

Authority: Item 7, Audit, Finance &
Administration Committee
Report 16-010 (FCS16048)
CM: June 22, 2016

Bill No. 277

CITY OF HAMILTON

BY-LAW NO. 16-277

A By-law of the City of Hamilton to Authorize the Borrowing Upon Serial Debentures in the Principal Amount of \$128,415,000.00 Towards the Cost of Water Program Capital Improvements, Various Waste Management Projects, Wastewater & Storm Sewer Capital Improvements, Various Municipal Roads, MacNab North Bridge and Burlington Street Overpass A, Various Recreation Infrastructure, Various Parks and Emerald Ash Borer, Corporate Facilities Infrastructure and McMaster Health Campus

WHEREAS subsection 401 (1) of the *Municipal Act, 2001*, as amended (the “Act”) provides that a municipality may incur a debt for municipal purposes, whether by borrowing money or in any other way, and may issue debentures and prescribed financial instruments and enter prescribed financial agreements for or in relation to the debt;

AND WHEREAS subsection 408 (2.1) of the Act provides that a municipality may issue a debenture or other financial instrument for long-term borrowing only to provide financing for a capital work;

AND WHEREAS the Council of City of Hamilton (the “Municipality”) has passed the By-law or By-laws, as applicable, enumerated in column (1) of Schedule “A” attached hereto and forming part of this By-law authorizing the capital work described in column (2) of Schedule “A” (individually a “Capital Work” and collectively the “Capital Works, as the case may be”), and authorizing the entering into of a Financing Agreement dated effective as of September 07, 2016 for the provision of temporary and long term borrowing from Ontario Infrastructure and Lands Corporation (“OILC”) in respect of the Capital Work(s) (the “Financing Agreement”) and the Municipality desires to issue debentures for the Capital Work(s) in the amount or respective amounts, as applicable, specified in column (5) of Schedule “A”;

AND WHEREAS before authorizing the Capital Work(s) and before authorizing any additional cost amount and any additional debenture authority in respect thereof the Council of the Municipality had its Treasurer calculate an updated limit in respect of its most recent annual debt and financial obligation limit received from the Ministry of Municipal Affairs and Housing in accordance with the applicable regulation and, prior to the Council of the Municipality authorizing the Capital Work(s), each such additional cost amount and each such additional debenture authority, the Treasurer determined that the estimated annual amount payable in respect of the Capital Work(s), each such additional cost amount and each such additional debenture authority, would not cause the Municipality to exceed the updated limit and that the approval of the Capital Work(s), each such additional cost amount and each such additional debenture authority, by the Ontario Municipal Board pursuant to such regulation was not required;

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AND WHEREAS the Municipality has submitted an application to OILC for long term borrowing through the issue of debentures to OILC in respect of the Capital Work(s) (the “Application”) and the Application has been approved;

AND WHEREAS to provide long term financing for the Capital Work(s) and to repay certain temporary advances in respect of the Capital Work(s) made by OILC pursuant to the Financing Agreement, it is now deemed to be expedient to borrow money by the issue of serial debentures in the principal amount of \$128,415,000.00 dated October 17, 2016 and maturing on October 17, 2031, and payable in semi-annual instalments of combined principal and interest on the seventeenth day of April and on the seventeenth day of October in each of the years 2017 to 2031, both inclusive on the terms hereinafter set forth;

NOW THEREFORE THE COUNCIL OF City of Hamilton ENACTS AS FOLLOWS:

1. For the Capital Work(s), the borrowing upon the credit of the Municipality at large of the principal amount of \$128,415,000.00 and the issue of serial debentures therefor to be repaid in semi-annual instalments of combined principal and interest as hereinafter set forth, are hereby authorized.
2. The Mayor and the Treasurer of the Municipality are hereby authorized to cause any number of serial debentures to be issued for such amounts of money as may be required for the Capital Work(s) in definitive form, not exceeding in total the said principal amount of \$128,415,000.00 (the “Debentures”). The Debentures shall bear the Municipality’s municipal seal and the signatures of Mayor and the Treasurer of the Municipality, all in accordance with the provisions of the Act. The municipal seal of the Municipality and the signatures referred to in this section may be printed, lithographed, engraved or otherwise mechanically reproduced. The Debentures are sufficiently signed if they bear the required signatures and each person signing has the authority to do so on the date he or she signs.
3. The Debentures shall be in fully registered form as one or more certificates in the aggregate principal amount of \$128,415,000.00, in the name of OILC, or as OILC may otherwise direct, substantially in the form attached as Schedule “B” hereto and forming part of this By-law with provision for payment of principal and interest (other than in respect of the final payment of principal and outstanding interest on maturity upon presentation and surrender) by pre-authorized debit in respect of such principal and interest to the credit of such registered holder on such terms as to which the registered holder and the Municipality may agree.
4. In accordance with the provisions of section 25 of the *Ontario Infrastructure and Lands Corporation Act, 2011*, as amended from time to time hereafter, as security for the payment by the Municipality of the indebtedness of the Municipality to OILC under the Debentures (the “Obligations”), the Municipality is hereby authorized to agree in writing with OILC that the Minister of Finance is entitled, without notice to the Municipality, to deduct from money appropriated by the Legislative Assembly of

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Ontario for payment to the Municipality, amounts not exceeding the amounts that the Municipality fails to pay OILC on account of the Obligations and to pay such amounts to OILC from the Consolidated Revenue Fund.

5. The Debentures shall all be dated October 17, 2016, and as to both principal and interest shall be expressed and be payable in lawful money of Canada. The Debentures shall bear interest at the rate of 2.36% per annum and mature during a period of 15 years from the date thereof payable semi-annually in arrears as described in this section. The Debentures shall be paid in full by October 17, 2031 and be payable in equal semi-annual instalments of combined principal and interest on the seventeenth day of April and on the seventeenth of October in each of the years 2017 to 2031, both inclusive, save and except for the last instalment which may vary slightly from the preceding equal instalments, as set forth in Schedule "C" attached hereto and forming part of this By-law ("Schedule "C").
6. Payments in respect of principal of and interest on the Debentures shall be made only on a day on which banking institutions in Toronto, Ontario, are not authorized or obligated by law or executive order to be closed (a "**Toronto Business Day**") and if any date for payment is not a Toronto Business Day, payment shall be made on the next following Toronto Business Day.
7. Interest shall be payable to the date of maturity of the Debentures and on default shall be payable on any overdue amounts both before and after default and judgment at a rate per annum equal to the greater of the rate specified on the Schedule as attached to and forming part of the Debentures for such amounts plus 200 basis points or Prime Rate (as defined below) plus 200 basis points, calculated on a daily basis from the date such amounts become overdue for so long as such amounts remain overdue and the Municipality shall pay to the registered holders any and all costs incurred by the registered holders as a result of the overdue payment. Any amounts payable by the Municipality as interest on overdue principal or interest and all costs incurred by the registered holders as a result of the overdue payment in respect of the Debentures shall be paid out of current revenue. Whenever it is necessary to compute any amount of interest in respect of the Debentures for a period of less than one full year, other than with respect to regular semi-annual interest payments, such interest shall be calculated on the basis of the actual number of days in the period and a year of 365 days or 366 days as appropriate.

"Prime Rate" means, on any day, the annual rate of interest which is the arithmetic mean of the prime rates announced from time to time by the following five major Canadian Schedule I banks, as of the issue date of this Debenture: Royal Bank of Canada; Canadian Imperial Bank of Commerce; The Bank of Nova Scotia; Bank of Montreal; and The Toronto-Dominion Bank (the "**Reference Banks**") as their reference rates in effect on such day for Canadian dollar commercial loans made in Canada. If fewer than five of the Reference Banks quote a prime rate on such days,

