CITY OF CHARLOTTETOWN
SPECIAL MEETING OF COUNCIL
COUNCIL CHAMBERS, CITY HALL, 199 QUEEN STREET
THURSDAY, JUNE 18, 2026 AT 5:00 PM

Meeting Live Stream Available @ www.charlottetown.ca/video
Meeting Package posted to the City's website by 9:00 am Thursday, June 18th

- ❖ Land Acknowledgement

1) Call to Order

2) Declarations of Conflict of Interest

3) Approval of Agenda

4) Discussion Items:

   a) 1st Reading to Establish the Feeding Wild Birds Bylaw

   b) 2nd Reading to Amend the Election Bylaw

   c) 2nd Reading to Amend the Zoning & Development Bylaw
      - Permit a transitional housing facility at 147 Hillsborough Street (PID# 342907)

   d) One (1) Finance, Audit, Tendering & Administration Resolution
      - Bell Aliant Centre Request

5) Adjournment

ITEM 4(a)

City of Charlottetown Committee Report	**Report No: 06-2026-01** **Date: June 16, 2026**
Directed to Council through the following Committee: Protective & Emergency Services Committee	**Attachments:** • Feeding Wild Birds Bylaw – Final Draft
Reporting Department: Protective and Emergency Services	
Other Associated Departments: Administration	
Prepared by: Tracey McLean, Procedure & Records Coordinator	

Report Title:
Feeding Wild Birds Bylaw.

Report Purpose:
To present the final draft of the Feeding Wild Birds Bylaw to Committee.

Staff Recommendation:
That the Protective & Emergency Services Committee forward the final draft of the Feeding Wild Birds Bylaw, #2026-FWB-01, to Council with a recommendation for adoption.

Report Details:
The draft Bylaw respecting the regulation of Feeding Wild Birds was initially presented to Committee at its meeting of May 19, 2026. Committee members expressed consensus that the proposed wording was appropriate. Staff recommended that, prior to consideration by Council, the draft bylaw be forwarded to the City Solicitor for review and comment. Following that review, the City Solicitor advised that there were no substantive comments, noting only minor edits related to capitalization and formatting.

One recent addition to the draft bylaw, includes **(in red)** under Section 7 – Enforcement and Penalties, references the City's Enforcement & Summary Proceedings Bylaw #2024-ESP-01, as follows:

> 7.2. Any person who commits an offence under this Bylaw is guilty of an offence, punishable on summary conviction and liable to a fine of not less than $200.00 and not more than $1,000.00**. The provisions of the City's Enforcement and Summary Proceedings Bylaw #2024-ESP-01, or any successor bylaw, apply to the enforcement of this Bylaw.**

Once the Feeding Wild Birds Bylaw has been adopted, the Committee will be required to amend the applicable Schedules of the ESP Bylaw to incorporate the corresponding fine (noted above). In accordance with Sections 3.5 and 14.1 of the ESP Bylaw, amendments to the Schedules may be approved by Council through a resolution. A report on this matter will be presented at the next P&ES Committee meeting.

Council or Committee History:
April 21, 2026 – Two options were presented to the Committee regarding feeding birds.
- Option #1 – adopt the proposed amendments to the Nuisance Bylaw or
- Option #2 – establish a new bylaw

May 19, 2026 – New proposed bylaw reviewed by Committee.

Financial Implications:
None at this stage.

Public Engagement and Communication:
N/A

Legislative Authority:
Municipal Government Act (RSPEI 1988, c M-12.1)

Strategic Alignment:
Our Guiding Principles: Accountable to residents, ourselves and to each other (Page 7).
Our Commitments - Transparency to strengthen accountability and trust (Page 8).
Governance and Civic Engagement: Develop new systems to strengthen annual monitoring to enhance the accountability framework (page 11).

Reviewed By:

Manager	**Director/CAO**
S. Coombs	**B. MacConnell**

Committee Recommendation: (if differing from staff)

CITY OF CHARLOTTETOWN
FEEDING WILD BIRDS BYLAW
#2026-FWB-01

The purpose of establishing this Bylaw is to regulate the feeding of wild birds in order to prevent nuisances, protect public health and safety, minimize the attraction of pests and wildlife, and maintain clean and enjoyable properties within the City of Charlottetown.

1st Reading

RESOLVED: That the **"CITY OF CHARLOTTETOWN FEEDING WILD BIRDS BYLAW, #2026-FWB-01",** be established and read a **first** time.

Moved by Councillor _____Julie McCabe

Seconded by Councillor_____Kevin Ramsay
Date: June 18, 2026

RESOLVED: That the bylaw now be approved as a City Bylaw and that it be entitled the "**CITY OF CHARLOTTETOWN FEEDING WILD BIRDS BYLAW, #2026-FWB-01"** and that it be read a **second** time at the next public meeting of Council.

Moved by Councillor _____Julie McCabe

Seconded by Councillor_____Kevin Ramsay
Date: June 18, 2026

2nd Reading & Adoption

THEREFORE: Be it resolved that the **"CITY OF CHARLOTTETOWN FEEDING WILD BIRDS BYLAW, #2026-FWB-01"** which was read the first time on June 18, 2026, be read a **second** time and that the said Bylaw now be approved and adopted.

Moved by Councillor _____Julie McCabe

Seconded by Councillor_____Kevin Ramsay
Date:

This Feeding Wild Birds Bylaw, #2026-FWB-01, was adopted by a majority of Council members present at the Council meeting held on _____ day of _____, 2026.

_____
Philip Brown, Mayor

_____
Brad MacConnell, CAO

City of Charlottetown
Feeding Wild Birds Bylaw
Bylaw #2026-FWB-01

BE IT ENACTED by the Council of the City of Charlottetown as follows:

1. Title

1.1. This bylaw shall be known as, and may be cited as, the "Feeding Wild Birds Bylaw".

2. Purpose

2.1. The purpose of this Bylaw is to regulate the feeding of wild birds in order to prevent nuisances, protect public health and safety, minimize the attraction of pests and wildlife, and maintain clean and enjoyable properties within the City of Charlottetown.

3. Authority

3.1. Section 180 of the *Municipal Government Act* R.S.P.E.I. 1988, Cap.M12.1., where Council may pass bylaws and provide services for municipal purposes respecting:

i. 180(a) - the safety, health and welfare of people and the protection of persons and property;

ii. 180(i) - nuisances, loitering, dangerous or unsightly property, noise, pollution and waste in or on public or private property;

iii. 180(l) - subject to the Pesticides Control Act, the control, health and safety of, and protection from, wild and domestic animals, including insects and birds.

