

## THE REGIONAL MUNICIPALITY OF NIAGARA

## BY-LAW NO. &lt;&gt;

A BY-LAW TO PROVIDE FOR THE BORROWING UPON INSTALMENT DEBENTURES IN THE AGGREGATE OF THE PRINCIPAL AMOUNTS AUTHORIZED BY BY-LAW NO. 2019-57 AND BY-LAW NO. 2019-58 IN THE AGGREGATE PRINCIPAL AMOUNT OF \$63,392,000.00 (\$200,000.00 PRINCIPAL AMOUNT OF 5 YEAR INSTALMENT DEBENTURES AND \$63,192,000.00 PRINCIPAL AMOUNT OF 10 YEAR INSTALMENT DEBENTURES) AND FOR THE ISSUING OF ONE SERIES OF INSTALMENT DEBENTURES THEREFOR

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 Act provides that if a municipality intends to incur debt for two or more purposes, or if it has passed separate debenture by-laws authorizing borrowing for two or more purposes but has not sold any of the debentures, the municipality may by by-law provide for the issue of one series of debentures for the debt;

AND WHEREAS the Council of The Regional Municipality of Niagara (the “Upper-tier Municipality”) has passed debenture by-laws as follows:

- (a) By-law No. 2019-57: to authorize the borrowing upon 10 year instalment debentures in the aggregate principal amount of \$32,446,569.00 for capital works of the Upper-tier Municipality; and
- (b) By-law No. 2019-58: to authorize the borrowing upon instalment debentures in the aggregate principal amount of \$30,945,431.00 (\$200,000.00 principal amount of 5 year instalment debentures and \$30,745,431.00 principal amount of 10 year instalment debentures) for capital works of the Cities of Niagara Falls, St.

Catharines and Welland, of the Town of Pelham and of the Township of Wainfleet.

both of which by-laws are hereinafter referred to as the “Debenture By-laws”;

AND 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;

AND WHEREAS the Act also provides that a municipality shall authorize long-term borrowing by the issue of debentures or through another municipality under section 403 or 404 of the Act and subsection 403 (7) of the Act provides that all debentures issued under a by-law passed by an upper-tier municipality under section 403 of the Act are direct, joint and several obligations of the upper-tier municipality and its lower-tier municipalities;

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

AND WHEREAS the total of the principal amounts authorized to be borrowed by the Debenture By-laws is the aggregate principal amount of \$63,392,000.00 (\$200,000.00 principal amount of 5 year instalment debentures and \$63,192,000.00 principal amount of 10 year instalment debentures) and it is desirable to consolidate the said amounts into one aggregate principal amount of \$63,392,000.00 repayable in accordance with Schedule “A” attached hereto and forming part of this By-law (“Schedule “A””) and to issue one series of debentures therefor, as agreed to by the Upper-tier Municipality on July 3, 2019.

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

1. The principal amounts authorized to be borrowed by the Debenture By-laws for the respective capital works or classes of works, as the case may be, set out in Schedules “A” to the Debenture By-laws (individually a “Capital Work”, collectively the “Capital Works”) are hereby consolidated into one aggregate principal amount of \$63,392,000.00 (\$200,000.00 principal amount of 5 year instalment debentures and \$63,192,000.00 principal amount of 10 year instalment debentures) and instalment debentures are hereby authorized to be issued therefor within the respective terms of years as set out in Columns (1) of such Schedules “A” as one series of instalment debentures in denominations of \$1,000.00 and any integral multiples thereof, as hereinafter set forth.

2. The Regional Chair and the Treasurer of the Upper-tier Municipality are hereby authorized to cause any number of instalment debentures in the aggregate principal amount of \$63,392,000.00 as described in section 1 above (the “**Debentures**”), payable in annual instalments of principal (July 24) with semi-annual instalments of interest thereon (January 24 and July 24) to be issued for such amounts of money as may be required for the Capital Works in global and definitive forms, not exceeding in total the said aggregate principal amount of \$63,392,000.00. The Debentures shall bear the Upper-tier Municipality’s municipal seal and the signatures of the Regional Chair and of the 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. The Debentures shall initially be issued in global fully registered form as two certificates, each in the principal amount of \$31,696,000.00, in the aggregate principal amount of \$63,392,000.00, substantially in the forms attached as Schedule “B” hereto and forming part of this By-law (the “**Global Debentures**”). The Global Debentures shall initially be issued in the name of CDS & CO. as nominee of CDS Clearing and Depository Services Inc. (“**CDS**”) and shall provide for payment of principal and interest electronically in final and irrevocable same-day funds in accordance with the applicable requirements of CDS, so long as the Global Debentures are held by CDS.
3. (1) The Debentures shall all be dated the 24th day of July, 2019, and as to both principal and interest shall be expressed and be payable in lawful money of Canada. The Debentures shall mature within the terms of years set out in Column (1) of the respective Schedules “A” to the Debenture By-laws and the respective amounts of principal and interest payable in each of the years during the currency of the Debentures shall be as set forth in Schedule “A”. The Debentures maturing (principal payable) in the year 2020 shall bear interest at the rate of 1.95% per annum, the Debentures maturing (principal payable) in the year 2021 shall bear interest at the rate of 1.95% per annum, the Debentures maturing (principal payable) in the year 2022 shall bear interest at the rate of 1.95% per annum, the Debentures maturing (principal payable) in the year 2023 shall bear interest at the rate of 2.00% per annum, the Debentures maturing (principal payable) in the year 2024 shall bear interest at the rate of 2.10% per annum, the Debentures maturing (principal payable) in the year 2025 shall bear interest at the rate of 2.15% per annum; the Debentures maturing (principal payable) in the year 2026 shall bear

