

THE CORPORATION OF THE TOWN OF GEORGINA**REPORT NO. CAO-2019-0042****FOR THE CONSIDERATION OF
COUNCIL****OCTOBER 23 2019****SUBJECT: COMMUNITY LIVING GEORGINA REQUEST FOR THE CORPORATION
OF THE TOWN OF GEORGINA TO ACT AS LOAN GUARANTOR**

1. RECOMMENDATION:

1. That Council receive Report No. CAO-2019-0042 dated October 23, 2019, prepared by the Office of the CAO, regarding Community Living Georgina's request for the Corporation of the Town of Georgina to act as a loan guarantor;
2. That Council provide direction to staff regarding Community Living Georgina's request for the Town to act as guarantor in their loan agreement with South Lake Community Future Development Corporation (SLCFDC) dated October 2019 for \$250,000 and in their loan agreement with The Georgina Association for Business (GAB) dated October 2019 for \$150,000.

2. PURPOSE:

The purpose of the report is to seek Council's direction on a request by Community Living Georgina for the Town to act as a loan guarantor.

3. BACKGROUND:

On February 13, 2019, Council received **Report No. RC-2019-0001** and passed **Resolution No. C-2019-0151**, of which Council authorized,

"Mayor and Clerk to enter into a permanent Licence Agreement between the Town and Community Living Georgina for use of The Link Spaces K, L, M, N, and O, renewable on mutual consent, and subject to any minor revisions as may be required by the Town Solicitor."

And

Approved, "the applicable by-law for a permanent Licence Agreement with Community Living Georgina, with a commencement date to be determined, renewable for a five-year term on mutual consent."

On February 13, 2019 Council adopted By-law Number 2019-0012 (LI-3), authorizing the Mayor and Clerk to execute the necessary documents to complete the Licence Agreement between the Corporation of the Town of Georgina, as Licensor, and Community Living Georgina, for use of interior space upon the lands known municipally as 20849 Dalton Road, Sutton.

As per Report No. CAO-2019-0046 the cost of Community Living Georgina's interior leasehold improvements is \$438,673 including contingencies. Community Living Georgina is looking to secure exterior financing to pay for the leasehold improvements and is requesting the Town act as guarantor for the financing.

4. ANALYSIS:

Staff have reviewed the loan agreement between Community Living Georgina and SLCFDC, and note the following terms:

- Term Loan amount is \$250,000
- Interest is 3.95% monthly for a term of two years
- The loan is amortized over 10 years
- Blended monthly payments of principal and interest in the amount of \$2,525 due on the 15th of each month

Staff have reviewed the loan agreement between Community Living Georgina and GAB, and note the following terms:

- Term Loan amount is \$150,000
- Interest is 3.95% monthly for a term of two years
- The loan is amortized over 10 years
- Blended monthly payments of principal and interest in the amount of \$1,516 due on the 15th of each month

5. RELATIONSHIP TO STRATEGIC PLAN:

- Priority 2: Promote a high quality of life
- Priority 3: Engage our community & build partnerships

6. FINANCIAL AND BUDGETARY IMPACT:

There is no current financial or budgetary impact associated with being a guarantor on this loan. In the future if Community Living Georgina was unable to repay the promissory note, then the Town of Georgina as Guarantor would be responsible if a new financial arrangement could not be negotiated with the lender.

7. PUBLIC CONSULTATION AND NOTICE REQUIREMENTS:

There are no public consultation or notice requirements associated with the recommendations in this report.

8. CONCLUSION:


Staff are seeking direction from Council on whether or not they want the Town to act as a loan guarantor for Community Living Georgina.

Prepared by:



Rob Wheater, CPA, CA
Director of Corporate Services and
Treasurer

Recommended by:



Lawrence Artin
Head of Special Capital Initiatives

Approved by:

David Reddon
Chief Administrative Officer

Attachment 1: South Lake Community Future Development Corporation and
The Georgina Association for Business loan documentation



September 30, 2019

Susan Rome
20849 Dalton Rd,
Sutton, ON,
L0E 1R0

RE: OFFER TO FINANCE

Dear Ms. Rome,

We are pleased to offer you the following credit facility, subject to the following terms and conditions.

Borrower: Georgina Association for Community Living

Guarantor(s): The Town of Georgina

Lender: South Lake Community Futures Development Corporation (SLCFDC)

Amount: Term Loan: \$250,000.00

Interest Rate: 3.95% monthly

Purpose: The proceeds of the Term Loan will be used to renovate phase two and move into The Link.