4. Interpretation and Application

4.1. This Bylaw applies to all owners, occupiers, tenants, and persons feeding wild birds on any public or private property within the City of Charlottetown. No person shall feed or permit the feeding of wild birds except in accordance with this Bylaw.

5. Definitions

5.1. In this Bylaw:

a) "Act" means the Municipal Government Act of Prince Edward Island;

b) "Bird Feeding Device" means any structure, container, platform, tube, feeder, or apparatus used to dispense or make food available to birds;

c) "Feed" or "Feeding" means placing, depositing, distributing, or scattering any food or edible material for consumption by wild birds, whether intentionally or negligently;

d) "Hummingbird" means any small nectar-feeding bird of the family Trochilidae;

e) "Nuisance" means any condition, odor, sound or substance which unreasonably interferes with the enjoyment of life or property within the City of Charlottetown;

f) "Owner" includes:

i. A tenant, lessee, or other person in possession or occupancy of the subject property; and

ii. An executor, administrator, trustee, agent or other person managing the subject property for the registered Owner;

g) "Songbird" means a small perching bird commonly kept at backyard bird feeders, but does not include pigeons, seagulls, crows, ravens, waterfowl, or birds of prey.

h) "Wild Bird" means any non-domesticated bird living freely in a natural environment.

i) "Wildlife" means any non-domesticated animal, bird, reptile, amphibian, fish, insect, or other living organism that is wild by nature and ordinarily lives in a natural habitat, whether temporarily or permanently. Examples of wildlife include, but are not limited to, foxes, raccoons, skunks, squirrels, rabbits, and coyotes.

6. Permitted Feeding Conditions

6.1. No person shall feed Wild Birds except Songbirds or Hummingbirds in accordance with this Bylaw.

6.2. No person shall feed a Songbird or Hummingbird unless the following Feeding requirements are met by the person:

a) The person has the permission of the owner or occupant of the property where the Feeding takes place;

b) The food intended for the Songbird or Hummingbird is placed in a Bird Feeding Device that is elevated and maintained in a manner that minimizes access by wildlife and nuisance animals;

c) Bird feeding practices shall not attract pigeons, gulls, crows, ravens, or other Nuisance causing or scavenging birds.

d) All bird feeding areas and Bird Feeding Devices shall be maintained in a clean and sanitary condition. Spillage of food upon the ground is removed by the person or

property Owner or occupier and disposed of in such a manner that it does not attract Wildlife, feral or stray domestic animals;

e) No person shall place bird feed directly on the ground; and

f) Bird feeding activities shall not interfere with the normal use or enjoyment of any other property.

7. Enforcement and Penalties

7.1. This Bylaw may be enforced by a Bylaw Enforcement Officer, Peace Officer, or any person appointed by the City for the purpose of enforcing municipal bylaws.

7.2. Any person who commits an offence under this Bylaw is guilty of an offence, punishable on summary conviction and liable to a fine of not less than $200.00 and not more than $1000.00. The provisions of the City's Enforcement and Summary Proceedings Bylaw #2024-ESP-01, or any successor bylaw, apply to the enforcement of this Bylaw.

8. Effective Date

8.1. This Feeding Wild Birds Bylaw, # 2026-FWB-01, shall be effective on the date of approval and adoption below.

First Reading:
This Feeding Wild Birds Bylaw, #2026-FWB-01, was read a first time and approved by a majority of members present at the Council meeting held on the ____day of _____, 2026

Second Reading:
This Feeding Wild Birds Bylaw, #2026-FWB-01, was read a second time and approved by a majority of members present at the Council meeting held on the _____day of _____, 2026

Approval and Adoption by Council:
This Feeding Wild Birds Bylaw, #2026-FWB-01, was adopted by a majority of Council members present at the Council meeting held on the _____day of _____, 2026

9. Witness the corporate seal of the City below:

_____ _____

Mayor **Chief Administrative Officer**

This Feeding Wild Birds Bylaw, #2026-FWB-01 adopted by the Council of the City of Charlottetown on the ____ of _____, 2026 is certified to be a true copy.

_____ _____

Chief Administrative Officer **Date**

ITEM 4(b)

CITY OF CHARLOTTETOWN
ELECTION AMENDMENT BYLAW
#2018-08-D

Amend the City of Charlottetown Election Bylaw, #2018-08 to include updated definitions and provisions consistent with the Municipal Election Regulations, and the Campaign Contributions and Election Expenses Bylaw Regulations (MGA), revise electoral ward map to include the annexed lands of Marshfield, authority to revise Schedules by Resolution of Council and general housekeeping revisions to improve clarity, consistency, and alignment throughout the bylaw.

1st Reading

RESOLVED: That the bylaw to amend the **"CITY OF CHARLOTTETOWN ELECTION BYLAW, #2018-08",** be read a **first** time.

Carried 5-0

Moved by Councillor _____ X Justin Muttart

Seconded by Deputy Mayor _____ X Alanna Jankov

Date: June 9, 2026

McAleer (out of the room)

RESOLVED: That the bylaw now be approved as a City Bylaw and that it be entitled the **"CITY OF CHARLOTTETOWN ELECTION BYLAW, #2018-08"** and that it be read a second time at the next public meeting of Council.

8-0

Moved by Councillor _____ X Justin Muttart

Seconded by Deputy Mayor _____ X Alanna Jankov

Date: June 9, 2026

Councillors Beck absent

2nd Reading & Adoption

THEREFORE: Be it resolved that **the "CITY OF CHARLOTTETOWN ELECTION BYLAW, #2018-08"** which was read the first time on June 9, 2026, be read a **second** time and that the said Bylaw now be approved and adopted.

Moved by Councillor _____ Justin Muttart

Seconded by Deputy Mayor _____ Alanna Jankov

Date:

This Election Amendment Bylaw, #2018-08-D, was adopted by a majority of Council members present at the Council meeting held on _____ day of _____, 2026.

_____

Philip Brown, Mayor

_____

Brad MacConnell, CAO

City of Charlottetown, PEI
A Bylaw to Amend the City of Charlottetown Election Bylaw
Bylaw #2018-08-D

BE IT ENACTED by the Council of the City of Charlottetown as follows:

PART I – INTERPRETATION AND APPLICATION

1. **Title**
   1.1. This bylaw shall be known and cited as the "Election Amendment Bylaw."

