January 29, 2010

Fred Eisenberger
Mayor
City of Hamilton
77 James Street North, Suite 230
Hamilton, ON L8R 2K3

Dear Mayor Eisenberger,

With the term of the original Gas Tax Agreement now behind us, AMO is pleased to fulfill a commitment made in 2005: to issue a one-time payout to municipalities of the interest accumulated over the 2005-2009 term.

This interest was mainly accrued in 2005 while municipalities were executing Municipal Funding Agreements with AMO. In keeping with the initial agreement, these funds are being distributed on a per capita basis using population data from the 2001 Census, and are to be used for projects that are eligible under the Gas Tax Fund.

The success of the program is largely due to your efforts. To date, the Gas Tax Fund has enabled our municipal governments to invest over $600 million in more than 1600 infrastructure projects that contribute to community sustainability.

With our Agreement now extended, municipalities can continue to rely on this stable, predictable and long-term source of revenue until 2014. The 2008 federal budget committed to making the Gas Tax Fund permanent, and AMO continues to work towards this goal.

Should you have any questions please contact Judy Dezell, Manager - Federal Gas Tax Fund, at jdezell@amo.on.ca or 416-971-9856, extension 306. Thank you again for your efforts on building sustainable municipalities throughout Ontario.

Regards,

Peter Hume
President

C: Michael Zegarac, Senior Financial Analyst
   The Honourable Jim Bradley, Minister of Municipal Affairs & Housing, Province of Ontario
   The Honourable John Baird, Minister of Transport, Infrastructure and Communities, Government of Canada
PAY One Hundred Two Thousand Three Hundred Two Dollars And 40 Cent $ 102,302.40

TO THE ORDER OF

77 James Street North
Box 2040, LCD1
Hamilton ON L8N 0A3

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$102,302.40