SUBJECT: FCM Green Municipal Fund - Grant/Loan and Reporting Agreements (FCS09095) (City Wide)

RECOMMENDATION:

(a) That the Mayor and City Clerk be authorized and directed to enter into a Loan Agreement, Grant Agreement and Project Reporting Grant Agreement ("Agreements") (attached as Appendices “A”, “B” and “C” to report FCS09095) between the City of Hamilton and the Federation of Canadian Municipalities (FCM), required by FCM with respect to the funding commitment made through the Government of Canada Green Municipal Fund (GMF), in a form acceptable to the City Solicitor;

(b) That the Mayor and City Clerk be authorized and directed to execute any ancillary documentation, in a form acceptable to the City Solicitor, reasonably required in order to give effect to the Agreements' requirements;

(c) That the appropriate by-law, City of Hamilton/Federation of Canadian Municipalities – Green Municipal Fund Agreement By-Law be passed and enacted attached as Appendix “D” to report FCS09095; and

(d) That, if approved and passed, that a certified copy of the by-law referenced in (c) above be forwarded to FCM.

Roberto Rossini
General Manager
Finance and Corporate Services
EXECUTIVE SUMMARY:

In April 2007, staff were advised that the City’s submission for a grant and loan request by the Federation of Canadian Municipalities had been approved, for a $300,000 grant and $2,493,420 low interest loan.

In June 2007, Corporate Services staff confirmed the City’s acceptance as a condition of moving forward.

Since that time, there has been an exchange of communications and legal documentation between the City and FCM towards the execution of the necessary Agreements and ultimately the transfer of the funding. In addition to the Agreements, a Council By-law is required to permit execution of the Agreements and transfer of the funds.

It should be noted that the related project has been implemented and Council’s authorization and direction to proceed is for the purpose of accessing the committed FCM funding.

In terms of the financial savings, the terms of the loan include an interest rate that equals the closing mid-market rate percentage yield of the Government of Canada ten year benchmark bond minus one and one-half percent per annum, which as of September 15, 2009, was approximately 1.88%.

The attached By-law (refer to Appendix “D” of report FCS09095), accompanying agreements, guidelines and requirements are provided as a condition of the transfer of funding, provided by FCM to the City of Hamilton (COH) under the GMF. Under the terms and conditions of the Agreements, a by-law is required to authorize the Mayor and City Clerk to sign the “Letter of Agreements between the Federal Government, represented by the Federation of Canadian Municipalities and the City of Hamilton related to Green Municipal Funding provided by the Federal Government to the Municipality under the GMF Program”.

BACKGROUND:

In November 2006, staff responded to a competition for a Federation of Canadian Municipalities (FCM) loan and grant. The project title was:

- Using Hybrid Bus Technology to Market Hamilton’s Beeline Rapid Transit Route.

The proposed project involves enhancing Hamilton’s 20 year old Beeline corridor including replacing existing buses with hybrid vehicles and implementing a number of measures to increase ridership in the corridor.
Project Component Initiatives:
- Purchase of five 40-foot Hybrid (Diesel/Electric) Low Floor buses and seven 60-foot Articulated Hybrid Low Floor buses
- Extend hours of operation of Beeline to provide mid-day and evening Service
- Using articulated buses to address current capacity shortfalls
- Re-brand Beeline service to promote faster travel speeds and new environmentally-friendly buses
- Implement transit priority measures
- Improve transit stops and terminals
- Promote employers passes and U-Pass
- Implement off-board fare purchase and smart cards (as part of larger project)

Current Fleet Composition:
HSR’s total fleet includes 204 urban transit buses for the conventional transit service. Twelve conventional diesel buses currently used on the Beeline corridor would be replaced with low floor hybrid (diesel-electric) buses.

Bus Acquisitions:
Five 40-foot Hybrid (Diesel/Electric) Low Floor buses and seven 60-foot Articulated Hybrid Low Floor buses will be delivered in March 2007.

Anticipated GHG Reductions:
Assuming a straight replacement of the existing buses and no service duration increases, the hybrid bus initiative is projected to save approximately 67,500 litres of fuel and 184 tonnes of CO₂ annually. This is based on a 30% fuel savings over a current conventional diesel bus.

Anticipated Social, Environmental and Economic Benefits:
The Beeline corridor connects three major existing nodes including McMaster University, the Central Business District and Eastgate Square, as well as, a future innovation park. Improving service in this corridor will allow more people to access these activities. The Beeline provides travel times that are more competitive with private automobiles and by extending service hours and marketing the service, this project will attract more people to transit. Substantial economic benefits will occur through fuel cost savings and reduced operating and maintenance costs for hybrid buses.

ANALYSIS/RATIONALE:
N/A.

ALTERNATIVES FOR CONSIDERATION:
Direct staff to not to execute the Agreements, thereby forgoing the financial benefits associated to the grant and low interest loan. It should be noted that this alternative is not recommended by staff.
FINANCIAL/STAFFING/LEGAL IMPLICATIONS:

Execution of the Agreements allows the City to receive a $300,000 grant and $2,493,420 low interest loan. With this low interest loan, the City of Hamilton would pay interest of 1.88% per year verses current market of 4.01% - resulting in annual savings of $53,110.

The grant and low interest loan will replace previous funding from the Transit Vehicle Replacement Reserve-110030, to be used to fund future Transit Vehicle Replacement.

POLICIES AFFECTING PROPOSAL:

Council’s Strategic Plan (2008-2011) Focus Area 3: Effective Inter-Governmental Affairs

RELEVANT CONSULTATION:

Corporate Services Department:
- Financial Planning & Policy Division
- Legal Services Division

Public Works Department:
- Transit Division

Transit Division have reviewed the Agreements and terms of funding and have accepted same.

CITY STRATEGIC COMMITMENT:

By evaluating the “Triple Bottom Line”, (community, environment, economic implications) we can make choices that create value across all three bottom lines, moving us closer to our vision for a sustainable community, and Provincial interests.

Community Well-Being is enhanced. ☑ Yes □ No
Newer, more reliable, environmentally improved transit fleet.

Environmental Well-Being is enhanced. ☑ Yes □ No
The purchase of Diesel-Electric hybrid fleet results in lower GHG emissions.

Economic Well-Being is enhanced. ☑ Yes □ No
Alternate funding from other levels of government helps to mitigate municipal tax increases.

Does the option you are recommending create value across all three bottom lines? ☑ Yes □ No

Do the options you are recommending make Hamilton a City of choice for high performance public servants? □ Yes ☑ No
GREEN MUNICIPAL FUND (GMF)

Project no.: 9458

Project Title: Using Hybrid Bus Technology to Market Hamilton's Beeline Bus Rapid Route

Loan Agreement
Transportation Projects
Municipal Corporation

Between

CITY OF HAMILTON

- and -

FEDERATION OF CANADIAN MUNICIPALITIES,
as Trustee of the Green Municipal Fund

This document is not an offer to enter into a contract and, until executed by all parties, it is not a contract.
LOAN AGREEMENT

THIS AGREEMENT is made as of the 23rd day of September, 2009.

BETWEEN:

CITY OF HAMILTON, a municipal corporation organized and existing under the laws of the Province of Ontario and of Canada (herein called the “Borrower”)

-and-

FEDERATION OF CANADIAN MUNICIPALITIES, as Trustee of the Green Municipal Fund. (herein called “FCM”)

WHEREAS:

(a) the Government of Canada (herein called “GoC”) and FCM have established the Green Municipal Fund (herein called “GMF”) to assist municipalities in Canada with municipal environmental projects;

(b) the GoC has funded GMF, which is being administered by FCM as trustee thereof;

(c) the Borrower has submitted to FCM an application for long term financing of a municipal environmental project which has been approved by FCM and, accordingly, FCM, in its capacity as trustee of GMF, has agreed to provide the Borrower with long term financing for use by the Borrower solely for such municipal environmental project; and

(d) this Agreement contains the terms for the administration and disbursement of such long term financing.

NOW THEREFORE, the parties hereby agree as follows:

ARTICLE I

Definitions and Schedules

Section 1.01. Definitions. Whenever used in this Agreement and unless the context otherwise requires, the following terms have the following meanings:

“Act” means the Municipal Act, 2001 (Ontario), as amended from time to time;

“Baseline” means the average annual fuel consumption of a new conventional diesel bus for the same operation as a hybrid bus and the related average annual green house gas emissions, as set out in Schedule A;

“Business Day” means a day of the year other than Saturday or Sunday or a statutory holiday observed in the Province of Ontario;

“Debenture” has the meaning provided in Section 2.05;
“Debt Service Ratio” means the percentage obtained by dividing all interest and principal payments on debt owing by the Borrower, made by the Borrower over a twelve (12) month period, by all unrestricted revenues reported by the Borrower for the same period, as evidenced by the Borrower’s audited financial statements. The reference to “debt” in this definition shall include all debt from time to time owed by the Borrower, including the Loan provided for in this Agreement;

“Disbursement” means the payment by FCM to the Borrower as provided for in Section 2.05;

“Eligible Costs” means those permitted expenditures described in Part 2 of Schedule A, for which the Borrower may use the proceeds of the Loan;

“Events of Default” means the events specified or referred to in Section 6.01;

“GAAP” means the 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;

“General Environmental Benefit” means that, during the one (1) year period immediately following completion of the Project, the annual fuel consumption and annual greenhouse gas emissions attributable to a hybrid bus forming part of the Project are greater than or equal to twenty percent (20%) but less than thirty percent (30%) lower than the Baseline;

“Grant Agreement” means a separate agreement between the Borrower and FCM signed and in effect concurrent with this Agreement that provides for a grant from FCM to the Borrower for the sole purpose of assisting the Borrower in the performance of the Project;

“Loan” means the loan from FCM to the Borrower set forth in Article II;

“Principal Amount of the Loan” means the loan from FCM to the Borrower set forth in Article II;

“Program/Infrastructure Project Initiatives” means the program and/or infrastructure initiatives forming part of the Project, as described in Part 1 of Schedule A;

“Project” means the municipal environmental project described in Part 1 of Schedule A which, for greater certainty, includes the Program/Infrastructure Project Initiatives;

“Project Completion Date” has the meaning provided in Section 2.03.

“Project Incremental Costs” means the difference between the purchase price of a new hybrid bus and a new diesel bus with the same or substantially similar characteristics, as described in Schedule A;

“Project One-Time Costs” means the one-time costs incurred by the Borrower relating to the incorporation of hybrid buses into its municipal bus fleet, including
staff training, maintenance facility upgrades and equipment upgrades, as described in Schedule A;

“Project Reporting Grant Agreement” means a separate agreement between the Borrower and FCM executed and in effect concurrent with this Agreement that provides for a grant of funds from FCM to the Borrower in consideration of certain information to be provided by the Borrower to FCM with respect to the performance of the Project;

“Request for Disbursement” means the form attached hereto as Schedule C;

“Substantially Performed” means the Project or a substantial part thereof is ready for use or is being used for the purposes intended;

“Superior Environmental Benefit” means that, during the one (1) year period immediately following completion of the Project, the annual fuel consumption and annual greenhouse gas emissions attributable to a hybrid bus forming part of the Project are greater than or equal to thirty percent (30%) lower than the Baseline; and

“Term” means one hundred and twenty (120) months from the date of the Disbursement.

Section 1.02. Schedules. The following annexed Schedules form part of this Agreement:

Schedule A:
- Part 1: Description of the Project
- Part 2: Description of Eligible Costs
- Part 3: Particulars of the Sources of Funding

Schedule B: Form of Certificate of Incumbency and Authority

Schedule C: Form of Request for Disbursement

Schedule D: Form of Legal Opinion

Schedule E: Project Progress Report

Schedule F: Form of Municipal Borrowing By-Law

ARTICLE II
The Loan

Section 2.01. Loan Purpose. FCM is providing the Loan to the Borrower for the sole purpose of assisting the Borrower in the performance of the Project.

Section 2.02. Principal Amount. Subject to and in accordance with the terms and conditions of this Agreement and in reliance upon the representations, warranties and covenants of the Borrower hereinafter set forth, FCM agrees to lend to the Borrower, and the Borrower agrees to borrow from FCM, an aggregate amount that is equal to the lesser of: (a) the sum of two million four
hundred ninety three thousand four hundred twenty dollars ($2,493,420), (b) twenty five and twenty one hundredths percent (25.21%) of Eligible Costs; and (c) one hundred percent (100%) of the aggregate of Project Incremental Costs and Project One-Time Costs.

Provided that if the Project does not achieve at least a General Environmental Benefit, FCM shall not be required to provide the Loan or any portion thereof to the Borrower and, in such event, FCM may terminate this Agreement in accordance with the provisions of subsection 2.04 hereof.

Section 2.03. Project Completion Date. The Borrower anticipates that the Project will be Substantially Performed by no later than the 3rd day of April, 2007 (the “Project Completion Date”). The Borrower shall inform FCM as soon as it becomes aware that the Project is not likely to be Substantially Performed by such date.

Section 2.04. Loan Expiration Date. If the Borrower fails to meet the conditions of Disbursement set forth in Article III and/or fails to request the Disbursement as provided for in Section 2.05 within 2 years from the date of execution of this Agreement, then FCM may, at its sole and absolute discretion and on notice to the Borrower, forthwith terminate this Agreement including any obligation to provide the grant provided for in the Grant Agreement, the Loan and/or make the Disbursement.

Section 2.05. Disbursement.

(a) Following substantial completion of the Project, the Borrower shall request the Disbursement (which shall not exceed the amount determined pursuant to Section 2.02) by delivering to FCM a completed Request for Disbursement (as attached in Schedule C) at least thirty (30) days before the date of the requested Disbursement, which date shall be a Business Day. Provided that the conditions of Disbursement set forth in Article III have been met at least thirty (30) days before the date of the requested Disbursement (other than those conditions set out in Sections 3.01(a), (f), (i) and (l) which must be satisfied at least five (5) Business Days before the making of the Disbursement), FCM shall pay the Disbursement to the Borrower on the requested date therefor.

(b) The Disbursement shall be remitted to the Borrower against issuance by the Borrower to FCM of a debenture substantially in the form appended to the by-law attached hereto as Schedule F (“Debenture”) in the amount of the Disbursement. The Debenture will be issued by the Borrower in accordance with the provisions of the Act.

Section 2.06. Interest. The Borrower shall pay interest in Canadian funds on the Principal Amount of the Loan that is from time to time outstanding to FCM. As to the Principal Amount of the Loan which comprises the Disbursement, such interest shall be at an annual rate that equals: (i) the closing mid-market percentage yield of the GoC ten (10) year benchmark bond in effect on the fifth (5th) Business Day prior to the by-law provided for in Section 3.01(a) being passed by the Council of the Borrower (and which yield will be shown on the website of the Bank of Canada (currently www.bankofcanada.ca) at
approximately 10:00 a.m. Ottawa time on the said date; minus (ii) one and one-half percent (1.5%) per annum. The annual rate of interest so determined is subject to increase as provided in Section 2.08.

Section 2.07. Repayment. The Principal Amount of the Loan which comprises the Disbursement, and interest thereon, shall be repaid in semi-annual installments of combined (blended) principal and interest in the manner set forth in the Debenture.

Section 2.08. Interest in the Event of a Default. If the Borrower defaults in the payment of any sum due for the Principal Amount of the Loan or interest thereon at any time appointed for payment thereof as contained in the Debenture the Borrower shall, until such overdue principal and/or interest amount(s) has/have been paid in full, pay to FCM interest on the Principal Amount of the Loan that is from time to time in default: (a) the annual rate determined in Section 2.06 in the case of the principal amount in default of the Disbursement, if any, plus (b) two percent (2.0%) per annum, calculated from the date of such default. Any payment received by FCM from the Borrower following default in the payment of any sum due for the Principal Amount of the Loan or interest thereon by the Borrower shall be applied, first, to the interest incurred pursuant to this Section 2.08 in respect of such overdue principal and/or interest amount(s), secondly, in respect of the interest on the overdue Principal Amount of the Loan and, thirdly, in respect of the overdue Principal Amount of the Loan.

Section 2.09. Prepayment. Following the expiration of the first half of the Term, the Borrower may on any subsequent annual payment date, on not less than thirty (30) days notice to FCM, prepay all or part of the Principal Amount of the Loan that is then outstanding, provided it simultaneously pays all accrued interest thereon plus, as a bonus, an additional three percent (3%) of the principal amount prepaid. In the case of a prepayment of a part of the Principal Amount of the Loan, the amount of such prepayment cannot be less than the sum of one hundred thousand dollars ($100,000.00). Upon delivery of such notice, the Borrower shall be obligated to effect prepayment in accordance with the terms of the notice and this Section 2.09. Any amounts prepaid may not be re-borrowed.

Section 2.10. Payments.

(a) Payments of principal and interest due to FCM under this Agreement shall be made by the Borrower to FCM at:

Name of Bank: Royal Bank of Canada
Address of Bank: 90 Sparks Street, Ottawa, Ontario K1P 5T6
Bank no.: 003
Transit no.: 00006
to the credit of FCM's account no.: 102-427-2
and the Loan reference no.: GMF 9458

or as FCM may otherwise designate from time to time by notice to the Borrower.

(b) Interest shall accrue until payment is received by FCM's banker. If the date for any payment under this Agreement is not a date on which banks are open for business at the place where such payment is to be made,
then the Borrower shall make such payment on the next succeeding day on which banks are open for business in such place, and interest shall accrue until that payment is received by FCM's banker.

(c) If FCM shall at any time receive less than the full amount then due and payable under this Agreement, FCM shall have the right to allocate and apply such payment in any manner and for such purpose as FCM shall solely determine, notwithstanding any instruction of the Borrower to the contrary.

Section 2.11. Covenant to Pay. The Borrower promises to pay to FCM punctually in accordance with this Agreement all amounts, including the Principal Amount of the Loan, interest, fees, costs, expenses and other monies owing by the Borrower to FCM under this Agreement. The Borrower hereby waives presentment for payment of this promise to pay, demand, protest or notice of any kind.

Section 2.12. Conflict. In the event of any conflict between the terms of this Agreement and the terms of a Debenture, the terms of the Debenture shall prevail over the terms hereof.

