

GREEN MUNICIPAL FUND (GMF)

Project No.: GMF16598

Project Title: Municipality of Brockton to protect aquatic environment by reducing residual chlorine

Combined Loan and Grant Agreement

Capital Projects – Municipalities

Between

THE CORPORATION OF THE MUNICIPALITY OF BROCKTON

– 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.

Table of Contents

Article 1. Definitions and Schedules	4
Section 1.01 Definitions.	4
Section 1.02 Reporting and Disbursement Schedules.	7
Section 1.03 Interpretation.	7
Article 2. The Loan	8
Section 2.01 Purpose of the Loan.	8
Section 2.02 Principal Amount of the Loan.	8
Section 2.03 Project Completion Date.	8
Section 2.04 Loan Expiration Date.	8
Section 2.05 Disbursement.	9
Section 2.06 Interest.	11
Section 2.07 Repayment.	12
Section 2.08 Interest in the Event of a Default.	12
Section 2.09 Prepayment.	13
Section 2.10 Payments.	13
Section 2.11 Covenant to Pay.	14
Article 3. The Grant	14
Section 3.01 Grant Purpose.	14
Section 3.02 Grant Amount.	14
Section 3.03 Grant Expiration Date.	15
Section 3.04 Contribution.	15
Article 4. Conditions of Loan Disbursement and Grant Contribution	16
Section 4.01 Conditions of Loan Disbursement and Grant Contribution.	16
Article 5. Representations and Warranties	16
Section 5.01 Representations and Warranties.	16
Article 6. Covenants	18
Section 6.01 Affirmative Covenants.	18
Section 6.02 Negative Covenants.	20
Article 7. Events of Default	21
Section 7.01 Events of Default.	21
Section 7.02 Remedies.	22
Section 7.03 Saving of Rights.	22
Article 8. Miscellaneous Provisions	22
Section 8.01 Notices and Requests.	22
Section 8.02 Confidentiality.	23

Section 8.03	Release and Indemnification.	24
Section 8.04	FCM's Limited Liability.	25
Section 8.05	Further Assurances.	25
Section 8.06	Amendment.	25
Section 8.07	Choice of Language.	25
Section 8.08	Governing Law.	25
Section 8.09	Choice of Forum.	25
Section 8.10	Effectiveness.	26
Section 8.11	Successors and Assigns.	26
Section 8.12	Severability.	26
Section 8.13	Waiver of Rights.	26
Section 8.14	GMF Application Form.	26
Section 8.15	Entire Agreement.	26
Section 8.16	Audit.	26
Section 8.17	Counterparts.	26
Article 9.	Survival	27
Section 9.01	Survival.	27
SCHEDULE A:	Project Description	28
SCHEDULE B:	Form of Request for Loan Disbursement and/or Grant Contribution	35
SCHEDULE C:	Form of Certificate of Incumbency and Authority	40
SCHEDULE D:	Form of Legal Opinion	41
SCHEDULE E:	Audit Requirements	42
SCHEDULE F:	Form of Project Progress Report	46
SCHEDULE G:	Project Completion Report	49
SCHEDULE H:	Environmental Results Reporting	58
SCHEDULE I:	Project Signage Specifications	68
SCHEDULE J:	Form of Borrowing By-law	69

LOAN AND GRANT AGREEMENT

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

BETWEEN:

THE CORPORATION OF THE MUNICIPALITY OF BROCKTON

(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
- D. this Agreement contains the terms for the administration and remittance of the loan and grant 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;

“Advanced First Loan Disbursement” means the first disbursement of the Loan, disbursed in advance of the Borrower having incurred sufficient Eligible Costs to request reimbursement from FCM, as set forth in Schedule B;

“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;

“Borrowing By-law(s)” means the by-law(s) of the Borrower substantially in the form attached hereto as Schedule J, incorporating such additional information as may be required by FCM to properly record the making of each 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 Incumbency and Authority” means the certificate attached as Schedule C;

“Claim Summary” means the claim summary in the form of the Project Workbook;

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

“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;

“Final Loan Disbursement” means the last disbursement of the Principal Amount of the Loan. For example, in the event that the Borrower obtains the Principal Amount of the Loan in a single disbursement, Final Loan Disbursement has the same meaning as Loan Disbursement;

“Final Loan Disbursement Date” means the date that the Borrower obtains the last disbursement of the Principal Amount of the Loan as contemplated by this Agreement. In the event that the Borrower obtains the Principal Amount of the Loan in a single disbursement, Final Loan Disbursement Date has the same meaning as Loan Disbursement Date;

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

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

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

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

“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;

“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 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;

“Project Workbook” means the form of electronic spreadsheet provided by FCM to the Borrower, as amended by FCM from time to time, to be completed when providing information updates or making a Request for Loan Disbursement and/or Grant Contribution to FCM;

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

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

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

“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;

“Term” shall begin on the First Loan Disbursement Date or the Advanced First Loan Disbursement Date, as applicable, and end on such date which is 120 months after the First Loan Disbursement Date or the Advanced First Loan Disbursement Date, as applicable;

Section 1.02 Reporting and Disbursement 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: Milestone Schedule
- Part 4: Particulars of the Sources of Funding

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

- Part 1: Request letter
- Part 2: Table of conditions

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
- 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 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 five hundred and twenty thousand dollars (\$520,000); or
- (b) sixty nine point fifty-seven percent (69.57%) 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 five hundred and ninety-eight thousand dollars (\$598,000) 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 18th day of December, 2020 (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 Final 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 October 11, 2019;

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

Section 2.05 Disbursement.

The Principal Amount of the Loan shall be advanced by FCM to the Borrower in two (2) disbursements to be remitted to the Borrower in the manner set out in this Section 2.05.

(a) Advanced First Loan Disbursement

In the event that the Borrower requests to receive the first disbursement of the Loan, as an Advanced First Loan Disbursement, FCM shall on or prior to the 30th day of May 2020, advance the part of the Principal Amount of the Loan that constitutes the Advanced First Loan Disbursement, on the date that the Borrower identifies as the date that it would like to receive the Advanced First Loan Disbursement (the “**Advanced First Loan Disbursement Date**”), provided that the Borrower shall have:

- (i) delivered to FCM a completed Request for Loan Disbursement and/or Grant Contribution at least thirty (30) days prior to the Advanced First Loan Disbursement Date if the Advanced First Loan Disbursement is equal to or less than two million dollars (\$2,000,000) and at least sixty (60) days before the Advanced First Loan Disbursement Date if the Advanced First Loan Disbursement is greater than two million dollars (\$2,000,000);
- (ii) requested an Advanced First Loan Disbursement in an amount that shall be equal to or lower than the sum of three hundred and ninety thousand dollars (\$390,000); and
- (iii) the conditions of the Advanced First Loan Disbursement set forth in the Form of Request for Loan Disbursement and/or Grant Contribution and in the Project Workbook have been satisfied as of the Advanced First Loan Disbursement Date.

If, for any other reason other than FCM's failure to fulfil its obligations hereunder, the Advanced First Loan Disbursement is not made on the Advanced First Loan Disbursement Date determined pursuant to Section 2.05(a) above, the Borrower shall no longer be eligible to request and receive an Advanced First Loan Disbursement and shall request and receive the First Loan Disbursement, based on a costs-incurred basis, as set forth in Section 2.05(b) below.

(b) First Loan Disbursement

On or prior to the 31st day of August, 2020, FCM shall advance the part of the Principal Amount of the Loan that constitutes the first disbursement (the “**First Loan Disbursement**”) on the date that the Borrower identifies as the date that it would like to receive the First Loan Disbursement (the “**First Loan Disbursement 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 First Loan Disbursement Date if the First Loan Disbursement is equal to or less than two million dollars (\$2,000,000) and at least sixty (60) days before the First Loan Disbursement Date if the First Loan Disbursement is greater than two million dollars (\$2,000,000);
- (ii) the First Loan Disbursement shall be equal to the lesser of:
 - (A) sixty nine point fifty-seven percent (69.57%) of the Eligible Costs then incurred by the Borrower, or
 - (B) the sum of three hundred and thirty-eight thousand dollars (\$338,000) ; and

- (iii) the conditions of the First Loan Disbursement set forth in the Form of Request for Loan Disbursement and/or Grant Contribution and in the Project Workbook have been satisfied as of the First Loan Disbursement Date.

