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TO:	CHAIR AND MEMBERS CORPORATE SERVICES COMMITTEE JUNE 15, 2015
FROM:	MARTIN HAYWARD MANAGING DIRECTOR, CORPORATE SERVICES AND CITY TREASURER, CHIEF FINANCIAL OFFICER
SUBJECT:	GREEN MUNICIPAL FUND — COMBINED LOAN AND GRANT AGREEMENT

RECOMMENDATIONS

That, on the recommendation of the Managing Director, Corporate Services and City Treasurer, Chief Financial Officer, the following action be taken with respect to the agreement between the Federation of Canadian Municipalities and The Corporation of the City of London as it relates to the provision of funding under the Green Municipal Fund program:

- a) the attached by-law **BE INTRODUCED** at the Municipal Council meeting of June 25, 2015 to authorize the Mayor and City Clerk to execute the Combined Loan and Grant Agreement between the Federation of Canadian Municipalities and The Corporation of the City of London.

PREVIOUS REPORTS PERTINENT TO THIS MATTER
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Relevant reports that can be found at www.london.ca under City Hall (meetings) include:

- Single Source 2013 Facility Renewal and Energy Retrofit Program Phase IV (June 18, 2013 meeting of the Corporate Services Committee, Agenda Item #2)

BACKGROUND

Context

On June 25, 2013, City Council provided final approval for the scope of work for the 2013 Facility Renewal and Energy Retrofit Program Phase IV project at the Canada Games Aquatic Centre (CGAC).

Civic staff noted in the June 18, 2013 report to the Corporate Services Committee that all available financing and rebate opportunities offered by the utility providers, for which the project might qualify, would be pursued. It was further noted that the project was well positioned to qualify for funding assistance through the Green Municipal Fund (GMF) program for which the Federation of Canadian Municipalities (FCM) is the trustee.

Discussion

The City of London has successfully applied for over \$160,000 worth of incentives through the programs administered by the utility providers based on the energy efficiencies associated with this project. Over \$65,000 of these approved incentives has been received to date with the balance receivable upon completion of measurement and verification requirements relating to the combined heat and power measure.

Furthermore, the City of London's application for financial support to the FCM under the GMF program was successful and is the subject of this report. The City of London has been approved for a loan in the amount of up to \$3,048,000 combined with a grant in the amount of up to \$304,800.

The purpose of this report is to introduce the Combined Loan and Grant (Agreement) between the FCM and the City of London (see Schedule A) and to request a resolution and by-law (see Appendix A) from Council to allow the Mayor and Clerk to act on behalf of the City and sign the

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Agreement. Note that the entire Agreement, including its Schedules A to J, are attached to this report, however only the Agreement and its Schedules A and C are currently required by FCM. Many of the remaining schedules are incomplete at this time, but they will be completed, approved by Council as necessary, and advanced to FCM, after the full project scope is completed, which is currently scheduled for early July 2015. The Agreement has been reviewed by the Risk Management Division and they do not have any reservations. The law firm of Borden, Ladner and Gervais LLP (BLG), who the City engages as the City's external legal counsel for financing agreements, also reviewed this Agreement and did not express any reservations. BLG will provide assistance with executing the remaining schedules in the Agreement and with the Form of Borrowing By law (Schedule F of the Agreement) when it is required sometime in September 2015.


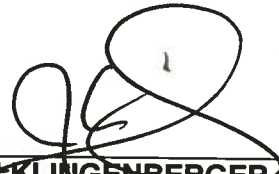
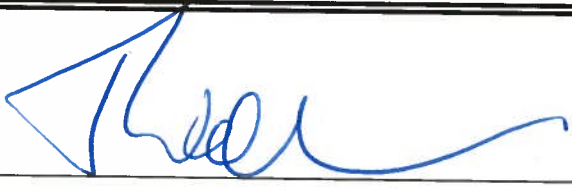

Conclusion:

The lifecycle renewal and energy retrofit project at the Canada Games Aquatic Centre which included the replacement of the major process and heating ventilation and air conditioning equipment successfully attracted a significant amount of financial support from both the utility providers and FCM owing to the expected energy efficiencies resulting from the project. In order to access the funds offered by the FCM under its GMF program, the City of London must enter into the attached Agreement.

This report requests a resolution and by-law from Council to allow the Mayor and Clerk to act on behalf of the City and execute the Agreement with the Federation of Canadian Municipalities.

ACKNOWLEDGEMENTS

This report was prepared with the assistance of Annette Ripepi: Manager, Accounting & Reporting, Financial Planning & Policy.

PREPARED BY:	PREPARED AND SUBMITTED BY:
	
STEVEN MACDONALD CORPORATE ENERGY MANAGEMENT ENGINEER, FACILITIES	JIM KLINGENBERGER MANAGER, FACILITIES ASSETS, ENERGY & RELIABILITY
REVIEWED & RECOMMENDED BY:	RECOMMENDED BY:
	
TIM WELLHAUSER DIVISION MANAGER, FACILITIES	MARTIN HAYWARD MANAGING DIRECTOR, CORPORATE SERVICES AND CITY TREASURER, CHIEF FINANCIAL OFFICER

Appendix A: Proposed By-Law to approve the Execution of the Combined Loan and Grant Agreement between the Federation of Canadian Municipalities and The Corporation of the City of London

Schedule A: Combined Loan and Grant Agreement between the Federation of Canadian Municipalities and The Corporation of the City of London

cc: Annette Ripepi: Manager, Accounting & Reporting, Financial Planning & Policy
 Alan Dunbar: Manager, Financial Planning & Policy
 John Freeman: Manager, Purchasing and Supply

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APPENDIX A

Bill No.

By-law No.

A By-law to approve the Combined Loan and Grant Agreement with the Federation of Canadian Municipalities for the purpose of securing a loan and grant from the Green Municipal Fund in support of the 2013 Facility Renewal and Energy Retrofit Program Phase IV project at the Canada Games Aquatic Centre; and to authorize the Mayor and City Clerk to act on behalf the City of London and execute the Agreement.

WHEREAS section 2 of the Municipal Act, 2001, S.O. 2001, c.25, as amended, provides that municipalities are created by the Province of Ontario to be responsible and accountable governments with respect to matters within their jurisdiction and each municipality is given powers and duties under this Act and many other Acts for the purpose of providing good government with respect to those matters;

AND WHEREAS section 9 of the Municipal Act, 2001 provides that a municipality has the capacity, rights, powers and privileges of a natural person for the purpose of exercising its authority under this or any other Act;

AND WHEREAS section 10 of the Municipal Act, 2001 provides that a municipality may provide any service or thing that the municipality considers necessary or desirable for the public; and may pass by-laws respecting economic, social and environmental well-being of the municipality, and may pass by-laws respecting services and 'things the municipality is authorized to provide';

AND WHEREAS subsection 5(3) of the Municipal Act, 2001 provides that a municipal power shall be exercised by by-law:

NOW THEREFORE the Municipal Council of The Corporation of the City of London enacts as follows:

1. The Combined Loan and Grant Agreement, attached as Schedule A, to be entered into between The Corporation of the City of London and the Federation of Canadian Municipalities for the purpose of providing a loan and grant under the Green Municipal Fund, this By-law, is approved.
2. The Mayor and the City Clerk are authorized to execute the agreement approved under section 1 above.
3. This by-law shall come into force and effect on the day it is passed.

PASSED in Open Council June 25, 2015.

Matt Brown
Mayor

Catharine Saunders
City Clerk

First reading – June 25, 2015
Second reading – June 25, 2015
Third reading – June 25, 2015

Agenda Item # Page #

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SCHEDULE A

GREEN MUNICIPAL FUND (GMF)

Project No.: 13033

Project Title: The City of London's Canada Games Aquatic Centre Renewal and Energy Retrofit

Combined Loan and Grant Agreement

Capital Projects - Municipalities

Between

THE CORPORATION OF THE CITY OF LONDON

- 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.: 13033

LOAN AND GRANT AGREEMENT

THIS AGREEMENT is effective as of the date of last signature on the signature page.

BETWEEN:

THE CORPORATION OF THE CITY OF LONDON

(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 a loan and a grant for the long-term financing of a municipal environmental project which has been approved by FCM;
- D. FCM, in its capacity as trustee of GMF, has agreed to provide the Borrower with a long-term loan and with a grant for the aforesaid municipal environmental project; and
- E. this Agreement contains the terms for the administration and remittance of the loan by FCM to the Borrower, the use of the loan and the grant by the Borrower and the repayment of the loan by the Borrower to FCM.

NOW THEREFORE, the parties hereby agree as follows:

**ARTICLE 1
DEFINITIONS AND SCHEDULES**

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

"Act" means the *Municipal Act, 2001* (Ontario), as amended from time to time;

"Audit Report" means the audit report attached as Part 2 of Schedule E;

"Authorizing By-law(s)" has the meaning provided in Section 5.01;

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“**Borrowing By-law**” means the by-law of the Borrower substantially in the form attached hereto as Schedule K, incorporating such additional information as may be required by FCM to properly record the making of the Loan Disbursement on the terms and conditions of this Agreement;

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

“**Certificate of Financial and Debt Compliance**” means the certificate attached as Schedule J;

“**Certificate of Incumbency and Authority**” means the certificate attached as Schedule C;

“**Debenture**” means the debenture in the Form of Borrowing By-law attached hereto as Schedule K and has the meaning provided in Section 2.05(b);

“**Eligible Costs**” has the meaning provided in Part 2 of Schedule A;

“**Environmental Results Report**” means the environmental results report attached as Schedule H;

“**Events of Default**” means the events specified or referred to in Section 7.01;

“**Financial Audit**” means an audit of the Borrower’s Statement of Expenses set forth in Part 3 of Schedule E relating to the Project which is to be conducted at or after the time the Project is Substantially Performed, as defined below. The financial audit shall be carried out by an independent public accountant acceptable to FCM in accordance with GAAP and the scope of the financial audit outlined in Part 1 of Schedule E. The financial audit shall be completed and submitted with the Statement of Expenses set forth in Part 3 of Schedule E and otherwise in the form of the Audit Report set forth in Part 2 of Schedule E;

“**Final Grant Contribution**” has the meaning provided in Section 3.04;

“**Final Grant Contribution Date**” has the meaning provided in Section 3.04;

“**First Grant Contribution**” has the meaning provided in Section 3.04;

“**First Grant Contribution Date**” has the meaning provided in Section 3.04;

“**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;

“**GMF Application Form**” means all the information, documents and reports provided by or on behalf of the Borrower to FCM from the beginning of the GMF funding application process until signature of this Agreement, including but not limited to the information provided through the GMF online application form, emails and supporting information provided in the form of schedules to the GMF online application form;

“**Grant**” means the grant of funds by FCM to the Borrower as contemplated by this Agreement;

“**Grant Amount**” means the amount of the grant made by FCM to the Borrower, up to the maximum amount set forth in Section 3.02;

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“**Grant Expiration Date**” has the meaning provided in Section 3.03;

“**Loan**” means the loan of funds by FCM to the Borrower as contemplated by this Agreement;

“**Loan Disbursement**” has the meaning provided in Section 2.05;

“**Loan Disbursement Date**” has the meaning provided in Section 2.05;

“**Loan Expiration Date**” has the meaning provided in Section 2.04;

“**Principal Amount of the Loan**” means the principal amount of the loan made by FCM to the Borrower, 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 Date**” has the meaning provided in Section 2.03;

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

“**Project Progress Report**” means the project progress report attached as Schedule F;

“**Request for Loan Disbursement and/or Grant Contribution**” means the request for loan disbursement and/or grant contribution attached as Schedule B;

“**Signage**” means a plaque and/or other signage in compliance with the specifications outlined in Schedule I;

“**Statement of Expenses**” means the statement of expenses attached as Part 3 to Schedule E;

“**Substantially Performed**” means the Project is substantially complete, ready for use or is being used for the purposes intended; and

“**Term**” shall begin on the Loan Disbursement Date and end on such date which is one hundred and twenty (120) months after the Loan Disbursement Date.