2. **Purpose**
   Amend the City of Charlottetown Election Bylaw #2018-08 to include updated definitions and provisions consistent with the Municipal Election Regulations, and the Campaign Contributions and Election Expenses Bylaw Regulations (MGA), revise electoral ward map to include the annexed lands of Marshfield, authority to revise Schedules by Resolution of Council and general housekeeping revisions to improve clarity, consistency, and alignment throughout the Bylaw.

3. **Authority**
   3.1. Pursuant to Part 5, Section 134 (1) – Revision of Bylaws of the *Municipal Government Act* R.S.P.E.I. 1988, Cap. M-12.

4. **Definitions**
   4.1. In this bylaw, any word and term that is defined in the *Municipal Government Act*, the Municipal Election Regulations, the Campaign Contributions and Election Expenses Bylaw Regulations, and the City of Charlottetown Election Bylaw has the same meaning as in that Act or bylaw.

5. **Part I – Interpretation and Application - of the City of Charlottetown Election Bylaw is hereby amended by the following:**
   5.1. Revise 'Authority' section to add the following wording:

   This bylaw is adopted pursuant to Part 3 of the *Municipal Government Act*, RSPEI 1988, c M-12.1, ~~and applicable regulations.~~ **, the Municipal Election Regulations, and the Campaign Contributions and Election Expenses Bylaw Regulations.**

   5.2. Add the following wording to Section 6.1:

   In this bylaw, any word and term that is defined in the *Municipal Government Act*, **the Municipal Election Regulations, or the Campaign Contributions and Election Expenses Bylaw Regulations** has the same meaning as in that Act or regulations.

   5.3. Revise and add Definitions as follows:

   "Campaign Contribution" ~~means a campaign contribution as dotherwise but*Campaign Contribution and Election Expenses Bylaw Regulations;*~~ **means any money paid, or any donation in kind provided, to or for the benefit of a candidate during the election contribution period for the purpose of financing an election campaign, including revenue**

raised from a fundraising event by the sale of tickets or otherwise, but does not include volunteer labour or services.

Campaign Contribution Period~~" means a campaign contribution period as defined in the *Campaign Contribution and Election Expenses Bylaw Regulations;*~~ **means the same period of time as the election's expenses period for a particular candidate or person who has declared an intention to become a candidate.**

"Campaign Financing Regulations" means the Campaign Contributions and Election Expenses Bylaw Regulations.

"Candidate" means a person nominated in accordance with Part 3, Division 8, of the Act, and for the purposes of the provisions of this bylaw pertaining to campaign contributions and election expenses, includes a person who has declared an intention to run as a candidate in accordance with clause 2(1)(a) of the Campaign Contributions and Election Expenses Bylaw Regulations.

"Chief Administrative Officer" or "CAO" means the administrative head of the Municipality as appointed by Council under clause 86(2)(c) of the Act.

"Council" means the Mayor and other members of the council of the municipality.

"Councillor" means a member of council other than the Mayor.

"Election Expense~~" means an election expense as defined in the Campaign Contribution and Election Expenses Bylaw Regulations;~~ **means the cost of goods and services, and the value of any donation in kind, used by or for the benefit of the candidate for the purpose of a candidate's election campaign, but does not include audit fees or volunteer labour or services.**

"Election Expense Period~~" means an election expense period as defined in the Campaign Contribution and Election Expenses Bylaw Regulations;~~ **means the period in an election year beginning when a person publicly declares the person's intention to run as a candidate for municipal office, whether in person or by electronic means, and ending, in the case of an election, on the earlier of election day, and the declaration by the municipal electoral officer that the candidate is elected. In the case of a by-election, the election expenses period means the date when Council sets the election day and ends on the earlier of election day, and the declaration by the municipal electoral officer that the candidate is elected.**

"Election Regulations" means the Municipal Election Regulations.

"Employee" means, except as provided elsewhere in the Act, a person who performs work for a municipality for pay, and includes"

- **i. a person on leave from employment with a municipality,**
- **ii. a person being trained by a municipality to perform work for the municipality,**

iii. a person retained under an employment contract to perform work for the municipality, and

iv. any other person or class of person designated as an employee by the Minister, but does not include an independent officer, as defined in the Act. In Part 3 of the Act respecting candidacy for election,

Employee also means any employee of a controlled corporation but does not include a volunteer firefighter who is not otherwise employed by the municipality.

"List of Electors" means the preliminary list of electors, supplementary list of electors or the official list of electors, as the context requires.

"Municipality" means the City of Charlottetown.

6. **Part II – Wards – of the City of Charlottetown Election Bylaw is hereby amended by the following:**

6.1. Revise wording in subsections 9.7 and 9.8 from 'public hearings' to 'public consultations.'

7. **Part IV – Nominations of Candidates – of the City of Charlottetown Election Bylaw is hereby amended by the following:**

7.1. Revise wording in subsection 11.1 as follows:

Pursuant to subsection 26(4)(a) of the Election Regulations, at least **ten** (10) qualified electors are required to nominate a candidate during the nomination period.

8. **Part V – Campaign Contributions and Election Expense Disclosure - of the City of Charlottetown Election Bylaw is hereby amended by the following:**

8.1. Section 12 Election Expenses; add wording to the beginning of subsections 12.1, 12.2, 12.4, 12.5 & 12. 6 that reference the Campaign Financing Regulations:

12.1 **Pursuant to clause 2(1)(a) of the Campaign Financing Regulations**, ...
12.2 **Pursuant to clause 2(1)(b) of the Campaign Financing Regulations ...**
12.4 **Pursuant to subsection 3(1) of the Campaign Financing,...**
12.5 **Pursuant to subsection 3(2) of the Campaign Financing,...**
12.6 **Pursuant to section 10 of the Campaign Financing Regulations...**

8.2. Section 13 Campaign Contributions, add wording to the beginning of subsections 13.1, 13.2, 13.3, & 13.5 that reference the Campaign Financing Regulations and add new subsection 13.4:

13.1 **Pursuant to subsection 4(1) of the Campaign Financing Regulations...**
13.2 **Pursuant to subsections 4(2) and 4(3) of the Campaign Financing Regulations...**
13.3 **Pursuant to subsection 4(4) of the Campaign Financing Regulations...**
13.4 **Pursuant to subsection 8(1) of the Campaign Financing Regulations, no candidate shall accept anonymous campaign contributions...**
13.5 **Pursuant to subsection 8(2) of the Campaign Financing Regulations...**