interest at the rate of 2.25% per annum, the Debentures maturing (principal payable) in the year 2027 shall bear interest at the rate of 2.35% per annum, the Debentures maturing (principal payable) in the year 2028 shall bear interest at the rate of 2.40% per annum and the Debentures maturing (principal payable) in the year 2029 shall bear interest at the rate of 2.40% per annum.

- (2) 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 “**Business Day**”) and if any date for payment is not a Business Day, payment shall be made on the next following Business Day and no further interest shall be paid in respect of the delay in such payment.
4. Interest shall be payable to the date of maturity of the Debentures and on default shall be payable both before and after default and judgment. Any amounts payable by the Upper-tier 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, if applicable.
5. In limited circumstances (as agreed to by both the Upper-tier Municipality and CDS) the Global Debentures shall be exchangeable for certificated Debentures in definitive fully registered form in authorized denominations upon surrender of the Global Debentures to the Treasurer of the Upper-tier Municipality provided that there is at least one definitive Debenture which matures in each of the remaining years of the currency of the Global Debentures. The definitive Debentures shall aggregate the same principal amount as the principal outstanding balance of the Global Debentures as of the record date for such exchange in accordance with the provisions of the Global Debentures, shall bear the same interest rates and maturity dates, shall bear all unmatured interest obligations and shall have the same benefits and be subject to the same terms and conditions as the Global Debentures (except insofar as they specifically relate to the Global Debentures). In issuing definitive Debentures no change shall be made in the amount which would otherwise be payable in each year under the Global Debentures. The definitive Debentures shall be in fully registered form, payable as to principal and outstanding interest in lawful money of Canada at maturity upon presentation and surrender thereof at any specified branch in Canada of the Upper-tier Municipality’s bank designated in the definitive Debentures. Prior to maturity, the

definitive Debentures shall be payable as to interest by cheque sent by mail to the registered addresses of the registered holders or, if authorized in writing, by electronic transfer.

6. (1) In each year in which a payment of an instalment of principal and interest becomes due in respect of the Debentures, there shall be raised as part of the general upper-tier levy the amounts of principal and interest payable in each year as set out in Schedule "A" 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 all instalments of principal and interest payable in each year to the Upper-tier Municipality in accordance with Debenture By-law No. 2019-57 and the Corporation of the City of Niagara Falls, The Corporation of the Town of Pelham, The Corporation of the City of St. Catharines, The Corporation of the Township of Wainfleet and The Corporation of the City of Welland, shall pay all instalments of principal and interest payable in each year to the Upper-tier Municipality in accordance with Debenture By-law No. 2019-58. The Upper-tier Municipality shall pay the respective amounts of principal and interest payable in each year in accordance with the Debentures by such entities as set out in the Debenture By-laws and the amounts to be raised by levy each year pursuant to the Debenture By-laws shall be raised and collected and such amounts shall be applied to the amounts of principal and interest payable in the respective year pursuant to the Global Debentures to be issued under this By-law in accordance with the Debenture By-laws and the Act.
- (2) 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) There shall be raised, 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.

7. 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.
8. 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.
9. 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, including the Global 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. 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.
10. The Debentures are transferable or exchangeable at the office of the 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 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.