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 Budgeted Project Costs
- Part 3: Particulars of the Sources of Funding

Schedule B: Form of Request for Loan Disbursement and/or Grant Contribution

Schedule C: Form of Borrower’s Certificate of Incumbency and Authority

Schedule D: Form of Legal Opinion

Schedule E: Audit Requirements

- Part 1: Scope of Financial Audit

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Part 2: Form of Audit Report

Part 3: Form of Statement of Expenses

Schedule F: Form of Project Progress Report

Schedule G: Form of Project Completion Report

Schedule H: Form of Environmental Results Report

Schedule I: Project Signage Specifications

Schedule J: Form of Certificate of Financial and Debt Compliance

Schedule K: Form of Borrowing By-law

Section 1.03 Interpretation. In this Agreement:

- (a) the division into Sections and the insertion of headings are for convenience of reference only and do not affect the construction or interpretation of this Agreement;
- (b) the expressions "hereof", "herein", "hereto", "hereunder", "hereby" and similar expressions refer to this Agreement and not to any particular portion of this Agreement; and
- (c) unless specified otherwise or the context otherwise requires: (i) references to any Section are references to the Section of this Agreement; (ii) "including" or "includes" means "including (or includes) but is not limited to" and shall not be construed to limit any general statement preceding it to the specific or similar items or matters immediately following it; (iii) references to any legislation, statutory instrument or regulation or a section thereof, unless otherwise specified, is a reference to the legislation, statutory instrument, regulation or section as amended, restated and re-enacted from time to time; (iv) references to currency or to "\$" shall be to lawful currency of Canada; and (v) words in the singular include the plural and vice-versa and words in one gender include all genders.

**ARTICLE 2
THE LOAN**

Section 2.01 Purpose of the Loan. FCM is providing the Loan, to the Borrower, in combination with the Grant for the sole purpose of assisting the Borrower in the performance of the Project and in the preparation of the reports that shall be submitted to FCM pursuant to this Agreement.

Section 2.02 Principal Amount of the Loan. 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 (the "**Principal Amount of the Loan**") that is equal to the lesser of:

- (a) the sum of three million forty-eight thousand dollars (\$3,048,000); or
- (b) seventy-two point seventy-three percent (72.73%) of Eligible Costs;



provided that, if the aggregate amount of funding received or to be received from all sources of funding, other than the Borrower, as described in Part 3 of Schedule A (all as determined and calculated by FCM) is greater than the total costs incurred by the Borrower in respect of the Project, as evidenced by the delivery contemplated in the form of Part 2 of Schedule A, then FCM may reduce the Principal Amount of the Loan determined pursuant to this Section 2.02 to such amount as it deems appropriate, in its sole and absolute discretion.

For clarity, the aggregate amount of the Principal Amount of the Loan and the Grant Amount will not exceed the lesser of three million three hundred and fifty-two thousand eight hundred dollars (\$3,352,800) and eighty percent (80%) of Eligible Costs.

Section 2.03 Project Completion Date. The Borrower anticipates that the Project will be Substantially Performed by no later than the 1st day of November, 2014 (the “**Project Completion Date**”). As contemplated by Article 6, the Borrower shall inform FCM as soon as it becomes aware that the Project is not likely to be Substantially Performed by the Project Completion Date.

Section 2.04 Loan Expiration Date. If the Borrower fails to meet the requirements set forth in the Form of Request for Loan Disbursement and/or Grant Contribution and fails to request the Loan Disbursement as provided for in Section 2.05 below before the earlier of:

- a) six (6) months from the Project Completion Date in Section 2.03; or
- b) three (3) years from the date of this Agreement

then FCM may, at its sole and absolute discretion and on notice to the Borrower, forthwith terminate this Agreement.

Section 2.05 Loan Disbursement. Subsequent to the Project being Substantially Performed, the Borrower shall request the disbursement of the Principal Amount of the Loan determined pursuant to Section 2.02 (the “**Loan Disbursement**”) by delivering to FCM a completed Request for Loan Disbursement and/or Grant Contribution, which conditions shall be satisfied to the satisfaction of FCM, at least thirty (30) days before the date of the Loan Disbursement set out therein, if the Loan Disbursement requested is equal to or less than two million dollars (\$2,000,000) and at least sixty (60) days before the date of the Loan Disbursement set out therein if the Loan Disbursement requested is greater than two million dollars (\$2,000,000) (the “**Loan Disbursement Date**”). Provided that the requirements set forth in the Form of Request for Loan Disbursement and/or Grant Contribution have been met as of the Loan Disbursement Date, FCM shall:

- (a) calculate the Principal Amount of the Loan and, therefore, the amount of the Loan Disbursement, in the manner contemplated by Section 2.02 and provide written notice thereof as well as an amortization schedule to the Borrower not less than five (5) Business Days immediately preceding the date of the passing of the Borrowing By-law and not less than fifteen (15) Business Days prior to the Loan Disbursement Date; and
- (b) pay the Loan Disbursement to the Borrower on the Loan Disbursement Date against issuance by the Borrower to FCM of a debenture substantially in the form appended to the Form of Borrowing By-law attached hereto as Schedule K (the “**Debenture**”) in the amount of the Disbursement. The Debenture will be issued by the Borrower in accordance with the provisions of the Act and the Borrower shall be liable in respect of payments thereunder.



Section 2.06 Interest.

- (a) The Borrower shall pay interest on the Principal Amount of the Loan that is from time to time outstanding to FCM at an annual rate that is equal to the higher of:
 - (i) (A) the GoC ten (10) year benchmark bond yield indicated at www.bankofcanada.ca five (5) Business Days immediately preceding the date on which the Borrowing By-law is passed minus (B) one point five percent (1.5%) per annum; and
 - (ii) two point twenty-five percent (2.25%) per annum.
- (b) The annual rate of interest calculated pursuant to Section 2.06(a) is subject to increase as provided in Section 2.08.
- (c) Such interest shall be accrued daily, not in advance, from the Loan Disbursement Date based on the actual number of days outstanding, after as well as before default, including after any judgment, until the Principal Amount of the Loan has been repaid in full.
- (d) Interest at the aforesaid rate on the Principal Amount of the Loan that is from time to time outstanding shall become due and be payable semi-annually, not in advance, commencing on the date which is six (6) months following the Loan Disbursement Date, and shall continue to be paid semi-annually (each a “**Semi-Annual Interest Payment Date**”), not in advance, until the Principal Amount of the Loan has been repaid in full.

Section 2.07 Repayment. The Borrower shall repay to FCM the Principal Amount of the Loan in equal consecutive semi-annual instalments of combined (blended) principal and interest in the manner set forth in the Debenture, commencing on the date that is the Semi-Annual Interest Payment Date immediately following the Loan Disbursement Date and ending on the earlier of the date that is either the:

- (a) last day of the Term; or
- (b) date on which the entire Principal Amount of the Loan has been repaid as a result of one or more prepayments in accordance with Section 2.09.

Section 2.08 Interest in the Event of a Default.

- (a) If the Borrower defaults in the payment of any sum due in respect of the outstanding Principal Amount of the Loan or interest thereon at any time appointed for payment thereof as contained in Section 2.06 and Section 2.07, 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 and interest thereon then outstanding at an annual rate that equals the greater of:
 - (i) the annual rate in effect on the applicable default date calculated pursuant to Section 2.06 plus two point five percent (2.5%) per annum; or
 - (ii) (A) the GoC ten (10) year benchmark bond yield indicated at www.bankofcanada.ca effective on the applicable default date plus (B) two point five percent (2.5%) per annum; calculated from the date of such default.
- (b) 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

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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 repayment of the Principal Amount of the Loan.

Section 2.09 Prepayment.

- (a) Following the Loan Disbursement Date and the expiration of the first half of the Term, the Borrower 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 Amount of the Loan that is outstanding on the specified semi-annual payment date (the "**Prepayment Date**"), provided it simultaneously pays all accrued interest thereon plus an amount equal to eighteen (18) months of interest calculated pursuant to Section 2.09(b) on the Principal Amount of the Loan so prepaid. Notwithstanding the foregoing, the Borrower shall pay an amount equal to twelve (12) months of interest instead of eighteen (18) months of interest if the Prepayment Date occurs on or after the date where three fourths (3/4) of the Term has elapsed.
- (b) The interest rate applicable to the prepayment will be equal to the greater of the:
 - (i) annual rate provided for in Section 2.06 plus two percent (2%) per annum; or
 - (ii) (A) GoC ten (10) year benchmark bond yield indicated at www.bankofcanada.ca for the Business Day immediately preceding the Prepayment Date plus (B) two percent (2%) per annum;calculated from the date of such prepayment.
- (c) Prepayments must be in an amount equal to or greater than ten percent (10%) of the outstanding Principal Amount of the Loan. In the event of a prepayment, FCM shall provide to the Borrower a new amortization schedule effective as of the Prepayment Date.
- (d) Upon delivery by the Borrower of a prepayment notice, the Borrower shall be obligated to effect prepayment in accordance with the terms of the notice and this Section 2.09.
- (e) Any amounts prepaid may not be re-borrowed.

Section 2.10 Payments.

- (a) The Borrower shall make payments of principal and interest due to FCM under this Agreement by using one of the following methods.
 - (i) The preferred method of repayment is through a pre-authorized debit agreement ("PAD Agreement"). FCM shall send the Borrower a PAD Agreement form on or after the Loan Disbursement Date that, once completed and returned to FCM, will allow FCM to debit principal and interest payments from the Borrower's bank account;
 - (ii) Wiring a payment to FCM's credit 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 13033

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

- (iii) Remitting a cheque payable to the "Federation of Canadian Municipalities" to the following address:

24 Clarence Street
Ottawa, Ontario
K1N 5P3

Attention: Finance Assistant, GMF

- (b) Interest shall accrue until payment is received by FCM or FCM's banker as applicable. 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.

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.

ARTICLE 3 THE GRANT

Section 3.01 Grant Purpose. FCM is providing the Grant in combination with the Loan, to the Borrower for the sole purpose of assisting the Borrower in the performance of the Project.

Section 3.02 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 Borrower hereinafter set forth, FCM agrees to contribute towards the Eligible Costs, an amount (the "**Grant Amount**") that is equal to the lesser of:

- (a) the sum of three hundred and four thousand eight hundred dollars (\$304,800); or
- (b) ten percent (10%) of the Principal Amount of the Loan disbursed;

provided that, if the aggregate amount of funding received or to be received from all sources of funding, other than the Borrower, as described in Part 3 of Schedule A (all as determined and calculated by FCM) is greater than the total costs incurred by the Borrower in respect of the Project, as evidenced by the delivery contemplated in the form of Part 2 of Schedule A, then FCM may reduce the Grant Amount determined pursuant to this Section 3.02 to such amount as it deems appropriate, in its sole and absolute discretion.

Section 3.03 Grant Expiration Date. If the Borrower fails to meet each of the conditions of contribution set forth in Form of Request for Loan Disbursement and/or Grant Contribution, and/or fails to obtain both the First Grant Contribution and the Final Grant Contribution as defined below within two (2) years from the Loan Disbursement Date, then FCM may, at its sole and absolute discretion and on notice to the Borrower, forthwith terminate its obligation to provide the Grant pursuant to this Agreement.



Section 3.04 Contribution. The Grant Amount shall be remitted by FCM to the Borrower in two (2) contributions in the manner set out in this Section 3.04.

- (a) On the Loan Disbursement Date (the “**First Grant Contribution Date**”), FCM shall remit to the Borrower the first part of the Grant (the “**First Grant Contribution**”) provided that:
 - (i) the Borrower shall have delivered to FCM a completed Request for Loan Disbursement and/or Grant Contribution at least thirty (30) days prior to the First Grant Contribution Date;
 - (ii) the First Grant Contribution shall be equal to the greater of: (A) fifty percent (50%) of the Grant Amount; and (B) the Grant Amount minus \$250,000; and
 - (iii) the conditions of the First Grant Contribution set forth in Form of Request for Loan Disbursement and/or Grant Contribution have been met as of the Loan Disbursement Date.