ARTICLE III
Conditions of Disbursement

Section 3.01. Conditions of Disbursement. The obligation of FCM to make the Disbursement is conditional upon the following conditions being satisfied:

(a) the Borrower at least five (5) Business Days before the date of the Disbursement, passed a by-law substantially in the form attached hereto as Schedule F, incorporating such additional information as may be required by FCM to properly record the making of the Disbursement on the terms and conditions hereof, which by-law remains unamended and in full force and effect, and has delivered a copy thereof to FCM;

(b) the Borrower has delivered to FCM a copy of the Particulars of the Sources of Funding in the form of Part 3 of Schedule A and evidence that the persons identified in such Particulars of the Sources of Funding as providing funds to the Borrower in connection with the Project remain obligated to provide such funds, each of which is found satisfactory by FCM;

(c) the Borrower has delivered to FCM a copy of the Certificate of Incumbency and Authority in the form of Schedule B;

(d) no act or thing which, in the determination of FCM, does or may materially and adversely affect the Project or the ability of the Borrower to perform its obligations under this Agreement and the Project shall have occurred;

(e) the Borrower has delivered to FCM a statement of expenses, certified by a person named in the Certificate of Incumbency and Authority attached as Schedule B as having authority to do so, and evidencing, in a manner satisfactory to FCM, the Eligible Costs incurred by the Borrower in relation to the Project and confirming that the Loan will be used for the
purpose set forth in Section 2.01, together with copies of supporting invoices and receipts;

(f) the Borrower has made arrangements satisfactory to FCM, acting reasonably, to deliver to FCM at least five (5) Business Days before the making of the Disbursement a Debenture in the principal amount of the Disbursement together with such other documentation as FCM may reasonably require;

(g) the Borrower has delivered to FCM a completed Request for Disbursement (as attached in Schedule C);

(h) the Borrower has obtained, or has made other arrangements satisfactory to FCM for obtaining, all approvals, consents, authorizations and licences that are required pursuant to the laws of the Province of Ontario and of Canada in order for it to enter into and comply with this Agreement and has provided FCM with satisfactory evidence thereof;

(i) at least five (5) Business Days before the making of the Disbursement, the Borrower has made arrangements satisfactory to FCM, acting reasonably, to deliver to FCM a Legal Opinion substantially in the form of Schedule D, which is found acceptable by FCM;

(j) the representations and warranties confirmed or made in Article IV by the Borrower shall be true with the same effect as though such representations and warranties have been made on and as of the date of the Disbursement;

(k) all covenants and other obligations of the Borrower to be performed or complied with as of the date of the Disbursement shall have been performed or complied with as of the date of the Disbursement;

(l) the Borrower shall have fulfilled the requirements set out in the Act to authorize the issuance of the Debenture;

(m) the Borrower has delivered to FCM evidence to the satisfaction of FCM that the Project substantially conforms to the description thereof set out in Schedule A, including but not limited to the Project achieving a General Environmental Benefit;

(n) no Event of Default shall have occurred and be continuing;

(o) the Grant Agreement shall be in full force and effect; and

(p) the Project Reporting Grant Agreement shall be in full force and effect and the Borrower shall have complied with all reporting requirements thereunder to be complied with at or prior to the date of the Disbursement.

Each of the foregoing conditions is included for the benefit of FCM and may be waived in whole or in part at FCM’s sole option by notice to the Borrower.
ARTICLE IV
Representations and Warranties

Section 4.01. Representations and Warrants. The Borrower represents and warrants:

(a) that it is duly established under the laws of the Province of Ontario and has the legal power and authority to enter into, and perform its obligations under, this Agreement;

(b) that this Agreement has been duly authorized and executed by it and constitutes a valid and binding obligation of the Borrower, enforceable against it in accordance with its terms;

(c) that neither the making of this Agreement nor the compliance with its terms and the terms of the Project will conflict with or result in breach of any of the terms, conditions or provisions of, or constitute a default under any indenture, debenture, agreement or other instrument or arrangement to which the Borrower is a party or by which it is bound, or violate any of the terms or provisions of the Borrower’s constating documents or any license, approval, consent, judgment, decree or order or any statute, rule or regulation applicable to the Borrower;

(d) that before the Council of the Borrower authorized the Project and before it authorized any additional cost amounts and any debenture authority in respect thereof (if any), the Council of the Borrower 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 and Housing in accordance with the applicable debt and financial obligation limits regulation. In connection therewith, before each such authorization, the treasurer determined that the estimated annual amount payable in respect thereof would not cause the Borrower to reach or exceed its updated limit with the result that such authorizations were made without the approval of the Ontario Municipal Board;

(e) that the by-law(s) of the Borrower authorizing the Project (the “Authorizing By-law(s)”) and the by-law in respect of the Disbursement, substantially in the form attached hereto as Schedule F (the “Municipal Borrowing By-law”), have been enacted and passed by the Council of the Borrower in full compliance with the Act at meetings at which a quorum was present. Forthwith after the passage of the Authorizing By-law(s) and of the Municipal Borrowing By-law the same were signed by the Mayor of the Borrower, and by the clerk and sealed with the municipal seal of the Borrower;

(f) that all of the recitals contained in the Authorizing By-law(s) and the Municipal Borrowing By-law are true in substance and fact and no application has been made or action brought to quash, set aside or declare invalid such By-laws nor have the same been in any way repealed, altered or amended, and such by-laws are now in full force and effect;
(g) that the Borrower is not now subject to any restructuring order under Part V of the Act or other statutory authority, accordingly, no approval of the entering into of this Agreement or of any Municipal Borrowing By-law is required to be given by any transition board or commission appointed in respect of the restructuring of the Borrower; and

(h) no litigation, arbitration or administrative proceedings are current or, so far as it is aware, pending or threatened which is likely to have a material adverse effect on the Borrower’s carrying out of the Project or its compliance with its obligations under this Agreement.

ARTICLE V
Covenants

Section 5.01. Affirmative Covenants. Unless FCM shall otherwise agree in writing:

(a) the Borrower covenants and agrees that it shall use the Loan only for the Project;

(b) the Borrower covenants and agrees that it shall carry out the Project and conduct the activities thereof in compliance with all applicable laws and regulations and, without restricting the generality of the foregoing, in compliance with all applicable environmental, health and safety laws of the Province of Ontario and of Canada;

(c) the Borrower covenants and agrees that it shall carry out the Project with due diligence and efficiency and in accordance with sound engineering, financial and business practices; maintain its accounts, management information and cost control system and books of accounts adequately to reflect truly and fairly the financial condition of the Project and to conform to GAAP;

(d) the Borrower covenants and agrees that, upon FCM’s request with reasonable prior notice to the Borrower and subject to applicable privacy legislation, it shall permit representatives of FCM, during the normal office hours of the Borrower, to visit any of the premises where the Project activities are conducted and to have reasonable and supervised access to the Borrower’s books of accounts and records relating to the Project and permit FCM to communicate directly with, including the receipt of information from, the Borrower’s external auditors regarding the Borrower’s accounts and operations relating to the Project; and

(e) the Borrower covenants and agrees that it shall deliver, or shall cause to be delivered, copies of the legal opinion and of the Debenture referred to in Sections 3.01(f) and (i) at least five (5) Business Days before the making of the Disbursement

Section 5.02. Negative Covenants. Unless FCM shall otherwise agree in writing, the Borrower shall not:

(a) use the proceeds of the Loan for expenditures that are not Eligible Costs;
(b) at any time allow the Debt Service Ratio to exceed twenty five percent (25%);

(c) make any material change to the nature or scope of the Project; or

(d) sell, assign, transfer, lease, exchange or otherwise dispose of, or contract to sell, assign, transfer, lease, exchange or otherwise dispose of, any of the components of the Project, whether now owned or hereafter acquired, and whether to a private sector partner of the Borrower or otherwise, except if provided for in Schedule A.

Section 5.03. Ongoing Information and Notice Requirements. The Borrower shall provide to FCM the following information, in form and substance satisfactory to FCM:

(a) prompt notice of any changes to the Project Completion Date as set out in Section 2.03;

(b) within 30 days of request by FCM, a completed Project Progress Report in the form attached as Schedule E;

(c) within one hundred and twenty (120) days after the end of the Borrower’s fiscal year, being, December 31\textsuperscript{st}, two (2) copies of its complete financial statements for such fiscal year (which shall be in agreement with its books of account, shall include the aggregate amounts owing to secured creditors, preferred creditors and general creditors, respectively, of the Borrower, and shall be prepared in accordance with GAAP), together with an audit report thereon from an independent public accountant or auditor acceptable to FCM; furthermore, FCM may require such an audit report at any time or times if there is an Event of Default;

(d) prompt notice of any proposed change in the nature or scope of the legal status of the Borrower and of any other event or condition which might materially and adversely affect the carrying out of the Project by the Borrower or the performance of its obligations under this Agreement;

(e) prompt notice of any litigation or administrative proceedings, together with copies of any written legal documents as FCM may request, excluding documents protected by solicitor-client or litigation privilege, before any court or arbitral body or other authority which might materially and adversely affect the Project or the ability of the Borrower to perform its obligations under this Agreement and in respect of the Project;

(f) immediate notice of the occurrence of any Event of Default specifying the nature of such Event of Default, and the steps, if any, that the Borrower is taking to remedy the same; and

ARTICLE VI
Events of Default

Section 6.01. Events of Default. The following events are “Events of Default”:
(a) default shall have occurred in the payment of any outstanding portion of the Principal Amount of the Loan, interest thereon, or other amounts payable by the Borrower in respect of the Loan and/or under this Agreement or the Debenture and such default shall have continued for a period of not less than five (5) days;

(b) default shall have occurred in the performance of any covenant, agreement or undertaking of the Borrower contained in this Agreement, save and except as provided for in the foregoing subsection 6.01(a), and any such default shall have continued for a period of not less than fifteen (15) days after notice thereof shall have been given to the Borrower by FCM;

(c) any representation or warranty confirmed or made in Article IV or in the Request for Disbursement (as attached in Schedule C) under this Agreement or in connection with the execution and implementation of this Agreement or in connection with the Project, is found to have been incorrect or misleading;

(d) the Borrower: (i) reaches or exceeds its updated debt and financial obligation limit mandated by applicable government authorities; (ii) has failed to meet and pay its debenture or interest thereon when due and after payment thereof has been duly demanded; (iii) has failed to meet and pay any of its other debts or liabilities when due and default in payment is occasioned from financial difficulties affecting it; or (iv) has or may develop financial problems such that default or unusual difficulty in meeting debts or obligations or in providing adequate funds to meet current expenditures may ensure, or has failed to levy the necessary rates to meet current expenditures;

(e) if control and charge over the administration of all the affairs of the Borrower are vested in any person other than the Borrower; and

(f) if the Disbursement is not requested and made within the time limit provided in Article II, as may be extended.

Section 6.02. Remedies. Upon the occurrence of an Event of Default, FCM may, by notice to the Borrower take such action or proceedings in compliance with applicable laws or regulations as FCM in its sole discretion deems expedient to collect the amounts owing by the Borrower to FCM hereunder, all without any additional notice, presentment, demand, protest or other formality, all of which are hereby expressly waived by the Borrower.

Section 6.03. Saving of Rights. No course of dealing and no delay in exercising, or omission to exercise, any right, power or remedy accruing to FCM upon any default under this Agreement shall impair any such right, power or remedy or be construed to be a waiver thereof or any acquiescence therein; nor shall the action of FCM in respect of any such default, or any acquiescence by it therein, affect or impair any right, power or remedy of FCM in respect of any other default.
ARTICLE VII
Miscellaneous Provisions

Section 7.01. Publications.

(a) The Borrower shall recognize and state in the reports and other documents produced by the Borrower in connection with the Project, in an appropriate manner as approved by FCM, the Project support provided by GMF and the contribution of the GoC to the GMF.

(b) Copyright in all reports and other documents prepared in connection with this Agreement or the Project by or on behalf of the Borrower shall vest in the Borrower, provided that each of GoC and FCM shall have the full right, without any royalty or other fee being payable, to at any time or times publish or otherwise use all or any part of such reports and other documents, as well as any information that is in any way connected with this Agreement or the Project.

(c) The provisions of this Section 7.01 shall survive termination of this Agreement.

Section 7.02. Communication. The Borrower shall comply with any guidelines for the planning of communications and the respective roles of the Borrower and of FCM in the coordination and implementation of a communications strategy relating to the Project, during the term of this Agreement and for five (5) years following termination hereof. The Borrower also agrees, subject to all applicable privacy legislation, to cooperate in providing reasonable information on the Project to other interested persons such as Canadian municipalities, their associated partners and environmental sector professionals.

Section 7.04. Notices and Requests. Any notice, demand, request or other communication to be given or made under this Agreement to FCM or to the Borrower shall be in writing and may be made or given by personal delivery, by ordinary mail, by facsimile or by electronic mail, addressed as follows:

To the Borrower:
City of Hamilton
Transit Division
2200 Upper James Street, RR1
Mount Hope, Ontario
L0R 1W0

Attention: Mr. Don Hull
Director of Transit

- telephone: 905-546-2424 ext. 1860
- by facsimile: 905-679-7303
- by electronic mail: dhull@hamilton.ca

To FCM:
Federation of Canadian Municipalities
Section 7.05. Non-liability of FCM. The Borrower acknowledges and agrees that:

(a) by accepting or approving anything required to be accepted or approved by FCM pursuant to this Agreement or the Project, FCM shall not be deemed to have warranted or represented the sufficiency, legality, effectiveness or legal effect of the same, or of any term, provision or condition thereof, and such acceptance or approval thereof shall not constitute a warranty or representation to anyone with respect thereto by FCM;

(b) the relationship between the Borrower and FCM is, and shall at all times be and remain, that of a borrower and a lender. FCM shall not under any circumstances be construed to be a partner or joint venturer of the Borrower or of any member of its Project team. FCM shall under no circumstance be deemed to be in a relationship of confidence or trust or a fiduciary relationship with the Borrower or any member of its Project team. FCM does not agree to, undertake or assume any responsibility or duty to the Borrower or to any member of its Project team to select, review, inspect, supervise, pass judgment upon, or inform the Borrower or any member of its Project team of any matter in connection with the Project; the Borrower and the members of its Project team shall rely entirely upon their own judgment with respect to such matters; and any review, inspection, supervision, exercise of judgment or supply of information agreed to undertaken, or assumed by FCM in connection with such matters is solely for the protection of FCM and GMF and neither the Borrower nor any other person is entitled to rely thereon;

(c) FCM shall not be responsible or liable to any person for any loss, damage, liability or claim of any kind relating to injury or death to such person or damage to any person’s property caused by the action, inaction or negligence of the Borrower and/or any member of its Project team; and
(d) the Borrower shall indemnify and save harmless FCM from and against all claims, demands, actions and costs, whatsoever that may arise out of the performance by the Borrower and/or by any member of its Project team, of the Project and of this Agreement or by reason of any matter or thing done by the Borrower, by members of its Project team, or by their employees or agents, whether occasioned by negligence or otherwise. Such indemnification shall survive termination of this Agreement.

Section 7.06. FCM’s Limited Liability. FCM has executed this Agreement solely in its capacity as trustee of the GMF and not in its own capacity. Accordingly, recourse with respect to any liability or obligation of FCM in connection with this Agreement shall be limited only to the property and assets of the GMF and neither FCM nor any director, officer, employee or affiliate thereof shall have any personal liability therefor.

Section 7.07. Further Assurances. The Borrower shall promptly execute and deliver, upon request by FCM, all such other and further documents, agreements, opinions, certificates and instruments as may be reasonably required by FCM to more fully state the obligations of either party to this Agreement or to make any recording, file any notice or obtain any consent.

Section 7.08. Amendment. Any amendment of any provision of this Agreement, including the Schedules, must be in writing and signed by both parties.

Section 7.09. Choice of Language. It is the express wish of the parties that this Agreement and any related documents be drawn up and executed in English. Les parties reconnaissent avoir exigé que la présente convention et tous les documents connexes soient rédigés en anglais.

Section 7.10. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.

Section 7.11. Severability. In the event that any part of a provision(s) of this Agreement is (are) held to be invalid, unenforceable, or void, such provision(s) shall, by the adjudicating body, be applied to the fullest extent possible and shall be read-down only to the extent absolutely necessary to comply with applicable law. If any provision(s) of this Agreement is (are) held to be invalid, unenforceable, or void, such provision(s) shall be severed from the rest of the Agreement. The fact that part of a provision(s) or an entire provision(s) has (have) been held to be invalid, unenforceable, or void such determination shall not affect the validity and enforceability of any other remaining provisions.

Section 7.12. Choice of Forum. The parties hereto agree and intend that the proper and exclusive forum for any litigation of any disputes or controversies arising out of or related to this Agreement shall be a Court of competent jurisdiction located in the Province of Ontario, City of Ottawa.
Section 7.13. **Effectiveness.** This Agreement shall continue in force until all other monies payable hereunder have been fully paid to FCM in accordance with the provisions hereof.

Section 7.14. **Successors and Assigns.** This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns, except that the Borrower may not assign or otherwise transfer all or any part of its rights or obligations under this Agreement without the prior written consent of FCM. FCM must provide the Recipient with prior written notice with respect to any proposed assignment of this Agreement.

Section 7.15. **Counterparts.** This Agreement may be executed in two counterparts and, in such case, each such counterpart shall be deemed an original, but both of which together shall constitute one and the same agreement.
IN WITNESS WHEREOF, the parties hereto, acting through their respective duly authorized representative(s), have caused this Agreement to be signed in their respective names as of the date first above written.

CITY OF HAMILTON

per: ____________________________________________

Mr. Fred Eisenberger, Mayor

per: ____________________________________________

Mr. Kevin C. Christenson, City Clerk

*We have authority to bind the Borrower herein.*

FEDERATION OF CANADIAN MUNICIPALITIES,
as Trustee of the Green Municipal Fund

per: ____________________________________________

Mr. Onno Kremers, Director, National Programs

*I have authority to bind FCM herein*
SCHEDULE A

Part 1: Description of the Project

The proposed project involves enhancing Hamilton’s 20 year old Beeline corridor including replacing existing buses with hybrid vehicles and implementing a number of measures to increase ridership in the corridor.

Project Component Initiatives:
- Purchase of five 40-foot Hybrid (Diesel/Electric) Low Floor buses and seven 60-foot Articulated Hybrid Low Floor buses
- Extend hours of operation of Beeline to provide mid-day and evening service
- Using articulated buses to address current capacity shortfalls
- Re-brand Beeline service to promote faster travel speeds and new environmentally-friendly buses
- Implement transit priority measures
- Improve transit stops and terminals
- Promote employers passes and U-Pass
- Implement off-board fare purchase and smart cards (as part of larger project)

Current Fleet Composition:
HSR’s total fleet includes 204 urban transit buses for the conventional transit service. Twelve conventional diesel buses used on the Beeline would be replaced by low floor hybrid (diesel-electric) buses.

