

Authority: Item 18, Committee of the Whole
Report 03-015 (FCS03097)
CM: May 28, 2003

BILL NO. 230

THE CITY OF HAMILTON

BY-LAW NUMBER 05-230

A BY-LAW OF THE CITY OF HAMILTON TO AUTHORIZE THE BORROWING UPON SERIAL DEBENTURES IN THE AMOUNT OF \$60,000,000 TOWARDS THE COST OF THE PROJECTS IDENTIFIED IN COLUMN (2) OF SCHEDULE "A" ATTACHED HERETO.

WHEREAS 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 the Council of The City of Hamilton (the "Municipality") has passed the by-law[s] enumerated in column (1) of Schedule "A" attached hereto and forming part of this By-law authorizing the projects described in column (2) of Schedule "A" (individually a "Project", collectively, the "Projects"), and authorizing the entering into of a Financing Agreement for the provision of temporary borrowing from OSIFA in respect of the Projects (the "Financing Agreement") and the Municipality desires to issue debentures for the Projects in the respective amounts specified in column (5) of Schedule "A";

AND WHEREAS before authorizing each Project the Municipality had its Treasurer update 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 authorizing each Project, the Treasurer determined that the estimated annual amount payable in respect of each Project would not cause the Municipality to exceed the updated limit and that the approval of each Project by the Ontario Municipal Board was not required;

AND WHEREAS the Municipality has submitted an application to the Ontario Strategic Infrastructure Financing Authority ("OSIFA") for long term borrowing through the issue of debentures to OSIFA in respect of the Projects (the "Application") and the Application has been approved;

AND WHEREAS to provide long term financing for the Projects and to repay certain temporary advances in respect of the Projects made by OSIFA pursuant to the Financing Agreement dated effective as of April 30, 2004 (the "Advances"), it is now expedient to issue 20 year serial debentures in the amount of \$60,000,000 in lawful money of Canada, payable as to principal and interest semi-annually on March 1 and September 1 in each of the years 2006 to 2025, both inclusive, on the terms hereinafter set forth;

AND WHEREAS on May 18, 2004 a regulation was filed which changed the name of the Ontario Municipal Economic Infrastructure Financing Authority ("OMEIFA") to the Ontario Strategic Infrastructure Financing Authority ("OSIFA").

NOW THEREFORE THE COUNCIL OF THE CITY OF HAMILTON ENACTS AS FOLLOWS:

1. For the Projects, the borrowing upon the credit of the Municipality of the sum of \$60,000,000 and the issue of 20 year serial debentures therefor upon the credit of the Municipality to be repaid in semi-annual serials of 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 sums of money as may be required for the Projects in definitive form, not exceeding in total the said sum of \$60,000,000 (the "Debentures"). The Debentures shall bear the Municipality's municipal seal and the signatures of the 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 \$60,000,000, in the name of OSIFA or as OSIFA 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 the final maturity date 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 18 of the *Ontario Strategic Infrastructure Financing Authority Act, 2002* as security for the payment by the Municipality of the indebtedness of the Municipality to OSIFA under the Debentures (the "Obligations"), the Municipality is hereby authorized to agree in writing with OSIFA that the Minister of Finance is entitled, without notice to the Municipality, to deduct from money appropriated by the Legislative Assembly of Ontario for payment to the Municipality, or from money appropriated by such Assembly for payment to the Municipality in respect of such matters as may be specified, amounts not exceeding the amounts that the Municipality fails to pay to OSIFA on account of the Obligations and to pay such amounts to OSIFA.
5. The Debentures shall all be dated the 1st day of September, 2005 and shall be issued within two years after the day on which this By-law is enacted, and as to both principal and interest shall be expressed and be payable in lawful money of Canada. The Debentures shall mature during a period of 20 years from the date thereof and the respective amounts of principal and interest payable in each of the years in such period shall be as set forth in Schedule "C" attached hereto and forming part of this By-law ("Schedule "C"). The Debentures shall bear interest from the date thereof

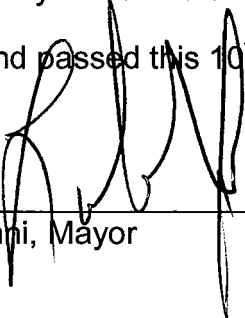
payable semi-annually in arrears in each year of their currency. The Debentures shall bear interest at the rate of 2.36% per annum.