- (b) On or prior to the second annual anniversary of the Loan Disbursement Date FCM shall remit to the Borrower the second part of the Grant (the “**Final Grant Contribution**”) on the date that the Borrower identifies as the date that it would like to receive the Final Grant Contribution (the “**Final Grant Contribution Date**”), provided that:
 - (i) the Borrower shall have delivered to FCM a completed Request for Loan Disbursement and/or Grant Contribution at least thirty (30) days prior to the Final Grant Contribution Date;
 - (ii) the Final Grant Contribution shall be equal to the Grant Amount less the First Grant Contribution; and
 - (iii) the conditions of the Final Grant Contribution set forth in the Form of Request for Loan Disbursement and/or Grant Contribution have been met as of the Final Grant Contribution Date.

- (c) Provided that the conditions of the First Grant Contribution or Final Grant Contribution set forth in the Form of Request for Loan Disbursement and/or Grant Contribution have been met to FCM’s satisfaction, when the Borrower submits a request in respect thereof, FCM shall:
 - (i) calculate the First Grant Contribution or Final Grant Contribution in the manner contemplated in Section 3.04 and shall provide written notice thereof to the Borrower not less than five (5) days prior to the First Grant Contribution Date or Final Grant Contribution Date, as applicable; and
 - (ii) remit the First Grant Contribution or Final Grant Contribution to the Borrower on the First Grant Contribution Date or Final Grant Contribution Date, as applicable.

ARTICLE 4
CONDITIONS OF LOAN DISBURSEMENT AND GRANT CONTRIBUTION

Section 4.01 Conditions of Loan Disbursement and Grant Contribution. The obligation of FCM to remit the FCM Loan and/or Grant Amount is conditional upon the Borrower satisfying the conditions set out in the Request for Loan Disbursement and/or Grant Contribution attached as Schedule B, to the satisfaction of FCM.

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**ARTICLE 5
REPRESENTATIONS AND WARRANTIES**

Section 5.01 **Representations and Warranties.** The Borrower represents and warrants that:

- (a) 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 and the Project;
- (b) this Agreement has been duly authorized and executed by it and constitutes a valid and binding obligation of it, enforceable against it in accordance with its terms;
- (c) the performance of the project, execution of this Agreement and the compliance with its terms will not 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 it is a party or by which it is bound, or violate any of the terms or provisions of the Act, its by-laws or any license, approval, consent, judgment, decree or order or any law, statute, rule or regulation applicable to it;
- (d) before the council of the Borrower authorized the Project and before it authorized any additional cost amounts and any additional debenture authorities 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) the by-law(s) of the Borrower authorizing the Project and this Agreement (the “**Authorizing By-law(s)**”) and the Borrowing By-law have been, or will be, enacted and passed by the Council of the Borrower in full compliance with the Act at meetings at which a quorum was present, or will be present, in the case of the Borrowing By-law. Forthwith after the passage of the Authorizing By-law(s) and of the Borrowing By-law the same was, or will be, in the case of the Borrowing By-law, signed by the Head of Council and by the Clerk and sealed with the seal of the Borrower;
- (f) all of the recitals contained in the Authorizing By-law(s) and Borrowing By-law are, or will be, in the case of the Borrowing By-law, 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, or will be, in the case of the Borrowing By-law, in full force and effect;
- (g) it is not subject to any restructuring order under any applicable statutory authority, accordingly, no approval of the entering into of this Agreement or any Borrowing By-law contemplated by this Agreement is required to be given by any transition board or commission appointed in respect of the restructuring of the Borrower;
- (h) no litigation, arbitration or administrative proceedings are current or pending or have been threatened which is likely to have an adverse effect on its compliance with its obligations under this Agreement, and no such litigation, arbitration or administrative proceedings are current or pending or threatened, which is likely to have an adverse effect on its performance of the Project or its compliance with its obligations under this Agreement;



- (i) it owns all right, title and interest, including all intellectual property rights, in and to the Project Progress Report(s), Project Completion Report and Environmental Results Report, including photographs contained therein, submitted pursuant to this Agreement and has sole and exclusive rights to the use thereof. Prior to submission thereof:
 - (i) any person involved in the preparation of such reports will execute and deliver to the Borrower a written agreement which effects the assignment to the Borrower of all right, title and interest therein, including all intellectual property rights, and provides that such person has waived all its non-assignable rights (including moral rights) therein; and
 - (ii) any identifiable person featured in a photograph submitted to FCM, pursuant to this Agreement, will execute and deliver to the Borrower a written agreement granting permission to use his or her image, including but not limited to posting it on a public website;
- (j) the Project Progress Report(s), Project Completion Report and Environmental Results Report, including photos contained therein, submitted pursuant to this Agreement that the Borrower will submit to FCM will not infringe upon any of the intellectual property rights of any other person and the Borrower has not received any charge, complaint, claim, demand, or notice alleging any interference, infringement, misappropriation or violation of the intellectual property rights of any other person, nor does the Borrower know of any valid grounds for any bona fide claims.

**ARTICLE 6
COVENANTS**

Section 6.01 **Affirmative Covenants.** Unless FCM shall otherwise agree in writing, the Borrower, covenants and agrees that it shall:

- (a) use the Loan and the Grant only for the Project;
- (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) 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. **The Borrower covenants and agrees that it shall keep all such books and records of the Project for seven (7) years after the Final Grant Contribution Date;**
- (d) permit representatives of FCM, during its normal office hours, to visit any of the premises where the Project activities are conducted and to have access to its books of accounts and records relating to the Project and permit FCM to communicate directly with, including the receipt of information from, its external auditors regarding its accounts and operations relating to the Project;
- (e) clearly label as confidential all information embodied in tangible form that is prepared and/or delivered by or on behalf of the Borrower to FCM pursuant to this Agreement, that the Borrower deems to be confidential information, and if the information that the Borrower deems to be

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confidential information is disclosed orally or visually, the Borrower shall clearly identify it as such at the time of disclosure (“**Confidential Information**”);

- (f) provide two versions of each report in the event that a Project Progress Report, Project Completion Report and/or Environmental Results Report contains Confidential Information. The version containing Confidential Information shall be clearly labeled as confidential and will be treated as confidential by FCM. The version that does not contain Confidential Information may be posted on FCM’s public website and/or made available through other social media websites or tools and otherwise made available to interested third parties;
- (g) incorporate the following language into the Project Progress Report(s), Project Completion Report and Environmental Results Report submitted pursuant to this Agreement, unless it has received written notice to the contrary from FCM:

“© 201X, The Corporation of the City of London. All Rights Reserved.

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.”

- (h) comply with FCM’s communication requirements, for the period between the signature of this Agreement and the date that is five (5) years following the Project being Substantially Performed and shall:
 - (i) cooperate with FCM who will lead the preparation and issuance of a news release regarding GMF’s mandate and GMF and the GoC’s financial assistance to the Project and/or public announcement attended by FCM and the GoC. A GMF communications officer will contact the Borrower to discuss the process immediately after the signature of this Agreement;
 - (ii) promptly inform FCM of upcoming promotional events related to the Project and allow FCM and the GoC to participate in such promotional events;
 - (iii) cooperate with FCM in providing reasonable information on the Project to other interested persons to permit the sharing of knowledge and lessons learned about the Project;
 - (iv) cooperate with FCM in preparing one or more educational interviews showcasing the Project, that may be posted on FCM’s public website or through other social media websites and tools and made available through other mediums and in various formats (the “**Interview**”);
- (i) grant FCM a perpetual, irrevocable, non-exclusive, non-transferable and royalty-free license to use, reproduce, distribute, modify, adapt, change formats, prepare summaries, display and translate the Project Progress Report(s), Project Completion Report and Environmental Results Report, including photos contained therein, prepared and/or delivered by or on behalf of the Borrower to FCM pursuant to this Agreement in furtherance of the goals and objectives of the FCM and/or the GMF;

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- (j) grant FCM all right, title and interest, including all intellectual property rights, in and to all formats of the Interview, including but not limited to written, audio recorded or video recorded formats, and to have sole and exclusive rights to the use thereof. Prior to the Interview, the Borrower shall ensure that any person designated by the Borrower to participate in the Interview will execute and deliver to FCM a written agreement which effects the assignment to FCM of all right, title and interest therein, including all intellectual property rights, and provides that such person has waived all its non-assignable rights (including moral rights) therein and grants to FCM the right to use the individual's image, including but not limited to posting the Interview on a public website;
- (k) provide to FCM the following information from the date of this Agreement until and on the last day of the Term, in form and content satisfactory to FCM and shall provide:
 - (i) a prompt notice of any change to the Project Completion Date as set out in Section 2.03;
 - (ii) a Project Progress Report in the form of Schedule F, on the dates described in Schedule F and additional Project Progress Reports, if requested by FCM, within thirty (30) days of FCM making such requests;
 - (iii) within one hundred and twenty (120) days after the end of each fiscal year, which is the 31st day of December:
 - (A) one (1) copy (electronic copy, link to the website of the Borrower where the statements can be found or hardcopy) 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 and shall be prepared in accordance with GAAP), together with an audit report thereon from an independent public accountant acceptable to FCM; furthermore, FCM may require such an audit report at any time or times if there is an Event of Default; and
 - (B) a Certificate of Financial and Debt Compliance in the form of Schedule J;
 - (iv) a prompt notice of any proposed change in the nature or scope of its legal status;
 - (v) a prompt notice of any act or event which does or may materially and adversely affect the Project or may materially and adversely affect the ability of the Borrower to perform its obligations under this Agreement or the Project or any of the Borrower's other obligations that are material to the Borrower;
 - (vi) a prompt notice of any litigation or administrative proceedings, together with copies of any written legal documents as FCM may request, excluding legal documents subject to solicitor client 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 or in respect of the Project or any of the Borrower's other obligations that are material to the Borrower;
 - (vii) immediate notice of the occurrence of any Event of Default relating to it specifying the nature of such Event of Default, and the steps, if any, that it is taking to remedy the same; and

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- (ix) such other information as FCM may from time to time reasonably request from it by notice to it.
- (l) at least ten (10) Business Days but not more than thirty-five (35) Business Days before the Loan Disbursement Date, the Borrower has passed the Borrowing By-law substantially in the form attached hereto as Schedule K, which Borrowing By-law is found satisfactory by FCM;
- (m) deliver, or shall cause to be delivered to FCM, original copies of the legal opinion and of the Debenture at least ten (10) Business Days before the Loan Disbursement Date.
- (n) at any time prior to the Final Grant Contribution Date, upon the request of FCM, provide to FCM updated Environmental Results Report(s) that might require the Municipality to do one or all of the following, as specified by FCM: collect new data, conduct further modeling, or take corrective actions to improve the environmental performance of the Project.

Section 6.02 Negative Covenants. Unless FCM shall otherwise agree in writing, the Borrower, as the case may be, shall not from the date of this Agreement until and on the last day of the Term:

- (a) use the Loan or the Grant for expenditures that are not Eligible Costs;
- (b) publicly announce confirmation of GMF funding for the Project other than in compliance with Section 6.01 above or without the prior written consent of FCM;
- (c) at any time (i) reach or exceed its updated debt and financial obligation limit mandated by applicable government authorities and/or its creditors; (ii) fail to meet and pay any of its debentures or interest thereon (if any) when due; (iii) fail 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) develop financial problems such that default or unusual difficulty in meeting debts or obligations or in providing adequate funds to meet current expenditures may ensue, or has failed to levy the necessary rates to meet current expenditures;
- (d) make any change to the nature or scope of the Project or carry out the Project in a manner which differs from that described in Schedule A hereof; or
- (e) 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, whether movable or immovable, of the Project, whether now owned or hereafter acquired, and whether to a private sector partner of it or otherwise, except if provided for in Schedule A or previously approved in writing by FCM.

