

**WHEREAS** The St. John's Municipal Council (the "Council") is empowered under the provisions of *The City of St. John's (Loan) Act, 1978*, SNL 1978, c 9, as amended (the "said Act") to borrow upon the credit of the City of St. John's (the "City") by the issue and sale of bonds subject to the prior approval, in writing, of the minister, as defined in the said Act (the "minister");

**AND WHEREAS** by resolution passed at a meeting held on June 23, 2020 (the "Resolution") the Council deemed it advisable to issue and sell bonds in the amount of One Hundred and Thirty-Eight Million Dollars (\$138,000,000.00) under the said Act for the purpose of repayment of loans of the City drawn in support of the projects as listed in the Resolution: A. interim financing for the construction of Primary Waste Water Treatment Infrastructure; B. construction of Bay Bulls Big Pond and Petty Harbour Long Pond water treatment facilities; C. the 2009 Stimulus funding program; D. construction of the Paul Reynolds Community Centre; E. expansion of the St. John's Convention Centre; F. the City's Water Main Transmission Fund; G. 2014-17 Multi-Year Capital Works; H. Clean Water Waste Water Funding Program; I. New Building Canada Fund (PTIC); J. 2017-2020 Multi-Year Capital Works; K. Bay Bulls Big Pond Water Treatment Facility upgrades; and L. Investing in Canada Infrastructure Program (Kenmount Road, Phase 2 & 3) and to seek an approval of the minister (referred to in the Resolution as the "Minister of Municipal Affairs") to issue and sell bonds in the said amount for the said purpose;

**AND WHEREAS** the Assistant Deputy Minister of Municipal Infrastructure and Support, Government of Newfoundland and Labrador, Department of Municipal Affairs and Environment, Municipal Finance Division, as the duly authorized representative of the minister, by a letter of approval to borrow dated the 27<sup>th</sup> day of July, 2020 and bearing number COR/2020/02021-01 (the "Approval"), gave approval to the City to establish a Sinking Fund Bond in an amount not exceeding One Hundred and Thirty-Eight Million Dollars (\$138,000,000.00). The Approval provides that the proceeds of the sale of the bonds are to be used for the repayment of loans drawn in support of the projects as listed in the Approval as follows: A. interim financing for the construction of Primary Waste Water Treatment Infrastructure; B. construction of Bay Bulls Big Pond and Petty Harbour Long Pond water treatment facilities; C. the 2009 Stimulus funding program; D. construction of the Paul Reynolds Community Centre; E. expansion of the St. John's Convention Centre; F. the City's Water Main Transmission Fund; G. 2014-17 Multi-Year Capital Works; H. Clean Water Waste Water Funding Program; I. New Building Canada Fund (PTIC); J. 2017-2020 Multi-Year Capital Works; K. Bay Bulls Big Pond Water Treatment Facility upgrades; and L. Investing in Canada Infrastructure Program (Kenmount Road, Phase 2 & 3);

**AND WHEREAS** the proceeds of the sale of the bonds to be issued pursuant to this Bond Resolution are immediately required by the Council for the purpose of "the repayment of loans drawn in support of projects" listed as follows: A. interim financing for the construction of Primary Waste Water Treatment Infrastructure; B. construction of Bay Bulls Big Pond and Petty Harbour Long Pond water treatment facilities; C. the 2009 Stimulus funding program; D. construction of the Paul Reynolds Community Centre; E. expansion of the St. John's Convention Centre; F. the City's Water Main Transmission Fund; G. 2014-17

Multi-Year Capital Works; H. Clean Water Waste Water Funding Program; I. New Building Canada Fund (PTIC); J. 2017-2020 Multi-Year Capital Works; K. Bay Bulls Big Pond Water Treatment Facility upgrades; and L. Investing in Canada Infrastructure Program (Kenmount Road, Phase 2 & 3)", all as described in the Approval (the "Purpose"), in accordance with Section 3 of the said Act, and the Purpose constitutes the "repayment of those loans of the City" that the Council, pursuant to the Resolution, designated as the Purpose in respect of which the proceeds of the sale of the bonds are required to be applied;

**AND WHEREAS** the City has appointed RBC Dominion Securities Inc. as the City's Lead Fiscal Agent and National Bank Financial Inc. and CIBC World Markets Inc. as Co-Managers for the purpose of facilitating the City's issue and sale of the Bonds, as defined below, (RBC Dominion Securities Inc., National Bank Financial Inc. and CIBC World Markets Inc. are collectively referred to as the "Fiscal Agents");

**AND WHEREAS** the City's Fiscal Agents offered to assist the City in issuing and selling the Bonds, as defined below, and in registering the Bonds in the name of CDS & CO. as nominee of CDS Clearing and Depository Services Inc. ("CDS") and the Deputy City Manager, Finance and Administration of the City has entered into a written agreement dated August 27, 2020 with RBC Dominion Securities Inc., as the Lead Fiscal Agent for the issue and sale of the Bonds on the terms and conditions set out therein (the "Fiscal Agency Agreement");