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- the "Prime Rate" shall be the arithmetic mean of the rates quoted by the remaining Reference Banks.
8. In each year in which a payment of semi-annual instalments of combined equal principal and diminishing interest amounts becomes due in respect of the Capital Work(s), there shall be raised as part of the Municipality's general levy the amounts of principal and interest payable by the Municipality in each year as set out in Schedule "C" to the extent that the amounts have not been provided for by any other available source including other taxes or fees or charges imposed on persons or property by a by-law of any municipality.
 9. The Debentures may contain any provision for their registration thereof authorized by any statute relating to municipal debentures in force at the time of the issue thereof.
 10. The Municipality shall maintain a registry in respect of the Debentures in which shall be recorded the names and the addresses of the registered holders and particulars of the Debentures held by them respectively and in which particulars of the cancellations, exchanges, substitutions and transfers of Debentures, may be recorded and the Municipality is authorized to use electronic, magnetic or other media for records of or related to the Debentures or for copies of them.
 11. The Municipality shall not be bound to see to the execution of any trust affecting the ownership of any Debenture or be affected by notice of any equity that may be subsisting in respect thereof. The Municipality shall deem and treat registered holders of the Debentures as the absolute owners thereof for all purposes whatsoever notwithstanding any notice to the contrary and all payments to or to the order of registered holders shall be valid and effectual to discharge the liability of the Municipality on the Debentures to the extent of the amount or amounts so paid. Where a Debenture is registered in more than one name, the principal of and interest from time to time payable on such Debenture shall be paid to or to the order of all the joint registered holders thereof, failing written instructions to the contrary from all such joint registered holders, and such payment shall constitute a valid discharge to the Municipality. In the case of the death of one or more joint registered holders, despite the foregoing provisions of this section, the principal of and interest on any Debentures registered in their names may be paid to the survivor or survivors of such holders and such payment shall constitute a valid discharge to the Municipality.
 12. The Debentures will be transferable or exchangeable at the office of the Treasurer of the Municipality upon presentation for such purpose accompanied by an instrument of transfer or exchange in a form approved by the Municipality and which form is in accordance with the prevailing Canadian transfer legislation and practices, executed by the registered holder thereof or such holder's duly authorized attorney or legal personal representative, whereupon and upon registration of such transfer or exchange and cancellation of the Debenture or Debentures presented, the Mayor and the Treasurer shall issue and deliver a new Debenture or Debentures of an equal

- aggregate principal amount in any authorized denomination or denominations as directed by the transferee, in the case of a transfer or as directed by the registered holder in the case of an exchange.
13. The Mayor and the Treasurer shall issue and deliver new Debentures in exchange or substitution for Debentures outstanding on the registry with the same maturity and of like form which have become mutilated, defaced, lost, subject to a mysterious or unexplainable disappearance, stolen or destroyed, provided that the applicant therefor shall have: (a) paid such costs as may have been incurred in connection therewith; (b) (in the case when a Debenture is mutilated, defaced, lost, mysteriously or unexplainably missing, stolen or destroyed) furnished the Municipality with such evidence (including evidence as to the certificate number of the Debenture in question) and an indemnity in respect thereof satisfactory to the Municipality in its discretion; and (c) surrendered to the Municipality any mutilated or defaced Debentures in respect of which new Debentures are to be issued in substitution.
 14. The Debentures issued upon any registration of transfer or exchange or in substitution for any Debentures or part thereof shall carry all the rights to interest if any, accrued and unpaid which were carried by such Debentures or part thereof and shall be so dated and shall bear the same maturity date and, subject to the provisions of this By-law, shall be subject to the same terms and conditions as the Debentures in respect of which the transfer, exchange or substitution is effected.
 15. The cost of all transfers and exchanges, including the printing of authorized denominations of the new Debentures, shall be borne by the Municipality. When any of the Debentures are surrendered for transfer or exchange the Treasurer of the Municipality shall: (a) in the case of an exchange, cancel and destroy the Debentures surrendered for exchange; (b) in the case of an exchange, certify the cancellation and destruction in the registry; (c) enter in the registry particulars of the new Debenture or Debentures issued in exchange; and (d) in the case of a transfer, enter in the registry particulars of the registered holder as directed by the transferor.
 16. Reasonable fees in respect of the Debentures, in the normal course of business, other than reasonable fees for the substitution of a new Debenture or new Debentures for any of the Debentures that are mutilated, defaced, lost, mysteriously or unexplainably missing, stolen or destroyed and for the replacement of any of the principal and interest cheques (if any) that are mutilated, defaced, lost, mysteriously or unexplainably missing, stolen or destroyed may be imposed by the Municipality. When new Debentures are issued in substitution in these circumstances the Municipality shall: (a) treat as cancelled and destroyed the Debentures in respect of which new Debentures will be issued in substitution; (b) certify the deemed cancellation and destruction in the registry; (c) enter in the registry particulars of the new Debentures issued in substitution; and (d) make a notation of any indemnities provided.

