

# The Corporation of the City of North Bay

## By-law No. 2017-87

### **A By-Law to Authorize the Borrowing from The Toronto-Dominion Bank of the Aggregate Principal Amount of \$4,500,000.00 towards the Cost of Certain Capital Works Described in Schedule “A” to this By-law.**

**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;

**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** subsection 1(1) of the Act provides that “prescribed” means prescribed by regulations made under the Act;

**And Whereas** section 2 of Ontario Regulation 276/02, as amended (the “Regulation”) in part provides that a municipality may enter into a bank loan agreement for the purpose of long-term borrowing and, as a consequence, a bank loan agreement that complies with the provisions of the Regulation constitutes a prescribed financial agreement for purposes of subsection 401(1) of the Act;

**And Whereas** subsection 2(2) of the Regulation provides that a by-law authorizing a bank loan agreement shall provide for repayment of the principal and the interest on the unpaid balance in one or more instalments in each year;

**And Whereas** subsection 4(1) of the Regulation provides that a municipality shall not enter into a bank loan agreement unless the agreement sets out: (a) the amount of money to be borrowed; and (b) a fixed rate of interest, unless otherwise permitted by the Regulation. Subsections 4(2), 4(3) and 4(4) of the Regulation further provide that: a municipality shall not enter into a bank loan agreement that provides for the giving of any security by the municipality for the debt; a municipality shall not enter into a bank loan agreement unless the bank loan agreement provides that the agreement shall not be assigned without the prior written consent of the municipality; and a municipality shall not enter a bank loan agreement unless the bank loan ranks concurrently and equally in respect of payment of principal and interest with all other debentures of the municipality;

**And Whereas** the Council of The Corporation of the City of North Bay (the “Municipality”) has passed the By-laws enumerated in column (1) of Schedule “A” attached hereto and forming part of this By-law authorizing the capital works described in column (2) of Schedule “A” (individually a “Capital Work”, collectively the “Capital Works”) and authorized long-term borrowing for the Capital Works in the aggregate principal amount of \$4,500,000.00.

**And 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 Municipality had its Treasurer calculate an updated limit in respect of its most recent annual debt and financial obligation limit received from the Ministry of Municipal Affairs in accordance with the applicable regulation and, prior to the Council of the Municipality authorizing each Capital Work, each such additional cost amount and each such additional debenture authority, the City 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 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 Ontario Municipal Board or by any successor tribunal pursuant to such regulation was not required;

**And Whereas** to provide long-term financing for the Capital Works the Municipality now deems it to be expedient to ratify, confirm and approve the entering into of a bank loan agreement, dated December 14, 2017, with The Toronto-Dominion Bank (the “Bank”) which agreement provides for the borrowing of the aggregate principal amount of \$4,500,000.00, provides for a fixed rate of interest of 2.73% and provides for instalments of combined principal and interest payable in lawful money of Canada on the terms set forth therein, all pursuant to the Regulation, in the form attached hereto as Schedule “B” (the “Agreement”) over a term not to exceed 10 years.

**Now Therefore The Council of The Corporation of the City of North Bay Enacts as Follows:**

1. For the Capital Works, the entering into of the Agreement is hereby ratified, confirmed and approved, and the long-term borrowing upon the credit of the Municipality at large from the Bank of the aggregate principal amount of \$4,500,000.00 by way of a bank loan to be repaid in monthly instalments of combined principal and interest amounts as hereinafter set forth are hereby authorized.
2. The Mayor and the City Treasurer of the Municipality are hereby authorized to incur debt by way of a bank loan as described in section 1 above (the “TD Loan”).
3. The Municipality has incurred debt in respect of the Capital Works and pursuant to this By-law authorizes long-term borrowing for such debt by the entering into of the Agreement, that the TD Loan shall bear interest from December 15, 2017 at the rate of 2.73% per annum in accordance with the amortization schedule set forth in Schedule “C” attached hereto and forming part of this By-law (“Schedule “C”), by monthly instalments of combined principal and interest payable on such days of each month in each year of the currency of the TD Loan as are set out in Schedule “B”.
4. Payments in respect of principal of and interest on the TD Loan shall be made only on a Business Day as set out in the Agreement (a “Business Day”) and if any date for payment is not a Business Day, payment shall be made on the next following Business Day.
5. In each year in which a payment of monthly instalments of combined principal and interest amounts becomes due in respect of the Capital Works, there shall be raised as part of the Municipality’s general levy the amounts of principal and interest payable by the 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.
6. The entering into of the Agreement and the incurring of the debt in respect of the Capital Works by the Mayor and the City Treasurer by way of the TD Loan are hereby ratified, confirmed and approved, one or more of the Clerk and City Treasurer are hereby authorized to generally do all things and to execute all other documents and other papers in the name of the Municipality in order to enter into the Agreement and to carry out the incurring of debt by way of the TD Loan and the City Treasurer is authorized to affix the Municipality’s municipal seal to any of such documents and papers.
7. The money received by the Municipality from the TD Loan, including any premium, and any earnings derived from the investment of that money, after providing for the expenses related to the incurring of the TD Loan, if any, shall be apportioned and applied to the Capital Works and to no other purpose except as permitted by the Act.
8. This By-law shall come into force and take effect on the date it is passed.

Read a First Time in Open Council this 14th Day of December, 2017.

Read a Second Time in Open Council this 14th Day of December, 2017.

Read a Third Time in Open Council and Enacted and Passed this 14th Day of December, 2017.

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Mayor Allan McDonald

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City Clerk Karen McIsaac

THE CORPORATION OF THE CITY OF NORTH BAY

SCHEDULE "A" TO BY-LAW NO. 2017-87

(1) By-law	(2) Capital Work Description	(3) Approved Amount to be Financed Through the Issue of Debentures	(4) Amount of Debentures Previously Issued	(5) Amount of Debentures to be Issued	(6) Term of Years of Debentures
2014-17 2015-40 2016-15 2016-57	Capital costs in connection with the Lakeshore Drive - Overpass Deck Replacement and Substructure Rehabilitation (3400RD)	\$3,900,000.00	Nil	\$3,900,000.00	10
2015-40 2016-100	Capital costs in connection with the Vehicle and Equipment Replacement Program 2015 (6201FL)	\$600,000.00	Nil	\$600,000.00	10
	<b>TOTAL</b>			<b>\$4,500,000.00</b>	

THE CORPORATION OF THE CITY OF NORTH BAY  
SCHEDULE "B" TO BY-LAW NO. 2017-87

LOAN AGREEMENT



Northern Ontario Commercial Banking Group  
 240 Main Street East  
 North Bay, Ontario  
 P1B 1B1

Telephone No.: 705-495-6715  
 Fax No.: 705-474-6297

December 14, 2017

The Corporation of the City of North Bay  
 P.O. Box 360  
 200 McIntyre Street East  
 North Bay, Ontario  
 P1B 8H8

Attention: Ms. Margaret Karpenko

Dear Ms. Karpenko,

**LETTER AGREEMENT**

We are pleased to offer the Borrower the following credit facilities (collectively the "Facilities" and individually a "Facility"), subject to the following terms and conditions.