ARTICLE 7 EVENTS OF DEFAULT

Section 7.01 Events of Default. Default shall have occurred if any one or more following events occurs (“Events of Default”):

- (a) failure to pay 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 and such default shall have continued for a period of not less than five (5) days;
- (b) if the Borrower (i) reaches or exceeds its updated debt and financial obligation limit mandated by applicable government authorities and/or its creditors; (ii) has failed to meet and pay any of its debentures or interest thereon (if any) when due; (iii) has failed to meet and pay any of its other

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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 ensue, or has failed to levy the necessary rates to meet current expenditures;

- (c) failure to take out and maintain the insurance required pursuant to Article 6 or such insurance is vitiated or otherwise ceases to be in full force and effect;
- (d) failure to perform any covenant, agreement or undertaking of the Borrower, contained in this Agreement, save and except as provided for in the foregoing Section 7.01(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;
- (e) if any representation or warranty confirmed or made in Article 5, in a Request for Loan Disbursement and/or Grant Contribution, in connection with the execution and implementation of this Agreement or in connection with the Project, is found to have been incorrect or misleading;
- (f) failure to comply with section 2.04 of this Agreement;
- (g) failure to deliver to FCM the Project Completion Report, even in the event that the Project is not Substantially Performed, in form and content satisfactory to FCM on or before the Loan Expiration Date;
- (h) in the event that the Project is Substantially Performed, failure to deliver to FCM the Environmental Results Report in form and content satisfactory to FCM on or before the Grant Expiration Date;
- (i) if control and charge over the administration of all the affairs of the Borrower are vested in any person other than the Borrower; and
- (j) if any act or event 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 or any of other obligations of the Borrower that are material to the Borrower, has occurred or may occur.

Section 7.02 Remedies. Upon the occurrence of an Event of Default, FCM may by notice to the Borrower:

- (a) terminate this Agreement;
- (b) to the extent not already disbursed to the Borrower, terminate any further requirement to make the Loan Disbursement;
- (c) to the extent not already remitted to the Borrower, terminate any further requirement to make the First Grant Contribution and/or the Final Grant Contribution;
- (d) in the case of an Event of Default provided in the foregoing Section 7.01(h), declare the disbursed Grant Amount immediately repayable (anything in this Agreement to the contrary notwithstanding) without any further notice and without any presentment, demand, protest or notice of any kind, all of which are hereby expressly waived by the Borrower; and/or

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- (e) 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 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 7.03 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 8 MISCELLANEOUS PROVISIONS

Section 8.01 Notices and Requests. Any notice, demand, request or other communication to be given or made under this Agreement to FCM or to the Borrower, other than a notice of default referred to in Section 8.01 hereof, shall be in writing and may be made or given by personal delivery, by ordinary mail, by facsimile or by electronic mail. A notice of default shall be in writing and delivered by registered mail. Notices shall be addressed as follows:

To the Borrower:

The Corporation of the City of London
300 Dufferin Avenue
P.O. Box 5035
London, Ontario
N6A 4L9

Attention: Mr. Steven MacDonald
Corporate Energy Management Engineer

- telephone: 519-661-2500 ext. 4573
- by facsimile: 519-661-5845
- by electronic mail: smacdonald@london.ca

Alternate Contact:

Attention: Mr. Alan Dunbar
Manager III, Financial Planning and Policy

- telephone: 519-661-2500 ext. 4951
- by facsimile: 519-661-6467
- by electronic mail: adunbar@london.ca

To FCM:

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

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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 8.02 Confidentiality. FCM shall use a commercially reasonable degree of care to hold the Confidential Information in confidence and to:

- (i) prevent its unauthorized use or disclosure;
- (ii) use the Confidential Information only for the purposes contemplated by this Agreement;
- (iii) disclose the Confidential Information only to its directors, employees, officers and legal, financial, management or other professional consultants or advisors whose services FCM has engaged in relation to this Agreement and for the purpose of considering the Borrower's request for GMF funding, who have a need-to-know for the sole purpose of enabling FCM to fulfil its obligations under this Agreement and considering the Borrower's request for GMF funding; and
- (iv) not to permit any third party or entity other than those specified in (iii) hereof access to the Confidential Information without the prior written consent of FCM.

Notwithstanding the foregoing, FCM may disclose all or any part of the Confidential Information with the prior written approval of the Borrower or if the Confidential Information is disclosed pursuant to a judicial or government order, provided that to the extent practicable and not restricted by law, FCM gives the Borrower sufficient notice to contest such order.

Section 8.03 Release and Indemnification. The Borrower acknowledges and agrees that:

- (a) By accepting or approving anything required to be accepted or approved pursuant to this Agreement or the Project, FCM shall not be deemed to have warranted or represented the accuracy, 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 Borrower releases and forever discharges FCM and its directors, officers, agents, servants and employees from any claims, demands, proceedings, losses, damages, liabilities, deficiencies, costs and expenses arising out of or in consequence of any loss, injury or damage to the Borrower or its property in any way relating to this Agreement and/or the Project.



- (c) The Borrower agrees to severally indemnify and save harmless FCM and its directors, officers, agents, servants and employees from all claims, demands, proceedings, losses, damages, liabilities, deficiencies, costs and expenses (including, without limitation, all legal and other professional fees and disbursements, interest, penalties and amounts paid in settlement) arising directly or indirectly as a consequence of such matter suffered or incurred by FCM and its directors, officers, agents, servants and employees as a result of or arising directly or indirectly out of or in connection with: (i) the carrying-out of the Project; (ii) any act of, or failure to act by, the Borrower, or its directors, officers, agents, servants or employees; (iii) any inaccuracy of any representation or warranty contained in this Agreement or in any agreement, instrument, certificate or other document delivered pursuant hereto; (iv) any breach or non-performance by the Borrower of any covenant to be performed by it that is contained in this Agreement or in any agreement, certificate or other document delivered pursuant hereto; and (v) any breach or alleged breach by the Borrower of the intellectual property rights or privacy rights of any person, and, without limiting the generality of the foregoing, FCM shall not be liable for any bodily injury, death or property damage of any person or any claim against the Borrower or its directors, officers, agents, servants or employees by which FCM may be made or attempted to be made a party and any incidental, indirect, special or consequential damages, or any loss of use, revenue or profit to the Borrower, or its directors, officers, agents, servants or employees arising out of or in any way related to this Agreement or the Project.
- (d) The Borrower shall be solely and fully responsible for the undertaking, implementation and completion of the Project or any element thereof. FCM shall not be responsible in any way whatsoever for the undertaking, implementation and completion of the Project or any element thereof. The Borrower acknowledges and agrees that it shall be responsible for all acts of its directors, officers, agents, servants and employees and that all such acts shall be treated as acts of the Borrower for the purposes of this Agreement.

Section 8.04 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, agent, servant or employee thereof shall have any personal liability therefor.

Section 8.05 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 8.06 Amendment. Any amendment of any provision of this Agreement, including the Schedules, must be in writing and signed by all parties.

Section 8.07 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 8.08 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 8.09 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 8.10 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 8.11 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.

Section 8.12 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 8.13 Waiver of Rights. Except as expressly provided in this Agreement, any waiver of, or consent to depart from, the requirements of any provision of this Agreement shall be effective only if it is in writing and signed by the party giving it, and only in the specific instance and for the specific purpose for which it has been given. No failure on the part of a party to exercise, and no delay in exercising, any right under this Agreement shall operate as a waiver of such right. No single or partial exercise of any such right shall preclude any other or further exercise of such right or the exercise of any other right.

Section 8.14 GMF Application Form. The GMF Application Form constitutes part of this Agreement.

Section 8.15 Entire Agreement. This Agreement constitutes the entire agreement between the parties pertaining to the subject matter hereof and supersedes all prior correspondence, agreements, negotiations, discussions and understandings, if any, written or oral, including but not limited to confidentiality agreements.

Section 8.16 Audit. FCM reserves the right, at its own expense, to audit compliance by the Borrower with this Agreement at any time.

Section 8.17 Counterparts. This Agreement may be executed in two counterparts and, in such case, each such counterpart shall be deemed an original, but all of which together shall constitute one and the same agreement.

Agenda Item # Page #

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**ARTICLE 9
SURVIVAL**

Section 9.01 Survival. The provisions of ARTICLE 8 and any other provisions hereof intended to survive termination, will survive the termination of this Agreement.

IN WITNESS WHEREOF, the parties hereto have executed and delivered this agreement as of the date of last signature on this signature page.

THE CORPORATION OF THE CITY OF LONDON

per: _____
Mr. Matt Brown, Mayor

date: _____

per: _____
Ms. Catherine Saunders, City Clerk

date: _____

We have authority to bind the Borrower herein.

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

per: _____
Mr. Jacques Nadeau, Director, National Programs

date: _____

I have authority to bind FCM herein.

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SCHEDULE A

Part 1: Description of the Project

As per GMF sector criteria, the project demonstrates the potential to reduce energy consumption by at least 30% compared to current performance, of which a minimum of 20% must come from energy efficiency measures and the remainder may come from renewable energy production. (e.g. production of wind and solar energy).

The City of London’s Canada Games Aquatic Centre (CGAC) will undergo significant retrofits and improve its energy efficiency. Completed in 1991 and having hosted more than 8.5 million users, the facility is in need of significant updating and system replacement.

One of southern Ontario’s largest urban centers, the London region is home to more than 470,000 people. With two large post-secondary institutions, a strong economic base in information technology, and advanced manufacturing and service sectors, the city has adopted sustainability principles to guide its development. It has recently completed the Partners for Climate Protection program’s five-milestone framework and has seen many environmental and socioeconomic benefits from green investments over the last two decades. A variety of environmental initiatives are currently underway to support the objectives outlined in the city’s 2011–2014 Strategic Plan.

Through a facilities management partnership with Ameresco Canada, the city completed an energy reduction and facility renewal study. The study found that a redesign of existing systems would reduce the facility’s total energy consumption by an estimated 37 per cent and cut utility costs by \$87,000 in the first year. These projected savings are attributed to:

- Modern HVAC equipment.
- Building automation controls such as programmable timers.
- Mechanical and filtration upgrades.
- Outdoor air energy recovery: Swimming pools require a significant volume of fresh air and this air needs to be treated to various extents based on the indoor versus outdoor conditions at a given time. This equipment allows for the treatment of the fresh air while recovering heat generated in the process and using it to help heat the pool.
- Pool drain heat recovery: health regulations require a certain amount of fresh water added to a pool per bather. The fresh water offsets some pool water which is drained into the sanitary sewer. The excess, warm pool water is used to pre-heat the incoming make-up water.
- Energy-efficient LED lighting.
- A combined heat and power system: Large pools with their year round demand for heating and electricity offer a unique opportunity for the implementation of an on-site combined heat and power system.

Energy demand in the renovated facility will be managed through an ongoing commissioning and optimizing process. Ameresco Canada holds the ASHRAE commissioning certification (Commissioning Process Management Professional – CPMP) and will follow the ASHRAE Commissioning Process for Buildings and Systems (Standard 202). They will be directing the commissioning process and activities, and will issue the commissioning reports. City staff will participate in the commissioning process allowing managers to adapt to changes in operating parameters over time.

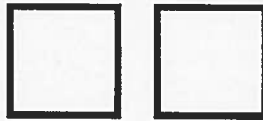
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Innovative planning has played a central role in this project. By incorporating the operational cost savings expected through retrofits into projections for full lifecycle renewal, the city anticipates a 15-year payback period for this capital investment. This unique approach can serve as a model for other municipalities planning similar projects, and the city will share its knowledge and lessons learned from the experience.