**AND WHEREAS** the City deems it advisable to issue and sell bonds for the Purpose, in the aforesaid amount;

**NOW THEREFORE BE IT RESOLVED:**

**THAT** the City, under and by virtue of the authority of and pursuant to the provisions of the said Act, borrow One Hundred and Thirty-Eight Million Dollars (\$138,000,000.00) on the credit of the City by the issue and sale of sinking fund bonds in global and definitive forms for the Purpose, not exceeding in total the amount of \$138,000,000.00 (the "Bonds"). The Bonds shall initially be issued in global fully registered form as three (3) certificates, each in the principal amount of \$46,000,000.00 (in the aggregate principal amount of \$138,000,000.00) each in the name of and with provision for payment of principal and interest electronically in final and irrevocable same-day funds (the "Global Bonds");

**THAT** the Global Bonds will be payable as to principal on the 3<sup>rd</sup> day of September, 2040 in lawful money of Canada and in this connection, the City shall, subject to the provisions hereof, make or cause to be made the payment of principal to the registered holders thereof electronically in final and irrevocable same-day funds. The Bonds shall rank as obligations of the City *pari passu* with all existing bonds or debentures of the City. The Bonds shall bear interest at the rate of 2.916% per annum (from the 3<sup>rd</sup> day of September, 2020), shall be dated the 3<sup>rd</sup> day of September, 2020, and shall mature on the 3<sup>rd</sup> day of September, 2040.

**THAT** in limited circumstances (as agreed to by both the City and CDS) the Global Bonds shall be exchangeable for bonds in definitive fully registered form in minimum

denominations of \$1,000.00 upon surrender of the Global Bonds to the City Comptroller who may also hold the title of the Deputy City Manager, Finance and Administration, of the City. The definitive bonds shall aggregate the same principal amount as the principal outstanding balance of the Global Bonds as at the date of exchange, shall bear the same interest rate and maturity date, shall bear all unmatured interest obligations and shall be the same substantially in every respect to the Global Bonds. In issuing definitive bonds no change shall be made in the amount which would otherwise be payable under the Global Bonds.

**THAT** interest on the Bonds will be payable semi-annually in arrears (in semi-annual amounts of \$2,012,040.00) on 3<sup>rd</sup> day of March and the 3<sup>rd</sup> day of September in each year of the currency of the Bonds in lawful money of Canada commencing on the 3<sup>rd</sup> day of March, 2021. The first interest period shall commence on the 3<sup>rd</sup> day of September, 2020. In this connection, the City shall, subject to the provisions hereof, make or cause to be made the payment of interest to the registered holders thereof electronically in final and irrevocable same-day funds as at the close of business at least two (2) business days prior to the day such interest becomes due.

**THAT** in the event that the Global Bonds are exchanged for Bonds in definitive fully registered form, the Bonds will be payable as to the principal on or after maturity in lawful money of Canada upon presentation and surrender at the City Hall in the City of St. John's, Newfoundland and Labrador, or at any specified branch of the bank designated in the Bonds otherwise, with provision for payment of interest electronically in final and irrevocable same-day funds;

**THAT** in the event that the Global Bonds are exchanged for Bonds in definitive fully registered form, the City will appoint a registrar in respect of such definitive fully registered Bonds and any such definitive fully registered Bonds may be exchanged for fully registered Bonds of an equal aggregate principal amount bearing the same rate of interest and maturity date without charge at a specified office of the appointed registrar (the City, in respect of the Global Bonds, and, in the event that the Global Bonds are exchanged for Bonds in definitive fully registered form, such registrar as the City may from time to time appoint, being hereafter referred to as the "Registrar");

**THAT** a register will be kept by the City at the City's Office in the City of St. John's in respect of the Global Bonds and in the event that the Global Bonds are exchanged for Bonds in definitive fully registered form, a register will be kept for and on behalf of the City by the Registrar at a specified office of the Registrar. The names and addresses of the holders of fully registered Bonds without coupons and particulars of the Bonds held by them respectively, shall be entered in the register and all transfers shall be recorded in the register;

**THAT** after the initial issue and registration of the Bonds, no transfer shall be valid unless made in the said register by the Registrar and unless such transfer is noted on such bonds by the Registrar upon the request of the registered holder or the registered holder's attorney, duly appointed by an instrument in writing in form and execution satisfactory to the Registrar, or by the executors or administrators of such holder and upon compliance with the

reasonable requirements which the Registrar may prescribe and upon surrender of any such bond for cancellation;

**THAT** the said register shall be closed for periods not exceeding thirty days immediately preceding any payment date;

**THAT** no notice of any trust shall be entered in the said register or otherwise recognized, but the Bonds may be registered in the name of a trustee or trustees, and in such case, neither the City nor the Registrar (if other than the City) shall be deemed to have notice of the trust represented by such trustee or trustees or be bound to see to the execution of any trust whether expressed, implied or constructive in respect of Bonds registered in the name of a trustee or trustees;

