auditors to conduct annual audits and such other audits as may be otherwise required; and</li> <li>• have the Auditors prepare audited financial statements for Project LP.</li> </ul>

<b>9. Dissolution</b>	<p>The Project LP will only be dissolved as a result of the occurrence of any of the following events:</p> <ul style="list-style-type: none"><li>• all of the Partners consent to the voluntary dissolution of the Project LP;</li><li>• the dissolution, liquidation, bankruptcy, insolvency or winding up of the GP or the appointment of a trustee, receiver, receiver and manager or liquidator of the GP, or following any event permitting a trustee or receiver or receiver and manager to administer the affairs of the GP;</li><li>• the sale of all or substantially all of the Project LP's assets or of the Project;</li><li>• any event that makes it unlawful for the business of the Project LP to be carried on; or</li><li>• the occurrence of any other event which, under the laws of the Province of Ontario causes the dissolution of a limited partnership, other than admissions or withdrawal of a partner.</li></ul> <p>The LP Agreement will contain provisions regarding liquidation of the assets of Project LP upon a dissolution event.</p>
<b>10. Dealing with Units</b>	<ul style="list-style-type: none"><li>• Any transfer of Units of the Project LP, other than a transfer to an affiliate, will require prior written consent of all of the Limited Partners, which consent can be withheld for any reason.</li><li>• A Partner will be entitled to transfer of its Units to an affiliate without the consent of all of the Limited Partners, provided that:<ol style="list-style-type: none"><li>1. the transferor partner gives notice to the other partners;</li><li>2. the transferor partner transfers all, but not less than all, of the Units owned by it;</li><li>3. the transferee partner executes an agreement to be bound by the LP Agreement;</li><li>4. the transferee partner continues to be an affiliate of the transferor Limited Partner, unless the other partners unanimously agree in writing; and</li><li>5. The Operation General Partner must at all times hold an equal percentage of shares in the Managing General Partner as it holds Class B GP Units in Project LP.</li></ol></li><li>• No direct or indirect transfer of any Units or ownership interests in any partner, and no issuance of any additional shares or partnership Units may be made which results in a change in the control of such</li></ul>

	<p>partner unless such Transfer or issuance is approved by each of the Partners.</p> <ul style="list-style-type: none"><li>• The Parties will fully cooperate in connection with the completion of any permitted transfer of Units and under terms of the Shareholders Agreement and Units under the terms of the LP Agreement, including the execution of all necessary resolutions and consents.</li></ul>
<b>11. Capital Accounts</b>	<ul style="list-style-type: none"><li>• The Managing General Partner will maintain a separate capital account for each partner and will, on receipt of an amount in respect of a Capital Contribution, credit the account of the applicable partner with that Capital Contribution and will debit the account with the amount of any Capital Contribution actually returned from time to time by Project LP to the Limited Partner.</li><li>• The interest of a Limited Partner will not terminate by reason of there being a negative or nil balance in the Limited Partner's capital account. No Limited Partner will be responsible for any losses of any other Limited Partner, or share in the allocation of net income or loss attributable to the Units of any other Limited Partner.</li></ul>
<b>12. No Interest on Capital Account</b>	<ul style="list-style-type: none"><li>• Project LP will not pay interest on any credit balance of the capital account of a partner. No partner is required to pay interest to the Partnership on any Capital Contribution returned to the partner or on any negative balance in the partner's capital account</li></ul>
<b>13. No Right to Withdraw Amounts</b>	<ul style="list-style-type: none"><li>• No partner will have any right to withdraw any amount or receive any distribution from Project LP except as expressly provided for in the LP Agreement and no distribution to any Partner will be deemed a return or withdrawal of amounts contributed to the capital of the Partnership except as expressly provided in the LP Agreement, but if any court of competent jurisdiction at any time determines that notwithstanding the provisions of this Agreement a partner is obligated to pay any amount distributed to such partner to or for the account of Project LP or to any creditor of Project LP such obligation will be the obligation of the applicable partner.</li></ul>
<b>14. Right of First Offer</b>	<ul style="list-style-type: none"><li>• If the Operating General Partner wishes to transfer its Class B GP Units it must first comply with the terms of this Section 14 by delivering a Sale Notice to the holder of the Convertible Debenture or the holder of the Class B LP Units, as applicable.</li><li>• If the holder of the Convertible Debenture or the Class B LP Units wishes to transfer its Convertible Debenture or the Class B LP Units, as applicable, it must first comply with the terms of this Section 14 by delivering a Sale Notice to the Managing General Partner.</li></ul>

