

Municipality Of Chatham-Kent
Community Development
Legal Services

To: Mayor and Members of Council
From: John Norton, Chief Legal Officer
Date: September 27, 2018
Subject: Amendment to Entegrus Shareholders Agreement

Recommendations

It is recommended that:

- 1) The Mayor and Clerk be authorized to execute a Waiver, Resolution and Direction of the Shareholders of Entegrus Inc., as described in this report, subject to review and approval of such a document by the Municipality's Chief Legal Officer.
- 2) The Mayor and Clerk be authorized to enter into such further agreements recommended by the Chief Legal Officer to satisfy TekSavvy that the amendment to the Shareholders Agreement will remain in force.

Background and Comments

The Entegrus group of companies ("Entegrus") and TekSavvy have negotiated an agreement for the sale of certain fibre assets by Entegrus to TekSavvy. Specifically, TekSavvy will purchase a fibre line constructed by Entegrus running between Ridgetown and Thamesville. Entegrus will divest this fibre asset at a profit.

As part of this purchase, shareholder approval is required due to terms in the existing Shareholders Agreement which limit the ability of Entegrus to sell fibre assets.

Areas of Strategic Focus and Critical Success Factors

The recommendations in this report supports the following areas of strategic focus:

Economic Prosperity:

Chatham-Kent is an innovative and thriving community with a diversified economy

A Healthy and Safe Community:

Chatham-Kent is a healthy and safe community with sustainable population growth

People and Culture:

Chatham-Kent is recognized as a culturally vibrant, dynamic, and creative community

Environmental Sustainability:

Chatham-Kent is a community that is environmentally sustainable and promotes stewardship of our natural resources

The recommendations in this report support the following critical success factors:

Financial Sustainability:

The Corporation of the Municipality of Chatham-Kent is financially sustainable

Open, Transparent and Effective Governance:

The Corporation of the Municipality of Chatham-Kent is open, transparent and effectively governed with efficient and bold, visionary leadership

Has the potential to support all areas of strategic focus & critical success factors

Neutral issues (does not support negatively or positively)

Consultation

The Chief Administrative Officer and the Chief Financial Officer were consulted and agree with the recommendations in this report.

Prepared by:

John Norton
General Manager, Community Development / Chief Legal Officer

Consulted and confirmed the content of the consultation section of the report by:

Mike Turner
Chief Financial Officer

Don Shropshire
Chief Administrative Officer