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17. Except as otherwise expressly provided herein, any notice required to be given to a registered holder of one or more of the Debentures will be sufficiently given if a copy of such notice is mailed or otherwise delivered to the registered address of such registered holder.
18. The Mayor and the Treasurer are hereby authorized to cause the Debentures to be issued, one or more of the Clerk and Treasurer are hereby authorized to generally do all things and to execute all other documents and other papers in the name of the Municipality in order to carry out the issue of the Debentures and the Treasurer is authorized to affix the Municipality's municipal seal to any of such documents and papers.
19. The money received by the Municipality from the sale of the Debentures to OILC, including any premium, and any earnings derived from the investment of that money, after providing for the expenses related to their issue, if any, shall be apportioned and applied to the Capital Work(s) and to no other purpose except as permitted by the Act.
20. Subject to the Municipality's investment policies and goals, the applicable legislation and the terms and conditions of the Debentures, the Municipality may, if not in default under the Debentures, at any time purchase any of the Debentures in the open market or by tender or by private contract at any price and on such terms and conditions (including, without limitation, the manner by which any tender offer may be communicated or accepted and the persons to whom it may be addressed) as the Municipality may in its discretion determine.
21. This By-law takes effect on the day of passing.

PASSED this 12th day of October, 2016.

F. Eisenberger
Mayor

R. Caterini
City Clerk

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Schedule “A” to By-law Number 16-277

CITY OF HAMILTON

(1)	(2)	(3)	(4)	(5)	(6)
By-law	Project Description	Approved Amount to be Financed Through the Issue of Debentures	Amount of Debentures Previously Issued	Amount of Debentures to be Issued	Term of Years of Debentures
16-186 15-055 13-326	Water Program Capital Improvements	\$23,533,000.00	\$0.00		
12-293 12-258 11-319	Various Waste Management Projects	\$4,024,000.00	\$0.00		
11-081 09-265 08-308 08-105 07-117	Wastewater & Storm Sewer Capital Improvements	\$43,892,000.00	\$0.00		
06-001 05-076 04-097	Various Municipal Roads	\$23,556,000.00	\$0.00		
03-060 02-143 03-272 04-320 05-376	MacNab North Bridge and Burlington St Overpass A	\$909,000.00	\$0.00	128,415,000.00	15 years
06-344 07-357 08-086	Various Recreation Infrastructure	\$20,506,000.00	\$0.00		
08-300 09-153 09-261	Various Parks and Emerald Ash Borer	\$4,262,000.00	\$0.00		
11-038 11-312 12-291 13-211 13-323	Corporate Facilities Infrastructure McMaster Health Campus	\$5,146,000.00 \$3,500,000.00	\$0.00 \$0.00		

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CITY OF HAMILTON

Schedule "B" to By-law Number 16-277

No. 16-277

128,415,000.00

C A N A D A
Province of Ontario

CITY OF HAMILTON
FULLY REGISTERED INTEREST RATE 2.36% SERIAL DEBENTURE

CITY OF HAMILTON (the "Municipality"), for value received, hereby promises to pay to

ONTARIO INFRASTRUCTURE AND LANDS CORPORATION ("OILC")

or registered assigns, subject to the Conditions attached hereto which form part hereof (the "Conditions"), upon presentation and surrender of this debenture (or as otherwise agreed to by the Municipality and OILC) by the maturity date of this debenture (October 17, 2031), the principal amount of

