

**Authority:** Item 7, Committee of the Whole  
Report 10-022 (FCS09095(a))  
CM: August 12, 2010

**Bill No. 195**

**BY-LAW NUMBER 10-195**

**CITY OF HAMILTON**

**A BY-LAW TO AUTHORIZE THE BORROWING  
UPON AMORTIZING DEBENTURES IN THE  
PRINCIPAL AMOUNT OF \$2,493,420 FOR A  
PURPOSE OF THE CITY OF HAMILTON**

**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 enumerated in column (1) of Schedule “A” attached hereto and forming part of this By-law (“Schedule “A”) authorizing the project described in column (2) of Schedule “A” (the “Project”) and authorizing, *inter alia*, the entering into of a loan agreement dated September 23, 2009 for the provision of long term borrowing from the Federation of Canadian Municipalities, as trustee of the Green Municipal Fund (“FCM”) in respect of the Project (the “Financing Agreement”) and desires to issue debentures for the Project in the amount specified in column (3) of Schedule “A”;

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

**AND WHEREAS** to provide long term financing for the Project pursuant to the Financing Agreement, it is now expedient to issue 1.61% amortizing debentures in the principal amount of \$2,493,420 in lawful money of Canada, on the terms hereinafter set forth.

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

1. For the Project, the borrowing upon the credit of the Municipality of the principal sum of \$2,493,420 and the issue of amortizing debentures therefor to be repaid in instalments of combined (blended) principal and interest as hereinafter set forth, are hereby authorized.
2. Mayor and the Treasurer of the Municipality are hereby authorized to cause any number of amortizing debentures to be issued up to the aggregate of the said sum of \$2,493,420 substantially in the form attached as Schedule "B" attached hereto and forming part of this By-law (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 \$2,493,420, in the name of FCM or as FCM 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 maturity date upon presentation and surrender) on such terms as to which the registered holder and the Municipality may agree.
4. The Debentures shall all be dated the 30th day of August, 2010, 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 1.61% per annum from the date thereof payable in arrears as described in this section. The Debentures shall be paid in full by August 30, 2020 and shall be payable in instalments of combined (blended) principal and interest on such days as are set forth in Schedule "C" attached hereto and forming part of this By-law ("**Schedule "C"**") in each of the years during the currency of the Debentures, as set forth in Schedule "C".
5. Payments in respect of principal of and interest on the Debentures shall be made only on a day on which banking institutions in Ottawa, Ontario, are not authorized or obligated by law or executive order to be closed (an "**Ottawa Business Day**"), and if any date for payment is not an Ottawa Business Day, payment shall be made on the next following Ottawa Business Day and no further interest shall be paid in respect of the delay in such payment.
6. If the Municipality defaults in the payment of any instalment of combined (blended) principal and interest at any time appointed for payment thereof, the Municipality shall, until such overdue principal and/or interest amount(s) has/have been paid in full, pay to FCM interest on the principal and interest that is

from time to time outstanding at an annual rate that equals the total of: (a) 1.61%, plus (b) two percent (2.0%) per annum, calculated from the date of such default.

7. 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 interest payments, such interest shall be calculated on the basis of the actual number of days in the period and a year of 365 or 366 days as appropriate.
8. Following September 1, 2015, the Municipality may on any subsequent payment date, on not less than thirty (30) days notice to FCM, prepay all or part of the principal that is then outstanding, provided it simultaneously pays all accrued interest thereon plus, as a bonus, an additional three percent (3%) of the principal amount prepaid. In the case of a prepayment of a part of the principal, the amortization schedule set out in Schedule "C" shall be adjusted accordingly. In the case of a prepayment of a part of the principal, the amount of such prepayment cannot be less than the sum of one hundred thousand dollars (\$100,000.00). Upon delivery of such notice, the Municipality shall be obligated to effect prepayment in accordance with the terms of the notice and this section. Any amounts prepaid may not be re-borrowed.
9. Each year in which a payment of an instalment of combined (blended) principal and interest becomes due in respect of the Debentures, 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.
10. 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.
11. 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.
12. 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.