8.3. Section 14 Candidate Records, add wording to subsections 14.1, 14.2 and 14.2(c) that reference the Campaign Financing Regulations:

14.1 **Pursuant to subsection 5(1) of the Campaign Financing Regulations,...**
14.2 **Pursuant to subsection 5(2) of the Campaign Financing Regulations,...**
14.2(c) receipts are provided to the contributor for every campaign contribution **referred to in subsection 14.2(b) of this bylaw; and**

8.4. Section 15 Candidate Disclosure: Filing and Records Retention , add wording to subsections 15.1, 15.3, 15.4, 15.5, 15.7, 15.8, 15.9, 15.10 & 15.11 that reference the Campaign Financing Regulations:

15.1 **Pursuant to subsection 6(2) of the Campaign Financing Regulations,...**
15.3 **Pursuant to subsection 6(3) of the Campaign Financing Regulations,...**
15.4 **Pursuant to section 7 of the Campaign Financing regulation,...**
15.5 **Pursuant to subsection 9(1) of the Campaign Financing Regulations,...**
15.7 **Pursuant to subsection 11 (1) of the Campaign Financing Regulations,...**
15.8 **Pursuant to subsection 11(2) of the Campaign Financing Regulations,...**
15.9 **Pursuant to subsection 11(3) of the Campaign Financing Regulations,...**
15.10 **Pursuant to subsection 12(1) of the Campaign Financing Regulations,...**
15.11 **Pursuant to subsection 12(2) of the Campaign Financing Regulations,...**

8.5. Section 16 Reporting, add wording to subsections 16.1, 16.2 & 16.3 that reference the Campaign Financing Regulations:

16.1 **Pursuant to subsection 11(4) of the Campaign Financing Regulations,...**
16.2 **Pursuant to subsection 11(5) of the Campaign Financing Regulations,...**
16.3 **Pursuant to subsection 11(6) of the Campaign Financing Regulations,...**

8.6. Section 17 Complaints and Compliance, add wording to subsections 17.1, 17.2, 17.3, 17.4 that reference the Campaign Financing Regulations:

17.1 **Pursuant to subsection 12(3) of the Campaign Financing Regulations,...**
17.2 **Pursuant to subsection 12(4) of the Campaign Financing Regulations,...**
17.3 **Pursuant to subsection 12(5) of the Campaign Financing Regulations,...**
17.4 **Pursuant to subsection 12(6) of the Campaign Financing Regulations,...**

Section 18 Offences and Penalties, add wording to subsections 18.1, 18.3, 18.4, 18.5, 18.6 that reference the Campaign Financing Regulations:

18.1 **Pursuant to subsection 13(1) of the Campaign Financing Regulations,...**
18.3 **Pursuant to clause 13(2)(a) of the Campaign Financing Regulations,...**
18.4 **Pursuant to clause 13(2)(b) of the Campaign Financing Regulations,...**
18.5 **Pursuant to subsection 14(1) of the Campaign Financing Regulations,...**
18.6 **Pursuant to subsection 14(2) of the Campaign Financing Regulations and...**

9. Part X – Administrative - of the City of Charlottetown Election Bylaw is hereby amended by the following:

9.1. Reword subsection 37.1:

~~The Schedules form part of this bylaw and may be amended by Council from time to time,~~ **Any Schedule attached to this bylaw may be amended from time to time by resolution of Council.**

9.2. Add new Section 38 titled Protection of Privacy:

Personal information in respect of an elector that is collected or obtained for the purpose of an election

(a) shall be used only for the purpose for which it was collected or obtained; and

(b) shall be disclosed only to the Chief Electoral Officer for a purpose for which the Chief Electoral Officer has responsibility under this or any other enactment.

9.3. Replace Schedule 1 Electoral Ward Map with a revised Electoral Ward Map which includes the annexed area of Marshfield.

Approval and Adoption

10. Effective Date

10.1. This Election Amendment Bylaw shall be effective on the date of the approval and adoption below.

First Reading:
This Election Amendment Bylaw, #2018-08-D, was read a first time and approved by a majority of members present at the Council meeting held on the _____day of _____,2026.

Second Reading:
This Election Amendment Bylaw, #2018-08-D, was read a second time and approved by a majority of members present at the Council meeting held on the _____day of _____, 2026.

Approval and Adoption by Council:
This Election Amendment Bylaw, #2018-08-D, was approved and adopted by a majority of Council members present at the Council meeting held on the _____ day of _____, 2026

11. Witness the corporate seal below of the City of Charlottetown

Mayor (Sealed Signature)