ONE HUNDRED AND TWENTY-EIGHT MILLION FOUR HUNDRED AND FIFTEEN THOUSAND DOLLARS

----- (\$128,415,000.00) -----

by semi-annual instalments of combined equal principal and diminishing interest amounts on the seventeenth day of April and on the seventeenth day of October in each of the years 2017 to 2031, both inclusive, in the amounts set forth in the attached Serial Debenture Schedule (the "Amortization Schedule") and subject to late payment interest charges pursuant to the Conditions, in lawful money of Canada. Subject to the Conditions, interest shall be paid until the maturity date of this debenture, in like money in semi-annual payments from the closing date, or from the last date on which interest has been paid on this debenture, whichever is later, at the rate of 2.36% per annum, in arrears, on the specified dates, as set forth in the Amortization Schedule. Interest shall be paid on default at the applicable rate set out in the Amortization Schedule both before and after default and judgment. The payments of principal and interest and the outstanding amount of principal in each year are shown in the Amortization Schedule.

The Municipality, pursuant to section 25 of the *Ontario Infrastructure and Lands Corporation Act, 2011* (the "OILC Act, 2011") hereby irrevocably agrees that the Minister of Finance is

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entitled, without notice to the Municipality, to deduct from money appropriated by the Legislative Assembly of Ontario for payment to the Municipality, amounts not exceeding any amounts that the Municipality fails to pay OILC on account of indebtedness evidenced by this debenture, and to pay such amounts to OILC from the Consolidated Revenue Fund.

This debenture is subject to the Conditions.

DATED at City of Hamilton as at the 17th day of October, 2016.

IN TESTIMONY WHEREOF and under the authority of By-law Number 16-277 of the Municipality duly passed on the 12th day of October, 2016 (the "By-law"), this debenture is sealed with the municipal seal of the Municipality and signed by the Mayor and by the Treasurer thereof.

Date of Registration: October 17, 2016

Fred Eisenberger, Mayor

(Seal) _____

Mike Zegarac, Treasurer

OILC hereby agrees that the Minister of Finance is entitled to exercise certain rights of deduction pursuant to section 25 of the OILC Act, 2011 as described in this debenture.

Ontario Infrastructure and Lands Corporation

by: _____
Authorized Signing Officer

by: _____
Authorized Signing Officer

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LEGAL OPINION

We have examined the By-law of the Municipality authorizing the issue of serial debentures in the principal amount of 128,415,000.00 dated October 17, 2016 and maturing on October 17, 2031 in semi-annual instalments of combined equal principal and diminishing interest amounts on the seventeenth day of April and on the seventeenth day of October in each of the years 2017 to 2031, both inclusive, as set out in Schedule "C" to the By-law.

In our opinion, the By-law has been properly passed and is within the legal powers of the Municipality. The debenture issued under the By-law in the within form (the "Debenture") is the direct, general, unsecured and unsubordinated obligation of the Municipality. The Debenture is enforceable against the Municipality subject to the special jurisdiction and powers of the Ontario Municipal Board over defaulting municipalities under the *Municipal Affairs Act*. This opinion is subject to and incorporates all the assumptions, qualifications and limitations set out in our opinion letter.

October 17, 2016

Gardiner Roberts LLP

CONDITIONS OF THE DEBENTURE

Form, Denomination, and Ranking of the Debenture

1. The debentures issued pursuant to the By-law (collectively the “Debentures” and individually a “Debenture”) are issuable as fully registered Debentures without coupons.
2. The Debentures are direct, general, unsecured and unsubordinated obligations of the Municipality. The Debentures rank concurrently and equally in respect of payment of principal and interest with all other debentures of the Municipality except for the availability of money in a sinking or retirement fund for a particular issue of debentures.
3. This Debenture is one fully registered Debenture registered in the name of OILC and held by OILC.

Registration

4. The Municipality shall maintain at its designated office a registry in respect of the Debentures in which shall be recorded the names and the addresses of the registered holders and particulars of the Debentures held by them respectively and in which particulars of the transfers, exchanges and substitutions of Debentures, may be recorded and the Municipality is authorized to use electronic, magnetic or other media for records of or related to the Debentures or for copies of them.