13. 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, 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.
14. The Mayor and the Treasurer shall issue and deliver new Debentures in exchange or substitution for the 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 therefor 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.
15. 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.
16. 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.

17. 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.
18. 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.
19. The Mayor and the Treasurer are hereby authorized to cause the Debentures to be issued, the Clerk and the Treasurer are individually 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 Clerk is authorized to affix the Municipality's municipal seal to any of such documents and papers.
20. 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 Project and to no other purpose except as permitted by the Act.
21. 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.

By-law read a first, second and third time and finally passed this 12th day of August, 2010



Fred Eisenberger  
Mayor



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Rose Caterini  
City Clerk

**Schedule "A" to Borrower's By-Law**

(1) By-law	(2) Project Description	(3) Amount of Debentures to be Issued	(4) Approximate Term of Years of Debentures
		\$	
06-215	Capital costs in connection with the purchase of replacement 40-foot Hybrid (Diesel/Electric) Conventional Transit Low Floor buses and replacement 60-foot Articulated Hybrid (Diesel/Electric) Conventional Transit Low Floor buses	2,493,420	10

**Schedule "B" to Borrower's By-Law**

Province of Ontario  
**CITY OF HAMILTON**

No. FCM-10-01

FULLY REGISTERED 1.61% AMORTIZING DEBENTURE

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

FEDERATION OF CANADIAN MUNICIPALITIES, AS TRUSTEE FOR THE GREEN  
MUNICIPAL FUND ("**FCM**")

or registered assigns, subject to the conditions attached hereto which form part hereof (the "**Conditions**"), upon presentation and surrender of this debenture by the maturity date of this debenture (August 30, 2020), the principal sum of

TWO MILLION FOUR HUNDRED NINETY-THREE THOUSAND FOUR HUNDRED AND  
TWENTY DOLLARS

----- (\$2,493,420) -----

by instalments of combined (blended) principal and interest in the manner and in the amounts set forth in the attached amortization schedule (the "**Schedule**") and subject to late payment interest charges pursuant to the Conditions, in lawful money of Canada. Interest shall be paid until the maturity date of this debenture, in like money in payments from the 30th day of August, 2010 or from the last date on which interest has been paid on this debenture, whichever is later at the rate of 1.61% per annum, in arrears, on the specified dates, as set forth in the Schedule (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.

This debenture is subject to the Conditions.

DATED at the City of Hamilton on August 30, 2010.

IN TESTIMONY WHEREOF and under the authority of By-law of the Municipality duly passed on August 12, 2010 (the "**By-law**"), this debenture is sealed with the municipal seal of the Municipality and signed by the Mayor and the treasurer thereof.