(c) **Second Loan Disbursement**

On or prior to the Loan Expiration Date (the “**Second Loan Disbursement Date**”), FCM shall advance the part of the Principal Amount of the Loan that constitutes the second disbursement (the “**Second Loan Disbursement**”), 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 Second Loan Disbursement Date if the Second Loan Disbursement is equal to or less than two million dollars (\$2,000,000) and at least sixty (60) days before the Second Loan Disbursement Date if the Second Loan Disbursement is greater than two million dollars (\$2,000,000);
 - (ii) the Second Loan Disbursement shall be equal to the lesser of:
 - (A) sixty nine point fifty-seven percent (69.57% of the Eligible Costs then incurred by the Borrower less the amount of the First Loan Disbursement or the Advanced First Loan Disbursement, as applicable; or
 - (B) the sum of five hundred and twenty thousand dollars (\$520,000) less the amount of the First Loan Disbursement or the Advanced First Loan Disbursement, as applicable ; and
 - (iii) the conditions of the Second Loan Disbursement set forth in the Form of Request for Loan Disbursement and/or Grant Contribution and in the Project Workbook have been satisfied as of the Second Loan Disbursement Date.
- (d) Notwithstanding the foregoing the Borrower may elect to amend the First Loan Disbursement Date to be the Second Loan Disbursement Date upon providing notice of such election to FCM not less than sixty (60) days prior to the First Loan Disbursement Date.
- (e) If, for any other reason other than FCM's failure to fulfil its obligations hereunder, the First Loan Disbursement is not made on the First Loan Disbursement Date determined pursuant to Section 2.05(a) above, the Borrower shall request and receive the First Loan Disbursement on the Second Loan Disbursement Date determined pursuant to Section 2.05(b) above.
- (f) Provided that the conditions of the Advanced First Loan Disbursement, First Loan Disbursement or Second Loan Disbursement, as applicable, set forth in the Form of Request for Loan Disbursement and/or Grant Contribution and in the Project Workbook have been met when the Borrower submits the request in respect thereof, FCM shall:
- (i) calculate the Advanced First Loan Disbursement, First Loan Disbursement or Second Loan Disbursement, in the manner contemplated in Section 2.02 and shall 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 in connection with the relevant Loan Disbursement and not less than fifteen (15) Business Days prior to the Advanced First Loan Disbursement Date, First Loan Disbursement Date or Second Loan Disbursement Date, as applicable; and

- (ii) pay the Advanced First Loan Disbursement, First Loan Disbursement or Second Loan Disbursement to the Borrower on the Advanced First Loan Disbursement Date, First Loan Disbursement Date or Second Loan Disbursement Date, as applicable against issuance by the Borrower to FCM of the Debenture substantially in the form appended to the Form of Borrowing By-law attached hereto as Schedule J (the “Debenture”) in the amount of the relevant 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.
- (g) The parties agree that the Debenture issued for each of the First Loan Disbursement or the Advanced First Loan Disbursement, as applicable, and the Second Loan Disbursement will mature on the same date. The amortization schedule for the Second Loan Disbursement will provide for the same repayment dates that remain outstanding with respect to the First Loan Disbursement or the Advanced First Loan Disbursement, as applicable. An appropriate adjustment will be made with respect to the interest only amount payable on the first repayment date with respect to the Second Loan Disbursement so that to the greatest extent possible the remaining payments of combined (blended) principal and interest with respect to the Second Loan Disbursement (after the first payment) will be approximately equal for the remaining term of the Second Loan Disbursement.

Section 2.06 Interest.

The Borrower shall pay interest on the Principal Amount of the Loan that is from time to time outstanding to FCM as follows:

- (a) in the case of the First Loan Disbursement or the Advanced First Loan Disbursement, as applicable, at a rate that is equal to the greater of:
 - (i) (A) the GoC ten (10) year benchmark bond yield indicated at www.bankofcanada.ca on the date that is five (5) Business Days immediately preceding the date of the passing of the Borrowing By-law in connection with the First Loan Disbursement or the Advanced First Loan Disbursement, as applicable, plus (B) one point eighteen percent (1.18%) per annum; and
 - (ii) three point ten percent (3.10%) per annum.
- (b) in the case of the Second Loan Disbursement, at a rate that is equal to the greater of:
 - (i) (A) the GoC ten (10) year benchmark bond yield indicated at www.bankofcanada.ca on the date that is five (5) Business Days immediately preceding the date of the passing of the Borrowing By-law in connection with the Second Loan Disbursement plus (B) one point eighteen percent (1.18%) per annum; and
 - (ii) three point ten percent (3.10%) per annum.
- (c) The interest rate calculated pursuant to Sections 2.06(a) or 2.06(b) is subject to increase as provided in Section 2.08.
- (d) In the case of the First Loan Disbursement or the Advanced First Loan Disbursement, as applicable, interest shall be accrued daily, not in advance, from the First Loan Disbursement Date or the Advanced First Loan Disbursement Date, as applicable, based on the actual number of days

outstanding, after as well as before default, including after any judgment, until the First Loan Disbursement or the Advanced First Loan Disbursement, as applicable, and interest thereon has been repaid in full.

- (e) In the case of the Second Loan Disbursement, interest shall be accrued daily, not in advance, from the Second Loan Disbursement Date, based on the actual number of days outstanding, after as well as before default, including after any judgment, until the Second Loan Disbursement and interest thereon have been repaid in full.
- (f) Interest shall become due and be payable semi-annually, not in advance, in connection with both the First Loan or the Advanced First Loan Disbursement, as applicable, and the Second Loan Disbursement (other than with respect to the first interest only payment in connection with the Second Loan Disbursement). In the case of the First Loan Disbursement, or the Advanced First Loan Disbursement, as applicable, interest shall become due and payable commencing on the date which is six (6) months following the First Loan Disbursement Date or the Advanced First Loan Disbursement Date, as applicable. In the case of the Second Loan Disbursement, interest shall become due and payable commencing on the date that constitutes the first succeeding First Loan Disbursement payment date or the Advanced First Loan Disbursement payment date, as applicable, following the Second Loan Disbursement Date and such payment shall be an interest only payment.

Section 2.07 Repayment.

Subject to Section 2.05(f) and Section 2.06(f), the Borrower shall repay the First Loan Disbursement or the Advanced First Loan Disbursement, as applicable, and the Second Loan Disbursement and interest thereon to FCM in equal consecutive semi-annual instalments of combined (blended) principal and interest (other than in the case of the Second Loan Disbursement, where the first payment consisting of interest only will be adjusted in accordance with Section 2.05(f) and 2.06(f)) in the manner set forth in the respective Debenture. The repayments will end on the date that is the earlier of:

- (i) last day of the Term; or
- (ii) 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.

For greater clarity, the parties understand that each Loan Disbursement is repaid under the terms of its applicable Debenture and that the repayment streams for each Loan Disbursement shall not be combined.

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 a Debenture, the Borrower shall, until such overdue principal and/or interest amount(s) has/have been paid in full, pay to FCM interest on the overdue amount(s) at an annual rate that equals the greater of:
 - (i) the annual rate in effect for the applicable Debenture on the applicable default date calculated pursuant to Section 2.06 plus two point fifty percent (2.50%) 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) three point sixty-eight percent (3.68%) 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 overdue principal and/or interest amounts by the Borrower shall be applied, first, to the interest incurred pursuant to this Section 2.08 in respect of such overdue principal and/or interest amount(s), secondly, in respect of the interest on the overdue principal amount of the Debenture and, thirdly, in respect of the overdue repayment of the Debenture.

Section 2.09 Prepayment.