Planned Bus Acquisitions:
Five 40-foot Hybrid (Diesel/Electric) Low Floor buses and seven 60-foot Articulated Hybrid Low Floor buses will be delivered in March 2007.

Anticipated GHG Reductions:
Assuming a straight replacement of the existing buses and no service duration increases, the hybrid bus initiative is projected to save approximately 67,500 litres of fuel and 184 tonnes of CO\(_2\) annually. This is based on a 30% fuel savings over a current conventional diesel bus.

Anticipated Social, Environmental and Economic Benefits:
The Beeline connects three major existing nodes including McMaster University, the Central Business District, and Eastgate Square, as well as a future innovation park. Improving service in this corridor will allow more people to access these activities. The Beeline provides travel times that are more competitive with private automobiles and by extending service hours and marketing the service, this project will attract more people to transit. Substantial economic benefits will occur through fuel cost savings and reduced operating and maintenance costs for hybrid buses.

Relationship between Transit Service Improvement and Riderhship Growth Initiatives:
The transit service improvements consisting of service duration extensions and increased bus capacity are directly tied to the ridership growth initiatives. Specifically, transit priority measures, improved stations and stops, and
employer-pass programs are all part of the “new Beeline” package that will be marketed to the public.

The proposed project is also consistent with the recommendations of the Hamilton Transportation Master Plan, which recommends implementation of Bus Rapid Transit throughout the City, with the east-west (Beeline) corridor being identified as the first priority.

Estimated Eligible Costs and Expected Timelines:
The estimated cost of the hybrid bus acquisition is $8.4 million. Other one-time costs are estimated at $150,000. These costs will be incurred in Spring 2007.

The estimated net cost of the ridership growth initiatives are $1.4 million over three years. Of this, approximately $700,000 is due to the extended service hours. Ridership growth initiatives are planned to be phased in over a three-year period.

Project Management:
The project will be managed by Jim Dahms, Manager of Transit Planning and Customer Service, Hamilton Street Railway.

The Hamilton Street Railway Company ("HSR") is the current registered owner of the subject property (hybrid buses) with respect to the three (3) Agreements discussed above. The HSR is a separately incorporated entity wholly owned by the City of Hamilton. HSR’s entire fleet of buses, including the hybrid buses, are being transferred to the City of Hamilton incrementally, as the HSR is pending dissolution.

1. It is expected that, once completed, the properties of the herein Project will achieve a **General Environmental Benefit**.

<table>
<thead>
<tr>
<th>Project Name:</th>
<th>Using Hybrid Bus Technology to Market Hamilton’s Beeline Bus Rapid Transit Route</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lead Applicant:</td>
<td>City of Hamilton Transit Division</td>
</tr>
<tr>
<td>GMF File Number:</td>
<td>9458</td>
</tr>
</tbody>
</table>

| Number of 40’ hybrid buses to be purchased: | 5 |
| Number of 60’ hybrid buses to be purchased: | 7 |

<table>
<thead>
<tr>
<th>Table 1: Economic and Environmental Indicators</th>
<th>Single Bus</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Estimated Incremental and One-time Cost of Hybrid Buses</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Purchase price of new 40’ hybrid bus (1)</td>
<td>$543,285</td>
<td>$2,716,425</td>
</tr>
<tr>
<td>Incremental purchase cost of hybrid bus</td>
<td>$195,285</td>
<td></td>
</tr>
<tr>
<td>Purchase price of new 60’ hybrid bus (1)</td>
<td>$812,634</td>
<td>$5,688,438</td>
</tr>
<tr>
<td>Incremental purchase cost of hybrid bus</td>
<td>$195,285</td>
<td></td>
</tr>
<tr>
<td>Purchase price of equivalent new conventional diesel bus (2007 or later)</td>
<td>$348,000</td>
<td>$1,740,000</td>
</tr>
<tr>
<td>Purchase price of equivalent new conventional diesel bus (2007 or later)</td>
<td>$617,349</td>
<td>$4,321,443</td>
</tr>
<tr>
<td>One-time costs of hybrid bus acquisition and implementation *</td>
<td>n/a</td>
<td>$150,000</td>
</tr>
<tr>
<td></td>
<td>n/a</td>
<td>$2,493,420</td>
</tr>
<tr>
<td>------------------------------</td>
<td>-----</td>
<td>------------</td>
</tr>
<tr>
<td>Total incremental and one-time cost of hybrid buses</td>
<td></td>
<td></td>
</tr>
<tr>
<td>As proportion of conventional diesel bus purchase cost</td>
<td>143%</td>
<td></td>
</tr>
</tbody>
</table>

**Estimated Fuel Consumption and Greenhouse Gas Emissions Benefits of Hybrid Buses**

| Annual fuel consumption by hybrid bus (litres) | 13,133 | 157,596 |
| Annual fuel consumption by new conventional diesel bus (same operation) | 18,761 | 225,132 |
| **Annual fuel consumption reduction due to hybrid bus (litres)** | -5,628 | -67,536 |
| Annual fuel cost reduction due to hybrid bus (est. $1/litre) | -$5,628 | -$67,536 |
| As proportion of conventional diesel bus fuel consumption | -30% |            |
| Annual GHG emissions reduction due to hybrid bus (tones CO2 eq) | -15 | -184 |
| As proportion of conventional diesel bus GHG emissions | -30% |            |
### SCHEDULE A

#### Part 2: Description of Eligible Costs

The expected eligible and ineligible costs for this project are as follows:

<table>
<thead>
<tr>
<th>Item</th>
<th>Description</th>
<th>Amount ($)</th>
<th>% of Total Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Eligible Costs</strong>&lt;sup&gt;1&lt;/sup&gt;:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hybrid Bus Initiative</td>
<td>Hybrid bus purchase costs</td>
<td>$8,404,863</td>
<td>84.07%</td>
</tr>
<tr>
<td></td>
<td>Training</td>
<td>$50,000</td>
<td>0.50%</td>
</tr>
<tr>
<td></td>
<td>Equipment upgrades</td>
<td>$100,000</td>
<td>1.00%</td>
</tr>
<tr>
<td>Service Improvement and Ridership Growth Initiative</td>
<td>Branding and marketing materials</td>
<td>$50,000</td>
<td>0.50%</td>
</tr>
<tr>
<td></td>
<td>Implement transit priority measures</td>
<td>$250,000</td>
<td>2.50%</td>
</tr>
<tr>
<td></td>
<td>Promote employer pass program</td>
<td>$50,000</td>
<td>0.50%</td>
</tr>
<tr>
<td></td>
<td>Improve stops and terminals</td>
<td>$300,000</td>
<td>3.00%</td>
</tr>
<tr>
<td></td>
<td>Net direct operating costs</td>
<td>$687,160</td>
<td>6.88%</td>
</tr>
<tr>
<td><strong>Total Eligible Costs</strong>&lt;sup&gt;1&lt;/sup&gt;</td>
<td></td>
<td>$9,892,023</td>
<td>98.95%</td>
</tr>
<tr>
<td><strong>Ineligible Costs</strong>:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Service Improvement and Ridership Growth Initiative</td>
<td>Benchmark existing conditions</td>
<td>$5,000</td>
<td>0.05%</td>
</tr>
<tr>
<td></td>
<td>Transit priority study</td>
<td>$100,000</td>
<td>1.00%</td>
</tr>
<tr>
<td><strong>Total Ineligible Costs</strong></td>
<td></td>
<td>$105,000</td>
<td>1.05%</td>
</tr>
<tr>
<td><strong>Total Project Costs</strong></td>
<td></td>
<td>$9,997,023</td>
<td>100%</td>
</tr>
</tbody>
</table>

Note: The expenditures claimed are subject to audit by FCM near completion of the Project. The amount loaned by FCM may vary as a consequence. No expenditure incurred prior to September 25, 2006, is permitted to be included as an Eligible Cost.

1. **"Eligible Costs"** means the following permitted expenditures for which the Borrower may use the proceeds of the Loan:

   Eligible Costs shall be all necessary direct costs incurred properly and reasonably by the Borrower and invoiced against a contract for goods and services that were necessary for the completion of the Project and may include:

   (a) the capital costs (as defined and determined in accordance with GAAP) of acquiring, developing, constructing, modernizing or leasing systems (equipment, hardware, software, etc) that are essential for the completion of the Project;

   (b) the costs of construction, renovation or modernization of facilities and structures essential for the completion of the Project (ex: materials and installation costs);

   (c) Salaries, Fees and Remuneration:

      i) salaries, fees or remuneration paid to professional, technical personnel, consultants and contractors directly involved in the planning, assessment,
analysis, design, engineering, manufacturing, construction and monitoring of the Project, but not employed by the Borrower,

ii) salaries, fees or remuneration paid to professional, technical personnel, consultants and contractors directly involved in the Borrower’s staff training that will help achieve the Projects objectives, but not employed by the Borrower;

iii) salaries, fees or remuneration paid to professional, technical personnel, consultants and contractors directly involved in public education, surveys, web site development and development of other communication tools, directly related to the implementation of the Project, but not employed by the Borrower; and

iv) only salaries, fees or remuneration are eligible as in-kind contribution from the Borrower; the total in-kind contribution cannot exceed ten percent (10%) of total Eligible Costs.

Eligible Costs – Exclusions

For greater certainty, Eligible Costs do not include:

(a) costs related to establishing baseline conditions and/or conducting or completing feasibility studies;

(b) general overhead costs of the Borrower, including insurance and other operating costs related to the general maintenance and repair of Projects;

(c) cost in respect to office space for Projects;

(d) administrative costs not specifically listed as Eligible Costs (ex: audit fees, legal fees, etc);

(e) any costs for which grants or contributions are provided by or committed to be provided by a third party or any program of the Government of Canada;

(f) conference and conference travel costs,

(g) Provincial Sales Tax and the Goods and Services Tax for which the borrower is eligible for a tax rebate and any other costs eligible for rebates;

(h) the cost to purchase, lease or sell real property; and

(i) in-kind contribution of goods.
SCHEDULE A

Part 3: Particulars of the Sources of Funding

The funding for this project is planned as follows:

<table>
<thead>
<tr>
<th>Source</th>
<th>Source Name</th>
<th>Description/Notes</th>
<th>Amount</th>
<th>Date Committed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Municipal&lt;sup&gt;2&lt;/sup&gt;</td>
<td>City of Hamilton</td>
<td>Municipal Reserves</td>
<td>$1,495,498</td>
<td>To be Confirmed</td>
</tr>
<tr>
<td>Provincial&lt;sup&gt;2&lt;/sup&gt;/Territorial&lt;sup&gt;2&lt;/sup&gt;</td>
<td>Ontario Transit Vehicle Replacement Program</td>
<td></td>
<td>$1,598,300</td>
<td>To be Confirmed</td>
</tr>
<tr>
<td>Provincial Gas Tax</td>
<td></td>
<td></td>
<td>$1,000,000</td>
<td>To be Confirmed</td>
</tr>
<tr>
<td>Federal&lt;sup&gt;2&lt;/sup&gt;</td>
<td>Federal Gas Tax</td>
<td></td>
<td>$3,109,805</td>
<td></td>
</tr>
<tr>
<td>Green Municipal Fund</td>
<td>Green Municipal Fund Loan</td>
<td></td>
<td>$2,493,420</td>
<td>March 17, 2007</td>
</tr>
<tr>
<td>Green Municipal Fund</td>
<td>Green Municipal Fund Grant</td>
<td></td>
<td>$300,000</td>
<td>March 17, 2007</td>
</tr>
</tbody>
</table>

**Total** $9,997,023

2. For each funding source listed, the Borrower must submit evidence of the intended financial contribution.
SCHEDULE B
Form of Certificate of Incumbency and Authority

[LETTERHEAD OF THE BORROWER]

Federation of Canadian Municipalities
24 Clarence Street
Ottawa, Ontario
K1N 5P3

Attention: Mr. Jim Wren
Project Officer - Contracts

Ladies and Gentlemen:

Re: Green Municipal Fund – Project no. 9458
Loan Agreement dated September 23, 2009 ("Agreement") between
the Federation of Canadian Municipalities (as Trustee/Lender) and
the City of Hamilton ("Borrower")

Certificate of Incumbency and Authority

I, the XXXXX of the Borrower, with the authority of its Council, hereby certify that
the following are the names, offices and true specimen signatures of the persons,
any one of whom is and shall continue to be (until you receive authorized written
notice from the Borrower that they, or any of them, no longer continue to be) authorized:

- to sign on behalf of the Borrower a Request for Disbursement of the
  Loan provided for in the Agreement;
- to sign the certificates provided for in the Agreement; and
- to take, do, sign or execute in the name of the Borrower, any other
  action required or permitted to be taken, done, signed or executed
  under the Agreement and under any other agreement to which you and
  the Borrower are parties:

<table>
<thead>
<tr>
<th>No.</th>
<th>Name</th>
<th>Specimen Signature</th>
<th>Office</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Mr. Fred Eisenberger</td>
<td></td>
<td>Mayor</td>
</tr>
<tr>
<td>2.</td>
<td>Kevin C. Christenson</td>
<td></td>
<td>City Clerk</td>
</tr>
</tbody>
</table>

Yours truly,
City of Hamilton

per: X

I have authority to bind the Borrower herein
Ladies and Gentlemen:

Re: Green Municipal Fund – Project no. 9458
Loan Agreement dated September 23, 2009 ("Agreement") between the Federation of Canadian Municipalities (as Trustee/Lender) and the City of Hamilton ("Borrower")

Request for Disbursement

1. All terms defined in the Agreement shall have the same meanings herein and all references herein to Articles, Sections and subsections are to those Articles, Sections and subsections of the Agreement.

2. The Borrower hereby requests the Disbursement on or before _________, 200X, in accordance with the provisions of section 2.05.

And the Borrower requests that such amount be paid to the following account:

Name of Bank:
Address of Bank:
Telephone no. of Bank:
Bank no.:
Transit no.:
to the credit of Borrower 's Account no.:

3. The Borrower hereby certifies as of the date of Disbursement that:

   (a) the representations and warranties confirmed or made in Article IV with respect to the Borrower shall be true on and as of the date of the Disbursement with the same effect as though such representations and warranties have been made on and as of the date of the Disbursement;

   (b) all covenants and other obligations of the Borrower to be performed or complied with as of the date of the Disbursement have been performed or complied with as of the date of the Disbursement;
(c) no Event of Default with respect to the Borrower has occurred and is continuing; and

(d) all of the Conditions of Disbursement contained in Article III to be performed by the Borrower have been satisfied.

4. If any certification in paragraph 3 is not valid as of or prior to the date of the Disbursement, the Borrower will immediately notify FCM.

Yours truly,
City of Hamilton

by ______________________
Authorized Representative*

*As named in the Borrower's last Certificate of Incumbency and Authority
Federation of Canadian Municipalities  
24 Clarence Street  
Ottawa, Ontario  
K1N 5P3  
Attention: Mr. Jim Wren  
Project Officer - Contracts

Ladies and Gentlemen:

Re: Green Municipal Fund – Project no. 9458  
Loan Agreement dated September 23, 2009 ("Agreement") between  
the Federation of Canadian Municipalities (as Trustee/Lender) and  
the City of Hamilton ("Borrower")

We have acted as counsel for the Borrower in connection with the loan of X dollars ($X) which you have agreed to extend to the Borrower subject to the provisions of the Agreement. Capitalized terms not otherwise defined herein have the same meanings as attributed thereto in the Agreement.

In acting as such counsel, we have examined the following documents:

1. the Debenture issued in connection with the Disbursement, dated [XXXXX] (the "Debenture");

2. the by-law of the Borrower’s Council authorizing it to issue and deliver the Debenture in connection with the Disbursement, dated [XXXXX] (the "Municipal By-Law");

3. such other records and documents as we have deemed necessary or appropriate for the purposes of this opinion.

Based upon the foregoing, we are of the opinion that:

1. the Municipal By-Law has been properly passed and is within the legal powers of the Borrower;

2. the Debenture is a direct, unsecured and unsubordinated obligation of the Borrower and ranks concurrently and equally in respect of payment of principal and interest thereon with all other debentures of the Borrower except as to the availability of money in a sinking or retirement fund for a particular issue of debentures;

3. the Debenture has been duly authorized and issued by the Borrower and constitutes a valid and legally binding obligation of the Borrower,
enforceable in accordance with its terms but subject to the special jurisdiction and powers of the Ontario Municipal Board over defaulting municipalities under the *Municipal Affairs Act* (Ontario), as amended.

This opinion shall enure to your benefit and may be relied upon by you.

Yours truly,

[Signature of Counsel]
SCHEDULE E

Project Progress Report

Please submit this report electronically.

Include the following information:

- GMF number
- Name of the borrower
- Phone, fax, e-mail, and address of lead contact
- Date of report

Project management

1. How much of the project is complete? Please indicate a percentage of completion referring to the milestones identified in Schedule A of the loan or grant agreement.

2. When do you expect to complete the project (day, month, year)? Note: If this date differs from the date indicated in the loan or grant agreement, FCM must be notified in writing of the change in the project completion date at least 90 days before the date set in the loan or grant agreement.

3. Have there been any significant changes, or do you anticipate any significant changes, to the project as it was outlined in Schedule A of the loan or grant agreement? If so, please explain how the scope of the project will change.

4. Please briefly compare the anticipated costs and actual costs of the project and explain any differences.

5. Have there been any changes in the nature or scope of the legal status of the borrower, if applicable? If so, please explain.

Lessons learned and knowledge sharing (maximum 1–2 pages)

1. If someone in another community were interested in undertaking a similar project, what advice would you have for them, based on your experience to date?

2. If you were planning this kind of project again, would you do anything differently, based on your experiences to date?
SCHEDULE F
Form of Municipal By-Law

WHEREAS the Municipal Act, 2001, as amended (the “Act”) provides that a municipality may incur a debt for municipal purposes, whether by borrowing money or in any other way, and may issue debentures and prescribed financial instruments and enter prescribed financial agreements for or in relation to the debt;

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

AND WHEREAS before authorizing the Project, the Municipality had its Treasurer update its most recent annual debt and financial obligation limit received from the Ministry of Municipal Affairs and Housing in accordance with the applicable regulation and, prior to authorizing the Project, the Treasurer determined that the estimated annual amount payable in respect of the Project, would not cause the Municipality to exceed the updated limit and that the approval of the Project, by the Ontario Municipal Board was not required;

AND WHEREAS to provide long term financing for the Project pursuant to the Financing Agreement, it is now expedient to issue [Instruction: Insert rate determined pursuant to Section 2.06 of the Loan Agreement]% amortizing debentures in the principal amount of XXXXX in lawful money of Canada, on the terms hereinafter set forth.