<b>BORROWER</b>	The Corporation of the City of North Bay (the "Borrower")
<b>LENDER</b>	<b>The Toronto-Dominion Bank</b> (the "Bank"), through its 240 Main Street East branch, in North Bay, Ontario
<b>TYPE OF CREDIT AND BORROWING OPTIONS</b>	<ol style="list-style-type: none"> <li>1. Committed Reducing Term Facility (Single Draw) ("Single Draw Facility") available at the Borrower's option by way of:                             <ul style="list-style-type: none"> <li>• Cost of Funds Based Loans ("COF Based Loans")</li> </ul> </li> </ol>
<b>CREDIT LIMIT</b>	<ol style="list-style-type: none"> <li>1. Single Draw Facility: CDN\$4,500,000</li> </ol>
<b>PURPOSE</b>	<ol style="list-style-type: none"> <li>1. Single Draw Facility: To finance capital projects.</li> </ol>
<b>TENOR</b>	<ol style="list-style-type: none"> <li>1. Single Draw Facility: Committed.</li> </ol>
<b>CONTRACTUAL TERM</b>	<ol style="list-style-type: none"> <li>1. Single Draw Facility: 10 years from the date of drawdown</li> </ol>
<b>RATE TERM (COST OF FUNDS BASED LOANS ONLY)</b>	<ul style="list-style-type: none"> <li>• The Rate Terms available to the Borrower for Cost of Funds Based Loans shall be 10 years but the last day of a Rate Term may never exceed the Contractual Term Maturity Date.</li> </ul>
<b>AMORTIZATION</b>	<ol style="list-style-type: none"> <li>1. Single Draw Facility: 10 years from date of drawdown.</li> </ol>
<b>INTEREST RATES AND FEES</b>	<p>Advances shall bear interest and fees as follows:</p> <ol style="list-style-type: none"> <li>1. Single Draw Facility:                             <ul style="list-style-type: none"> <li>• Cost of Funds ("COF") Based Loans All-in Fixed Rate of 2.73% per annum if booked on December 14, 2017 prior to 2:00pm and for drawdown on December 15, 2017, as set out in the Rate and Payment Terms Notice applicable to that COF Based Loan.</li> </ul> </li> </ol> <p>Interest payments will be made in accordance with Schedule "A" attached hereto unless otherwise stated in this Letter. Information on interest rate and fee definitions, interest calculations and payment is set out in the Schedule "A" attached hereto, as amended by the repayment schedule provided on December 14, 2017 to the Borrower.</p>
<b>DRAWDOWN</b>	<ol style="list-style-type: none"> <li>1. Single Draw Facility:                             <p>One time drawdown prior to January 31, 2018 after which time, any amount not drawn is cancelled. Amounts repaid may not be redrawn</p> </li> </ol>
<b>REPAYMENT AND REDUCTION OF AMOUNT OF CREDIT FACILITY</b>	<ol style="list-style-type: none"> <li>1. Single Draw Facility:                             <p>All amounts outstanding will be repaid on or before the Contractual Term Maturity Date. The drawdown will be repaid in equal monthly payments.</p> </li> </ol>

The details of repayment and interest rate applicable to the drawdown will be set out in the Rate and Payment Terms Notice applicable to the drawdown, as amended by the repayment schedule provided on December 14, 2017 to the Borrower.

**PREPAYMENT**

1. Single Draw Facility:

COF Based Loan under this Facility may be prepaid in accordance with Section 4(a) and (b) of Schedule "A".

**SECURITY**

Unsecured.

**DISBURSEMENT  
CONDITIONS  
PRECEDENT**

The obligation of the Bank to permit any drawdown hereunder is subject to the Standard Disbursement Conditions Precedent contained in Schedule "A" and the following additional Disbursement Conditions Precedent:

The Bank shall have received the following documents, which shall be in form and substance satisfactory to the Bank:

- a) a copy of a duly executed by-law of the Borrower empowering the Borrower to enter into this Agreement and to incur the indebtedness hereunder.

**REPRESENTATIONS  
AND WARRANTIES**

All representations and warranties shall be deemed to be made on the date of execution of this Agreement and to be continually repeated each day hereafter. The Borrower makes the Standard Representations and Warranties set out in Schedule "A" and in addition represents and warrants that:

- a) the Borrower is and will continue to be a municipality regulated under the Municipal Act and is and will continue to be duly organized, validly existing and in good standing under the laws of Ontario;
- b) the Borrower is in compliance with all laws, statutes, and regulations applicable to the Borrower including, but not limited to, Ontario's Safe Drinking Water Act, 2002;
- c) the Borrower is not a lower-tier municipality in a regional municipality.

**POSITIVE  
COVENANTS**

The Borrower will observe the Standard Positive Covenants set out in Schedule "A" and in addition will:

For all Facilities:

- a) provide a copy of the Borrower's annual audited consolidated financial statements within 180 calendar days of each of the Borrower's fiscal year end;
- b) provide a copy of the Borrower's approved balanced operating budget and capital budget within 180 calendar days of each of the Borrower's fiscal year end;
- c) provide a copy of the Borrower's Annual Repayment Limit as prescribed by the Municipal Act and confirm compliance with the Annual Repayment Limit within 180 calendar days of each of the Borrower's fiscal year end;
- d) maintain a valid by-law authorizing the Borrower to incur the indebtedness under this Agreement;
- e) ensure that all indebtedness and liability of the Borrower to the Bank, and without limitation, the indebtedness and liability hereunder, ranks at least pari passu with all other obligations of the Borrower excluding Permitted Liens.

Permitted Liens are defined as any encumbrance including liens that may arise from time to time as a result of the normal activities of the Borrower, provided the Borrower's activities are in compliance with the applicable legislation.

**SCHEDULE "A" –  
STANDARD TERMS  
AND CONDITIONS**

Schedule "A" sets out the Standard Terms and Conditions ("Standard Terms and Conditions"), which, in addition to the terms and conditions of this Letter, apply to these Facilities unless the next paragraph states specifically that one or more of the Standard Terms and Conditions do not apply or are modified.

The following are amendments to the Standard Terms and Conditions:

3. Notice, this section is removed

5. STANDARD DISBURSEMENT CONDITIONS PRECEDENT, clause 5 a) v. is removed.

- 6. REPRESENTATIONS AND WARRANTIES, clause 6 c), e) & i) are removed
  - clause 6 g) is amended to the following. "All authorizations, approvals, consents, licenses, exemptions, filings, registrations and other requirements of governmental, judicial and public bodies and authorities required for the Borrower to enter into this Agreement and to incur the indebtedness hereunder have been or will be by the date of the drawdown obtained or effected and are or will be as at that date, respectively, in full force and effect;"
  - clause 6 h) is amended to the following. "The financial statements delivered to the Bank fairly present the present financial position of

the Borrower, and the financial statements have been prepared in accordance with generally accepted accounting principles for local governments as recommended, from time to time, by the Public Sector Accounting Board of the Canadian Professional Accountants of Canada."

7. STANDARD POSITIVE COVENANTS:

- clause 7 e) is amended to the following. "Advise promptly after the happening of any event which could result in a material change in the property, assets, financial condition, business, reputation or operations of the Borrower."
- clause 7 g) is amended to the following. "provide the Bank with information and financial data as it may request from time to time;"

8. STANDARD NEGATIVE COVENANTS, this section is removed.

9. ENVIRONMENTAL REPRESENTATIONS AND UNDERTAKINGS, this section is removed.

10. STANDARD EVENTS OF DEFAULT, this section is removed.

11. ACCELERATION, insert "hereunder" after "Facility" on line 2 of paragraph 1.

16. ADDED COST, this section is removed.

17. EXPENSES, this section is removed.

18. INDEMNITY, this section is removed.

19. CURRENCY INDEMNITY, this section is removed.

26. SET-OFF, on line 6 of paragraph 1 "excluding the Single Draw Facility" is inserted before "including without". On line 6 of paragraph 1 "other" is inserted before the word "limitation".

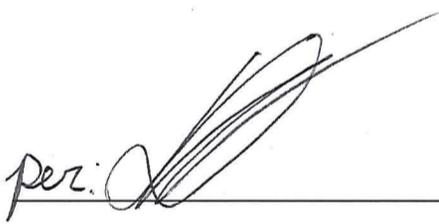
All sections applicable to demand operating facilities, including B/As, L/Cs, L/Gs and CDORs are removed.

We trust you will find these Facilities helpful in meeting your ongoing financing requirements. We ask that if you wish to accept this offer of financing (which includes the Standard Terms and Conditions), please do so by signing and returning the attached duplicate copy of this Letter to the undersigned. This offer will expire if not accepted in writing and received by the Bank on or before **January 13, 2018.**

Yours truly,

**THE TORONTO-DOMINION BANK**

  
\_\_\_\_\_  
Jonathan Loewen  
Account Manager

*per:*   
\_\_\_\_\_  
Andrew Crawford  
Manager Commercial Credit

**TO THE TORONTO-DOMINION BANK:**

\_\_\_\_\_ hereby accepts the foregoing offer of financing this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Position

\_\_\_\_\_  
Position

## SCHEDULE A – STANDARD TERMS AND CONDITIONS

### 1. INTEREST RATE DEFINITIONS

Prime Rate means the rate of interest per annum (based on a 365 day year) established and reported by the Bank to the Bank of Canada from time to time as the reference rate of interest for determination of interest rates that the Bank charges to customers of varying degrees of creditworthiness in Canada for Canadian dollar loans made by it in Canada.