	<ul style="list-style-type: none"><li>• For the purposes of this Section 14, (i) a transferor of Units or the Convertible Debenture is referred to as a “<b>Transferor</b>” and the non-transferring holder of Units or the Convertible Debenture is referred to as the “<b>Non-Transferring Participant</b>”, (ii) the written notice of transfer delivered by the Transferor to the Non-Transferring Participant is referred to as a “<b>Sale Notice</b>”, and (iii) any Units or the Convertible Debenture that are offered pursuant to the terms of a Sale Notice are referred to herein as the “<b>Offered Securities</b>”.</li><li>• Each Sale Notice will (i) state that the Non-Transferring Participant is entitled to purchase the whole of the applicable Offered Securities, (ii) the price at which the Transferring Partner is prepared to sell the Offered Securities; (iii) the proposed closing date for the sale of the Offered Securities, which date must be at least 180 Business Days after the delivery of the Sale Notice; (iv) whether or not the Transferor has received an unsolicited, <i>bona fide</i> arm’s length third party offer to purchase any of the Offered Securities, in which case, details of such third party offer including the name and address of the third party, the terms and conditions of such third party offer including the purchase price that the Transferor is to obtain from such third party for the Offered Securities, and any other information that would reasonably be relevant to the Non-Transferring Participant , must be attached to the Sale Notice; and (v) any other terms and conditions of the offer.</li><li>• Each Non-Transferring Participant will have 180 Business Days after receipt of the Sale Notice within which to provide written notice to the Transferor specifying that it intends to purchase the Offered Securities. If the Offered Securities remain unaccepted or the Non-Transferring Participant declines the Sale Notice, the Transferor will have the option to transfer the Offered Units to a third party provided that (i) the transfer is completed at a price which is not less than the price and on terms and conditions which are not more favourable, from a buyer’s perspective, than those set out in the Sale Notice; and (ii) the Transfer is completed within a 90 day period following the decline of the Sale Notice or deemed non-acceptance by the Non-Transferring Participant , after which the transferring Partner must again comply with this right of first offer before transferring any of the Offered Securities to any Person.</li><li>• Each Transferor will be required to transfer a proportionate number of shares of the Special Purpose General Partner Corp. to the Non-Transferring Participant or its Affiliate equal to the proportionate number Offered Securities transferred to the Non-Transferring Participant .</li></ul>
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<b>15. Lock-Up</b>	<ul style="list-style-type: none"> <li>The Managing General Partner shall: (a) transfer its Units (other than to Permitted Transferees or another Limited Partner); or (b) solicit or initiate inquiries or proposals from, or provide non-public information to, any person with respect to, or participate in any negotiations regarding, or participate in or take any steps to bring about, any such transfer of its Units, in each case, at any time during the 10-year period following the completion of construction of the Project (the “<b>Lock-Up Period</b>”).</li> </ul>
<b>C. OTHER COMMERCIAL ITEMS</b>	
<b>Item</b>	<b>Details</b>
<b>1. Decision Support</b>	Execution of the Shareholder Agreement and LP Agreement and the Support Agreement will be subject to, among other things, authorization by Council resolution, resolutions of Intelligent Northumberland and appropriate partnership resolutions from OBN GP.
<b>2. Audit</b>	The GP and the Project LP will be audited by an independent nationally recognized accounting firm.
<b>3. Dispute Resolution</b>	The Shareholder Agreement and LP Agreement will contain dispute resolution provisions for this type of transaction that will include senior executive discussions, mediation and arbitration.
<b>4. Representations, Warranties and Indemnities</b>	The Shareholder Agreement and LP Agreement will provide representations, warranties, covenants and indemnities usual for a transaction of this type.
<b>D. CONVERTIBLE DEBENTURE</b>	
<b>Item</b>	<b>Details</b>
<b>1. Term</b>	50 years
<b>2. Renewal(s)</b>	30 years
<b>3. Principal</b>	\$1,000
<b>4. Interest</b>	Participating interest equal to 8% of distributions of net income of Project LP
<b>5. Borrower Prepayment</b>	None
<b>6. Security</b>	None
<b>7. Subordination</b>	None
<b>8. Conversion</b>	Convertible at the option of the holder at any time for Class B LP Units at \$1 per Class B LP Unit. Conversion will occur automatically upon the 50 <sup>th</sup> anniversary of the issuance of the debenture unless the holder otherwise elects a renewal.
<b>9. Other Terms</b>	Other customary terms and conditions for a debenture of this type.
<b>E. GENERAL MATTERS</b>	