NOW THEREFORE THE COUNCIL OF THE MUNICIPALITY ENACTS AS FOLLOWS:

1. For the Project, the borrowing upon the credit of the Municipality of the principal sum of XXXXX and the issue of amortizing debentures therefor upon the credit of the Municipality to be repaid in semi-annual instalments of combined (blended) principal and interest as hereinafter set forth, are hereby authorized.

2. The [Insert the head of Council] and the treasurer of the Municipality are hereby authorized to cause any number of amortizing debentures to be issued up to the aggregate of the said sum of XXXXX substantially in the form attached as Schedule “B” attached hereto and forming part of this By-law (the “Debentures”). The Debentures shall bear the Municipality’s municipal seal and the signatures of the [Insert the head of Council] and the treasurer of the Municipality, all in accordance with the provisions of the Act. The municipal seal of the Municipality and the signatures referred to in this section may be printed, lithographed, engraved or otherwise mechanically reproduced. The Debentures are sufficiently signed if they bear the required signatures and each person signing has the authority to do so on the date he or she signs.
3. The Debentures shall be in fully registered form as one or more certificates in the aggregate principal amount of $XXXXX, in the name of FCM or as FCM may otherwise direct, substantially in the form attached as Schedule “B” hereto and forming part of this By-law with provision for payment of principal and interest (other than in respect of the final payment of principal and outstanding interest on the maturity date upon presentation and surrender) on such terms as to which the registered holder and the Municipality may agree.

4. The Debentures shall be dated the [Instruction: Insert date of Disbursement], and as to both principal and interest shall be expressed and be payable in lawful money of Canada. The Debentures shall bear interest at the rate of [Instruction: Insert rate determined pursuant to Section 2.06 of the Loan Agreement] per annum from the date thereof payable semi-annually in arrears as described in this section. The Debentures shall be paid in full by [Instruction: Insert date which is one hundred and twenty (120) OR two hundred and forty (240) months from date of Disbursement] and shall be payable in semi-annual instalments of combined (blended) principal and interest on such days as are set forth in Schedule “C” attached hereto and forming part of this By-law (“Schedule “C””) in each of the years during the currency of the Debentures, as set forth in Schedule “C”.

5. Payments in respect of principal of and interest on the Debentures shall be made only on a day on which banking institutions in Ottawa, Ontario, are not authorized or obligated by law or executive order to be closed (an “Ottawa Business Day”), and if any date for payment is not an Ottawa Business Day, payment shall be made on the next following Ottawa Business Day and no further interest shall be paid in respect of the delay in such payment.

6. If the Municipality defaults in the payment of any instalment of combined (blended) principal and interest at any time appointed for payment thereof, the Municipality shall, until such overdue principal and/or interest amount(s) has/have been paid in full, pay to FCM interest on the principal that is from time to time outstanding at an annual rate that equals the total of: (a) [Instruction: Insert the rate determined by s. 2.06 of the Loan Agreement], plus (b) two percent (2.0%) per annum, calculated from the date of such default.

7. Whenever it is necessary to compute any amount of interest in respect of the Debentures for a period of less than one full year, other than with respect to regular 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 or 366 days as appropriate.

8. Following [Instruction: Insert mid-point date of Disbursement term], the Municipality may on any subsequent semi-annual payment date, on not less than thirty (30) days notice to FCM, prepay all or part of the principal that is then outstanding, provided it simultaneously pays all accrued interest thereon plus, as a bonus, an additional three percent (3%) of the principal amount prepaid. In the case of a prepayment of a part of the principal, the amortization schedule set out in Schedule “C” shall be
adjusted accordingly. In the case of a prepayment of a part of the principal, the amount of such prepayment cannot be less than the sum of one hundred thousand dollars ($100,000.00). Upon delivery of such notice, the Municipality shall be obligated to effect prepayment in accordance with the terms of the notice and this section. Any amounts prepaid may not be re-borrowed.

9. Each year in which a payment of an instalment of combined (blended) principal and interest becomes due, there shall be raised as part of the general levy the amounts of principal and interest payable in each year as set out in Schedule “C” to the extent that the amounts have not been provided for by any other available source including other taxes or fees or charges imposed on persons or property by a by-law of any municipality.

10. The Debentures may contain any provision for their registration thereof authorized by any statute relating to municipal debentures in force at the time of the issue thereof.

11. The Municipality shall maintain a registry in respect of the Debentures in which shall be recorded the names and the addresses of the registered holders and particulars of the Debentures held by them respectively and in which particulars of the cancellation, exchanges, substitutions and transfers of Debentures, may be recorded and the Municipality is authorized to use electronic, magnetic or other media for records of or related to the Debentures or for copies of them.

12. The Municipality shall not be bound to see to the execution of any trust affecting the ownership of any Debenture or be affected by notice of any equity that may be subsisting in respect thereof. The Municipality shall deem and treat registered holders of Debentures as the absolute owners thereof for all purposes whatsoever notwithstanding any notice to the contrary and all payments to or to the order of registered holders shall be valid and effectual to discharge the liability of the Municipality on the Debentures to the extent of the sum or sums so paid. Where a Debenture is registered in more than one name, the principal of and interest from time to time payable on such Debenture shall be paid to or to the order of all the joint registered holders thereof, failing written instructions to the contrary from all such joint registered holders, and such payment shall constitute a valid discharge to the Municipality. In the case of the death of one or more joint registered holders, despite the foregoing provisions of this section, the principal of and interest on any Debentures registered in their names may be paid to the survivor or survivors of such holders and such payment shall constitute a valid discharge to the Municipality.

13. The Debentures will be transferable or exchangeable at the office of the treasurer of the Municipality upon presentation for such purpose accompanied by an instrument of transfer or exchange in a form approved by the Municipality and which form is in accordance with the prevailing Canadian transfer legislation and practices, executed by the registered holder thereof or such holder’s duly authorized attorney or legal personal representative, whereupon and upon registration of such transfer or exchange and cancellation of the Debenture, the [Insert the
and the treasurer shall issue and deliver a new Debenture or Debentures of an equal aggregate principal amount in any authorized denomination or denominations as directed by the transferee, in the case of a transfer or as directed by the registered holder in the case of an exchange.

14. The head of Council and the treasurer shall issue and deliver new Debentures in exchange or substitution for the Debentures outstanding on the registry with the same maturity and of like form which have become lost, stolen, mutilated, defaced or destroyed, provided that the applicant therefor shall have: (a) paid such costs as may have been incurred in connection therewith; (b) (in the case of a lost, stolen or destroyed Debenture) furnished the Municipality with such evidence (including evidence as to the certificate number of the Debenture in question) and indemnity in respect thereof satisfactory to the Municipality in its discretion; and (c) surrendered to the Municipality any mutilated or defaced Debenture in respect of which new Debentures are to be issued in substitution.

15. The Debentures issued upon any registration of transfer or exchange or in substitution for any Debentures or part thereof shall carry all the rights to interest if any, accrued and unpaid which were carried by such Debentures or part thereof and shall be so dated and shall bear the same maturity date and, subject to the provisions of this By-law, shall be subject to the same terms and conditions as the Debentures in respect of which the transfer, exchange or substitution is effected.

16. The cost of all transfers and exchanges, including the printing of authorized denominations of the new Debentures, shall be borne by the Municipality. When any of the Debentures are surrendered for transfer or exchange the treasurer of the Municipality shall: (a) in the case of an exchange, cancel and destroy the Debentures surrendered for exchange; (b) in the case of an exchange, certify the cancellation and destruction in the registry; and (c) enter in the registry particulars of the new Debenture or Debentures issued in exchange.

17. Reasonable fees for the substitution of a new Debenture or new Debentures for any of the Debentures that are lost, stolen, mutilated, defaced or destroyed and for the replacement of lost, stolen, mutilated, defaced or destroyed principal and interest cheques may be imposed by the Municipality. Where new Debentures are issued in substitution in these circumstances the Municipality shall: (a) treat as cancelled and destroyed the Debentures in respect of which new Debentures will be issued in substitution; (b) certify the deemed cancellation and destruction in the registry; (c) enter in the registry particulars of the new Debentures issued in substitution; and (d) make a notation of any indemnities provided.

18. Except as otherwise expressly provided herein, any notice required to be given to a registered holder of one or more of the Debentures will be sufficiently given if a copy of such notice is mailed or otherwise delivered to the registered address of such registered holder.
19. The [Insert the head of Council] and the treasurer are hereby individually authorized to generally do all things and to execute all documents and other papers in the name of the Municipality in order to carry out the issue of the Debentures and the treasurer is authorized to affix the Municipality’s municipal seal to any of such documents and papers.

20. The proceeds realized in respect of the Debentures, after providing for the expenses related to their issue, if any, shall be apportioned and applied to the Project and to no other purpose except as permitted by the Act.

21. Subject to the Municipality’s investment policies and goals, the applicable legislation and the terms and conditions of the Debentures, the Municipality may, if not in default under the Debentures, at any time purchase any of the Debentures in the open market or by tender or by private contract at any price and on such terms and conditions (including, without limitation, the manner by which any tender offer may be communicated or accepted and the persons to whom it may be addressed) as the Municipality may in its discretion determine.

This By-law takes effect on the day of passing.

[Insert head of Council]  [Insert clerk]
## Schedule “A” to Municipal By-Law

<table>
<thead>
<tr>
<th>(1) By-law</th>
<th>(2) Project Description</th>
<th>(3) Amount of Debentures to be Issued</th>
<th>(4) Term of Years of Debentures</th>
</tr>
</thead>
<tbody>
<tr>
<td>XXXXX</td>
<td>XXXXX</td>
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</tbody>
</table>


Schedule “B” to Municipal By-Law

Province of Ontario

[Municipality]

No. [insert number of this debenture]

FULLY REGISTERED XXXXX% AMORTIZING DEBENTURE

THE [Municipality] (the “Municipality”), for value received, hereby promises to pay to:

FEDERATION OF CANADIAN MUNICIPALITIES, AS TRUSTEE FOR THE GREEN MUNICIPAL FUND (“FCM”)

or registered assigns, subject to the conditions attached hereto which form part hereof (the “Conditions”), upon presentation and surrender of this debenture by the maturity date of this debenture [Day, Month], 20XX, the principal sum of

XXXXXXXX

----------------------------------- ($XXXXXXXX) ---------------------------------

by semi-annual instalments of combined (blended) principal and interest in the manner and in the amounts set forth in the attached amortization schedule (the “Schedule”) and subject to late payment interest charges pursuant to the Conditions, in lawful money of Canada. Interest shall be paid until the maturity date of this debenture, in like money in semi-annual payments from the [Instruction: Insert date of Disbursement] or from the last date on which interest has been paid on this debenture, whichever is later at the rate of [Instruction: Insert rate determined pursuant to Section 2.06 of the Loan Agreement]% per annum, in arrears, on the specified dates, as set forth in the Schedule (each, a “Payment Date”) in the manner provided in the Conditions. Interest shall be paid on default at the applicable rate set out in the Conditions both before and after default and judgment. The applicable rate of interest, the payments of principal and interest and the principal balance outstanding in each year are shown in the Schedule.

This debenture is subject to the Conditions.

DATED at the [Municipality] on [Instruction: Insert date of Disbursement].

IN TESTIMONY WHEREOF and under the authority of By-law Number XXXXX-200XX of the Municipality duly passed on [Instruction: Insert date of By-law] (the “By-law”), this debenture is sealed with the municipal seal of the Municipality and signed by the [Insert the head of Council] and the treasurer thereof.

Date of Registration: [Instruction: Insert date of Disbursement]

[Insert head of Council]  [Insert treasurer]
Amortization Schedule

[Instruction: Borrower needs to inform FCM ahead of time of when Borrower’s Council will pass the by-law so that FCM can provide this schedule]
CONDITIONS OF THE DEBENTURE

1. The debentures issued pursuant to the By-law (collectively the “Debentures” and individually a “Debenture”) are issuable as fully registered Debentures without coupons.

2. The Debentures are direct, unsecured and unsubordinated obligations of the Municipality. The Debentures rank concurrently and equally in respect of payment of principal and interest with all other debentures of the Municipality except for the availability of money in a sinking or retirement fund for a particular issue of debentures.

3. This Debenture is one fully registered Debenture registered in the name of FCM and held by FCM.

4. The Municipality shall maintain at its designated office a registry in respect of the Debentures in which shall be recorded the names and the addresses of the registered holders and particulars of the Debentures held by them respectively and in which particulars of the cancellation, exchanges, substitutions and transfers of Debentures, may be recorded and the Municipality is authorized to use electronic, magnetic or other media for records of or related to the Debentures or for copies of them.

5. The Municipality shall not be bound to see to the execution of any trust affecting the ownership of any Debenture or be affected by notice of any equity that may be subsisting in respect thereof. The Municipality shall deem and treat registered holders of Debentures, including this Debenture as the absolute owners thereof for all purposes whatsoever notwithstanding any notice to the contrary and all payments to or to the order of registered holders shall be valid and effectual to discharge the liability of the Municipality on the Debentures to the extent of the sum or sums so paid. Where a Debenture is registered in more than one name, the principal of and interest from time to time payable on such Debenture shall be paid to or to the order of all the joint registered holders thereof, failing written instructions to the contrary from all such joint registered holders, and such payment shall constitute a valid discharge to the Municipality. In the case of the death of one or more joint registered holders, despite the foregoing provisions of this section, the principal of and interest on any Debentures registered in their names may be paid to the survivor or survivors of such holders and such payment shall constitute a valid discharge to the Municipality.

6. The record date for purposes of payment of principal of and interest on the Debentures is as of 5:00 p.m. on the sixteenth calendar day preceding any Payment Date including the maturity date. Principal of and interest on the Debentures are payable by the Municipality to the persons registered as holders in the registry on the relevant record date. The Municipality shall not be required to register any transfer, exchange or substitution of Debentures during the period from any record date to the corresponding Payment Date.

7. The Municipality shall make all payments in respect of semi-annual instalments of combined (blended) principal and interest on the
Debentures on each Payment Date commencing on [Instruction: Date which is six months after Disbursement date (and which matches the first payment date in the amortization schedule)] (other than in respect of the final payment of principal and outstanding interest on the maturity date upon presentation and surrender of this Debenture) on such terms as the Municipality and the registered holder may agree.

8. Following [Instruction: Insert mid-point date of Disbursement term], the Municipality may on any subsequent semi-annual payment date, on not less than thirty (30) days notice to FCM, prepay all or part of the principal that is then outstanding, provided it simultaneously pays all accrued interest thereon plus, as a bonus, an additional three percent (3%) of the principal amount prepaid. In the case of a prepayment of a part of the principal, the amortization schedule set out in the Schedule shall be adjusted accordingly. In the case of a prepayment of a part of the principal, the amount of such prepayment cannot be less than the sum of one hundred thousand dollars ($100,000.00). Upon delivery of such notice, the Municipality shall be obligated to effect prepayment in accordance with the terms of the notice and this section. Any amounts prepaid may not be re-borrowed.

9. If the Municipality defaults in the payment of any instalment of combined (blended) principal and interest at any time appointed for payment thereof, the Municipality shall, until such overdue principal and/or interest amount(s) has/have been paid in full, pay to FCM interest on the principal that is from time to time outstanding at an annual rate that equals the total of: (a) [Instruction: Insert the rate determined by 2.06 of the Loan Agreement], plus (b) two percent (2.0%) per annum, calculated from the date of such default.

10. Whenever it is necessary to compute any amount of interest in respect of the Debentures for a period of less than one full year, other than with respect to regular 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 or 366 days, as appropriate.

11. Payments in respect of principal of and interest on the Debentures shall be made only on a day on which banking institutions in Ottawa, Ontario, are not authorized or obligated by law or executive order to be closed (an “Ottawa Business Day”), and if any date for payment is not an Ottawa Business Day, payment shall be made on the next following Ottawa Business Day and no further interest shall be paid in respect of the delay in such payment.

12. The Debentures are transferable or exchangeable at the office of the treasurer of the Municipality upon presentation for such purpose accompanied by an instrument of transfer or exchange in a form approved by the Municipality and which form is in accordance with the prevailing Canadian transfer legislation and practices, executed by the registered holder thereof or such holder’s duly authorized attorney or legal personal representative, whereupon and upon registration of such transfer or exchange and cancellation of the Debenture or Debentures presented, a new Debenture or Debentures of an equal aggregate
principal amount in any authorized denomination or denominations will be delivered as directed by the transferee, in the case of a transfer or as directed by the registered holder in the case of an exchange.

13. The Municipality shall issue and deliver new Debentures in exchange or substitution for Debentures outstanding on the registry with the same maturity and of like form which have become lost, stolen, mutilated, defaced or destroyed, provided that the applicant therefor shall have: (a) paid such costs as may have been incurred in connection therewith; (b) (in the case of a lost, stolen or destroyed Debenture) furnished the Municipality with such evidence (including evidence as to the certificate number of the Debenture in question) and indemnity in respect thereof satisfactory to the Municipality in its discretion; and (c) surrendered to the Municipality any mutilated or defaced Debentures in respect of which new Debentures are to be issued in substitution.

14. The Debentures issued upon any registration of transfer or exchange or in substitution for any Debentures or part thereof shall carry all the rights to interest if any, accrued and unpaid which were carried by such Debentures or part thereof and shall be so dated and shall bear the same maturity date and, subject to the provisions of the By-law, shall be subject to the same terms and conditions as the Debentures in respect of which the transfer, exchange or substitution is effected.

15. The cost of all transfers and exchanges, including the printing of authorized denominations of the new Debentures shall be borne by the Municipality. When any of the Debentures are surrendered for transfer or exchange to the treasurer of the Municipality shall: (a) in the case of an exchange, cancel and destroy the Debentures surrendered for exchange; (b) in the case of an exchange, certify the cancellation and destruction in the registry; and (c) enter in the registry particulars of the new Debenture or Debentures issued in exchange.

16. Reasonable fees for the substitution of a new Debenture or new Debentures for any of the Debentures that are lost, stolen, mutilated, defaced or destroyed and for the replacement of lost, stolen, mutilated, defaced or destroyed principal and interest cheques may be imposed by the Municipality. Where new Debentures are issued in substitution in these circumstances the Municipality shall: (a) treat as cancelled and destroyed the Debentures in respect of which new Debentures will be issued in substitution; (b) certify the deemed cancellation and destruction in the registry; (c) enter in the registry particulars of the new Debentures issued in substitution; and (d) make a notation of any indemnities provided.