Date of Registration: August 30, 2010

\_\_\_\_\_  
Mayor

(seal) \_\_\_\_\_  
Treasurer

<b>Amortization Schedule</b> Federation of Canadian Municipalities - GMF 8/3/2007										
<b>Customer ID:</b> 9458 <b>Facility ID:</b> 001 <b>Loan ID:</b> 9458		<b>Name:</b> City of Hamilton <b>Address:</b> Transit Division , 2200 Upper James Street, RR1, Mount Hope, Ontario L0R 1W0								
<b>Loan Amount:</b> \$ 2,493,420.00 <b>Loan Type:</b> Amortized		<b>Day Code:</b>		<b>Actual/Actual</b>		<b># Payments:</b> 20 <b>Frequency:</b> Semi-annually - modified				
Pymt Date	Beginning Balance	Total Payment	Principal Payment	Interest Payment	Deferred Interest	Capitalized Interest	End of Term Balance	Principal Paid LTD	Total Interest LTD	Interest Rate
3/1/2011	\$2,493,420.00	\$135,484.68	\$115,357.66	\$20,127.02	\$0.00	\$0.00	\$2,378,062.34	\$115,357.66	\$20,127.02	1.61000
9/1/2011	\$2,378,062.34	\$135,484.68	\$116,183.94	\$19,300.74	\$0.00	\$0.00	\$2,261,878.40	\$231,541.60	\$39,427.76	
<b>2011 Year End Totals</b>		<b>\$270,969.36</b>	<b>\$231,541.60</b>	<b>\$39,427.76</b>	<b>\$0.00</b>					
<b>Cumulative LTD Totals</b>		<b>\$270,969.36</b>	<b>\$231,541.60</b>	<b>\$39,427.76</b>	<b>\$0.00</b>					
3/1/2012	\$2,261,878.40	\$135,484.68	\$117,342.80	\$18,141.88	\$0.00	\$0.00	\$2,144,535.60	\$348,884.40	\$57,569.64	1.61000
9/1/2012	\$2,144,535.60	\$135,484.68	\$118,126.83	\$17,357.85	\$0.00	\$0.00	\$2,026,408.77	\$467,011.23	\$74,927.49	
<b>2012 Year End Totals</b>		<b>\$270,969.36</b>	<b>\$235,469.63</b>	<b>\$35,499.73</b>	<b>\$0.00</b>					
<b>Cumulative LTD Totals</b>		<b>\$541,938.72</b>	<b>\$467,011.23</b>	<b>\$74,927.49</b>	<b>\$0.00</b>					
3/1/2013	\$2,026,408.77	\$135,484.68	\$119,335.96	\$16,148.72	\$0.00	\$0.00	\$1,907,072.81	\$586,347.19	\$91,076.21	1.61000
9/1/2013	\$1,907,072.81	\$135,484.68	\$120,006.56	\$15,478.12	\$0.00	\$0.00	\$1,787,066.25	\$706,353.75	\$106,554.33	
<b>2013 Year End Totals</b>		<b>\$270,969.36</b>	<b>\$239,342.52</b>	<b>\$31,626.84</b>	<b>\$0.00</b>					
<b>Cumulative LTD Totals</b>		<b>\$812,908.08</b>	<b>\$706,353.75</b>	<b>\$106,554.33</b>	<b>\$0.00</b>					
3/1/2014	\$1,787,066.25	\$135,484.68	\$121,217.04	\$14,267.64	\$0.00	\$0.00	\$1,665,849.21	\$827,570.79	\$120,821.97	1.61000
9/1/2014	\$1,665,849.21	\$135,484.68	\$121,964.37	\$13,520.31	\$0.00	\$0.00	\$1,543,884.84	\$949,535.16	\$134,342.28	
<b>2014 Year End Totals</b>		<b>\$270,969.36</b>	<b>\$243,181.41</b>	<b>\$27,787.95</b>	<b>\$0.00</b>					
<b>Cumulative LTD Totals</b>		<b>\$1,083,877.44</b>	<b>\$949,535.16</b>	<b>\$134,342.28</b>	<b>\$0.00</b>					
3/1/2015	\$1,543,884.84	\$135,484.68	\$123,158.56	\$12,326.12	\$0.00	\$0.00	\$1,420,726.28	\$1,072,693.72	\$146,668.40	1.61000
9/1/2015	\$1,420,726.28	\$135,484.68	\$123,953.83	\$11,530.85	\$0.00	\$0.00	\$1,296,772.45	\$1,196,647.55	\$158,199.25	
<b>2015 Year End Totals</b>		<b>\$270,969.36</b>	<b>\$247,112.39</b>	<b>\$23,856.97</b>	<b>\$0.00</b>					
<b>Cumulative LTD Totals</b>		<b>\$1,354,846.80</b>	<b>\$1,196,647.55</b>	<b>\$158,199.25</b>	<b>\$0.00</b>					
3/1/2016	\$1,296,772.45	\$135,484.68	\$125,083.64	\$10,401.04	\$0.00	\$0.00	\$1,171,688.81	\$1,321,731.19	\$168,600.29	1.61000
9/1/2016	\$1,171,688.81	\$135,484.68	\$126,001.04	\$9,483.64	\$0.00	\$0.00	\$1,045,687.77	\$1,447,732.23	\$178,083.93	
<b>2016 Year End Totals</b>		<b>\$270,969.36</b>	<b>\$251,084.68</b>	<b>\$19,884.68</b>	<b>\$0.00</b>					
<b>Cumulative LTD Totals</b>		<b>\$1,625,816.16</b>	<b>\$1,447,732.23</b>	<b>\$178,083.93</b>	<b>\$0.00</b>					

