

Clause 4 in Report No. 14 of Committee of the Whole was adopted, without amendment, by the Council of The Regional Municipality of York at its meeting held on October 19, 2017.

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York Telecom Network Implementation and Board Appointment

Committee of the Whole recommends adoption of the following recommendations contained in the report dated September 29, 2017 from the Commissioner of Corporate Services and Chief Planner:

1. The Region, through Regional Council, as the sole shareholder of YTN Telecom Network Inc. (“YTN” or “the Corporation”), appoint the following persons as directors of the Corporation to replace the first director identified in the Corporation’s Articles of Incorporation:
 - Regional Chair Wayne Emmerson
 - Mayor Geoffrey Dawe
 - Mayor Virginia Hackson
 - Mayor Steve Pellegrini
 - Mayor Margaret Quirk
 - Mayor Frank Scarpitti
 - Mayor A. J. (Tony) Van Bynen
 - Regional Councillor Gino Rosati
2. The Board of Directors be authorized to determine the number of directors of YTN within the minimum and maximum number provided for in the Articles of Incorporation.
3. Council enact the resolutions attached as Attachment 1 to this report to effect the foregoing resolutions.
4. The Region, as the initial shareholder, be issued one hundred (100) common shares in the capital of the Corporation for the consideration of \$1.00, so that the Region is the initial shareholder of the Corporation.
5. No further shares of the Corporation shall be issued until such time as an agreement is executed between the Region, as sole shareholder, and the Corporation, that sets

- out the roles and responsibilities of the parties and their respective powers and authorities respecting the business and affairs of the Corporation, such agreement to replace and supersede the unanimous shareholder declaration referred to below.
6. Wayne Emmerson be appointed as the Chief Executive Officer of the Corporation and Christopher Raynor be appointed as Secretary of the Corporation.
 7. The Corporation take out and maintain directors and officers insurance coverage for the directors and officers of the Corporation.
 8. In order to facilitate the organization of the Corporation, Council approve:
 - a) The proposed general bylaw, in the form attached as Appendix 1-A to Attachment 1 to this report, to address matters generally pertaining to the transaction of the business and affairs of the Corporation, be passed;
 - b) A unanimous shareholder's declaration in the form attached as Attachment 2 to this report be executed by the Region:
 - i. directing and authorizing the directors to: (a) issue one hundred (100) common shares in the capital of the Corporation for the consideration of \$1.00 to the Region; (b) elect a Chair and Vice-Chair of the Board; (c) open a bank account for the Corporation at such financial institution as the directors may determine and to appoint signing officers with respect to banking matters and cheques and to sign such banking resolutions and documents as are necessary to give effect thereto; (d) confirm the hiring of a general manager for the Corporation, such general manager to be an employee of the Region; and take any acts necessary or desirable as determined by the directors to effect or facilitate any of the foregoing; and
 - ii. restricting the powers of the directors to manage or supervise the management of the business and affairs of the Corporation except as more specifically set out in the unanimous shareholder's declaration.
 9. The Corporation adopt the Region's procurement policies, bylaws and practices until such time that the Corporation develops its own procurement framework.
 10. The Corporation be subject to the Region's human resources policies and procedures until such time that the Corporation develops its own human resources policy.
 11. The Corporation appoint KPMG to be auditors for the Corporation.
 12. Council adopt the Asset Transfer Policy attached as Attachment 3.
 13. Council enact a bylaw in the form attached as Attachment 4 approving the execution of the Municipal Capital Facilities Agreement attached as Appendix 4-A to

Attachment 4 and direct the Clerk to provide notice of the bylaw to the Minister of Finance.

14. Council authorize staff to negotiate a municipal access agreement with the Corporation.

Report dated September 29, 2017 from the Commissioner of Corporate Services and Chief Planner now follows:

1. Recommendations

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2. Purpose

This report sets out the approvals necessary to establish the York Telecom Network as a York Region owned entity under the *Ontario Business Corporations Act*, pursuant to Section 203 of the *Municipal Act*, as per Council direction on March 23, 2017. The report also recommends appointing the Board of Directors for the new corporation and provides an update on activities related to the establishment of YTN.

3. Background and Previous Council Direction

Council has recognized the importance of broadband access as an enabler of economic development

Council has repeatedly recognized that broadband access for businesses, institutions and residents is a priority and an enabler of economic development. This is reflected in official documents, including Vision 2051, the York Region Official Plan – 2010, the 2015 to 2019 Strategic Plan; and the Economic Development Action Plan 2016 to 2019.

Council's recognition of the importance of broadband is particularly evident in its adoption of the York Region Broadband Strategy in 2014. The Broadband Strategy establishes objectives including maximizing the efficient investment of both public and private sector funding to improve connectivity throughout York Region.

On [June 25, 2015](#) Council approved the establishment of the Broadband Strategy Advisory Task Force to support staff in advancing the goals of the York Region Broadband Strategy. The Task Force has provided input on a variety of items including evaluation of the Region's fibre asset, the York Telecom Network.

The York Telecom Network was originally designed as a means of connecting Regional offices

As indicated in a report adopted by Council on [June 25, 2015](#), the York Telecom Network is a fibre optic network started in 2002 as a means of connecting Regional

facilities to each other. These initial connections were lower cost than third party connections through Internet service providers. Since the first connection was made in 2002, the Region has continued to expand the network to improve control over the connectivity of its assets while reducing costs wherever possible.

The York Telecom Network evolved into a network serving numerous customers, which led to the need to develop a plan for the future

Since its beginnings in 2002, the York Telecom Network has evolved into a nearly 200 km fibre highway connecting a variety of regional buildings and assets including traffic control/cameras, Viva monitoring and payment systems, and water/wastewater monitoring systems. To date the Region has invested \$16 Million to build the current network.

The municipal, university, school and hospital (MUSH) sector have also recognized the benefits of the York Telecom Network and requested connections. Their rationale for connecting to the network includes cost-effectiveness, increased bandwidth, and simplified network monitoring capabilities.

Over time the size, complexity, and capital investment in the network increased while demand grew from an increasing number of users. This necessitated a review of the YTN to ensure it continued to meet Regional needs while exploring the potential to leverage the asset for broader economic and community benefits.

Council directed staff to conduct a detailed review of a governance and business structure for the fibre network

On [June 23, 2016](#) Council endorsed creating a separate entity wholly owned by the Region to manage its fibre network assets. Staff was directed to undertake further review of a governance and business structure for the network. An external consultant was engaged to assist in this review. The consultant's report provided a business plan and governance structure for consideration.

Council approved establishing the York Telecom Network as a separate entity to enable economic development

On [March 23, 2017](#) Council approved three key recommendations regarding the York Telecom Network

- The Region incorporate a wholly-owned *Ontario Business Corporation Act* corporation pursuant to Section 203 of the *Municipal Act* to operate the York Telecom Network, offering access to communications infrastructure.

- Council authorize expenditures up to \$500,000 to support the establishment and operation of the new corporation in 2017, and the Commissioner of Finance be directed to identify sources for this funding.
- The projected multi-year Regional funding for the new corporation be addressed as part of the 2018 budget process.

Since Council direction in March, staff have been working to complete tasks required to create the new corporation to manage the York Telecom Network, with a launch target date of January 1, 2018.

4. Analysis and Implications

The new corporation has been incorporated as YTN Telecom Network Inc.

The firm of WeirFoulds LLP has been engaged to assist with the incorporation. As per Council's direction on March 23, 2017, Articles of Incorporation have been filed to create the new corporation.

As part of this preliminary registration process, a newly upgraded automated name search (NUANS) for "York Telecom Network Inc." was completed to investigate if this can be the legal registered name of the new corporation.

The NUANS search revealed that a business currently operating in York Region has already registered under the name York Telecom Inc. This required that another name be selected to avoid possible confusion and conflict.

A second search was completed for "YTN Telecom Network Inc.", and the results indicated no reasonable risk of conflict. Therefore, this is the name that was included in the Articles of Incorporation for the new corporation.

Some additional documents are required to meet the requirements of the *Municipal Act, 2001*

The applicable Regulation under section 203 of the *Municipal Act, 2001* requires the Region to adopt and maintain policies on asset transfers to corporations, and for such a policy to be in place before any assets are transferred to a corporation. WeirFoulds LLP has prepared an Asset Transfer Policy which, once adopted, can apply to the transfer of assets to YTN or to any other corporation.

The *Municipal Act* also prohibits "bonussing" any commercial enterprise through the granting of financial assistance, unless certain circumstances exist. One such

circumstance is that the enterprise has entered into an agreement with the municipality to provide “municipal capital facilities”.

Municipal capital facilities can include telecommunications facilities. Accordingly, WeirFoulds LLP has prepared a Municipal Capital Facilities Agreement between the Region and YTN. The *Municipal Act* requires that Council enact a bylaw authorizing that a municipal capital facilities agreement be entered into and requires that the Clerk provide notice of the bylaw to the Minister of Finance.

YTN will need to adopt the York Region Human Resource and Procurement Policies until the corporation develops its own

For the YTN to operate effectively, it will also need to have human resource and procurement policies and bylaws in place. These tools will however take some time to be developed. Staff propose that the corporation adopt the Region’s human resource policies and procurement policies and bylaws in the interim.

The procurement policies and bylaws will need to be revisited from the perspective of allowing the corporation to be nimble enough to respond to requests from the private sector as opportunities arise.

A Board of Directors is required to oversee the governance of the new corporation

On March 23, 2017, Council agreed that the Board of Directors of the new corporation comprise members of Council. This is consistent with the governance models for Housing York Inc. and York Region Rapid Transit Corporation.

The Articles of Incorporation have been executed listing the Regional Chairman and Chief Executive Officer as the First Director on the YTN Telecom Network Inc. board. Council is required to appoint additional directors to the board. The members of the Broadband Strategy Advisory Taskforce have been instrumental in providing direction to staff and are recommended as the persons to complete the slate of directors.

Staff will be reporting back by early 2019 on the merits of adding non-Council directors to the Board, as directed by Council on March 23, 2017.

A unanimous shareholders declaration will determine the Board’s interim mandate until an Agreement with the Region can be negotiated

The Region will execute a unanimous shareholder’s declaration that restricts the authority of the directors during the next few months while an agreement is

negotiated between the Region and the Corporation. This declaration will detail the roles and responsibilities of each party in conducting the business of the Corporation.

The directors will have the authority in this interim period to issue the common shares to the Region and open bank accounts. This declaration will also ensure that there is a continuance of direct accountability to Council until the agreement and the powers and authority of the board has been approved by Council.