Title

5. The Municipality shall not be bound to see to the execution of any trust affecting the ownership of any Debenture or be affected by notice of any equity that may be subsisting in respect thereof. The Municipality shall deem and treat registered holders of Debentures, including this Debenture, as the absolute owners thereof for all purposes whatsoever notwithstanding any notice to the contrary and all payments to or to the order of registered holders shall be valid and effectual to discharge the liability of the Municipality on the Debentures to the extent of the amount or amounts so paid. Where a Debenture is registered in more than one name, the principal of and interest from time to time payable on such Debenture shall be paid to or to the order of all the joint registered holders thereof, failing written instructions to the contrary from all such joint registered holders, and such payment shall constitute a valid discharge to the Municipality. In the case of the death of one or more joint registered holders, despite the foregoing provisions of this section, the principal of and interest on any Debentures registered in their names may be paid to the survivor or survivors of such holders and such payment shall constitute a valid discharge to the Municipality.

Payments of Principal and Interest

6. The record date for purposes of payment of principal of and interest on the Debentures is as of 5:00 p.m. on the sixteenth calendar day preceding any payment date including the maturity date. Principal of and interest on the Debentures are payable by the Municipality to the persons registered as holders in the registry on the relevant record date. The Municipality shall not be required to register any transfer, exchange or substitution of Debentures during the period from any record date to the corresponding payment date.
7. The Municipality shall make all payments in respect of semi-annual instalments of combined equal principal and diminishing interest amounts on the Debentures on the payment dates commencing on April 17, 2017 and ending on October 17, 2031, as set out in Schedule “C” to the By-law, by pre-authorized debit in respect of such interest and principal to the credit of the registered holder on such terms as the Municipality and the registered holder may agree.
8. The Municipality shall pay to the registered holder interest on any overdue amount of principal or interest in respect of any Debenture, both before and after default and judgment, at a rate per annum equal to the greater of the rate specified on the Schedule as attached to and forming part of the Debenture for such amount plus 200 basis points or Prime Rate (as defined below) plus 200 basis points, calculated on a daily basis from the date such amount becomes overdue for so long as such amount remains overdue and the Municipality shall pay to the registered holder any and all costs incurred by the registered holder as a result of the overdue payment.
9. Whenever it is necessary to compute any amount of interest in respect of the Debentures for a period of less than one full year, other than with respect to regular semi-annual interest payments, such interest shall be calculated on the basis of the actual number of days in the period and a year of 365 days or 366 days as appropriate.
10. Payments in respect of principal of and interest on the Debentures shall be made only on a day on which banking institutions in Toronto, Ontario, are not authorized or obligated by law or executive order to be closed (a “**Toronto Business Day**”), and if any date for payment is not a Toronto Business Day, payment shall be made on the next following Toronto Business Day as noted on the Amortization Schedule.
11. The Debentures are transferable or exchangeable at the office of the Treasurer of the Municipality upon presentation for such purpose accompanied by an instrument of transfer or exchange in a form approved by the Municipality and which form is in accordance with the prevailing Canadian transfer legislation and practices, executed by the registered holder thereof or such holder’s duly authorized attorney or legal personal representative, whereupon and upon registration of such transfer or exchange and

cancellation of the Debenture or Debentures presented, a new Debenture or Debentures of an equal aggregate principal amount in any authorized denomination or denominations will be delivered as directed by the transferee, in the case of a transfer or as directed by the registered holder in the case of an exchange.