- (a) Following the Final 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 Debenture 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 twenty-four (24) months of interest calculated pursuant to s. 2.06(b) on the Debenture so prepaid. Notwithstanding the foregoing, the Borrower shall pay an amount equal to twelve (12) months of interest instead of twenty-four (24) 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 in connection with the applicable Loan Disbursement plus two point fifty percent (2.50%) per annum; or
 - (ii) (A) the GoC ten (10) year benchmark bond yield indicated at www.bankofcanada.ca for the Business Day immediately preceding the Prepayment Date for the Business Day immediately preceding the Prepayment Date plus (B) three point sixty-eight percent (3.68%) 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 Debenture. In the event of a prepayment, FCM shall provide to the Borrower a new amortization schedule effective as of the Prepayment Date for the particular Debenture, as prepaid.
- (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 after signature of this Agreement 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, ON 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 16598

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 seventy-eight thousand dollars (\$78,000); or
(b) fifteen percent (15 %) 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 in the Project Workbook, and/or fails to obtain both the First Grant Contribution and the Final Grant Contribution as defined below within two (2) years from the Final 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 Final 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 calculated pursuant to section 3.02; and (B) the Grant Amount calculated in section 3.02 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 and in the Project Workbook have been met as of the Final Loan Disbursement Date.
- (b) On or prior to the second annual anniversary of the Final 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 and in the Project Workbook 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 and in the Project Workbook 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, and in the Project Workbook to the satisfaction of FCM.

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(s) 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 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 FCM to undertake, at any time, at its expense, any audit of the records and accounts of the Borrower in relation to the Project. The Borrower agrees to ensure that prompt and timely corrective action is taken in response to any audit findings and recommendations conducted in accordance with this Agreement. The Borrower will submit to FCM in a timely manner, a report on follow-up actions taken to address recommendations and results of the audit.
- (e) permit representatives of FCM, during the Borrower's 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;
- (f) 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 confidential information is disclosed orally or visually, the Borrower shall clearly identify it as such at the time of disclosure ("**Confidential Information**");
- (g) provide two versions of each report in the event that a Project Progress Report, Project Completion Report and/or Environmental Results Report should contain 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;
- (h) 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:

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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.”

- (i) 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:
 - (i) the Borrower shall 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) the Borrower shall promptly inform FCM of upcoming promotional events related to the Project and allow FCM and the GoC to participate in such promotional events;
 - (iii) the Borrower shall 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) the Borrower shall 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”);
- (j) 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;
- (k) 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;
- (l) 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:
 - (i) 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;
- (m) within one hundred and twenty (120) days after the end of each fiscal year, which is the 31st day of December provide:

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;

- (n) a Claim Summary, if requested by FCM, within thirty (30) days of FCM making such requests;
- (o) prompt notice of any proposed change in the nature or scope of the legal status of the Borrower;
- (p) prompt notice of any act or event which does or may materially and adversely affect the Project or the ability of the Borrower to perform its obligations under this Agreement and the Project or any of its other obligations that are material to the Borrower;
- (q) 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 its other obligations that are material to the Borrower;
- (r) 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
- (s) such other information as FCM may from time to time reasonably request from it by notice to it.
- (t) at least ten (10) Business Days but not more than thirty-five (35) Business Days before a Loan Disbursement Date, the Borrower has passed the Borrowing By-law substantially in the form attached hereto as Schedule J, which Borrowing By-law is found satisfactory by FCM;
- (u) 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 a Loan Disbursement Date

Section 6.02 Negative Covenants.

Unless FCM shall otherwise agree in writing, the Borrower 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:

- (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) 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 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 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;
- (d) 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;
- (e) failure to comply with section 2.04 of this Agreement;
- (f) 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;
- (g) in the event that the Project is Substantially Performed, default shall have occurred if the Borrower fails to deliver to FCM the Environmental Results Report in form and content satisfactory to FCM on or before the Grant Expiration Date;
- (h) if control and charge over the administration of all the affairs of the Borrower are vested in any person other than the Borrower; and

- (i) 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 and the Project or any of its other obligations 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 First Loan Disbursement or the Advanced First Loan Disbursement and /or Second Loan Disbursement, as applicable;
- (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(g), 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
- (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 by the Borrower to FCM hereunder, all without any additional notice, presentment, demand, protest or other formality, all of which are hereby expressly waived by the Borrower.

Section 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 Municipality of Brockton

-P.O Box 68
-100 Scott Street
-Walkerton, Ontario
N0G 2V0

Attention: Ms. Trish Serratore
Title: Chief Financial Officer

telephone: (519) 881-2223 ext 122
facsimile: (519) 881-2991
email: tserratore@brockton.ca

Alternate Contact:

Attention: Ms. Sonya Watson
Title: Chief Administration Officer

telephone: (519) 881-2223 ext 126
facsimile: (519) 881-2991
email: swatson@brockton.ca

To FCM:

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

Attention: Ms. Nathalie Lapointe
Project Officer

telephone: 613-907-6261
facsimile: 613-244-1515
email: nlapointe@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.

In no event shall FCM, including its directors, officers, employees and agents, be liable under this Agreement for any indirect, special, incidental, consequential or punitive damages of any kind, however caused, including, but not limited to, loss of profits or revenue, loss of data, work interruption, increased cost of work, or any claims or demands against the Borrower by any other entity, whether such remedy is sought in contract, tort (including negligence), strict liability or otherwise and whether or not FCM, including its directors, officers, employees and agents, is advised of the possibility of such damages. In no event shall FCM's, including its directors', officers', employees' and agents' liability for direct damages for any reason and upon any cause of action, whether in tort (including negligence), contract, or any other legal theory, exceed the Principal Amount of the Loan under this Agreement. This Agreement shall not create for nor give to any third party any claim or right of action against FCM.

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 both 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 both of which together shall constitute one and the same agreement.

**ARTICLE 9.
SURVIVAL**

Section 9.01 Survival.

The provisions of ARTICLE 8 and any other provisions hereof intended to survive termination, including but not limited to the intellectual property provisions, 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 MUNICIPALITY
OF BROCKTON**

per: _____

Fiona Hamilton, Clerk

date: _____

date: _____

I have authority to bind the Borrower herein.

FEDERATION OF CANADIAN MUNICIPALITIES
as Trustee of the Green Municipal Fund

per: _____

Chris Boivin, Managing Director, Green Municipal Fund

date: _____

I have authority to bind FCM herein

SCHEDULE A: PROJECT DESCRIPTION

Part 1: Description of the Project

As per GMF sector criteria, the project meets provincial regulatory requirements.

The Municipality of Brockton is a rural community with a local economy that is based mainly on tourism. With a sewer system that serves 2,100 properties, the municipality faces significant challenges in upgrading its aging infrastructure to comply with government regulations. Because of the deleterious effect of residual chlorine on aquatic life in the receiving water, the proposed wastewater treatment facility upgrade involves replacing the existing chlorination system with a chemical-free ultraviolet (UV) light disinfection system. This upgrade will help the municipality meet provincial and federal requirements and improve the quality of the effluent discharging into the receiving environment.

Replicability:

- The project has a high potential for replication in similar small communities across Canada

Environmental benefits:

- Reduction of total residual chlorine and E.coli concentration by 100% and 93%, respectively
- The conversion to UV disinfection will result in an overall savings of 671.5 litres of fuel and 1,700 kilometres of travel per year

Economic benefits:

- UV disinfection will lower operating and maintenance costs by \$10,000 per year compared to a conventional chlorination/de-chlorination treatment system

Social benefits:

- The upgraded sewage treatment system will provide protection of vital regional ecosystems such as the Saugeen River, a popular fishing and canoeing destination in southern Ontario

Part 2: Description of Budgeted Project Costs

The forecasted Eligible Costs, according to project milestones, that the Borrower included in its GMF funding application.

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 April 29, 2019 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 do not hesitate to contact FCM.