The Stamping Fee rate per annum for CDN\$ B/As is based on a 365 day year and the Stamping Fee is calculated on the Face Amount of each B/A presented to the Bank for acceptance. The Stamping Fee rate per annum for US\$ B/As is based on a 360 day year and the Stamping Fee is calculated on the Face Amount of each B/A presented to the Bank for acceptance.

CDOR means, for any day, the annual rate for B/As denominated in Canadian Dollars for a specified term that appears on the Reuters Screen CDOR Page as of 10:00 a.m. (Toronto time) on such day (or, if such day is not a Business Day, then on the immediately preceding Business Day).

If Prime Rate, CDOR or any other applicable base rate is less than zero, such base rate shall be deemed to be zero for purposes of this Agreement.

Any interest rate based on a period less than a year expressed as an annual rate for the purposes of the Interest Act (Canada) is equivalent to such determined rate multiplied by the actual number of days in the calendar year in which the same is to be ascertained and divided by the number of days in the period upon which it was based.

### 2. INTEREST CALCULATION AND PAYMENT

Interest on Prime Based Loans is calculated daily (including February 29 in a leap year) and payable monthly in arrears based on the number of days for which the subject loan is outstanding unless otherwise provided in the Rate and Payment Terms Notice. Interest is charged on February 29 in a leap year.

The Stamping Fee is calculated based on the amount and the term of the B/A and is payable upon acceptance by the Bank of the B/A. The net proceeds received by the Borrower on a B/A advance will be equal to the Face Amount of the B/A discounted at the Bank's then prevailing B/A discount rate for CDN\$ B/As or US\$ B/As as the case may be, for the specified term of the B/A less the B/A Stamping Fee. If the B/A discount rate (or the rate used to determine the B/A discount rate) is less than zero, it shall instead be deemed to be zero for purposes of this Agreement.

The Borrower shall pay to the Bank the Face Amount of the B/A at the maturity date of the B/A.

Interest on CDOR Loans is calculated and payable on the earlier of contract maturity or quarterly in arrears, for the number of days in the CDOR interest period.

L/C and L/G fees are payable at the time set out in the Letter of Credit Indemnity Agreement applicable to the issued L/C or L/G.

Interest on COF Based Loans is compounded monthly and payable monthly in arrears unless otherwise provided in the Letter or Rate and Payment Terms Notice.

Interest is payable both before and after maturity or demand, default and judgment.

Each payment under this Agreement shall be applied to any indebtedness or amounts owing in any order at the sole discretion of the Bank.

All overdue amounts of principal and interest and all amounts outstanding in excess of the Credit Limit shall bear interest from the date on which the same became due or from when the excess was incurred, as the case may be, until the date of payment or until the date the excess is repaid at the Bank's standard rate charged from time to time for overdrafts, or such lower interest rate as the Bank agrees to in writing. Nothing in this clause shall be deemed to authorize the Borrower to incur loans in excess of the Credit Limit.

If any provision of this Agreement would oblige the Borrower to make any payment of interest or other amount payable to the Bank in an amount or calculated at a rate which would be prohibited by law or would result in a receipt by the Bank of "interest" at a "criminal rate" (as such terms are construed under the Criminal Code (Canada)), then, notwithstanding such provision, such amount or rate shall be deemed to have been adjusted with retroactive effect to the maximum amount or rate of interest, as the case may be, as would not be so prohibited by applicable law or so result in a receipt by the Bank of "interest" at a "criminal rate", such adjustment to be effected, to the extent necessary (but only to the extent necessary), as follows: first, by reducing the amount or rate of interest, and, thereafter, by reducing any fees, commissions, costs, expenses, premiums and other amounts required to be paid to the Bank which would constitute interest for purposes of section 347 of the Criminal Code (Canada).

### 3. DRAWDOWN PROVISIONS

#### Prime Based Loans

There is no minimum amount of drawdown by way of Prime Based Loans unless otherwise provided herein. The Borrower shall provide the Bank with 3 Business Days' notice of a requested Prime Based Loan over \$10,000,000.

#### B/As

The Borrower shall advise the Bank of the requested term or maturity date for B/As issued hereunder. The Bank shall have the discretion to restrict the term or maturity dates of B/As. In no event shall the term of the B/A exceed the Contractual Term Maturity Date. The minimum amount of a drawdown by way of B/As is \$1,000,000 and in multiples of \$100,000 thereafter. The Borrower shall provide the Bank with 3 Business Days' notice of a requested B/A drawdown.

The Borrower appoints the Bank as its attorney to and authorizes the Bank to (i) complete, sign, endorse, negotiate and deliver B/As on behalf of the Borrower in handwritten form, or by facsimile or mechanical signature or otherwise, (ii) accept such B/As, and (iii) purchase, discount, and/or negotiate B/As.

#### CDOR

The Borrower shall advise the Bank of the requested CDOR contract maturity or interest period. The Bank shall have the discretion to restrict the CDOR contract maturity. In no event shall the term of the CDOR contract exceed the Contractual Term Maturity Date. The minimum amount of a drawdown by way of a CDOR Loan is \$1,000,000, and shall be in multiples of \$100,000 thereafter. The Borrower will provide the Bank with 3 Business Days' notice of a requested CDOR Loan.

#### L/C and/or L/G

The Bank shall have the discretion to restrict the maturity date of L/Gs or L/Cs.

#### B/A and CDOR - Conversion

Any portion of any B/A or CDOR Loan that is not repaid, rolled over or converted in accordance with the applicable notice requirements hereunder shall be converted by the Bank to a Prime Based Loan effective as of the maturity date of the B/A or the last day in the interest period of the CDOR contract, as applicable. The Bank may charge interest on the amount of the Prime Based Loan at the rate of 115% of the rate applicable to Prime Based Loans for the 3 Business Day period immediately following such maturity. Thereafter, the rate shall revert to the rate applicable to Prime Based Loans.

#### B/A and CDOR – Market Disruption

If the Bank determines, in its sole discretion, that a normal market in Canada for the purchase and sale of B/As or the making of CDOR Loans does not exist, any right of the Borrower to request a drawdown under the applicable borrowing option shall be suspended until the Bank advises otherwise. Any drawdown request for B/As or CDOR Loans, as applicable, during the suspension period shall be deemed to be a drawdown notice requesting a Prime Based Loan in an equivalent amount.

#### Cash Management

The Bank may, and the Borrower hereby authorizes the Bank to, drawdown under the Operating Facility to satisfy any obligations of the Borrower to the Bank in connection with any cash management service provided by the Bank to the Borrower. The Bank may drawdown under the Operating Facility even if the drawdown results in amounts outstanding in excess of the Credit Limit.

#### Notice

Prior to each drawdown under a Cost of Funds Based Loan and at least 10 days prior to each Rate Term Maturity, the Borrower will advise the Bank of its selection of drawdown options from those made available by the Bank. The Bank will, after each drawdown, other than drawdowns by way of B/A or CDOR Loan or under the Operating Facility, send a Rate and Payment Terms Notice to the Borrower.

### **4. PREPAYMENT**

#### Cost of Funds Based Loans

10% Prepayment Option Chosen.

- a) Once, each calendar year, ("Year"), the Borrower may, provided that an Event of Default has not occurred, prepay in one lump sum, an amount of principal outstanding under a Cost of Funds Based Loan not exceeding 10% of the original amount of the Cost of Funds Based Loan, upon payment of all interest accrued to the date of prepayment without paying any prepayment charge. If the prepayment privilege is not used in one Year, it cannot be carried forward and used in a later Year.
- b) Provided that an Event of Default has not occurred, the Borrower may prepay more than 10% of the original amount of a Cost of Funds Based Loan in any Year, upon payment of all interest accrued to the date of prepayment and an amount equal to the greater of:
  - i. three months' interest on the amount of the prepayment (the amount of prepayment is the amount of prepayment exceeding the 10% limit described in Section 4(a)) using the interest rate applicable to the Cost of Funds Based Loan being prepaid; and
  - ii. the Yield Maintenance, being the difference between:
    - a. the current outstanding principal balance of the Cost of Funds Based Loan; and
    - b. the sum of the present values as of the date of the prepayment of the future payments to be made on the Cost of Funds Based Loan until the Rate Term Maturity, plus the present value of the principal amount of the Cost of Funds Based Loan that would have been due on the Rate Term Maturity, when discounted at the Government of Canada bond yield rate with a term which has the closest maturity to the unexpired term of the Cost of Funds Based Loan.