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 final maturity date of the Debentures and on default shall be payable both before and after default and judgment. Any amounts payable by the Municipality as interest on overdue principal or interest 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.
8. In each year in which a payment of an serial of principal and interest become due, there shall be raised as part of the general levy the amounts of principal and interest payable 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 cancellation, 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 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 sum or sums 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.

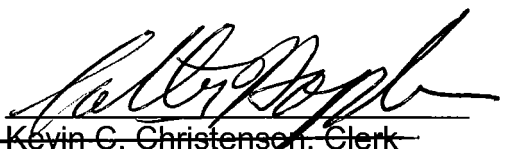
12. The Debentures will be transferable or exchangeable at the office of the Treasurer of the Municipality upon presentation for such purpose accompanied by an instrument of transfer or exchange in a form approved by the Municipality and which form is in accordance with the prevailing Canadian transfer 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 lost, stolen, mutilated, defaced or destroyed, provided that the applicant therefore shall have: (a) paid such costs as may have been incurred in connection therewith; (b) (in the case of a lost, stolen or destroyed Debenture) furnished the Municipality with such evidence (including evidence as to the certificate number of the Debenture in question) and 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; and (c) enter in the registry particulars of the new Debenture or Debentures issued in exchange.
16. Reasonable fees for the substitution of a new Debenture or new Debentures for any of the Debentures that are lost, stolen, mutilated, defaced or destroyed and for the replacement of lost, stolen, mutilated, defaced 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.

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, the Clerk and Treasurer are severally hereby authorized to generally do all things and to execute all 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 proceeds realized in respect of the Debentures, after providing for the expenses related to their issue, if any, shall be apportioned and applied to the Projects or to repay the Advances and for no other purpose except as permitted by the Act.
20. Subject to the Municipality's investment policies and goals and 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.

Enacted and passed this 10th day of August, 2005.