11. The Regional Chair and the Treasurer shall issue and deliver new Debentures in exchange or substitution for Debentures outstanding on the registry with the same maturity dates and of like form which have become mutilated, defaced, lost, subject to a mysterious or unexplainable disappearance, stolen, destroyed or dematerialized, 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, destroyed or dematerialized) 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 Debenture in respect of which new Debentures are to be issued in substitution.
12. 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 dates 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.
13. 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 the name of the registered holder as directed by the transferor.
14. Subject to an agreement that the Upper-tier Municipality may enter into to the contrary, reasonable fees may be imposed by the Upper-tier Municipality 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, destroyed or dematerialized and for the replacement of any of the interest cheques that are mutilated, defaced, lost, mysteriously or unexplainably missing, stolen or destroyed. 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.
15. 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.
16. (1) The Regional Chair and the Treasurer are hereby authorized to cause the Debentures to be issued, the execution of a purchase letter in respect of the Debentures dated as at July 3, 2019 by the Treasurer (Commissioner/Treasurer Enterprise Resource Management Services) is hereby ratified, confirmed and approved, one or more of the Treasurer and the Regional Clerk are hereby authorized to generally do all things and to execute all other documents and papers in the name of the Upper-tier Municipality in order to carry out the sale of the Debentures through CDS's book entry only system and the Treasurer is authorized to affix the Upper-tier Municipality's municipal seal to any of such documents and papers.
- (2) The money received by the Upper-tier Municipality from the sale of the Debentures, 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: i) in the case of such money that relates to the Capital Works described in Schedule "A" to By-law No. 2019-57 be apportioned and applied to such Capital Works, in accordance with this By-law, and to no other purpose except as permitted by the Act; and ii) in the case of the balance of such money, be delivered to The Corporation of the City of Niagara Falls, The Corporation of the Town of Pelham, The Corporation of the City of St. Catharines, The Corporation of the Township of Wainfleet and The Corporation of the City of Welland in the respective amount that relates to the Capital Works described in Schedule "A" to By-law No. 2019-58 on the basis that each such lower-tier municipality shall apportion and apply its portion of such money to its respective Capital Work(s), as applicable, in accordance with this By-law, and to no other purpose except as permitted by the Act.
17. The Upper-tier Municipality reserves the right to issue additional instalment debentures of the same maturities, interest rates and terms and conditions.



18. Subject to the Upper-tier Municipality's statement of investment policies and goals and the applicable legislation, 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.
19. This by-law shall come into force and take effect on the day upon which it is passed.

THE REGIONAL MUNICIPALITY OF NIAGARA

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James Bradley, Regional Chair

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Ann-Marie Norio, Regional Clerk

Passed: <>

## Schedule "A"

## REPAYMENT SCHEDULE

Maturity Year	Cash Flow				
	Interest Rate (%)	Interest (\$) Jan 24	Interest (\$) Jul 24	Principal (\$) Jul 24	Total Annual Payment (\$)
2020	1.95	684,656.00	684,656.00	5,777,000.00	7,146,312.00
2021	1.95	628,330.25	628,330.25	5,913,000.00	7,169,660.50
2022	1.95	570,678.50	570,678.50	6,029,000.00	7,170,357.00
2023	2.00	511,895.75	511,895.75	6,147,000.00	7,170,791.50
2024	2.10	450,425.75	450,425.75	6,270,000.00	7,170,851.50
2025	2.15	384,590.75	384,590.75	6,359,000.00	7,128,181.50
2026	2.25	316,231.50	316,231.50	6,496,000.00	7,128,463.00
2027	2.35	243,151.50	243,151.50	6,642,000.00	7,128,303.00
2028	2.40	165,108.00	165,108.00	6,798,000.00	7,128,216.00
2029	2.40	83,532.00	83,532.00	6,961,000.00	7,128,064.00
<b><u>Total</u></b>	-	<b><u>4,038,600.00</u></b>	<b><u>4,038,600.00</u></b>	<b><u>63,392,000.00</u></b>	<b><u>71,469,200.00</u></b>

## Schedule "B"

Unless this certificate is presented by an authorized representative of CDS Clearing and Depository Services Inc. ("**CDS**") to The Regional Municipality of Niagara or its agent for registration of transfer, exchange or payment, and any certificate issued in respect thereof is registered in the name of CDS & CO., or in such other name as is requested by an authorized representative of CDS (and any payment is made to CDS & CO. or to such other entity as is requested by an authorized representative of CDS), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL since the registered holder hereof, CDS & CO., has a property interest in the securities represented by this certificate herein and it is a violation of its rights for another person to hold, transfer or deal with this certificate.

