

THE REGIONAL MUNICIPALITY OF NIAGARA

BY-LAW NO. < >

A BY-LAW TO AUTHORIZE THE BORROWING UPON
SERIAL DEBENTURES IN THE AGGREGATE PRINCIPAL
AMOUNT OF \$35,754,409.00 FOR CAPITAL WORKS OF
THE REGIONAL MUNICIPALITY OF NIAGARA

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;

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;

WHEREAS the Act also provides that all debentures issued under a by-law passed by a regional municipality for its own purposes are direct, joint and several obligations of the regional municipality and its lower-tier municipalities;

WHEREAS the Council of The Regional Municipality of Niagara (hereinafter called the “Upper-tier Municipality”), has passed the By-laws enumerated in column (3) of Schedule “A” attached hereto and forming part of this By-law to authorize the capital works described in column (1) of Schedule “A” (individually a “Capital Work”, collectively the “Capital Works”), to authorize the long-term borrowing from Ontario Infrastructure and Lands Corporation (“OILC”) in respect of the Capital Works and to confirm, ratify and approve the execution by the Treasurer of the application to OILC for financing the Capital Works (the “Application”) and the submission by such authorized official of the Application; and to execute and deliver to OILC the rate offer letter agreement in respect of such long-term borrowing for the Capital Works;

WHEREAS before authorizing the Capital Works and before authorizing any additional cost amount and any additional debenture authority in respect thereof, the Council of the Upper-tier Municipality had its Regional 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 Upper-tier Municipality authorizing each Capital Work, each such

additional cost amount and each such additional debenture authority, the Regional Treasurer determined that the estimated annual amount payable in respect of each Capital Work, each such additional cost amount and each such additional debenture authority would, not cause the Upper-tier Municipality to exceed the updated limit and that the approval of each Capital Work, each such additional cost amount and each such additional debenture authority by the Local Planning Appeal Tribunal or its predecessor pursuant to such regulation was not required;

WHEREAS the Upper-tier Municipality has submitted the Application to OILC and the Application has been approved;

WHEREAS to provide long-term financing for the Capital Works it is now deemed to be expedient to borrow money by the issue of serial debentures in the aggregate principal amount of \$35,754,409.00 dated December 22, 2020 and maturing on December 22, 2050, and payable in semi-annual instalments of combined principal and interest on the 22nd day of June and on the 22nd day of December in each of the years 2021 to 2050, both inclusive on the terms hereinafter set forth;

NOW THEREFORE THE COUNCIL OF THE REGIONAL MUNICIPALITY OF NIAGARA ENACTS AS FOLLOWS:

1. That for the Capital Works, the borrowing upon the credit of the Upper-tier Municipality at large of the aggregate principal amount of \$35,754,409.00 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. That the Regional Chair and the Regional Treasurer of the Upper-tier 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 Works in definitive form, not exceeding in total the said aggregate principal amount of \$35,754,409.00 (the "Debentures"). The Debentures shall bear the Upper-tier Municipality's municipal seal and the signatures of the Regional Chair and the Regional Treasurer of the Upper-tier Municipality, all in accordance with the provisions of the Act. The municipal seal of the Upper-tier 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. That the Debentures shall be in fully registered form as one or more certificates in the aggregate principal amount of \$35,754,409.00, 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 Upper-tier Municipality may agree.
4. That in accordance with the provisions of section 25 of the “Ontario Infrastructure and Lands Corporation Act, 2011”, as amended from time to time hereafter, the Upper-tier Municipality is hereby authorized to agree in writing with OILC that the Minister of Finance is entitled, without notice to the Upper-tier Municipality to deduct from money appropriated by the Legislative Assembly of Ontario for payment to the Upper-tier Municipality amounts not exceeding any amounts that the Upper-tier Municipality fails to pay OILC on account of any unpaid indebtedness of the Upper-tier Municipality to OILC under the Debentures and to pay such amounts to OILC from the Consolidated Revenue Fund.
5. That the Debentures shall all be dated the 22nd day of December, 2020, 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 2.39% per annum and mature during a period of 30 years from the date thereof payable semi-annually in arrears as described in this section. The Debentures shall be paid in full by December 22, 2050 and be payable in semi-annual instalments of combined equal principal and diminishing interest amounts on the 22nd day of June and on the 22nd day of December in each of the years 2021 to 2050, both inclusive, save and except for the last instalment of principal 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. That payments in respect of principal of and interest on the Debentures shall be made only on a day, other than Saturday or Sunday, on which banking institutions in Toronto, Ontario, Canada and the Upper-tier Municipality are not authorized or obligated by law or executive order to be closed (a “Business Day”) and if any date for payment is not a Business Day, payment shall be made on the next following Toronto Business Day.