<b>Amortization Schedule</b> Federation of Canadian Municipalities - GMF 8/3/2007										
<b>Customer ID:</b> 9458 <b>Facility ID:</b> 001 <b>Loan ID:</b> 9458 <b>Loan Amount:</b> \$ 2,493,420.00 <b>Loan Type:</b> Amortized		<b>Name:</b> City of Hamilton <b>Address:</b> Transit Division, 2200 Upper James Street, RR1, Mount Hope, Ontario L0R 1W0								
		<b>Day Code:</b>		<b>Actual/Actual</b>		<b># Payments:</b> 20		<b>Frequency:</b> Semi-annually - <i>modified</i>		
Pymt Date	Beginning Balance	Total Payment	Principal Payment	Interest Payment	Deferred Interest	Capitalized Interest	End of Term Balance	Principal Paid LTD	Total Interest LTD	Interest Rate
3/1/2017	\$1,045,687.77	\$135,484.68	\$127,151.46	\$8,333.22	\$0.00	\$0.00	\$918,536.31	\$1,574,883.69	\$186,417.15	1.61000
9/1/2017	\$918,536.31	\$135,484.68	\$128,029.69	\$7,454.99	\$0.00	\$0.00	\$790,506.62	\$1,702,913.38	\$193,872.14	
<b>2017 Year End Totals</b>		<b>\$270,969.36</b>	<b>\$255,181.15</b>	<b>\$15,788.21</b>	<b>\$0.00</b>					
<b>Cumulative LTD Totals</b>		<b>\$1,896,785.52</b>	<b>\$1,782,913.38</b>	<b>\$193,872.14</b>	<b>\$0.00</b>					
3/1/2018	\$790,506.62	\$135,484.68	\$129,173.41	\$6,311.27	\$0.00	\$0.00	\$661,333.21	\$1,832,086.79	\$200,183.41	1.61000
9/1/2018	\$661,333.21	\$135,484.68	\$130,117.19	\$5,367.49	\$0.00	\$0.00	\$531,216.02	\$1,962,203.98	\$205,550.90	
<b>2018 Year End Totals</b>		<b>\$270,969.36</b>	<b>\$259,290.60</b>	<b>\$11,678.76</b>	<b>\$0.00</b>					
<b>Cumulative LTD Totals</b>		<b>\$2,167,754.88</b>	<b>\$1,962,203.98</b>	<b>\$205,550.90</b>	<b>\$0.00</b>					
3/1/2019	\$531,216.02	\$135,484.68	\$131,243.34	\$4,241.14	\$0.00	\$0.00	\$399,972.48	\$2,093,447.52	\$209,792.04	1.61000
9/1/2019	\$399,972.48	\$135,484.68	\$132,238.44	\$3,246.24	\$0.00	\$0.00	\$267,734.04	\$2,225,685.96	\$213,038.28	
<b>2019 Year End Totals</b>		<b>\$270,969.36</b>	<b>\$263,481.98</b>	<b>\$7,487.38</b>	<b>\$0.00</b>					
<b>Cumulative LTD Totals</b>		<b>\$2,438,724.24</b>	<b>\$2,225,685.96</b>	<b>\$213,038.28</b>	<b>\$0.00</b>					
3/1/2020	\$267,734.04	\$135,484.68	\$133,337.26	\$2,147.42	\$0.00	\$0.00	\$134,396.78	\$2,359,023.22	\$215,185.70	1.61000
8/30/2020	\$134,396.78	\$135,472.76	\$134,396.78	\$1,075.98	\$0.00	\$0.00	\$0.00	\$2,493,420.00	\$216,261.68	
<b>2020 Year End Totals</b>		<b>\$270,957.44</b>	<b>\$267,734.04</b>	<b>\$3,223.40</b>	<b>\$0.00</b>					
<b>Cumulative LTD Totals</b>		<b>\$2,709,681.68</b>	<b>\$2,493,420.00</b>	<b>\$216,261.68</b>	<b>\$0.00</b>					