10% Prepayment Option Not Chosen.

- c) The Borrower may, provided that an Event of Default has not occurred, prepay all or any part of the principal then outstanding under a Cost of Funds Based Loan upon payment of all interest accrued to the date of prepayment and an amount equal to the greater of:



- i. three months' interest on the amount of the prepayment using the interest rate applicable to the Cost of Funds Based Loan being prepaid; and
- ii. the Yield Maintenance, being the difference between:
  - a. the current outstanding principal balance of the Cost of Funds Based Loan; and
  - b. the sum of the present values as of the date of the prepayment of the future payments to be made on the Cost of Funds Based Loan until the Rate Term Maturity, plus the present value of the principal amount of the Cost of Funds Based Loan that would have been due on the Rate Term Maturity, when discounted at the Government of Canada bond yield rate with a term which has the closest maturity to the unexpired term of the Cost of Funds Based Loan.

#### Floating Rate Term Loans

The Borrower may, provided that an Event of Default has not occurred, prepay the whole or any part of the principal outstanding under the Floating Rate Term Loan, at any time without the payment of prepayment charges.

#### **5. STANDARD DISBURSEMENT CONDITIONS PRECEDENT**

The obligation of the Bank to permit any drawdown hereunder at any time is subject to the following Disbursement Conditions Precedent:

- a) The Bank shall have received the following documents, which must be in form and substance satisfactory to the Bank:
  - i. a copy of any necessary or desirable government approvals authorizing the Borrower to enter into this Agreement;
  - ii. the Borrower's compliance certificate certifying compliance with all terms and conditions hereunder, if required by the Bank;
  - iii. for drawdowns by way of L/C or L/G, the Bank's standard form Letter of Credit Indemnity Agreement;
  - iv. all operation of account documentation; and
  - v. a completed environmental questionnaire, if requested by the Bank.
- b) The representations and warranties contained in this Agreement are correct.
- c) No event has occurred and is continuing which constitutes an Event of Default or would constitute an Event of Default, but for the requirement that notice be given or time elapse or both.
- d) The Borrower has paid all legal and other expenses incurred by the Bank in connection with the Agreement.

#### **6. REPRESENTATIONS AND WARRANTIES**

The Borrower hereby represents and warrants, which representations and warranties shall be deemed to be made on the date of execution of this Agreement and to be continually repeated each day hereafter, that:

- a) The Borrower has adequate power and authority to borrow monies and enter into agreements therefore, execute and deliver this Agreement, and documents required hereunder, and observe and perform the terms and provisions of this Agreement and any ISDA Agreement.
- b) There are no laws, statutes or regulations applicable to or binding upon the Borrower and no provisions in its charter documents or in any by-laws, resolutions, contracts, agreements, or arrangements which would be contravened, breached, violated as a result of the execution, delivery, performance, observance, of any terms of this Agreement or any ISDA Agreement.
- c) No event of default has occurred under any other agreement for borrowed money nor has any event occurred which, with the passage of time or the giving of notice, would constitute an event of default under any other agreement for borrowed money or which would constitute a default under this Agreement or under any other agreement.
- d) All indebtedness and liability of the Borrower is unsecured and the indebtedness and liability of the Borrower to the Bank hereunder ranks at least pari passu with all other unsecured non-subordinated indebtedness and liability of the Borrower.
- e) The Borrower has not created, incurred, assumed, or suffered to exist, any mortgage, deed of trust, pledge, lien, security interest, assignment, charge, or encumbrance (including without limitation, any conditional sale or other title retention agreement or finance lease), of any nature, upon or with respect to any of its property, now owned or hereafter acquired, except for Permitted Liens, if any, set out in the Letter.
- f) There are no actions, suits or legal or administrative proceedings, including appeals or applications for review, or any knowledge of pending actions, suits, or proceedings against the Borrower before any court or administrative agency which could result in any material adverse change in the property, assets, financial condition, business, reputation or operations of the Borrower.
- g) All authorizations, approvals, consents, licenses, exemptions, filings, registrations and other requirements of governmental, judicial and public bodies and authorities required for the Borrower to enter into this Agreement and to incur the indebtedness hereunder have been obtained or effected and are in full force and effect.
- h) The financial statements delivered to the Bank fairly present the present financial position of the Borrower, and the financial statements have been prepared in accordance with generally accepted accounting principles for local governments as recommended, from time to time, by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants.
- i) All information that the Borrower has provided to the Bank is accurate and complete respecting, where applicable:
  - (i) the names of the Borrower's directors and the names and addresses of the Borrower's beneficial owners;

- (ii) the names and addresses of the Borrower's trustees, known beneficiaries and/or settlors; and
- (iii) the Borrower's ownership, control and structure.

## **7. STANDARD POSITIVE COVENANTS**

The Borrower will:

- a) pay all amounts of principal, interest and fees on the dates, times and place specified herein, under the Rate and Payment Terms Notice, and under any other agreement between the Bank and the Borrower;
- b) ensure that amounts outstanding under each Facility do not exceed the Credit Limit for such Facility (including as a result of a change in the exchange rate for currencies) and promptly pay such amounts that exceed the Credit Limit of a Facility;
- c) levy the necessary rates in each year in amounts sufficient to satisfy principal and interest payments due hereunder for the year, to the extent these amounts have not otherwise been provided for by taxes, fees or charges imposed by the Borrower;
- d) advise the Bank of any change in the amount and the terms of any credit arrangement made with other lenders or any action taken by another lender to recover amounts outstanding with such other lender;
- e) advise promptly after the happening of any event, which could result in a material adverse change in the property, assets, financial condition, business, reputation or operations of the Borrower or the occurrence of any event of default under any other agreement for borrowed money or an Event of Default under this Agreement or under any other agreement;
- f) do all things necessary to maintain in good standing its existence as a municipality;
- g) provide the Bank with information and financial data as it may request from time to time, including, without limitation, such updated information and/or additional supporting information as the Bank may require with respect to any or all the matters in the Borrower's representation and warranty in Section 6(i);
- h) inform the Bank of any actual or probable litigation and furnish the Bank with copies of details of any litigation or other proceedings, which might materially affect the property, assets, financial condition, business, reputation or operations of the Borrower;
- i) promptly cure any defect in the execution of this Agreement and promptly execute and deliver to the Bank, upon the request of the Bank, all such additional or replacement documentation in order to comply with the obligations of the Borrower hereunder, or to cure any defect in the documentation; and
- j) permit the Bank or its authorized representatives full and reasonable access to its premises, business, financial and computer records and allow the duplication or extraction of pertinent information therefrom.

## **8. STANDARD NEGATIVE COVENANTS**

The Borrower will not:

- a) merge or consolidate with any other Person, or acquire all or substantially all of the shares, assets or business of any other Person.
- b) sell, lease, assign, transfer, convey or otherwise dispose of the legal or beneficial ownership of all or substantially all of its now owned or hereafter acquired assets.

## **9. ENVIRONMENTAL REPRESENTATIONS AND UNDERTAKINGS**

The Borrower represents, warrants and covenants (which representation, warranty and covenant shall be deemed to be continually repeated each day hereafter) that the business of the Borrower is being, and shall continue to be, operated in compliance with all applicable laws and regulations concerning the protection of the environment, including laws and regulations respecting the discharge, emission, spill or disposal of any hazardous materials and that any and all enforcement actions in respect thereto have been, and will be, clearly conveyed to the Bank.

The Borrower shall, at the request of the Bank from time to time, and at the Borrower's expense, obtain and provide to the Bank an environmental audit or inspection report concerning any of the Borrower's property or operations, from appraisers, auditors or inspectors acceptable to the Bank.