7. That 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 Upper-tier 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 Upper-tier 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 the Debentures: 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 those Reference Banks.

8. (1) That in each year in which a payment of semi-annual instalments of combined equal principal and diminishing interest becomes due in respect of the Capital Works, including the last ‘non-equal’ instalment of principal, there shall be raised as part of the Upper-tier Municipality’s general upper-tier levy the amounts of principal and interest payable by the Upper-tier 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. Without limiting the generality of the foregoing, the lower-tier municipalities that comprise the Upper-tier Municipality (individually a “Lower-tier Municipality”, collectively the “Lower-tier Municipalities”) shall pay to the Upper-tier Municipality, as part of the general upper-tier levy the amounts required to be paid to the Upper-tier

Municipality by the Lower-tier Municipalities in respect of the Capital Works, in accordance with the manner in which the general upper-tier levy is required, from time to time, to be paid to the Upper-tier Municipality. Such amounts constitute debt of the Lower-tier Municipalities to the Upper-tier Municipality and such amounts shall, when combined with any amount payable by the Upper-tier Municipality in the year for repayment of the debt for which the Debentures are to be issued, be sufficient to meet the total amount of principal and interest payable in the year by the Upper-tier Municipality in respect of the Debentures, all in accordance with the provisions of this By-law and the Act.

- (2) That if any Lower-tier Municipality fails to make any payment or portion of it as provided in this By-law, such Lower-tier Municipality shall pay interest to the Upper-tier Municipality on the amount in default at the rate of 15% per annum, from the date the payment is due until it is made.
 - (3) That there shall be raised, for the Capital Works, pursuant to this By-law, in each year of the currency of the Debentures, as part of the general upper-tier levy, the amounts required to be paid to the Upper-tier Municipality in any previous year by any one or more of the Lower-tier Municipalities to the extent that the amounts have not been paid to the Upper-tier Municipality in accordance with this By-law and the Act.
9. That 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. That the Upper-tier 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 Upper-tier Municipality is authorized to use electronic, magnetic or other media for records of or related to the Debentures or for copies of them.
11. That the Upper-tier 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 Upper-tier 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 Upper-tier Municipality on the Debentures to the extent of the amount or amounts so paid. When 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 Upper-tier 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 Upper-tier Municipality.

12. That the Debentures will be transferable or exchangeable at the office of the Regional Treasurer of the Upper-tier Municipality upon presentation for such purpose accompanied by an instrument of transfer or exchange in a form approved by the Upper-tier 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 Regional Chair and the Regional 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 transferor, in the case of a transfer or as directed by the registered holder in the case of an exchange.
13. That the Regional Chair and the Regional 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 Upper-tier 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 Upper-tier Municipality in its discretion; and (c) surrendered to the Upper-tier Municipality any mutilated or defaced Debentures in respect of which new Debentures are to be issued in substitution.

14. That 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. That the cost of all transfers and exchanges, including the printing of authorized denominations of the new Debentures, shall be borne by the Upper-tier Municipality. When any of the Debentures are surrendered for transfer or exchange the Regional Treasurer of the Upper-tier 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. That 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 Upper-tier Municipality. When new Debentures are issued in substitution in these circumstances the Upper-tier 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. That 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. That the Regional Chair and the Regional Treasurer are hereby authorized to cause the Debentures to be issued, one or more of the Regional Clerk and Regional Treasurer are hereby authorized to generally do all things and to execute all other documents and other papers in the name of the Upper-tier Municipality in order to carry out the issue of the Debentures and the Regional Treasurer or the

Regional Clerk is authorized to affix the Upper-tier Municipality's municipal seal to any of such documents and papers.