**CONDITIONS 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 FCM and held by FCM.
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.
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.
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 instalments of combined (blended) principal and interest on the Debentures on each Payment Date commencing on March 1, 2011 (other than in respect of the final payment of principal and outstanding interest on the maturity date upon presentation and surrender of this Debenture) on such terms as the Municipality and the registered holder may agree.
8. Following September 1, 2015, the Municipality may on any subsequent payment date, on not less than thirty (30) days notice to FCM, prepay all or part of the principal that is then outstanding, provided it simultaneously pays all accrued interest thereon plus, as a bonus, an additional three percent (3%) of the principal amount prepaid. In the case of a prepayment of a part of the principal, the amortization schedule set out in the Schedule shall be adjusted accordingly. In the case of a prepayment of a part of the principal, the amount of such prepayment cannot be less than the sum of one hundred thousand dollars (\$100,000.00). Upon delivery of such notice, the Municipality shall be obligated to effect prepayment in accordance with the terms of the notice and this section. Any amounts prepaid may not be re-borrowed.
9. If the Municipality defaults in the payment of any instalment of combined (blended) principal and interest at any time appointed for payment thereof, the Municipality shall, until such overdue principal and/or interest amount(s) has/have been paid in full, pay to FCM interest on the principal and interest that is from time to time outstanding at an annual rate that equals the total of: (a) 1.61%, plus (b) two percent (2.0%) per annum, calculated from the date of such default.
10. 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 interest payments, such interest shall be calculated on the basis of the actual number of days in the period and a year of 365 or 366 days, as appropriate.
11. Payments in respect of principal of and interest on the Debentures shall be made only on a day on which banking institutions in Ottawa, Ontario, are not authorized or obligated by law or executive order to be closed (an "**Ottawa Business Day**"), and if any date for payment is not an Ottawa Business Day, payment shall be made on the next following Ottawa Business Day and no further interest shall be paid in respect of the delay in such payment.
12. 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.

13. 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 therefor 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 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.
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 to 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. 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 an Ottawa Business Day then such notice may be given on the next following Ottawa Business Day.