Table of anticipated environmental benefits

Table 1: Energy consumption of building design compared to baseline consumption

Project element	Energy source (e.g. electricity, natural gas, solar panel, etc.)	Baseline consumption (GJ/year)	Anticipated energy consumption after Project completion (GJ/year)	Anticipated impact on energy consumption (+ or -) (GJ/year)
Building Efficiency Measures	Electricity from the grid	6,533	5,043	1,490
	Natural gas	9,335	4,990	4,345
Total (only includes consumption from fossil fuel and electricity from the grid)		15,868	10,033	5,835
			% Energy Savings	37



SCHEDULE A

Part 2: Description of Budgeted Project Costs

The forecasted Eligible Costs that the Borrower included in its GMF funding application:

BUDGET					
Cost Category	Task	Eligible Cost (\$)	Ineligible Cost (\$)	Total Cost (\$)	
Capital Costs	New lighting in pool and spectator area	\$256,349	\$0	\$256,349	
	Install new domestic hot water (DHW) heater with high efficiency condensing system	\$18,730	\$0	\$18,730	
	Install new high efficiency pool pumps with variable frequency drives (VFDs)	\$62,698	\$0	\$62,698	
	Install pool drain heat recovery system	\$20,317	\$0	\$20,317	
	Combined heat and power energy generation	\$315,714	\$0	\$315,714	
	Replace existing boilers with high efficiency condensing boilers	\$210,317	\$0	\$210,317	
	Building automation system	\$60,317	\$0	\$60,317	
	LED parking lot lighting	\$50,794	\$0	\$50,794	
	Install new change room make-up air unit (MAU) with integral energy recovery	\$156,746	\$0	\$156,746	
	Install new high efficiency roof mount air handling unit (AHU) for spectator area	\$315,079	\$0	\$315,079	
	Install new packaged roof top units (RTUs) serving admin offices and community room	\$71,032	\$0	\$71,032	
	Replace pool air handling equipment outdoor energy recovery	\$1,154,774	\$0	\$1,154,774	
	New pool filtration system	\$633,333	\$0	\$633,333	
	Reconstruct customer service entrance	\$0	\$119,048	\$119,048	
	Repair/replace tile in pool	\$0	\$198,413	\$198,413	
	Replace floor tiles in corridors	\$0	\$158,730	\$158,730	
	New acoustic ceiling mats	\$0	\$174,603	\$174,603	
	Refurbish change rooms	\$0	\$148,810	\$148,810	
	Painting	\$0	\$79,365	\$79,365	
	Replace hydraulic floor components	\$0	\$396,825	\$396,825	
	Replace existing bulkheads	\$0	\$354,286	\$354,286	
	Annual monitoring of utility usage	\$0	\$6,429	\$6,429	
	Energy savings guarantee	\$0	\$76,984	\$76,984	
	Extras during construction	\$0	\$241,538	\$241,538	
		Total Capital Costs	\$3,326,200	\$1,955,031	\$5,281,231
	Professional Services	Engineering and project management	\$864,800	\$483,969	\$1,348,769
		Professional Services Costs	\$864,800	\$483,969	
	Sub-total	\$4,191,000	\$2,439,000	\$6,630,000	
	In-kind – Lead Applicant	\$0	\$0	\$0	
	In-kind – Other		\$0	\$0	
	Total	\$4,191,000	\$2,439,000	\$6,630,000	

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1. The expenditures claimed are subject to audit by FCM. The amount loaned/contributed by FCM may vary as a consequence. No expenditure incurred prior to **August 19, 2013** is permitted to be included as an Eligible Cost.
2. **“Eligible Costs”** means the permitted expenditures listed in the table below under the heading **“Eligible Costs”** for which the Borrower may use the Loan and the Grant. The table below was developed to help provide guidance to funding recipients on Eligible Costs (and costs which are not Eligible Costs). Should you require clarification, please don’t hesitate to contact FCM.

In order to be eligible for partial reimbursement, expenses must be:

1. incurred after the date the application is received by FCM (except consulting services to prepare the application undertaken up to 90 days prior to receipt of the application by FCM).
2. invoiced directly to the Borrower.
3. an integral and an essential component of the initiative and required to help achieve the environmental objective of the initiative (e.g. construction of the core/shell of a new energy-efficient building and not indoor furnishings or accessories).
4. actually and reasonably incurred in accordance with applicable industry standards.
5. listed in a Statement of Expenses or Claim Summary attached to an external Audit Report and receipts together with back-up documentation must be kept for audit purposes (examples: sub-contractor invoices, travel expenses claims, timesheets, etc.). **The Borrower must keep all such invoices, receipts and back-up documents for seven (7) years after the Final Grant Contribution Date.**

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Eligible Costs	Ineligible Costs
Administrative	
<p>Administrative costs that are directly linked to and have been incurred for the project, such as:</p> <ul style="list-style-type: none"> • Communication costs (e.g. long-distance calls or faxes) • Permits or certifications required for the project • Printing or photocopying by outside suppliers • Acquisition of documents used exclusively for the project • Document translation 	<p>Office space, supplies and general overhead costs incurred in the ordinary course of business.</p>
Advertising	
<p>Advertising costs essential to communicating the project to the public, as well as project evaluation, such as:</p> <ul style="list-style-type: none"> • Fees for advertising development • Fees for media distribution • Website development • Public surveys 	<ul style="list-style-type: none"> • Advertising costs for general education or publicity that is a result of ongoing or other business activity and not a specific requirement of the project. • Promotional items.
Audit	
<p>The cost of a financial audit for the capital project if required by FCM.</p>	
Capital	
<p>Capital costs as defined and determined in accordance with generally accepted accounting principles (GAAP), including:</p> <ul style="list-style-type: none"> • Costs for acquiring, developing, constructing, modernizing or leasing systems (equipment, hardware, software, etc.). • Costs of construction, renovation or modernization of facilities and structures such as materials and installation costs. 	<ul style="list-style-type: none"> • Purchase or lease of real property. <p>Waste sector only:</p> <ul style="list-style-type: none"> • Purchase of any bins used to collect waste. • Acquisition or retrofit of all vehicles, such as loaders, trash compactors or collection vehicles. • Landfill management activities including landfill construction and expansion, landfill gas capture, and landfill reclamation. • Construction of transfer stations.
Equipment Rental	
<p>Rental of tools and equipment.</p>	<p>Rental of tools or equipment related to ongoing or other business activities.</p>

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Eligible Costs	Ineligible Costs
Meetings and Public Gatherings	
<p>Costs related to meetings and public gatherings that communicate the project to the public and that collect feedback, such as:</p> <ul style="list-style-type: none"> • Facility rental • Audiovisual equipment rental 	<p>Any hospitality expenses such as:</p> <ul style="list-style-type: none"> • Food and drink • Alcohol • Door prizes • Entertainment • Music • Decorations • Flowers, centerpieces
Services	
<p>Fees for professional or technical consultants and contractors.</p>	<ul style="list-style-type: none"> • Any costs associated with person(s) enrolled on your organization's payroll, except for those defined under the category listed as "in-kind." • Costs for engineering studies, audit studies or feasibility studies for which grants or contributions are provided by or committed to be provided by any program of the Government of Canada. • Costs related to baseline assessments (e.g. energy or waste audits), environmental assessments, risk assessments, risk management plans, redevelopment plans, business development plans, and marketing strategies.
Transportation, Shipping and Courier Charges	
<p>Transportation costs for delivery of materials and services essential for the project.</p>	<p>Any transportation expense related to ongoing or other business activities.</p>
Travel and Accommodation	
<p>Travel and associated expenses for consultants to the extent that the travel and accommodation rates comply with Treasury Board of Canada guidelines and to the extent the such travel is necessary to complete the project.</p>	<ul style="list-style-type: none"> • Your travel and associated expenses or those of a partner in the project. • Travel, accommodation and fees to attend conferences, missions, trade shows, etc.
Taxes	
<p>The portion of taxes for which your organization is not otherwise eligible for rebate.</p>	<p>The portion of taxes for which your organization is eligible for rebate (provincial, territorial, or federal).</p>
In-kind	
<p>Contribution of staff time by your organization's employees (including permanent and contract employees). The value of the total in-kind contributions for staff salaries or other</p>	<ul style="list-style-type: none"> • In-kind contribution of goods and services other than salaries. • In-kind contribution made by organizations other than yours.

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Eligible Costs	Ineligible Costs
remuneration cannot exceed 10% of the other eligible costs. To claim this type of in-kind contribution, you will have to submit a letter from an authorized officer in your organization confirming the details of the in-kind contribution.	<ul style="list-style-type: none">• In-kind contribution by your organization above 10% of eligible costs.

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SCHEDULE A

Part 3: Particulars of the Sources of Funding

The funding for the Project is planned as:

SOURCES OF FUNDING			
Funding Source	Description	Amount (\$)	Date confirmed
Green Municipal Fund	Grant	\$304,800	November 20, 2014
Green Municipal Fund	Loan	\$3,048,000	November 20, 2014
City of London – Facilities Reserve Fund	Cash	\$1,711,000	To be confirmed.
City of London – Capital Levy	Cash	\$584,000	To be confirmed.
City of London – Debt	Loan	\$197,200	To be confirmed.
Infrastructure Canada – Gas Tax Fund	Grant	\$785,000	To be confirmed.
Total Funding		\$6,630,000	
(Equivalent to Total Project Cost from Workplan and Budget Table):			

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SCHEDULE B

Form of Request for Loan Disbursement and/or Grant Contribution

[LETTERHEAD OF THE BORROWER]


[Address]
[Date]

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. 13033 Loan and Grant Agreement between the Federation of Canadian Municipalities (as Trustee) and The Corporation of the City of London (“Borrower”) (the “Agreement”)


Loan Disbursement and First Grant Contribution	
	<p>I, [Instruction: insert the name of a person named in the Borrower’s certificate of incumbency and authority], the [Instruction: insert the title], of the Borrower certify and confirm that the Borrower is requesting the Loan Disbursement and First Grant Contribution and that the Borrower has satisfied each of the conditions of disbursement listed in this table.</p> <p>A check mark has been placed to the left of each row to demonstrate that the Borrower has met each condition, by providing the required confirmation, information or documentation.</p>
<input type="checkbox"/>	<p>The Borrower would like to receive the funds on _____ [Instruction: insert date]</p>
<input type="checkbox"/>	<p>The Borrower would like the funds to be disbursed (pick one option):</p> <p><input type="checkbox"/> to the following account:</p> <p style="margin-left: 20px;">Name of Bank: Address of Bank: Telephone no. of Bank: XXX-XXX-XXXX Bank no.: XXX [3 Digits] Transit no.: XXXXX [5 Digits] to the credit of Borrower’s Account no.:</p> <p>OR</p> <p><input type="checkbox"/> by cheque payable to the Borrower, sent to the following address _____, to the attention of _____:</p>

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	<input type="checkbox"/> a document, prepared by a qualified professional (e.g. engineer, architect) confirming that the Project was Substantially Performed on [redacted] [Instruction: insert the date].
	<input type="checkbox"/> an updated Part 3 of Schedule A that shows the final sources of funding as it relates to the total project costs provided above.
	<input type="checkbox"/> the Financial Audit in the form of Schedule E (Audit Report and Statement of Expenses).
	<input type="checkbox"/> a Project Completion Report in the form of Schedule G, that FCM can post on its public website, which does not infringe a third party's copyright and does not contain any Confidential Information OR two Project Completion Reports (one that contains Confidential Information and the other one that can be posted on FCM's public website).
	<input type="checkbox"/> at least one photo demonstrating that the Borrower posted signage in accordance with Schedule I.
<input type="checkbox"/>	The CRA Business Number (BN) of the Recipient is [redacted] (FCM is collecting the BN as required by the Charity Directorate of Revenue Canada).
<input type="checkbox"/>	The Borrower has obtained, or has made other arrangements satisfactory to FCM for obtaining, all approvals, consents, authorizations and licences that are required under the laws of the Province of Ontario and of Canada in order for the Borrower to enter into and comply with this Agreement and to undertake and complete the Project.
<input type="checkbox"/>	The representations and warranties confirmed or made in the Agreement with respect to the Borrower will be true on and as of the Loan Disbursement Date and First Grant Contribution Date with the same effect as though such representations and warranties have been made on and as of the Loan Disbursement Date and First Grant Contribution Date.
<input type="checkbox"/>	All covenants and other obligations of the Borrower in the Agreement to be performed or complied with as of the Loan Disbursement Date, and First Grant Contribution Date, have been performed or complied with as of the Loan Disbursement Date and First Grant Contribution Date.
<input type="checkbox"/>	No act or event does or may materially and adversely affect the Project or the ability of the Borrower to perform its obligations under the Agreement and the Project, or any of its other obligations that are material to the Borrower has occurred.
<input type="checkbox"/>	No Event of Default with respect to the Borrower has occurred and is continuing.
<input type="checkbox"/>	All of the conditions contained in the Agreement, to be performed or satisfied by the Borrower on the Loan Disbursement Date, and First Grant Contribution Date have been performed or satisfied.
<input type="checkbox"/>	If any confirmation, information or documentation provided with this table is not true and correct as of the Loan Disbursement Date and First Grant Contribution Date, the Borrower will immediately notify FCM prior to the making of the payment by FCM.