19. That the money received by the Upper-tier 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 Works, and to no other purpose except as permitted by the Act.
20. That subject to the Upper-tier Municipality's investment policies and goals, the applicable legislation and the terms and conditions of the Debentures, the Upper-tier 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 Upper-tier Municipality may in its discretion determine.
21. This by-law shall come into force and take effect on the day upon which it is passed.

THE REGIONAL MUNICIPALITY OF NIAGARA

James Bradley, Regional Chair

Ann-Marie Norio, Regional Clerk

Passed: <>

Schedule "A"

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Item No.	Description	Account No.	Authorizing By-Law	MOE File No.	MOE Date	Debentures Authorized by Council (\$)	Debentures Previously Issued (\$)	Debentures Now Being Issued (\$)	Debentures Available for Future Use (\$)
	<u>Term 1-30 Year Instalment (Serial) Debenture (Roads)</u>								
	Capital costs in connection with the:								
1	GO Transit construction project	20000140	2015-100, 2016-80, 2020-82			28,700,000	-	15,000,000	13,700,000
2	Structural Rehab - St. Paul W CNR Bridge - Bridge Replacement	10RC1566	2019-25, 2020-82			562,500	-	562,500	-
3	Structural Rehab - Schisler Road Bridge (027230)	20000661	2019-97; 2020-82			1,700,000	708,091	991,909	-
4	20-Structural Rehab-RR24 Sixteen Creek Culvert (024310)	20001189	2019-97; 2020-82			200,000	-	200,000	-
	Sub-total for 1-30 year debenture					31,162,500	708,091	16,754,409	13,700,000
	TOTAL					31,162,500	708,091	16,754,409	13,700,000

Schedule "A"

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Item No.	Description	Account No.	Authorizing By-Law	MOE File No.	MOE Date	Debentures Authorized by Council (\$)	Debentures Previously Issued (\$)	Debentures Now Being Issued (\$)	Debentures Available for Future Use (\$)
	<u>Term 1-30 Year Instalment (Serial) Debenture (Wastewater)</u>								
	Capital costs in connection with the:								
1	WWTP Upgrade Prgm - Garner Road Access & Lagoon	10SW1513	2019-25, 2020-82			2,300,000		2,300,000	-
2	MCC Upgrade Wastewater Program	20000684	2019-25, 2020-82			1,800,000		1,800,000	-
3	19-Seaway WWTP Electrical Upgrade	20000861	2019-25, 2020-82			295,000		295,000	-
	Sub-total for 1-30 year debenture					4,395,000	-	4,395,000	-
	TOTAL					4,395,000	-	4,395,000	-

Schedule "A"

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Item No.	Description	Account No.	Authorizing By-Law	MOE File No.	MOE Date	Debentures Authorized by Council (\$)	Debentures Previously Issued (\$)	Debentures Now Being Issued (\$)	Debentures Available for Future Use (\$)
	<u>Term 1-30 Year Instalment (Serial) Debenture (Water)</u>								
	Capital costs in connection with the:								
1	WTP Upgrade Prg-Port Colborne	10CW1314	2017-106, 2020-82			500,000		500,000	-
2	WTP Upg - Grimsby Lane & Valve	20000187	2017-106, 2020-82			1,030,000		1,030,000	-
3	2017-CNR Transmission Main	20000467	2017-106, 2020-82			6,400,000		6,400,000	-
4	Welland Canal WTM Extension	20001057	2019-25, 2020-82			4,620,000		4,620,000	-
5	Grimsby System Storage Upgrade	10CW1302	2019-25, 2020-82			1,155,000		1,155,000	-
6	19-St.Davids Rd Main Phase 1 / combined Phase 2	20000982	2019-25, 2020-82			900,000		900,000	-
	Sub-total for 1-30 year debenture					14,605,000	-	14,605,000	-
	TOTAL					14,605,000	-	14,605,000	-

Schedule "B"

THE REGIONAL MUNICIPALITY OF NIAGARA

No. OILC-20-06

\$35,754,409.00

C A N A D A

Province of Ontario

THE REGIONAL MUNICIPALITY OF NIAGARA

FULLY REGISTERED 2.39% SERIAL DEBENTURE

THE REGIONAL MUNICIPALITY OF NIAGARA (the "Upper-tier 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 Upper-tier Municipality and OILC) by the maturity date of this debenture (December 22, 2050), the principal amount of