A General Manager is being recruited to manage the new corporation and advise the Board of Directors

On March 23, 2017, Council approved hiring a General Manager for the new corporation. It is important that YTN Telecom Network Inc. be managed and operated by someone with the required industry expertise to build and operate the business and advise the Board of Directors on strategic direction.

Regional staff is close to completing the General Manager recruitment process. Once in place, the General Manager will work with Regional staff to recruit the necessary YTN Telecom Network positions required to complete business planning activities and manage the day-to-day operations of the corporation.

A number of operational support services will be provided by other York Region divisions, including: Legal Services; IT Services; Finance; and Corporate Communications and Audit Services.

A working group has been established to define and implement all activities required to establish YTN Telecom Network Inc.

A significant amount of work is required beyond the previously outlined legal work to establish a separate YTN operation. A working group comprised of staff from multiple departments has been established to guide the steps required to create the corporation that will manage the York Telecom Network. The working group is addressing matters related to such things as human resources, finance, risk, management and business processes, network planning and operations, and marketing. The work being done will be used to support the onboarding of the General Manager.

5. Financial Considerations

Operating and capital budget for YTN Telecom Network Inc. for 2018 will be determined as a part of the annual Regional budget process

Council approved up to \$500,000 in 2017 to establish the new corporation. These funds are being used to recruit staff, incorporate the organization and develop the tools, processes and procedures necessary to launch the new entity.

Future capital and operational requirements will be determined through the annual budget process.

6. Local Municipal Impact

Currently, the municipalities of Aurora, Georgina, King, Newmarket and Richmond Hill are accessing the optical fibre network to deliver improved municipal services within their communities. In addition, York Regional Police, York Region District School Board, King Public Library, and Southlake Regional Health Centre are subscribers of the network.

The Region has also received network connection requests from East Gwillimbury, Vaughan, York University and Seneca College.

When the new corporation is established, it will continue to allow local municipalities and other municipal university school and hospital (MUSH) sector stakeholders to access to the Region's network.

7. Conclusion

The fibre network owned by the Region has the potential to have positive economic and community impact beyond addressing the Region's information technology needs. Through incorporating a separate entity "YTN Telecom Network Inc." the Region can optimize these benefits by making the network more accessible and nimble.

The YTN Telecom Network has been registered under the *Ontario Business Corporations Act*, and additional approvals are required as outlined in this report to complete the registration and establish the new entity and operation. This includes establishing the Board of Directors, which will be comprised of members of Regional Council. The process is also underway to recruit a General Manager who will manage the entity and implement the business plan.

York Telecom Network Implementation and Board Appointment

With these approvals, a Board of Directors and a General Manager in place, the YTN Telecom Network Inc. can proceed to begin operations with a targeted launch date of January 1, 2018.

For more information on this report, please contact Doug Lindeblom, Director of Economic Strategy at 1-877-464-9675 ext. 71503.

The Senior Management Group has reviewed this report.

September 29, 2017

Attachments (4)

#7897128

Accessible formats or communication supports are available upon request

**RESOLUTIONS OF THE SOLE SHAREHOLDER
OF
YTN TELECOM NETWORK INC. (the “Corporation”)**

ELECTION OF DIRECTORS

RESOLVED THAT the following persons, being the only persons nominated for such position, be and they are hereby elected as directors of the Corporation, to serve until the next annual meeting of the Corporation or until their successors are duly elected or appointed in accordance with the *Business Corporations Act* (Ontario) and the Corporation’s by-laws:

- Regional Chair Wayne Emmerson
- Mayor Geoffrey Dawe
- Mayor Virginia Hackson
- Mayor Steve Pellegrini
- Mayor Margaret Quirk
- Mayor Frank Scarpitti
- Mayor A. J. (Tony) Van Bynen
- Regional Councillor Gino Rosati

NUMBER OF DIRECTORS

WHEREAS the articles of incorporation of the Corporation provide that the board of directors shall consist of a minimum of one (1) and a maximum of fifteen (15) directors;

AND WHEREAS Section 125(3) of the *Business Corporations Act* (Ontario) provides that the number of directors shall be determined from time to time by special resolution of the shareholders;

AND WHEREAS the directors, if so empowered by special resolution of the shareholders, may thereafter determine the number of directors of the Corporation by resolution of the board of directors;

RESOLVED AS A SPECIAL RESOLUTION THAT until otherwise determined, the number of directors of the Corporation shall be eight (8), of whom five (5) constitutes a quorum for the transaction of business at any meeting of the board of directors.

RESOLVED AS A SPECIAL RESOLUTION THAT the board of directors is empowered to determine the number of directors of the Corporation, within the minimum and maximum number provided for in the Articles of the Corporation.

BY-LAW NO. 1 OF THE CORPORATION

WHEREAS by a unanimous shareholder declaration made October 19, 2017, the majority of the powers of the board of directors were vested in the shareholder, including the power under Section 116 of the *Business Corporations Act* (Ontario) to make, amend, or repeal any by-laws that regulate the business and affairs of the Corporation;

AND WHEREAS the shareholder wishes to pass By-law No. 1 in the form attached to this resolution to, among other things, to address matters generally pertaining to the transaction of the business and affairs of the Corporation and to establish the duties and powers of the directors and officers of the Corporation.

RESOLVED THAT By-law No. 1 of the Corporation in the form set out in Appendix 1-A is hereby made and confirmed.

APPOINTMENT OF AUDITORS

RESOLVED THAT KPMG LLP be and are hereby appointed the auditors of the Corporation, to hold office until the time of the holding of the next annual meeting of the shareholders of the Corporation or the consenting by shareholder's signature to resolutions in lieu of such a meeting unless they are earlier duly removed from office, at a remuneration to be fixed by the Board of Directors, the Board of Directors being hereby authorized to fix such remuneration.

DELEGATION REGARDING SIGNING OF SHAREHOLDER RESOLUTIONS

WHEREAS Regional Council, as comprised by twenty-one (21) member of council, represent The Regional Municipality of York, as sole shareholder of the Corporation.

AND WHEREAS Regional Council wishes to authorize the Regional Chair to sign resolutions and other documents to give effect thereto on behalf of the shareholder.

RESOLVED THAT the Regional Chair be authorized to sign resolutions and any other documents to give effect thereto, on behalf of the shareholder.

The foregoing resolutions are, by the signature below of the sole shareholder of the Corporation entitled to vote on such resolutions, passed as a resolution of the Corporation pursuant to the provisions of Section 104(1)(a) and (b) of the *Business Corporations Act* (Ontario).

DATED at Newmarket, this 19th day of October, 2017.

THE REGIONAL MUNICIPALITY OF YORK

Per: _____

Name: Wayne Emmerson

Title: Regional Chair and Chief Executive Officer

BY-LAW NO. 1

A by-law relating generally to the transaction of the business and affairs of
YTN TELECOM NETWORK INC.
 (the "**Corporation**")

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BE IT ENACTED as a by-law of the Corporation as follows:

**ARTICLE 1
 INTERPRETATION**

1.1 Definitions. In this by-law, unless the context otherwise requires:

- (a) "**Act**" means the *Business Corporations Act* (Ontario), and includes the regulations to it, and every other statute incorporated in it or amending it, or any statute substituted for it, and in the case of such substitution the reference in the by-laws of the Corporation to non-existing statutes shall be read as referring to the substituted provisions in the new statute;
- (b) "**articles**" means the articles of the Corporation;
- (c) "**board**" means the board of directors of the Corporation;
- (d) words and expressions defined in the Act shall have the same meaning when used in this by-law;

- (e) the singular shall include the plural and the plural shall include the singular; and
- (f) the word "**person**" shall include individuals, firms and corporations, and the masculine gender shall include the feminine and neuter genders.

ARTICLE 2 DIRECTORS

2.1 Powers. Subject to any unanimous shareholder agreement, the board shall manage or supervise the management of the affairs and business of the Corporation. So long as a quorum of directors remains in office no vacancy or vacancies in the board shall affect the power of the continuing directors to act.

2.2 Number and Quorum. Subject to the articles, the board shall consist of such number of persons as are from time to time determined by special resolution or, if the special resolution empowers the board to determine the number, by resolution of the board.

If the number of directors is one or two, all of the directors constitute a quorum at a meeting of the board. If the number of directors is three or more directors, a majority of the directors constitute a quorum at a meeting of the board. In this paragraph, the "number of directors" is either:

- (a) the number of directors specified in the articles; or
- (b) if a minimum and maximum number of directors is provided for in the articles, the number determined from time to time by special resolution or, if the special resolution empowers the directors to determine the number, by resolution of the directors, or if no such resolution has been passed, the number of directors named in the articles.

Subject to the limitations in the Act, the board may change the foregoing quorum requirements.

2.3 Qualification and Resident Canadians. No person shall be qualified for election as a director if he or she: (i) is less than eighteen years of age; (ii) has been found under the *Substitute Decisions Act, 1992* (Ontario) or under the *Mental Health Act* (Ontario) to be incapable of managing property or who has been found to be incapable by a court of Canada or elsewhere; (iii) is not an individual; (iv) has the status of a bankrupt or (v) is not qualified in accordance with the Act. A director need not be a shareholder. Subject to the Act, at least twenty-five per cent (25%) of the directors shall be resident Canadians provided that if the number of directors is less than four (4) at least one (1) director shall be a resident Canadian.

2.4 Election and Term of Office. Unless the articles or any unanimous shareholder agreement otherwise provides, the directors shall be elected yearly at the annual meeting of the shareholders and shall hold office until the annual meeting next following. The whole board shall be elected at each annual meeting and all the directors then in office shall retire, but, if qualified, shall be eligible for re-election. The election may be by a show of hands or by resolution of the shareholders. If after nomination there is no contest for election, the persons nominated may be elected by declaration of the chair to that effect. If an election of directors is not held at the proper time, the directors then in office shall continue in office until their successors are elected or appointed.

2.5 Vacancies. Subject to the Act, a quorum of the board may fill a vacancy in the board, except a vacancy resulting from an increase in the number of directors or in the maximum number of directors or from a failure of the shareholders to elect the number of directors required to be elected at any meeting of shareholders. In the absence of a quorum of the board, or if the vacancy has arisen from the failure of the shareholders to elect the number of directors required by the articles, or if the vacancy has resulted from an increase in the number of directors or in the maximum number of directors, the board shall forthwith call a special meeting of shareholders to fill the vacancy. If the board fails to call such a meeting or if there are no such directors, then in office, any shareholder may call such meeting. A director appointed or elected to fill a vacancy holds office for the unexpired term of his or her predecessor.