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

## Schedule "C" to Borrower's By-law

<b>Amortization Schedule</b>										
Federation of Canadian Municipalities - GMF										
8/3/2007										
Customer ID: 9458		Name: City of Hamilton								
Facility ID: 001		Address: Transit Division , 2200 Upper James Street, RR1, Mount Hope, Ontario L0R 1W0								
Loan ID: 9458										
Loan Amount: \$ 2,493,420.00		Day Code:		Actual/Actual		# Payments: 20				
Loan Type: Amortized						Frequency: Semi-annually - modified				
Pymt Date	Beginning Balance	Total Payment	Principal Payment	Interest Payment	Deferred Interest	Capitalized Interest	End of Term Balance	Principal Paid LTD	Total Interest LTD	Interest Rate
3/1/2011	\$2,493,420.00	\$135,484.68	\$115,357.66	\$20,127.02	\$0.00	\$0.00	\$2,378,062.34	\$115,357.66	\$20,127.02	1.61000
9/1/2011	\$2,378,062.34	\$135,484.68	\$116,183.94	\$19,300.74	\$0.00	\$0.00	\$2,261,878.40	\$231,541.60	\$39,427.76	
<b>2011 Year End Totals</b>		<b>\$270,969.36</b>	<b>\$231,541.60</b>	<b>\$39,427.76</b>	<b>\$0.00</b>	<b>\$0.00</b>				
<b>Cumulative LTD Totals</b>		<b>\$270,969.36</b>	<b>\$231,541.60</b>	<b>\$39,427.76</b>	<b>\$0.00</b>	<b>\$0.00</b>				
3/1/2012	\$2,261,878.40	\$135,484.68	\$117,342.80	\$18,141.88	\$0.00	\$0.00	\$2,144,535.60	\$348,884.40	\$57,569.64	1.61000
9/1/2012	\$2,144,535.60	\$135,484.68	\$118,126.83	\$17,357.85	\$0.00	\$0.00	\$2,026,408.77	\$467,011.23	\$74,927.49	
<b>2012 Year End Totals</b>		<b>\$270,969.36</b>	<b>\$235,469.63</b>	<b>\$35,499.73</b>	<b>\$0.00</b>	<b>\$0.00</b>				
<b>Cumulative LTD Totals</b>		<b>\$541,938.72</b>	<b>\$467,011.23</b>	<b>\$74,927.49</b>	<b>\$0.00</b>	<b>\$0.00</b>				
3/1/2013	\$2,026,408.77	\$135,484.68	\$119,335.96	\$16,148.72	\$0.00	\$0.00	\$1,907,072.81	\$586,347.19	\$91,076.21	1.61000
9/1/2013	\$1,907,072.81	\$135,484.68	\$120,006.56	\$15,478.12	\$0.00	\$0.00	\$1,787,066.25	\$706,353.75	\$106,554.33	
<b>2013 Year End Totals</b>		<b>\$270,969.36</b>	<b>\$239,342.52</b>	<b>\$31,626.84</b>	<b>\$0.00</b>	<b>\$0.00</b>				
<b>Cumulative LTD Totals</b>		<b>\$812,908.08</b>	<b>\$706,353.75</b>	<b>\$106,554.33</b>	<b>\$0.00</b>	<b>\$0.00</b>				
3/1/2014	\$1,787,066.25	\$135,484.68	\$121,217.04	\$14,267.64	\$0.00	\$0.00	\$1,665,849.21	\$827,570.79	\$120,821.97	1.61000
9/1/2014	\$1,665,849.21	\$135,484.68	\$121,964.37	\$13,520.31	\$0.00	\$0.00	\$1,543,884.84	\$949,535.16	\$134,342.28	
<b>2014 Year End Totals</b>		<b>\$270,969.36</b>	<b>\$243,181.41</b>	<b>\$27,787.95</b>	<b>\$0.00</b>	<b>\$0.00</b>				
<b>Cumulative LTD Totals</b>		<b>\$1,083,877.44</b>	<b>\$949,535.16</b>	<b>\$134,342.28</b>	<b>\$0.00</b>	<b>\$0.00</b>				
3/1/2015	\$1,543,884.84	\$135,484.68	\$123,158.56	\$12,326.12	\$0.00	\$0.00	\$1,420,726.28	\$1,072,693.72	\$146,668.40	1.61000
9/1/2015	\$1,420,726.28	\$135,484.68	\$123,953.83	\$11,530.85	\$0.00	\$0.00	\$1,296,772.45	\$1,196,647.55	\$158,199.25	
<b>2015 Year End Totals</b>		<b>\$270,969.36</b>	<b>\$247,112.39</b>	<b>\$23,856.97</b>	<b>\$0.00</b>	<b>\$0.00</b>				
<b>Cumulative LTD Totals</b>		<b>\$1,354,846.80</b>	<b>\$1,196,647.55</b>	<b>\$158,199.25</b>	<b>\$0.00</b>	<b>\$0.00</b>				
3/1/2016	\$1,296,772.45	\$135,484.68	\$125,083.64	\$10,401.04	\$0.00	\$0.00	\$1,171,688.81	\$1,321,731.19	\$168,600.29	1.61000
9/1/2016	\$1,171,688.81	\$135,484.68	\$126,001.04	\$9,483.64	\$0.00	\$0.00	\$1,045,687.77	\$1,447,732.23	\$178,083.93	
<b>2016 Year End Totals</b>		<b>\$270,969.36</b>	<b>\$251,084.68</b>	<b>\$19,884.68</b>	<b>\$0.00</b>	<b>\$0.00</b>				
<b>Cumulative LTD Totals</b>		<b>\$1,625,816.16</b>	<b>\$1,447,732.23</b>	<b>\$178,083.93</b>	<b>\$0.00</b>	<b>\$0.00</b>				