THIRTY-FIVE MILLION, SEVEN HUNDRED FIFTY-FOUR THOUSAND, FOUR HUNDRED AND NINE DOLLARS

----- (\$35,754,409.00) -----

by semi-annual instalments of combined equal principal and diminishing interest amounts on the 22nd day of June and on the 22nd day of December in each of the years 2021 to 2050, both inclusive, save and except for the last instalment of principal which may vary slightly from the preceding equal instalments in the amounts set forth in the attached Loan Amortization 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 (December 22, 2020), or from the last date on which interest has been paid on this debenture, whichever is later, at the rate of 2.39% per annum, in arrears, on the specified dates, as set forth in the Amortization Schedule; and 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 Upper-tier 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 entitled, without notice to the Upper-tier Municipality, to deduct from money appropriated by the Legislative Assembly of Ontario for payment to the Upper-tier Municipality, amounts not exceeding any amounts that the Upper-tier Municipality fails to pay OILC on account of any unpaid indebtedness under this debenture, and to pay such amounts to OILC from the Consolidated Revenue Fund.

This debenture is subject to the Conditions.

DATED at the Regional Municipality of Niagara as at the 22nd day of December, 2020.

IN TESTIMONY WHEREOF and under the authority of By-law No. 2020-87 the Upper-tier Municipality duly passed on the 17th day of December, 2020 (the "By-law"), this debenture is sealed with the municipal seal of the Upper-tier Municipality and signed by the Regional Chair and by the Regional Treasurer thereof.

Date of Registration: December 22, 2020

_____(seal)
James Bradley, Regional Chair

Todd Harrison, Treasurer

This global debenture is also signed by the Regional Clerk pursuant to the Issuer's internal requirements.

Ann-Marie Norio, Regional Clerk

Schedule "B"

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

Schedule "B"

AMORTIZATION SCHEDULE

Name.....: The Regional Municipality of Niagara

Principal: \$35,754,409.00

Rate.....: 02.390%

Term.....: 360 months

Matures...: 12/22/2050

Pay #	Date	Amount Due \$	Principal Due \$	Interest Due \$	Rem. Principal \$
1	06/22/2021	1,022,001.42	595,906.82	426,094.60	35,158,502.18
2	12/22/2021	1,017,202.00	595,906.82	421,295.18	34,562,595.36
3	06/22/2022	1,007,798.26	595,906.82	411,891.44	33,966,688.54
4	12/22/2022	1,002,920.81	595,906.82	407,013.99	33,370,781.72
5	06/22/2023	993,595.11	595,906.82	397,688.29	32,774,874.90
6	12/22/2023	988,639.62	595,906.82	392,732.80	32,178,968.08
7	06/22/2024	981,499.02	595,906.82	385,592.20	31,583,061.26
8	12/22/2024	974,358.42	595,906.82	378,451.60	30,987,154.44
9	06/22/2025	965,188.80	595,906.82	369,281.98	30,391,247.62
10	12/22/2025	960,077.23	595,906.82	364,170.41	29,795,340.80
11	06/22/2026	950,985.65	595,906.82	355,078.83	29,199,433.98
12	12/22/2026	945,796.04	595,906.82	349,889.22	28,603,527.16
13	06/22/2027	936,782.50	595,906.82	340,875.68	28,007,620.34
14	12/22/2027	931,514.84	595,906.82	335,608.02	27,411,713.52
15	06/22/2028	924,374.25	595,906.82	328,467.43	26,815,806.70
16	12/22/2028	917,233.65	595,906.82	321,326.83	26,219,899.88
17	06/22/2029	908,376.19	595,906.82	312,469.37	25,623,993.06
18	12/22/2029	902,952.46	595,906.82	307,045.64	25,028,086.24
19	06/22/2030	894,173.04	595,906.82	298,266.22	24,432,179.42
20	12/22/2030	888,671.27	595,906.82	292,764.45	23,836,272.60
21	06/22/2031	879,969.88	595,906.82	284,063.06	23,240,365.78
22	12/22/2031	874,390.07	595,906.82	278,483.25	22,644,458.96
23	06/22/2032	867,249.48	595,906.82	271,342.66	22,048,552.14
24	12/22/2032	860,108.88	595,906.82	264,202.06	21,452,645.32
25	06/22/2033	851,563.58	595,906.82	255,656.76	20,856,738.50
26	12/22/2033	845,827.69	595,906.82	249,920.87	20,260,831.68
27	06/22/2034	837,360.42	595,906.82	241,453.60	19,664,924.86
28	12/22/2034	831,546.50	595,906.82	235,639.68	19,069,018.04
29	06/22/2035	823,157.27	595,906.82	227,250.45	18,473,111.22
30	12/22/2035	817,265.30	595,906.82	221,358.48	17,877,204.40
31	06/22/2036	810,124.71	595,906.82	214,217.89	17,281,297.58
32	12/22/2036	802,984.11	595,906.82	207,077.29	16,685,390.76