No.GR2019-01

\$31,696,000.00

C A N A D A

**Province of Ontario**

THE REGIONAL MUNICIPALITY OF NIAGARA

FULLY REGISTERED GLOBAL INSTALMENT DEBENTURE

THE REGIONAL MUNICIPALITY OF NIAGARA (the "**Issuer**"), for value received, hereby promises to pay to  
CDS & CO.

as nominee of CDS or registered assigns, subject to the Conditions attached hereto which form part hereof (the "**Conditions**"), by the final maturity date of this global debenture (July 24, 2029), the principal amount of

Thirty-One Million, Six Hundred Ninety-Six Thousand Dollars

----- (\$31,696,000.00) -----

by annual payments on the 24th day of July in each of the years 2020 to 2029, both inclusive, in the amounts set forth in the Schedule on the second page hereof (the "**Schedule**") in lawful money of Canada, and to pay interest thereon until the final maturity date of this global debenture in like money in semi-annual payments from July 24, 2019, or from the last date on which interest has been paid on this global debenture, whichever is later, at the rates of interest set forth in the Schedule, in arrears on the 24th day of January and the 24th day of July, in each year (each, a "**Payment Date**") in the manner provided in the Conditions. Subject to the Conditions, interest shall be paid on default at the applicable rate set out in the Schedule both before and after default and judgment. The applicable interest rate, the payments of principal and interest and the principal balance outstanding in each year are shown in the Schedule.

This global debenture is subject to the Conditions.

DATED at the Region of Niagara the 24th day of July, 2019.

IN TESTIMONY WHEREOF and under the authority of By-law No. 2019-59 of the Issuer duly passed on the 18th day of July, 2019 (the "**Debenture By-law**"), this global debenture is sealed with the municipal seal of the Issuer and signed by the Regional Chair and by the Treasurer thereof.

Date of Registration: July 24, 2019

\_\_\_\_\_  
Regional Chair

(seal)

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Treasurer

## Schedule "B"

## SCHEDULE

Year	CUSIP No.	ISIN No.	Interest Rate %	Semi-annual Interest		Principal July 24 \$	Total Annual Payment \$	Principal Balance Outstanding July 24 \$
				Jan 24 \$	July 24 \$			
2019					-	-	-	31,696,000.00
2020	65355DM85	CA65355DM852	1.95	342,328.00	342,328.00	2,888,500.00	3,573,156.00	28,807,500.00
2021	65355DM93	CA65355DM936	1.95	314,165.13	314,165.13	2,956,500.00	3,584,830.25	25,851,000.00
2022	65355DN27	CA65355DN272	1.95	285,339.25	285,339.25	3,014,500.00	3,585,178.50	22,836,500.00
2023	65355DN35	CA65355DN355	2.00	255,947.87	255,947.87	3,073,500.00	3,585,395.75	19,763,000.00
2024	65355DN43	CA65355DN439	2.10	225,212.87	225,212.87	3,135,000.00	3,585,425.75	16,628,000.00
2025	65355DN50	CA65355DN504	2.15	192,295.38	192,295.38	3,179,500.00	3,564,090.75	13,448,500.00
2026	65355DN68	CA65355DN686	2.25	158,115.75	158,115.75	3,248,000.00	3,564,231.50	10,200,500.00
2027	65355DN76	CA65355DN769	2.35	121,575.75	121,575.75	3,321,000.00	3,564,151.50	6,879,500.00
2028	65355DN84	CA65355DN843	2.40	82,554.00	82,554.00	3,399,000.00	3,564,108.00	3,480,500.00
2029	65355DN92	CA65355DN926	2.40	41,766.00	41,766.00	3,480,500.00	3,564,032.00	-
				<u>2,019,300.00</u>	<u>2,019,300.00</u>	<u>31,696,000.00</u>	<u>35,734,600.00</u>	

## Schedule "B"

## LEGAL OPINION

We have examined the Debenture By-law of the Issuer authorizing the issue of instalment debentures in the aggregate principal amount of \$63,392,000.00 dated July 24, 2019 and maturing in ten (10) instalments of principal of varying amounts on the 24th day of July in each of the years 2020 to 2029, both inclusive.

The Debenture By-law has been properly passed and is within the legal powers of the Issuer. The two global debentures issued under the Debenture By-law in the within form (the "**Global Debentures**") are direct, general, unsecured, unsubordinated, joint and several obligations of the Issuer and of its lower-tier municipalities (the "**Lower-tier Municipalities**"). The Global Debentures are enforceable against the Issuer 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*, as amended. This opinion is subject to and incorporates all the assumptions, qualifications and limitations set out in our opinion letter delivered on the date of the Global Debentures.

