

THE REGIONAL MUNICIPALITY OF PEEL

BY-LAW NUMBER 43-2020

To authorize the borrowing upon sinking fund debentures in the principal amount of \$200,000,000.00 for capital works of The Regional Municipality of Peel.

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;

AND WHEREAS clause 409 (1)(a) of the Act provides that a municipality may provide in a debenture by-law that all or a portion of the debentures are sinking fund debentures which have the principal payable on a fixed date and subsection 409 (2) of the Act provides that a by-law passed under section 409 of the Act shall provide for an estimated amount in each year for the sinking fund which, with interest compounded annually, will be sufficient to pay the principal of the debentures at maturity. Subsection 409 (3) of the Act provides that an amount required to be provided in a year under subsection 409 (2) of the Act shall be deemed to be an amount of principal payable to the lender in the year for the purposes of subsection 403 (3) and clause 408 (4)(a) of the Act;

AND WHEREAS subsection 408 (2.1) of the Act provides that a municipality may issue a debenture or other financial instrument for long-term borrowing only to provide financing for a capital work;

AND WHEREAS on February 24, 2011, the Council of The Regional Municipality of Peel (the “**Upper-tier Municipality**”) by By-law Number 26-2011 (as amended by By-law Number 125-2011 on September 22, 2011) established a Debt Issuance Committee and delegated to the Debt Issuance Committee, among other things, the

authority to enact by-laws authorizing long-term borrowing from time to time by the issuance of debentures and financial instruments, and the entering into of financial agreements in accordance with the debt authority previously provided by the Council of the Upper-tier Municipality and in accordance with the Act and the applicable regulations made thereunder;

AND WHEREAS the Council of the Upper-tier Municipality has authorized the undertaking of the capital works of the Upper-tier Municipality (individually a “**Capital Work**”, collectively the “**Capital Works**”) set out in Column (1) of Schedule “A” attached hereto and forming part of this By-law (“**Schedule “A”**”) and desires to issue debentures for each of the Capital Works in the respective principal amount specified in Column (6) of Schedule “A”;

AND WHEREAS before authorizing the Capital Works and before authorizing any additional cost amount and any additional debenture authority in respect thereof, the Council of the Upper-tier Municipality had its Regional 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 regulation. Prior to the Council of the Upper-tier Municipality authorizing each Capital Work, each such additional cost amount and each such additional debenture authority, the Regional Treasurer determined that the estimated annual amount payable in respect of each Capital Work, each such additional cost amount and each such additional debenture authority, would not cause the Upper-tier Municipality to exceed its updated limit and that the approval of each Capital Work, each such additional cost amount and each such additional debenture authority by the Local Planning Appeal Tribunal pursuant to such regulation was not required;

AND WHEREAS to provide long-term financing for the Capital Works it is now deemed to be expedient to borrow money by the issue and sale of sinking fund debentures of the Upper-tier Municipality in the principal amount of \$200,000,000.00 payable at the time and bearing interest at the rate hereinafter set forth, as agreed to by the Upper-tier Municipality on June 2, 2020 as evidenced by the purchase letter dated as at June 2, 2020 made between the Commissioner of Finance and Chief Financial Officer and

the principals of the Upper-tier Municipality's underwriting group described therein.

NOW THEREFORE the Debt Issuance Committee of The Regional Municipality of Peel enacts as follows:

1. The authorization of the Capital Works on the basis of long-term financing in the amounts specified in Column (4) of Schedule "A" over the term of years specified in Column (7) of Schedule "A" is hereby confirmed, ratified and approved in accordance with the provisions of the applicable debt and financial obligation limits regulation.
2. For the Capital Works, the borrowing upon the credit of the Upper-tier Municipality at large of the principal amount of \$200,000,000.00 and the issue of sinking fund debentures therefor within the term of years set out in Column (7) of Schedule "A" in minimum denominations of \$1,000.00, as hereinafter set forth, are hereby authorized.
3. The Regional Chair and the Regional Treasurer of the Upper-tier Municipality are hereby authorized to cause any number of sinking fund debentures in the principal amount of \$200,000,000.00, as described in section 2 above, (the "**Debentures**") payable as to principal on June 16, 2051 with semi-annual instalments of interest thereon to be issued for such amounts of money as may be required for the Capital Works in global and definitive forms, not exceeding in total the said principal amount of \$200,000,000.00. The Debentures shall bear the Upper-tier Municipality's municipal seal and the signatures of the Regional Chair and of the Regional Treasurer of the Upper-tier Municipality, all in accordance with the provisions of the Act and the applicable regulations made thereunder. 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. The Debentures shall initially be issued in global fully registered form as four certificates in the aggregate principal amount of \$200,000,000.00, each substantially in the form attached as Schedule "B" hereto and forming part of this By-law (the "**Global Debentures**"). The Global Debentures shall initially be issued in the name of CDS & CO. as nominee of CDS Clearing and Depository Services Inc. ("**CDS**") and each shall provide for payment of principal and interest electronically in final and irrevocable same-day funds in accordance with the applicable

requirements of CDS, so long as the Global Debentures are held by CDS.