<b>Item</b>	<b>Details</b>
<b>10. Interpretation</b>	In this term sheet, words signifying the singular number include the plural and vice versa, and words signifying gender include all genders. Every use of the words “including” or “includes” in this Letter of Intent is to be construed as meaning “including, without limitation” or “includes, without limitation”, respectively.
<b>11. Governing Law</b>	This term sheet is governed by, and is to be construed and interpreted in accordance with, the laws of the Province of Ontario and the laws of Canada applicable in that Province.
<b>12. Amendment and Waiver</b>	No amendment, discharge, modification, restatement, supplement, termination or waiver of this term sheet or any provision of this term sheet is binding unless it is in writing and executed by the Parties. No waiver of, failure to exercise or delay in exercising, any provision of this term sheet constitutes a waiver of any other provision (whether or not similar) nor does any waiver constitute a continuing waiver unless otherwise expressly provided.
<b>13. Counterparts</b>	This term sheet may be executed and delivered by the Parties in one or more counterparts, each of which will be an original, and each of which may be delivered by facsimile, e-mail or other functionally equivalent electronic means of transmission, and those counterparts will together constitute one and the same instrument.

**[SIGNATURE PAGE FOLLOWS]**

Intelligent Northumberland Inc. and Ontario Broadband Networks GP have entered into this Term Sheet on this \_\_\_\_ day of \_\_\_\_\_, 2022.

**INTELLIGENT NORTHUMBERLAND INC.**

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

Name:

Title:

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

Name:

Title:

**[ONTARIO BROADBAND NETWORKS GP, by its  
partners, \_\_\_\_ and \_\_\_\_]**

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

Name:

Title:

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

Name:

Title:

# DELEGATION TO NORTHUMBERLAND COUNTY SOCIAL SERVICES STANDING COMMITTEE

Social Services Standing Committee,

Northumberland County

July 6, 2022 | 1:00 P.M.

Councillor Nicole Beatty, Councillor Aaron Burchat

Tracey Vaughan, CAO and Brent Larmer, Director  
Legislative Services/Municipal Clerk



Municipal Council

Town of Cobourg





## Cobourg Traditional Land Acknowledgement

*The Town of Cobourg respectfully acknowledge that we are located in the traditional and treaty territory of the Michi Saagiig (Mississauga) and Chippewa Nations, collectively known as the Williams Treaties First Nations, which include: Curve Lake, Hiawatha, Alderville, Scugog Island, Rama, Beausoleil, and Georgina Island First Nations.*