Toronto, July 24, 2019

**WeirFoulds LLP**

## Schedule "B"

**CONDITIONS OF GLOBAL DEBENTURE****Form, Denomination, Ranking and Beneficial Interests in Global Debenture**

1. The debentures issued pursuant to the Debenture By-law (individually a "**Debenture**", collectively the "**Debentures**") are issuable as fully registered Debentures without coupons in denominations of \$1,000.00 and any integral multiples thereof.
2. The Debentures are direct, general, unsecured, unsubordinated, joint and several obligations of the Issuer and of the Lower-tier Municipalities. The Debentures rank concurrently and equally in respect of payment of principal and interest with all other debentures of the Issuer except for the availability of money in a sinking or retirement fund for a particular issue of debentures.
3. This Debenture is a Global Debenture registered in the name of the nominee of CDS and held by CDS. Beneficial interests in this Global Debenture are represented through book entry accounts, to be established and maintained by CDS, on its records for CDS's participants (the "**Participants**") in accordance with its participant agreement and rules and procedures which are posted on CDS's website.
4. Except in the limited circumstances described herein, owners of beneficial interests in this Global Debenture will not be entitled to have Debentures registered in their names, will not receive or be entitled to receive physical delivery of Debentures and will not be considered registered holders of Debentures under the Conditions. The Issuer does not have any responsibility or liability for maintaining, supervising or reviewing any records of CDS or Participants relating to payments made or to be made by CDS or any Participant on account of beneficial ownership interests in this Global Debenture.

**Certificated Debentures**

5. This Global Debenture is exchangeable, in whole but not in part, for certificated Debentures in definitive form registered in the name of a person other than CDS or its nominee only upon the occurrence of any of the following events: (a) upon 30 days notice by CDS to the Issuer, CDS may discontinue the eligibility of this Global Debenture on deposit, or cease to hold this Global Debenture in respect of the Debentures; or (b) if CDS ceases to be a recognized clearing agency under applicable Canadian or provincial securities legislation and a successor is not appointed; or (c) if the Issuer gives CDS appropriate notice that it is unable or unwilling to continue to have CDS hold this Global Debenture as a book entry only security or that it desires or has processed an entitlement requiring a withdrawal of this Global Debenture, and the Issuer has all right, power, capacity and authority to do so.
6. Debentures issued in exchange for this Global Debenture shall be issued as certificated Debentures in definitive form in authorized denominations, shall have the same benefits and be subject to the same terms and conditions as this Global Debenture (except insofar as they specifically relate to this Global Debenture as such), shall be registered in such names and in such denominations as CDS shall direct and shall be delivered as directed by the persons in whose names such definitive Debentures are to be registered.
7. Upon the exchange of certificated Debentures in definitive form for this Global Debenture, the Issuer shall receive and cancel this Global Debenture, shall reduce the

## Schedule "B"

holdings of CDS & CO. on the registry to nil and shall issue or cause to be issued in exchange for this Global Debenture certificated Debentures in definitive form in an aggregate principal amount equal to and in exchange for the Participants' proportionate interests in this Global Debenture as of the record date for such exchange, as directed by CDS. On or after any such exchange, but only to the extent reasonably practicable in the circumstances, the Issuer shall make all payments in respect of such certificated Debentures in definitive form to the registered holders thereof, notwithstanding such exchange occurred after the record date for any payment and prior to such payment date.

**Registration**

8. The Issuer will keep at its designated office in the Region of Niagara a registry in which shall be entered the names and addresses of the registered holders of Debentures and particulars of the Debentures held by them respectively and in which transfers, exchanges and substitutions of Debentures may be registered.

**Title**

9. The Issuer 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 Issuer shall deem and treat registered holders of Debentures, including this Global 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 Issuer on the Debentures to the extent of the amount or amounts so paid.

**Payments of Principal and Interest**

10. 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 Issuer to the persons registered as holders in the registry on the relevant record date. The Issuer 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.
11. The Issuer shall make all payments in respect of annual principal (July 24) and semi-annual interest (January 24 and July 24) on the Debentures on the Payment Dates commencing with a payment of semi-annual interest on January 24, 2019 electronically in final and irrevocable same-day funds in accordance with the applicable requirements of CDS, so long as this Global Debenture is held by CDS.
12. In the case that certificated Debentures in definitive form are issued, the Issuer shall make all payments in respect of principal and outstanding interest in lawful money of Canada at maturity upon presentation and surrender thereof at any specified branch in Canada of the Issuer's bank designated in the definitive Debentures, and prior to maturity, shall make payments of interest, by cheque sent by mail to the registered addresses of the registered holders or, if authorized in writing, by electronic transfer.

## Schedule "B"

13. 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, if applicable.
14. 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 "**Business Day**"), and if any date for payment is not a Business Day, payment shall be made on the next following Business Day and no further interest shall be paid in respect of the delay in such payment.
15. 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 Issuer.
16. In the case of the death of one or more joint registered holders, despite sections 9 and 15 of the Conditions, 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 Issuer.