Larry Dilanni, Mayor



Kevin C. Christenson, Clerk
SALTER A. J. HAYDEN, DEPUTY CLERK

THE CITY OF HAMILTON
Schedule " A to By-law Number 05-230

By-law (1)	Project Description (2)	Approved Amount to be Financed Through the Issue of Debentures (3)	Amount of Debentures Previously Issued (4)	Amount of Debentures to be Issued (5)	Term of Years of Debentures (6)
Roads					
05-092	Upp James - Linc to Stone. & Stone. - Up James to W5th	429,366		429,366	20
05-092	Sydenham Road Repairs	261,778		261,778	20
05-092	Jullian Avenue - Melvin to Dunsmore	360,722		360,722	20
05-092	Middletown Rd - Fourth Conc. W to Fifth Conc. W	371,020		371,020	20
05-092	Terrace Drive - Mohawk to South Bend	158,118		158,118	20
05-092	Bettina Avenue - Hixon to end	152,984		152,984	20
05-092	Upper Kenilworth - Mohawk to Limeridge	702,082		702,082	20
05-092	East 25th, Halam, and MacLennan	650,929		650,929	20
05-092	Stanley Park Phase I	524,775		524,775	20
05-092	Grenadier, Wise, Barnett, Marvin & Camille	524,076		524,076	20
05-092	Parklands, Connor, Dundonald, Erin, & Nelligan	369,328		369,328	20
05-092	Dickenson Road - Highway 6 to Glancaster	243,626		243,626	20
05-092	Fifth Concession W. - Sheffield to Lynden	303,515		303,515	20
05-092	Ottawa Street - Main to King	265,797		265,797	20
05-092	Grimsby, MacLaren, & Admiral	520,000		520,000	20
05-092	RR97 - Middletown to Hwy #6 & Middletown - RR97 to end	336,176		336,176	20
05-092	Chippewa Road E - Nebo to Miles	444,763		444,763	20
05-092	Binbrook Road - Woodburn to Hendershot	400,494		400,494	20
05-092	Kirk - Fletcher to Trinity Church	103,590		103,590	20
05-092	Green Mountain Road - Eighth Road (E) to Tenth Road (W)	131,765		131,765	20
05-092	Cooper Road - Safari to Eighth Concession W.	156,222		156,222	20
05-092	Chippewa Road E - Nebo to Tinsdale	296,509		296,509	20
05-092	Middletown Rd - Eighth Conc. W to Safari Road	212,892		212,892	20
05-092	Chippewa Road E - Miles to Ferris	287,243		287,243	20
05-092	Lennon Road - Highway 97 to Concession 10	219,567		219,567	20
05-092	Homestead Drive - Highway 6 to Airport	168,000		168,000	20
05-092	Kingfisher - Upper Wentworth to Limeridge	176,723		176,723	20
05-092	Beeforth Road - Concession 5 E to Concession 6 E	185,279		185,279	20
05-092	Green Mountain Road - Fifth to Sixth	64,918		64,918	20
05-092	Scenic - Lyle to West 31st	168,887		168,887	20
05-092	Dofasco Ingot Truck Route	269,000		269,000	20
05-092	Sherman - King to Cannon	110,000		110,000	20
05-092	Upper Sherman - Jasmine to Limeridge	352,481		352,481	20
05-092	Gage - Barton to Beach	235,000		235,000	20
05-092	Wellington - Cannon to Barton	670,000		670,000	20
05-092	Guise - Bay to Catharine	933,077		933,077	20
05-092	East 43rd, Eleventh Ave. Lupin Ave	758,466		758,466	20
05-092	East 11th, East 12th, Mountville Avenue	742,239		742,239	20
05-092	Federal - Deerhurst to Millen	795,221		795,221	20
05-092	Hunt & Sunset, Baker & Lochearne	410,898		410,898	20
05-092	Walter-Britannia to Roxborough, Dunsmore-Walter to Adeline	551,894		551,894	20
05-092	Mahoney, Adeline, Guelph St, Goggin	567,560		567,560	20
05-092	Byng Street Urbanization	50,000		50,000	20
05-092	Red Hill Valley Project	70,316,984		30,316,984	20
Bridges					
05-092	Sydenham Rd Bridge (#3003) N of King	2,200,000		2,200,000	20
Waste					
05-092	Glanbrook-Leachate Improvement	4,596,000		4,596,000	20
05-092	Former Brampton Landfill Site Rehab	5,378,000		5,378,000	20
05-092	Former Rennie St. Landfill Site Rehab	1,872,036		1,872,036	20
Total		100,000,000		60,000,000	

Schedule "B" to By-law No. 05-230

No. ●

\$60,000,000

CANADA
Province of Ontario
THE CITY OF HAMILTON

FULLY REGISTERED SERIAL DEBENTURE

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

ONTARIO STRATEGIC INFRASTRUCTURE FINANCING AUTHORITY

or registered assigns, subject to the Conditions attached hereto which form part hereof (the "Conditions"), upon presentation and surrender of this debenture by the final maturity date of this debenture (September 1, 2025), the principal sum of

SIXTY MILLION DOLLARS

----- (\$60,000,000) -----

by semi-annual payments on the 1st day of March and on the 1st day of September in each of the years 2006 to 2025, both inclusive, in the amounts set forth in the attached Schedule (the "Schedule") and subject to late payment interest charges pursuant to the Conditions, in lawful money of Canada, and to pay interest thereon until the final maturity date of this debenture, in like money in semi-annual payments from the 1st day of September, 2005, or the last date on which interest has been paid on this debenture, whichever is later, at the rate of interest set forth in the Schedule, in arrears, on the 1st day of March and the 1st day of September, in each year (each, a "Payment Date") in the manner provided in the Conditions. Interest shall be paid on default at the applicable rate set out in the Conditions both before and after default and judgment. The applicable rate of interest, the payments of principal and interest and the principal balance outstanding in each year are shown in the Schedule.

The Municipality, pursuant to section 18 of the *Ontario Strategic Infrastructure Financing Authority Act, 2002*, (the "OSIFA Act, 2002") hereby irrevocably agrees that the Minister of Finance is entitled, without notice to the Municipality, to deduct from money appropriated by the Legislative Assembly of Ontario for payment to the Municipality, or from money appropriated by such Assembly for payment to the Municipality in respect of such matters as may be specified, amounts not exceeding any amounts that the Municipality fails to pay to OSIFA on account of the indebtedness evidenced by this debenture, and to pay such amounts to OSIFA.

This debenture is subject to the Conditions.