*The Town of Cobourg respectfully acknowledge that the Williams Treaties First Nations have been stewards and caretakers of these lands and waters, and that today remain vigilant over their health and integrity for generations to come. We are all Treaty people.*





## How we got here today -

- **June 27, 2022 Regular Council Meeting – Cobourg**  
Council heard a delegation from seven (7) Cobourg/Northumberland County Residents on concerns with Homelessness and Sheltering in Cobourg and in Northumberland County and spoke about individuals impacted by homelessness, the lack of shelters in the community.
- **June 27, 2022 Regular Council Meeting – Council**  
approved the following direction – *THAT Council receive the delegation from the June 27, 2022, regular Council meeting from Jane Lawson, Amiee Johnston, Chris Kneilands, Virginia Bailey, Brad Bridges, Angela Turpin and Meghan Sheffield, Cobourg Residents, regarding Homelessness and Sheltering in the Town of Cobourg, for information purposes; and THAT Council request that a full report on the enforcement of municipal by-laws through engagement with Northumberland County, HKPRDHU, Cobourg Fire, and Cobourg Police, be brought forward for Council consideration on for the July 4, 2022, to be held at 4 PM, Special Council Meeting.*



June 27, Regular Council Meeting





## How we got here today – continued

- **July 4, 2022 – Special Council Meeting** – At the June 27, 2022 Regular Council Meeting, Council called the Special Meeting on Sheltering and Homelessness and the Enforcement of Municipal By-laws in Cobourg.
- As part of the Special Council meeting, Town Council heard delegations from ten (10) Cobourg/County Residents on the Sheltering and Homelessness and provided Council with some comments and considerations to consider.
- **July 4, 2022 – Special Council Meeting** – Council received a Staff Report on Sheltering and Homelessness and the Enforcement of Municipal By-laws which included two options for Council consideration as well as the role of the County of Northumberland and some programs and a revised detailed Encampment Enforcement Response Plan on the first engagement with persons sleeping rough in Cobourg Municipal Parks.
- **July 4, 2022 – Special Council Meeting** – Council also received a Notice Motion from Councillor Beatty on the development of a Encampment Response Plan for the Town of Cobourg.



July 4, 2022 Special Council Meeting

**Municipal Council passed Two (2) Resolutions at this Meeting, including the direction to be a delegation at County Council.**



## Cobourg Council Resolution #1

As part of the approved Resolution, Municipal Council and Staff are looking for support from the County to:

- Collaborate with the Town of Cobourg to establish a coordinated response through and already established response Team where services groups can be consulted where persons that are found to be sleeping rough in Cobourg Municipally owned land.
- Pg. 12 of the Staff Report provides a more detailed overview of the collaboration the Town is seeking...



The Corporation of the  
Town of Cobourg

### Special Council Resolution

Moved By Deputy Mayor Suzanne Séguin Resolution No: 239-22  
Last Name Printed SÉGUIN

Seconded By Councillor Nicole Beatty Council Date:  
Last Name Printed BEATTY July 4, 2022

THAT Council receive the Staff Report for information purposes; and

FURTHER THAT Council maintain the enforcement of Municipal By-laws currently in place conducted by Municipal Law Enforcement Officers; and

FURTHER THAT Council endorse a revised Encampment Response Plan by the By-law Department for coordination with the County of Northumberland Homelessness Coordinated Response Team (HCRT) in order to establish a coordinated systemic multi-agency response to those sleeping rough in the Town of Cobourg to facilitate person-centered engagement opportunities and individualized connections to community-based supports, including dignified housing/shelter options; and

FURTHER THAT in the event of an encampment site being cleaned up, everyone's personal belongings are stored for a period of two weeks and notification provided for pick up; and

FURTHER THAT Council direct the CAO to provide an oral report to Municipal Council on Homelessness in the Town of Cobourg as a standing report under General Government Services.