Rate Term: 2 years

Amortization: 10 years

Application Fee: \$1,250.00 payable on the initial loan disbursement plus all legal or other fees.

Repayment: Blended monthly payments of principal and interest in the amount of \$2,525 due on the 15th of each month.



The Borrower will provide South Lake CFDC with authorization to debit the Borrowers Bank account monthly for the scheduled loan payment and any fee or life insurance premium due and payable. Any NSF loan payment will be subject to a \$50.00 fee. **Please attach a void company Cheque.**

The Borrower may prepay the whole or part of any principal amount outstanding from time to time, without notice, penalty or bonus interest.

Security:

1. A Promissory Note signed by an authorized signing officer of the business.
2. Guarantee signed by an authorized signing officer at The Town of Georgina.
3. A General Security Agreement signed by an authorized signing officer of the business.

Disbursement Conditions:

Disbursement of loan funds will take place under the following conditions:

1. All security to be on hand, registered, and in a form satisfactory to SLCFDC.

Ongoing Conditions:

1. The Borrower will provide financial statements within 120 days of fiscal year end
2. The Borrower will provide confirmation that all government payables are current
3. The borrower will provide loan renewal documents upon request. If the borrower does not provide the documents within 30 days, a fee of \$100 per month will be applied until they are received.



Acceptance:

We trust you will find these facilities helpful in meeting your ongoing financial requirements. We would ask that you acknowledge OFFER TO FINANCE by signing and returning the attached duplicate of this agreement to the undersigned no later than October 30, 2019.

South Lake Community Futures Development Corporation reserves the right to withdraw and cancel the offer at any point in time for any reason.

We appreciate the opportunity of providing your financing requirements. Should you have any questions or require clarification of the foregoing offer or terms and conditions therein, please do not hesitate to contact the Business Loans Officer.

Yours truly,

South Lake Community Futures Development Corporation



Tom Ross
Business Loans Officer




South Lake Futures

Community Futures Development Corporation

I/We hereby acknowledge and agree to the terms and conditions of this agreement. The following persons have the capacity to bind the Borrower.

DATED AT Keswick, Ontario this ____ day of October, 2019.

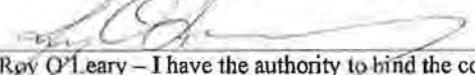
Georgina Association for Community Living




Susan Rome – I have the authority to bind the corporation.



Witness: Tom Ross



Roy O'Leary – I have the authority to bind the corporation.



Witness: Tom Ross

Guarantor

Name: _____

Witness Name: _____

Title: _____
– I have the authority to bind the corporation.




South Lake Futures

Community Futures Development Corporation

I/We hereby acknowledge that I/We are signing this document with the full understanding of its contractual and legal implications, in addition to having had the opportunity of obtaining independent legal advice.

DATED AT Keswick, Ontario this ____ day of October, 2019.

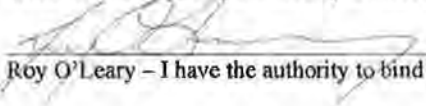
Georgina Association for Community Living



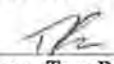
Susan Rome – I have the authority to bind the corporation.



Witness: Tom Ross



Roy O'Leary – I have the authority to bind the corporation.



Witness: Tom Ross

Guarantor

Name: _____

Witness Name: _____

Title: _____
– I have the authority to bind the corporation.

PROMISSOR(S): Georgina Association for Community Living
GUARANTOR(S): The Town of Georgina
LENDER: South Lake Community Futures Development Corporation
PRINCIPAL: \$250,000.00

FOR VALUE RECEIVED Georgina Association for Community Living, hereby unconditionally promises to pay to the order of South Lake Community Futures Development Corporation, its successors and assigns (the "Holder") at the Town of Georgina, in the Regional Municipality of York, and Province of Ontario, or such other place as the holder may direct in writing, the principal sum of Two Hundred and Fifty Thousand Dollars 00/100 Cents (\$250,000.00) in lawful money of Canada together with interest owing thereon, as set out below:

The within note shall bear interest at the rate of 3.95% per annum, calculated monthly not in advance and shall be paid in blended monthly instalments of principal and interest in the amount of \$2,525 and will be paid on the fifteenth of each and every month from the 15th day of November, 2019 to and including the 15th day of October 2021. The balance, if any, shall become due and payable in full at the request of South Lake Community Futures Development Corporation on October 15th, 2021.