BUDGET - Capital Projects						
Lead Applicant:	Municipality of Brockton					
Project title:	Protecting our Environment by Upgrading Brockton's Wastewater System					
GMF #:	16598					
Planned Start to End date:	start: 01-06-2020 to End: 02-16-2021					
Project Budget items		Cost (\$)	Cost Category (To pick from drop-down)	Eligible costs	Cost (\$)	Cost designation
Cost description						
Supply UV equipment		\$280,000	Rental or purchase of equipment or assets which are essential for conducting the small-scale activity. This would include specialized system hardware and software, construction costs, materials, renovation and modernization costs, and installations costs.	Eligible cost	\$280,000	Eligible Cost
Installation		\$202,000	Fees for professional or technical consultants and contractors	Eligible cost	\$202,000	Eligible Cost
MECP approval fees		\$4,000	Fees for professional or technical consultants and contractors	Eligible cost	\$4,000	Eligible Cost
Application /Engineering - Design		\$50,500	Fees for professional or technical consultants and contractors	Eligible cost	\$50,500	Eligible Cost

Engineering - Contract Admin + Site Review (8%)		\$39,000	Fees for professional or technical consultants and contractors	Eligible cost	\$39,000	Eligible Cost
Contingency (15%)		\$86,300	Contingencies	Eligible cost	\$86,300	Eligible Cost
Net HST (1.76%)		\$11,800	The portion of taxes for which your organization is not otherwise eligible for rebate.	Eligible cost	\$11,800	Eligible Cost
Financial Audit	required by FCM	\$3,000	The cost of a financial audit if required by FCM.	Eligible cost	\$3,000	Eligible Cost
Environmental Results Report	required by FCM	\$3,000	The cost of an Environmental audit if required by FCM.	Eligible cost	\$3,000	Eligible Cost
		\$ -		#N/A	\$0	#N/A
	INELIGIBLE COST	\$ -	ELIGIBLE COST		\$679,600	
	PROJECT COST	\$679,600				
In-kind costs (Lead applicant - staff time) - Change ONLY if less than 10% of Eligible Cash Costs	ELIGIBLE - IN KIND COST	\$67,900	INELIGIBLE - IN KIND COST (above 10% eligibility, as verified by applicant)	\$0		
In-kind costs (Other)						
TOTAL ELIGIBLE COST :	TOTAL GMF ELIGIBLE COST	\$747,500	TOTAL PROJECT COST	\$747,500		(Totals rounded to the nearest \$100)

In order to be eligible for partial reimbursement:

1. **All expenses must be invoiced directly to the Borrower.** Invoices issued to a third party will not be accepted.
2. **All expenses must be:** (i) actually and reasonably incurred; (ii) directly related to the Project; (iii) incurred and be in an amount which is in accordance with applicable industry standards; (iv) a cost or expenditure that would not otherwise have been incurred by the Borrower but for the Project; and (v) have been incurred after April 29, 2019.
3. All sources of funding must be confirmed for each disbursement.
4. For advanced disbursements, all relevant expenses to be incurred must be confirmed in the Disbursement and Reporting table of the Project Workbook, attached to a vendor approved contract.
5. All cost-incurred disbursements costs must be listed in the Claim Summary of the Project Workbook. All invoices and receipts together with back-up documentation must be kept for audit purposes (examples: sub-contractor invoices, travel expenses claims, timesheets, etc.).
6. The Final loan disbursement must be accompanied by a financial audit as described in Schedule E.

Please note: The Borrower will keep all eligible invoices, receipts and back-up documents for seven (7) years after the Final Grant Contribution Date.

GMF Eligible and Ineligible Costs Capital Projects		
<p>This table outlines what costs can be partially reimbursed by FCM. Please pay particular attention to any costs that may be ineligible.</p> <p>Note: If your application is approved, expenses that are eligible for partial reimbursement must be:</p> <ul style="list-style-type: none"> incurred after the date the application is received by FCM (except consulting services to prepare the application undertaken up to 90 days prior to application receipt). invoiced directly to your organization. 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). actually and reasonably incurred in accordance with applicable industry standards. listed in a statement of expenses attached to an external audit report. You must keep all invoices, receipts and backup documents for seven years after the final FCM disbursement. 		
Cost Category	Eligible costs	Ineligible costs
Section A: Costs incurred prior to date application received by FCM		
1) Pre-application	Consulting costs to write the GMF application incurred up to 90 days prior to application receipt date	All other costs incurred prior to application receipt date
Section B: Costs incurred after date application received by FCM		
2) 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 	Office space, supplies and general overhead costs incurred in the ordinary course of business.
3) 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.
4) Audit	The cost of a financial audit for the capital project if required by FCM.	

5) Capital	Capital costs as defined and determined in accordance with generally accepted accounting principles (GAAP), including: <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.
6) For Brownfields projects: Road costs and servicing costs	For Brownfields projects only: <ul style="list-style-type: none"> Servicing costs – whether they are for the immediate site or for the street. Road costs – as part of an eligible remediation and redevelopment project. Primary costs need to be for remediation of the land (i.e. linked to reducing greenfield development). The above costs are only eligible if they are tied to a remediation project and cannot be higher than the remediation costs.	<ul style="list-style-type: none"> Strictly replacing a road (i.e., road to road) is <u>not</u> considered eligible.
7) Equipment rental	Rental of tools and equipment.	Rental of tools or equipment related to ongoing or other business activities.
8) Meetings and public gatherings	Costs related to meetings and public gatherings that communicate the project to the public and that collect feedback, such as: <ul style="list-style-type: none"> facility rental audiovisual equipment rental 	Any hospitality expenses such as: <ul style="list-style-type: none"> food and drink alcohol door prizes entertainment music decorations flowers, centerpieces
9) Services	Fees for professional or technical consultants and contractors.	<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.
10) Transportation, shipping and courier charges	Transportation costs for delivery of materials and services essential for the project.	Any transportation expense related to ongoing or other business activities.
11) Travel and accommodation	Travel and associated expenses for you and 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.	<ul style="list-style-type: none"> Travel and associated expenses of a partner in the project. Travel, accommodation and fees to attend conferences, missions, trade shows, etc.
12) Taxes	The portion of taxes for which your organization is not otherwise eligible for rebate.	The portion of taxes for which your organization is eligible for rebate (provincial, territorial, or federal).
In-kind	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 remuneration cannot exceed 10% of the other eligible costs. <p>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.</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. In-kind contribution by your organization above 10% of the eligible costs.

Part 3: Milestone Schedule

PROJECT MILESTONES				
MILESTONE DESCRIPTION	Deliverable	Start Date	End Date	FORECAST eligible costs per milestone
Milestone 1: Final Design	Drawings completed	6/Jan/20	28/Feb/20	\$51,400
Milestone 2: Tendering Process	Contractor selected	9/Mar/20	1/May/20	\$29,600
Milestone 3: Construction	UV System installed	4/May/20	30/Nov/20	\$640,000
Milestone 4: Commissioning	System operating	1/Dec/20	18/Dec/20	\$5,300
Milestone 5: Environmental Results Report	Reports completed	1/Jan/21	1/Jan/22	\$21,200

TOTAL ELIGIBLE COSTS (copied from Project Budget)	\$747,500
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Part 4: Particulars of the Sources of Funding

SOURCES OF FUNDING						
<p>INSTRUCTIONS</p> <p>Enter all funding sources for this environmental or sustainable initiative. For each funding source, please indicate the amount of the funding, and when the funding is confirmed or expected to be confirmed. The total of all funding sources must equal the total project costs in your <u>Budget table (tab 1)</u>. All sources of funding must be confirmed in writing and submitted to FCM prior to the first disbursement.</p> <p>Note: FCM offers below-market loans, in combination with grants, to implement capital projects in the Energy, Transportation, Waste and Water sectors. Funding is provided for up to 80% of eligible project costs. The loan maximum is \$5 million and grants are typically 15% of the loan amount. The spreadsheet will auto-calculate the maximum eligible GMF loan and grant amounts according to the Total Eligible Costs in the budget. FCM will cap the GMF loan and grant amounts according to the other confirmed sources of funding.</p>						
	Description	Funding Type	Confirmed (Y/N)	Date Committed DD-MM-YYYY	Amount	Percentage of Total Budget
Green Municipal Fund	Loan	Not for Profit	N		\$520,000	70%
Green Municipal Fund	Grant	Not for Profit	N		\$78,000	10%
Municipality of Brockton	In-kind	Municipal sector	Y	26-Feb-19	\$67,900	9%
Municipality of Brockton	Cash	Municipal sector	Y	26-Feb-19	\$81,600	11%
Total Funding: [Equivalent to Total Cost from the Workplan and Budget Table]					\$747,500	100%

Budget Total Costs	\$747,500
Budget Total Eligible Costs	\$747,500

**SCHEDULE B: FORM OF REQUEST FOR LOAN DISBURSEMENT
AND/OR GRANT CONTRIBUTION**

Part 1: Request letter

[LETTERHEAD OF THE BORROWER]

[Address]

[Date]

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

Attention: Ms. Nathalie Lapointe
Project Officer

Ladies and Gentlemen:

Re: Green Municipal Fund – Project No. 16598 Loan and Grant Agreement between the Federation of Canadian Municipalities (as Trustee) and the Corporation of the Municipality of Brockton (“Borrower”) (the “Agreement”)

I, [Instruction: insert the name of a person named in the certificate of incumbency and authority], the [Instruction: insert the incumbent’s title], of the Borrower certify and confirm that the Borrower is requesting the [Instruction: Click on the checkbox to indicate the requested disbursement type]

- ☐ Advanced First Loan Disbursement
- ☐ First Loan Disbursement
- ☐ Final Loan Disbursement and First Grant Contribution
- ☐ Final Grant Contribution.