Recorded Vote Request By: Deputy Mayor Suzanne Séguin

Vote Results:

Council Member	YES	NO
Councillor Nicole Beatty	X	
Councillor Adam Bureau	X	
Councillor Brian Darling	X	
Councillor Emily Chorley	X	
Councillor Aaron Burchat	X	
Deputy Mayor Suzanne Séguin	X	
Mayor John Henderson	X	
RESULTS	7	

CARRIED





## Cobourg Council Resolution #1..Continued

Pg.12 – "This response could be a team of coordinated individuals and agencies that could be ingrained in the initial visit to the encampment location called the Encampment Response Team. When a complaint is lodged, the Encampment response team will conduct an assessment of the health and social needs of individual with consent, and their name be added to the By-Name List (BNL) if it isn't already which will allow for the understanding of their needs and connect them to services, supports, and available housing and also to connect with other community partner agencies who can provide a wide variety of supports."



The Corporation of the  
Town of Cobourg

### Special Council Resolution

Moved By Deputy Mayor Suzanne Séguin Resolution No: 239-22  
Last Name Printed SÉGUIN

Seconded By Councillor Nicole Beatty Council Date:  
Last Name Printed BEATTY July 4, 2022

THAT Council receive the Staff Report for information purposes, and

FURTHER THAT Council maintain the enforcement of Municipal By-laws currently in place conducted by Municipal Law Enforcement Officers; and

FURTHER THAT Council endorse a revised Encampment Response Plan by the By-law Department for coordination with the County of Northumberland Homelessness Coordinated Response Team (HCRT) in order to establish a coordinated systemic multi-agency response to those sleeping rough in the Town of Cobourg to facilitate person-centered engagement opportunities and individualized connections to community-based supports, including dignified housing/shelter options; and

FURTHER THAT in the event of an encampment site being cleaned up, everyone's personal belongings are stored for a period of two weeks and notification provided for pick up; and

FURTHER THAT Council direct the CAO to provide an oral report to Municipal Council on Homelessness in the Town of Cobourg as a standing report under General Government Services.

Recorded Vote Request By: Deputy Mayor Suzanne Séguin

#### Vote Results:

Council Member	YES	NO
Councillor Nicole Beatty	X	
Councillor Adam Bureau	X	
Councillor Brian Darling	X	
Councillor Emily Chorley	X	
Councillor Aaron Burchat	X	
Deputy Mayor Suzanne Séguin	X	
Mayor John Henderson	X	
RESULTS	7	

CARRIED



## Cobourg Council Resolution #2

As part of the approved Second Resolution, Municipal Council and Staff are looking for support from the County to:

- Call on Northumberland County Council, staff and its service providers to work with the Town of Cobourg to establish an immediate solution to increasing the supply of indoor accommodation and providing street outreach support through the implementation of an Encampment Response Plan.
- Council direct staff to engage with Infrastructure Ontario and MPP David Piccini and Northumberland County to repurpose, refurbish or rebuild a small portion of the former Brookside property to explore immediate housing options in response to the local housing crisis



The Corporation of the  
Town of Cobourg

## Special Council Resolution

Moved By Councillor Nicole Beatty  
Last Name Printed BEATTY

Resolution No.: 242-22

Seconded By Councillor Aaron Burchat  
Last Name Printed BURCHAT

Council Date:  
July 4, 2022

THAT Council call on Northumberland County Council, staff and its service providers to work with the Town of Cobourg to establish an immediate solution to increasing the supply of indoor accommodation and providing street outreach support through the implementation of an Encampment Response Plan.