4. (1) The Debentures shall all be dated the 16th day of June, 2020, and as to both principal and interest shall be expressed and be payable in lawful money of Canada. The Debentures shall be issued for a term of 31 years bearing interest at the rate of 2.50% per annum and shall be payable on the 16th day of June, 2051. In each year during such period, the amount of \$5,000,000.00 shall be payable for interest on the Debentures in semi-annual instalments of \$2,500,000.00 on each of June 16 and December 16 (commencing on December 16, 2020). The amount of \$5,321,883.16 shall be deposited on or before June 16 (commencing on June 16, 2021) by the Regional Treasurer, or an authorized official of the Upper-tier Municipality, into a sinking fund (the “**Sinking Fund**”), which amount, with interest compounded annually, will be sufficient to pay the principal of the Debentures at maturity (June 16, 2051) as required by the provisions of this By-law, the Act and the applicable regulations made thereunder.

(2) Payments in respect of contributions to the Sinking Fund as well as principal of and interest on the Debentures shall be made only on a day on which banking institutions in Toronto, Ontario, 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 and no further interest shall be paid in respect of the delay in such payment.
5. Interest shall be payable to the date of maturity of the Debentures and on default shall be payable both before and after default and judgment. Any amounts payable by the Upper-tier Municipality as interest on overdue principal or interest in respect of the Debentures shall be paid out of current revenue. 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 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, if applicable.
6. In limited circumstances (as agreed to by both the Upper-tier Municipality and CDS) the Global Debentures shall be exchangeable for certificated Debentures in definitive fully

registered form in authorized denominations upon surrender of the Global Debentures to the Regional Treasurer of the Upper-tier Municipality. Any of the Debentures issued as definitive Debentures may, with the approval of the Debt Issuance Committee, be countersigned in writing by officials so designated by the Debt Issuance Committee. The definitive Debentures shall aggregate the same principal amount as the principal outstanding balance of the Global Debentures as of the record date for such exchange in accordance with the provisions of the Global Debentures, shall bear the same interest rate and maturity date, shall bear all unmatured interest obligations and shall have the same benefits and be subject to the same terms and conditions as the Global Debentures (except insofar as they specifically relate to the Global Debentures). In issuing definitive Debentures no change shall be made in the amount which would otherwise be payable in each year under the Global Debentures. The definitive Debentures shall be in fully registered form, payable as to principal and outstanding interest in lawful money of Canada at maturity upon presentation and surrender thereof at any specified branch in Canada of the Upper-tier Municipality's bank designated in the definitive Debentures. Prior to maturity, the definitive Debentures shall be payable as to interest by cheque sent by mail to the registered addresses of the registered holders or, if authorized in writing, by electronic transfer.

7. (1) In respect of the Debentures, there shall be raised in each year during the currency of the Debentures as part of the general upper-tier levy the amount of \$5,000,000.00 for interest on the Debentures in semi-annual instalments of \$2,500,000.00 on each of June 16 and December 16 (commencing on December 16, 2020). There shall also be raised in each year during the said period as part of the general upper-tier levy, the amount of \$5,321,883.16 for deposit into the Sinking Fund on or before June 16 (commencing on June 16, 2021) for the payment at maturity (June 16, 2051) of the principal of the Debentures. In each such year, for the Capital Works, the said two amounts (the amount for interest and the amount for the contribution to the Sinking Fund) shall be raised as part of the general upper-tier levy to the extent that the amounts have not been provided for by any other available source including other taxes or fees or charges imposed on persons or property by a by-law of any municipality.

(2) Subject to the provisions of this By-law, and in particular to subsection (3) of this section, the lower-tier municipalities that comprise the Upper-tier Municipality (individually a “**Lower-tier Municipality**”, collectively the “**Lower-tier Municipalities**”) shall pay to the Upper-tier Municipality, as part of the general upper-tier levy the amounts required to be paid to the Upper-tier Municipality by the Lower-tier Municipalities in respect of the Capital Works, in accordance with the manner in which the general upper-tier levy is required, from time to time, to be paid to the Upper-tier Municipality. Such amounts constitute debt of the Lower-tier Municipalities to the Upper-tier Municipality and such amounts shall, when combined with any amount payable by the Upper-tier Municipality in the year for repayment of the debt for which the Debentures are to be issued, be sufficient to meet the total amount payable for deposit into the Sinking Fund and interest payable in the year by the Upper-tier Municipality in respect of the Debentures, all in accordance with the provisions of this By-law, the Act and the applicable regulations made thereunder.