This letter attests that the Borrower has:

- 1) satisfied all the conditions of loan disbursement or grant contribution, as applicable, described in Schedule B Part 2 and in the Project Workbook, to the satisfaction of FCM.
- 2) confirmed, by signature of this letter, that:
 - (ii) The Project conforms to the Project description contained in Part 1 of Schedule A of the Agreement.
 - (iii) The Borrower has provided its financial statements to FCM, on the dates as set forth in article 6 of the Agreement.
 - (iv) 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.

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

- (v) 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 or grant contribution date, as applicable, with the same effect as though such representations and warranties have been made on and as of the loan disbursement date or grant contribution date, as applicable.
- (vi) All covenants and other obligations of the Borrower in the Agreement to be performed or complied with as of the loan disbursement date or grant contribution date, as applicable, have been performed or complied with as of the loan disbursement date or grant contribution date, as applicable.
- (vii) 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.
- (viii) No Event of Default with respect to the Borrower has occurred and is continuing.
- (ix) All of the conditions contained in Article 6 of the Agreement, to be performed or satisfied by the Borrower on the loan disbursement date or grant contribution date, as applicable, have been performed or satisfied.
- (x) If any confirmation, information or documentation provided with this table is not true and correct as of the loan disbursement date or grant contribution date, as applicable, the Borrower will immediately notify FCM prior to the making of the payment by FCM.
- (xi) The Borrower agrees that all of the conditions must be completed to the satisfaction of FCM and that all capitalized terms have the meaning attributed to them in the Agreement.

Date: _____ Signature: _____

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

Part 2: Table of conditions

Information or documents required	Advanced First Loan Disbursement	First Loan Disbursement	Final Loan Disbursement And 1st Grant Contribution	Final Grant Contribution
Date of disbursement or contribution	X	X	X	X
Bank account where FCM should deposit the funds	X	X	X	X
Borrower's Business Number	X	X	X	X
Pre-authorized debit information or wiring instructions	X	X	X	X
Total projected costs (Eligible Costs plus other costs)	X			
Actual incurred Costs (Eligible Costs plus other costs)		X		
Total costs (Eligible Costs plus other costs) of the Project for the period beginning April 29, 2019 and ending on the date on which the Project was Substantially Performed			X	
Certificate of Incumbency and Authority in the form of Schedule C or updated certificate, if applicable	X	X	X	
Legal Opinion (external or internal) in the form of Schedule D	X	X		
Authorizing By-law(s) or Resolution(s) as required by Article 4 of the Agreement	X	X		

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

Information or documents required	Advanced First Loan Disbursement	First Loan Disbursement	Final Loan Disbursement And 1st Grant Contribution	Final Grant Contribution
Document, prepared by a qualified professional (e.g. engineer, architect) confirming that the Project was Substantially Performed and indicating the date of substantial completion			X	
Updated Part 3 of Schedule A that lists the sources of funding for the Project	X	X		
Updated Part 3 of Schedule A that shows the final sources of funding as it relates to the total project costs provided above			X	
Claim Summary, including tax rebates, in the form of the Project Workbook		X		
Financial Audit in the form of Schedule E (Audit Report and Statement of Expenses) performed by 3 rd party auditor			X	
Project Progress Report in the form of Schedule F, that FCM can post on its public website, which does not infringe a 3 rd party's copyright		X		
Project Completion Report in the form of Schedule G, that FCM can post on its public website, which does not infringe a 3 rd party's copyright and does not contain any Confidential Information OR two Project Completion Reports (one that contains Confidential Information and the other one			X	

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

Information or documents required	Advanced First Loan Disbursement	First Loan Disbursement	Final Loan Disbursement And 1st Grant Contribution	Final Grant Contribution
that can be posted on FCM's public website)				
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 3 rd 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)				X
Photo(s) demonstrating that the Borrower posted Signage in accordance with Schedule I			X	

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: Ms. Nathalie Lapointe
Project Officer

Ladies and Gentlemen:

Re: Green Municipal Fund – Project No. 16598 Loan and Grant Agreement between the Federation of Canadian Municipalities (as Trustee) and the Corporation of the Municipality of Brockton (“Borrower”) (the “Agreement”)

Certificate of Incumbency and Authority

I, the _____ 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 a Request for 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 you and the Borrower are parties:

No.	Name	Specimen Signature	Office
1.		_____	
2.		_____	

Yours truly,
The Corporation of the Municipality of Brockton

per: _____
_____, Authorized Representative*
I have authority to bind the Borrower herein

SCHEDULE D: FORM OF LEGAL OPINION

[LETTERHEAD OF MUNICIPALITY'S COUNSEL]

[Address]

[Date]

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

Attention: Ms. Nathalie Lapointe
Project Officer

Ladies and Gentlemen:

Re: Green Municipal Fund – Project No. 16598 Loan and Grant Agreement between the Federation of Canadian Municipalities (as Trustee) and the Corporation of the Municipality of Brockton (“Borrower”) (the “Agreement”)

We have acted as counsel for the Borrower in connection with the loan and the grant which you have agreed to extend to the 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]

SCHEDULE E: AUDIT REQUIREMENTS

Part 1: Scope of Financial Audit

The scope of the Financial Audit, for submission on substantial completion of the project, 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.
2. **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 April 29, 2019.**
3. The auditors must use the Form of Audit Report attached as Part 2 of this Schedule E.
4. The auditors must provide adjustments as required by Part 3 of this Schedule E.

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: Ms. Nathalie Lapointe
Project Officer

Ladies and Gentlemen:

Re: Green Municipal Fund – Project no. 16598

We have audited the accompanying statement of expenses of ----- (the “Borrower”) relating to GMF Project no. 16598 (the “Statement of Expenses”) for the ###-month period [Instruction: Insert number of months needed by the Borrower to complete the Project] from -----, 20## to -----, 20## 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.

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 ##-month period [Instruction: Insert no. of months needed by the Borrower to complete the Project] from ----- day of -----, 20## to ----- day of -----, 20## 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 [redacted] 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)

SCHEDULE E: Audit Requirements

Part 3: Form of Statement of Expenses

Green Municipal Fund – Project No. 16598 Loan and Grant Agreement between the Federation of Canadian Municipalities (as Trustee) and the Corporation of the Municipality of Brockton (“Borrower”) (the “Agreement”)

Eligible Costs¹ for the period beginning April 29, 2019 and ending ----- ##, 20##

	Claimed amounts	Adjustments	Audited Amounts
Administrative			
Advertising			
Audit			
Capital Costs (provide details):			
[item]			
[item]			
[item]			
Total Capital Costs			
Equipment			
Meeting and Public Gathering			
Services			
Transportation, Shipping and Courier Charges			
Travel and Accommodation			
Sub-total Eligible Costs			
In-Kind (maximum 10% of other Eligible Costs)			
Total Eligible Costs			

Yours truly,

The Corporation of the Municipality of Brockton

by _____
XXXXXX, Authorized Representative*

*As named in the Borrower's last Certificate of Incumbency and Authority

¹ In order to be eligible for reimbursement, all expenses listed in the Statement of Expenses must qualify as “Eligible Costs” as per Part 2 of Schedule A.

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 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.

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: 16598

Name of funding recipient: The Corporation of the Municipality of Brockton

Project title: Municipality of Brockton to protect aquatic environment by reducing residual chlorine

Date of Project Progress Report: [REDACTED]

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.