AND FURTHER THAT Council direct senior staff based on availability and two (2) members of Council to make a delegation to Northumberland County Community Social Services Standing Committee on July 6, 2022 at 1:00 P.M. and at their next scheduled Regular Council meeting on July 20th, 2022 or through the procedures of the County Procedural By-law for the next cycle of County Council Meetings; and

FURTHER THAT Council direct staff to engage with Infrastructure Ontario and MPP David Piccini and Northumberland County to repurpose, refurbish or rebuild a small portion of the former Brookside property to explore immediate housing options in response to the local housing crisis

Recorded Vote Request By: Councillor Nicole Beatty

Vote Results:

Council Member	YES	NO
Councillor Nicole Beatty	X	
Councillor Adam Bureau	X	
Councillor Brian Darling	X	
Councillor Emily Chorley	X	
Councillor Aaron Burchat	X	
Deputy Mayor Suzanne Séguin		X
Mayor John Henderson	X	
RESULTS	6	1

CARRIED



## Questions for Enhanced Government Collaboration

How can the Town of Cobourg and other member municipalities engage and liaise with the Homelessness Coordinated Response Team (HCRT)?

What does community outreach to support folks who are unhoused in Cobourg currently look like?

When folks who are unhoused cannot access Transition House or overflow motel rooms where can they go?

What funding is available for a multi-level government x community response?





## Recommendations:

These are the three (3) Recommendations that will be brought forward to County Council for Staff Direction:

1. Collaboration with Enforcement Staff with the Town's Encampment Response Plan by the By-law Department for coordination with the County of Northumberland Homelessness Coordinated Response Team (HCRT) in order to establish a coordinated systemic multi-agency response to those sleeping rough in the Town of Cobourg to facilitate person-centered engagement opportunities and individualized connections to community-based supports, including dignified housing/shelter options.
2. Council call on Northumberland County Council, staff and its service providers to work with the Town of Cobourg to establish an immediate solution to increasing the supply of indoor accommodation and providing street outreach support through the implementation of an Encampment Response Plan.
3. Northumberland County Engage with the Town of Cobourg, with Infrastructure Ontario and MPP David Piccini, to repurpose, refurbish or rebuild a small portion of the former Brookside property to explore immediate housing options in response to the local housing crisis.

Recommended Action for the Social Services Standing Committee today:

**THAT the Northumberland County Social Services Standing Committee endorse the Town of Cobourg Delegation be heard at the July 20, 2022 Regular County Council Meeting to be heard by all County Councillors.**

To: The Northumberland County Council Meeting of this date  
From: Keith Oliver, Cobourg, Ontario,  
Re: "Homelessness"

July 20, 2022

**Title:** **When Enough is Not Enough:** recommendations that will create a more effective response to those experiencing Homelessness.

### **Introduction:**

I am an 85 year old white male. During my work-life I have been employed in Montreal; Manchester, England; three of the Eastern United States, and in the Nunavik Region of Labrador where I was responsible for a crew of Cree and Inuit Canadians engaged in re-supplying Mid-Canada Early Warning Radar Stations. My favorite country to visit is Italy. I have a BSc with a Minor in Psychology and a degree in Architecture.

Through all of my life-experience I've learned how similar we all are; how, despite cultural, religious, language, class and professional differences, we are all basically the same. We have the same general goals in life which can be characterized as stability, being part of a community, a sense of being successful, a meaningful connection with others, respect from others. As a caring society we have an obligation to offer those in need a hand-up as opposed to a hand-out. To be truly effect, they must have a significant role in deciding what an effective hand-up consists of.

### **Homelessness:**

The recognition of Homelessness as a state in which some of our fellow citizens live, is relatively new. In Washington D.C. where I was living and working in the late 1980s, they began to sleep on the streets. I remember photos of members of the US Congress stepping over bodies on the sidewalk as they went to work. That scene and the lack of a meaningful response was shocking.

After all these years, despite the many well intentioned efforts, Homelessness is still a factor in our communities (and possibly growing). The question is why? Have we been dealing only with the symptoms, while ignoring the causes, and working with the homeless to find effective solutions?

Another life-lesson of mine is that you cannot force changes in human behaviour but you can provide incentives based on good information and rewards.