If not in default hereunder, the undersigned shall have the right to prepay at any time or times, the whole or any part of the balance of the principal from time to time outstanding, without notice, bonus or penalty.

The undersigned hereby waives presentment for payment, demand, notice of dishonour, protest and notice of protest and all other requirements necessary to hold the undersigned liable for the due repayment of the within Note.

The undersigned acknowledges and agrees that my obligations to repay the debt to South Lake Community Futures Development Corporation shall be joint, several and separate of all other individuals, persons, Corporations or other entities obligated to repay the said Principal and other monies that may be owed to South Lake Community Futures Development Corporation in respect thereof from time to time.

The undersigned further acknowledges and agrees that default in any of the Ongoing Conditions contained in the Offer to Finance dated September 30, 2019 between South Lake Community Futures Development Corporation and Georgina Association for Community Living constitutes default under this Promissory Note and the Promissory Note together with accrued interest will become due and payable at the sole option of South Lake Community Futures Development Corporation.

This Promissory Note shall be governed by the laws of the Province of Ontario and shall not be changed, modified, discharged or cancelled orally or in any manner other than by agreement in writing signed by all the parties, or their respective heirs, executors, administrators, successors, assigns and personal representatives.

The payment of the Promissory Note and all costs, expenses and legal fees incurred in the collection and enforcement thereof shall be the responsibility of the borrower.

Dated at Keswick, Ontario, this 1st day of October, 2019.

BORROWER:


Georgina Association for Community Living



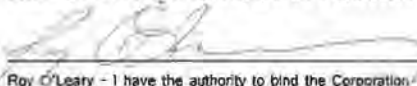
Witness: Tom Ross



Witness: Tom Ross



Susan Rome - I have the authority to bind the Corporation



Roy O'Leary - I have the authority to bind the Corporation

GUARANTOR:

Witness Name: _____

Name: _____

Title: _____
= I have the authority to bind the corporation

GUARANTEE

To: South Lake Community Futures Development Corporation
183 The Queensway South
Keswick, Ontario, L4P 2A3

FOR VALUABLE CONSIDERATION, and in consideration of the sum of One Dollar (\$1.00) now paid to the undersigned, the sufficiency of which will not be denied and the receipt whereof is hereby acknowledged, the undersigned (herein referred to as the "Guarantor") hereby guarantees payment to South Lake Community Futures Development Corporation (hereinafter referred to as "SLCFDC") (forthwith after demand therefore as hereinafter provided) of the liabilities which

Georgina Association for Community Living

(hereinafter referred to as the "customer") has incurred or is under or may incur or be under to the SLCFDC, whether arising from dealings between the SLCFDC and the customer or from any other dealings by which the customer may become in any manner whatever liable to the SLCFDC.

AND THE GUARANTOR AGREES (1) That if more than one Guarantor executes this instrument the provisions hereof shall be read with all grammatical changes hereby rendered necessary and each reference to the Guarantor shall include the undersigned and each and every one of them severally and this guarantee and all covenants and agreements herein contained shall be deemed to be joint and several.

(2) That the SLCFDC may grant extensions of time or other indulgences, take and give up securities, accept compositions, grant releases and discharges and otherwise deal with the customer and other parties and securities as the SLCFDC may see fit, and may apply all moneys received from the customer or other or from securities, upon such part of the customer's liability as it may think best, without prejudice to or in any way limiting or lessening the liability of the Guarantor under this guarantee.

(3) That the SLCFDC shall not be bound to exhaust its recourse against the customer or other parties or the securities it may hold before being entitled to payment from the Guarantor under this guarantee.

(4) That any loss of or in respect of securities received by the SLCFDC from the customer or any other person, whether occasioned through the fault of the SLCFDC or otherwise shall not discharge pro tanto or limit or lessen the liability of the Guarantor under his guarantee.

(5) That this shall be a continuing guarantee and shall cover present liabilities (if any) of the customer to the SLCFDC and all liabilities incurred after the date hereof and shall apply to secure any ultimate balance due or remaining due to the SLCFDC and shall be binding as a continuing security on the Guarantor, provided that the Guarantor or the executors or administrators of the Guarantor may determine his or their future liability under this guarantee by thirty days' written notice given to the branch of the SLCFDC at which this guarantee is held and this guarantee shall not apply to any liabilities of the customer to the SLCFDC incurred after the expiration of thirty days from the date of receipt of such notice by the said branch.