**Transfers, Exchanges and Substitutions**

17. Debentures are transferable or exchangeable at the office of the Treasurer of the Issuer upon presentation for such purpose accompanied by an instrument of transfer or exchange in a form approved by the Issuer 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.
18. The Issuer shall issue and deliver Debentures in exchange for or in substitution for Debentures outstanding on the registry with the same maturity dates and of like form in the event of a mutilation, defacement, loss, mysterious or unexplainable disappearance, theft, destruction or dematerialization, provided that the applicant therefor shall have: (i) paid such costs as may have been incurred in connection therewith; (ii) (in the case of a mutilated, defaced, lost, mysteriously or unexplainably missing, stolen, destroyed or dematerialized Debenture) furnished the Issuer with such evidence (including evidence as to the certificate number of the Debenture in question) and indemnity in respect thereof satisfactory to the Issuer in its discretion; and (iii) surrendered to the Issuer any mutilated or defaced Debenture in respect of which new Debentures are to be issued in substitution.
19. Each Debenture executed and delivered upon any registration of transfer or exchange for or in substitution for any Debenture or part thereof shall carry all the rights to



## Schedule "B"

interest, if any, accrued and unpaid which were carried by such Debenture or part thereof and shall be so dated.

20. Subject to an agreement that the Issuer may enter into to the contrary, the Issuer shall not impose any fees in respect of the Debentures, in the normal course of business, other than reasonable fees for the issue of new Debentures in substitution for Debentures that are mutilated, defaced, lost, mysteriously or unexplainably missing, stolen, destroyed or dematerialized or for the issue of new cheques, in substitution for interest cheques that are mutilated, defaced, lost, mysteriously or unexplainably missing, stolen or destroyed.

**Purchases**

21. Subject to the investment policies and goals of the Issuer and the applicable legislation, the Issuer may, if not in default under the Debentures, at any time purchase 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 Issuer may in its discretion determine.

**Additional Debentures**

22. The Issuer reserves the right to issue additional instalment debentures of the same maturities, interest rates and terms and conditions.

**Notices**

23. 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 Issuer 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 then such notice may be given on the next following Business Day.

**Time**

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

**Governing Law**

25. 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 "B"

Unless this certificate is presented by an authorized representative of CDS Clearing and Depository Services Inc. ("**CDS**") to The Regional Municipality of Niagara or its agent for registration of transfer, exchange or payment, and any certificate issued in respect thereof is registered in the name of CDS & CO., or in such other name as is requested by an authorized representative of CDS (and any payment is made to CDS & CO. or to such other entity as is requested by an authorized representative of CDS), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL since the registered holder hereof, CDS & CO., has a property interest in the securities represented by this certificate herein and it is a violation of its rights for another person to hold, transfer or deal with this certificate.

No.GR2019-02

\$31,696,000.00

C A N A D A

**Province of Ontario**

THE REGIONAL MUNICIPALITY OF NIAGARA

FULLY REGISTERED GLOBAL INSTALMENT DEBENTURE

THE REGIONAL MUNICIPALITY OF NIAGARA (the "**Issuer**"), for value received, hereby promises to pay to  
CDS & CO.

as nominee of CDS or registered assigns, subject to the Conditions attached hereto which form part hereof (the "**Conditions**"), by the final maturity date of this global debenture (July 24, 2029), the principal amount of

Thirty-One Million, Six Hundred Ninety-Six Thousand Dollars

----- (\$31,696,000.00) -----

by annual payments on the 24th day of July in each of the years 2020 to 2029, both inclusive, in the amounts set forth in the Schedule on the second page hereof (the "**Schedule**") in lawful money of Canada, and to pay interest thereon until the final maturity date of this global debenture in like money in semi-annual payments from July 24, 2019, or from the last date on which interest has been paid on this global debenture, whichever is later, at the rates of interest set forth in the Schedule, in arrears on the 24th day of January and the 24th day of July, in each year (each, a "**Payment Date**") in the manner provided in the Conditions. Subject to the Conditions, interest shall be paid on default at the applicable rate set out in the Schedule both before and after default and judgment. The applicable interest rate, the payments of principal and interest and the principal balance outstanding in each year are shown in the Schedule.

This global debenture is subject to the Conditions.

DATED at the Region of Niagara the 24th day of July, 2019.

IN TESTIMONY WHEREOF and under the authority of By-law No. 2019-59 of the Issuer duly passed on the 18th day of July, 2019 (the "**Debenture By-law**"), this global debenture is sealed with the municipal seal of the Issuer and signed by the Regional Chair and by the Treasurer thereof.