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<input type="checkbox"/>	The Borrower agrees that all of the conditions listed in this table must be completed to the satisfaction of FCM and that all capitalized terms have the meaning attributed to them in the Agreement.
Signature: _____ Date: _____	

Final Grant Contribution	
	<p>I, [Instruction: insert the name of a person named in the certificate of incumbency and authority], the [Instruction: insert the title], of the Borrower certify and confirm that the Borrower is requesting the Final Grant Contribution and that the Borrower has satisfied each condition of contribution listed in this table.</p> <p>A check mark has been placed to the left of each row to demonstrate that the Borrower has met each condition, by providing the required confirmation, information or documentation.</p>
<input type="checkbox"/>	The Borrower would like to receive the Final Grant Contribution on <input type="text"/> [Instruction: insert date] .
<input type="checkbox"/>	<p>The Borrower would like the Final Grant Contribution to be disbursed (pick one option):</p> <p><input type="checkbox"/> to the following account:</p> <p style="margin-left: 20px;">Name of Bank: Address of Bank: Telephone no. of Bank: <input type="text"/> XXX-XXX-XXXX Bank no.: <input type="text"/> XXX [3 Digits] Transit no.: <input type="text"/> XXXXX [5 Digits] to the credit of Borrower's Account no.:</p> <p>OR</p> <p><input type="checkbox"/> by cheque payable to the Borrower, sent to the following address <input type="text"/>, to the attention of <input type="text"/>.</p>
<input type="checkbox"/>	I am attaching the Environmental Results Report in the form of Schedule H, verified by a qualified third party acceptable to FCM, that FCM can post on its public website, which does not infringe a third party's copyright and does not contain any Confidential Information.
<input type="checkbox"/>	The Project conforms to the Project description set out in Part I of Schedule A of the Agreement.
<input type="checkbox"/>	The Borrower satisfied the following additional conditions, imposed by the FCM board of directors: No additional conditions imposed.

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<input type="checkbox"/>	<p>Certificate of Incumbency and Authority (pick one):</p> <p><input type="checkbox"/> there are no changes to the Certificate of Incumbency and Authority in the form of Schedule C; or</p> <p><input type="checkbox"/> I am attaching an updated Certificate of Incumbency and Authority in the form of Schedule C.</p>
<input type="checkbox"/>	The Borrower has obtained, or has made other arrangements satisfactory to FCM for obtaining, all approvals, consents, authorizations and licences that are required under the laws of the Province of Ontario and of Canada in order for the Borrower to enter into and comply with this Agreement and to undertake and complete the Project.
<input type="checkbox"/>	The representations and warranties confirmed or made in the Agreement with respect to the Borrower will be true on and as of the Final Grant Contribution Date with the same effect as though such representations and warranties have been made on and as of the Final Grant Contribution Date.
<input type="checkbox"/>	All covenants and other obligations of the Borrower in the Agreement to be performed or complied with as of the Final Grant Contribution Date have been performed or complied with as of the Final Grant Contribution Date.
<input type="checkbox"/>	No act or event does or may materially and adversely affect the Project or the ability of the Borrower to perform its obligations under the Agreement and the Project or any of its other obligations that are material to the Borrower has occurred.
<input type="checkbox"/>	No Event of Default with respect to the Borrower has occurred and is continuing.
<input type="checkbox"/>	All of the conditions contained in Article 6 of the Agreement, to be performed or satisfied by the Borrower on the Final Grant Contribution Date have been performed or satisfied.
<input type="checkbox"/>	If any confirmation, information or documentation provided with this table is not true and correct as of the Final Grant Contribution Date, the Borrower will immediately notify FCM prior to the making of the payment by FCM.
<input type="checkbox"/>	I agree that all of the conditions listed in this table must be completed to the satisfaction of FCM and that all capitalized terms have the meaning attributed to them in the Agreement.
<p>Signature: _____ Date: _____</p>	

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SCHEDULE C

Form of Certificate of Incumbency and Authority

LETTERHEAD OF THE BORROWER

[Address]
[Date]

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. 13033 Loan and Grant Agreement between the Federation of Canadian Municipalities (as Trustee) and The Corporation of the City of London (“Borrower”) (the “Agreement”)

Certificate of Incumbency and Authority

I, the XXXXXX of the Borrower, 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 Borrower that they, or any of them, no longer continue to be) authorized:

- to sign on behalf of the Borrower a Request for Loan Disbursement and/or Grant Contribution provided for in the Agreement;
- to sign the agreements, certificates and other instruments 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 the Borrower is a party:

No.	Name	Specimen Signature	Office
1.	Matt Brown	_____	Mayor
2.	Catherine Saunders	_____	City Clerk

Yours truly,

The Corporation of the City of London

per: XXXXXX, Authorized Representative*

I have authority to bind the Borrower herein.

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SCHEDULE D

Form of Legal Opinion

[LETTERHEAD OF BORROWER'S COUNSEL]

[Address]
[Date]

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. 13033 Loan and Grant Agreement between the Federation of Canadian Municipalities (as Trustee) and The Corporation of the City of London (“Borrower”) (the “Agreement”)

We have acted as counsel for the Borrower in connection with the loan and grant which you have agreed to extend Borrower subject to the provisions of the Agreement.

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

- 1. the debenture issued in connection with the Loan, dated XXXX (the “**Debenture**”);
- 2. the by-laws of the Borrower’s council authorizing it to enter into the Agreement and to issue and deliver the Debenture in connection with the Loan, dated XXXX (the “**Borrowing 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 Borrowing By-Law has been properly passed and is within the legal powers of the Borrower.
- 2. The Debenture is a direct, unsecured, joint and several 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 against it 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.

Yours truly,

[Signature of Counsel]

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SCHEDULE E

Audit Requirements

Part 1: Scope of Financial Audit

The scope of the Financial Audit must involve the following:

1. The Eligible Costs were incurred for the purposes set out in the Agreement in amounts that are reasonable and eligible for reimbursement according to the terms and conditions of the Agreement and are supported by proper documentation. **In order to be eligible for reimbursement, all expenses listed in the Statement of Expenses must: (a) qualify as “Eligible Costs” as defined in Part 2 of Schedule A to this Agreement and (b) have been incurred on or after August 19, 2013.**
2. The auditors must use the Form of Audit Report attached as Part 2 of this Schedule E.
3. The auditors must provide adjustments as required by Part 3 of this Schedule E.

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SCHEDULE E

Audit Requirements

Part 2: Form of Audit Report

[LETTERHEAD OF BORROWER'S AUDITOR]

[Address]
[Date]

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. 13033

We have audited the accompanying statement of expenses of the Municipality of _____ (the "Borrower") relating to GMF - Project no. 13033 (the "Statement of Expenses") for the ~~XXXX~~-month period **[Instruction: Insert no. of months needed by the Borrower to complete the Project]** from the ~~XX~~ day of ~~XXXXX~~, 200~~X~~ to the ~~XX~~ day of ~~XXXXX~~, 200~~X~~ prepared by management based on the Loan and Grant Agreement between the Federation of Canadian Municipalities ("FCM") as Trustee and the Borrower (the "Agreement").

Management's Responsibility for the Statement of Expenses

Management is responsible for the preparation of the schedule in accordance with the Agreement, and for such internal control as management determines is necessary to enable the preparation of the schedule that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the schedule based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the schedule is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the schedule. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the schedule, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the schedule in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the schedule.

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We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial information in the statement of expenses of the Borrower for the ~~XXXX~~-month period **[Instruction: Insert no. of months needed by the Borrower to complete the Project]** from the ~~XX~~ day of ~~XXXXXX~~, 200~~X~~ to the ~~XX~~ day of ~~XXXXXX~~, 200~~X~~ is prepared, in all material respects, in accordance with the Agreement.

Basis of Accounting and Restriction on Distribution

Without modifying our opinion, we draw attention to note _____ to the schedule, which describes the basis of accounting. The schedule is prepared to assist the Borrower to comply with the reporting requirements of the Agreement. As a result, the schedule may not be suitable for another purpose. Our report is intended solely for FCM and management of the Borrower and should not be distributed to parties other than FCM and the Borrower.

[To be signed by the Auditor]

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SCHEDULE F

Form of Project Progress Report

REQUIREMENT: Please submit your Project Progress Report by e-mail to the GMF Project Officer.

- You are required to submit this report before the date that is half way between the date on which the Agreement was signed and the Project Completion Date indicated in the Agreement. For example, if the Agreement is signed on January 1, 2011, and the Project Completion Date indicated in the contract is January 1, 2013, you must submit this report before January 1, 2012. At the time when you request the single loan disbursement, you will submit a Project Completion Report (see Schedule G).
- You are also required to submit this report any time that FCM requests that you submit a Project Progress Report.

PURPOSE: Your Project Progress Report has two main purposes:

1. **Project tracking:** This report enables FCM to confirm that your project is proceeding as planned, or to be informed of any unforeseen delays.
2. **Knowledge sharing:** FCM shares the lessons and expertise gained through GMF-funded initiatives with other communities across Canada. The findings and lessons learned documented in your Project Progress Report could be valuable for other municipal governments that are seeking to address sustainability issues in their own communities. FCM may wish to supplement this information through an interview with the Project lead.

COPYRIGHT: Because we may post your report on our website, you must hold the copyright to the reports that you submit to us. This means that you own all the rights in the report and can decide who is allowed to reproduce and distribute it.

CONFIDENTIALITY: If your report contains any confidential information that you would prefer not be made available to the public (e.g. through a case study or other materials produced by FCM that relate to your project), please submit two versions of the report:

1. **Complete report including confidential information:** Please clearly label this report with the word "Confidential" or similar wording and FCM will treat it as confidential.
2. **Abridged report excluding confidential information:** This report may be posted on the FCM website and otherwise made available to interested third parties, to help FCM meet its knowledge sharing objectives.

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CONTENT OUTLINE: Your Project Progress Report should be approximately **one to two pages long** and include the information below. **Note: You may request a Microsoft Word version of this report from the GMF Project Officer.**

Project information

GMF number:
Name of funding recipient:
Project title:
Date of Project Progress Report:

Project status

1. Please summarize the activities completed so far and indicate the activities currently in progress, as per Schedule A. **Note:** If you have previously submitted a Project Progress Report (for projects with multiple disbursements), your summary should build on the information you included in your previous report.
2. Have there been any significant changes, or do you anticipate any significant changes, to the scope or costs of the Project as described in the Agreement or in a previously submitted Project Progress Report (if applicable)? If so, please indicate how the scope will change and, in general terms, how the changes will affect the **environmental benefits** you aim to achieve and the **budget** (e.g. increase or decrease; no precise figures required).
3. When do you expect to complete the Project (month/year)? Is this the same date as the Project Completion Date indicated in Article 2 of the Agreement?

Lessons learned to date

1. Have you begun to implement any new technology or new approach (e.g. full-cost accounting)? Are there any benefits or drawbacks in using this new technology or approach that you have identified to date?
2. What barriers have you encountered so far and what solutions have you implemented to address them?
3. If you were planning this type of Project again, what would you do differently, knowing what you know now?
4. Do you have a Project champion who has been instrumental to the Project to date? If so, please include his or her name, title and contact information, and describe his or her role in the Project.
5. What advice would you give to someone in another community undertaking a similar project?

Photos and materials

FCM includes project photos and links to project materials in GMF case studies, website content, and other vehicles.

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1. Identify and attach any materials resulting from the Project to date that would be useful to share with other communities, such as checklists, toolkits, guidelines, bylaws, videos or information brochures. If the material is available on your website, simply include the link to it.

For example, a water metering Project might result in a new municipal water use bylaw, or a series of householder information brochures or online video clips on ways to reduce water use.