<b>Amortization Schedule</b> Federation of Canadian Municipalities - GMF 8/3/2007										
<b>9458</b>										
<b>Customer ID:</b> 9458		<b>Name:</b> City of Hamilton								
<b>Facility ID:</b> 001		<b>Address:</b> Transit Division , 2200 Upper James Street, RR1, Mount Hope, Ontario L0R 1W0								
<b>Loan ID:</b> 9458										
<b>Loan Amount:</b> \$ 2,493,420.00		<b>Day Code:</b>		<b>Actual/Actual</b>		<b># Payments:</b> 20				
<b>Loan Type:</b> Amortized						<b>Frequency:</b> Semi-annually - modified				
<b>Pymt Date</b>	<b>Beginning Balance</b>	<b>Total Payment</b>	<b>Principal Payment</b>	<b>Interest Payment</b>	<b>Deferred Interest</b>	<b>Capitalized Interest</b>	<b>End of Term Balance</b>	<b>Principal Paid LTD</b>	<b>Total Interest LTD</b>	<b>Interest Rate</b>
3/1/2017	\$1,045,687.77	\$135,484.68	\$127,151.46	\$8,333.22	\$0.00	\$0.00	\$918,536.31	\$1,574,883.69	\$186,417.15	1.61000
9/1/2017	\$918,536.31	\$135,484.68	\$128,029.69	\$7,454.99	\$0.00	\$0.00	\$790,506.62	\$1,702,913.38	\$193,872.14	
<b>2017 Year End Totals</b>		<b>\$270,969.36</b>	<b>\$255,181.15</b>	<b>\$15,788.21</b>	<b>\$0.00</b>					
<b>Cumulative LTD Totals</b>		<b>\$1,896,785.52</b>	<b>\$1,702,913.38</b>	<b>\$193,872.14</b>	<b>\$0.00</b>					
3/1/2018	\$790,506.62	\$135,484.68	\$129,173.41	\$6,311.27	\$0.00	\$0.00	\$661,333.21	\$1,832,086.79	\$200,183.41	1.61000
9/1/2018	\$661,333.21	\$135,484.68	\$130,117.19	\$5,367.49	\$0.00	\$0.00	\$531,216.02	\$1,962,203.98	\$205,530.90	
<b>2018 Year End Totals</b>		<b>\$270,969.36</b>	<b>\$259,290.60</b>	<b>\$11,678.76</b>	<b>\$0.00</b>					
<b>Cumulative LTD Totals</b>		<b>\$2,167,754.88</b>	<b>\$1,962,203.98</b>	<b>\$205,530.90</b>	<b>\$0.00</b>					
3/1/2019	\$531,216.02	\$135,484.68	\$131,243.54	\$4,241.14	\$0.00	\$0.00	\$399,972.48	\$2,093,447.52	\$209,792.04	1.61000
9/1/2019	\$399,972.48	\$135,484.68	\$132,238.44	\$3,246.24	\$0.00	\$0.00	\$267,734.04	\$2,225,685.96	\$213,038.28	
<b>2019 Year End Totals</b>		<b>\$270,969.36</b>	<b>\$263,481.98</b>	<b>\$7,487.38</b>	<b>\$0.00</b>					
<b>Cumulative LTD Totals</b>		<b>\$2,438,724.24</b>	<b>\$2,225,685.96</b>	<b>\$213,038.28</b>	<b>\$0.00</b>					
3/1/2020	\$267,734.04	\$135,484.68	\$133,337.26	\$2,147.42	\$0.00	\$0.00	\$134,396.78	\$2,359,023.22	\$215,185.70	1.61000
8/30/2020	\$134,396.78	\$135,472.76	\$134,396.78	\$1,075.98	\$0.00	\$0.00	\$0.00	\$2,493,420.00	\$216,261.68	
<b>2020 Year End Totals</b>		<b>\$270,957.44</b>	<b>\$267,734.04</b>	<b>\$3,223.40</b>	<b>\$0.00</b>					
<b>Cumulative LTD Totals</b>		<b>\$2,709,681.68</b>	<b>\$2,493,420.00</b>	<b>\$216,261.68</b>	<b>\$0.00</b>					