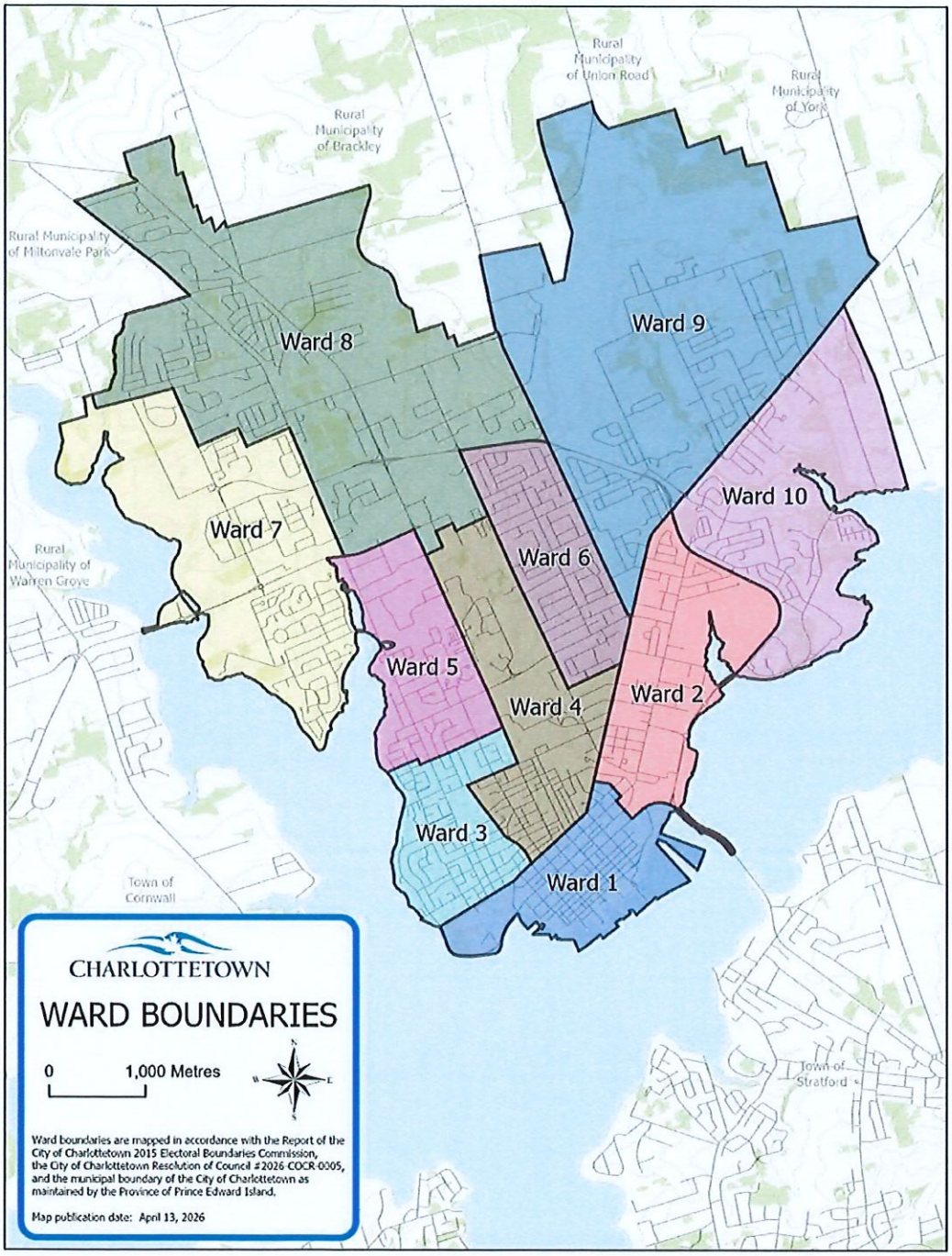
Chief Administrative Officer (Sealed Signature)

This Election Amendment Bylaw, #2018-08-D, adopted by the Council of the City of Charlottetown on _____day of _____, 2026 is certified to be a true copy.

Chief Administrative Officer

Date

SCHEDULE 1 – ELECTORAL WARDS
CITY OF CHARLOTTETOWN ELECTION BYLAW



ITEM 4(c)

CITY OF CHARLOTTETOWN
AMENDMENT

OFFICIAL PLAN (PH-OPA.1):
NONE.

1ST READING OF ZONING & DEVELOPMENT BYLAW (PH-ZD.2):
To adopt Bylaw PH-ZD.2-111, A Bylaw to amend the Zoning & Development Bylaw, "By amending Appendix C. Approved Site-Specific Exemptions of the City of Charlottetown Zoning & Development Bylaw as it pertains to the subject property at 147 Hillsborough Street (PID# 342907), in the Downtown Mixed-Use Neighbourhood (DMUN) Zone, to permit a transitional housing facility capable of accommodating eleven (11) individuals within an existing building on the subject property."

BE IT RESOLVED THAT THE "BYLAW TO AMEND THE CITY OF CHARLOTTETOWN ZONING AND DEVELOPMENT BYLAW, (PH-ZD.2-111, as it pertains to the subject property at 147 Hillsborough Street (PID# 342907))", as attached, be read a first time and approved; and that it be read a second time at the next Public Meeting of Council.

Moved by Deputy Mayor: _____ X Alanna Jankov

Seconded by Councillor: _____ X Julie McCabe
Date: June 9, 2026

2nd READING OF ZONING & DEVELOPMENT BYLAW (PH-ZD.2):
WHEREAS THE "BYLAW TO AMEND THE CITY OF CHARLOTTETOWN ZONING AND DEVELOPMENT BYLAW, PH-ZD.2-111, By amending Appendix C. Approved Site-Specific Exemptions of the City of Charlottetown Zoning & Development Bylaw as it pertains to the subject property at 147 Hillsborough Street (PID# 342907), in the Downtown Mixed-Use Neighbourhood (DMUN) Zone, to permit a transitional housing facility capable of accommodating eleven (11) individuals within an existing building on the subject property." as attached, was read and approved a first time on June 9, 2026;

BE IT RESOLVED THAT the said Bylaw be read a second time and approved.

Moved by Deputy Mayor: _____ Alanna Jankov

Seconded by Councillor: _____ Julie McCabe
Date:

BE IT RESOLVED THAT the said Bylaw be adopted.
Moved by Deputy Mayor: _____ Alanna Jankov

Seconded by Councillor: _____ Julie McCabe
Date:

_____ Mayor/Chairperson (sealed) _____ Chief Administrative Officer (sealed)

City of Charlottetown
A Bylaw to amend the Zoning and Development Bylaw
BYLAW # PH-ZD.2-111

BE IT ENACTED by the Council of the City of Charlottetown as follows:

PART I – INTERPRETATION AND APPLICATION

1. Title

(1) This Bylaw shall be known and cited as the "Bylaw to amend the Zoning and Development Bylaw, Bylaw # PH-ZD.2-111"

2. Authority

(1) Sections 16 and 18 of the Planning Act R.S.P.E.I 1988 Cap. P-8, enables the Council of the City of Charlottetown, to adopt bylaws and bylaw amendments implementing an official plan for the municipality.

3. Purpose

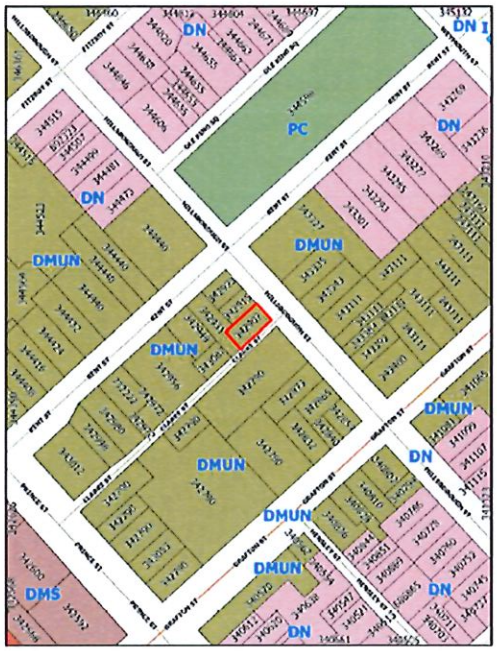
(1) The purpose of this bylaw is to amend the City of Charlottetown's Zoning and Development Bylaw provisions found in Appendix C – Approved Site Specific Exemptions.