2. Attach any high-quality photographs of the Project if you have taken any to date. Where possible, include photos that feature people in action. The photos must be in jpeg or tiff format and at least 300 dpi (up to 10 MB/10,000 KB but no smaller than 1 MB/1,000 KB in file size). For each photo, please include:
 - a) A caption describing what is featured in the photo.
 - b) A photo credit that indicates who owns the copyright to the photo and the photographer (e.g. © 2010, City of Ottawa/Madison Brown).
 - c) A written release signed by the individuals depicted in the photo granting FCM permission to use the images. **Please request an FCM Photo Consent Form from the GMF Project Officer.**

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SCHEDULE G

Form of Project Completion Report

REQUIREMENT: You must submit a Project Completion Report as a condition of the Loan Disbursement by e-mail to the GMF Project Officer.

PURPOSE: Your Project Completion Report has two main purposes:

1. **Project tracking:** This report enables FCM to confirm that your project was completed as anticipated upon approval of your application.
2. **Knowledge sharing:** FCM shares the lessons and expertise gained through GMF-funded initiatives with other communities across Canada. The findings and lessons learned documented in your Project Completion Report could be valuable for other municipal governments that are seeking to address sustainability issues in their own communities. One way FCM shares the findings and lessons learned is by posting your reports on our website. Your report will also assist FCM in producing other materials related to your project, including a GMF case study.

Note: You are required to submit a separate report on the environmental results of your Project. See Schedule H, Environmental Results Report, for more information.

COPYRIGHT: Because we may post your report on our website, you must hold the copyright to the reports that you submit to us. This means that you own all the rights in the report and can decide who is allowed to reproduce and distribute it.

CONFIDENTIALITY: If your report contains any confidential information that you would prefer not be made available to the public (e.g. through a case study or other materials produced by FCM that relate to your Project), please submit two versions of the report:

1. **Complete report including confidential information:** Please clearly label this report with the word "Confidential" or similar wording and FCM will treat it as confidential.
2. **Abridged report excluding confidential information:** This report may be posted on the FCM website and otherwise made available to interested third parties, to help FCM meet its knowledge sharing objectives.

CONTENT OUTLINE: Your Project Completion Report should be approximately **8 to 15 pages long**; some reports may be longer or shorter depending on the complexity of the Project. While there are no maximum word counts for each section, the most pertinent section of the report — Lessons Learned — should be given more weight.

Because your report may be read by non-technical municipal staff and similar readers, please assume a low to moderate level of technical knowledge and a preference for clear, direct and focused writing. Use simple language, and explain any highly technical terms or acronyms that are used.

Your Project Completion Report should include the information below. **Note: You may request a Microsoft Word version of this report from the GMF Project Officer.**

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Project information

GMF number:
Name of funding recipient:
Project title:
Date of Project Completion Report:

Project implementation

1. How long did it take to complete the Project, from the time it began (initial planning) to the time it was completed?
2. Were members of the community involved in the Project (e.g. through a public participation exercise)? If so, how, and what was the impact of their involvement?
3. Was the Project implemented as outlined in the contract? If there were substantial changes to the implementation plan, please 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.).

Economic and social benefits

Note: Environmental benefits are reported in a separate Environmental Results Report.

1. If known, describe the economic benefits your Project has achieved to date. If the economic benefits are not yet known, briefly describe any economic benefits that you anticipate will emerge from the Project. Examples include:
 - Increased return on investment
 - Decrease in facility operating or maintenance costs
 - Extended lifespan for facility (e.g. landfill, wastewater treatment plan, recreation centre)
 - Increased property tax revenues
 - Stimulus for local economy
 - Lower healthcare costs
 - Increased employment options or job retention
 - Increase in transit ridership
2. If known, describe the social benefits your Project has achieved to date. If the social benefits are not yet known, briefly describe any social benefits that you anticipate will emerge from the Project. Examples include:
 - Improvements to public health
 - Improvements to public safety
 - Improvements to community quality of life
 - Increased employment options or job retention
 - Increased opportunities for community engagement
 - Increased public education or awareness
 - Community revitalization
 - New housing and infrastructure

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- New or enhanced public space or public facilities
- Reduced urban sprawl
- Increased civic pride and participation
- Reduced opportunities for crime

Lessons learned

Lessons learned refer to 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 went well, and could serve as a model for future projects) or negative experiences (i.e. what didn't work, or went poorly, and so could try to be avoided in future projects). **Lessons learned can help those in other municipalities interested in addressing similar issues in their own communities.**

One way of thinking about lessons learned is to group them into barriers and solutions.

- **Barrier:** A barrier is anything that hinders a result that is being sought, and can take many forms. For example, barriers can be behavioural (e.g. "Not in My Backyard" or political disinterest); legislative (e.g. provincial planning act or municipal bylaw); financial (e.g. unaffordable costs or lack of financing); technological (e.g. unable to find local suppliers); situational (e.g. a pre-existing low-density development). The identification of a barrier is a type of lesson learned.
- **Solution:** A solution is any strategy that can be taken to surmount a barrier. Solutions are as varied as the obstacles they surmount. A solution can be behavioural (e.g. providing education to encourage change in views and behaviours); legislative (e.g. passing a bylaw permitting secondary suites); financial (e.g. offering low-interest loans), technological (e.g. validating test results on a municipality's own water source) and so on. The identification of a solution is a type of lesson learned.

1. What did you find worked well during the Project?
2. What barriers did you encounter and what solutions did you implement to address them?
3. What knowledge did you gain from conducting this Project? (e.g. "geothermal energy is not cost-effective in buildings under X square metres" or "biomass can't compete with natural gas unless gas prices rise above X" or "community consultation is more effective if the city circulates proposals in advance, rather than offering citizens a blank slate." Where possible and applicable, include technical lessons from which other municipalities may benefit.
4. Did you use any new technology or new approach (e.g. full-cost accounting) in the course of the Project? Were there any benefits or drawbacks in using this new technology or approach?
5. Have the lessons you learned from this Project influenced any of your policies, plans or other activities?
6. Do you have a Project champion who was instrumental to the Project? If so, please include his or her name, title and contact information, and describe his or her role in the Project.
7. If you were planning this type of Project again, what would you do differently, knowing what you know now?
8. What advice would you give to someone in another community undertaking a similar project?

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Next steps

1. Describe how you intend to build on the results of the Project. If possible, include the month and year of anticipated activities.

Publicity

1. Briefly describe any recognition, media coverage, awards, or public support the Project has received.

Photos and materials

FCM includes project photos and links to project materials in GMF case studies, website content, and other vehicles.

1. Identify and attach any materials resulting from the Project that would be useful to share with other communities, such as checklists, toolkits, guidelines, bylaws, videos or information brochures. If the material is available on your website, simply include the link to it.

For example, a water metering Project might result in a new municipal water use bylaw, or a series of householder information brochures or online video clips on ways to reduce water use.

2. Attach five high-quality photographs of the Project. Where possible, include photos that feature people in action, illustrate the progress of the Project, or feature “before” and “after” perspectives. The photos must be in jpeg or tiff format and at least 300 dpi (up to 10 MB/10,000 KB but no smaller than 1 MB/1,000 KB in file size).

For each photo, please include:

- a) A caption describing what is featured in the photo.
- b) A photo credit that indicates who owns the copyright to the photo and the photographer (e.g. © 2010, City of Ottawa/Madison Brown).
- c) A written release signed by the individuals depicted in the photo granting FCM permission to use the images. **Please request an FCM Photo Consent Form from the GMF Project Officer.**

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SCHEDULE H

Form of Environmental Results Report

The Environmental Results Report (ERR) has two parts.

Part 1 consists of a plain-language summary of the environmental benefits and co-benefits of the project (and the social and economic benefits, if known), as well as a description of the lessons learned from the operation of the project (as opposed to the lessons learned from the construction of the project).

Part 2 consists of documenting analytical data in the Environmental Analytical Results Indicator Tables to quantify the actual environmental benefits and impacts of the project. You must enter data for indicators listed in Schedule A, part 1. Include other (optional) indicators if the data is collected.

PART 1: SUMMARY AND LESSONS LEARNED OF THE PROJECT

The suggested length for Part 1 of this report is two to three pages single-spaced. (Part 1 can be longer or shorter, depending upon the complexity of the project.)

1. In plain language, describe the actual environmental benefits the project achieved based on its operation. If there are any environmental co-benefits (i.e., if there is more than one environmental benefit), describe the results of any co-benefits as well.
2. If known, describe any social benefits achieved by the completion of the project.
3. If known, describe any economic benefits achieved by the completion of the project.
4. Please describe the lessons learned, and provide any other advice that might assist others interested in undertaking similar projects in their own communities.
 - What lessons have been learned from the operation of the project?
 - If applicable, explain why anticipated results have not been achieved and what could have been done differently to improve the performance of the project.
5. Please comment on the ease or difficulty of measuring and reporting on the environmental parameters required in Part 2 of this report.
 - a. Were the measures difficult or expensive to obtain (e.g., did the ERR take a lot of staff time to fill out or did you require outside expertise to collect the information? Were you already collecting this information? Did the ERR require special tools or software, etc.)?
 - b. Would you report on these parameters for your own purposes, if it were not required by GMF?
 - c. What suggestions do you have, if any, to make the ERR easier to complete by future recipients of GMF funding?

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PART 2: ENVIRONMENTAL ANALYTICAL RESULTS TABLES

The Recipient must provide, based on twelve (12) consecutive months of operation unless specific exception, Environmental Analytical Results Indicator Tables based on a measurement and verification report (or equivalent) prepared by a third-party environmental consultant to interpret the actual environmental benefits achieved by the project.

Reference documents that form the basis of data reported in the tables (e.g. any engineering or environmental studies, modeling assumptions, technical specifications or literature, and measurement or estimation techniques details) must also be provided or, at least, thoroughly identified and referenced.

In the tables, please summarize the anticipated and actual environmental benefits and co-benefits listed in Schedule A, part 1 as per the indicators listed below. You may include other indicators if the data is collected.

Each indicator table includes columns to record:

- 1) The baseline or business as usual case
- 2) The anticipated results of the project as compared to the baseline
- 3) A revised baseline
- 4) A revised anticipated result
- 5) An actual result

The columns corresponding to 1) and 2) above should be filled out with the data found in Schedule A Part 1.

Columns corresponding to 3) and 4) above will usually be filled in identically to columns 1) and 2). In the event that the baseline and/or the anticipated result have changed due to unforeseen circumstances or more accurate information that has been discovered since the time of application, the columns corresponding to 3) and 4) above can be used to record this information. Please note that these revisions are only intended to reflect changes external to the scope of the project which may influence the measurement. Examples include:

- A significant increase / decrease in population in a project which intends to influence a per-capita measurement yet reports results as a total (waste diverted, water consumption, waste water production, etc.)
- Exceptionally unusual weather which causes a departure from an energy model completed pre-project that was based on historical weather

Columns corresponding to 5) above should be filled with actual results achieved by the project.



Indicator – Energy consumption

This indicator reflects the change in the amount of energy consumed including electricity from the grid, renewable and non-renewable energy. Changes in energy consumption result from actions to increase energy efficiency or avoid usage. Anticipated and actual results are expressed in gigajoules (GJ).

Source units (kWh, m3, tonnes, etc.) must be converted to gigajoules for inclusion into the summary table. The unit converter at the following link may be used to convert source units to GJ:

<http://oee.nrcan.gc.ca/commercial/technical-info/tools/gigajoule.cfm>

This indicator also reflects the amount of greenhouse gases (GHGs) released from energy use. Actual results are expressed in kilograms of carbon dioxide equivalent per year (kg CO₂e/year).

