

Schedule "B"

No. OILC2023-02

\$6,177,282.12

C A N A D A  
Province of Ontario  
THE CORPORATION OF THE CITY OF THUNDER BAY

FULLY REGISTERED 4.73% SERIAL DEBENTURE

THE CORPORATION OF THE CITY OF THUNDER BAY (the "Municipality"), for value received, hereby promises to pay to

ONTARIO INFRASTRUCTURE AND LANDS CORPORATION ("OILC")

or registered assigns, subject to the Conditions attached hereto which form part hereof (the "Conditions"), upon presentation and surrender of this debenture (or as otherwise agreed to by the Municipality and OILC) by the maturity date of this debenture (December 15, 2033), the principal amount of

SIX MILLION, ONE HUNDRED SEVENTY SEVEN THOUSAND, TWO HUNDRED  
EIGHTY-TWO DOLLARS AND TWELVE CENTS

----- (\$6,177,282.12) -----

by semi-annual instalments of combined equal principal and diminishing interest amounts on the 15th day of June and on the 15th day of December in each of the years 2024 to 2033, both inclusive, save and except for the last instalment of principal which may vary slightly from the preceding equal instalments, in the amounts set forth in the attached Loan Amortization Schedule (the "Amortization Schedule") and subject to late payment interest charges pursuant to the Conditions, in lawful money of Canada. Subject to the Conditions: interest shall be paid until the maturity date of this debenture, in like money in semi-annual payments from the closing date (December 15, 2023), or from the last date on which interest has been paid on this debenture, whichever is later, at the rate of 4.73% per annum, in arrears, on the specified dates, as set forth in the Amortization Schedule; and interest shall be paid on default at the applicable rate set out in the Amortization Schedule both before and after default and judgment. The payments of principal and interest and the outstanding amount of principal in each year are shown in the Amortization Schedule.

The Municipality, pursuant to section 25 of the *Ontario Infrastructure and Lands Corporation Act, 2011* (the "OILC Act, 2011") hereby irrevocably agrees that the Minister of Finance is entitled, without notice to the Municipality, to deduct from money appropriated by the Legislative Assembly of Ontario for payment to the Municipality, amounts not exceeding any amounts that the Municipality fails to pay OILC on account of any unpaid indebtedness under this debenture, and to pay such amounts to OILC from the Consolidated Revenue Fund.

This debenture is subject to the Conditions.

DATED at the City of Thunder Bay as at the 15th day of December, 2023

IN TESTIMONY WHEREOF and under the authority of By-law Number BL 340/2023 of the Municipality duly passed on the 27th day of November, 2023 (the "By-law"), this debenture is sealed with the municipal seal of the Municipality and signed by the Acting Mayor and by the Treasurer thereof.

Date of Registration: December 15, 2023

\_\_\_\_\_

(Seal)

\_\_\_\_\_

Dominic Pasqualino, Acting Mayor

Keri Greaves, Treasurer

AMORTIZATION SCHEDULE

Loan.....: 2836  
 Name.....: Thunder Bay, The Corporation of the City of  
 Principal: \$6,177,282.12  
 Rate.....: 04.7300%  
 Term.....: 120  
 Matures...: 12/15/2033