The Borrower hereby indemnifies the Bank, its affiliates, and each of their officers, directors, employees, agents and shareholders, and agrees to hold each of them harmless from all loss, claims, damages and expenses (including legal, audit, inspection expenses and the costs of addressing laws and regulations concerning the protection of the environment) which may be suffered or incurred in connection with a breach of the representation, warranty and covenant contained in this Section.

## **10. STANDARD EVENTS OF DEFAULT**

The Bank may accelerate the payment of principal and interest under any committed Facility hereunder and cancel any undrawn portion of any committed Facility hereunder, at any time after the occurrence of any one of the following Events of Default:

- a) Non-payment of principal outstanding under this Agreement when due or non-payment of interest or fees or any other amount outstanding under this Agreement within 3 Business Days of when due.
- b) If any representation, warranty or statement made hereunder, or made in connection with the execution and delivery of this Agreement is false or misleading at any time.
- c) If there is a breach or non-performance or non-observance of any term or condition of this Agreement and, if such default is capable of being remedied, the default continues unremedied for 5 Business Days after the occurrence.
- d) If action is taken by an encumbrancer against the Borrower to take possession of property or enforce proceedings against any assets.
- e) If any judgment for the payment of monies in excess of the Judgment Threshold is made against the Borrower and it is not discharged within 30 days from the imposition of such judgment or within such other longer period of time which the Court may allow or to which the other party agrees.



- f) If there exists an event, the effect of which with the lapse of time or the giving of notice, will constitute an event of default or a default under any other agreement for borrowed money in excess of the Cross Default Threshold entered into by the Borrower whether or not waived by the other lender under such other agreement.
- g) If there exists an event, the effect of which with the lapse of time or the giving of notice, will constitute a default, an Event of Default or a Termination Event under any other present or future agreement between the Borrower and the Bank or any of the Bank's subsidiaries, including without limitation, any other loan agreement, forward foreign exchange transactions, interest rate and currency and/or commodity swaps.
- h) If there is a material adverse change in legislation affecting the Borrower.
- i) If, in the Bank's determination, a material adverse change occurs in the status, financial condition, operations, assets, prospects or reputation of the Borrower.

#### **11. ACCELERATION**

If the Bank accelerates the payment of principal and interest hereunder, and/or demands payment of principal and interest under any uncommitted Facility, the Borrower shall immediately pay to the Bank all amounts outstanding hereunder with interest thereon, including without limitation, the amount of unmatured B/As and CDOR Loans and the Face Amount of all drawn and undrawn L/Gs and L/Cs. All cost to the Bank of unwinding CDOR Loans and all loss suffered by the Bank in re-employing amounts repaid will be paid by the Borrower.

The Bank may demand the payment of principal and interest under any uncommitted Facility hereunder and cancel any undrawn portion of any uncommitted Facility hereunder, at any time whether or not an Event of Default has occurred.

The rights and remedies of the Bank hereunder or under any other document or instrument executed pursuant to this Agreement are cumulative and are in addition to and not in substitution for any rights and remedies provided by law or equity.

#### **12. TAXATION ON PAYMENTS**

All payments made by the Borrower to the Bank will be made free and clear of all present and future taxes (excluding the Bank's income taxes), withholdings or deductions of whatever nature. If these taxes, withholdings or deductions are required by applicable law and are made, the Borrower, shall, as a separate and independent obligation, pay to the Bank all additional amounts as shall fully indemnify the Bank from any such taxes, withholdings or deductions.

#### **13. REPRESENTATION**

No representation or warranty or other statement made by the Bank concerning any of the Facilities shall be binding on the Bank unless made by it in writing as a specific amendment to this Agreement.

#### **14. CHANGING THE AGREEMENT**

- a) The Bank may, from time to time, unilaterally change the provisions of this Agreement where (i) the provisions of the Agreement relate to the Operating Facility (and any other uncommitted facility) or (ii) such change is for the benefit of the Borrower, or made at the Borrower's request, including without limitation, decreases to fees or interest payable hereunder or (iii) where such change makes compliance with this Agreement less onerous to the Borrower. These changes can be made by the Bank providing written notice to the Borrower of such changes in the form of a specific waiver or a document constituting an amending agreement. The Borrower is not required to execute such waiver or amending agreement, unless the Bank requests the Borrower to sign such waiver or amending agreement. A change in the Prime Rate is not an amendment to the terms of this Agreement that requires notification to be provided to the Borrower.
- b) Changes to the Agreement, other than as described in (a) above, including but not limited to, changes to covenants and interest payable by the Borrower, are required to be agreed to by the Bank and the Borrower in writing, by the Bank and the Borrower each signing an amending agreement.

#### **15. METHOD OF COMMUNICATION WITH THE BORROWER**

The Bank may communicate with the Borrower by ordinary, uninsured mail or other means, including hand delivery, electronic mail or facsimile transmission. Mailed information is deemed to be received by the Borrower 5 days after mailing. Delivered information is deemed to be received when delivered or left at the Borrower's address. Electronically delivered information is deemed to be received when sent. Messages sent by facsimile are deemed to be received when the Bank receives a fax confirmation. The Bank will send notices to the last address provided by the Borrower. If more than one Person signs this Agreement, communication with any one Person will serve as notice to all.

#### **16. ADDED COST**

If the introduction of or any change in any present or future law, regulation, treaty, official or unofficial directive, or regulatory requirement, (whether or not having the force of law) or in the interpretation or application thereof, relates to:

- i. the imposition or exemption of taxation of payments due to the Bank or on reserves or deemed reserves in respect of the undrawn portion of any Facility or loan made available hereunder; or,
- ii. any reserve, special deposit, regulatory or similar requirement against assets, deposits, or loans or other acquisition of funds for loans by the Bank; or,
- iii. the amount of capital required or expected to be maintained by the Bank as a result of the existence of the advances or the commitment made hereunder;

and the result of such occurrence is, in the sole determination of the Bank, to increase the cost to the Bank or to reduce the income received or receivable by the Bank hereunder, the Borrower shall, on demand by the Bank, pay to the Bank that amount which the Bank estimates will compensate it for such additional cost or reduction in income and the Bank's estimate shall be conclusive, absent manifest error.

#### **17. EXPENSES**

The Borrower shall pay all fees and expenses (including but not limited to all legal fees) incurred by the Bank in connection with the negotiation, preparation, registration and the initial and ongoing administration of this Agreement and with the enforcement of the Bank's rights and remedies under this Agreement, whether or not any amounts are advanced under the Agreement. These fees and expenses shall include, but not be limited to, the fees and expenses of any agents hired by the Bank to perform searches of the Borrower and/or any of its properties, together with any additional fees charged by the Bank, all fees and expenses of undertaking audits of the Borrower, all outside counsel fees and expenses, all in-house legal fees and expenses, if in-house counsel are used (including with respect to advising the Bank as to the negotiation of this Agreement, its rights and responsibilities under this Agreement, advising on waivers and covenants and amendments, and advising the Bank after failure by the Borrower to perform or observe any of its obligations hereunder), and all professional advisory fees and expenses. For greater certainty, the Borrower is still required to pay the Bank any costs and expenses described above even if the Borrower fails to fulfill the Disbursement Conditions Precedent and as a result the Borrower is not permitted to drawdown under the Facilities. The Borrower shall pay interest on unpaid amounts due pursuant to this paragraph at the All-In Rate plus 2% per annum.

Without limiting the generality of Section 26, the Bank or the Bank's agent, is authorized to debit any of the Borrower's accounts with the amount of the fees and expenses owed by the Borrower hereunder, even if that debiting creates an overdraft in any such account. If there are insufficient funds in the Borrower's accounts to reimburse the Bank or its agent for payment of the fees and expenses owed by the Borrower hereunder, the amount debited to the Borrower's accounts shall be deemed to be a Prime Based Loan under the Operating Facility.

The Borrower will, if requested by the Bank, sign a Pre-Authorized Payment Authorization in a format acceptable to the Bank to permit the Bank's agent to debit the Borrower's accounts as contemplated in this Section.