2.6 Vacation of Office. A director ceases to hold office when: (i) the director dies; (ii) the director is removed from office by the shareholders; (iii) the director ceases to be qualified for election as a director; or (iv) the director's written resignation is received by the Corporation provided if a time subsequent to its date of receipt by the Corporation is specified in such written resignation the resignation shall become effective at the time so specified. Until the first meeting of shareholders, no director named in the articles shall be permitted to resign from office unless at the time the resignation is to become effective a successor is elected or appointed.

2.7 Removal of Directors. Subject to the provisions of the Act and any unanimous shareholder agreement, the shareholders may by resolution passed at an annual or special meeting remove any director before the expiration of the director's term of office and the vacancy created by such removal may be filled at the same meeting failing which it may be filled by the directors pursuant to Section 2.5 of this by-law.

2.8 Place of Meetings. Meetings of the board may be held at any place within York Region.

2.9 Calling of Meetings. Subject to any unanimous shareholder agreement, meetings of the board may be held at any time without formal notice being given if all the directors are present, or if a quorum is present and those directors who are absent signify their consent to the holding of the meeting in their absence. Any resolution passed, or proceeding had, or action taken at such meeting shall be as valid and

effectual as if it had been passed at or had been taken at a meeting duly called and constituted.

Subject to the Act, no notice of a meeting of the board shall be necessary if the meeting is the first meeting of the board held immediately following a meeting of shareholders at which such board was elected or if the meeting of the board is a meeting which follows immediately upon a meeting of shareholders at which a director was appointed to fill a vacancy on the board, provided at any such meeting of the board a quorum of directors is present.

2.10 Notice of Meeting. The Chair, the President or a Vice-President who is a director or any two directors may at any time by notice call a meeting of the board. Such notice shall be given in the manner provided in Section 9.1 to each director not less than forty-eight (48) hours before the time when the meeting is to be held. A notice of a meeting of directors need not specify the purpose of or the business to be transacted at the meeting except where the Act requires such purpose or business to be specified. A director may in any manner and at any time waive notice of or otherwise consent to a meeting of the board. Attendance of a director at such a meeting is a waiver of notice of meeting except where the attendance is for the express purpose of objecting to the transaction of any business on the ground that the meeting is not lawfully called.

2.11 Adjourned Meeting. Notice of an adjourned meeting of the board is not required if the time and place of the adjourned meeting is announced at the original meeting or the adjourned meeting preceding the applicable adjourned meeting, if the original meeting is adjourned on more than one occasion.

2.12 Regular Meetings. The board may appoint a day or days in any month or months for regular meetings of the board at a place and hour to be named. A copy of any resolution of the board fixing the place and time of such regular meetings shall be sent to each director forthwith after being passed, but no other notice shall be required for any such regular meeting except where the Act requires the purpose thereof or the business to be transacted thereat to be specified.

2.13 Chair. Subject to Section 4.2 hereof, the chair of any meeting of the board shall be the Chief Executive Officer and, in the Chief Executive Officer's absence, a director who is a Vice-President present at the meeting. If no such officer is present, the directors present shall choose one of their number to be chair.

2.14 Voting at Meetings. Questions arising at any meeting of the board shall be decided by a majority of votes. In the case of an equality of votes, the chair of the meeting, in addition to his or her original vote, shall not have a second or casting vote.

2.15 Resolution in Writing. A resolution in writing, signed by all the directors entitled to vote on that resolution at a meeting of directors or a committee of the board, is as valid as if it had been passed at a meeting of the board or a committee of directors.

2.16 Meetings by Electronic Means. If all the directors present at or participating in a meeting consent, a meeting of the board or of a committee of the board may be held by

means of such telephone, electronic or other communication facilities as permit all persons participating in the meeting to communicate with each other simultaneously and instantaneously, and a director participating in such a meeting by such means is deemed to be present at the meeting. Any such consent shall be effective whether given before or after the meeting to which it relates and may be given with respect to all meetings of the board and of committees of the board held while a director holds office.

2.17 Interest of Directors and Officers in Contracts. Provided the applicable director or officer shall have complied with the applicable requirements of the Act in respect of disclosure of interest and otherwise, no director or officer shall be disqualified by his or her office from contracting with the Corporation nor shall any contract or arrangement entered into by or on behalf of the Corporation with any director or officer or in which any director or officer is in any way interested be liable to be voided nor shall any director or officer so contracting or being so interested be liable to account to the Corporation for any profit realized by any such contract or arrangement by reason of such director's or officer's holding that office or of the fiduciary relationship thereby established.

2.18 Meeting Procedures. Subject to the immediately following sentence, the rules governing the procedures of York Regional Council for meetings and conduct of members of York Regional Council shall be observed by the board in respect of meetings of the directors and shall apply to the conduct of the directors insofar as they are applicable and so long as they do not conflict with any other provisions of this by-law or the Act or other applicable law. Provided that notwithstanding the immediately preceding sentence, meetings of the board shall be able to be held in camera and in private except to the extent prohibited by law.

ARTICLE 3 COMMITTEES

3.1 Managing Director and Committee of Directors. The board may in its discretion appoint a managing director and such committees of the board as it deems appropriate, and delegate to such managing director and committees any of the powers of the board except those which the board is prohibited by the Act from delegating.

3.2 Transaction of Business. The powers of a committee of directors may be exercised by a meeting at which a quorum is present or by resolution in writing signed by all the members of such committee who would have been entitled to vote on that resolution at a meeting of the committee. Meetings of such committee may be held at any place within York Region.

3.3 Procedure. Unless otherwise determined by the board, each committee shall have the power to fix its quorum at not less than a majority of its members, to elect its chair and to regulate its procedure.

ARTICLE 4 OFFICERS

4.1 Appointment. Subject to the Act, this by-law, any other by-laws of the Corporation and any unanimous shareholder agreement:

- (a) the board may designate the offices of the Corporation, appoint officers, specify their duties and delegate to them powers to manage the business and affairs of the Corporation;
- (b) a director may be appointed to any office of the Corporation; and
- (c) two or more offices of the Corporation may be held by the same person.

4.2 Chair of the Board. The directors may from time to time appoint a Chair of the board who shall be a director. If appointed, the board may assign to the Chair any of the powers and duties that are by any provisions of this by-law assigned to the Chief Executive Officer, and the Chair shall, subject to the provisions of the Act, have such other powers and duties as the board may specify. The Chair of the board shall act as chair of all directors and shareholders meetings at which the Chair is present. During the absence or disability of the Chair of the board, the Chair's duties shall be performed and his powers exercised by the managing director, if any, or by the President.

4.3 Chief Executive Officer. The Chief Executive Officer shall be, subject to the authority of the board, charged with the general supervision of the business and affairs of the Corporation. He shall be ex officio a member of all standing committees and, if no Chairman of the Board has been appointed, or if appointed is not present, chairman of all meetings of shareholders and of all meetings of directors of the Corporation, if a director. Except where the board of directors has appointed a President, the Chief Executive Officer shall also have the powers and be charged with the duties of that office. He shall perform all duties incident to his office and shall have such other powers and duties as may from time to time be assigned to him by the board of directors.

4.4 The President. The President shall have full authority, subject to the authority of the board and the supervision of the Chief Executive Officer, to provide general supervision of the business and affairs of the Corporation. The President shall perform all duties incidental to such office and shall have such other powers and duties as may from time to time be assigned by the board. During the absence or disability of the Chief Executive Officer his duties may be performed and his powers may be exercised by the President.

4.5 Vice-President. During the absence or disability of the President, the President's duties may be performed and the President's powers may be exercised by the Vice-President, or if there are more than one, by the Vice-Presidents in order of seniority (as determined by the board), save that no Vice-President shall preside at a meeting of the board or at a meeting of shareholders who is not qualified to attend the meeting as a

director or shareholder, as the case may be. If a Vice-President exercises any such duty or power, the absence or disability of the President shall be presumed with reference thereto. A Vice-President shall also perform such duties and exercise such powers as the President may from time to time delegate to the Vice-President or as the board may prescribe.

4.6 Secretary. The Secretary shall give, or cause to be given, all notices required to be given to shareholders, directors, auditors and members of committees provided that the validity of any notice shall not be affected by reason only of the fact that it is sent by some person other than the Secretary. The Secretary shall attend all meetings of the board and of the shareholders and shall enter or cause to be entered in books kept for that purpose minutes of all proceedings at such meetings. The Secretary shall perform such other duties as may from time to time be prescribed by the board.

4.7 Treasurer. The Treasurer shall keep or cause to be kept proper books of account and accounting records with respect to all financial and other transactions of the Corporation and, under the direction of the board, shall control the deposit of money, the safekeeping of securities and the disbursement of the funds of the Corporation. The Treasurer shall render to the board at the meetings thereof, or whenever required of the Treasurer, an account of all his or her transactions as Treasurer and of the financial position of the Corporation and the Treasurer shall perform such other duties as may from time to time be prescribed by the board.

4.8 Assistant-Secretary and Assistant-Treasurer. The Assistant-Secretary and the Assistant-Treasurer or, if more than one, the Assistant-Secretaries and the Assistant-Treasurers, shall respectively perform all the duties of the Secretary and Treasurer in the absence or disability of the Secretary or Treasurer, as the case may be. The Assistant-Secretary and the Assistant-Treasurer shall also have such powers and duties as may from time to time be assigned to them by the board.

4.9 Power and Duties of Other Officers. The powers and duties of all other officers shall be such as the terms of their engagement call for or as the board may specify. Any of the powers and duties of an officer to whom an assistant has been appointed may be exercised and performed by such assistant, unless the board otherwise directs.

4.10 Duties may be Delegated. In case of the absence or inability to act of the President, a Vice-President or any other officer of the Corporation or for any other reason that the board may deem sufficient, the board may delegate all or any of the powers of such officer to any other officer or to any director for the time being.

4.11 Remuneration and Removal. The board may determine the remuneration to be paid to the directors, officers, agents and employees of the Corporation. Any officer, agent or employee of the Corporation may receive such remuneration as may be determined notwithstanding the fact that he or she is a director or shareholder of the Corporation. The board may award special remuneration to any officer of the Corporation undertaking any special work or service for, or undertaking any special mission on behalf of the Corporation other than routine work ordinarily required of such

office. If any director or officer of the Corporation shall be employed by or shall perform services for the Corporation otherwise than as a director or officer or shall be a member of a firm or a shareholder, director or officer of a corporation which is employed by or performs services for the Corporation, the fact of his or her being a director or officer of the Corporation shall not disentitle such director or officer or such firm or corporation, as the case may be, from receiving proper remuneration for such services. All officers, in the absence of written agreement to the contrary, shall be subject to removal by the board at any time with or without cause. Until such removal each officer shall hold office until his or her successor is elected or appointed or until his or her earlier resignation.