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.**

SCHEDULE G: PROJECT COMPLETION REPORT

Part 1 – Instructions

REQUIREMENT: You must submit a Project Completion Report as a condition of the Final Loan Disbursement.

PURPOSE: Your Project Completion Report has three purposes:

1. **Project tracking:** This report enables FCM to confirm that your project was completed as described in the Agreement.
2. **Reporting on the impacts and lessons learned during the construction of the project:** This report includes any environmental, social and economic results as well as lessons learned during the *planning, design and construction of the project*. Ensure that you include in the report any processes or techniques that were implemented at these stages to address triple bottom line impacts. This could include dust minimization measures or the onsite use of electric vehicles instead of gas powered. All environmental, social and economic results *from the operation* of the project will be reported under a separate Environmental Results Report in the form set out in one of the schedules to the Agreement.
3. **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. FCM will post your reports on its website at the approved projects database². This is the part of the GMF website which is most frequently visited. Your report will assist FCM in producing other materials related to your project, including a GMF case study. In addition, other municipalities may view your project completion report to improve the success of their project.

COPYRIGHT: You must hold the copyright to the reports that you submit to us and provide FCM with rights to reproduce and distribute it as set out in the Agreement.

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**". 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.

² <http://www.fcm.ca/home/programs/green-municipal-fund/funded-initiatives.htm>

CONTENT OUTLINE: Your Project Completion Report should be approximately **9 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.

REPORT FORMAT: Please request an electronic Form of Project Completion Report from the GMF Project Officer and submit your report in either .doc or .pdf (searchable) format. A scanned copy of the Project Completion Report will not be accepted. FCM endeavors to collect the most relevant project information and as such may amend the Form of Project Completion Report from time to time. If so, FCM will provide you with the latest Form of Project Completion Report.

Part 2 –Project Completion Report Form

Project information

GMF number: 16598

Name of funding recipient: The Corporation of the Municipality of Brockton

Project title: Municipality of Brockton to protect aquatic environment by reducing residual chlorine

Date of Project Completion Report: -----

Project Construction Start Date (MM/DD/YYYY): -----

Project Substantial Completion Date (MM/DD/YYYY): -----

Total Project Cost (Actual): -----

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QUESTIONS:

Project implementation

1. Was the Project implemented as outlined in the contract (or as amended)? Please identify any substantial changes, explaining why they happened (e.g. getting a new system to operate correctly, delays due bad weather, labour availability, etc.) and their impact on the project (e.g. higher overall costs, more staff training required, etc.).

Lessons learned

INSTRUCTIONS:

Lessons learned refer to knowledge gained from the Project that can be applied to other situations. For this report, GMF is interested in the lessons learned from the **design, planning and construction phases** of the project.

Answers in this section may refer to **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 should be avoided in future projects).

2. Describe what worked well and what did not work well, and why, for the project elements below, include a description of any solutions implemented to address challenges?
 - a. Design, procurement and contracting:

- b. Consultation and community engagement (prior to and during construction):
 - c. Construction of the project
 - d. Completing the project on time and on budget.
3. Describe your experience (e.g. trade-offs, surprises) when choosing a particular approach, technology or solution for this project. What would you do differently?
 4. Has the business case associated with the project changed since the planning stage (e.g. change in the level of service delivered by the project, expected revenues, capital or operating costs or payback, etc.)? Could anything have been done to better understand the business case at the application stage?
 5. Did you use any approach(es), that are not business as usual over the course of the Project (e.g. decision making approach, consultation methodology, non-typical procurement, full-cost accounting)? Were there any benefits or drawbacks of this approach?

Sustainable Design and Construction:

6. In your GMF application, you noted that the project would have sustainable design and construction measures as set out in column B of the table below.

Please complete the table below by inserting into column C the following information:

- Did the project implement the measures as described?
- Describe the effectiveness of the measures?
- Please provide reasons for any changes to the measures?
- Please include any measures that were taken beyond what you committed to in the application from.

A	B	C
Sustainable Design and Construction Element	As described in your GMF Application	Describe the Implementation of the Measure (one paragraph)
Sustainable Design and procurement		

A	B	C
Sustainable Design and Construction Element	As described in your GMF Application	Describe the Implementation of the Measure (one paragraph)
Environmental considerations integrated at the design stage		
Green procurement	<p>Selecting material and products with a long service life: The Trojan 3000Plus features advancements in UV technology over the years significantly reducing the amount of maintenance required by operations staff. Advances such as the automatic ActiClean™ chemical/mechanical cleaning system eliminates the need to manually clean lamp quartz sleeves.</p> <p>The development of more efficient, longer-life and high-output lamps results in fewer lamps to service and maintain as well as reduces the required footprint. This company offers a North American recycling program where costs are covered to ship used lamps, ballasts, and boards to an approved recycling facility.</p> <p>There is a lifetime disinfection performance guarantee on both reactor performance and individual part performance as long as genuine Trojan replacement parts are used.</p>	
Site Characteristics		
A remediated brownfield or underutilized site (i.e. is not a green field).		
Existing buildings/ infrastructure / equipment is used	<p>Outlined in the Feasibility Study attached. Page 2, 2.1 Description. The existing chlorine tank can be converted to the UV disinfection system.</p> <p>Re-use of existing facilities reduces all new construction-related impacts including noise, emissions, general disruption to</p>	

A	B	C
Sustainable Design and Construction Element	As described in your GMF Application	Describe the Implementation of the Measure (one paragraph)
	<p>neighbours, etc. A shorter construction period will result. Economic savings, will be realized as the necessity for new construction is reduced. Page 4, 2.7 indicates that the cost to provide a new structure for the location of the UV equipment is estimated at \$1.1 million.</p>	
<p>Avoids, protects or enhances sensitive environmental areas</p>	<p>In our 25-Year Sustainable Strategic Plan 2013, our environmental goal states that we recognize the significance of our natural assets and protect them for future generations.</p> <p>Our wastewater treatment plant discharges on the Saugeen River across from Lobies Park, just outside of Downtown Walkerton. The park is a popular launch site for boats and kayaks. From this dock, you could paddle all the way to Lake Huron. The Saugeen River is one of the most popular fishing and canoeing locations in southern Ontario, according to the Saugeen Valley Conservation Foundation.</p> <p>It is our policy to comply with the following Acts:</p> <p>Environmental Protection Act -</p> <p>The purpose of the Canadian Environmental Protection Act is to protect the environment and the health and wellbeing of Canadians. A major part of the Act is to prevent pollution and address the potentially dangerous chemical substances in a sustainable manner.</p> <p>Fisheries Act -</p> <p>Canada's Fisheries Act assigns the Department of Fisheries and Oceans Canada the responsibility to conserve and protect fish and fish habitat and applies to the whole of Canada, including private property in every province</p>	

A	B	C
Sustainable Design and Construction Element	As described in your GMF Application	Describe the Implementation of the Measure (one paragraph)
	and territory. The Act defines fish habitat as “spawning grounds and nursery, rearing, food supply and migration areas on which fish depend directly or indirectly to carry out their life processes.”	
Utilize natural systems to provide environmental benefits within the project (e.g. wetlands)		
Does not contribute to urban sprawl		
Part of the urban transport network and encourages the use of sustainable transportation		
Construction activities:		
Reuse of available construction material on-site		
Use of construction materials with recycled content		
Construction Waste management including diverting construction waste from the landfill through recycling and re-use (off-site)		
Minimize expected impacts of construction activities (e.g. dust minimization, minimise soil erosion)		
Biodiversity and ecosystem protection		
Use of energy efficient practices	Dangerous substance will no longer be transported, and the corresponding fuel usage will be avoided. Brenntag Canada Inc. in Etobicoke ships chlorine product to Walkerton 5-6 times a year (Etobicoke to Walkerton = 170 km). Average fuel consumption of a heavy truck fleet is 39.5 liters/100 km. At a minimum of	

A	B	C
Sustainable Design and Construction Element	As described in your GMF Application	Describe the Implementation of the Measure (one paragraph)
	five shipments a year this will result in savings of 671.5 litres of fuel and 1,700 km of travel avoided.	