Pay #	Date	Amount Due \$	Principal Due \$	Interest Due \$	Rem. Principal \$
1	06/15/2024	455,357.09	308,864.11	146,492.98	5,868,418.01
2	12/15/2024	448,032.44	308,864.11	139,168.33	5,559,553.90
3	06/15/2025	439,987.33	308,864.11	131,123.22	5,250,689.79
4	12/15/2025	433,383.14	308,864.11	124,519.03	4,941,825.68
5	06/15/2026	425,418.08	308,864.11	116,553.97	4,632,961.57
6	12/15/2026	418,733.84	308,864.11	109,869.73	4,324,097.46
7	06/15/2027	410,848.84	308,864.11	101,984.73	4,015,233.35
8	12/15/2027	404,084.54	308,864.11	95,220.43	3,706,369.24
9	06/15/2028	396,759.89	308,864.11	87,895.78	3,397,505.13
10	12/15/2028	389,435.25	308,864.11	80,571.14	3,088,641.02
11	06/15/2029	381,710.34	308,864.11	72,846.23	2,779,776.91
12	12/15/2029	374,785.95	308,864.11	65,921.84	2,470,912.80
13	06/15/2030	367,141.10	308,864.11	58,276.99	2,162,048.69
14	12/15/2030	360,136.65	308,864.11	51,272.54	1,853,184.58
15	06/15/2031	352,571.85	308,864.11	43,707.74	1,544,320.47
16	12/15/2031	345,487.35	308,864.11	36,623.24	1,235,456.36
17	06/15/2032	338,162.70	308,864.11	29,298.59	926,592.25
18	12/15/2032	330,838.05	308,864.11	21,973.94	617,728.14
19	06/15/2033	323,433.36	308,864.11	14,569.25	308,864.03
20	12/15/2033	316,188.68	308,864.03	7,324.65	0.00
		7,712,496.47	6,177,282.12	1,535,214.35	

OILC hereby agrees that the Minister of Finance is entitled to exercise certain rights of deduction pursuant to section 25 of the OILC Act, 2011 as described in this debenture.

Ontario Infrastructure and Lands Corporation

by: \_\_\_\_\_  
 Authorized Signing Officer

by: \_\_\_\_\_  
 Authorized Signing Officer

## LEGAL OPINION

We have examined the By-law of the Municipality authorizing the issue of serial debentures in the aggregate principal amount of \$6,177,282.12 dated December 15, 2023 and maturing on December 15, 2033 in semi-annual instalments of combined equal principal and diminishing interest amounts on the 15th day of June and on the 15th day of December in each of the years 2024 to 2033, both inclusive, save and except for the last instalment of principal which may vary slightly from the preceding equal instalments, as set out in Schedule “C” to the By-law.

In our opinion, the By-law has been properly passed and is within the legal powers of the Municipality. The debenture issued under the By-law in the within form (the “Debenture”) is the direct, general, unsecured and unsubordinated obligation of the Municipality. The Debenture is enforceable against the Municipality subject to the special jurisdiction and powers of the Ontario Land Tribunal over defaulting municipalities under the *Municipal Affairs Act*. This opinion is subject to and incorporates all the assumptions, qualifications and limitations set out in our opinion letter.

December 15, 2023

WeirFoulds LLP

## **CONDITIONS OF THE DEBENTURE**

### **Form, Denomination, and Ranking of the Debenture**

1. The debentures issued pursuant to the By-law (collectively the “Debentures” and individually a “Debenture”) are issuable as fully registered Debentures without coupons.
2. The Debentures are direct, general, unsecured and unsubordinated obligations of the Municipality. The Debentures rank concurrently and equally in respect of payment of principal and interest with all other debentures of the Municipality except for the availability of money in a sinking or retirement fund for a particular issue of debentures.
3. This Debenture is one fully registered Debenture registered in the name of OILC and held by OILC.

### **Registration**

4. The Municipality shall maintain at its designated office a registry in respect of the Debentures in which shall be recorded the names and the addresses of the registered holders and particulars of the Debentures held by them respectively and in which particulars of cancellations, 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.