(6) That any change or changes in the name of the customer, or (if the customer be a partnership) any change or changes in the membership of the customer's firm by death or by the retirement of one or more of the partners or by the introduction of one or more other partners shall not affect or in any way limit or lessen the liability of the Guarantor hereunder and this guarantee shall extend to the person firm or corporation acquiring or from time to time carrying on the business of the customer.

(7) All moneys, advances, renewals and credits in fact borrowed or obtained from the SLCFDC shall be deemed to form part of the liabilities hereby guaranteed notwithstanding any incapacity, disability or lack of limitation of status or of the power of the customer or of the directors, partners or agents thereof, or that the customer may not be a legal entity, or any irregularity, defect or informality in the borrowing or obtaining of such money, advances, renewals or credits; and any amount which may not be recoverable from the Guarantor as principal debtor in respect thereof and shall be paid to the SLCFDC after demand therefor as hereinafter provided.

(8) That any account settled or stated by or between the SLCFDC and the customer shall be accepted by the Guarantor as conclusive evidence that the balance or amount thereby appearing due by the customer to the SLCFDC is so due.

(9) That should the SLCFDC receive from the Guarantor a payment or payments in full or an account of the liability under this guarantee, the Guarantor shall not be entitled to claim repayment against the customer or the customer's estate until the SLCFDC claims against the customer have been paid in full; and in case of liquidation, winding up or bankruptcy of the customer (whether voluntary or compulsory) or in the event that the customer shall make a bulk sale of any of the customer's assets within the bulk transfer provisions

of any applicable legislation or any composition with creditors or scheme of arrangement the SLCFDC shall have the right to rank for its full claim and receive all dividends or other payments in respect thereof until its claim has been paid in full and the Guarantor shall continue liable, up to the amount guaranteed, less any payments made by the Guarantor, for any balance which may be owing to the SLCFDC by the customer, and in the event of the valuation by the SLCFDC of any of its securities and/or the retention thereof by the SLCFDC, such valuation and/or retention shall not, as between the SLCFDC and the Guarantor, be considered as a purchase of such securities, or as payment or satisfaction or reduction of the customer's liabilities to the SLCFDC or any part thereof.

(10) That the Guarantor shall make payment to the SLCFDC of the amount of the liability of the Guarantor forthwith after demand therefor is made in writing and such demand shall be conclusively deemed to have been effectually made when an envelope containing it addressed to the Guarantor at the last address of the Guarantor known to the SLCFDC is deposited, postage prepaid and registered, in the Post Office and the liability of the Guarantor shall bear interest from the date of such demand at the rate or rates then applicable to the liabilities of the customer to the SLCFDC.

PART II

AND FOR THE FURTHER SECURITY OF THE SLCFDC THE GUARANTOR AGREES

(11) That all debts and liabilities present and future of the customer to the Guarantor are hereby assigned to the SLCFDC and postponed to the present and future debts and liabilities of the customer to the SLCFDC and any moneys received by the Guarantor in respect thereof shall be received in trust for and forthwith paid over to the SLCFDC, the whole without in any way limiting or lessening the liability of the Guarantor under Part I.

(12) The provisions of this Part II are independent of and severable from the provisions of Part I and shall remain in effect whether or not the Guarantor is liable for any amount under Part I and whether or not the SLCFDC has received the notice referred to in paragraph 5; provided however, that the provisions of this Part II may be terminated by the Guarantor, by written notice to the branch of the SLCFDC at which this instrument is held, at any time when the customer is not indebted or liable to the SLCFDC.

PART III

(13) This instrument is in addition and without prejudice to any securities of any kind (including without limitation guarantees and postponement agreement whether or not in the same form as this instrument) now or hereafter held by the SLCFDC.

(14) There are no representations, collateral agreements or conditions with respect to this instrument or affecting the Guarantor's liability hereunder other than as contained herein.

(15) This instrument shall be construed in accordance with the laws of Ontario, and the Guarantor agrees that any legal suit, action or proceeding arising out of relating to this instrument may be instituted in the courts of such province or territory, and the Guarantor hereby accepts and irrevocably submits to the jurisdiction of the said courts and acknowledges their competence and agrees to be bound by any judgment thereof, provided that nothing herein shall limit SLCFDC's right to bring proceedings against the Guarantor elsewhere.

(16) This instrument shall extend to and ensure to the benefit of the successors and assigns of the SLCFDC, and shall be binding upon the Guarantor and the heirs, executors, administrators and successors of the Guarantor.

Given under seal at Keswick, Ontario this ___ day of October, 2019.

The Town of Georgina – Guarantor

Witness Name: _____

Name: _____

Title: _____

I have the authority to bind the corporation