CITY OF HAMILTON

BY-LAW NO. 05-093

A BY-LAW TO AUTHORIZE THE REPAYMENT TERMS ON FUNDS BORROWED FROM THE HAMILTON FUTURE FUND TO FUND CAPITAL WORKS IN THE CITY OF HAMILTON

WHEREAS the Council of the City of Hamilton (the “City”) has authorized an amount of up to $99,800,000 to be borrowed from the Hamilton Future Fund to fund approved capital projects and future capital projects as may be approved by the Council of the City of Hamilton,

AND WHEREAS the repayment terms of the said loan as hereinafter set out are as recommended by the Hamilton Future Fund Board of Governors;

AND WHEREAS the Council of the City of Hamilton has directed that the Hamilton Future Fund loan terms be in the form of a City of Hamilton by-law,

NOW THEREFORE the Council of the City of Hamilton enacts as follows:

1. The amortization period for each draw equals 15 years.

2. Interest on funds drawn is to be compounded semi-annually with Principal & Interest (P & I) to be paid at the end of each year.

3. For the calendar years 2005 and 2006, loan payments are based on 50% of the principal on amounts drawn and 100% of the interest. Beginning in the calendar year 2007, 100% of the amortized principal and interest on amounts drawn are to be paid at the end of each calendar year.

4. The interest rate on the first draw is to be 4% which is 75 basis points below the City’s current 10-year debenture rate.
5. For each subsequent withdrawal from the Hamilton Future Fund pursuant to this by-law, the interest rate is to be 75 basis points below the City’s 10 year debenture rate in effect at the time of the draw.

6. That the City Treasurer be authorized to issue a Promissory Note(s) for each withdrawal from the Hamilton Future Fund pursuant to this by-law.

PASSED AND ENACTED this 27th day of April, 2005.

[Signatures]

MAYOR

CLERK