4.12 Agents and Attorneys. The board shall have power to appoint, from time to time, agents or attorneys for the Corporation in or out of Canada with such powers of management or otherwise (including the power to sub-delegate) as may be thought fit.

4.13 Fidelity Bonds. The board may require such officers, employees and agents of the Corporation as the board deems advisable to furnish bonds for the faithful discharge of their duties, in such form and with such surety as the board may from time to time prescribe, but no director shall be liable for failure to require any bond or for the insufficiency of any bond or for any loss by reason of the failure of the Corporation to receive any indemnity thereby provided.

ARTICLE 5 PROTECTION OF DIRECTORS, OFFICERS AND OTHERS

5.1 Protection of Directors and Officers. Except as otherwise specifically provided in the Act, no director or officer of the Corporation shall be liable for the acts, receipts, neglects or defaults of any other director or officer or employee, or for joining in any receipt or other act for conformity, or for any loss, damage or expense happening to the Corporation through the insufficiency or deficiency of title to any property acquired by order of the board for or on behalf of the Corporation or for the insufficiency or deficiency of any security in or upon which any of the monies of the Corporation shall be invested or for any loss or damage arising from the bankruptcy, insolvency or tortious act of any person with whom any monies, securities or effects of the Corporation shall be deposited, or for any loss, conversion, misapplication or misappropriation of or damage resulting from any dealings with any monies, securities or other assets belonging to the Corporation or for any loss occasioned by any error of judgment or oversight on his or her part or for any other loss, damage or misfortune whatever which may happen in the execution of the duties of his or her office or in relation thereto, unless the same shall happen by failure to exercise the powers and to discharge the duties of his or her office honestly and in good faith with a view to the best interests of the Corporation and in connection therewith to exercise that degree of care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

Subject to the foregoing, the directors may rely upon the accuracy of any statement or report prepared by the Corporation's auditors or accountants and shall not

be responsible or held liable for any loss or damage resulting from the payment of any dividends or otherwise acting upon such statement or report.

The board is hereby authorized to cause the Corporation to give indemnities to any director or other person who has undertaken or is about to undertake any liability on behalf of the Corporation and to secure such director or other person against loss by mortgage and charge upon the whole or any part of the real and personal property of the Corporation by way of security. Any action from time to time taken by the board under this paragraph shall not require approval or confirmation by the shareholders.

5.2 Indemnity. Subject to the limitations contained in the Act, the Corporation shall indemnify each past, present and future director and officer of the Corporation, and each individual who is now or may hereafter be, acting or have heretofore acted, at the Corporation's request, as a director or officer or in a similar capacity of another entity and his or her heirs and legal representatives (each an "**Indemnified Person**"), against all costs, charges and expenses, including any amount paid to settle an action or satisfy a judgment, reasonably incurred by him or her in respect of any civil, criminal, administrative, investigative or other proceeding in which he or she is involved because of that association with the Corporation or entity, if:

- (a) the Indemnified Person acted honestly and in good faith with a view to the best interests of the Corporation or, as the case may be, to the best interests of the other entity for which the Indemnified Person acted as a director or officer or in a similar capacity at the Corporation's request; and
- (b) in the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, the Indemnified Person had reasonable grounds for believing that his or her conduct was lawful.

Subject to the limitations contained in the Act, if any, the Corporation may advance money to each Indemnified Person for the costs, charges and expenses of a proceeding referred to above, provided that the Indemnified Person shall repay the money if he or she did not fulfill the conditions in paragraph (a) above.

5.3 Additional Circumstances. The Corporation shall also indemnify Indemnified Persons in such other circumstances as the Act or law permits or requires. Nothing in this by-law shall limit the right of any person entitled to indemnity to claim indemnity apart from the provisions of this by-law.

5.4 Insurance. Subject to the limitations contained in the Act, the Corporation may purchase and maintain such insurance for the benefit of each Indemnified Person against any liability incurred by the Indemnified Person in his or her capacity as a director or officer of the Corporation, or in his or her capacity as a director or officer, or a similar capacity, of any other entity, if he or she acts or acted in that capacity at the Corporation's request, as the board may determine.

ARTICLE 6 MEETINGS OF SHAREHOLDERS

6.1 Annual Meeting. Subject to the articles and any unanimous shareholder agreement, the annual meeting of the shareholders shall be held at any place within York Region on such day and at such time as the board, may determine, for the purpose of hearing and receiving the reports and statements required by the Act to be read to and laid before shareholders at an annual meeting, electing directors, appointing the auditor and fixing or authorizing the board to fix the auditor's remuneration, and for the transaction of such other business as may properly be brought before the meeting.

6.2 Special Meetings. Subject to the articles and any unanimous shareholder agreement, the board shall, subject to Section 6.3, have the power at any time to call a special meeting of shareholders to be held at such time on such day and at any place within York Region as may be determined by the board. The phrase "special meeting of the shareholders" wherever it occurs in this by-law shall include a meeting of any class or classes of shareholders, and the phrase "meeting of shareholders" wherever it occurs in this by-law shall mean and include an annual meeting of shareholders and a special meeting of shareholders.

6.3 Notice of Meetings. Notice of the time and place of each meeting of shareholders shall be given in the manner provided in Section 9.1, and

- (a) if the Corporation is at the time of such notice offering any of its securities to the public, not less than twenty-one (21) days, and
- (b) if the Corporation is at the time of such notice not offering any of its securities to the public, not less than ten (10) days,

and in any event, not more than fifty (50) days before the date on which the meeting is to be held, to the auditor of the Corporation, to the directors of the Corporation and to each shareholder of record at the close of business on the day on which the notice is given who is entered on the securities register of the Corporation as the holder of one or more shares carrying the right to vote at the meeting. Notice of a meeting of shareholders called for any purpose other than consideration of the financial statements and auditor's report, election of directors and reappointment of the incumbent auditor shall state the nature of such business in sufficient detail to permit the shareholder to form a reasoned judgment thereon and shall state the text of any special resolution to be submitted to the meeting.

6.4 List of Shareholders Entitled to Notice. For every meeting of shareholders, the Corporation shall prepare a list of shareholders entitled to receive notice of the meeting, arranged in alphabetical order and showing the number of shares held by each shareholder. If a record date for the meeting is fixed pursuant to Section 6.5, the shareholders listed shall be those registered at the close of business on a day not later than ten (10) days after such record date. If no record date is fixed, the shareholders listed shall be those registered at the close of business on the day immediately

preceding the day on which notice of the meeting is given, or where no such notice is given, the day on which the meeting is held. The list shall be available for examination by any shareholder during usual business hours at the registered office of the Corporation or at the place where the securities register is kept and at the place where the meeting is held.

6.5 Record Date for Notice. The board may fix in advance a record date, preceding the date of any meeting of shareholders by not more than fifty (50) days and not less than twenty-one (21) days, for the determination of the shareholders entitled to notice of the meeting, provided that notice of any such record date is given not less than seven (7) days before such record date, by newspaper advertisement in the manner provided in the Act. If no record date is so fixed, the record date for the determination of the shareholders entitled to notice of the meeting shall be the close of business on the day immediately preceding the day on which the notice is given.

6.6 Waiving Notice. A shareholder and any other person entitled to attend a meeting of shareholders may in any manner and at any time waive notice of a meeting of shareholders, and attendance of any such person at a meeting of shareholders is a waiver of notice of the meeting, except where such person attends a meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called.

6.7 Persons Entitled to be Present. The only persons entitled to be present at a meeting of the shareholders shall be those entitled to vote thereat, the directors and auditors of the Corporation and others who, although not entitled to vote, are entitled or required under any provision of the Act, the articles or by-laws to be present at the meeting. Any other person may be admitted only on the invitation of the chair of the meeting or with the consent of the meeting.

6.8 Quorum. One or more persons entitled to vote at a meeting of shareholders who in the aggregate hold or represent more than 50% of the shares with voting rights at the meeting constitutes a quorum. Where the Corporation has only one shareholder or only one holder of any class or series of shares, the shareholder present in person or by proxy constitutes a meeting.

6.9 Right to Vote. Subject to the Act, the articles and Section 6.5 hereof, each person registered as a shareholder of the Corporation at the date of any meeting of shareholders shall be entitled to one vote for each share held.

6.10 Representatives. An executor, administrator, committee of a mentally incompetent person, guardian or trustee and where a body corporate is such executor, administrator, committee, guardian or trustee, any person duly appointed by proxy for such body corporate, upon filing with the secretary of the meeting sufficient proof of his appointment, shall represent the shares of the testator, intestate, mentally incompetent person, ward or *cestui que* trust in his or its stead at all meetings of the shareholders of the Corporation and may vote accordingly as a shareholder in the same manner and to

the same extent as the shareholder of record. If there be more than one executor, administrator, committee, guardian or trustee, the provisions of clause 6.12 shall apply.

6.11 Proxies. Every shareholder, including a shareholder that is a body corporate, entitled to vote at a meeting of shareholders may by means of a proxy appoint a person, who need not be a shareholder, as his nominee to attend and act at the meeting in the manner, to the extent and with the power conferred by the proxy.

Subject to the Act, a proxy shall be executed by the shareholder or the shareholder's attorney authorized in writing or, if the shareholder is a body corporate by an officer or attorney thereof duly authorized.

A proxy may be in any form which may be prescribed by the board or which the chair of the meeting may accept as sufficient, provided that such form complies with the provisions of the Act.

Proxies shall be deposited with the secretary of the meeting before any vote is cast under the authority thereof or at such earlier time and in such manner as the board may prescribe in accordance with the provisions of the Act. A proxy in the form of a facsimile transmission may also be so deposited.

6.12 Joint Shareholders. Where two or more persons hold the same share or shares jointly, any one of such persons present at a meeting of shareholders has the right in the absence of the other or others to vote in respect of such share or shares, but, if more than one of such persons are present or represented by proxy and vote, they shall vote together as one on the share or shares jointly held by them.

6.13 Scrutineer. At each meeting of shareholders one or more scrutineers may be appointed by a resolution of the meeting or by the chair with the consent of the meeting to serve at the meeting. Such scrutineers need not be shareholders of the Corporation.