Schedule "B"

33 06/22/2037	794,750.96	595,906.82	198,844.14	16,089,483.94
34 12/22/2037	788,702.92	595,906.82	192,796.10	15,493,577.12
35 06/22/2038	780,547.81	595,906.82	184,640.99	14,897,670.30
36 12/22/2038	774,421.73	595,906.82	178,514.91	14,301,763.48
37 06/22/2039	766,344.66	595,906.82	170,437.84	13,705,856.66
38 12/22/2039	760,140.53	595,906.82	164,233.71	13,109,949.84
39 06/22/2040	752,999.94	595,906.82	157,093.12	12,514,043.02
40 12/22/2040	745,859.34	595,906.82	149,952.52	11,918,136.20
41 06/22/2041	737,938.35	595,906.82	142,031.53	11,322,229.38
42 12/22/2041	731,578.15	595,906.82	135,671.33	10,726,322.56
43 06/22/2042	723,735.20	595,906.82	127,828.38	10,130,415.74
44 12/22/2042	717,296.96	595,906.82	121,390.14	9,534,508.92
45 06/22/2043	709,532.04	595,906.82	113,625.22	8,938,602.10
46 12/22/2043	703,015.76	595,906.82	107,108.94	8,342,695.28
47 06/22/2044	695,875.17	595,906.82	99,968.35	7,746,788.46
48 12/22/2044	688,734.57	595,906.82	92,827.75	7,150,881.64
49 06/22/2045	681,125.74	595,906.82	85,218.92	6,554,974.82
50 12/22/2045	674,453.38	595,906.82	78,546.56	5,959,068.00
51 06/22/2046	666,922.58	595,906.82	71,015.76	5,363,161.18
52 12/22/2046	660,172.18	595,906.82	64,265.36	4,767,254.36
53 06/22/2047	652,719.43	595,906.82	56,812.61	4,171,347.54
54 12/22/2047	645,890.99	595,906.82	49,984.17	3,575,440.72
55 06/22/2048	638,750.40	595,906.82	42,843.58	2,979,533.90
56 12/22/2048	631,609.80	595,906.82	35,702.98	2,383,627.08
57 06/22/2049	624,313.12	595,906.82	28,406.30	1,787,720.26
58 12/22/2049	617,328.61	595,906.82	21,421.79	1,191,813.44
59 06/22/2050	610,109.97	595,906.82	14,203.15	595,906.62
60 12/22/2050	603,047.21	595,906.62	7,140.59	0.00

48,793,605.97	35,754,409.00	13,039,196.97
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Schedule "B"
LEGAL OPINION

We have examined the By-law of the Upper-tier Municipality authorizing the issue of serial debentures in the aggregate principal amount of \$35,754,409.00 dated December 22, 2020 and maturing on December 22, 2050 payable in semi-annual instalments of combined equal principal and diminishing interest amounts on the 22nd day of June and on the 22nd day of December in each of the years 2021 to 2050, both inclusive, save and except for the last instalment of principal which may vary slightly from the preceding equal instalments, 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 Upper-tier Municipality. The debenture issued under the By-law in the within form (the "Debenture") is the direct, general, unsecured, unsubordinated, joint and several obligation of the Upper-tier Municipality and of its lower-tier municipalities (the "Lower-tier Municipalities"). The Debenture is enforceable against the Upper-tier Municipality and the Lower-tier Municipalities subject to the special jurisdiction and powers of the Local Planning Appeal Tribunal 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.