#### **18. INDEMNITY**

The Borrower hereby indemnifies the Bank, its affiliates, and each of their officers, directors, employees, agents, advisors and shareholders, and agrees to hold each of them harmless from all loss, claims, damages and expenses (including legal and audit expenses) which may be suffered or incurred in connection with the Bank having entered into this Agreement, or a breach by the Borrower of any representation, warranty, or covenant under this Agreement. This indemnity will survive the termination of this Agreement and the repayment of all indebtedness and liability hereunder. In no event will the Bank be liable to the Borrower for any direct, indirect or consequential damages arising in connection with this Agreement.

#### **19. CURRENCY INDEMNITY**

US\$ loans (including B/As and L/Cs and L/Gs) must be repaid with US\$ and CDN\$ loans (including B/As and L/Cs and L/Gs) must be repaid with CDN\$ and the Borrower shall indemnify the Bank for any loss suffered by the Bank if US\$ loans (including B/As and L/Cs and L/Gs) are repaid with CDN\$ or vice versa, whether such payment is made pursuant to an order of a court or otherwise.

#### **20. NON WAIVER**

Any failure by the Bank to object to or take action with respect to a breach of this Agreement or upon the occurrence of an Event of Default shall not constitute a waiver of the Bank's right to take action at a later date on that breach. No course of conduct by the Bank will give rise to any reasonable expectation which is in any way inconsistent with the terms and conditions of this Agreement or the Bank's rights hereunder.

#### **21. EVIDENCE OF INDEBTEDNESS**

The Bank shall record on its records the amount of all advances (including B/As) made hereunder, L/Cs and L/Gs issued at the request of the Borrower, payments made in respect thereto, and all other amounts becoming due to the Bank under this Agreement. The Bank's records constitute, in the absence of manifest error, conclusive evidence of the indebtedness of the Borrower to the Bank pursuant to this Agreement.

The Borrower will sign a Letter of Credit Indemnity Agreement for all L/Cs and L/Gs issued by the Bank.

#### **22. ENTIRE AGREEMENT**

This Agreement, and if applicable, the Letter of Credit Indemnity Agreement for L/Cs and L/Gs, constitute the entire agreement between the parties relating to the Facilities described in this Agreement, and cancel and supersede any previous agreements dealing specifically with the Facilities including any previous letter agreements or term sheets. Agreements relating to other credit facilities made available by the Bank continue to apply to those other credit facilities.

#### **23. ASSIGNMENT**

The Bank may not assign or grant participation in all or part of this Agreement or in any loan (including B/As, L/Gs and L/Cs) made hereunder without notice to and without the Borrower's prior written consent.

The Borrower may not assign or transfer all or any part of its rights or obligations under this Agreement.

#### **24. BENEFIT OF THE AGREEMENT**

This Agreement shall enure to the benefit of and be binding on the Borrower, the Bank, and their respective successors and the Bank's permitted assigns.

#### **25. FX CLOSE OUT**

The Borrower hereby acknowledges and agrees that in the event any of the following occur: (i) default by the Borrower under any forward foreign exchange contract ("FX Contract"); (ii) default by the Borrower in payment of monies owing by it to anyone, including the Bank; (iii) default in the performance of any other obligation of the Borrower under any agreement to which it is subject; or (iv) the Borrower is adjudged to be or admits in writing to its inability to pay its debts as they come due or is subject to a restructuring proposal, the Bank shall be entitled without advance notice to the Borrower to close out and terminate all of the outstanding FX Contracts entered into hereunder, using normal commercial practices employed by the Bank, to determine the gain or loss for each terminated FX contract. The Bank shall then be entitled to calculate a net termination value for all of the terminated FX Contracts which shall be the net sum of all the losses and gains arising from the termination of the FX Contracts which net sum shall be the "Close Out Value" of the terminated FX Contracts. The Borrower acknowledges that it shall be required to forthwith pay any positive Close Out Value owing to the Bank and the Bank shall be required to pay any negative Close Out Value owing to the Borrower, subject to any rights of set-off to which the Bank is entitled or subject.

#### **26. SET-OFF**

In addition to and not in limitation of any rights now or hereafter granted under applicable law, the Bank may at any time and from time to time without notice to the Borrower or any other Person, any notice being expressly waived by the Borrower, set-off and compensate and apply any and all deposits, general or special, time or demand, provisional or final, matured or unmatured, in any currency, and any other indebtedness or amount payable by the Bank (irrespective of the place of payment or booking office of the obligation), to or for the credit of or for the Borrower's account, including without limitation, any amount owed by the Bank to the Borrower under any FX Contract or other treasury or derivative product, against and on account of the indebtedness and liability under this Agreement, including any amounts owed for fees and costs and expenses, notwithstanding that any of them are contingent or unmatured or in a different currency than the indebtedness and liability under this Agreement.

When applying a deposit or other obligation in a different currency than the indebtedness and liability under this Agreement, to the indebtedness and liability under this Agreement, the Bank will convert the deposit or other obligation to the currency of the indebtedness and liability under this Agreement using the exchange rate determined by the Bank at the time of the conversion.

#### **27. BUSINESS CREDIT SERVICE**

The Borrower agrees that each advance from the Loan Account will be in the Transfer Amount or a multiple thereof. If the Transfer Amount is NIL, the Borrower agrees that an advance from the Loan Account may be in an amount sufficient to cover the debits made to the Current Account.

The Bank may but, is not required to, automatically advance the Transfer Amount or a multiple thereof or any other amount from the Loan Account to the Current Account in order to cover the debits made to the Current Account if the amount in the Current Account is insufficient to cover the debits. The Bank may, but is not required to, automatically and without notice apply the funds in the Current Account in amounts equal to the Transfer Amount or any multiple thereof or any other amount to repay the outstanding amount in the Loan Account.

#### **28. RELEASE OF INFORMATION**

The Borrower hereby irrevocably authorizes and directs the Borrower's accountant (the "Accountant") to deliver all financial statements and other financial information concerning the Borrower to the Bank and agrees that the Bank and the Accountant may communicate directly with each other.

The Borrower herein consents and agrees to the Bank's disclosure of the Borrower's name and a general description of the services provided by the Bank to the Borrower, to prospective clients of the Bank. The Borrower may limit or revoke this consent on prior written notice to the Bank.

#### **29. SEVERABILITY**

In the event any one or more of the provisions of this Agreement shall for any reason, including under any applicable statute or rule of law, be held to be invalid, illegal or unenforceable, that part will be severed from this Agreement and will not affect the enforceability of the remaining provisions of this Agreement, which shall remain in full force and effect.

#### **30. MISCELLANEOUS**

- i. The Borrower has received a signed copy of this Agreement.
- ii. Accounting terms will (to the extent not defined in this Agreement) be interpreted in accordance with accounting principles established from time to time by the Canadian Institute of Chartered Accountants (or any successor) consistently applied, and all financial statements and information provided to the Bank will be prepared in accordance with those principles.
- iii. This Agreement is governed by the law of the Province or Territory where the Branch/Centre is located.
- iv. Unless stated otherwise, all amounts referred to herein are in Canadian dollars.

#### **31. DEFINITIONS**

Capitalized Terms used in this Agreement shall have the following meanings:



**"All-In Rate"** means the greater of the interest rates that the Borrower pays for Floating Rate Loans or the highest fixed rate paid on a Cost of Funds Based Loan made to the Borrower hereunder.

**"Agreement"** means the agreement between the Bank and the Borrower set out in the Letter, this Schedule "A", Standard Terms and Conditions, as amended from time to time in accordance with Section 14 of this Schedule A, the Rate and Payments Terms Notices sent to the Borrower from time to time, and the Letter of Credit Indemnity Agreement, if applicable.

**"Business Day"** means any day (other than a Saturday or Sunday) that the Branch/Centre is open for business.

**"Branch/Centre"** means The Toronto-Dominion Bank branch or banking centre noted on the first page of the Letter, or such other branch or centre as may from time to time be designated by the Bank in writing.

**"Contractual Term Maturity Date"** means the last day of the Contractual Term period. If the Letter does not set out a specific Contractual Term period but rather refers to a period of time up to which the Contractual Term Maturity Date can occur, the Bank and the Borrower must agree on a Contractual Term Maturity Date before first drawdown, which Contractual Term Maturity Date will be set out in the Rate and Payment Terms Notice.