6.14 Votes to Govern. Unless otherwise required by the provisions of the Act, the articles, by-laws or any unanimous shareholder agreement, at all meetings of shareholders every question shall be decided by the majority of the votes duly cast on the question.

6.15 Show of Hands. At all meetings of shareholders every question shall be decided by a show of hands unless a ballot thereon is required by the chair or be demanded by a shareholder present in person or represented by proxy and entitled to vote or unless a ballot is required under the provisions of the Act. Upon a show of hands every shareholder present in person or represented by proxy and entitled to vote shall have one vote. After a show of hands has been taken upon any question the chair may require or any shareholder present in person or represented by proxy and entitled to vote may demand a ballot thereon. Whenever a vote by show of hands has been taken upon a question, unless a ballot thereon is demanded, a declaration by the chair of the meeting that the vote upon the question has been carried or carried by a particular majority or not carried and an entry to that effect in the minutes of the proceedings at the meeting shall be prima facie evidence of the fact without proof of the number or

proportion of the votes recorded in favour of or against any resolution or other proceedings in respect of the said question, and the result of the vote so taken shall be the decision of the Corporation in annual or general meeting, as the case may be, upon the question. A demand for a ballot may be withdrawn at any time prior to the taking of the ballot.

6.16 Ballots. If a ballot is required by the chair of the meeting or under the provisions of the Act or is demanded by any shareholder present in person or represented by proxy and entitled to vote and the demand be not withdrawn, a ballot upon the question shall be taken in such manner as the chair of the meeting directs. Upon a ballot each shareholder who is present in person or represented by proxy shall, unless the articles otherwise provide, be entitled to one vote for each share in respect of which the shareholder is entitled to vote at the meeting and the result of the ballot shall be the decision of the Corporation in annual or general meeting, as the case may be, upon the question.

6.17 Casting Vote. In case of an equality of votes at any meeting of shareholders either upon a show of hands or upon a ballot the chair of the meeting shall not be entitled to a second or casting vote.

6.18 Chair. Subject to Section 4.2, the Chief Executive Officer shall preside as chair at a meeting of shareholders. If at a meeting, the Chief Executive Officer is not present within fifteen minutes after the time appointed for holding of the meeting, the shareholders present shall choose a person from their number to be the Chair.

6.19 Adjournment of Meetings. The chair of any meeting of shareholders may, with the consent of the meeting and subject to such conditions as the meeting may decide, adjourn the same from time to time and from place to place, and no notice of such adjournment need be given to the shareholders except as required by the Act. Any business may be brought before or dealt with at an adjourned meeting which might have been brought before or dealt with at the original meeting in accordance with the notice calling such original meeting.

6.20 Resolution in Writing. Subject to the Act and any unanimous shareholder agreement, a resolution in writing signed by all of the shareholders entitled to vote on that resolution at a meeting of shareholders is as valid as if it had been passed at a meeting of the shareholders unless a written statement with respect to the subject matter of the resolution is submitted by a director or the auditors in accordance with the Act.

6.21 Meeting by Electronic Means. A meeting of the shareholders may be held by telephonic or electronic means and a shareholder who, through those means, votes at the meeting or establishes a communications link to the meeting shall be deemed to be present at the meeting.

6.22 Procedure. At all meetings of shareholders questions of procedure shall be settled by reference to the Regional Procedural Bylaw and/or Robert's Rules of Order.

ARTICLE 7 SECURITIES

7.1 Registers. The Corporation shall keep or cause to be kept such registers of security holders and of transfers as required by the Act.

7.2 Allotment. Subject to the provisions, if any, of the articles or any unanimous shareholder agreement, the board may from time to time allot or grant options to purchase the whole or any part of the authorized and unissued shares in the capital of the Corporation to such person or persons or class of persons as the board determines provided that no share shall be issued until it is fully paid as prescribed by the Act.

7.3 Commissions. The board may authorize the Corporation to pay a reasonable commission to any person in consideration of such person's purchasing or agreeing to purchase shares of the Corporation, whether from the corporation or from any other person, or procuring or agreeing to procure purchasers for any such shares.

7.4 Share Certificates. Every holder of one or more shares of the Corporation shall be entitled, at such shareholder's option, to a share certificate, or to a non-transferable written acknowledgement of the shareholder's right to obtain a share certificate, stating the number and class or series of shares held by the shareholder as shown on the securities register. Share certificates and acknowledgements of a shareholder's right to a share certificate, respectively, shall be in such form as the board shall from time to time approve. Any share certificate shall be signed in accordance with Section 11.4 hereof, provided that, unless the board otherwise determines, certificates representing shares in respect of which a transfer agent or registrar has been appointed shall not be valid unless countersigned by or on behalf of such transfer agent or registrar. A share certificate shall be signed manually by at least one director or officer of the Corporation or by or on behalf of the transfer agent or registrar if there is one. Any additional signatures required may be printed or otherwise mechanically reproduced. A share certificate executed as aforesaid shall be valid notwithstanding that one of the directors or officers whose facsimile signature appears thereon no longer holds office at the date of issue of the certificate.

7.5 Replacement of Security Certificates. The board or any person designated by the board shall direct the issue of a new security certificate in lieu of and upon cancellation of a security certificate that has been mutilated or in substitution for a security certificate claimed to have been lost, apparently destroyed or wrongfully taken on payment of such fee and on such terms as to indemnity, reimbursement of expenses and evidence of loss and of title as the board may prescribe, whether generally or in any particular case.

7.6 Transfer Agent and Registrar. The board may appoint or remove a transfer agent and a registrar (who may, but need not be the same person) and one or more branch transfer agents and registrars (who may, but need not be the same) for the securities of the Corporation and may provide for the transfer of securities in one or

more places and may provide that securities will be interchangeably transferable or otherwise.

7.7 Transfer of Securities. Securities in the capital of the Corporation shall be transferable only on the register of transfers or on one of the branch registers of transfers (if any) kept by or for the Corporation in respect thereof by the registered holder of such securities in person or by attorney duly authorized in writing upon surrender for cancellation of the certificate representing such securities properly endorsed or accompanied by a properly executed transfer, subject to the provisions of the Act and subject to the restrictions on transfer (if any) set forth in the articles.

7.8 Corporation's Lien on Shares. The Corporation shall have a first and paramount lien upon all the shares registered in the names of each shareholder whether solely or jointly with others for the shareholder's debts, liabilities and engagements solely or jointly with any other person, to or with the Corporation, whether the periods for payment, fulfillment or discharge thereof have actually arrived or not. Any such lien shall extend to all dividends from time to time declared in respect of such shares. Unless otherwise determined by the board, the registration of a transfer of shares shall not operate as a waiver of the Corporation's lien, if any, on such shares; however, the Corporation shall not be entitled to enforce such lien against a transferee of the shares who has no actual knowledge of it, unless such lien is noted conspicuously on such share certificate.

For the purpose of enforcing such lien, the board may sell the shares subject thereto in such manner as it thinks fit; but no sale shall be made until notice in writing of the intention to sell has been served on such shareholder or the shareholder's executors, administrators, successors or assigns, and default has been made by any of them, in payment, fulfillment or discharge of such debts, liabilities or engagements for ten days after the date after such notice is given under Section 9.1.

The net proceeds of any such sale shall be applied in or towards satisfaction of the debts, liabilities or engagements, and the residue, if any, paid to such shareholder, or the shareholder's executors, administrators, successors or assigns.

Upon any such sale in purported exercise of the powers hereinbefore given, the board may cause the purchaser's name to be entered in the register in respect of the shares sold and the purchaser shall not be bound to see to the regularity of the proceedings or to the application of the purchase money, and after his or her name has been entered in the register in respect of such shares, the validity of the sale shall not be impeached by any person and the remedy of any person aggrieved by the sale shall be in damages only and against the Corporation exclusively.

7.9 Refusal to Register Transfer. Except in the case of shares listed on a stock exchange recognized by the Ontario Securities Commission, the board may refuse to permit the registration of a transfer of shares in the capital of the Corporation against which the Corporation has a lien until all of the debt represented by that lien has been paid to the Corporation.

7.10 Joint Shareholders. If two or more persons are registered as joint holders of any share, any one of such persons may give effectual receipts for the certificate issued in respect thereof, and for any dividend, bonus, return of capital or other money payable or warrant issuable in respect of such share, but all the joint holders of a share shall be severally as well as jointly liable for the payment of all demands payable in respect thereof.

ARTICLE 8 DIVIDENDS AND RIGHTS

8.1 Dividends. Subject to the provisions of the Act, the board may from time to time declare dividends payable to the shareholders according to their respective rights and interests in the Corporation. Dividends may be paid in money or property or by issuing fully paid shares of the Corporation.

8.2 Dividend Cheques. A dividend payable in cash shall be paid by cheque drawn on the Corporation's bankers or one of them to the order of each registered holder of shares of the class or series in respect of which it has been declared and mailed by prepaid ordinary mail to such registered holder at the holder's last recorded address, unless such holder otherwise directs. In the case of joint holders the cheque shall, unless such joint holders otherwise direct, be made payable to the order of all of such joint holders and mailed to them at their recorded address and if more than one address appears on the books of the Corporation in respect of such joint holding the cheque shall be mailed to such of those addresses as is selected by the person mailing such cheque. The mailing of such cheque as aforesaid, unless the same is not paid on due presentation, shall satisfy and discharge all liability for the dividend to the extent of the sum represented thereby plus the amount of any tax which the Corporation is required to and does withhold.

8.3 Non-receipt of Cheques. In the event of non-receipt of any dividend cheque by the person to whom it is sent as aforesaid, the Corporation on proof of such non-receipt and upon satisfactory indemnity being given to it, shall issue to such person a replacement cheque for a like amount.

8.4 Record Date. The board may fix in advance a date preceding by not more than fifty days the date for the payment of any dividend or the date for the issue of any warrant or other evidence of right to subscribe for shares in the capital or securities of the Corporation as a record date for the determination of the persons entitled to receive payment of such dividend or to exercise the right to subscribe for such securities, as the case may be, and in every such case only such persons as shall be security holders of record at the close of business on the date so fixed shall be entitled to receive payment of such dividend or to exercise the right to subscribe for securities and to receive the warrant or other evidence in respect of such right, as the case may be, notwithstanding the transfer of any securities after any such record date fixed as aforesaid. Where no record date is fixed in advance as aforesaid, the record date for the determination of the persons entitled to receive payment of such dividend or to exercise the right to subscribe for such securities of the Corporation shall be at the close of business on the

day on which the resolution relating to such dividend or right to subscribe is passed by the board.