**THAT** the registered holder for the time being of any Bond shall be entitled to the principal moneys and interest represented thereby, free from all equities or rights of set-off or counterclaim between the City and the original or any intermediate holder thereof and all persons may act accordingly, and the receipt of any such registered holder for such principal moneys and interest shall be a good discharge to the City for the same and the City shall not be affected by notice of or be bound to see to the execution of any trust or equity affecting the ownership of any Bond or the principal moneys or interest owing upon it, or save as required by statute, be bound to enquire into the title to any Bond;

**THAT** in the case of joint registered holders of fully registered Bonds, the principal moneys and interest thereon shall be deemed to be owing to them, upon joint account, and may be paid to the holder whose name first appears in the said register and who shall be treated as the absolute owner of the Bonds by the City for all purposes, and whose receipt thereof shall constitute a valid discharge to the City;

**THAT** a sinking fund (hereinafter called the "Sinking Fund") for the redemption or retirement of the Bonds shall be established and that the Sinking Fund shall be under the control of RBC Investor Services Trust, which trust company is hereby appointed as trustee for the holders of the Bonds; that the Council shall pay into the Sinking Fund by the 3<sup>rd</sup> day of September, for each of the years of 2021 to 2040, both inclusive, an amount of \$3,450,000.00 which is the prescribed amount of two and one-half percent (2 ½ %) of the aggregate principal amount of the Bonds issued, which prescribed amount is referred to in the said Act. In addition, the Council will pay into the Sinking Fund by the 3<sup>rd</sup> day of September in each of the years of 2021 to 2040, both inclusive, an amount equivalent to the yearly interest on all Bonds retired through the operation of the Sinking Fund;

**THAT** in the event, however, that the amount in or the fair market value of the Sinking Fund, on the 3<sup>rd</sup> day of September for any of the years 2021 to 2040, both inclusive, together with any amount required to be paid into the Sinking Fund for any such year, would be in excess of the aggregate principal amount of the Bonds then outstanding, then in such event, the amount required to be paid into the Sinking Fund on the 3<sup>rd</sup> day of September for that year may be reduced by the amount of any such excess, and any such excess funds in the Sinking Fund are to be returned to the City;

**THAT** the Council may, pursuant to the said Act, provide for the application of moneys in the Sinking Fund from time to time to the reduction of the principal amount of the Bonds by the retirement of any of the Bonds either by drawing or by purchase in the market, or both and all Bonds so retired shall be cancelled and in this connection the Council empowers RBC Investor Services Trust, as trustee, to apply so much of the moneys in the Sinking Fund as it shall think proper to carry out such purposes and the Council shall take all appropriate actions to ensure that such purposes are fulfilled;

**THAT** the Council hereby empowers the trustee for the holders of the Bonds, to invest moneys in the Sinking Fund from time to time in any trustee investments authorized by the *Trustee Act*, RSNL 1990, c T-10, as amended;

**THAT** subject to the immediately preceding two provisions, the Sinking Fund shall be applied towards the payment of the Bonds on maturity;

**THAT** the Bonds shall not be redeemable by the City prior to the maturity date however, nothing herein contained shall prevent the City from purchasing the Bonds in the market;

**THAT** the principal moneys payable under the Bonds and the interest thereon are charged upon and payable out of the assets and revenue of the City;

**THAT** the Council hereby orders that the annual amount to be paid into the Sinking Fund in respect of the Bonds and the annual amount to be paid for interest in respect of the Bonds are to be paid each year in full and in this connection the Council has the power to raise, collect and receive the rates, assessments, taxes, rents, fees, duties and appropriations and other money provided for in the *City of St. John's Act*, RSNL 1990, c C-17, as amended, (the "City Act") from which receipts the council will ensure that such annual Sinking Fund contribution and annual interest will be paid, in accordance with the provisions of this Bond Resolution, the said Act and the City Act;

**THAT** the proceeds from the issue and sale of the Bonds shall be used for the Purpose;

**THAT** the Deputy City Manager, Finance and Administration entered into the Fiscal Agency Agreement for the issue and sale of the Bonds on the terms and conditions set out therein, which terms and conditions include the interest rate in respect of the Bonds and the price at which the Bonds will be sold and that the Fiscal Agency Agreement is hereby confirmed, ratified and approved;

**THAT** the Bonds shall be signed by the Mayor and the City Clerk or such person authorized by resolution of the Council pursuant to the said Act, that one or more of the Deputy City Manager, Finance and Administration and the City Clerk are hereby individually authorized to execute a BEO Acknowledgement and deliver the same to CDS and to generally do all things and to execute all other documents and papers in the name of the City in order to carry out the issue and sale of the Bonds and that the City Clerk is authorized to affix the seal of the City to any of such documents and papers;

**THAT** the City reserves the right to issue additional bonds of the same maturity, interest rate and terms and conditions.

**IN WITNESS WHEREOF** the said parties to these presents have hereunto their hands and seals subscribed and set, on the 31 of August, 2020.

**THE CORPORATE SEAL** of  
the City of St. John's has been  
hereunto affixed in the presence

**CITY OF ST. JOHN'S**

of:

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**MAYOR**

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**WITNESS**

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**CITY CLERK**

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