Environmental, Social and Economic Outcomes:

7. Please describe any additional environmental, social and economic outcomes your Project has achieved during the design, procurement and construction phases.

Project Champion:

8. Do you have a Project champion who has been instrumental to the Project to date (design, procurement, construction)? If so, please include his or her name, title and contact information, and describe his or her role in the Project.

Next steps

9. Please describe any steps you have taken or plan to take to ensure that the people, internal groups or other key stakeholders that are important to the operation of the project adopt the necessary behaviours and other practices to ensure successful performance?
10. Have the systems and technologies been established for measuring and monitoring the performance of the project during operation

Publicity

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

Photos and materials

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

SCHEDULE H: ENVIRONMENTAL RESULTS REPORTING

Introduction

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 (including social and economic outcomes), as well as a description of the lessons learned from **the operation of the project** (which are distinct from the lessons learned at the design, procurement and construction phases of the project).

Part 2 consists of documenting analytical data in the Environmental Results Tables to quantify the actual environmental benefits and impacts of the project. You must enter data for indicators listed in Part 2 of this schedule (Schedule H). Please include other (optional) indicators if the data is collected.

You must submit an ERR in this format as a condition of the Final Grant Disbursement. If the ERR is not completed to the satisfaction of FCM, FCM might ask for additional information, data collection and/or a new ERR to be submitted.

Copyright

You must hold the copyright to the reports that you submit to us, as indicated in the footer of this form, and provide FCM with rights to reproduce and distribute it as set out in the Agreement.

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**". 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.

Report format

Please request an electronic Form of ERR from the GMF Project Officer and submit your report using the format in this Schedule in MS Word format (.doc or .docx) or PDF (searchable) format. A scanned copy of the ERR will not be accepted. FCM endeavors to collect the most relevant project information and as such may amend the Form of ERR from time to time. If so, FCM will provide you with the latest Form of ERR.

Environmental Results Report

GMF number: 16598

Name of funding recipient: The Corporation of the Municipality of Brockton

Project title: Municipality of Brockton to protect aquatic environment by reducing residual chlorine

Date of Environmental Results Report:

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Part 1: Summary and lessons learned

Project Summary

1. Please describe the environmental results that your project achieved in relation to what was anticipated. Include any secondary positive and negative environmental outcomes (e.g. more energy use in treating wastewater or fewer toxic chemicals used in a green cleaning program). Please note that Part 2 of this ERR includes tables for reporting on the quantitative environmental results as selected in your application.
2. Please describe the key reasons for the project achieving or not achieving the anticipated environmental results.
3. Do you have a project champion who has been instrumental to the project to date, particularly the **operation** of the project? If so, please include his or her name, title and contact information, and describe his or her role in the project.

Lessons learned

Lessons learned capture knowledge gained from the project that can be applied to other situations or projects. For this report, GMF is interested in the lessons learned from the **operation** of the project.

Answers in this section may refer to 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 should be avoided in future projects). **Lessons learned can help those in other municipalities to address similar issues in their communities.**

4. Focusing on the operations phase of the project (since substantial completion):
 - Please describe what worked well and what did not work well and why.
 - Please include a description of any solutions implemented to address challenges encountered during the operation of the project.
 - Please describe any benefits or drawbacks of any practices (e.g. educational programs, incentives, staff training, etc.) or technologies (e.g. monitoring sensors and meters, use of waste energy, energy efficient technologies etc.) used in the operation of the project.
5. For the consultation and community engagement (post-construction and operation):
 - Please describe what worked well and what did not work well and why.
 - Please include a description of any solutions implemented to address challenges related to consultation and community engagement.
6. To what extent is this project meeting the needs (e.g. levels of service, quality of service, number of users, etc.) of the community, as anticipated in the planning stage ?
7. What advice specifically related to the **operation** of this project would you give to someone in another community undertaking a similar project?
8. What knowledge did you gain from the **operation** of this project? Knowledge gained may:
 - be **technical** (e.g. “the new heating system required several rounds of staff training to achieve optimal operations”)
 - relate to **economic performance / cost-benefit** (e.g. “geothermal energy is not cost-effective in buildings under X square metres”)
 - relate to **processes** (e.g. “offering regular public tours of the facility has improved acceptance and support for the project in the operations phase”)

9. Please describe any other key success factors and/or best practices that you observed during the operation of the project.

Community benefits

10. In your GMF application, you noted that the project would have economic and social benefits set out in Column B of the following tables below.

Please complete the table below by describing in Column C the economic benefits achieved **since substantial completion** of the project. Please complete for all that apply in the list below. If there are additional economic benefits, please describe these in the last row of the table.

Figure 1 – Economic benefits

A	B	C
Economic benefit	As described in your GMF application	Describe the economic benefits achieved (one paragraph) If the result is different than what was expected in the application form, please indicate why
Increased return on investment		
Deferred or avoided capital expenditures		
Decrease in facility operating or maintenance costs		
Extended lifespan for facility		
Increased municipal revenue streams (e.g. property tax, user fees, etc.)		
Lower taxes		
Stimulus for local economy (use of local business, capacity for local business development)	Tourism in the form of camping, fishing and hiking along the river is a major economic factor of our community. Preserving our natural environment is extremely important.	
Increased employment options or job retention		
Increased transit ridership		
Attraction of new businesses	Our natural resources, the trails, and the Saugeen River create flourishing tourism businesses.	
Other (please specify)		

11. Please complete the table below by describing in Column C the social benefits achieved as a result of the **operation** of the project. Please complete for all that apply in the list below. If there are additional social benefits, please describe these in the last row of the table.

Figure 2- Social benefits

A	B	C
Social benefits	As described in your GMF application	Describe the social benefit achieved (one paragraph) If the result is different than what was expected in the application form, please indicate why
Improvements to public health		
Improvements to public safety	Wastewater ultimately becomes the drinking water downstream, so improving the disinfection process is important. Clean, safe water will be discharged back into the environment. E. Coli disinfection will occur 12 months of the year instead of the current 8 months. A dangerous substance (chlorine) will no longer be transported. Chlorine will no longer be stored at the WWTP, which is within 160 meters of residential housing.	
Improvements to community quality of life	Visitors and residents of Brockton appreciate the natural environment of the Saugeen River and the abundance of fresh water fish.	
Increased opportunities for community engagement	The upgrading of the WWTP and the results of this project will be shared within our Environmental Advisory Committee and through the council meetings which are recorded by the media. Many community members were involved in the development of our community strategy and continue to monitor the progress of related items.	
Increased public education or awareness		
Community revitalization		
New housing and infrastructure		
New or enhanced public space or public facilities		
Improved access to recreation and physical activities		
Reduced urban sprawl		

Increased civic pride, ownership and participation	People are proud of the natural beauty of our community and the Saugeen River is the focal point of many activities. This is documented in the Nuclear Waste Management Organization's (NWMO) Community Well-Being Assessment attached, Pg 28-29	
Improved quality and efficiency of service provision to residents	Improved wastewater quality will provide better service to the residents.	
Reduced opportunities for crime		
Other (please specify)		

Measurement and reporting

12. The questions below relate to measuring and reporting on the environmental parameters required in Part 2 of this report.

- a. Describe your approach to performance measurement and monitoring for the project since substantial completion.
- b. Please comment on the ease or difficulty of measuring and reporting on the environmental parameters required in Part 2 of this report. (For example: Were the measures that GMF asks you to report in Part 2 difficult or expensive to obtain? Did you require outside expertise or special tools or software?)
- c. Would you collect this information for your own purposes, if it were not required by GMF?
- d. Please provide an estimate of the additional incremental staff time it took to complete parts 1 and 2 of the ERR. (For example, if this report was able to use much of the same information from your other reporting requirements but took an additional five hours to completed then the additional incremental time needed to complete the GMF reporting would be five hours.)
 - 1–10 hours
 - 11–20 hours
 - 21–30 hours
 - 31–40 hours

If more than 40 hours in additional incremental time, please specify: _____

- e. Please provide an estimate of the additional incremental cost to hire outside expertise to complete parts 1 and 2?
 - \$0

- \$1–\$4,999
- \$5,000–\$9,999
- \$10,000–\$19,999
- \$20,000–\$29,999

If more than \$30,000 in additional incremental costs, please specify: _____

- f. What suggestions do you have, if any, to make the ERR easier for future recipients of GMF funding to complete?