DATED at the City of Hamilton the 1st day of September 2005

IN TESTIMONY WHEREOF and under the authority of By-law Number 05-230 of the Municipality duly passed on the 10th day of August, 2005 (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: September 1, 2005

Mayor

(seal)

Treasurer

Schedule "B" to By-law No. 05-230

OSIFA hereby agrees that the Minister of Finance is entitled to exercise certain rights of deduction pursuant to section 18 of the OSIFA Act, 2002 as described in this debenture.

Ontario Strategic Infrastructure Financing Authority

by: _____

Authorized Signing Officer

LEGAL OPINION

We have examined By-law Number 05-230 (the "By-law") of The City of Hamilton (the "Municipality") authorizing the issue of serial debentures in the principal amount of \$60,000,000 dated September 1, 2005 and maturing in 40 serials combined principal and interest on the 1st day of March and on the 1st day of September in each of the years 2006 to 2025, both inclusive.

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, 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.

September 1, 2005

Gardiner Roberts LLP

Schedule "B" to By-law No. 05-230

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, 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 OSIFA and held by OSIFA.

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 cancellation, 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.

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 sum or sums 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.

Schedule "B" to By-law No. 05-230

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 a 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 combined principal and interest on the Debentures on each Payment Date commencing on March 1, 2006 (other than in respect of the final payment of principal and outstanding interest on the final maturity date upon presentation and surrender of this Debenture) by pre-authorized debit in respect of such interest and principal to the credit of the registered holder on such terms as to which the registered holder and the Municipality 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 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 and no further interest shall be paid in respect of the delay in such payment.
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

Schedule "B" to By-law No. 05-230

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 new Debentures in exchange or substitution for Debentures outstanding on the registry with the same maturity and of like form which have become lost, stolen, mutilated, defaced or destroyed, provided that the applicant therefore shall have: (a) paid such costs as may have been incurred in connection therewith; (b) (in the case of a lost, stolen or destroyed Debenture) furnished the Municipality with such evidence (including evidence as to the certificate number of the Debenture in question) and 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; and (c) enter in the registry particulars of the new Debenture or Debentures issued in exchange.
15. Reasonable fees for the substitution of a new Debenture or new Debentures for any of the Debentures that are lost, stolen, mutilated, defaced or destroyed and for the replacement of lost, stolen, mutilated, defaced 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.

Notices

16. 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

Schedule "B" to By-law No. 05-230

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

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

Governing Law

18. 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:

"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 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.

Schedule "B" to By-law No. 05-230

Serial Debenture Schedule

Municipality Name: The City of Hamilton
Principal Amount (\$): \$60,000,000.00
Annual Interest Rate (%): 2.36%
Loan Term (Years): 20
Debenture Date (m/d/yyyy): 9/1/2005
Maturity Date (m/d/yyyy): 9/2/2025
Payment Frequency: SemiAnnual
Loan Type: Serial