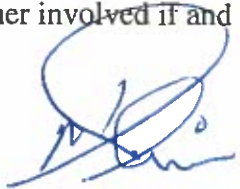
### **My Recommendations:**

By by imagining myself as homeless and wanting to change, I began to search for help. I found many sources especially when it came to addiction. But I also found confusion and the lack of other types of services/information that I felt essential to my successful transition. I suggest it's time for Northumberland County to reassess, to reboot, to simplify; to create four different access points or portals to information that will end or greatly reduce Homelessness. They are as follows:

- (1) **"Northumberland Housing-for All"** which lists all the different housing available in the County, by type and location; how a property owner can create Co-Housing or Co-Living types.
- (2) **"Northumberland Jobs"** which lists full and part-time job opportunities by type, profession, location, and which include apprenticeships, room-and-board in exchange for specific work.
- (3) **"Northumberland Counseling and Addiction Services"**, public or private. An entry point for many to not only medical treatment but to encounter groups modeled on Alcoholics Anonymous, First Nations Reconciliation Groups, one-on-one relationships with others.

- (4) **"Northumberland Connections"** which lists opportunities for any individual to get better connected to the community through joining sport groups, public service groups, faith groups, book clubs, walking groups, art clubs, debating groups, etc.

Thank you for this opportunity to speak to County Council. I am more than willing to be further involved if and when appropriate.



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**PS** As an **Addendum** please find the following elaboration of portal (1) "Northumberland Housing-for-All" and a very short list of Sources of Further Information.

**(1) "Northumberland Housing-for-All"**

... addresses the problem of a lack of housing in general. It provides a comprehensive listing of housing types from traditional to new, and suggests developing relatively new forms with examples taken from successes elsewhere. Types listed include:

**Rental housing** including short-term, long-term, subsidized and market priced.

**Owned housing** including single family, town houses, 3 story walk-ups, apartments and condos.

**Short-term housing** such as bedroom rentals, caretaker occupation while owner is absent.

**Setback or centre-block housing** ideal for older large-block residential areas as found in Cobourg.

**Dedicated Seniors housing** including retirement and/or long-term care. When to get on a wait list.

**Work or occupation related housing**; eg students from out-of-town such as attending Flemming College in Cobourg, or apprentices training at the Cobourg LiUNA Labour's Union facility.

**Coop or Co-housing**; individuals or families share a traditional family residence that has not been designed to be shared. An ideal way of young families breaking into the housing market.

**Co-living**; a bedroom with possible bath; includes communal kitchen, eating and living spaces.

**Grannie flats**; a modest single home added to a lot with an existing structure.

**Laneway homes**; a development of large-lot residential blocks, many examples in Toronto.

**Adding an apartment** by converting the interior of an existing home, often in a secure basement, or in the upper floors of an existing building in a downtown area.

**Adding an apartment by expanding the footprint of an existing home.**

**Affordable rental apartments**; over a given period of time, mandated as a percentage of new development. Eg, Balder Apartments at the SW corner of William and University streets in Cobourg.

**There are many credible sources of information on housing including:**

Canada Mortgage and Housing (<https://www.cmhc-schl.gc.ca>)

"Future Cities Canada Spotlight: Housing Innovations"

*12 very different affordable housing projects.*

Canadian Cohousing Network (<https://cohousing.ca>)

UK Cohousing Network (<https://cohousing.org.uk>)

Co-Living Group (United Kingdom) (<https://co-living.group>)

"Co-Living vrs Co-Housing Explained"

*An industrial group with 12 years experience in developing several forms of co-living.*

Sallbo Co-Housing, Helsingborg, Sweden (Guardian Newspaper article by Derek Robertson)

"It's like family: the Swedish housing experiment designed to cure loneliness."

*Highly successful mix of young and old created out of a 51 unit existing four storey building.*

Globe+Mail, July 8, 2022 article; "It's taking Canadians years longer to save for a down payment, data show." *and how it now takes 17 years for many to accumulate a down payment.*