17. Except as otherwise expressly provided herein, any notice required to be given to a registered holder of one or more of the Debentures will be sufficiently given if a copy of such notice is mailed or otherwise delivered to the registered address of such registered holder. If the Municipality or any registered holder is required to give any notice in connection with the Debentures on or before any day and that day is not an Ottawa Business Day then such notice may be given on the next following Ottawa Business Day.
18. Unless otherwise expressly provided herein, any reference herein to a
time shall be considered to be a reference to Ottawa, Ontario time.

19. The Debentures are governed by and shall be construed in accordance
with the laws of the Province of Ontario and the federal laws of Canada
applicable in Ontario.
Schedule “C” to Municipal By-law

[Instruction: Borrower needs to inform FCM ahead of time of when Borrower’s Council will pass the by-law so that FCM will provide the Amortization Schedule. This will be identical to the Amortization Schedule attached to the Debenture (which is Schedule “B” to the Borrower’s By-Law)]
GREEN MUNICIPAL FUND (GMF)

Project no.: 9458

Project Title: Using Hybrid Bus Technology to Market Hamilton’s Beeline Bus Rapid Route

Grant Agreement
Transportation Projects
Municipal Corporation

Between

CITY OF HAMILTON

- and -

FEDERATION OF CANADIAN MUNICIPALITIES,
as Trustee of the Green Municipal Fund

This document is not an offer to enter into a contract and, until executed by all parties, it is not a contract.
GMF Project no.: 9458

GRANT AGREEMENT

THIS AGREEMENT is made as of the 23rd day of September, 2009.

BETWEEN:

CITY OF HAMILTON, a municipal corporation organized and existing under the laws of the Province of Ontario and of Canada (herein called the “Recipient”)

-and-

FEDERATION OF CANADIAN MUNICIPALITIES, as Trustee of the Green Municipal Fund. (herein called “FCM”)

WHEREAS:

(a) the Government of Canada (herein called “GoC”) and FCM have established the Green Municipal Fund (herein called “GMF”) to assist municipalities in Canada with municipal environmental projects;

(b) the GoC has funded GMF, which is being administered by FCM as trustee thereof;

(c) FCM, in its capacity as trustee of GMF, has agreed to provide the Recipient a maximum grant of three hundred thousand dollars ($300,000) for use by the Recipient solely for the municipal environmental project hereinafter referred to in this Agreement; and

(d) this Agreement provides for the administration and contribution of the grant to, and its use by, the Recipient.

NOW THEREFORE, the parties hereby agree as follows:

ARTICLE I
Definitions

Section 1.01. Definitions. Whenever used in this Agreement and unless the context otherwise requires, the following terms have the following meanings:

“Business Day” means a day of the year other than Saturday or Sunday or a statutory holiday observed in the Province of Ontario;

“Contribution” means the contribution as provided for in Section 2.03;

“Eligible Costs” means those permitted expenditures described in Part 2 of Schedule A, for which the Recipient may use the Grant;
“GAAP” means the generally accepted accounting principles which are from time to time in effect in Canada, including those published in the Handbook of the Canadian Institute of Chartered Accountants, as the same are generally applied to municipal governments;

“Grant” means the grant set forth in Article II;

“Grant Amount” means the amount to be advanced by FCM on account of the Grant up to the maximum amount set forth in Section 2.02;

“Loan Agreement” means a separate agreement between the Recipient and FCM signed and in effect concurrent with this Agreement that provides for a loan from FCM to the Recipient for the sole purpose of assisting the Recipient in the performance of the Project;

“Program/Infrastructure Project Initiatives” means the program and/or infrastructure initiatives forming part of the Project, as described in Part 1 of Schedule A;

“Project” means the municipal environmental project described in Part 1 of Schedule A which, for greater certainty, includes the Program/Infrastructure Project Initiatives;

“Project Reporting Grant Agreement” means a separate agreement between the Recipient and FCM signed and in effect concurrent with this Agreement that provides for a grant of funds from FCM to the Recipient in consideration of certain information to be provided by the Recipient to FCM with respect to the performance of the Project;

“Request for Contribution” has the meaning provided in Section 2.03;

Section 1.02. Schedules. The following annexed Schedules form part of this Agreement:

Schedule A:
Part 1: Description of the Project
Part 2: Description of Eligible Costs
Part 3: Particulars of the Sources of Funding

Schedule B: Form of Certificate of Incumbency and Authority

Schedule C: Form of Request for Contribution

Schedule D: Project Progress Report

ARTICLE II
The Grant

Section 2.01. Grant Purpose. FCM is providing the Grant to the Recipient for the sole purpose of assisting the Recipient in the performance of the Program/Infrastructure Project Initiatives (as described in Schedule A).

Section 2.02. Grant Amount. Subject to and in accordance with the terms and conditions of this Agreement and in reliance upon the representations, warranties and
covenants of the Recipient hereinafter set forth, FCM agrees to contribute towards the
Eligible Costs associated with the Program/Infrastructure Project Initiatives, an amount
that is equal to the lesser of: (i) the sum of three hundred thousand dollars ($300,000),
(ii) one hundred percent (100%) of all Eligible Costs associated with the
Program/Infrastructure Project Initiatives incurred by the Recipient prior to or within the
time limits for requesting a Contribution pursuant to section 2.03, and (iii) three and three
hundredths percent (3.03%) of Eligible Costs, as may be extended.

Section 2.03.  Contribution.  Following substantial implementation of the
Program/Infrastructure Project Initiatives, the Recipient shall request the Contribution by
delivering to FCM a completed Request for Contribution in the form of Schedule C at
least thirty (30) days before the date of the Contribution, which date shall be a Business
Day.  Provided that the relevant conditions of Contribution set forth in Article III have
been met thirty (30) days before the date of the Contribution, FCM shall pay the
Contribution to the Recipient on the requested date thereof.  Notwithstanding the
foregoing, the date of the Contribution shall not be later than September 30, 2010 (which
date may be extended by the Recipient for up to a further one (1) year period upon the
Recipient providing ninety (90) days prior written notice thereof to FCM).

ARTICLE III
Conditions of Contribution

Section 3.01.  Conditions of Contribution.  The obligation of FCM to make each
Contribution is conditional upon the following conditions being satisfied:

(a) the Recipient has satisfied all conditions to the making of the Disbursement (as
such term is defined in the Loan Agreement) and the Disbursement (as such
term is defined in the Loan Agreement) has been made;

(b) the Recipient has delivered to FCM a copy of the Certificate of Incumbency and
Authority in the form of Schedule B;

(c) the Recipient has delivered to FCM a certificate from the project manager
responsible for the Project, in form and substance acceptable to FCM, attesting
to the substantial implementation of the Program/Infrastructure Project Initiatives
as described in Schedule A;

(d) the Recipient has delivered to FCM evidence to the satisfaction of FCM that the
Program/Infrastructure Project Initiatives as implemented by the Recipient
substantially conform to the description thereof set out in Schedule A;

(e) the Recipient has obtained, or has made other arrangements satisfactory to FCM
for obtaining, all approvals, consents, authorizations and licences that are
required from the Province of Ontario in order for the Recipient to enter into and
comply with this Agreement and has provided FCM with satisfactory evidence
thereof;

(f) the Recipient has delivered to FCM a copy of the Particulars of the Sources of
Funding in the form of Part 3 of Schedule A and evidence that the persons
identified in such Particulars of the Sources of Funding as providing funds to the
Recipient in connection with the Project remain obligated to provide such funds, each of which is found satisfactory by FCM;

(g) the Recipient has delivered to FCM a completed Request for Contribution (as attached in Schedule C);

(h) the Recipient has, at its cost, provided to FCM a completed Project Progress Report (in the form attached as Schedule D) as of the date of the Request for Contribution (as attached in Schedule C) for such Contribution, in form and substance satisfactory to FCM;

(i) the Recipient has delivered to FCM a statement of expenses, certified by a person named in the Certificate of Incumbency and Authority attached as Schedule B as having authority to do so, and evidencing, in a manner satisfactory to FCM, the Eligible Costs incurred by the Recipient in relation to the Program/Infrastructure Project Initiatives following the date of the prior Contribution (if any) and up to the date of the then requested Contribution and confirming that the Grant will be used for the purpose set forth in Section 2.01, together with copies of supporting invoices and receipts;

(j) the representations and warranties confirmed or made in Article IV shall be true with the same effect as though such representations and warranties have been made on and as of the date of the Contribution;

(k) all covenants and other obligations of the Recipient to be performed or complied with as of the date of the Contribution shall have been performed or complied with as of the date of the Contribution;

(l) no act or thing which, in the determination of FCM acting reasonably, does or may materially and adversely affect the Project or the ability of the Recipient to perform its obligations under this Agreement and the Project shall have occurred;

(m) the Loan Agreement shall be in full force and effect and the Recipient shall have complied with all obligations thereunder to be complied with at or prior to the date of such Contribution;

(n) the Project Reporting Grant Agreement shall be in full force and effect and the Recipient shall have complied with all reporting requirements thereunder at or prior to the date of such Contribution; and

(o) the Recipient has delivered to FCM evidence satisfactory to FCM, that the following conditions have also been satisfied: That the City of Hamilton submits, satisfactory to FCM, a progress report and an annual expense summary for up to three years, as evidence of implementing their stated initiatives to improve transit service and encourage ridership growth; and that the City of Hamilton has submitted, satisfactory to FCM, their performance measurement report as evidence of having achieved the expected greenhouse gas reduction between 20-30 per cent and that these reductions have been verified by a third party.

Each of the foregoing conditions is included for the benefit of FCM and may be waived in whole or in part at FCM’s sole option by notice to the Recipient.
ARTICLE IV
Representations and Warranties

Section 4.01. Representations and Warranties. The Recipient represents and warrants:

(a) that it is a duly established municipal corporation under the laws of the Province of Ontario and has the legal power and authority to enter into, and perform its obligations under, this Agreement and the Project;

(b) that this Agreement has been duly authorized and executed by it and constitutes a valid and binding obligation of the Recipient, enforceable against it in accordance with its terms;

(c) that neither the making of this Agreement nor the compliance with its terms and terms of the Project will conflict with or result in breach of any of the terms, conditions or provisions of, or constitute a default under any indenture, debenture, agreement or other instrument or arrangement to which the Recipient is a party or by which it is bound, or violate any of the terms or provisions of the Recipient’s constitutional documents or any license, approval, consent, judgment, decree or order or any statute, rule or regulation applicable to the Recipient; and

(d) no litigation, arbitration or administrative proceedings are current or pending or have been threatened, and so far as the Recipient is aware no claim has been made, which is likely to have an adverse effect on its performance of the Project or its compliance with its obligations under this Agreement.

ARTICLE V
Covenants

Section 5.01. Affirmative Covenants. The Recipient shall:

(a) use the Grant only for the Program/Infrastructure Project Initiatives;

(b) carry out the Project and conduct the activities thereof in compliance with all applicable laws and regulations and, without restricting the generality of the foregoing, in compliance with all applicable environmental, health and safety laws of the Province of Ontario and of Canada;

(c) perform the Project with due diligence and efficiency and in accordance with sound engineering, financial and business practices; maintain its accounts, management information and cost control system and books of accounts adequately to reflect truly and fairly the financial condition of the Project and to conform to GAAP; and

(d) upon FCM’s request with reasonable prior notice to the Recipient and subject to applicable privacy legislation, permit representatives of FCM, during normal office hours of the Recipient, to visit any of the premises where the Project activities are conducted and to have reasonable and supervised access to the
Recipient’s books of accounts and records relating to the Project and permit FCM to communicate directly with the Recipient’s external auditors regarding the Recipient’s accounts and operations relating to the Project

**Section 5.02. Negative Covenants.** Unless FCM shall otherwise agree in writing, the Recipient shall not:

(a) use the Grant Amount for expenditures that are not Eligible Costs associated with the Program/Infrastructure Project Initiatives;

(b) make any material change to the nature or scope of the Project; and

(c) sell, assign, transfer, lease, exchange or otherwise dispose of, or contract to sell, assign, transfer, lease, exchange or otherwise dispose of, any of the properties of the Project, whether now owned or hereafter acquired, and whether to a private partner of the Recipient or otherwise, except if provided for in Schedule A.

**Section 5.03. Continuing Information Requirements.** The Recipient shall, at its cost, provide to FCM the following information, in form and substance satisfactory to FCM:

(a) within ninety (90) days after the end of the Recipient’s fiscal year, a completed Project Progress Report (in the form attached as Schedule D);

(b) prompt notice of any proposed change in the nature or scope of the legal status of the Recipient and of any other event or condition which might materially and adversely affect the carrying out of the Project by the Recipient or the performance of its obligations under this Agreement;

(c) prompt notice of any litigation or administrative proceedings, together with copies of any written legal documents as FCM may request, excluding documents protected by solicitor-client or litigation privilege, before any court or arbitral body or other authority which might materially and adversely affect the Project or the ability of the Recipient to perform its obligations under this Agreement and the Project; and

(d) such other information as FCM may from time to time by notice to the Recipient reasonably request.

**ARTICLE VI**

**Termination**

**Section 6.01. Termination of Agreement by FCM.** FCM may, on not less than thirty (30) days prior notice to the Recipient, terminate this Agreement if the Recipient fails to meet any of the Conditions of Contribution provided in Section 3.01. If the Agreement is so terminated, the liability of FCM for any unadvanced portion of the Grant Amount shall be limited to an amount that, in the sole opinion of FCM, is a reasonable contribution for the Recipient’s partial performance of the Project to the date on which FCM gives the notice of termination to the Recipient.
Section 6.02. Termination of the Agreement by the Recipient. The Recipient may, on not less than thirty (30) days prior notice to FCM, terminate this Agreement. If the Agreement is so terminated, the Recipient shall pay back to FCM, on or before the date of termination, any portion of the Grant Amount that was advanced by FCM to the Recipient.

ARTICLE VII
Miscellaneous Provisions

Section 7.01. Publications.

(a) The Recipient shall recognize and state in the reports and other documents produced by the Recipient in connection with the Project, in an appropriate manner as approved by FCM, the Project support provided by GMF and the contribution of the GoC to the GMF;

(b) Copyright in all reports and other documents prepared in connection with this Agreement or the Project by or on behalf of the Recipient shall vest in the Recipient, provided that each of GoC and FCM shall have the full right, without any royalty or other fee being payable, to at any time or times publish or otherwise use all or any part of such reports and other documents, as well as any information that is in any way connected with this Agreement or the Project;

(c) The provisions of this Section 7.01 shall survive termination of this Agreement.

Section 7.02. Communication. The Recipient shall comply with any guidelines for the planning of communications and the respective roles of the Recipient and of FCM in the coordination and implementation of a communications strategy relating to the Project, during the term of this Agreement and for five (5) years following termination hereof. The Recipient also agrees subject to all applicable privacy legislation to cooperate in providing reasonable information on the Project to other interested persons such as Canadian municipalities, their associated partners and environmental sector professionals.

Section 7.04. Notices and Requests. Any notice, demand, request or other communication to be given or made under this Agreement to FCM or to the Recipient shall be in writing and may be made or given by personal delivery, by ordinary mail, by facsimile or by electronic mail, addressed as follows:

To the Recipient:

City of Hamilton
Transit Division
2200 Upper James Street, RR1
Mount Hope, Ontario
L0R 1W0

Attention: Mr. Don Hull
Director of Transit
• telephone: 905-546-2424 ext. 1860
• by facsimile: 905-679-7303
• by electronic mail: dhull@hamilton.ca

To FCM:

Federation of Canadian Municipalities
24 Clarence Street
Ottawa, Ontario
K1N 5P3

Attention: Mr. Jim Wren
Project Officer - Contracts

• telephone: 613-907-6373
• by facsimile: 613-244-1515
• by electronic mail: jwren@fcma.ca

Any notice, demand, request or other communications made or given by personal delivery shall be deemed to have been made or given on the day of actual delivery thereof, and if made or given by ordinary mail, on the 3rd Business Day following the deposit thereof in the mail, and if made or given by facsimile transmission or by electronic mail, on the 1st Business Day following the transmittal thereof. If the party giving any notice, demand, request or other communications knows or reasonably ought to know of any difficulties with the postal system that might affect the delivery of mail, such notice, demand, request or other communications shall not be mailed, but shall be given by personal delivery, facsimile transmission or electronic mail.

Section 7.05. Non-liability of FCM and Indemnification by the Recipient.

(a) by accepting or approving anything required to be accepted or approved by FCM pursuant to this Agreement or the Project, FCM shall not be deemed to have warranted or represented the sufficiency, legality, effectiveness or legal effect of the same, or of any term, provision or condition thereof, and such acceptance or approval thereof shall not constitute a warranty or representation to anyone with respect thereto by FCM;

(b) the relationship between the Recipient and FCM is, and shall at all times be and remain, that of a recipient and a grantor. FCM shall not under any circumstances be construed to be a partner or joint venturer of the Recipient or any of its Project team. FCM shall under no circumstance be deemed to be in a relationship of confidence or trust or a fiduciary relationship with the Recipient or any of its Project team. FCM does not undertake or assume any responsibility or duty to the Recipient or any of its Project team to select, review, inspect, supervise, pass judgment upon, or inform the Recipient or any of its Project team of any matter in connection with the Project; the Recipient and its Project team shall rely entirely upon their own judgment with respect to such matters; and any review, inspection, supervision, exercise of judgment or supply of information undertaken or assumed by FCM in connection with such matters is solely for the protection of
FCM and GMF and neither the Recipient nor any other person is entitled to rely thereon;

(c) FCM shall not be responsible or liable to any person for any loss, damage, liability or claim of any kind relating to injury or death to persons or damage to property caused by the actions, inaction or negligence of the Recipient and/or its Project team; and

(d) the Recipient shall indemnify and save harmless FCM from and against all claims, demands, actions and costs, whatsoever that may arise out of the performance by the Recipient and/or by any member of its Project team, of the Project and of this Agreement or by reason of any matter or thing done by the Recipient, by members of its Project team, or by their employees or agents, whether occasioned by negligence or otherwise. Such indemnification shall survive termination of this Agreement.

**Section 7.06.** FCM's Limited Liability. FCM has executed this Agreement solely in its capacity as trustee of the GMF and not in its own capacity. Accordingly, recourse with respect to any liability or obligation of FCM in connection with this Agreement shall be limited only to the property and assets of the GMF and neither FCM nor any director, officer, employee or affiliate thereof shall have any personal liability therefor.