Payment Date	Total Payment	Principal Amount	Interest Amount	Principal Balance
3/1/2006	\$2,202,180.82	\$1,500,000.00	\$702,180.82	\$58,500,000.00
9/1/2006	\$2,195,973.70	\$1,500,000.00	\$695,973.70	\$57,000,000.00
3/1/2007	\$2,167,071.78	\$1,500,000.00	\$667,071.78	\$55,500,000.00
9/4/2007	\$2,171,048.22	\$1,500,000.00	\$671,048.22	\$54,000,000.00
3/3/2008	\$2,131,962.74	\$1,500,000.00	\$631,962.74	\$52,500,000.00
9/2/2008	\$2,121,197.26	\$1,500,000.00	\$621,197.26	\$51,000,000.00
3/2/2009	\$2,096,853.70	\$1,500,000.00	\$596,853.70	\$49,500,000.00
9/1/2009	\$2,085,700.27	\$1,500,000.00	\$585,700.27	\$48,000,000.00
3/1/2010	\$2,061,744.66	\$1,500,000.00	\$561,744.66	\$46,500,000.00
9/1/2010	\$2,053,209.86	\$1,500,000.00	\$553,209.86	\$45,000,000.00
3/1/2011	\$2,026,635.62	\$1,500,000.00	\$526,635.62	\$43,500,000.00
9/1/2011	\$2,017,518.90	\$1,500,000.00	\$517,518.90	\$42,000,000.00
3/1/2012	\$1,994,242.19	\$1,500,000.00	\$494,242.19	\$40,500,000.00
9/4/2012	\$1,989,683.84	\$1,500,000.00	\$489,683.84	\$39,000,000.00
3/1/2013	\$1,948,852.60	\$1,500,000.00	\$448,852.60	\$37,500,000.00
9/3/2013	\$1,950,986.30	\$1,500,000.00	\$450,986.30	\$36,000,000.00
3/3/2014	\$1,921,308.49	\$1,500,000.00	\$421,308.49	\$34,500,000.00
9/2/2014	\$1,908,215.34	\$1,500,000.00	\$408,215.34	\$33,000,000.00
3/2/2015	\$1,886,199.45	\$1,500,000.00	\$386,199.45	\$31,500,000.00
9/1/2015	\$1,872,718.36	\$1,500,000.00	\$372,718.36	\$30,000,000.00
3/1/2016	\$1,853,030.14	\$1,500,000.00	\$353,030.14	\$28,500,000.00
9/1/2016	\$1,839,064.11	\$1,500,000.00	\$339,064.11	\$27,000,000.00
3/1/2017	\$1,815,981.37	\$1,500,000.00	\$315,981.37	\$25,500,000.00
9/1/2017	\$1,803,373.15	\$1,500,000.00	\$303,373.15	\$24,000,000.00
3/1/2018	\$1,780,872.33	\$1,500,000.00	\$280,872.33	\$22,500,000.00
9/14/2018	\$1,772,046.58	\$1,500,000.00	\$272,046.58	\$21,000,000.00
3/1/2019	\$1,741,689.86	\$1,500,000.00	\$241,689.86	\$19,500,000.00

Schedule "B" to By-law No. 05-230

Payment Date	Total Payment	Principal Amount	Interest Amount	Principal Balance
9/3/2019	\$1,734,512.88	\$1,500,000.00	\$234,512.88	\$18,000,000.00
3/2/2020	\$1,710,654.25	\$1,500,000.00	\$210,654.25	\$16,500,000.00
9/1/2020	\$1,695,233.42	\$1,500,000.00	\$195,233.42	\$15,000,000.00
3/1/2021	\$1,675,545.21	\$1,500,000.00	\$175,545.21	\$13,500,000.00
9/1/2021	\$1,660,609.32	\$1,500,000.00	\$160,609.32	\$12,000,000.00
3/1/2022	\$1,640,436.16	\$1,500,000.00	\$140,436.16	\$10,500,000.00
9/1/2022	\$1,624,918.36	\$1,500,000.00	\$124,918.36	\$9,000,000.00
3/1/2023	\$1,605,327.12	\$1,500,000.00	\$105,327.12	\$7,500,000.00
9/1/2023	\$1,589,227.40	\$1,500,000.00	\$89,227.40	\$6,000,000.00
3/1/2024	\$1,570,606.03	\$1,500,000.00	\$70,606.03	\$4,500,000.00
9/3/2024	\$1,554,118.36	\$1,500,000.00	\$54,118.36	\$3,000,000.00
3/3/2025	\$1,535,109.04	\$1,500,000.00	\$35,109.04	\$1,500,000.00
9/2/2025	\$1,517,748.49	\$1,500,000.00	\$17,748.49	\$0.00

Schedule "C" to By-law No. 05-230

Serial Debenture Schedule

Municipality Name: The City of Hamilton
Principal Amount (\$): \$60,000,000.00
Annual Interest Rate (%): 2.36%
Loan Term (Years): 20
Debenture Date (m/d/yyyy): 9/1/2005
Maturity Date (m/d/yyyy): 9/2/2025
Payment Frequency: SemiAnnual
Loan Type: Serial