PART II – AMENDMENTS

(1) APPENDIX C. APPROVED SITE SPECIFIC EXEMPTIONS is updated to add below amendment:

Zone	PID	Civic Address	Use	Regulation
Downtown Mixed-Use Neighbourhood (DMUN)	**342907**	147 Hillsborough Street	Transitional housing facility	To allow for a transitional housing facility having eleven (11) beds for residents as an additional permitted land-use for the property and within the existing 3-storey structure on the site.

Subject Property/ Map reference only)



PART III – EFFECTIVE DATE

1. Effective Date

(1) The effective date of the Zoning & Development Bylaw amendment is the date as signed by the Minister of Housing and Communities.

First Reading & Approval:
This Zoning & Development Bylaw, Bylaw #PH-ZD.2-111, was read a first time and approved by a majority of Council members present at the Council meeting held on the ____ day of _____, 2026.

Second Reading and Approval:
This Zoning & Development Bylaw, Bylaw #PH-ZD.2-111, was read a second time and approved by a majority of Council members present at the Council meeting held on the _____ day of _____, 2026.

Adoption by Council:
This Zoning & Development Bylaw, Bylaw #PH-ZD.2-111, was adopted by a majority of Council members present at the Council meeting held on _____ day of _____, 2026.

2. Signatures

_____
Mayor/Chairperson
(signature sealed)

_____
Chief Administrative Officer
(signature sealed)

This Zoning & Development Bylaw, Bylaw #PH-ZD.2-111, adopted by the Council of the City of Charlottetown on _____ day of _____, 2026 is certified to be a true copy.

_____
Chief Administrative Officer
(signature sealed)

_____
Date:

MINISTERIAL APPROVAL

This Zoning and Development Bylaw amendment (PH-ZD.2-111) is hereby approved.

Dated on this __ day of _____, _____.

_____
Darlene Compton
Minister of Land and Environment

CITY OF CHARLOTTETOWN
RESOLUTION OF COUNCIL #_____

ITEM 4(d)

Finance, Audit, Tendering & Administration #1

MOTION CARRIED _____

MOTION LOST _____

Date: June 18, 2026

Moved by Councillor John McAleer

Seconded by Deputy Mayor Alanna Jankov

RESOLVED:

That Council approve the Bell Aliant Centre obtaining a loan through the Cities of Prince Edward Island Refinancing and Recovery Authority (CORRA), in the amount of $10,470,000, subject to final loan terms acceptable to the City, and

That Council approve of the City of Charlottetown, in partnership with the University of Prince Edward Island, providing additional capital funding to the Bell Aliant Center, in an amount equal to the annual debt payments of $969,210.84, over the 15-year term of the CORRA loan,

And Further that the Mayor and CAO are hereby authorized to execute standard contacts/agreements to implement this resolution.

Finance, Audit, Tendering, & Administration Committee
Wednesday, April 8th 2026
12:00 pm. Parkdale Room.

DRAFT

Present: **Mayor Philip Brown**
Councillor Terry Bernard (Chair)
Brad MacConnell, CAO
Dep. Mayor Alanna Jankov
Isaac Ewuah, Assistant Manager Finance
Amy McQuillan, Manager of Finance
Nancy Milligan, AA

Guests: **Richard MacEwen, Director of Community Services**
Wayne Long – Manager of Economic Growth & Attraction
Joshua McInnis – Manager of Water & Sewer

Regrets: **Councillor John McAleer**

1. **Call to Order.**
   The Chair called the meeting to order at 12:01 pm.

2. **Declarations of Conflict of Interest.**
   None.

3. **Approval of Agenda.**
   Motion to approved agenda was moved by Deputy Mayor Jankov and seconded by Mayor Brown.
   Motion Carried.

4. **Adoption of Minutes.**
   Motion to approve minutes from previous open session on March 18th, 2026 was put forward by Deputy Mayor Jankov and seconded by Mayor Brown.
   Motion Carried.

5. **Business Arising from Minutes.**
   None.

6. **Discussions/Reports**

   a. **Report WSC 07-26 – Water & Sewer Budget Transfer – Josh McInnis – Manager of Water & Sewer.**

      Report was presented to Finance Committee to request budget reallocations. As part of the budget preparation process, the Water & Sewer Utility has reviewed

Utility holdbacks and has identified several Capital accounts that will require budget reallocations to balance budget vs. expense.
Budget transfers are as follows:

$1,519.13 from Capital Planning & Engineering to Miltonvale Wellfield Reservoir.

$135,984.51 from Collector Sewer Lift station Rehabilitation to Waster Water Lift Station Rehabilitation.

$46,494.59 from CPCP Upgrades & Resiliency Improvements to CPCP Storage Building.

$122,097.96 from Water Distribution System Upgrades to St. Peter's Road/Belvedere Avenue.

Total amount of budget transfer $306,096.19.

Josh confirmed that these transfers will affect the 2025-26 budget and not the current fiscal of 2026-27.

The current fiscal budget has accounted for these projects and carry over.

Mayor Brown asked for clarification on current budget item in the Water & Sewer Operational budget Winter River Watershed line item where the draft number was 42 million but the budget document quoted 60 million. He would like to know where the difference came from. Josh confirmed that the difference is due to 2 expected grants for $10,000.

Motion to approve the budget transfer request was moved by Mayor Brown and seconded by Deputy Mayor Jankov.
Motion Passed.

Action: Budget Transfer will be forwarded Finance for action.
Lead: Amy McQuillan – Finance Manager.

b. Report FIN-07-2026 – Bell Aliant Centre – Amy McQuillan – Manager of Finance.

Report was presented to provide members of the Finance, Audit, Tendering & Administration Committee information regarding the proposed solution for the Charlottetown Bell Aliant Center (CARI) to obtain funds to invest in necessary capital for the current facility. RBC requires written approval from Council in order for CARI to obtain their own loan.

The Charlottetown Bell Aliant Center (CARI) has previously presented their 5-year capital plan to address necessary upgrades and replacements for the building to Council. Phase 2 of the project was expected to start during the 2025-26 fiscal year but due to difficulty sourcing necessary items, this did not happen. CARI requires $10.47M in funds to undertake this large investment. It was suggested by both the City of Charlottetown and UPEI for CARI to obtain their own loan in which they will support CARI by providing the funding for the annual debt payments totaling $969,210.84 or $80,767.57 per month.