**Section 7.07.** Further Assurances. The Recipient shall promptly execute and deliver, upon request by FCM, all such other and further documents, agreements, opinions, certificates and instruments as may be reasonably required by FCM to more fully state the obligations of either party to this Agreement or to make any recording, file any notice or obtain any consent.

**Section 7.08.** Amendment. Any amendment of any provision of this Agreement, including the Schedules, must be in writing and signed by both parties.

**Section 7.09.** Choice of Language. It is the express wish of the parties that this Agreement and any related documents be drawn up and executed in English. Les parties reconnaissent avoir exigé que la présente convention et tous les documents connexes soient rédigés en anglais.

**Section 7.10.** Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.

**Section 7.11.** Choice of Forum. The parties hereto agree and intend that the proper and exclusive forum for any litigation of any disputes or controversies arising out of or related to this Agreement shall be a Court of competent jurisdiction located in the Province of Ontario, City of Ottawa.

**Section 7.12.** Effectiveness. This Agreement shall continue in force until terminated.

**Section 7.13.** Successors and Assigns. This Agreement shall bind and inure to the benefit of the respective successors and assigns of the parties hereto, except that the Recipient may not assign or otherwise transfer all or any part of its rights or obligations under this Agreement without the prior written consent of FCM. FCM must provide the
Recipient with prior written notice with respect to any proposed assignment of this Agreement.

Section 7.14. Counterparts. This Agreement may be executed in two counterparts and, in such case, each such counterpart shall be deemed an original, but both of which together shall constitute one and the same agreement.

IN WITNESS WHEREOF, the parties hereto, acting through their duly authorized representatives, have caused this Agreement to be signed in their respective names as of the date first above written.

CITY OF HAMILTON

per: 

Mr. Fred Eisenberger, Mayor

per: 

Mr. Kevin C. Christenson, City Clerk
We have authority to bind the Recipient herein.

FEDERATION OF CANADIAN MUNICIPALITIES, as Trustee of the Green Municipal Fund

per: 

Mr. Onno Kremers, Director, National Programs Centre for Sustainable Community Development
I have authority to bind FCM herein
Part 1: Description of the Project

The proposed project involves enhancing Hamilton’s 20 year old Beeline corridor including replacing existing buses with hybrid vehicles and implementing a number of measures to increase ridership in the corridor.

Project Component Initiatives:
- Purchase of five 40-foot Hybrid (Diesel/Electric) Low Floor buses and seven 60-foot Articulated Hybrid Low Floor buses
- Extend hours of operation of Beeline to provide mid-day and evening service
- Using articulated buses to address current capacity shortfalls
- Re-brand Beeline service to promote faster travel speeds and new environmentally-friendly buses
- Implement transit priority measures
- Improve transit stops and terminals
- Promote employers passes and U-Pass
- Implement off-board fare purchase and smart cards (as part of larger project)

Current Fleet Composition:
HSR’s total fleet includes 204 urban transit buses for the conventional transit service. Twelve conventional diesel buses used on the Beeline would be replaced by low floor hybrid (diesel-electric) buses.

Planned Bus Acquisitions:
Five 40-foot Hybrid (Diesel/Electric) Low Floor buses and seven 60-foot Articulated Hybrid Low Floor buses will be delivered in March 2007.

Anticipated GHG Reductions:
Assuming a straight replacement of the existing buses and no service duration increases, the hybrid bus initiative is projected to save approximately 67,500 litres of fuel and 184 tonnes of CO$_2$ annually. This is based on a 30% fuel savings over a current conventional diesel bus.

Anticipated Social, Environmental and Economic Benefits:
The Beeline connects three major existing nodes including McMaster University, the Central Business District, and Eastgate Square, as well as a future innovation park. Improving service in this corridor will allow more people to access these activities. The Beeline provides travel times that are more competitive with private automobiles and by extending service hours and marketing the service, this project will attract more people to transit. Substantial economic benefits will occur through fuel cost savings and reduced operating and maintenance costs for hybrid buses.

Relationship between Transit Service Improvement and Riderhip Growth Initiatives:
The transit service improvements consisting of service duration extensions and increased bus capacity are directly tied to the ridership growth initiatives. Specifically, transit priority measures, improved stations and stops, and employer-pass programs are all part of the “new Beeline” package that will be marketed to the public.
The proposed project is also consistent with the recommendations of the Hamilton Transportation Master Plan, which recommends implementation of Bus Rapid Transit throughout the City, with the east-west (Beeline) corridor being identified as the first priority.

**Estimated Eligible Costs and Expected Timelines:**

The estimated cost of the hybrid bus acquisition is $8.4 million. Other one-time costs are estimated at $150,000. These costs will be incurred in Spring 2007.

The estimated net cost of the ridership growth initiatives are $1.4 million over three years. Of this, approximately $700,000 is due to the extended service hours. Ridership growth initiatives are planned to be phased in over a three-year period.

**Project Management:**

The project will be managed by Jim Dahms, Manager of Transit Planning and Customer Service, Hamilton Street Railway.

The Hamilton Street Railway Company ("HSR") is the current registered owner of the subject property (hybrid buses) with respect to the three (3) Agreements discussed above. The HSR is a separately incorporated entity wholly owned by the City of Hamilton. HSR's entire fleet of buses, including the hybrid buses, are being transferred to the City of Hamilton incrementally, as the HSR is pending dissolution.
### SCHEDULE A

#### Part 2: Description of Eligible Costs

The expected eligible and ineligible costs for this project are as follows:

<table>
<thead>
<tr>
<th>Item</th>
<th>Description</th>
<th>Amount ($)</th>
<th>% of Total Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Eligible Costs¹:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hybrid Bus Initiative</td>
<td>Hybrid bus purchase costs</td>
<td>$8,404,863</td>
<td>84.07%</td>
</tr>
<tr>
<td></td>
<td>Training</td>
<td>$50,000</td>
<td>0.50%</td>
</tr>
<tr>
<td></td>
<td>Equipment upgrades</td>
<td>$100,000</td>
<td>1.00%</td>
</tr>
<tr>
<td>Service Improvement and Ridership</td>
<td>Branding and marketing materials</td>
<td>$50,000</td>
<td>0.50%</td>
</tr>
<tr>
<td>Growth Initiative Capital Costs</td>
<td>Implement transit priority measures</td>
<td>$250,000</td>
<td>2.50%</td>
</tr>
<tr>
<td></td>
<td>Promote employer pass program</td>
<td>$50,000</td>
<td>0.50%</td>
</tr>
<tr>
<td></td>
<td>Improve stops and terminals</td>
<td>$300,000</td>
<td>3.00%</td>
</tr>
<tr>
<td></td>
<td>Net direct operating costs</td>
<td>$687,160</td>
<td>6.88%</td>
</tr>
<tr>
<td><strong>Total Eligible Costs¹</strong></td>
<td></td>
<td>$9,892,023</td>
<td>98.95%</td>
</tr>
<tr>
<td><strong>Ineligible Costs:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Service Improvement and Ridership</td>
<td>Benchmark existing conditions</td>
<td>$5,000</td>
<td>0.05%</td>
</tr>
<tr>
<td>Growth Initiative</td>
<td>Transit priority study</td>
<td>$100,000</td>
<td>1.00%</td>
</tr>
<tr>
<td><strong>Total Ineligible Costs</strong></td>
<td></td>
<td>$105,000</td>
<td>1.05%</td>
</tr>
<tr>
<td><strong>Total Project Costs</strong></td>
<td></td>
<td>$9,997,023</td>
<td>100%</td>
</tr>
</tbody>
</table>

Note: The expenditures claimed are subject to audit by FCM near completion of the Project. The amount loaned by FCM may vary as a consequence. No expenditure incurred prior to **September 25, 2006**, is permitted to be included as an Eligible Cost.

1. **“Eligible Costs”** means the following permitted expenditures for which the Borrower may use the proceeds of the Grant:

   Eligible Costs shall be all necessary direct costs **incurred properly and reasonably by the Recipient** and invoiced against a contract for goods and services that were necessary for the completion of the Project and may include:

   (a) the capital costs (as defined and determined in accordance with GAAP) of acquiring, developing, constructing, modernizing or leasing systems (equipment, hardware, software, etc) that are essential for the completion of the Project;

   (b) the costs of construction, renovation or modernization of facilities and structures essential for the completion of the Project (ex: materials and installation costs);

   (c) **Salaries, Fees and Remuneration:**

      i) salaries, fees or remuneration paid to professional, technical personnel, consultants and contractors directly involved in the planning, assessment,
analysis, design, engineering, manufacturing, construction and monitoring of the Project, but not employed by the Recipient;

ii) salaries, fees or remuneration paid to professional, technical personnel, consultants and contractors directly involved in the Recipient’s staff training that will help achieve the Projects objectives, but not employed by the Recipient;

iii) salaries, fees or remuneration paid to professional, technical personnel, consultants and contractors directly involved in public education, surveys, web site development and development of other communication tools, directly related to the implementation of the Project, but not employed by the Recipient; and

iv) only salaries, fees or remuneration are eligible as in-kind contribution from the Recipient; the total in-kind contribution can not exceed ten percent (10%) of total Project costs.

**Eligible Costs – Exclusions**

For greater certainty, Eligible Costs do not include:

(a) costs related to establishing baseline conditions and/or conducting or completing feasibility studies;

(b) general overhead costs of the Recipient, including insurance and other operating costs related to the general maintenance and repair of Projects;

(c) cost in respect to office space for Projects;

(d) administrative costs not specifically listed as Eligible Costs (ex: audit fees, legal fees, etc);

(e) any costs for which grants or contributions are provided by or committed to be provided by a third party or any program of the Government of Canada;

(f) conference and conference travel costs;

(g) Provincial Sales Tax and the Goods and Services Tax for which the recipient is eligible for a tax rebate and any other costs eligible for rebates;

(h) the cost to purchase, lease or sell real property; and

(i) in-kind contribution of goods.
## SCHEDULE A

### Part 3: Particulars of the Sources of Funding

The funding for this project is planned as follows:

<table>
<thead>
<tr>
<th>Source^2</th>
<th>Source Name</th>
<th>Description/Notes</th>
<th>Amount</th>
<th>Date Committed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Municipal^2</td>
<td>City of Hamilton</td>
<td>Municipal Reserves</td>
<td>$1,495,498</td>
<td>To be Confirmed</td>
</tr>
<tr>
<td>Provincial^2 /Territorial^2</td>
<td>Ontario Transit Vehicle Replacement Program</td>
<td></td>
<td>$1,598,300</td>
<td>To be Confirmed</td>
</tr>
<tr>
<td></td>
<td>Provincial Gas Tax</td>
<td></td>
<td>$1,000,000</td>
<td>To be Confirmed</td>
</tr>
<tr>
<td>Federal^2</td>
<td>Federal Gas Tax</td>
<td></td>
<td>$3,109,805</td>
<td></td>
</tr>
<tr>
<td>Green Municipal Fund</td>
<td>Green Municipal Fund Loan</td>
<td></td>
<td>$2,493,420</td>
<td>March 17, 2007</td>
</tr>
<tr>
<td></td>
<td>Green Municipal Fund Grant</td>
<td></td>
<td>$300,000</td>
<td>March 17, 2007</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
<td><strong>$9,997,023</strong></td>
<td></td>
</tr>
</tbody>
</table>

2. For each funding source listed, the Recipient must submit evidence of the intended financial contribution.
Ladies and Gentlemen:

Re: Green Municipal Fund – Project no. 9458
Grant Agreement dated September 23, 2009 (“Agreement”) between the Federation of Canadian Municipalities (as Trustee/Donor) and the City of Hamilton (“Recipient”)

Certificate of Incumbency and Authority

I, the XXXX of the Recipient, with the authority of its municipal Council, hereby certify that the following are the names, offices and true specimen signatures of the persons, any one of whom is and shall continue to be (until you receive authorized written notice from the Recipient that they, or any of them, no longer continue to be) authorized:

- to sign on behalf of the Recipient a Request for Contribution provided for in the Agreement;
- to sign the certificates provided for in the Agreement; and
- to take, do, sign or execute, in the name of the Recipient, any other action required or permitted to be taken, done, signed or executed under the Agreement and under any other agreement to which you and the Recipient are parties:

<table>
<thead>
<tr>
<th>No.</th>
<th>Name</th>
<th>Specimen Signature</th>
<th>Title</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Mr. Fred Eisenberger</td>
<td></td>
<td>Mayor</td>
</tr>
<tr>
<td>2.</td>
<td>Mr. Kevin C. Christenson</td>
<td></td>
<td>City Clerk</td>
</tr>
</tbody>
</table>

Yours truly,

City of Hamilton
per: ______________________

XXXXX
I have authority to bind the Recipient herein
Ladies and Gentlemen:

Re: Green Municipal Fund – Project no. 9458
Grant Agreement dated September 23, 2009 ("Agreement") between the Federation of Canadian Municipalities (as Trustee/Donor) and the City of Hamilton ("Recipient")

Request for Contribution

1. All terms defined in the Agreement shall have the same meanings herein and all references herein to Articles, Sections and subsections are to those Articles, Sections and subsections of the Agreement.

2. The Recipient hereby requests the Contribution of $XXXXXX, on or before __________, 200X, of the following amount, in accordance with the provisions of Section 2.03.

The Recipient requests that such amount be paid to:

Name of Bank:
Address of Bank:
Telephone no. of Bank:
Bank no.:
Transit no:
to the credit of Recipient's Account no.:

3. The Recipient hereby certifies as follows:

(a) after receiving the within Contribution, the Recipient will not be in violation of its constitutional documents, any provision contained in any document to which the Recipient is a party (including the Agreement) or by which the Recipient is bound, or any law, rule or regulation directly or indirectly limiting or otherwise restricting the Recipient's ability to receive the Grant;

(b) the representations and warranties confirmed or made in Article IV shall be true on and as of the date of the within Contribution with the same
effect as though such representations and warranties have been made on and as of the date of such Contribution;

(c) all of the Conditions of Contribution contained in Article III to be satisfied as of the date of the within Contribution have been satisfied; and

(d) the proceeds of the Contribution hereby requested will be applied exclusively to the Grant purpose specified in Section 2.01.

4. The certifications in paragraph three above are effective as of the date of this Request for Contribution and will continue to be effective as of the date of the within Contribution. If any of these certifications is no longer valid as of or prior to the date of the Contribution hereby requested, the Recipient will immediately notify FCM.

Yours truly,
City of Hamilton

by ________________________
Authorized Representative*

*As named in the Recipient's last Certificate of Incumbency and Authority
Please submit this report electronically.

Include the following information:

- GMF number
- Name of the borrower or recipient
- Phone, fax, e-mail, and address of lead contact
- Date of report

Project management

1. How much of the project is complete? Please indicate a percentage of completion referring to the milestones identified in Schedule A of the loan or grant agreement.

2. When do you expect to complete the project (day, month, year)? Note: If this date differs from the date indicated in the loan or grant agreement, FCM must be notified in writing of the change in the project completion date at least 90 days before the date set in the loan or grant agreement.

3. Have there been any significant changes, or do you anticipate any significant changes, to the project as it was outlined in Schedule A of the loan or grant agreement? If so, please explain how the scope of the project will change.

4. Please briefly compare the anticipated costs and actual costs of the project and explain any differences.

5. Have there been any changes in the nature or scope of the legal status of the recipient or borrower, if applicable? If so, please explain.

Lessons learned and knowledge sharing (maximum 1–2 pages)

1. If someone in another community were interested in undertaking a similar project, what advice would you have for them, based on your experience to date?

2. If you were planning this kind of project again, would you do anything differently, based on your experiences to date?
GREEN MUNICIPAL FUND (GMF)

Project no.: 9458

Project Title: Using Hybrid Bus Technology to Market Hamilton’s Beeline Bus Rapid Route

Project Reporting Grant Agreement
(2006 Transportation RFP)

Between

CITY OF HAMILTON

- and -

FEDERATION OF CANADIAN MUNICIPALITIES,
as Trustee of the Green Municipal Fund

This document is not an offer to enter into a contract and, until executed by all parties, it is not a contract.
GMF Project no.: 9458

PROJECT REPORTING GRANT AGREEMENT

THIS AGREEMENT is made as of the 23rd day of September, 2009.

BETWEEN:

CITY OF HAMILTON, a municipal corporation organized and existing under the laws of the Province of Ontario and of Canada.

(herein called the “Recipient”)

-and-

FEDERATION OF CANADIAN MUNICIPALITIES, as Trustee of the Green Municipal Fund.

(herein called “FCM”)

WHEREAS:

(a) the Government of Canada (herein called “GoC”) and FCM have established the Green Municipal Fund (herein called “GMF”) to assist municipalities in Canada with municipal environmental projects;

(b) the GoC has funded GMF, which is being administered by FCM as trustee thereof;

(c) FCM has provided a loan and a grant to the Recipient in order to develop a municipal environmental project;

(d) in connection with the Project Loan Agreement and the Project Grant Agreement, the Recipient has agreed to report on the Project and its actual environmental benefits;

(e) the Recipient will incur costs in preparing the Project Completion Report, the Environmental Results Report, and in posting Signage acknowledging FCM’s contribution to the Project;

(f) FCM, in its capacity as trustee of the GMF, has agreed to provide the Recipient with a grant of up to thirty thousand ($30,000) dollars for use by the Recipient solely for the purpose of providing FCM with the Project Completion Report, the Environmental Results Report, and in posting Signage acknowledging FCM’s contribution to the Project; and

(g) this Agreement contains the terms for the administration and contribution of the grant to, and its use by, the Recipient.

NOW THEREFORE, the parties hereby agree as follows:
ARTICLE I
Definitions and Schedules

Section 1.01. Definitions. Whenever used in this Agreement and unless the context otherwise requires, the following terms have the following meanings:

“Agreement” means this agreement including all appended schedules;

“Business Day” means a day of the year other than Saturday or Sunday or a statutory holiday observed in the Province of Ontario;

“Contribution” means the advancement of the Grant Amount by FCM to the Recipient under the terms and conditions of this Agreement;

“Eligible Costs” means those permitted expenditures described in Part 2 of Schedule A, for which the Recipient may use the Contributions;

“Environmental Results Report” means the environmental results report as attached in Schedule E;

“First Contribution” has the meaning provided in Section 2.03;

“GAAP” means the generally accepted accounting principles which are from time to time in effect in Canada, including those published in the Handbook of the Canadian Institute of Chartered Accountants, as the same are generally applied to municipal governments;

“Grant” means the grant set forth in Article II;

“Grant Amount” means the amount to be advanced by FCM on account of the Grant up to the maximum amount set forth in Section 2.02;

“Project” means the municipal environmental project described in Part 1 of Schedule A;

“Project Completion Report” means the project completion report attached as Schedule D;

“Project Grant Agreement” means the grant agreement between the Recipient and FCM in relation to the Project dated September 23, 2009;

“Project Loan Agreement” means the loan agreement between the Recipient and FCM in relation to the Project dated September 23, 2009;

“Request for Contribution” has the meaning provided in Section 2.03;

“Second Contribution” has the meaning provided in Section 2.03;

“Signage” means Project signage in compliance with the specifications outlined in Schedule F; and
“Third Party Consultant” means a consultant at arm’s length to the Recipient with such skills, qualifications, experience and training as may be necessary or desirable to prepare the Environmental Results Report and that has not been in any way, shape, or form involved with any aspects related to the planning, design, construction, or other activities of the Project.