Payment Date	Total Payment	Principal Amount	Interest Amount	Principal Balance
3/1/2006	\$2,202,180.82	\$1,500,000.00	\$702,180.82	\$58,500,000.00
9/1/2006	\$2,195,973.70	\$1,500,000.00	\$695,973.70	\$57,000,000.00
3/1/2007	\$2,167,071.78	\$1,500,000.00	\$667,071.78	\$55,500,000.00
9/4/2007	\$2,171,048.22	\$1,500,000.00	\$671,048.22	\$54,000,000.00
3/3/2008	\$2,131,962.74	\$1,500,000.00	\$631,962.74	\$52,500,000.00
9/2/2008	\$2,121,197.26	\$1,500,000.00	\$621,197.26	\$51,000,000.00
3/2/2009	\$2,096,853.70	\$1,500,000.00	\$596,853.70	\$49,500,000.00
9/1/2009	\$2,085,700.27	\$1,500,000.00	\$585,700.27	\$48,000,000.00
3/1/2010	\$2,061,744.66	\$1,500,000.00	\$561,744.66	\$46,500,000.00
9/1/2010	\$2,053,209.86	\$1,500,000.00	\$553,209.86	\$45,000,000.00
3/1/2011	\$2,026,635.62	\$1,500,000.00	\$526,635.62	\$43,500,000.00
9/1/2011	\$2,017,518.90	\$1,500,000.00	\$517,518.90	\$42,000,000.00
3/1/2012	\$1,994,242.19	\$1,500,000.00	\$494,242.19	\$40,500,000.00
9/4/2012	\$1,989,683.84	\$1,500,000.00	\$489,683.84	\$39,000,000.00
3/1/2013	\$1,948,852.60	\$1,500,000.00	\$448,852.60	\$37,500,000.00
9/3/2013	\$1,950,986.30	\$1,500,000.00	\$450,986.30	\$36,000,000.00
3/3/2014	\$1,921,308.49	\$1,500,000.00	\$421,308.49	\$34,500,000.00
9/2/2014	\$1,908,215.34	\$1,500,000.00	\$408,215.34	\$33,000,000.00
3/2/2015	\$1,886,199.45	\$1,500,000.00	\$386,199.45	\$31,500,000.00
9/1/2015	\$1,872,718.36	\$1,500,000.00	\$372,718.36	\$30,000,000.00
3/1/2016	\$1,853,030.14	\$1,500,000.00	\$353,030.14	\$28,500,000.00
9/1/2016	\$1,839,064.11	\$1,500,000.00	\$339,064.11	\$27,000,000.00
3/1/2017	\$1,815,981.37	\$1,500,000.00	\$315,981.37	\$25,500,000.00
9/1/2017	\$1,803,373.15	\$1,500,000.00	\$303,373.15	\$24,000,000.00
3/1/2018	\$1,780,872.33	\$1,500,000.00	\$280,872.33	\$22,500,000.00
9/4/2018	\$1,772,046.58	\$1,500,000.00	\$272,046.58	\$21,000,000.00
3/1/2019	\$1,741,689.86	\$1,500,000.00	\$241,689.86	\$19,500,000.00

Schedule "C" to By-law No. 05-230

Payment Date	Total Payment	Principal Amount	Interest Amount	Principal Balance
9/3/2019	\$1,734,512.88	\$1,500,000.00	\$234,512.88	\$18,000,000.00
3/2/2020	\$1,710,654.25	\$1,500,000.00	\$210,654.25	\$16,500,000.00
9/1/2020	\$1,695,233.42	\$1,500,000.00	\$195,233.42	\$15,000,000.00
3/1/2021	\$1,675,545.21	\$1,500,000.00	\$175,545.21	\$13,500,000.00
9/11/2021	\$1,660,609.32	\$1,500,000.00	\$160,609.32	\$12,000,000.00
3/11/2022	\$1,640,436.16	\$1,500,000.00	\$140,436.16	\$10,500,000.00
9/11/2022	\$1,624,918.36	\$1,500,000.00	\$124,918.36	\$9,000,000.00
3/11/2023	\$1,605,327.12	\$1,500,000.00	\$105,327.12	\$7,500,000.00
9/11/2023	\$1,589,227.40	\$1,500,000.00	\$89,227.40	\$6,000,000.00
3/11/2024	\$1,570,606.03	\$1,500,000.00	\$70,606.03	\$4,500,000.00
9/3/2024	\$1,554,118.36	\$1,500,000.00	\$54,118.36	\$3,000,000.00
3/3/2025	\$1,535,109.04	\$1,500,000.00	\$35,109.04	\$1,500,000.00
9/2/2025	\$1,517,748.49	\$1,500,000.00	\$17,748.49	\$0.00