8.5 Unclaimed Dividends. Any dividend unclaimed after a period of six (6) years from the date on which the same was declared to be payable shall be forfeited and shall revert to the Corporation.

ARTICLE 9 NOTICES

9.1 Method of Giving. Subject to the Act, any notice, communication or other document to be given by the Corporation to a shareholder, director, officer, auditor or member of a committee of the board shall be sufficiently given if:

- (a) delivered personally to the person to whom it is to be given to the latest address of such person as shown in the records of the Corporation or its transfer agent;
- (b) if sent by prepaid mail addressed to such address;
- (c) if sent to such address by any means of transmitted or recorded communication including e-mail; or
- (d) if sent by facsimile, to the latest facsimile number of the person to whom it is to be given, as shown in the records of the Corporation.

The Secretary or any person authorized by the Secretary may change the address or facsimile number on the books of the Corporation of any shareholder in accordance with any information believed by him or her to be reliable. A notice, communication or document so delivered shall be deemed to have been received by the addressee when it is delivered personally to the address aforesaid; and a notice, communication or document so mailed shall be deemed to have been received by the addressee on the fifth day after mailing; a notice sent by any means of transmitted or recorded communication shall be deemed to have been received by the addressee when delivered to the appropriate communication company or agency or its representative for dispatch; and a notice sent by facsimile shall be deemed to have been received at the time of transmission; provided however that, notwithstanding the foregoing, in the case of any meeting of directors, verbal notice thereof shall be sufficient notice.

9.2 Computation of Time. In computing the date when notice must be given under any provision of the articles or by-laws requiring a specified number of days' notice of any meeting or other event, the period of days shall be deemed to commence the day following the date the notice was given and shall be deemed to terminate at midnight of the last day of the period, except that if the last day of the period falls on a Sunday or holiday the period shall terminate at midnight of the day next following that is not a Sunday or holiday.

9.3 Omissions and Errors. The accidental omission to give any notice to any shareholder, director, officer or auditor or the non-receipt of any notice by any shareholder, director, officer or auditor or any error in any notice not affecting the substance thereof shall not invalidate any action taken at any meeting held pursuant to such notice or otherwise founded thereon.

9.4 Notice to Joint Shareholders. All notices with respect to any shares registered in more than one name may, if more than one address appears on the books of the Corporation in respect of such joint holding, be given to such joint shareholders at such address so appearing as is selected by the person giving such notice, and notice so given shall be sufficient notice to all the holders of such shares.

9.5 Persons Becoming Entitled by Death or Operation of Law. Every person who by operation of law, transfer, death of a security holder or by any other means whatsoever, becomes entitled to any security, shall be bound by every notice in respect of such security which prior to the holder's name and address being entered on the books of the Corporation was duly given to the person from whom such holder derives title to such security.

On the death of any security holder (not being one of several joint holders of a security) the executors or administrators of such deceased security holder shall be the only persons recognized by the Corporation as having any title to such security.

Any person becoming entitled to a security in consequence of the death, bankruptcy or insolvency of any shareholder (herein referred to as a person entitled by transmission) shall produce to the Corporation such evidence as may be reasonably required by the board to prove such person's title and declare in writing his or her election either to be registered as a security holder in respect of the security, or instead of being registered, to make such transfer as the deceased or bankrupt person could have made.

Until any person becoming entitled to any security by transmission has complied with the terms aforesaid, the Corporation may retain any dividend or other payment declared or payable upon such security, and shall not be bound to recognize the title of the person claiming under such transmission.

9.6 Proof of Service. A certificate of the Secretary or other duly authorized officer of the Corporation in office at the time of the making of the certificate, or of any agent of the Corporation as to facts in relation to the mailing or delivery or sending of any notice to any shareholder, director, officer or auditor shall be conclusive evidence thereof and shall be binding on every shareholder, director, officer or auditor of the Corporation, as the case may be.

9.7 Waiver of Notice. Any shareholder (or the shareholder's duly appointed proxy), director, officer or auditor may waive any notice required to be given under any provision of the articles, by-laws of the Corporation, any unanimous shareholder agreement or of the Act, and such waiver, whether given before or after the meeting or

other event of which notice is required to be given, shall cure any default in giving such notice. Any shareholder (or his duly appointed proxy) may waive any irregularity in any meeting of shareholders.

ARTICLE 10 BORROWING POWERS OF THE DIRECTORS

10.1 Borrowing Power. Without limiting the borrowing powers of the Corporation as set forth in the Act, but subject to the provisions of the Act and any unanimous shareholder agreement, the board may on behalf of the Corporation, without authorization of the shareholders:

- (a) borrow money on the credit of the Corporation;
- (b) issue, reissue, sell or pledge debt obligations of the Corporation;
- (c) give guarantees on behalf of the Corporation to secure performance of an obligation of any person; and
- (d) mortgage, hypothecate, pledge or otherwise create a security interest in all or any property of the Corporation owned or subsequently acquired, to secure any obligation of the Corporation.

The words "**debt obligations**" as used in this Article 10 mean bonds, debentures, notes or other similar obligations or guarantees of such an obligation, whether secured or unsecured.

10.2 Delegation. The board may from time to time authorize any director, officer or employee of the Corporation or other person or persons, whether connected with the Corporation or not, to:

- (a) make arrangements with reference to the monies borrowed or to be borrowed as aforesaid and as to the terms and conditions of the loan thereof and as to the securities to be given therefor, with power to vary or modify such arrangements, terms and conditions and to give such additional debt obligations for any monies borrowed or remaining due by the Corporation as the board may authorize and generally to manage, transact and settle the borrowing of money by the Corporation; and
- (b) sign, execute and give on behalf of the Corporation all documents, agreements and promises necessary or desirable for the purposes aforesaid and to draw, make, accept, endorse, execute and issue cheques, promissory notes, bills of exchange, bills of lading and other negotiable or transferable instruments and the same and all renewals thereof or substitutions therefor so signed shall be binding upon the Corporation.

ARTICLE 11 BUSINESS OF THE CORPORATION

11.1 Registered Office. The registered office of the Corporation shall be in the municipality or geographic township within Ontario specified in its articles or other municipality or geographic township determined by special resolution of the shareholders, and at such place therein as the board may determine.

11.2 Corporate Seal. The corporate seal of the Corporation, if any, shall be such seal as the board may adopt.

11.3 Banking Arrangements. The banking business of the Corporation or any part thereof shall be transacted with such chartered banks, trust companies or other financial institutions as the board may determine.

Cheques on the bank accounts, drafts drawn or accepted by the Corporation, promissory notes given by it, acceptances, bills of exchange, orders for the payment of money and other instruments of a like nature may be made, signed, drawn, accepted or endorsed, as the case may be, by such officer or officers, person or persons as the board may name for that purpose.

Cheques, promissory notes, bills of exchange, orders for the payment of money and other negotiable paper may be endorsed for deposit to the credit of the Corporation's bank account by such officer or officers, person or persons, as the board may name for that purpose, or they may be endorsed for such deposit by means of a stamp bearing the Corporation's name.

11.4 Execution of Instruments. Any instruments in writing may be signed in the name of and on behalf of the Corporation by two persons, one of whom holds the office of Chair of the board, President or Vice-President and the other of whom holds one of the said offices or the office of Secretary or Treasurer and any instrument in writing so signed shall be binding upon the Corporation without any further authorization or formality. In the event that the Corporation has only one officer and director, that person alone may sign any instruments in writing in the name of and on behalf of the Corporation. The board shall have power to appoint any other officer or officers or any person or persons on behalf of the Corporation either to sign instruments in writing generally or to sign specific instruments in writing. The corporate seal, if any, may be affixed to any instruments in writing on the authority of any of the persons named in this section.

The term "**instruments in writing**" as used herein shall, without limiting the generality thereof, include contracts, documents, deeds, mortgages, hypothecs, charges, security interests, conveyances, transfers and assignments of property (real or personal, immovable or movable), agreements, tenders, releases, proxies, receipts and discharges for the payment of money or other obligations, conveyances, transfers and

assignments of shares, stocks, bonds, debentures or other securities and all paper writings.

11.5 Investments. In particular, without limiting the generality of the foregoing, execution as provided in Section 11.4 hereof shall be adequate to sell, assign, transfer, exchange, convert or convey any securities, rights and warrants.

11.6 Voting Securities in Other Companies. All securities carrying voting rights in any other body corporate held from time to time by the Corporation may be voted at all meetings of holders of such securities in such manner and by such person or persons as the board determines. In the absence of action by the board, the proper signing officers of the Corporation may also from time to time execute and deliver for and on behalf of the Corporation instruments of proxy and arrange for the issuance of voting certificates and other evidence of right to vote in such names as they may determine.

11.7 Custody of Securities. The board may provide for the deposit and custody of securities of the Corporation. All share certificates, bonds, debentures, debenture stock certificates, notes or other obligations or securities belonging to the Corporation, may be issued or held in the name of a nominee or nominees of the Corporation (and if issued or held in the name of more than one nominee shall be held in the names of the nominees jointly with right of survivorship) and may be endorsed in blank with endorsement guaranteed in order to enable transfers to be completed and registration to be effected.

11.8 Invalidity of Any Provisions of this By-Law. The invalidity or unenforceability of any provision of this by-law shall not affect the validity or enforceability of the remaining provisions of this by-law.

11.9 Financial Year. The financial year of the Corporation shall terminate on such day in each year as is from time to time established by the board.

ARTICLE 12 PARAMOUNTCY OF UNANIMOUS SHAREHOLDER AGREEMENT

12.1 Conflict with Unanimous Shareholder Agreement. Notwithstanding any of the provisions of the by-laws of the Corporation and subject to the Act, the by-laws of the Corporation are subject in their entirety to the provisions of any unanimous shareholder agreement. In the event of a conflict between a provision of an unanimous shareholder agreement and a provision of the by-laws of the Corporation, the provision of the unanimous shareholder agreement shall govern.

The undersigned, being all of the directors of the Corporation, by their signatures below resolve pursuant to Section 129(1) of the *Business Corporations Act* (Ontario) that the foregoing by-law shall be and it is hereby made a by-law of the Corporation.

DATED the 19th day of October, 2017.