Emissions factors should be equivalent to those used at the time of application (see Schedule A part 1), however if under any circumstances (a fuel source not-contemplated in the application is used in the project, for example) a new emissions factor must be introduced it should come from a recognized source, examples are provided below:

List of emission factors for fuel combustion:

<http://www.ec.gc.ca/ges-ghg/default.asp?lang=En&n=AC2B7641-1>

List of emission factors for electricity generation per province

<http://www.ec.gc.ca/ges-ghg/default.asp?lang=En&n=EAF0E96A-1#section6>

Specific to Energy Efficiency in Buildings:

Baseline and Actual: Depending on whether an existing building is upgraded or a new one constructed, the establishment of the baseline and measurement of actual results will vary;

- The baseline for existing buildings that are the subject of energy efficiency upgrades should be the actual energy usage prior to the project. The actual results should be the actual measured energy usage after project completion.
- The baseline for new construction, or for existing buildings that, as part of the Project, undergo significant changes in utilization, size, or other factors can be established by a simulation of an equivalent building constructed per the MNECB. The actual results can be estimated through the use of a model with confirmation that the building was built as per the design of this model.

Projects seeking the M&V (measurement and verification) credit specified in the LEED™ rating system are required to carry out monitoring activities for measuring actual results. Therefore, recipients should use data of such reports used to fulfill LEED™ requirements, or equivalent, to prepare this environmental results report.

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Energy Consumption: Part I Energy Sources and Consumption

A	B	C	D	E	F	G	H	I
System Measured	Energy Source (e.g. electricity, natural gas, solar, etc.)	Baseline Consumption (Pre Project) GJ/yr	Anticipated Energy Consumption After Project Completion GJ/yr	Revised Baseline (If applicable) GJ/yr	Revised Anticipated (If applicable) GJ/yr	Actual After Project Completion GJ/yr	Net Anticipated Reduction GJ/yr (E - F)	Net Actual Reduction GJ/yr (E - G)
Canada Games Aquatic Centre	Electricity from the grid	6533	5043	(C) or Adjusted Amount	(D) or Adjusted Amount		(E - F)	(E - G)
	Natural gas	9335	4990	(C) or Adjusted Amount	(D) or Adjusted Amount		(E - F)	(E - G)

Energy Consumption: Part II Greenhouse Gas Impacts

		J	K	L	M	N	O
System Measured	Energy Source (e.g. electricity, natural gas, solar, etc.)	Emissions Factor kg CO ₂ e / GJ	Adjusted Baseline kg CO ₂ e / yr (J * K)	Adjusted Anticipated kg CO ₂ e / yr (J * L)	Actual After Project Completion kg CO ₂ e / yr (J * M)	Net Anticipated Reduction kg CO ₂ e / yr (K - L)	Net Actual Reduction kg CO ₂ e / yr (K - M)
Canada Games Aquatic Centre	Electricity from the grid	27.78	(J * K)	(J * L)	(J * M)	(K - L)	(K - M)
	Natural gas	49.96	(J * K)	(J * L)	(J * M)	(K - L)	(K - M)

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SCHEDULE I

Project Signage Specifications

1. Signage during construction or implementation

The Borrower must affix signage, in content, form and manner acceptable to FCM, recognizing GMF and GoC assistance, 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 Green Municipal Fund logo.

2. Signage after construction or implementation

The Borrower must affix permanent signage, in content, form and manner acceptable to FCM, recognizing GMF and GoC assistance. 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 suitable to weather exposure. The signage must include the FCM Green Municipal Fund logo combined with the text below. The logo should be at least fifteen centimetres wide. The text must be at 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.

and/
or

Ce projet a été réalisé grâce au soutien financier du Fonds municipal vert, une dotation du gouvernement du Canada à la Fédération canadienne des municipalités.

3. Use of the FCM Green Municipal Fund logo

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

Colour signage is not required, but where colour is used, the official FCM Green Municipal Fund corporate colours must be applied.



FEDERATION OF CANADIAN MUNICIPALITIES
FÉDÉRATION CANADIENNE DES MUNICIPALITÉS

**GREEN MUNICIPAL FUND
FONDS MUNICIPAL VERT**

4. Questions

FCM's Green Municipal Fund supports many types of initiatives. These guidelines may not anticipate all potential forms of recognition. To discuss specific applications of these guidelines, please contact GMF at 613-907-6208 or at gmf@fcm.ca.

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SCHEDULE J

Form of Certificate of Financial and Debt Compliance

[LETTERHEAD OF THE BORROWER]

[Address]

[Date]

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. 13033 Loan and Grant Agreement between the Federation of Canadian Municipalities (as Trustee) and The Corporation of the City of London (“Borrower”) (the “Agreement”)

Certificate of Financial and Debt Compliance

I, ~~XXXXXXXXXXXXXXXXXX~~ [Borrower: insert name of CFO or Controller], ~~XXXXXXXXXXXXXXXXXX~~ [Borrower: insert title (should be a CFO, Controller or equivalent)], certify the following:

1. I have reviewed the financial statements provided pursuant to Section 6.01(k)(iii) of the Agreement and confirm that no financial or debt Event of Default has occurred and is continuing or, if any such Event of Default has occurred and is continuing, I am specifying the nature and extent thereof. **[Instruction: describe the Event of Default]**

2. The attached calculations, which include reasonable detail, demonstrate compliance with the provisions of Section 6.02(c) of the Agreement at the end of the most recently completed fiscal year. **[Instruction: attach calculations]**

Date: _____

Signature: _____

Name: _____

Title: _____

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SCHEDULE K

Form of Borrowing 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 Act also provides that all debentures issued under a by-law passed by a regional municipality for its own purposes are direct, joint and several obligations of the regional municipality and its lower-tier municipalities;] [insert if the Municipality is a Regional Municipality]

AND WHEREAS the Council of the XXXXX (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 capital work described in column (2) of Schedule "A" (the "Capital Work") and authorizing, inter alia, the entering into of a combined loan and grant 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 Capital Work (the "Financing Agreement") and desires to issue debentures for the Capital Work in the amount specified in column (3) of Schedule "A";

AND WHEREAS before authorizing the Capital Work, 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 Capital Work, the Treasurer determined that the estimated annual amount payable in respect of the Capital Work, would not cause the Municipality to exceed the updated limit and that the approval of the Capital Work, by the Ontario Municipal Board was not required;

AND WHEREAS to provide long term financing for the Capital Work pursuant to the Financing Agreement, it is now expedient to issue [Instruction: Insert rate determined pursuant to Section 2. Section 2.046 of the Combined Loan and Grant 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 Capital Work, the borrowing upon the credit of the Municipality of the principal sum of XXXXX and the issue of amortizing debentures therefor to be repaid in semi-annual instalments of combined (blended) principal and interest as hereinafter set forth, are hereby authorized.
2. The [Insert position of 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 amount 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 position of 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,

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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 all be dated the **[Instruction: Insert date of Loan 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. Section 2.046 of the Combined Loan and Grant 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]** 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 "Business Day"), and if any date for payment is not a Business Day, payment shall be made on the next following Business Day and no further interest shall be paid in respect of the delay in such payment.
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 and interest that is then outstanding at an annual rate that equals the greater of: (a) **[Instruction: Insert the rate determined by Section 2.06(a) of the Combined Loan and Grant Agreement]**, plus two point five percent (2.5%) per annum, calculated from the date of such default or (b) the GoC ten (10) year benchmark bond yield indicated at www.bankofcanada.ca effective on the applicable default date plus two point five percent (2.5%) 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 amount of Debentures that is outstanding on the specified semi-annual payment date, provided it simultaneously pays all accrued interest thereon plus an amount equal to eighteen (18) months of interest calculated pursuant to s. 2.09(b) of the Financing Agreement on the principal amount of the Debentures so prepaid. Notwithstanding the foregoing, the Municipality shall pay an amount equal to twelve (12) months of interest instead of eighteen (18) months of interest if the prepayment occurs on or after the date where three fourths (3/4) of the term of the Debentures has elapsed. Prepayments must be in an amount equal to or greater than ten percent (10%) of the outstanding principal amount of the Debentures. In the event of a prepayment, FCM shall provide to the Municipality a new amortization schedule effective as of the prepayment date.
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

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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 position of the head of council]** 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 **[Insert position of 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 Debentures 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.

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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 position of the head of council]** and the treasurer are hereby authorized to cause the Debentures to be issued, the clerk 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 Capital Work 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.
22. This By-law takes effect on the day of passing.

[Insert position, of the head of council] Clerk

Agenda Item # Page #

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Schedule "A" to Borrowing By-Law

(1)	(2)	(3)	(4)
By-law	Capital Work Description	Amount of Debentures to be Issued	Term of Years of Debentures
XXXXX	XXXXXX	\$ XXXXX	

[] []

Schedule "B" to Borrowing By-Law

Province of Ontario
[Municipality]

No. XXXXXX

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

XXXXXXXXXX
----- (\$XXXXXXXXX) -----

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 Loan 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. Section 2.046 of the Combined Loan and Grant 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.

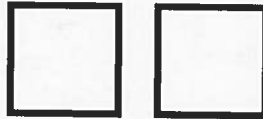
DATED at the [Instruction: insert legal name of Municipality] on [Instruction: Insert date of Loan Disbursement].

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 position of the head of council] and the treasurer thereof.

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

[Insert position of the head of council]

Treasurer



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. The Debentures are direct, unsecured and unsubordinated[, **joint and several**] **[insert if the Municipality is a Regional Municipality obligations of the Municipality [and its lower-tier municipalities] [insert if the Municipality is a Regional Municipality].** Notwithstanding any provision to the contrary contained herein, the Debentures shall be issued in minimum denominations of \$XXXXXXX **[the amount of the Loan Disbursement]**. 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.
2. This Debenture is one fully registered Debenture registered in the name of FCM and held by FCM.
3. 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.
4. 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 Region 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.
5. 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.
6. 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 Loan 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.
7. 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

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all or part of the principal that is outstanding provided it simultaneously pays all accrued interest thereon plus, as a bonus, an amount equal to eighteen (18) months of interest calculated pursuant to s. 2.09(b) of the Financing Agreement on the principal amount of the Debentures so prepaid. Notwithstanding the foregoing, the Municipality shall pay an amount equal to twelve (12) months of interest instead of eighteen (18) months of interest if the prepayment occurs on or after the date where three fourths (3/4) of the term of the Debentures has elapsed. Prepayments must be in an amount equal to or greater than ten percent (10%) of the outstanding principal amount of the Debentures. In the case of a prepayment of a part of the principal, a new amortization schedule will be provided to the Municipality effective as of the date of the prepayment and such new amortization schedule shall be deemed to replace the amortization schedule which constitutes part of the Debenture in respect of which the prepayment was effected. 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.

8. 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 and interest that is then outstanding at an annual rate that equals the greater of: (a) **[Instruction: Insert the rate determined by Section 2.06(a) of the Combined Loan and Grant Agreement]**, plus two point five percent (2.5%) per annum, calculated from the date of such default or (b) the GoC ten (10) year benchmark bond yield indicated at www.bankofcanada.ca effective on the applicable default date plus two point five percent (2.5%) per annum, calculated from the date of such default.
9. Whenever it is necessary to compute any amount of interest in respect of the Debentures for a period of less than one full year, other than with respect to regular semi-annual interest payments, such interest shall be calculated on the basis of the actual number of days in the period and a year of 365 or 366 days, as appropriate.
10. 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 "Business Day"), and if any date for payment is not a Business Day, payment shall be made on the next following Business Day and no further interest shall be paid in respect of the delay in such payment.
11. 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.
12. 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.

13. The Debentures issued upon any registration of transfer or exchange or in substitution for any Debentures or part thereof shall carry all the rights to interest if any, accrued and unpaid which were carried by such Debentures or part thereof and shall be so dated and shall bear the same maturity date and, subject to the provisions of the By-law, shall be subject to the same terms and conditions as the Debentures in respect of which the transfer, exchange or substitution is effected.
14. The cost of all transfers and exchanges, including the printing of authorized denominations of the new Debentures shall be borne by the 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.
15. 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.
16. 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 a Business Day then such notice may be given on the next following Business Day.
17. Unless otherwise expressly provided herein, any reference herein to a time shall be considered to be a reference to Ottawa, Ontario time.
18. The Debentures are governed by and shall be construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable in Ontario.

Agenda Item # Page #

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Schedule "C"

Amortization Schedule