Section 1.02. Schedules. The following annexed Schedules form part of this Agreement:

Schedule A:  
Part 1: Description of the Project  
Part 2: Description of Eligible Costs

Schedule B:  Form of Certificate of Incumbency and Authority

Schedule C:  Form of Request for Contribution

Schedule D:  Project Completion Report

Schedule E:  Environmental Results Report

Schedule F:  Project Signage Specifications

ARTICLE II  
The Grant

Section 2.01. Grant Purpose. FCM is providing the Grant to the Recipient for the purposes of engaging a consultant to prepare the Project Completion Report, engaging a Third Party Consultant to prepare the Environmental Results Report, and purchasing and affixing Signage acknowledging FCM’s contribution to the Project.

Section 2.02. Grant Amount. Subject to and in accordance with the terms and conditions of this Agreement and in reliance upon the representations, warranties and covenants of the Recipient hereinafter set forth, FCM agrees to contribute towards the Eligible Costs, an amount that is equal to the lesser of: (i) one hundred percent (100%) of Eligible Costs; and (ii) the sum of thirty thousand dollars ($30,000), lawful money of Canada.

Section 2.03. Contribution.

(a) The Grant Amount shall be remitted by FCM to the Recipient in two (2) Contributions.

(b) Following substantial completion of the Project, the Recipient shall request the first Contribution (the “First Contribution”), by delivering to FCM a completed Request for Contribution (as attached in Schedule C), at least thirty (30) days before the date of the requested First Contribution, which date shall be a Business Day. Provided that the conditions of Contribution set forth in Article III have been met thirty (30) days before the date of the requested First Contribution, FCM shall remit the First Contribution to the Recipient on the
requested date therefor. Notwithstanding the foregoing, the date of the First Contribution shall not be later than March 31, 2010 (which date may be extended by the Recipient for up to a further one (1) year period upon the Recipient providing ninety (90) days prior written notice thereof to FCM). The First Contribution will be an amount that is equal to 100% of the Eligible Costs incurred by the Recipient up to the sum of fifteen thousand dollars ($15,000), lawful money of Canada.

(c) The Recipient may request the second Contribution (the “Second Contribution”), by delivering to FCM a completed Request for Contribution at least thirty (30) days before the date of the requested Second Contribution, which date shall be a Business Day. Provided that the relevant conditions of Contribution set forth in Article III have been met thirty (30) days before the date of the requested Second Contribution, FCM shall remit the Second Contribution to the Recipient on the requested date therefor. Notwithstanding the foregoing, the date of the Second Contribution shall not be later than September 30, 2010 (which date may be extended by the Recipient for up to a further one (1) year period upon the Recipient providing ninety (90) days prior written notice thereof to FCM). The Second Contribution will be an amount that is equal to 100% of the Eligible Costs incurred by the Recipient which were not included in the First Contribution.

(d) As per Section 2.02 the aggregate amount of the First Contribution and of the Second Contribution will not exceed thirty thousand dollars ($30,000), lawful money of Canada.

ARTICLE III
Conditions of Contribution

Section 3.01. Conditions of Contribution. The obligation of FCM to make each of the First Contribution and Second Contribution is conditional upon the following conditions that are specifically applicable to that Contribution being satisfied:

(a) in the case of the First Contribution, the Recipient has delivered to FCM a copy of the Certificate of Incumbency and Authority in the form of Schedule B;

(b) in the case of the First Contribution, the Recipient has completed and submitted to FCM, and obtained FCM approval of, the Project Completion Report in the form of Schedule D;

(c) in the case of the First Contribution, the Recipient has delivered to FCM a summary of expenses, supported by invoices and receipts, evidencing, in a manner satisfactory to FCM that the Recipient has incurred Eligible Costs for preparing the Project Completion Report that are equal to or greater than the requested Contribution;

(d) in the case of the First Contribution, the Project is substantially complete;
(e) in the case of the Second Contribution, the Project is completed and the Recipient has completed Section 9 – Update of the Project Completion Report as attached in Schedule D;

(f) in the case of the Second Contribution, the Recipient has completed and submitted to FCM, and obtained FCM approval of, the Environmental Results Report in the form of Schedule E;

(g) in the case of the Second Contribution, the Recipient shall provide evidence in the form of a photograph, of having affixed, in content, form and manner acceptable to FCM and in compliance with Schedule F, a plaque or other similar signage in a conspicuous location on or about the properties of the Project acknowledging the contribution of FCM, the GMF and the GoC to the completion of the Project;

(h) in the case of the Second Contribution, the Recipient has delivered to FCM a summary of expenses, supported by invoices and receipts, evidencing, in a manner satisfactory to FCM that the Recipient has incurred Eligible Costs for preparing the Environmental Results Report and for affixing Signage that are equal to or greater than the requested Contribution;

(i) in the case of each Contribution, the Recipient is in full compliance with this Agreement and the Project Loan Agreement and the Project Grant Agreement are in full force and effect;

(j) in the case of each Contribution, the Recipient has obtained, or has made other arrangements satisfactory to FCM for obtaining, all approvals, consents, authorizations and licences that are required from the Province of Ontario in order for the Recipient to enter into and comply with this Agreement and has provided FCM with satisfactory evidence thereof;

(k) in the case of each Contribution, the representations and warranties confirmed or made in Article IV shall be true with the same effect as though such representations and warranties have been made on and as of the date of the Contribution;

(l) in the case of each Contribution, all covenants and other obligations of the Recipient to be performed or complied with as of the date of the Contribution shall have been performed or complied with as of the date of the Contribution;

(m) in the case of each Contribution, no act or thing which, in the determination of FCM, does or may materially and adversely affect the Project or the ability of the Recipient to perform its obligations under this Agreement and the Project shall have occurred; and

(n) in the case of each Contribution, the Recipient has delivered to FCM a completed Request for Contribution in the form of Schedule C.

Each of the foregoing conditions is included for the benefit of FCM and may be waived in whole or in part at FCM’s sole option by notice to the Recipient.
ARTICLE IV
Representations and Warranties

Section 4.01. Representations and Warranties. The Recipient represents and warrants:

(a) that it is a duly established municipal corporation under the laws of the Province of Ontario and has the legal power and authority to enter into, and perform its obligations under this Agreement;

(b) that this Agreement has been duly authorized and executed by it and constitutes a valid and binding obligation of the Recipient, enforceable against it in accordance with its terms;

(c) that neither the making of this Agreement nor the compliance with its terms will conflict with or result in the breach of any of the terms, conditions or provisions of, or constitute a default under any indenture, debenture, agreement or other instrument or arrangement to which the Recipient is a party or by which it is bound, or violate any of the terms or provisions of the Recipient’s constitutional documents or any license, approval, consent, judgment, decree or order or any statute, rule or regulation applicable to the Recipient; and

(d) that no litigation, arbitration or administrative proceedings are current or pending or have been threatened, and so far as the Recipient is aware no claim has been made, which is likely to have an adverse effect on its obligations under this Agreement.

ARTICLE V
Covenants

Section 5.01. Affirmative Covenants. The Recipient shall:

(a) use the Grant only for the purposes set out in section 2.01;

(b) carry out the Project, including the obligations of the Recipient set out in this Agreement in connection with the Project, and conduct the activities thereof in compliance with all applicable laws and regulations and, without restricting the generality of the foregoing, in compliance with all applicable environmental, health and safety laws of the Province of Ontario and of Canada;

(c) perform the Project, including the obligations of the Recipient set out in this Agreement in connection with the Project, with due diligence and efficiency and in accordance with sound engineering, financial and business practices; maintain its accounts, management information and cost control system and books of accounts adequately to reflect truly and fairly the financial condition of the Project and to conform to GAAP; and
(d) upon FCM’s request with reasonable prior notice to the Recipient and subject to applicable privacy legislation, permit representatives of FCM, during normal office hours of the Recipient, to visit any of the premises where the Project activities are conducted and to have reasonable and supervised access to the Recipient’s books of accounts and records relating to the Project and the obligations of the Recipient set out in this Agreement in connection with the Project and permit FCM to communicate directly with the Recipient’s external auditors regarding the Recipient’s accounts and operations relating to the Project and the requirements set out in this Agreement in connection with the Project.

Section 5.02. Negative Covenants. Unless FCM shall otherwise agree in writing, the Recipient shall not:

(a) use the Contributions for expenditures that are not Eligible Costs;

(b) make any material change to the nature or scope of the Project; and

(c) sell, assign, transfer, lease, exchange or otherwise dispose of, or contract to sell, assign, transfer, lease, exchange or otherwise dispose of, any of the properties of the Project, whether now owned or hereafter acquired, and whether to a private partner of the Recipient or otherwise, except if provided for in Schedule A.

Section 5.03. Continuing Information Requirements. The Recipient shall, at its cost, provide to FCM the following information, in form and substance satisfactory to FCM:

(a) prompt notice of any proposed change in the nature or scope of the legal status of the Recipient and of any other event or condition which might materially and adversely affect the carrying out of the Project by the Recipient or the performance of its obligations under this Agreement;

(b) prompt notice of any litigation or administrative proceedings, together with copies of any written legal documents as FCM may request, excluding documents protected by solicitor-client or litigation privilege, before any court or arbitral body or other authority which might materially and adversely affect the Project or the ability of the Recipient to perform its obligations under this Agreement and the Project; and

(c) such other information as FCM may from time to time by notice to the Recipient reasonably request.

ARTICLE VI
Termination

Section 6.01. Termination of Agreement by FCM. FCM may, on not less than thirty (30) days prior notice to the Recipient, terminate this Agreement if the Recipient fails to meet any of the Conditions of Contribution provided in Section 3.01. If the Agreement is so terminated, the liability of FCM for any unadvanced portion of the Grant Amount shall be limited to an amount that, in the sole opinion of FCM, is a reasonable contribution for
the Recipient’s partial performance of its obligations under this Agreement to the date on which FCM gives the notice of termination to the Recipient.

**Section 6.02. Termination of the Agreement by the Recipient.** The Recipient may, on not less than thirty (30) days prior notice to FCM, terminate this Agreement. If the Agreement is so terminated, the Recipient shall pay back to FCM, on or before the date of termination, any portion of the Grant Amount that was advanced by FCM to the Recipient.

**ARTICLE VII**

**Miscellaneous Provisions**

**Section 7.01. Publications.**

(a) The Recipient shall recognize and state in an appropriate manner, as approved by FCM, the support offered by GMF concerning the Project and the contribution of the GoC to the GMF. Unless the Recipient has received written notice to the contrary from FCM, the following shall be incorporated into the reports and other documents produced by the Recipient in connection with the Project:

“This project was carried out with assistance from the Green Municipal Fund, a Fund financed by the Government of Canada and administered by the Federation of Canadian Municipalities. Notwithstanding this support, the views expressed are the personal views of the authors, and the Federation of Canadian Municipalities and the Government of Canada accept no responsibility for them.”

(b) Copyright in all reports and other documents prepared in connection with this Agreement or the Project by or on behalf of the Recipient shall vest in the Recipient, provided that each of GoC and FCM shall have the full right, without any royalty or other fee being payable, to at any time or times publish or otherwise use all or any part of such reports and other documents, as well as any information that is in any way connected with this Agreement or the Project;

(c) The provisions of this Section 7.01 shall survive termination of this Agreement.

**Section 7.02. Communication.** The Recipient shall comply with any guidelines for the planning of communications and the respective roles of the Recipient and of FCM in the coordination and implementation of a communications strategy relating to the Project, during the term of this Agreement and for five (5) years following termination hereof. The Recipient also agrees subject to all applicable privacy legislation to cooperate in providing reasonable information on the Project to other interested persons such as Canadian municipalities, their associated partners and environmental sector professionals.

**Section 7.04. Notices and Requests.** Any notice, demand, request or other communication to be given or made under this Agreement to FCM or to the Recipient shall be in writing and may be made or given by personal delivery, by ordinary mail, by facsimile or by electronic mail, addressed as follows:
To the Recipient:

City of Hamilton
Transit Division
2200 Upper James Street, RR1
Mount Hope, Ontario
L0R 1W0

Attention: Mr. Don Hull
Director of Transit

- telephone: 905-546-2424 ext. 1860
- by facsimile: 905-679-7303
- by electronic mail: dhull@hamilton.ca

To FCM:

Federation of Canadian Municipalities
24 Clarence Street
Ottawa, Ontario
K1N 5P3

Attention: Mr. Jim Wren
Project Officer - Contracts

- telephone: 613-907-6373
- by facsimile: 613-244-1515
- by electronic mail: jwren@fcm.ca

Any notice, demand, request or other communications made or given by personal delivery shall be deemed to have been made or given on the day of actual delivery thereof, and if made or given by ordinary mail, on the 3rd Business Day following the deposit thereof in the mail, and if made or given by facsimile transmission or by electronic mail, on the 1st Business Day following the transmittal thereof. If the party giving any notice, demand, request or other communications knows or reasonably ought to know of any difficulties with the postal system that might affect the delivery of mail, such notice, demand, request or other communications shall not be mailed, but shall be given by personal delivery, facsimile transmission or electronic mail.

Section 7.05. Non-liability of FCM and Indemnification by the Recipient.

(a) by accepting or approving anything required to be accepted or approved by FCM pursuant to this Agreement or the Project, FCM shall not be deemed to have warranted or represented the sufficiency, legality, effectiveness or legal effect of the same, or of any term, provision or condition thereof, and such acceptance or approval thereof shall not constitute a warranty or representation to anyone with respect thereto by FCM;
the relationship between the Recipient and FCM is, and shall at all times be and remain, that of a recipient and a grantor. FCM shall not under any circumstances be construed to be a partner or joint venturer of the Recipient or any of its Project team. FCM shall under no circumstance be deemed to be in a relationship of confidence or trust or a fiduciary relationship with the Recipient or any of its Project team. FCM does not undertake or assume any responsibility or duty to the Recipient or any of its Project team to select, review, inspect, supervise, pass judgment upon, or inform the Recipient or any of its Project team of any matter in connection with the Project; the Recipient and its Project team shall rely entirely upon their own judgment with respect to such matters; and any review, inspection, supervision, exercise of judgment or supply of information undertaken or assumed by FCM in connection with such matters is solely for the protection of FCM and GMF and neither the Recipient nor any other person is entitled to rely thereon;

c) FCM shall not be responsible or liable to any person for any loss, damage, liability or claim of any kind relating to injury or death to persons or damage to property caused by the actions, inaction or negligence of the Recipient and/or its Project team; and

d) the Recipient shall indemnify and save harmless FCM from and against all claims, demands, actions and costs, whatsoever that may arise out of the performance by the Recipient and/or by any member of its Project team, of the Project and of this Agreement or by reason of any matter or thing done by the Recipient, by members of its Project team, or by their employees or agents, whether occasioned by negligence or otherwise. Such indemnification shall survive termination of this Agreement.

Section 7.06. FCM’s Limited Liability. FCM has executed this Agreement solely in its capacity as trustee of the GMF and not in its own capacity. Accordingly, recourse with respect to any liability or obligation of FCM in connection with this Agreement shall be limited only to the property and assets of the GMF and neither FCM nor any director, officer, employee or affiliate thereof shall have any personal liability therefor.

Section 7.07. Further Assurances. The Recipient shall promptly execute and deliver, upon request by FCM, all such other and further documents, agreements, opinions, certificates and instruments as may be reasonably required by FCM to more fully state the obligations of either party to this Agreement or to make any recording, file any notice or obtain any consent.

Section 7.08. Amendment. Any amendment of any provision of this Agreement, including the Schedules, must be in writing and signed by both parties.

Section 7.09. Choice of Language. It is the express wish of the parties that this Agreement and any related documents be drawn up and executed in English. Les parties reconnaissent avoir exigé que la présente convention et tous les documents annexes soient rédigés en anglais.
Section 7.10. **Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.

Section 7.11. **Choice of Forum.** The parties hereto agree and intend that the proper and exclusive forum for any litigation of any disputes or controversies arising out of or related to this Agreement shall be a Court of competent jurisdiction located in the Province of Ontario, City of Ottawa.

Section 7.12. **Effectiveness.** This Agreement shall continue in force until terminated.

Section 7.13. **Successors and Assigns.** This Agreement shall bind and inure to the benefit of the respective successors and assigns of the parties hereto, except that the Recipient may not assign or otherwise transfer all or any part of its rights or obligations under this Agreement without the prior written consent of FCM. FCM must provide the Recipient with prior written notice with respect to any proposed assignment of this Agreement.

Section 7.14. **Counterparts.** This Agreement may be executed in two counterparts and, in such case, each such counterpart shall be deemed an original, but both of which together shall constitute one and the same agreement.
IN WITNESS WHEREOF, the parties hereto, acting through their duly authorized representatives, have caused this Agreement to be signed in their respective names as of the date first above written.

CITY OF HAMILTON

per: __________________________________________
    Mr. Fred Eisenberger, Mayo

per: __________________________________________
    Mr. Kevin C. Christenson, City Clerk
    We have authority to bind the Recipient herein.

FEDERATION OF CANADIAN MUNICIPALITIES,
as Trustee of the Green Municipal Fund

per: __________________________________________
    Mr. Onno Kremers, Director, National Programs
    I have authority to bind FCM herein
SCHEDULE A

Part 1: Description of the Project

The proposed project involves enhancing Hamilton’s 20 year old Beeline corridor including replacing existing buses with hybrid vehicles and implementing a number of measures to increase ridership in the corridor.

Project Component Initiatives:
- Purchase of five 40-foot Hybrid (Diesel/Electric) Low Floor buses and seven 60-foot Articulated Hybrid Low Floor buses
- Extend hours of operation of Beeline to provide mid-day and evening service
- Using articulated buses to address current capacity shortfalls
- Re-brand Beeline service to promote faster travel speeds and new environmentally-friendly buses
- Implement transit priority measures
- Improve transit stops and terminals
- Promote employers passes and U-Pass
- Implement off-board fare purchase and smart cards (as part of larger project)

Current Fleet Composition:
HSR’s total fleet includes 204 urban transit buses for the conventional transit service. Twelve conventional diesel buses used on the Beeline would be replaced by low floor hybrid (diesel-electric) buses.