Wayne Emmerson

Geoffrey Dawe

Virginia Hackson

Steve Pellegrini

Margaret Quirk

Frank Scarpitti

A.J. (Tony) Van Bynen

Gino Rosati

The undersigned, being the sole shareholder of the Corporation entitled to vote in respect of the foregoing by-law, by his/her/its signature below resolves pursuant to Section 104(1) (a) and (b) of the *Business Corporations Act* (Ontario) that the foregoing by-law shall be and it is hereby confirmed as a by-law of the Corporation.

DATED the 19th day of October, 2017.

THE REGIONAL MUNICIPALITY OF YORK

Per: _____
Wayne Emmerson, Chief Executive Officer

UNANIMOUS SHAREHOLDER'S DECLARATION

WHEREAS the undersigned is the beneficial owner of all the issued and outstanding shares in the capital of YTN Telecom Network Inc. (the "**Corporation**"), a corporation incorporated under the *Business Corporations Act* (Ontario) (the "**OBCA**");

AND WHEREAS this declaration shall be and be deemed to be a unanimous shareholder's agreement restricting the powers of the directors of the Corporation to manage the business and affairs of the Corporation as provided for herein, all in accordance with the provisions of Section 108 of the OBCA;

NOW THEREFORE IT IS HEREBY DECLARED THAT:

1. The directors of the Corporation are hereby directed and authorized to (a) issue one hundred (100) common shares in the capital of the Corporation for the consideration of \$1.00 to the Region; (b) elect a Chair and Vice-Chair of the Board; (c) open a bank account for the Corporation at such financial institution as the directors may determine and to appoint signing officers with respect to banking matters and cheques and to sign such banking resolutions and documents as are necessary to give effect thereto; (d) confirm the hiring of a general manager for the Corporation, such general manager to be an employee of the Region; (e) pass other resolutions as required for the due initial organization of the Corporation, including adopting a financial year end, confirming the location of the Registered Office, location of the minute book and authority to file public notices and take any acts necessary or desirable as determined by the directors to effect or facilitate any of the foregoing.
2. Save and except for the powers of the directors set forth in Section 1, all of the powers of the directors of the Corporation to manage or supervise the management of the business and affairs of the Corporation including, without limitation, the power to pass resolutions and the power to make, amend or repeal by-laws that regulate the business or affairs of the Corporation are hereby terminated, and the beneficial owners from time to time of all of the issued and outstanding shares in the capital of the Corporation shall hereafter have the sole power to manage or supervise the management of the business and affairs of the Corporation.
3. This declaration and the restriction of the powers of the directors of the Corporation herein contained shall not affect any action, step, resolution or by-law duly taken, made, passed or consented to by the directors of the Corporation prior to the date of execution of this declaration or taken in accordance with their powers as set forth in Section 1.
4. Throughout the term of this declaration, the directors of the Corporation shall be relieved of their duties and liabilities relating to the management or supervision of management of the business and affairs of the Corporation to the extent that this declaration so restricts their powers.

5. The provisions of this declaration shall terminate upon the execution by the beneficial owner or owners of all of the issued and outstanding shares of the Corporation of an instrument terminating the provisions of this declaration.

6. Upon the termination of this declaration, the powers of the directors of the Corporation to manage or supervise the management of the business and affairs of the Corporation, including without limitation, the power to pass resolutions and power to make, amend or repeal any by-laws that regulate the business or affairs of the Corporation shall be restored, the directors of the Corporation shall have the power to amend or repeal any resolution passed or by-law made by the shareholders of the Corporation or by the directors of the Corporation in accordance with their powers as set forth in Section 1 during the term of this declaration and any resolution or by-law passed or made by the shareholders of the Corporation or by the directors of the Corporation in accordance with the powers set forth in Section 1 during the term of this declaration shall remain in full force and effect, unless and until duly amended or repealed by the directors of the Corporation, and shall not be affected by the termination of this declaration.

7. This declaration shall be governed by the laws of the Province of Ontario and the laws of Canada applicable therein.

IN WITNESS WHEREOF the undersigned has executed this declaration this 19th day of October, 2017, by its duly authorized signatory.

THE REGIONAL MUNICIPALITY OF YORK

Per: _____

Name: Wayne Emmerson

Title: Regional Chair and Chief Executive Officer

**REGIONAL MUNICIPALITY OF YORK
ASSET TRANSFER POLICY**

Purpose

The purpose of this policy is to permit transfers of Regional assets to corporations owned by the Region in accordance with the requirements of applicable legislation.

Definitions

Act means the *Municipal Act, 2001*, SO 2001, c 25, as amended.

Asset or Assets means real property and personal property of the Region and its agencies, boards, commissions and corporations.

Corporation means a corporation incorporated in accordance with section 203 of the Act and Ontario Regulation 599/06, as amended.

Policy

1. Assets may be transferred to a Corporation at any time, and from time to time, as authorized by Council, on such terms as Council may determine.
2. Any transfer of Assets must be approved by Council in advance of the transfer.
3. In determining whether to authorize a transfer of Assets to a Corporation, Council may have regard to the extent to which the transfer will achieve one or more of the following objectives:
 - (a) optimizing the use and value of the Assets;
 - (b) advancing the Region's economic development, vitality and competitiveness;
 - (c) supporting community health and well-being;
 - (d) managing environmentally sustainable growth;
 - (e) providing responsive and efficient public service; and
 - (f) enhancing the quality of life for the Region's citizens.
4. Council may impose such terms and conditions on the transfer of Assets as it deems necessary, including but not limited to:
 - (a) specifying the permitted use of the Assets;

- (b) requiring the Corporation to transfer the Assets back to the Region upon the happening of an event or events;
 - (c) restricting or prohibiting further transfer of the Assets; and
 - (d) attaching a purchase price to the Asset, to be paid or owed to the Region by the Corporation.
5. Before any transfer of Assets, Regional staff shall determine the current fair market value of the Assets. This determination may be made using an appraiser but such an appraisal shall not necessarily be required where staff is of the opinion that the fair market value can otherwise be accurately determined.
6. Where any Asset is transferred at less than fair market value, the Treasurer shall prepare a statement of the estimated fair market value of the Asset.
7. The Treasurer shall record all transfers of Assets in accordance with Public Sector Accounting Board financial reporting standards and the Region's accounting policies.

THE REGIONAL MUNICIPALITY OF YORK

BYLAW NO.

A bylaw to authorize a Municipal Capital Facilities Agreement between The Regional Municipality of York and YTN Telecom Network Inc.

WHEREAS section 110(1) of the *Municipal Act, 2001*, SO 2001, c. 25, as amended (the “**Act**”), provides that the council of a municipality may enter into an agreement for the provision of municipal capital facilities by any person;

AND WHEREAS paragraph 5 of section 2 of Ontario Regulation 603/06, as amended (the “**Regulation**”), provides that such an agreement can be entered into with respect to municipal facilities for the provision of telecommunications systems;

AND WHEREAS The Regional Municipality of York (the “**Region**”) owns certain telecommunications facilities (the “**Facilities**”) through which the Region provides telecommunications services to entities located within the Region;

AND WHEREAS the Region has determined that it is in the public interest for the Facilities to be owned, operated, maintained and expanded by YTN Telecom Network Inc. (“**YTN**”);

AND WHEREAS the Region intends to transfer the Facilities to YTN and to provide certain financial and other assistance to YTN to assist YTN to own, operate, maintain and expand the Facilities;

AND WHEREAS it is the intention of both the Region and YTN that the financial and other assistance to be provided by the Region to YTN under this Agreement be for the provision of municipal capital facilities under section 110 of the Act and the Regulation;

NOW THEREFORE the Council of the Region hereby enacts as follows:

1. The Council hereby designates the Facilities as municipal capital facilities for telecommunications purposes.
2. The Region is authorized to enter into a Municipal Capital Facilities Agreement with YTN in the form attached as Schedule “A” to this Bylaw (the “**Agreement**”).
3. The Regional Clerk and Regional Chair are hereby authorized to execute the Agreement on behalf of the Region.
4. In accordance with section 110(5) of the Act, the Clerk is hereby directed to give written notice of this Bylaw to the Minister of Finance.

5. Schedule "A" attached is incorporated into and shall form part of this Bylaw.

ENACTED AND PASSED on October 19, 2017.

Regional Clerk

Regional Chair

Authorized by Clause _____, Report 14 of the Committee of the Whole, adopted by Regional Council at its meeting on October 19, 2017.

SCHEDULE "A"

THIS AGREEMENT made this 19th day of October, 2017.

BETWEEN:

THE REGIONAL MUNICIPALITY OF YORK
(hereinafter referred to as the "**Region**")

OF THE FIRST PART

- and -

YTN TELECOM NETWORK INC.
(hereinafter referred to as "**YTN**")

OF THE SECOND PART

MUNICIPAL CAPITAL FACILITIES AGREEMENT

WHEREAS the Region owns certain telecommunications facilities (defined in this Agreement as the "**Facilities**") through which the Region provides telecommunications services to entities located within the Region;

AND WHEREAS the Region has determined that it is in the public interest for the Facilities to be owned, operated, maintained and expanded by YTN;

AND WHEREAS the Region intends to transfer the Facilities to YTN and to provide certain financial and other assistance to YTN to assist YTN to own, operate, maintain and expand the Facilities;

AND WHEREAS it is the intention of both the Region and YTN that the financial and other assistance to be provided by the Region to YTN under this Agreement be for the provision of municipal capital facilities under Section 110 of the Act and the Regulations thereunder;

NOW THEREFORE in consideration of the mutual covenants and agreements contained in this Agreement and for other good and valuable consideration (the receipt and sufficiency of which is hereby acknowledged), the parties hereto covenant and agree as follows:

INTERPRETATION

In this Agreement,

“**Act**” means the *Municipal Act, 2001*, SO 2001, c. 25, as amended;

“**Council**” means the Council of the Region as composed from time to time;

“**Facilities**” means the telecommunications network constructed by and currently operated by the Region and which enables broadband connectivity throughout the Region;

“**Municipal Capital Facilities**” means municipal capital facilities that meet the requirements of section 110 of the Act and the Regulations;

“**Regulations**” means the regulations made under the Act; and

“**Rights-of-Way**” means highways, streets, road allowances, lanes, bridges or viaducts which are under the jurisdiction of the Region.

In this Agreement, unless the context requires otherwise, words importing the singular include the plural, and vice versa, and words importing gender include all genders.

Except where other expressly provided, all amounts in this Agreement are stated in and shall be paid in Canadian currency.