December 22, 2020

WeirFoulds LLP

Schedule "B"
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, unsubordinated, joint and several obligations of the Upper-tier Municipality and of its Lower-tier Municipalities. The Debentures rank concurrently and equally in respect of payment of principal and interest with all other debentures of the Upper-tier 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 Upper-tier 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 cancellations, exchanges, substitutions and transfers of Debentures, may be recorded and the Upper-tier 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 Upper-tier 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 Upper-tier 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 Upper-tier 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 Upper-tier 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 Upper-tier 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 Upper-tier Municipality to the persons registered as holders in the registry on the relevant record date. The Upper-tier

Schedule "B"

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 Upper-tier Municipality shall make all payments in respect of semi-annual instalments of combined equal principal and diminishing interest amounts on the Debentures on the 22nd day of June and on the 22nd day of December in each of the years 2021 to 2050, both inclusive, including the last 'non-equal instalment of principal, 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 Upper-tier Municipality and the registered holder may agree.
8. The Upper-tier 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 Upper-tier 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, other than Saturday or Sunday, on which banking institutions in Toronto, Ontario, Canada and the Upper-tier Municipality are not authorized or obligated by law or executive order to be closed (a "**Business Day**"), and if any date for payment is not a Business Day, payment shall be made on the next following Business Day as noted on the Amortization Schedule.
11. The Debentures are transferable or exchangeable at the office of the Regional Treasurer of the Upper-tier Municipality upon presentation for such purpose accompanied by an instrument of transfer or exchange in a form approved by the Upper-tier 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 transferor, in the case of a transfer or as directed by the registered holder in the case of an exchange.
12. The Upper-tier 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 Upper-tier 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 Upper-tier Municipality in its discretion; and (c) surrendered to

Schedule "B"

the Upper-tier 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 Upper-tier Municipality. When any of the Debentures are surrendered for transfer or exchange the Treasurer of the Upper-tier 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 missing, stolen or destroyed and for the replacement of mutilated, defaced, lost, mysteriously or unexplainably missing, stolen or destroyed principal and interest cheques (if any) may be imposed by the Upper-tier Municipality. When new Debentures are issued in substitution in these circumstances the Upper-tier 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.
16. If OILC elects to terminate its obligations under the rate offer letter agreement entered into between the Upper-tier Municipality and OILC, or if the Upper-tier Municipality fails to meet and pay any of its debts or liabilities when due, or uses all or any portion of the proceeds of any Debenture for any purpose other than for a Capital Work(s) as authorized in the By-law pursuant to which the Debentures are issued at OILC's discretion, the Upper-tier Municipality shall pay to OILC the Make-Whole Amount on account of the losses that OILC will incur as a result of the early repayment or early termination.

Notices

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 Upper-tier 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 Business Day (as defined in section 10 of these Conditions) then such notice may be given on the next following 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.

Schedule "B"

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:

- (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 those Reference Banks.
- (b) **"Make-Whole Amount"** means the amount determined by OILC as of the date of prepayment of the Debenture, by which (i) the present value of the remaining future scheduled payments of principal and interest under the Debenture to be repaid from the prepayment date until maturity of the Debenture discounted at the Ontario Yield exceeds (ii) the principal amount under the Debenture being repaid provided that the Make-Whole Amount shall never be less than zero.
- (c) **"Ontario Yield"** means the yield to maturity on the date of prepayment of the Debenture, assuming semi-annual compounding, which a non-prepayable term loan made by the Province of Ontario would have if advanced on the date of prepayment of the Debenture, assuming the same principal amount as the Debenture and with a maturity date which is the same as the remaining term to maturity of the Debenture to be repaid minus 100 basis points.