12. The Municipality shall issue and deliver Debentures in exchange for or in substitution for Debentures outstanding on the registry with the same maturity and of like form in the event of a mutilation, defacement, loss, mysterious or unexplainable disappearance, theft or destruction, provided that the applicant therefor shall have: (a) paid such costs as may have been incurred in connection therewith; (b) (in the case of a mutilated, defaced, lost, mysteriously or unexplainably missing, stolen or destroyed Debenture) furnished the Municipality with such evidence (including evidence as to the certificate number of the Debenture in question) and an indemnity in respect thereof satisfactory to the Municipality in its discretion; and (c) surrendered to the Municipality any mutilated or defaced Debentures in respect of which new Debentures are to be issued in substitution.
13. The Debentures issued upon any registration of transfer or exchange or in substitution for any Debentures or part thereof shall carry all the rights to interest if any, accrued and unpaid which were carried by such Debentures or part thereof and shall be so dated and shall bear the same maturity date and, subject to the provisions of the By-law, shall be subject to the same terms and conditions as the Debentures in respect of which the transfer, exchange or substitution is effected.
14. The cost of all transfers and exchanges, including the printing of authorized denominations of the new Debentures, shall be borne by the Municipality. When any of the Debentures are surrendered for transfer or exchange the Treasurer of the Municipality shall: (a) in the case of an exchange, cancel and destroy the Debentures surrendered for exchange; (b) in the case of an exchange, certify the cancellation and destruction in the registry; (c) enter in the registry particulars of the new Debenture or Debentures issued in exchange; and (d) in the case of a transfer, enter in the registry particulars of the registered holder as directed by the transferor.
15. Reasonable fees for the substitution of a new Debenture or new Debentures for any of the Debentures that are mutilated, defaced, lost, mysteriously or unexplainably disappeared, stolen, or destroyed and for the replacement of mutilated, defaced, lost, stolen, mysteriously or unexplainably disappeared or destroyed principal and interest cheques may be imposed by the Municipality. Where new Debentures are issued in substitution in these circumstances the Municipality shall: (a) treat as cancelled and destroyed the Debentures in respect of which new Debentures will be issued in substitution; (b) certify the deemed cancellation and destruction in the registry; (c) enter in the registry particulars of the new Debentures issued in substitution; and (d) make a notation of any indemnities provided.

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- 16 If OILC elects to terminate its obligations under the financing agreement entered into between the Municipality and OILC pursuant to which the Debentures are issued, OILC, at its discretion, shall assess any losses that it may incur as a result of the termination as follows: if on the date of termination the outstanding principal balance on the Debentures is less than the net present value of the Debentures, the Municipality shall pay the difference between these two amounts to OILC.

Notices

17. Except as otherwise expressly provided herein, any notice required to be given to a registered holder of one or more of the Debentures will be sufficiently given if a copy of such notice is mailed or otherwise delivered to the registered address of such registered holder. If the Municipality or any registered holder is required to give any notice in connection with the Debentures on or before any day and that day is not a Toronto Business Day (as defined in section 10 of these Conditions) then such notice may be given on the next following Toronto Business Day.

Time

18. Unless otherwise expressly provided herein, any reference herein to a time shall be considered to be a reference to Toronto time.

Governing Law

19. The Debentures are governed by and shall be construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable in Ontario.

Definitions:

- (a) **"Prime Rate"** means, on any day, the annual rate of interest which is the arithmetic mean of the prime rates announced from time to time by the following five major Canadian Schedule I banks, as of the issue date of this Debenture: Royal Bank of Canada; Canadian Imperial Bank of Commerce; The Bank of Nova Scotia; Bank of Montreal; and The Toronto-Dominion Bank (the **"Reference Banks"**) as their reference rates in effect on such day for Canadian dollar commercial loans made in Canada. If fewer than five of the Reference Banks quote a prime rate on such days, the "Prime Rate" shall be the arithmetic mean of the rates quoted by the remaining Reference Banks.