Date of Registration: July 24, 2019

\_\_\_\_\_  
Regional Chair

(seal)

\_\_\_\_\_  
Treasurer

## Schedule "B"

## SCHEDULE

Year	CUSIP No.	ISIN No.	Interest Rate %	Semi-annual Interest		Principal July 24 \$	Total Annual Payment \$	Principal Balance Outstanding July 24 \$
				Jan 24 \$	July 24 \$			
2019				-	-	-	-	31,696,000.00
2020	65355DM85	CA65355DM852	1.95	342,328.00	342,328.00	2,888,500.00	3,573,156.00	28,807,500.00
2021	65355DM93	CA65355DM936	1.95	314,165.13	314,165.13	2,956,500.00	3,584,830.25	25,851,000.00
2022	65355DN27	CA65355DN272	1.95	285,339.25	285,339.25	3,014,500.00	3,585,178.50	22,836,500.00
2023	65355DN35	CA65355DN355	2.00	255,947.87	255,947.87	3,073,500.00	3,585,395.75	19,763,000.00
2024	65355DN43	CA65355DN439	2.10	225,212.87	225,212.87	3,135,000.00	3,585,425.75	16,628,000.00
2025	65355DN50	CA65355DN504	2.15	192,295.38	192,295.38	3,179,500.00	3,564,090.75	13,448,500.00
2026	65355DN68	CA65355DN686	2.25	158,115.75	158,115.75	3,248,000.00	3,564,231.50	10,200,500.00
2027	65355DN76	CA65355DN769	2.35	121,575.75	121,575.75	3,321,000.00	3,564,151.50	6,879,500.00
2028	65355DN84	CA65355DN843	2.40	82,554.00	82,554.00	3,399,000.00	3,564,108.00	3,480,500.00
2029	65355DN92	CA65355DN926	2.40	41,766.00	41,766.00	3,480,500.00	3,564,032.00	-
				<u>2,019,300.00</u>	<u>2,019,300.00</u>	<u>31,696,000.00</u>	<u>35,734,600.00</u>	

## Schedule “B”

## LEGAL OPINION

We have examined the Debenture By-law of the Issuer authorizing the issue of instalment debentures in the aggregate principal amount of \$63,392,000.00 dated July 24, 2019 and maturing in ten (10) instalments of principal of varying amounts on the 24th day of July in each of the years 2020 to 2029, both inclusive.

The Debenture By-law has been properly passed and is within the legal powers of the Issuer. The two global debentures issued under the Debenture By-law in the within form (the “**Global Debentures**”) are direct, general, unsecured, unsubordinated, joint and several obligations of the Issuer and of its lower-tier municipalities (the “**Lower-tier Municipalities**”). The Global Debentures are enforceable against the Issuer 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*, as amended. This opinion is subject to and incorporates all the assumptions, qualifications and limitations set out in our opinion letter delivered on the date of the Global Debentures.

Toronto, July 24, 2019

**WeirFoulds LLP**

## Schedule "B"

**CONDITIONS OF GLOBAL DEBENTURE****Form, Denomination, Ranking and Beneficial Interests in Global Debenture**

1. The debentures issued pursuant to the Debenture By-law (individually a "**Debenture**", collectively the "**Debentures**") are issuable as fully registered Debentures without coupons in denominations of \$1,000.00 and any integral multiples thereof.
2. The Debentures are direct, general, unsecured, unsubordinated, joint and several obligations of the Issuer and of the Lower-tier Municipalities. The Debentures rank concurrently and equally in respect of payment of principal and interest with all other debentures of the Issuer except for the availability of money in a sinking or retirement fund for a particular issue of debentures.
3. This Debenture is a Global Debenture registered in the name of the nominee of CDS and held by CDS. Beneficial interests in this Global Debenture are represented through book entry accounts, to be established and maintained by CDS, on its records for CDS's participants (the "**Participants**") in accordance with its participant agreement and rules and procedures which are posted on CDS's website.
4. Except in the limited circumstances described herein, owners of beneficial interests in this Global Debenture will not be entitled to have Debentures registered in their names, will not receive or be entitled to receive physical delivery of Debentures and will not be considered registered holders of Debentures under the Conditions. The Issuer does not have any responsibility or liability for maintaining, supervising or reviewing any records of CDS or Participants relating to payments made or to be made by CDS or any Participant on account of beneficial ownership interests in this Global Debenture.

**Certificated Debentures**

5. This Global Debenture is exchangeable, in whole but not in part, for certificated Debentures in definitive form registered in the name of a person other than CDS or its nominee only upon the occurrence of any of the following events: (a) upon 30 days notice by CDS to the Issuer, CDS may discontinue the eligibility of this Global Debenture on deposit, or cease to hold this Global Debenture in respect of the Debentures; or (b) if CDS ceases to be a recognized clearing agency under applicable Canadian or provincial securities legislation and a successor is not appointed; or (c) if the Issuer gives CDS appropriate notice that it is unable or unwilling to continue to have CDS hold this Global Debenture as a book entry only security or that it desires or has processed an entitlement requiring a withdrawal of this Global Debenture, and the Issuer has all right, power, capacity and authority to do so.
6. Debentures issued in exchange for this Global Debenture shall be issued as certificated Debentures in definitive form in authorized denominations, shall have the same benefits and be subject to the same terms and conditions as this Global Debenture (except insofar as they specifically relate to this Global Debenture as such), shall be registered in such names and in such denominations as CDS shall direct and shall be delivered as directed by the persons in whose names such definitive Debentures are to be registered.
7. Upon the exchange of certificated Debentures in definitive form for this Global Debenture, the Issuer shall receive and cancel this Global Debenture, shall reduce the holdings of CDS & CO. on the registry to nil and shall issue or cause to be issued in exchange for this Global Debenture certificated Debentures in definitive form in an aggregate principal amount equal to and in exchange for the Participants' proportionate interests in this Global Debenture as of the record date for such