(3) If any Lower-tier Municipality fails to make any payment or portion of it as provided in this By-law, such Lower-tier Municipality shall pay interest to the Upper-tier Municipality on the amount in default at the rate per annum set out in the most recent upper-tier levy by-law, from the date the payment is due until it is made.

(4) There shall be raised, pursuant to this By-law, in each year of the currency of the Debentures, as part of the general upper-tier levy, the amounts required to be paid to the Upper-tier Municipality in any previous year by any one or more of the Lower-tier Municipalities to the extent that the amounts have not been paid to the Upper-tier Municipality in accordance with this By-law, the Act and the applicable regulations made thereunder.

8. 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.
9. The Upper-tier 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 cancellations, exchanges,

substitutions and transfers of Debentures may be recorded and the Upper-tier Municipality is authorized to use electronic, magnetic or other media for records of or related to the Debentures or for copies of them.

10. The Upper-tier 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 Upper-tier Municipality shall deem and treat registered holders of the Debentures, including the Global 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 Upper-tier 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 Upper-tier 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 Upper-tier Municipality.
11. The Debentures are transferable or exchangeable at the office of the Regional Treasurer of the Upper-tier Municipality upon presentation for such purpose accompanied by an instrument of transfer or exchange in a form approved by the Upper-tier 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, the Regional Chair and the Regional 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 transferor, in the case of a transfer or as directed by the registered holder in the case of an exchange.

12. The Regional Chair and the Regional Treasurer shall issue and deliver new Debentures in exchange or substitution for Debentures outstanding on the registry with the same maturity date and of like form which have become mutilated, defaced, lost, subject to a mysterious or unexplainable disappearance, stolen, destroyed or dematerialized, provided that the applicant therefor shall have: (a) paid such costs as may have been incurred in connection therewith; (b) (in the case when a Debenture is mutilated, defaced, lost, mysteriously or unexplainably missing, stolen, destroyed or dematerialized) furnished the Upper-tier 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 Upper-tier Municipality in its discretion; and (c) surrendered to the Upper-tier Municipality any mutilated or defaced Debenture 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 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.
14. The cost of all transfers and exchanges, including the printing of authorized denominations of the new Debentures, shall be borne by the Upper-tier Municipality. When any of the Debentures are surrendered for transfer or exchange the Regional Treasurer of the Upper-tier 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 the name of the registered holder as directed by the transferor.
15. Subject to an agreement that the Upper-tier Municipality may enter into to the contrary, reasonable fees may be imposed by the Upper-tier Municipality 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, destroyed or dematerialized and for the

replacement of any of the interest cheques that are mutilated, defaced, lost, mysteriously or unexplainably missing, stolen or destroyed. When new Debentures are issued in substitution in these circumstances the Upper-tier 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.
17. (1) The Regional Chair and the Regional Treasurer are hereby authorized to cause the Debentures to be issued, the execution of a purchase letter in respect of the Debentures, dated as at June 2, 2020, by the Commissioner of Finance and Chief Financial Officer is hereby ratified, confirmed and approved, one or more of the Regional Treasurer and the Regional Clerk are hereby authorized to generally do all things and to execute all other documents and papers in the name of the Upper-tier Municipality in order to carry out the sale of the Debentures through CDS's book entry only system and the Regional Treasurer is authorized to affix the Upper-tier Municipality's municipal seal to any of such documents and papers.

(2) The money received by the Upper-tier Municipality from the sale of the Debentures, including any premium, and any earnings derived from the investment of that money, after providing for the expenses related to their issue, if any, shall be apportioned and applied to the Capital Works, in accordance with this By-law and to no other purpose except as permitted by the Act and the applicable regulations made thereunder.
18. The Upper-tier Municipality reserves the right to issue additional sinking fund debentures of the same maturity, interest rate and terms and conditions.

- 19. Subject to the Upper-tier Municipality’s investment policies and goals and the applicable legislation, the Upper-tier 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 Upper-tier Municipality may in its discretion determine.

- 20. This by-law comes into force on the day it is passed.

APPENDIX I - By-Law Schedule A
APPENDIX II - By-Law Schedule B

READ THREE TIMES AND PASSED BY THE DEBT ISSUANCE COMMITTEE
this 11th day of June, 2020

Regional Clerk

Regional Chair