A By-law of the City of Hamilton to Authorize the Borrowing Upon Serial Debentures in the Principal Amount of \$128,415,000.00 Towards the Cost of Water Program Capital Improvements, Various Waste Management Projects, Wastewater & Storm Sewer Capital Improvements, Various Municipal Roads, MacNab North Bridge and Burlington Street Overpass A, Various Recreation Infrastructure, Various Parks and Emerald Ash Borer, Corporate Facilities Infrastructure and McMaster Health Campus

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CITY OF HAMILTON

Schedule "C" to By-law 16-277

[OILC Repayment Schedule to be Inserted]

A By-law of the City of Hamilton to Authorize the Borrowing Upon Serial Debentures in the Principal Amount of \$128,415,000.00 Towards the Cost of Water Program Capital Improvements, Various Waste Management Projects, Wastewater & Storm Sewer Capital Improvements, Various Municipal Roads, MacNab North Bridge and Burlington Street Overpass A, Various Recreation Infrastructure, Various Parks and Emerald Ash Borer, Corporate Facilities Infrastructure and McMaster Health Campus

SERIAL DEBENTURE SCHEDULE

Loan.....: 1562
 Name.....: City of Hamilton
 Principal: 128,415,000.00
 Rate.....: 02.36%
 Term.....: 15 Years
 Compound.: Semi-annual
 Paid.....: Semi-annual
 Matures...: 10/17/2031

Pay #	Date	Amount Due	Principal Due	Interest Due	Rem. Principal
1	04/17/2017	5,791,645.50	4,280,500.00	1,511,145.50	124,134,500.00
2	10/17/2017	5,749,300.22	4,280,500.00	1,468,800.22	119,854,000.00
3	04/17/2018	5,690,902.47	4,280,500.00	1,410,402.47	115,573,500.00
4	10/17/2018	5,648,003.65	4,280,500.00	1,367,503.65	111,293,000.00
5	04/17/2019	5,590,159.43	4,280,500.00	1,309,659.43	107,012,500.00
6	10/17/2019	5,546,707.08	4,280,500.00	1,266,207.08	102,732,000.00
7	04/17/2020	5,496,058.80	4,280,500.00	1,215,558.80	98,451,500.00
8	10/17/2020	5,445,410.52	4,280,500.00	1,164,910.52	94,171,000.00
9	04/17/2021	5,388,673.37	4,280,500.00	1,108,173.37	89,890,500.00
10	10/17/2021	5,344,113.95	4,280,500.00	1,063,613.95	85,610,000.00
11	04/17/2022	5,287,930.33	4,280,500.00	1,007,430.33	81,329,500.00
12	10/17/2022	5,242,817.38	4,280,500.00	962,317.38	77,049,000.00
13	04/17/2023	5,187,187.30	4,280,500.00	906,687.30	72,768,500.00
14	10/17/2023	5,141,520.82	4,280,500.00	861,020.82	68,488,000.00
15	04/17/2024	5,090,872.53	4,280,500.00	810,372.53	64,207,500.00
16	10/17/2024	5,040,224.25	4,280,500.00	759,724.25	59,927,000.00
17	04/17/2025	4,985,701.23	4,280,500.00	705,201.23	55,646,500.00
18	10/17/2025	4,938,927.68	4,280,500.00	658,427.68	51,366,000.00
19	04/17/2026	4,884,958.20	4,280,500.00	604,458.20	47,085,500.00
20	10/17/2026	4,837,631.12	4,280,500.00	557,131.12	42,805,000.00
21	04/17/2027	4,784,215.17	4,280,500.00	503,715.17	38,524,500.00
22	10/17/2027	4,736,334.55	4,280,500.00	455,834.55	34,244,000.00
23	04/17/2028	4,685,686.27	4,280,500.00	405,186.27	29,963,500.00
24	10/17/2028	4,635,037.98	4,280,500.00	354,537.98	25,683,000.00
25	04/17/2029	4,582,729.10	4,280,500.00	302,229.10	21,402,500.00
26	10/17/2029	4,533,741.42	4,280,500.00	253,241.42	17,122,000.00
27	04/17/2030	4,481,986.07	4,280,500.00	201,486.07	12,841,500.00
28	10/17/2030	4,432,444.85	4,280,500.00	151,944.85	8,561,000.00
29	04/17/2031	4,381,243.03	4,280,500.00	100,743.03	4,280,500.00
30	10/17/2031	4,331,148.28	4,280,500.00	50,648.28	0.00
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		151,913,312.55	128,415,000.00	23,498,312.55	