**"Cost of Funds"** means the cost to the Bank, as determined by the Bank in its sole discretion, expressed as a rate, of obtaining funds to make a Cost of Funds Based Loan for the Rate Term selected by the Borrower.

**"Cost of Funds Based Loan or COF Based Loan"** means any drawdown in Canadian dollars under a Facility at an interest rate, which is fixed for a Rate Term where the rate for the Rate Term is equal to the Cost of Funds, plus the spread set out in the Letter.

**"Credit Limit"** means the credit limit for each Facility as set out in the Letter.

**"Cross Default Threshold"** means the cross default threshold as set out in the Letter.

**"Face Amount"** means, in respect of

- i. a B/A, the amount payable to the holder thereof on its maturity;
- ii. a L/C or L/G, the maximum amount payable to the beneficiary specified therein or any other Person to whom payments may be required to be made pursuant to such L/C or L/G.

**"Floating Rate Loan"** means any loan drawn down, converted or extended under a Facility at an interest rate which is referenced to a variable rate of interest, such as the Prime Rate.

**"including"** means including without limitation.

**"ISDA Agreement"** means the International Swaps and Derivatives Association, Inc. 2002 Master Agreement, as may be amended from time to time, with such schedules and amendments as required by the Bank.

**"Judgment Threshold"** means the judgment threshold as set out in the Letter.

**"Letter"** means the letter from the Bank to the Borrower to which this Schedule "A" Standard Terms and Conditions is attached.

**"Letter of Credit" or "L/C"** means a documentary letter of credit or similar instrument in form and substance satisfactory to the Bank.

**"Letter of Guarantee" or "L/G"** means a stand-by letter of guarantee or similar instrument in form and substance satisfactory to the Bank.

**"Person"** includes any individual, sole proprietorship, corporation, partnership, joint venture, trust, unincorporated association, association, institution, entity, party, or government (whether national, federal, provincial, state, municipal, city, county, or otherwise and including any instrumentality, division, agency, body, or department thereof).

**"Purchase Money Security Interest"** means a security interest on an asset which has been or may in the future be granted to a lender or to the seller of such asset in order to secure the purchase price of such asset or a loan incurred to acquire such asset, provided that the amount secured by the security interest does not exceed the cost of the asset and provided that in the case of future security interests, the Borrower provides written notice to the Bank prior to the creation of the security interest and the creditor under the security interest has, if requested by the Bank, entered into an inter-creditor agreement with the Bank, in a format acceptable to the Bank.

**"Rate Term"** means that period of time as selected by the Borrower from the options offered to it by the Bank, during which a COF Based Loan will bear a particular interest rate. If no Rate Term is selected, the Borrower will be deemed to have selected a Rate Term of one (1) year.

**"Rate Term Maturity"** means the last day of a Rate Term which day may never exceed the Contractual Term Maturity Date.

**"Rate and Payment Terms Notice"** means the written notice sent by the Bank to the Borrower setting out the interest rate and payment terms for a particular drawdown. The Rate and Payment Terms Notice is incorporated in and forms part of this Agreement.

**"Swap"** means an arrangement or transaction between the Bank and the Borrower which is an interest rate swap transaction designed to protect or mitigate against risks in interest rate changes on a committed credit facility which is drawn by way of B/As.

**"US\$" or "USD Equivalent"** means, on any date, the equivalent amount in United States Dollars after giving effect to a conversion of a specified amount of Canadian Dollars to United States Dollars at the exchange rate determined by the Bank at the time of the conversion.