### **Title**

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

### **Payments of Principal and Interest**

6. The record date for purposes of payment of principal of and interest on the Debentures is as of 5:00 p.m. on the sixteenth calendar day preceding any payment date including the maturity date. Principal of and interest on the Debentures are payable by the Municipality to the persons registered as holders in the registry on the relevant record date. The Municipality shall not be required to register any transfer, exchange or substitution of Debentures during the period from any record date to the corresponding payment date.
7. The Municipality shall make all payments in respect of semi-annual instalments of combined equal principal and diminishing interest amounts on the Debentures on the 15th day of June and on the 15th day of December, in each of the years 2024 to 2033, both inclusive, including the last 'non-equal' instalment of principal, as set out in Schedule "C" to the By-law, by pre-authorized debit in respect of such interest and principal to the credit of the registered holder on such terms as the Municipality and the registered holder may agree.
8. The Municipality shall pay to the registered holder interest on any overdue amount of principal or interest in respect of any Debenture, both before and after default and judgment, at a rate per annum equal to the greater of the rate specified on the Amortization Schedule as attached to and forming part of the Debenture for such amount plus 200 basis points or Prime Rate (as defined below) plus 200 basis points, calculated on a daily basis from the date such amount becomes overdue for so long as such amount remains overdue and the Municipality shall pay to the registered holder any and all costs incurred by the registered holder as a result of the overdue payment.
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 days or 366 days as appropriate.
10. Payments in respect of principal of and interest on the Debentures shall be made only on a day, other than Saturday or Sunday, on which banking institutions in Toronto, Ontario, Canada and the Municipality are not authorized or obligated by law or executive order to be closed (a "Business Day"), and if any date for payment is not a Business Day, payment shall be made on the next following Business Day as noted on the Amortization Schedule.
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 transferor, 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 Debentures in exchange for or in substitution for Debentures outstanding on the registry with the same maturity and of like form in the event of a mutilation, defacement, loss, mysterious or unexplainable disappearance, theft or destruction, 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 mutilated, defaced, lost, mysteriously or unexplainably missing, stolen or destroyed Debenture) furnished the Municipality with such evidence (including evidence as to the certificate number of the Debenture in question) and an indemnity in respect thereof satisfactory to the 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 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; (c) enter in the registry particulars of the new Debenture or Debentures issued in exchange; and (d) in the case of a transfer, enter in the registry particulars of the registered holder as directed by the transferor.
15. Reasonable fees for the substitution of a new Debenture or new Debentures for any of the Debentures that are mutilated, defaced, lost, mysteriously or unexplainably missing, stolen, or destroyed and for the replacement of mutilated, defaced, lost, mysteriously or unexplainably missing, stolen or destroyed principal and interest cheques (if any) may be imposed by the Municipality. When 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. If OILC elects to terminate its obligations under the financing agreement entered into between the Municipality and OILC, pursuant to which the Debentures are issued, at OILC's discretion, the Municipality shall pay to OILC the Make-Whole Amount on account of the losses that OILC will incur as a result of the early repayment or early termination.

### **Notices**

17. Except as otherwise expressly provided herein, any notice required to be given to a registered holder of one or more of the Debentures will be sufficiently given if a copy of such notice is mailed or otherwise delivered to the registered address of such registered holder. If the Municipality or any registered holder is required to give any notice in connection with the Debentures on or before any day and that day is not a Business Day (as defined in section 10 of these Conditions) then such notice may be given on the next following Business Day.

### **Time**

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

### **Governing Law**

19. The Debentures are governed by and shall be construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable in Ontario.

### **Definitions:**

- (a) "Prime Rate" means, on any day, the annual rate of interest which is the arithmetic mean of the prime rates announced from time to time by the following five major Canadian Schedule I banks, as of the issue date of this Debenture: Royal Bank of Canada; Canadian Imperial Bank of Commerce; The Bank of Nova Scotia; Bank of Montreal; and The Toronto-Dominion Bank (the "Reference Banks") as their reference rates in effect on such day for Canadian dollar commercial loans made in Canada. If fewer than five of the Reference Banks quote a prime rate on such

days, the "Prime Rate" shall be the arithmetic mean of the rates quoted by those Reference Banks.

- (b) "Make-Whole Amount" means the amount determined by OILC as of the date of prepayment of the Debenture, by which (i) the present value of the remaining future scheduled payments of principal and interest under the Debenture to be repaid from the prepayment date until maturity of the Debenture discounted at the Ontario Yield exceeds (ii) the principal amount under the Debenture being repaid provided that the Make-Whole Amount shall never be less than zero.
  
- (c) "Ontario Yield" means the yield to maturity on the date of prepayment of the Debenture, assuming semi-annual compounding, which a non-prepayable term loan made by the Province of Ontario would have if advanced on the date of prepayment of the Debenture, assuming the same principal amount as the Debenture and with a maturity date which is the same as the remaining term to maturity of the Debenture to be repaid minus 100 basis points.