Planned Bus Acquisitions:
Five 40-foot Hybrid (Diesel/Electric) Low Floor buses and seven 60-foot Articulated Hybrid Low Floor buses will be delivered in March 2007.

Anticipated GHG Reductions:
Assuming a straight replacement of the existing buses and no service duration increases, the hybrid bus initiative is projected to save approximately 67,500 litres of fuel and 184 tonnes of CO₂ annually. This is based on a 30% fuel savings over a current conventional diesel bus.

Anticipated Social, Environmental and Economic Benefits:
The Beeline connects three major existing nodes including McMaster University, the Central Business District, and Eastgate Square, as well as a future innovation park. Improving service in this corridor will allow more people to access these activities. The Beeline provides travel times that are more competitive with private automobiles and by extending service hours and marketing the service, this project will attract more people to transit. Substantial economic benefits will occur through fuel cost savings and reduced operating and maintenance costs for hybrid buses.
Relationship between Transit Service Improvement and Riderhip Growth Initiatives:

The transit service improvements consisting of service duration extensions and increased bus capacity are directly tied to the riderhip growth initiatives. Specifically, transit priority measures, improved stations and stops, and employer-pass programs are all part of the “new Beeline” package that will be marketed to the public.

The proposed project is also consistent with the recommendations of the Hamilton Transportation Master Plan, which recommends implementation of Bus Rapid Transit throughout the City, with the east-west (Beeline) corridor being identified as the first priority.

Estimated Eligible Costs and Expected Timelines:

The estimated cost of the hybrid bus acquisition is $8.4 million. Other one-time costs are estimated at $150,000. These costs will be incurred in Spring 2007.

The estimated net cost of the riderhip growth initiatives are $1.4 million over three years. Of this, approximately $700,000 is due to the extended service hours. Ridership growth initiatives are planned to be phased in over a three-year period.

Project Management:

The project will be managed by Jim Dahms, Manager of Transit Planning and Customer Service, Hamilton Street Railway.

The Hamilton Street Railway Company ("HSR") is the current registered owner of the subject property (hybrid buses) with respect to the three (3) Agreements discussed above. The HSR is a separately incorporated entity wholly owned by the City of Hamilton. HSR's entire fleet of buses, including the hybrid buses, are being transferred to the City of Hamilton incrementally, as the HSR is pending dissolution.

It is expected that, once completed, the properties of the herein Project will achieve a “General Environmental Benefit”.

Part 2: Description of Eligible Costs

1) The expenditures claimed are subject to audit by FCM upon submission. The amount contributed by GMF may vary as a consequence. No expenditure incurred prior to September 25, 2006, is permitted to be included as an Eligible Cost.
2) In general, Eligible Costs are all necessary direct costs incurred properly and reasonably by the Recipient in connection with preparing the Project Completion Report, Environmental Results Report and affixing Signage and invoiced against a contract for goods and services. Such costs may include salaries, fees or remuneration paid to professional, technical personnel, consultants and contractors directly involved in preparing the Project Completion Report, Environmental Results Report and Signage. In general, the cost of reporting should fall within the ranges provided below.

<table>
<thead>
<tr>
<th>Reporting Requirement</th>
<th>Estimated cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project Completion Report</td>
<td>$2,000 to $7,000</td>
</tr>
<tr>
<td>Environmental Results Report</td>
<td>$10,000 to 20,000</td>
</tr>
<tr>
<td>Signage</td>
<td>Up to $3,000</td>
</tr>
</tbody>
</table>
SCHEDULE B

Form of Certificate of Incumbency and Authority

[LETTERHEAD OF THE RECIPIENT]

Federation of Canadian Municipalities
24 Clarence Street
Ottawa, Ontario
K1N 5P3
Attention: Ms. Andrée Thomas
Application Coordinator

Ladies and Gentlemen:

Re: Green Municipal Fund – Project no. 9458
Grant Agreement dated September 23, 2009 (“Agreement”) between the Federation of Canadian Municipalities (as Trustee/Donor) and the City of Hamilton (“Recipient”)

Certificate of Incumbency and Authority

I, the XXXX of the Recipient, with the authority of its municipal Council, hereby certify that the following are the names, offices and true specimen signatures of the persons, any one of whom is and shall continue to be (until you receive authorized written notice from the Recipient that they, or any of them, no longer continue to be) authorized:

• to sign on behalf of the Recipient a Request for Contribution provided for in the Agreement;
• to sign the certificates provided for in the Agreement; and
• to take, do, sign or execute, in the name of the Recipient, any other action required or permitted to be taken, done, signed or executed under the Agreement and under any other agreement to which you and the Recipient are parties:

<table>
<thead>
<tr>
<th>No.</th>
<th>Name</th>
<th>Specimen Signature</th>
<th>Title</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Mr. Fred Eisenberger</td>
<td></td>
<td>Mayor</td>
</tr>
<tr>
<td>2.</td>
<td>Mr. Kevin C. Christenson</td>
<td></td>
<td>City Clerk</td>
</tr>
</tbody>
</table>

Yours truly,
City of Hamilton
per: ______________________

[Signature]

I have authority to bind the Recipient herein
Ladies and Gentlemen:

Re: Green Municipal Fund – Project no. 9458
Grant Agreement dated September 23, 2009 (“Agreement”) between the Federation of Canadian Municipalities (as Trustee/Donor) and the City of Hamilton (“Recipient”)

Request for Contribution

1. All terms defined in the Agreement shall have the same meanings herein and all references herein to Articles, Sections and subsections are to those Articles, Sections and subsections of the Agreement.

2. The Recipient hereby requests the Contribution of $XXXXXX, on or before __________, 200X, of the following amount, in accordance with the provisions of Section 2.03.

The Recipient requests that such amount be paid to:

   Name of Bank:
   Address of Bank:
   Telephone no. of Bank:
   Bank no.:
   Transit no:
   to the credit of Recipient’s Account no.:

3. The Recipient hereby certifies that:

   (a) after receiving the Contribution, the Recipient will not be in violation of its constitutional documents, any provision contained in any document to which the Recipient is a party (including the Agreement) or by which the Recipient is bound, or any law, rule or regulation directly or indirectly limiting or otherwise restricting the Recipient's ability to receive the Grant;
(b) the representations and warranties confirmed or made in Article IV shall be true on and as of the date of the relevant Contribution with the same effect as though such representations and warranties have been made on and as of the date of such Contribution;

(c) all of the Conditions of Contribution contained in Article III have been satisfied; and

(d) the proceeds of the Contribution hereby requested will be applied exclusively to the Grant purpose specified in Section 2.01.

4. The certifications in paragraph three (3) above are effective as of the date of this Request for Contribution and will continue to be effective as of the date of Contribution. If any of these certifications is no longer valid as of or prior to the date of the Contribution hereby requested, the Recipient will immediately notify FCM.

Yours truly,
City of Hamilton

by ______________________
Authorized Representative*

*As named in the Recipient's last Certificate of Incumbency and Authority
SCHEDULE D

Project Completion Report

Writers’ Guidelines for Project Completion Reports

1. Overview

Project completion reports are intended to summarize projects funded by FCM’s Green Municipal Fund (GMF). These guidelines are provided to assist writers in preparing project completion reports on behalf of project participants. While project completion reports fulfill a reporting requirement for FCM, the information they contain may be useful to other municipalities. As such, FCM may share these reports with other municipal decision makers who have the authority to authorize and encourage sustainability initiatives. For simplicity, the lead municipality or municipal partner is referred to throughout as the “Recipient.” Similarly, the term “project” is used to describe all types of projects, including new infrastructure, programs, and others.

2. Length

Reports should be between eight and 15 pages long. Complex projects may require longer reports. While there are no maximum word counts for each section, the most pertinent sections of the reports should be given more weight:

- Section 5 – Environmental benefits of the project
- Section 7 – Lessons learned
- Section 9 – Update

3. Style

Project completion reports may be shared with municipal decision makers in other Canadian municipalities. These may be council members or senior staff. Writers must assume a low to moderate level of technical knowledge and a preference for clear, direct and focused writing.

Please adhere to the following plain language guidelines:

- Clarity: Use the clearest words possible (see Word Choice, below). Avoid long sentences (more than 30 words).
- Jargon: Define the meaning of technical terms (jargon) that you may need to use in the report. If there is a lot of technical terminology, you could include a glossary. Only do so if at least 15 words need to be defined. Otherwise, define the terms in the report, on first use.
- Voice: Use the third person and generally use the active voice. Sentences in active voice are usually clearer, more direct and more concise than those in passive voice.
- Word choice: Complex words, however precise, may need to be replaced by several simpler words.
The following guidelines describe the type of information and details required in each section of the project completion report.

Section 1 – Project and community context

This section summarizes the purpose and motivation for undertaking the project.

- Describe the objective of the project and the factors that led to it. Was the project undertaken following a previous feasibility study or pilot project? What problem(s) did the project hope to solve?
- Describe how the project relates to existing sustainability plans, practices, policies or programs within the municipality (or as adopted by the Recipient).
- If the entity that has received the funding is not a municipality, describe or profile the Recipient. Describe the factors that led to the Recipient’s involvement in the project.
- Provide a short (three- to four-sentence) description of the community in which the project took place. Include such factors as population, major economic drivers, and other significant aspects (e.g. tourism-based economy). Such information can be obtained from the Community Profiles section of the Statistics Canada website at <www.statcan.ca>.

Section 2 – Project team

This section identifies the participants in the project.

- Identify the principal contact and provide his or her contact information.
- Describe the implementation team. Who is on the team? Why are they involved?
- If there is a project champion, identify that person and describe how his or her input helped the project. (Note: A project champion is someone such as a senior manager or elected official whose support raised the profile of the project and who was critical to its success.)
- If members of the community were involved in the project (e.g, through a public participation exercise), explain how and the impact this had on the project.

Section 3 – Project implementation

This section describes how and when the project was implemented.

- Include the duration of the project. How many months did it take to build or develop the project? How long did it take (in months) to complete the whole project, from the time it began (initial planning) to the time it was completed (project commissioning)?
• Describe any new technology or new approach (e.g. full-cost accounting) used in the project. Outline the benefits and drawbacks of using this new technology or approach.

• Indicate whether the project was implemented as outlined and expected in the GMF funding proposal. If there were substantial changes to the implementation plan, identify them and explain why they happened (e.g. bad weather delays, labour strife, challenges getting the new system to operate correctly, etc.). Describe the effects of any changes on the project (e.g. higher overall costs, less time allotted for a particular stage of the project, more staff training required, etc.).

Section 4 – Project budget and financing

This section describes the project budget, including the project cost and financing.

• Identify the cost of the project and how it is being financed (e.g. tax increases, user fees, capital budget, etc.). Indicate when the Recipient expects the costs to be paid in full.

• Describe how the project costs compare to existing or similar projects in the community, if known.

Section 5 – Environmental benefits of the project

This section describes the environmental benefits of the project.

• Describe, in quantitative but non-technical terms, the environmental benefits associated with the completed project. Note: If the benefits cannot be identified or calculated when the project is completed, the Recipient must report on the environmental benefits after the project has been in operation, in accordance with the contractual agreement. For more information, see Section 9, Update.

Section 6 – Social and economic benefits of the project

This section describes the social and economic benefits of the project.

• Describe, if known, the social benefits of the project. Social benefits may include improved health, community revitalization, heritage conservation, quality of life improvements and greater public safety, among others. If the information is available, include quantifiable and measurable benefits, such as fewer recorded smog days.

• Describe, if known, the economic benefits of the project. Economic benefits may include financial savings the Recipient expects as a result of the project (e.g. reduced energy use leading to lower operating costs), or benefits to the community, such as job retention or creation, employment income, increases or decreases in property taxes due to the project, among others.

Section 7 – Lessons learned

This section describes knowledge gained from the project that can be applied to other situations. This knowledge can be acquired through positive experiences (i.e. what worked) or negative experiences (i.e. what didn’t work).
• Describe what the Recipient would do again in the same way (and why), if it were to launch a similar project in the future. Encourage the project team to consider and reflect on all aspects of the implementation of the project as they answer this question.

• Include what the Recipient would do differently (and why), if it were to launch a similar project in the future. Encourage the project team to consider and reflect on all aspects of the implementation of the project as they answer this question.

• Describe any barriers the Recipient encountered during the project and how they were overcome.

• Include any advice the Recipient might give to other communities interested in undertaking this type of project.

• Include any “products” or outputs that could be shared with other communities. For example, a water metering project could result in new municipal bylaws for water use or a series of householder brochures on ways to reduce water use. A new LEED (Leadership in Energy and Environmental Design) building could result in a “green building” policy within a municipality and creation of “green guidelines” for developers. If these kinds of products or outputs have stemmed from the project, identify them and include a hard copy and an electronic copy with the project completion report.

Section 8 – Publicity and photos

This section describes the public recognition the project received.

• Describe any publicity the project has received. Has the project won any awards? Has it been recognized by other organizations or had significant media coverage? Did it garner public support?

• Provide at least five photographs that depict different aspects of the completed project. Additional photos are welcome. The photos must be in jpeg or tiff format, at least 300 dpi, and a minimum of two inches square (larger photographs are acceptable).

Section 9 – Update

This section does not form part of original project completion report. Once the project has been in operation, the contractual agreement requires the Recipient to submit information to verify the environmental benefits achieved by the project. At this time, the Recipient must also provide an update to the project completion report.

The update must include the following information:

• Actual environmental, economic and social benefits achieved by the project, based on its operation as opposed to its implementation. If there is no change to the information previously provided, the Recipient must advise FCM of this.

• Lessons learned from the operation of the project (in contrast to the lessons learned during the implementation of the project, as reported in Section 7).
SCHEDULE E

Environmental Results Report

2006 TRANSPORTATION RFP

A greenhouse gas (GHG) reduction report, defined as:

A report quantifying the actual greenhouse reductions attributable to the project activities, as described in the project’s Detailed Proposal (Part B), relating to:

1. the first year of operation of the hybrid diesel-electric public transit buses acquired with GMF financing; and
2. the increased ridership due to the programs or infrastructure that improve public transit service and encourage ridership growth initiate with GMF financing.

All reports must include a direct comparison of the actual GHG emissions reductions reduction achieved by the project to the GHG emissions reductions projected in the Detailed Proposal (Part B).

Recipients may use GHG reduction reports previously prepared to fulfill municipal, provincial or other reporting needs where such reports are available, appropriate and meet the reporting requirements described in this Agreement. However, for all projects the quantification of GHG reductions must be based upon:

- actual monitored data, obtained using an appropriate monitoring and sampling plan and proper data management practices;
- a detailed description of the project and baseline scenarios (related to the descriptions in the project’s Detailed Proposal (Part B), including an appropriate identification of all the relevant GHG sources in each;
- an appropriate quantification methodology for the project, initiative or technology in use.

Applicants are strongly encouraged to base their reports on accepted and/or best practice methodologies and to have their reports prepared by transportation or GHG quantification experts. Examples of GHG methodologies include:

- ISO standard for project emissions (ISO 14064:2 - Specification with guidance at the project level for quantification, monitoring and reporting of greenhouse gas emission reductions or removal enhancements, www.iso.org); or

The Team program also compiles a list of qualified GHG quantification organisations (http://team.gc.ca/english-smart/consultants.asp).
SCHEDULE F

Project Signage Specifications

1. Onsite recognition during construction or implementation

For field tests and capital projects, FCM requests that GMF assistance is recognized wherever other funders are recognized during the construction or implementation phase. This may include signage at construction sites or on vehicles and equipment. This should be done through use of the FCM logo.

2. Recognition on buildings, vehicles and equipment

For capital projects, loan and grant recipients must recognize GMF assistance through permanent signage. This may take the form of an appropriately placed plaque on buildings accessible to the public, or decals or other lettering on vehicles or equipment visible to the public. The signage must be made of a durable material that is suitable to weather exposure. The signage must include the FCM logo combined with the text below. The FCM logo should be at least fifteen centimeters wide. The text must be at a least 40-point font.

This project was carried out with assistance from the Federation of Canadian Municipalities’ Green Municipal Fund, an endowment created by the Government of Canada.

3. Use of the FCM logo

High resolution logos will be supplied by FCM staff. The logo must never be reproduced less than four centimeters wide.

Colour signage is not required, but where colour is used, the official FCM corporate colours must be applied. The corporate colours for the FCM logo are Pantone 202 (burgundy) and Pantone 350 (green).

PMS 202 in CMYK 100 Magenta 65 Yellow 47 Black
PMS 350 in CMYK 79 Cyan 87 Yellow 76 Black

4. Questions

FCM’s Green Municipal Fund provides assistance to many different kinds of projects. These guidelines may not anticipate all potential forms of recognition. To discuss specific applications of these guidelines, please contact communications staff at the FCM Centre for Sustainable Community Development (613-907-6299, sustainable@fcm.ca).
CITY OF HAMILTON

BY-LAW NO. __________

To Authorize the Execution of an Agreement between the City of Hamilton and THE FEDERATION OF CANADIAN MUNICIPALITIES, as Trustee of the Green Municipal Fund.

WHEREAS The City of Hamilton is entitled to enter into an agreement to provide services under a program established and administered by the Province of Ontario pursuant to Section 22 subsection (1) of the Municipal Act, 2001;

AND WHEREAS the Council of the City of Hamilton deems it advisable to enter into agreements with THE FEDERATION OF CANADIAN MUNICIPALITIES, as Trustee of the Green Municipal Fund, Transit Program having won $300,000 in the form of a grant plus a $2.49 million low interest loan through the Green Municipal Fund.

NOW THEREFORE the Council of the City of Hamilton enacts as follows:

1. That Council hereby authorizes the Mayor and Clerks to sign agreements between the City of Hamilton with Green Municipal Fund, pursuant to the terms and conditions set out in as per the attachment hereto and forming part of this bylaw.

2. That this bylaw shall come into effect upon its passing; the Loan/Grant and Reporting Agreements with FCM.
3. That this bylaw may be cited for all purposes as “City of Hamilton/TH\EFEDERATION OF CANADIAN MUNICIPALITIES, as Trustee of the Green Municipal Fund Bylaw XX-XXX.”

PASSED and ENACTED this _____ day of September, 2009.

_________________________  __________________________
MAYOR                          CITY CLERK