In the event that one or more of the provisions contained in this Agreement shall be invalid, illegal or unenforceable in any respect under any application law, the validity, legality or enforceability of the remaining provisions hereof shall not be affected or impaired thereby. Each of the provisions of this Agreement is hereby declared to be separate and distinct.

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

ACKNOWLEDGEMENTS AND COVENANTS

The Region and YTN agree and acknowledge that the Region intends to transfer ownership of the whole or part of the Facilities to YTN by way of gift or sale or to otherwise lease or lend the use of the whole or part of the Facilities to YTN. Such transactions and/or assistance shall be at the discretion of the Region as from time to time approved by Council.

YTN acknowledges and agrees that the Facilities are intended to provide a benefit to the public and that YTN shall operate the Facilities on that basis.

YTN further acknowledges and covenants that it will not further transfer ownership of the Facilities or encumber the Facilities without the express consent of the Region.

The Region covenants and agrees that it will consent to YTN's use of and access to the Regional Rights-of-Way as may be required in order to construct, operate, maintain and expand the Facilities. The Region and YTN covenant and agree that they will execute such further agreements as are necessary for this purpose.

The Region and YTN acknowledge and agree that the Region may, at its discretion from time to time as approved by a by-law enacted by Council, provide financial or other assistance as prescribed by the Act and the Regulations thereunder to YTN for the purpose of YTN's ownership and operation of the Facilities.

Without limiting the generality of the foregoing, the assistance provided by the Region to YTN may include any or all of the following:

- funding of YTN's annual capital and operating expenses;

- guaranteeing borrowing by YTN;

- the use of services of employees of the Region at less than fair market value;

- the use of office space and equipment owned by the Region at less than fair market value;

- exemption of the land on which the Facilities are located from taxation for municipal and school purposes; and

- exemption of the land on which the Facilities are located from the payment of development charges.

The Region and YTN acknowledge and agree that it is their common intention that the financial and other assistance being provided by the Region to YTN for the purpose of owning, operating, maintaining and expanding the Facilities, is being provided by the Region pursuant to section 110 of the Act and the Regulations thereunder in order that YTN provide Municipal Capital Facilities. Except for the specific assistance set forth herein, the Region is not obligated in any manner with respect to the Facilities or to provide any additional financial assistance in connection therewith.

YTN shall operate, maintain and expand the Facilities so that the Facilities satisfy the requirements applicable to Municipal Capital Facilities under the Act and the Regulations. If any amendments are made to Section 110 of the Act or the Regulations thereunder after the date of this Agreement, YTN and the Region covenant and agree to cooperate reasonably to try to achieve their mutual common intention that the Facilities be Municipal Capital Facilities throughout the time that this Agreement is in force.

The Region and YTN covenant and agree that they will not, while this Agreement is in force, do any act or thing, or omit to do any act or thing if doing so or omitting to do so, as the case may be, that would result in the Facilities ceasing to satisfy all statutory

requirements applicable to a Municipal Capital Facility pursuant to the Act and the Regulations.

MISCELLANEOUS

No provision of this Agreement may be changed, modified or amended, other than by an agreement in writing signed by YTN and the Region, and duly approved by Council of the Region.

Time is of the essence of this Agreement.

From time to time, YTN or the Region, as the case may be, will execute and deliver to the other such additional documentation, and will provide such additional information, as the other may reasonably require, in order to carry out the intention and terms of this Agreement.

This Agreement shall be binding upon both the Region and YTN and their respective successors and permitted assigns. This Agreement may not be assigned by YTN without the prior written consent of the Region, which consent may be unreasonably withheld.

IN WITNESS WHEREOF the parties have caused this Agreement to be executed on the date first above written.

THE REGIONAL MUNICIPALITY OF YORK

Per: _____
Name: Wayne Emmerson
Title: Regional Chair

Per: _____
Name: Christopher Raynor
Title: Regional Clerk

We have the authority to bind the Region.

YTN TELECOM NETWORK INC.

Per: _____

Name: Wayne Emmerson

Title: Chief Executive Officer

Per: _____

Name: Christopher Raynor

Title: Secretary

We have the authority to bind the Corporation.

SCHEDULE "A"

THIS AGREEMENT made this 19th day of October, 2017.

BETWEEN:

THE REGIONAL MUNICIPALITY OF YORK
(hereinafter referred to as the "**Region**")

OF THE FIRST PART

- and -

YTN TELECOM NETWORK INC.
(hereinafter referred to as "**YTN**")

OF THE SECOND PART

MUNICIPAL CAPITAL FACILITIES AGREEMENT

WHEREAS the Region owns certain telecommunications facilities (defined in this Agreement as the "**Facilities**") through which the Region provides telecommunications services to entities located within the Region;

AND WHEREAS the Region has determined that it is in the public interest for the Facilities to be owned, operated, maintained and expanded by YTN;

AND WHEREAS the Region intends to transfer the Facilities to YTN and to provide certain financial and other assistance to YTN to assist YTN to own, operate, maintain and expand the Facilities;

AND WHEREAS it is the intention of both the Region and YTN that the financial and other assistance to be provided by the Region to YTN under this Agreement be for the provision of municipal capital facilities under Section 110 of the Act and the Regulations thereunder;

NOW THEREFORE in consideration of the mutual covenants and agreements contained in this Agreement and for other good and valuable consideration (the receipt and sufficiency of which is hereby acknowledged), the parties hereto covenant and agree as follows:

ARTICLE I INTERPRETATION

- 1.1 In this Agreement,
- (a) “**Act**” means the *Municipal Act, 2001*, SO 2001, c. 25, as amended;
 - (b) “**Council**” means the Council of the Region as composed from time to time;
 - (c) “**Facilities**” means the telecommunications network constructed by and currently operated by the Region and which enables broadband connectivity throughout the Region;
 - (d) “**Municipal Capital Facilities**” means municipal capital facilities that meet the requirements of section 110 of the Act and the Regulations;
 - (e) “**Regulations**” means the regulations made under the Act; and
 - (f) “**Rights-of-Way**” means highways, streets, road allowances, lanes, bridges or viaducts which are under the jurisdiction of the Region.
- 1.2 In this Agreement, unless the context requires otherwise, words importing the singular include the plural, and vice versa, and words importing gender include all genders.
- 1.3 Except where other expressly provided, all amounts in this Agreement are stated in and shall be paid in Canadian currency.
- 1.4 In the event that one or more of the provisions contained in this Agreement shall be invalid, illegal or unenforceable in any respect under any application law, the validity, legality or enforceability of the remaining provisions hereof shall not be affected or impaired thereby. Each of the provisions of this Agreement is hereby declared to be separate and distinct.
- 1.5 This agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.

ARTICLE II ACKNOWLEDGEMENTS AND COVENANTS

- 2.1 The Region and YTN agree and acknowledge that the Region intends to transfer ownership of the whole or part of the Facilities to YTN by way of gift or sale or to otherwise lease or lend the use of the whole or part of the Facilities to YTN. Such transactions and/or assistance shall be at the discretion of the Region as from time to time approved by Council.

2.2 YTN acknowledges and agrees that the Facilities are intended to provide a benefit to the public and that YTN shall operate the Facilities on that basis.

2.3 YTN further acknowledges and covenants that it will not further transfer ownership of the Facilities or encumber the Facilities without the express consent of the Region.

2.4 The Region covenants and agrees that it will consent to YTN's use of and access to the Regional Rights-of-Way as may be required in order to construct, operate, maintain and expand the Facilities. The Region and YTN covenant and agree that they will execute such further agreements as are necessary for this purpose.

2.5 The Region and YTN acknowledge and agree that the Region may, at its discretion from time to time as approved by a by-law enacted by Council, provide financial or other assistance as prescribed by the Act and the Regulations thereunder to YTN for the purpose of YTN's ownership and operation of the Facilities.

2.6 Without limiting the generality of the foregoing, the assistance provided by the Region to YTN may include any or all of the following:

- (a) funding of YTN's annual capital and operating expenses;
- (b) guaranteeing borrowing by YTN;
- (c) the use of services of employees of the Region at less than fair market value;
- (d) the use of office space and equipment owned by the Region at less than fair market value;
- (e) exemption of the land on which the Facilities are located from taxation for municipal and school purposes; and
- (f) exemption of the land on which the Facilities are located from the payment of development charges.

2.7 The Region and YTN acknowledge and agree that it is their common intention that the financial and other assistance being provided by the Region to YTN for the purpose of owning, operating, maintaining and expanding the Facilities, is being provided by the Region pursuant to section 110 of the Act and the Regulations thereunder in order that YTN provide Municipal Capital Facilities. Except for the specific assistance set forth herein, the Region is not obligated in any manner with respect to the Facilities or to provide any additional financial assistance in connection therewith.

2.8 YTN shall operate, maintain and expand the Facilities so that the Facilities satisfy the requirements applicable to Municipal Capital Facilities under the Act and the Regulations. If any amendments are made to Section 110 of the Act or the Regulations thereunder after the date of this Agreement, YTN and the Region covenant and agree to

cooperate reasonably to try to achieve their mutual common intention that the Facilities be Municipal Capital Facilities throughout the time that this Agreement is in force.

2.9 The Region and YTN covenant and agree that they will not, while this Agreement is in force, do any act or thing, or omit to do any act or thing if doing so or omitting to do so, as the case may be, that would result in the Facilities ceasing to satisfy all statutory requirements applicable to a Municipal Capital Facility pursuant to the Act and the Regulations.

**ARTICLE III
MISCELLANEOUS**

3.1 No provision of this Agreement may be changed, modified or amended, other than by an agreement in writing signed by YTN and the Region, and duly approved by Council of the Region.

3.2 Time is of the essence of this Agreement.

3.3 From time to time, YTN or the Region, as the case may be, will execute and deliver to the other such additional documentation, and will provide such additional information, as the other may reasonably require, in order to carry out the intention and terms of this Agreement.

3.4 This Agreement shall be binding upon both the Region and YTN and their respective successors and permitted assigns. This Agreement may not be assigned by YTN without the prior written consent of the Region, which consent may be unreasonably withheld.

IN WITNESS WHEREOF the parties have caused this Agreement to be executed on the date first above written.

THE REGIONAL MUNICIPALITY OF YORK

Per: _____
Name: Wayne Emmerson
Title: Regional Chair

Per: _____
Name: Christopher Raynor
Title: Regional Clerk

We have the authority to bind the Region.

YTN TELECOM NETWORK INC.

Per: _____
Name: Wayne Emmerson
Title: Chief Executive Officer

Per: _____
Name: Christopher Raynor
Title: Secretary

We have the authority to bind the Corporation.