A copy of the CARO 2025-26 Capital Budget which was presented to Council on December 13, 2024 and approved in the City's Budget (Page 140 in the Budget Document).

An updated budget that was requested by and provided to the former CFO Dan Jenkins in February of 2025, that shows the annual amount needed for the debt service agreement of the CORRA Loan.

According to the schedule provided by RBC for the proposed CORRA loan, the total debt payments for one year would be $80,767.57 per month which totals $969,210.84 per year. This would be split between UPEI based on the existing rate of 87% for the city and 13% for UPEI which would make the total annual cost for the city $843,213.43 The amount of $149K is included in the 2026-27 capital budget for CARI as the equipment will not be obtained until later in the year. Based on the five-year capital plan, the full amount of $969,211 will not be accessed until fiscal 2028-29.

The Finance Committee decided that they would like to bring this matter to a special meeting of Council for further discussion. They recommend inviting Alan Wood from the Bell Aliant Centre so that he can answer any questions that may arise from this discussion.

Action: Item will be moved on to a Special Meeting of Council at a future date.
Lead: Amy McQuillan – Finance Department.

c. Report FIN-08-2026 – Update on Operational Matters of Interest – Amy McQuillan – Manager of Finance.

Report was presented to provide members of the Finance, Audit, Tendering and Administration Committee with information regarding operational matters believed to be of interest to members of the committee.

FY2026-27 Budget Process:

Budget was successfully approved and forwarded to Province on March 31, 2026, thanks to Finance Committee and Council for the tremendous support and collaboration. The Finance team is currently working on the upload of the budget into GP and eRequester.

Interim Audit/Inventory Count:
The MRSB team commenced their interim audit and inventory count effective April 7, 2026. We are coordinating and collaborating with all key departments and stakeholders to ensure a successful process leading to the year-end audit.

Tenders/RFPs/RFQs Update

Name	Status	Posted On	Deadline	# of bids	Within Budget	Comments
Utility Backhoe Rental	Open	March 30, 2026	April 14,			
Utility Grass Cutting	Open	March 30, 2026	April 14,			
70 Kent Street Main Entrance Upgrades	Closed	February 13, 2026	March 6, 2026	8		Under review
WRCC Priority 1 Upgrades	Closed	February 18, 2026	March 6, 2026			Under review
Municipal Buildings Garbage Removal	Upcoming		March 5, 2026			
Charlottetown Skatepark Revitalization	Upcoming					
CPCP Pre-Purchase of Dry Polymer Preparation System	Upcoming					

Action: None. Report is for information purposes only.

7. **Introduction of New Business.**
   None.

8. **Adjournment**
   Motion to adjourn was put forward by Mayor Brown and seconded by Deputy Mayor Jankov.
   Motion Carried.

   Meeting adjourned at 12:43 pm

_____

Chair: Councillor John McAleer.

City of Charlottetown Committee Report

Report No: FIN-07-2026

Date: April 8, 2026

Directed to Council through the following Committee: Finance, Audit, Tendering & Administration

Reporting Department: Finance

Other Associated Departments: None

Prepared by: Amy McQuillan, Manager of Finance

Attachments:

- Capital Budget 2025-26 5 Year Plan
- RBC Package for Stakeholders

Report Title:

- Bell Aliant Center – Approval for Capital Funding

Report Purpose:

- To provide members of the Finance, Audit, Tendering & Administration Committee information regarding the proposed solution for the Charlottetown Bell Aliant Center (CARI) to obtain funds to invest in necessary capital for the current facility. RBC requires written approval from Council in order for CARI to obtain their own loan.

Staff Recommendation:

- That the Finance Committee supports this request, provides guidance and direction and recommends the request through to Council, as required, for final approval.

Report Details:

The Charlottetown Bell Aliant Center (CARI) has previously presented their 5-year capital plan to address necessary upgrades and replacements for the building to Council. Phase 2 of the project was expected to start during the 2025-26 fiscal year but due to difficulty sourcing necessary items, this did not happen. CARI requires $10.47M in funds to undertake this large investment. It was suggested by both the City of Charlottetown and UPEI for CARI to obtain their own loan in which they will support CARI by providing the funding for the annual debt payments totaling $969,210.84 or $80,767.57 per month.

Council or Committee History:

- A copy of the CARI 2025-26 Capital Budget which was presented to Council on December 13, 2024 and approved in the City's Budget (Page 140 in the Budget Document).
- An updated budget that was requested by and provided to the former CFO Dan Jenkins in February of 2025, that shows the annual amount needed for the debt service agreement of the CORRA Loan.

Financial Implications:
According to the schedule provided by RBC for the proposed CORRA loan, the total debt payments for one year would be $80,767.57 per month which totals $969,210.84 per year. This would be split between UPEI based on the existing rate of 87% for the city and 13% for UPEI which would make the total annual cost for the city $843,213.43 The amount of $149K is included in the 2026-27 capital budget for CARI as the equipment will not be obtained until later in the year. Based on the five-year capital plan, the full amount of $969,211 will not be accessed until fiscal 2028-29.

Public Engagement and Communication:

- Not required at this time

Legislative Authority:
(MGA section 158 (5) – Inclusion in capital debt

Strategic Alignment:
Our Purpose:
To provide accountable, accessible, and fiscally responsive local government to build a sustainable and resilient city

Reviewed By:

Manager	**CAO/Director**
Amy McQuillan April 7, 2026	**CAO Brad MacConnell – April 7th 2026**

Committee Recommendation: (if differing from staff)

Committee moves to bring this item to a future Special Meeting of Council for further discussions.

