

Northumberland County

Council's Implementation of Broadband as an Open Access Utility

Presentation to Council

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Legal Work Streams

There are two distinct legal work streams to implement the Project:

1. Municipality Requirements

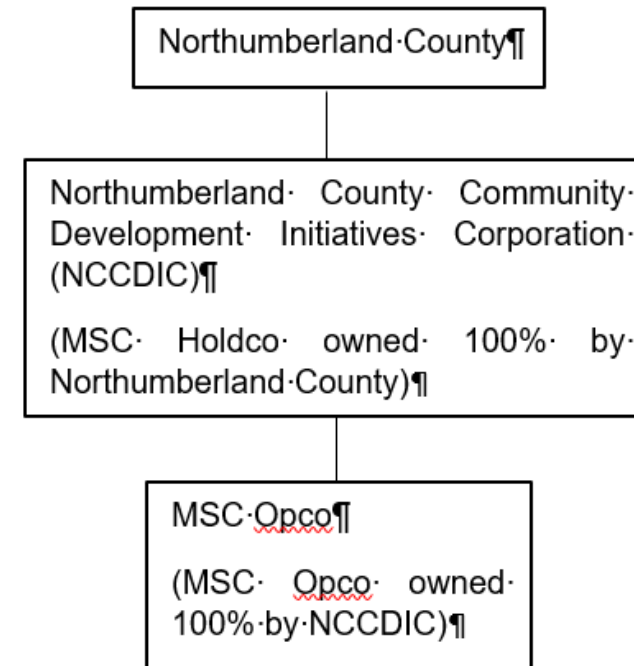
- a) Federal/Provincial Funding Requirement
- b) Northumberland Corporate Structure

2. Public/Private Partnership Requirements

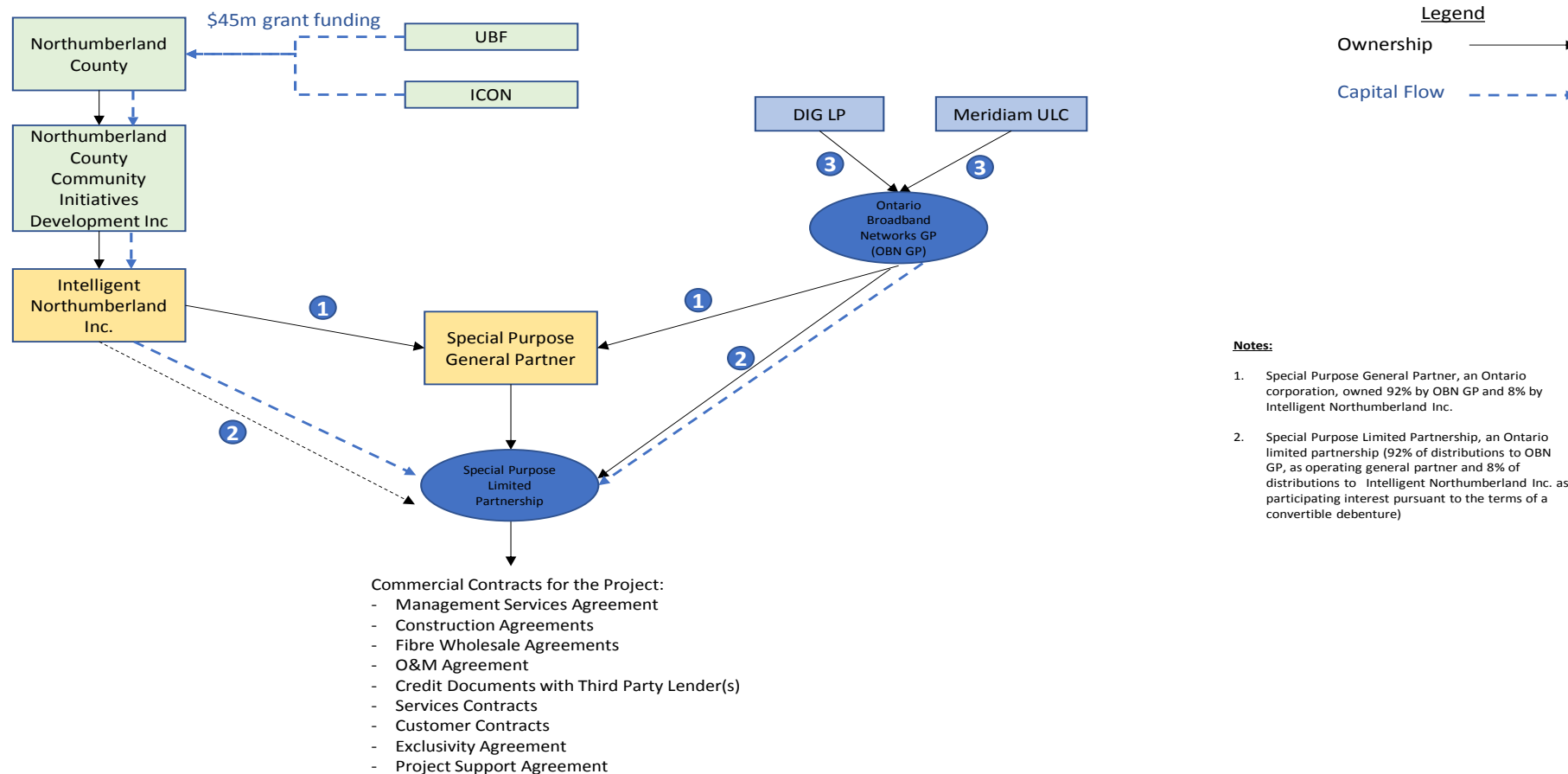
- a) Broadband Project Corporate Structure
- b) Northumberland-Ontario Broadband Network (DIG/Merdiam) Commercial Agreements

1b) Northumberland Corporate Structure

- The *Municipal Act* authorizes municipalities to create **Municipal Service Corporations (MSCs)** to own and implement various municipal works and services
- MSCs have been used for a broad range of municipal projects including telecommunications, water & waste water infrastructure renewal, new hospitals and affordable housing
- We are recommending the creation of two MSCs for the Project: a parent MSC (the holding company) and a subsidiary MSC (which holds ownership in the Project)



2a) The Broadband Project Corporate Structure



Next Steps

- **Incorporate Municipal Service Corporations**
 - File Articles of Incorporation for NCCDIC and MSC OPC and prepare other corporate documentation
- **Approve the Northumberland – NCCDIC Shareholders Agreement**
 - Council appoints NCCDIC directors, directors pass other required Resolutions & corporate by-laws, etc.
- **Negotiate & finalize various legal agreements with DIG/Meridiam**
 - The GP Shareholder's Agreement & the LP Agreement based on the approved Term Sheets framework
 - Other commercial agreements will follow: Management Services Agreement, Construction Agreements, Fibre Wholesale Agreement, O&M Agreement, Credit Documents, Service Contracts
- **Execute Federal Funding Agreement**

Discussion

Questions from Members of County Council