THE CORPORATION OF THE CITY OF NORTH BAY

SCHEDULE "C" TO BY-LAW NO. 2017-87

LOAN AMORTIZATION SCHEDULE

Rate Details	
Cost of Funds	2.73%
Term:	10 Years
Amortization:	10 Years



Amortization Schedule					
Date	Days	Schedule	Principal	Interest	Cashflows
15-Dec-17		4,500,000.00			4,500,000
15-Jan-18	31	4,462,500.00	(37,500.00)	(10,433.84)	(47,933.84)
15-Feb-18	31	4,425,000.00	(37,500.00)	(10,346.89)	(47,846.89)
15-Mar-18	28	4,387,500.00	(37,500.00)	(9,267.04)	(46,767.04)
16-Apr-18	32	4,350,000.00	(37,500.00)	(10,501.15)	(48,001.15)
15-May-18	29	4,312,500.00	(37,500.00)	(9,435.33)	(46,935.33)
15-Jun-18	31	4,275,000.00	(37,500.00)	(9,999.09)	(47,499.09)
16-Jul-18	31	4,237,500.00	(37,500.00)	(9,912.14)	(47,412.14)
15-Aug-18	30	4,200,000.00	(37,500.00)	(9,508.25)	(47,008.25)
17-Sep-18	33	4,162,500.00	(37,500.00)	(10,366.52)	(47,866.52)
15-Oct-18	28	4,125,000.00	(37,500.00)	(8,717.30)	(46,217.30)
15-Nov-18	31	4,087,500.00	(37,500.00)	(9,564.35)	(47,064.35)
17-Dec-18	32	4,050,000.00	(37,500.00)	(9,783.12)	(47,283.12)
15-Jan-19	29	4,012,500.00	(37,500.00)	(8,784.62)	(46,284.62)
15-Feb-19	31	3,975,000.00	(37,500.00)	(9,303.50)	(46,803.50)
15-Mar-19	28	3,937,500.00	(37,500.00)	(8,324.63)	(45,824.63)
15-Apr-19	31	3,900,000.00	(37,500.00)	(9,129.61)	(46,629.61)
15-May-19	30	3,862,500.00	(37,500.00)	(8,750.96)	(46,250.96)
17-Jun-19	33	3,825,000.00	(37,500.00)	(9,533.50)	(47,033.50)
15-Jul-19	28	3,787,500.00	(37,500.00)	(8,010.49)	(45,510.49)
15-Aug-19	31	3,750,000.00	(37,500.00)	(8,781.81)	(46,281.81)
16-Sep-19	32	3,712,500.00	(37,500.00)	(8,975.34)	(46,475.34)
15-Oct-19	29	3,675,000.00	(37,500.00)	(8,052.57)	(45,552.57)
15-Nov-19	31	3,637,500.00	(37,500.00)	(8,520.97)	(46,020.97)
16-Dec-19	31	3,600,000.00	(37,500.00)	(8,434.02)	(45,934.02)
15-Jan-20	30	3,562,500.00	(37,500.00)	(8,077.81)	(45,577.81)
18-Feb-20	34	3,525,000.00	(37,500.00)	(9,059.49)	(46,559.49)
16-Mar-20	27	3,487,500.00	(37,500.00)	(7,118.57)	(44,618.57)
15-Apr-20	30	3,450,000.00	(37,500.00)	(7,825.38)	(45,325.38)
15-May-20	30	3,412,500.00	(37,500.00)	(7,741.23)	(45,241.23)
15-Jun-20	31	3,375,000.00	(37,500.00)	(7,912.33)	(45,412.33)
15-Jul-20	30	3,337,500.00	(37,500.00)	(7,572.95)	(45,072.95)
17-Aug-20	33	3,300,000.00	(37,500.00)	(8,237.68)	(45,737.68)
15-Sep-20	29	3,262,500.00	(37,500.00)	(7,157.84)	(44,657.84)
15-Oct-20	30	3,225,000.00	(37,500.00)	(7,320.51)	(44,820.51)
16-Nov-20	32	3,187,500.00	(37,500.00)	(7,718.79)	(45,218.79)
15-Dec-20	29	3,150,000.00	(37,500.00)	(6,913.82)	(44,413.82)
15-Jan-21	31	3,112,500.00	(37,500.00)	(7,303.68)	(44,803.68)
16-Feb-21	32	3,075,000.00	(37,500.00)	(7,449.53)	(44,949.53)
15-Mar-21	27	3,037,500.00	(37,500.00)	(6,209.82)	(43,709.82)
15-Apr-21	31	3,000,000.00	(37,500.00)	(7,042.84)	(44,542.84)
17-May-21	32	2,962,500.00	(37,500.00)	(7,180.27)	(44,680.27)
15-Jun-21	29	2,925,000.00	(37,500.00)	(6,425.78)	(43,925.78)
15-Jul-21	30	2,887,500.00	(37,500.00)	(6,563.22)	(44,063.22)
16-Aug-21	32	2,850,000.00	(37,500.00)	(6,911.01)	(44,411.01)
15-Sep-21	30	2,812,500.00	(37,500.00)	(6,394.93)	(43,894.93)
15-Oct-21	30	2,775,000.00	(37,500.00)	(6,310.79)	(43,810.79)
15-Nov-21	31	2,737,500.00	(37,500.00)	(6,434.20)	(43,934.20)
15-Dec-21	30	2,700,000.00	(37,500.00)	(6,142.50)	(43,642.50)
17-Jan-22	33	2,662,500.00	(37,500.00)	(6,664.19)	(44,164.19)
15-Feb-22	29	2,625,000.00	(37,500.00)	(5,775.07)	(43,275.07)
15-Mar-22	28	2,587,500.00	(37,500.00)	(5,487.40)	(42,987.40)
18-Apr-22	34	2,550,000.00	(37,500.00)	(6,580.05)	(44,080.05)
16-May-22	28	2,512,500.00	(37,500.00)	(5,340.33)	(42,840.33)
15-Jun-22	30	2,475,000.00	(37,500.00)	(5,637.64)	(43,137.64)
15-Jul-22	30	2,437,500.00	(37,500.00)	(5,553.49)	(43,053.49)
15-Aug-22	31	2,400,000.00	(37,500.00)	(5,651.66)	(43,151.66)
15-Sep-22	31	2,362,500.00	(37,500.00)	(5,564.71)	(43,064.71)
17-Oct-22	32	2,325,000.00	(37,500.00)	(5,654.47)	(43,154.47)
15-Nov-22	29	2,287,500.00	(37,500.00)	(5,043.02)	(42,543.02)
15-Dec-22	30	2,250,000.00	(37,500.00)	(5,132.77)	(42,632.77)
16-Jan-23	32	2,212,500.00	(37,500.00)	(5,385.21)	(42,885.21)
15-Feb-23	30	2,175,000.00	(37,500.00)	(4,964.49)	(42,464.49)
15-Mar-23	28	2,137,500.00	(37,500.00)	(4,554.99)	(42,054.99)
17-Apr-23	33	2,100,000.00	(37,500.00)	(5,275.82)	(42,775.82)
15-May-23	28	2,062,500.00	(37,500.00)	(4,397.92)	(41,897.92)
15-Jun-23	31	2,025,000.00	(37,500.00)	(4,782.17)	(42,282.17)
17-Jul-23	32	1,987,500.00	(37,500.00)	(4,846.68)	(42,346.68)
15-Aug-23	29	1,950,000.00	(37,500.00)	(4,310.97)	(41,810.97)
15-Sep-23	31	1,912,500.00	(37,500.00)	(4,521.33)	(42,021.33)
16-Oct-23	31	1,875,000.00	(37,500.00)	(4,434.38)	(41,934.38)
15-Nov-23	30	1,837,500.00	(37,500.00)	(4,207.19)	(41,707.19)
15-Dec-23	30	1,800,000.00	(37,500.00)	(4,123.05)	(41,623.05)
15-Jan-24	31	1,762,500.00	(37,500.00)	(4,173.53)	(41,673.53)
15-Feb-24	31	1,725,000.00	(37,500.00)	(4,086.59)	(41,586.59)
15-Mar-24	29	1,687,500.00	(37,500.00)	(3,741.60)	(41,241.60)
15-Apr-24	31	1,650,000.00	(37,500.00)	(3,912.69)	(41,412.69)
15-May-24	30	1,612,500.00	(37,500.00)	(3,702.33)	(41,202.33)
17-Jun-24	33	1,575,000.00	(37,500.00)	(3,980.00)	(41,480.00)
15-Jul-24	28	1,537,500.00	(37,500.00)	(3,298.44)	(40,798.44)
15-Aug-24	31	1,500,000.00	(37,500.00)	(3,564.89)	(41,064.89)
16-Sep-24	32	1,462,500.00	(37,500.00)	(3,590.14)	(41,090.14)
15-Oct-24	29	1,425,000.00	(37,500.00)	(3,172.22)	(40,672.22)
15-Nov-24	31	1,387,500.00	(37,500.00)	(3,304.05)	(40,804.05)
16-Dec-24	31	1,350,000.00	(37,500.00)	(3,217.10)	(40,717.10)
15-Jan-25	30	1,312,500.00	(37,500.00)	(3,029.18)	(40,529.18)
18-Feb-25	34	1,275,000.00	(37,500.00)	(3,337.71)	(40,837.71)
17-Mar-25	27	1,237,500.00	(37,500.00)	(2,574.80)	(40,074.80)
15-Apr-25	29	1,200,000.00	(37,500.00)	(2,684.19)	(40,184.19)
15-May-25	30	1,162,500.00	(37,500.00)	(2,692.60)	(40,192.60)
16-Jun-25	32	1,125,000.00	(37,500.00)	(2,782.36)	(40,282.36)
15-Jul-25	29	1,087,500.00	(37,500.00)	(2,440.17)	(39,940.17)
15-Aug-25	31	1,050,000.00	(37,500.00)	(2,521.51)	(40,021.51)
15-Sep-25	31	1,012,500.00	(37,500.00)	(2,434.56)	(39,934.56)
15-Oct-25	30	975,000.00	(37,500.00)	(2,271.88)	(39,771.88)
17-Nov-25	33	937,500.00	(37,500.00)	(2,406.51)	(39,906.51)
15-Dec-25	28	900,000.00	(37,500.00)	(1,963.36)	(39,463.36)
15-Jan-26	31	862,500.00	(37,500.00)	(2,086.77)	(39,586.77)
17-Feb-26	33	825,000.00	(37,500.00)	(2,128.84)	(39,628.84)
16-Mar-26	27	787,500.00	(37,500.00)	(1,666.05)	(39,166.05)
15-Apr-26	30	750,000.00	(37,500.00)	(1,767.02)	(39,267.02)
15-May-26	30	712,500.00	(37,500.00)	(1,682.88)	(39,182.88)
15-Jun-26	31	675,000.00	(37,500.00)	(1,652.02)	(39,152.02)
15-Jul-26	30	637,500.00	(37,500.00)	(1,514.59)	(39,014.59)
17-Aug-26	33	600,000.00	(37,500.00)	(1,573.49)	(39,073.49)
15-Sep-26	29	562,500.00	(37,500.00)	(1,301.42)	(38,801.42)
15-Oct-26	30	525,000.00	(37,500.00)	(1,262.16)	(38,762.16)
16-Nov-26	32	487,500.00	(37,500.00)	(1,256.55)	(38,756.55)
15-Dec-26	29	450,000.00	(37,500.00)	(1,057.41)	(38,557.41)
15-Jan-27	31	412,500.00	(37,500.00)	(1,043.38)	(38,543.38)
16-Feb-27	32	375,000.00	(37,500.00)	(987.29)	(38,487.29)
15-Mar-27	27	337,500.00	(37,500.00)	(757.29)	(38,257.29)
15-Apr-27	31	300,000.00	(37,500.00)	(782.54)	(38,282.54)
17-May-27	32	262,500.00	(37,500.00)	(718.03)	(38,218.03)
15-Jun-27	29	225,000.00	(37,500.00)	(569.37)	(38,069.37)
15-Jul-27	30	187,500.00	(37,500.00)	(504.86)	(38,004.86)
16-Aug-27	32	150,000.00	(37,500.00)	(448.77)	(37,948.77)
15-Sep-27	30	112,500.00	(37,500.00)	(336.58)	(37,836.58)
15-Oct-27	30	75,000.00	(37,500.00)	(252.43)	(37,752.43)
15-Nov-27	31	37,500.00	(37,500.00)	(173.90)	(37,673.90)
15-Dec-27	30	0.00	(37,500.00)	(84.14)	(37,584.14)
			<b>(4,500,000.00)</b>	<b>(619,851.20)</b>	