PART 2: ENVIRONMENTAL ANALYTICAL RESULTS TABLES

The Recipient must provide Environmental Results 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. These reported environmental results must be based on twelve (12) consecutive months of operation unless confirmed in writing by FCM.

Any reference documents that form the basis of data reported in the tables must also be provided (e.g. any engineering or environmental studies, annual reports, modeling assumptions, technical specifications or literature, and measurement or estimation techniques details). Any documents which are not provided will need to be provided upon request by GMF.

In the tables below, please summarize the anticipated and actual environmental benefits and co-benefits listed in Schedule A, part 1 of the contract 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
3. A revised baseline (if applicable)
4. A revised anticipated result of the project (if applicable)
5. An actual result of the project

The columns corresponding to 1 and 2 above should have already been filled out with the data found in Schedule A Part 1, which is based on data from your application form.

Columns corresponding to 3 and 4 above are usually filled in identically to columns 1 and 2. However, they will need to be completed with updated information if:

- a) the baseline and/or the anticipated project results have changed due or
- b) more accurate information has been discovered since the time of application.

If you provide revised baseline and anticipated project information, you must also justify and explain why the baseline and project results are being revised. 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 when the performance of a project is dependent on population and results are reported as a total (waste diverted, water consumption, waste water production, etc.)
- A change in the project design which impacts the project performance compared to the anticipated performance of the project from the application (e.g. the final as constructed building is changed from the preliminary design)
- Exceptionally unusual weather which causes a departure from an energy model based on historical weather.

Please consult with GMF staff if you think this applies to your project. Columns corresponding to 5 above should be filled with actual results achieved by the project.

Indicator – Energy consumption

This indicator measures the change in the amount of energy consumed including electricity from the grid, renewable and non-renewable energy and amount of fuels consumed in a transportation project. Changes in energy consumption result from actions to increase energy efficiency or avoid usage.

This section also allows us to determine 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).

Please update the emission factors as needed or use the same emissions factors that were 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. One example is provided below:

List of emission factors for fuel combustion:

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

Environmental results table (General)						
A	B	C	D	E	F	G
Project defined parameter	Units relevant to performance of parameter	Baseline performance prior to project	Anticipated performance after project completion	Revised Baseline Performance Prior to the Project	Revised Anticipated Performance after Project Completion	Actual Performance of the Project
Vehicle Kilometres travelled (VKT) avoided	km/yr	1,700	0			
Fuel consumed	litres	671.5	0			
GHG emissions reduction ^a	kgCO ₂ e/yr	1,825	0			

Indicator – Wastewater quality and quantity

This indicator reflects changes in wastewater quality parameters that may be detrimental to the aquatic environment.

Specific contaminants measured and reported will vary depending on the project type and particular areas of concern that were addressed. Additional parameters such as total phosphorus, ammonia, pH, fecal coliforms, and temperature should also be reported if they are being monitored as part of the project. Supporting documentation for wastewater would include any regulatory reporting or annual reports submitted to government as part of the Borrower's regulatory reporting requirement.

Wastewater Treatment Quality and Quantity							
A	B	C	D	E	F	G	H
Pollutant / Parameter	Regulatory Effluent Requirements	Units	Baseline	Anticipated	Revised Baseline (If Applicable)	Revised Anticipated (If Applicable)	Actual
CBOD5	25	mg/L	2	2	(C) or Adjusted amount	(D) or Adjusted amount	
TSS	25	mg/L	2	2	(C) or Adjusted amount	(D) or Adjusted amount	
Total Residual Chlorine (N/A if not used)	0.02	mg/L	0.51	0	(C) or Adjusted amount	(D) or Adjusted amount	
Total Wastewater flow	N/A	m3/yr	1,366,036	1,366,036	(C) or Adjusted amount	(D) or Adjusted amount	
E.Coli	200	cfu/100ml	48	1.4	(C) or Adjusted amount	(D) or Adjusted amount	

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.



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.

SCHEDULE J: 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 ----- (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 ----- 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 2.06 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:

- For the Capital Work, the borrowing upon the credit of the Municipality of the principal sum of ##### and the issue of amortizing debentures therefor to be repaid in semi-annual instalments of combined (blended) principal and interest, but for the first instalment consisting of interest only as hereinafter set forth, are hereby authorized.
- 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 \$##### 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.




- The Debentures shall be in fully registered form as one or more certificates in the aggregate principal amount of \$#####, in the name of FCM or as FCM may otherwise direct, substantially in the form attached as Schedule “B” hereto and forming part of this By-law with provision for payment of principal and interest (other than in respect of the final payment of principal and outstanding interest on the maturity date upon presentation and surrender) on such terms as to which the registered holder and the Municipality may agree.
- 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 2.06 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 Note: for the Second and Third Loan Disbursements, this date will be the same as the maturity date for the First Loan Disbursement] and shall be payable [in semi-annual instalments of combined (blended) principal and interest], but for the first instalment consisting of interest only calculated from the [Instruction: Insert date of the applicable Loan Disbursement] 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”.
- Payments in respect of principal and/or 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.
- If the Municipality defaults in the payment of any instalment 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 fifty percent (2.50%) 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 three point sixty-eight percent (3.68%) per annum, calculated from the date of such default.
- 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.
- 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 twenty-four (24) 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 twenty-four (24) 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.

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

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

[Insert position, of the head of council] Clerk

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
		\$	
			

Schedule “B” to Borrowing By-Law

Province of Ontario

[Municipality]

No. #####

FULLY REGISTERED #####% 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, 20##], the principal sum of

[write sum here]

----- (\$#####) -----

by semi-annual instalments of combined (blended) principal and interest in semi-annual instalments of combined (blended) principal and interest, but for the first instalment of interest only calculated from the [Instruction: Insert date of the applicable Loan Disbursement] 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 2.06 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 #####-20## 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

Capitalized terms used in the Conditions of the Debenture and not defined below shall have the meaning ascribed to them in the Combined Loan and Grant Agreement between the

THE CORPORATION OF THE MUNICIPALITY OF BROCKTON and

FEDERATION OF CANADIAN MUNICIPALITIES,

as Trustee of the Green Municipal Fund,

dated and effective as of ----- (the "Agreement").

- 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 obligations of the Municipality. Notwithstanding any provision to the contrary contained herein, the Debentures shall be issued in minimum denominations of \$##### [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.
- This Debenture is one fully registered Debenture registered in the name of FCM and held by FCM.
- 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.
- 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.
- 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.

- The Municipality shall make all payments in respect of the Debentures on each Payment Date commencing on **[Instruction: Date 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.
- Following **[Instruction: Insert mid-point date of Disbursement Term]**, the Municipality may on any subsequent semi-annual payment date, on not less than thirty (30) days' notice to FCM, prepay all or part of the principal that is outstanding provided it simultaneously pays all accrued interest thereon plus an amount equal to twenty-four (24) months of interest equal or the greater of the: (a) annual rate provided for in Section 2.06 of the Agreement in connection with the applicable Debentures plus two point fifty percent (2.50%) per annum, calculated from the date of such prepayment or (b) the GoC ten (10) year benchmark bond yield indicated at www.bankofcanada.ca for the Business Day immediately preceding the Prepayment Date plus three point sixty-eight percent (3.68%) per annum, calculated from the date of such prepayment. In the case of a prepayment, the amount of the prepayment must be in an amount equal to or greater than ten percent (10%) of the outstanding amount in respect of the applicable Debentures. 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 prepayment 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.
- If the Municipality defaults in the payment of any instalment of principal and/or 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) annual rate provided for in Section 2.06 of the Agreement, plus two point fifty percent (2.50%) 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 three point sixty-eight percent (3.68%) per annum, calculated from the date of such default.
- 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.
- 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.
- 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.

- 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.
- 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.
- 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.
- 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.
- 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.
- Unless otherwise expressly provided herein, any reference herein to a time shall be considered to be a reference to Ottawa, Ontario time.
- The Debentures are governed by and shall be construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable in Ontario.

Schedule “C”
Amortization Schedule