## Schedule "B"

exchange, as directed by CDS. On or after any such exchange, but only to the extent reasonably practicable in the circumstances, the Issuer shall make all payments in respect of such certificated Debentures in definitive form to the registered holders thereof, notwithstanding such exchange occurred after the record date for any payment and prior to such payment date.

**Registration**

8. The Issuer will keep at its designated office in the Region of Niagara a registry in which shall be entered the names and addresses of the registered holders of Debentures and particulars of the Debentures held by them respectively and in which transfers, exchanges and substitutions of Debentures may be registered.

**Title**

9. The Issuer 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 Issuer shall deem and treat registered holders of Debentures, including this Global 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 Issuer on the Debentures to the extent of the amount or amounts so paid.

**Payments of Principal and Interest**

10. 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 Issuer to the persons registered as holders in the registry on the relevant record date. The Issuer 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.
11. The Issuer shall make all payments in respect of annual principal (July 24) and semi-annual interest (January 24 and July 24) on the Debentures on the Payment Dates commencing with a payment of semi-annual interest on January 24, 2019 electronically in final and irrevocable same-day funds in accordance with the applicable requirements of CDS, so long as this Global Debenture is held by CDS.
12. In the case that certificated Debentures in definitive form are issued, the Issuer shall make all payments in respect of principal and outstanding interest in lawful money of Canada at maturity upon presentation and surrender thereof at any specified branch in Canada of the Issuer's bank designated in the definitive Debentures, and prior to maturity, shall make payments of interest, by cheque sent by mail to the registered addresses of the registered holders or, if authorized in writing, by electronic transfer.
13. 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, if applicable.
14. 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

## Schedule "B"

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 and no further interest shall be paid in respect of the delay in such payment.

15. 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 Issuer.
16. In the case of the death of one or more joint registered holders, despite sections 9 and 15 of the Conditions, 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 Issuer.

**Transfers, Exchanges and Substitutions**

17. Debentures are transferable or exchangeable at the office of the Treasurer of the Issuer upon presentation for such purpose accompanied by an instrument of transfer or exchange in a form approved by the Issuer 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.
18. The Issuer shall issue and deliver Debentures in exchange for or in substitution for Debentures outstanding on the registry with the same maturity dates and of like form in the event of a mutilation, defacement, loss, mysterious or unexplainable disappearance, theft, destruction or dematerialization, provided that the applicant therefor shall have: (i) paid such costs as may have been incurred in connection therewith; (ii) (in the case of a mutilated, defaced, lost, mysteriously or unexplainably missing, stolen, destroyed or dematerialized Debenture) furnished the Issuer with such evidence (including evidence as to the certificate number of the Debenture in question) and indemnity in respect thereof satisfactory to the Issuer in its discretion; and (iii) surrendered to the Issuer any mutilated or defaced Debenture in respect of which new Debentures are to be issued in substitution.
19. Each Debenture executed and delivered upon any registration of transfer or exchange for or in substitution for any Debenture or part thereof shall carry all the rights to interest, if any, accrued and unpaid which were carried by such Debenture or part thereof and shall be so dated.
20. Subject to an agreement that the Issuer may enter into to the contrary, the Issuer shall not impose any fees in respect of the Debentures, in the normal course of business, other than reasonable fees for the issue of new Debentures in substitution for Debentures that are mutilated, defaced, lost, mysteriously or unexplainably missing, stolen, destroyed or dematerialized or for the issue of new cheques, in substitution for interest cheques that are mutilated, defaced, lost, mysteriously or unexplainably missing, stolen or destroyed.

**Purchases**

21. Subject to the investment policies and goals of the Issuer and the applicable legislation, the Issuer may, if not in default under the Debentures, at any time purchase Debentures in the open market

## Schedule "B"

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 Issuer may in its discretion determine.

**Additional Debentures**

22. The Issuer reserves the right to issue additional instalment debentures of the same maturities, interest rates and terms and conditions.

**Notices**

23. 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 Issuer 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 then such notice may be given on the next following Business Day.

**Time**

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

**Governing Law**

25. 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.