Schedule "C"

AMORTIZATION SCHEDULE

Name.....: The Regional Municipality of Niagara

Principal: \$35,754,409.00

Rate.....: 02.390%

Term.....: 360 months

Matures...: 12/22/2050

Pay #	Date	Amount Due \$	Principal Due \$	Interest Due \$	Rem. Principal \$
1	06/22/2021	1,022,001.42	595,906.82	426,094.60	35,158,502.18
2	12/22/2021	1,017,202.00	595,906.82	421,295.18	34,562,595.36
3	06/22/2022	1,007,798.26	595,906.82	411,891.44	33,966,688.54
4	12/22/2022	1,002,920.81	595,906.82	407,013.99	33,370,781.72
5	06/22/2023	993,595.11	595,906.82	397,688.29	32,774,874.90
6	12/22/2023	988,639.62	595,906.82	392,732.80	32,178,968.08
7	06/22/2024	981,499.02	595,906.82	385,592.20	31,583,061.26
8	12/22/2024	974,358.42	595,906.82	378,451.60	30,987,154.44
9	06/22/2025	965,188.80	595,906.82	369,281.98	30,391,247.62
10	12/22/2025	960,077.23	595,906.82	364,170.41	29,795,340.80
11	06/22/2026	950,985.65	595,906.82	355,078.83	29,199,433.98
12	12/22/2026	945,796.04	595,906.82	349,889.22	28,603,527.16
13	06/22/2027	936,782.50	595,906.82	340,875.68	28,007,620.34
14	12/22/2027	931,514.84	595,906.82	335,608.02	27,411,713.52
15	06/22/2028	924,374.25	595,906.82	328,467.43	26,815,806.70
16	12/22/2028	917,233.65	595,906.82	321,326.83	26,219,899.88
17	06/22/2029	908,376.19	595,906.82	312,469.37	25,623,993.06
18	12/22/2029	902,952.46	595,906.82	307,045.64	25,028,086.24
19	06/22/2030	894,173.04	595,906.82	298,266.22	24,432,179.42
20	12/22/2030	888,671.27	595,906.82	292,764.45	23,836,272.60
21	06/22/2031	879,969.88	595,906.82	284,063.06	23,240,365.78
22	12/22/2031	874,390.07	595,906.82	278,483.25	22,644,458.96
23	06/22/2032	867,249.48	595,906.82	271,342.66	22,048,552.14
24	12/22/2032	860,108.88	595,906.82	264,202.06	21,452,645.32
25	06/22/2033	851,563.58	595,906.82	255,656.76	20,856,738.50
26	12/22/2033	845,827.69	595,906.82	249,920.87	20,260,831.68
27	06/22/2034	837,360.42	595,906.82	241,453.60	19,664,924.86
28	12/22/2034	831,546.50	595,906.82	235,639.68	19,069,018.04
29	06/22/2035	823,157.27	595,906.82	227,250.45	18,473,111.22
30	12/22/2035	817,265.30	595,906.82	221,358.48	17,877,204.40
31	06/22/2036	810,124.71	595,906.82	214,217.89	17,281,297.58
32	12/22/2036	802,984.11	595,906.82	207,077.29	16,685,390.76
33	06/22/2037	794,750.96	595,906.82	198,844.14	16,089,483.94
34	12/22/2037	788,702.92	595,906.82	192,796.10	15,493,577.12

Schedule "C"

35 06/22/2038	780,547.81	595,906.82	184,640.99	14,897,670.30
36 12/22/2038	774,421.73	595,906.82	178,514.91	14,301,763.48
37 06/22/2039	766,344.66	595,906.82	170,437.84	13,705,856.66
38 12/22/2039	760,140.53	595,906.82	164,233.71	13,109,949.84
39 06/22/2040	752,999.94	595,906.82	157,093.12	12,514,043.02
40 12/22/2040	745,859.34	595,906.82	149,952.52	11,918,136.20
41 06/22/2041	737,938.35	595,906.82	142,031.53	11,322,229.38
42 12/22/2041	731,578.15	595,906.82	135,671.33	10,726,322.56
43 06/22/2042	723,735.20	595,906.82	127,828.38	10,130,415.74
44 12/22/2042	717,296.96	595,906.82	121,390.14	9,534,508.92
45 06/22/2043	709,532.04	595,906.82	113,625.22	8,938,602.10
46 12/22/2043	703,015.76	595,906.82	107,108.94	8,342,695.28
47 06/22/2044	695,875.17	595,906.82	99,968.35	7,746,788.46
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