Bell Aliant Centre
Capital Budget - 5 Year Plan

YEAR	1 2025-2026	2 2026-2027	3 2027-2028	4 2028-2029	5 2029-2030
ASSET					
Arena Compressors (annual)	$ 60,000	$ 60,000	$ 20,000	$ 20,000	$ 20,000
Other minor Capital/Emergency Repairs(annual)	$ 60,000	$ 60,000	$ 60,000	$ 60,000	$ 60,000
Turnstile Security System - Aquatic Entrance	$ 13,500				
Arena A Seating Replacement (Section 9)	$ 15,000				
Additional Security Cameras	$ 50,000				
Phase 2 - Refrigeration & Dehumidification Systems Replacement	$ 7,140,000				
Heat Pump Replacement (3 Units #3,5,6)	$ 135,000				
Arena A Seating Replacement		$ 360,000			
Arena A DasherBoards & Glass		$ 450,000			
Phase 2 -Refrigeration & Dehumidification Systems Replacement		$ 3,360,000			
Heat Pump Replacement (5 Units)		$ 120,000			
Ceramic Tile Replacement Pool Deck			$ 2,200,000		
Aquatic Changeroom HRV			$ 80,000		
Heat Pump Replacement (5 Units)			$ 120,000		
Arena B DasherBoards & Glass			$ 400,000		
Exterior Wall Rink B			$ 175,000		
Waterslide Replacement			$ 400,000		
Suspended Infrared Heaters Rinks				$ 30,000	
Aquatic Parking Lot Fence				$ 15,000	
Comp Pool & Arena Roof Recap & New Membrane				$ 800,000	
Arena Dressing Room HRV				$ 100,000	
Storage Space addition - Professional Fees for design				$ 100,000	
Exterior Wall Rink A				$ 250,000	
Staff Lot Resurfacing					$ 125,000
Bench Seating Rink B					$ 200,000
Zamboni Replacement					$ 160,000
Total Capital	**$ 7,473,500**	**$ 4,410,000**	**$ 3,455,000**	**$ 1,375,000**	**$ 565,000**
Less: RBC CORRA Loan for Phase 2	**$ (7,140,000)**	**$ (3,360,000)**	**$ -**	**$ -**	**$ -**
Add: *Debt service for RBC CORRA Loan	**$ 969,211**	**$ 969,211**	**$ 969,211**	**$ 969,211**	**$ 969,211**
Total Cash Flow needed for Capital	**$ 1,302,711**	**$ 2,019,211**	**$ 4,424,211**	**$ 2,344,211**	**$ 1,534,211**
Revenue					
External Funding	$ -	$ 270,000	$ -	$ -	$ -
CARI - Commercial Tenant Fund (Estimate)	$ 100,000	$ 110,000	$ 110,000	$ 120,000	$ 120,000
City of Charlottetown (87%)	$ 1,046,359	$ 1,426,114	$ 3,753,364	$ 1,935,064	$ 1,230,364
UPEI (13%)	$ 156,352	$ 213,097	$ 560,847	$ 289,147	$ 57,850
Total	**$ 1,302,711**	**$ 2,019,211**	**$ 4,424,211**	**$ 2,344,211**	**$ 1,408,214**

*Note: Debt Service Agreement to repay principal and interest on loan payments from $10,500,000 loan from RBC over 15 year term. City of Charlottetown to pay 87% while UPEI to pay 13%

Capital Area Recreation

Swap Details	
Swap Effective Date	1-Apr-26
Payment Frequency	Monthly
Notional	$10,470,000
Term	15-years
Amortization	15-years
RBC Murex ID	3492454
Indicative Swap Rate	3.67%
Credit Spread (1-Year)	0.95%
Indicative All-in Rate	4.62%

Monthly Payment:	$80,767.57

Annual Summary (prepared by CARI)

	Principal	Interest (swap+spread)	Annual Payments
Year 1	$ 495,773.68	$ 473,437.16	$ 969,210.84
Year 2	$ 515,550.70	$ 453,660.14	$ 969,210.84
Year 3	$ 544,882.16	$ 424,328.68	$ 969,210.84
Year 4	$ 570,377.82	$ 398,833.02	$ 969,210.84
Year 5	$ 596,096.93	$ 373,113.91	$ 969,210.84
Year 6	$ 623,349.60	$ 345,861.24	$ 969,210.84
Year 7	$ 653,674.05	$ 315,536.79	$ 969,210.84
Year 8	$ 683,031.26	$ 286,179.58	$ 969,210.84
Year 9	$ 717,653.76	$ 251,557.08	$ 969,210.84
Year 10	$ 750,694.30	$ 218,516.54	$ 969,210.84
Year 11	$ 786,046.75	$ 183,164.09	$ 969,210.84
Year 12	$ 823,141.00	$ 146,069.84	$ 969,210.84
Year 13	$ 861,985.00	$ 107,225.84	$ 969,210.84
Year 14	$ 902,383.11	$ 66,827.73	$ 969,210.84
Year 15	$ 945,359.88	$ 23,849.47	$ 969,209.35
TOTAL	**$ 10,470,000.00**	**$ 4,068,161.11**	**$ 14,538,161.11**

Capital Area Recreation

Swap Details	
Swap Effective Date	01-Apr-26
Payment Frequency	Monthly
Notional	$10,470,000
Term	15-years
Amortization	15-years
RBC Murex ID	3492454
Indicative Swap Rate	**3.67%**
Credit Spread (1-Year)	0.95%
Indicative All-in Rate**	**4.62%**

*** All-in Rate assumes credit spreads don't change over the life of the swap*

				Principal Cost	Interest Cost		
Period Begin Date	**Period End Date**	**Days**	**Principal O/S**	**Principal Repayment**	**Swap Interest**	**Credit Spread**	**Total Payment**
01-Apr-26	01-May-26	30	$ 10,470,000.00	$41,010.25	$31,582.11	$8,175.21	**$80,767.57**
01-May-26	01-Jun-26	31	$ 10,428,989.75	$39,845.93	$32,507.02	$8,414.62	**$80,767.57**
01-Jun-26	02-Jul-26	31	$ 10,389,143.82	$40,002.28	$32,382.82	$8,382.47	**$80,767.57**
02-Jul-26	04-Aug-26	33	$ 10,349,141.54	$37,539.35	$34,339.30	$8,888.92	**$80,767.57**
04-Aug-26	01-Sep-26	28	$ 10,311,602.19	$44,222.12	$29,030.69	$7,514.76	**$80,767.57**
01-Sep-26	01-Oct-26	30	$ 10,267,380.07	$41,779.66	$30,970.92	$8,017.00	**$80,767.57**
01-Oct-26	02-Nov-26	32	$ 10,225,600.41	$39,349.69	$32,901.22	$8,516.66	**$80,767.57**
02-Nov-26	01-Dec-26	29	$ 10,186,250.73	$43,377.05	$29,701.99	$7,688.53	**$80,767.57**
01-Dec-26	04-Jan-27	34	$ 10,142,873.68	$37,117.09	$34,674.73	$8,975.75	**$80,767.57**
04-Jan-27	01-Feb-27	28	$ 10,105,756.59	$44,951.66	$28,451.17	$7,364.74	**$80,767.57**
01-Feb-27	01-Mar-27	28	$ 10,060,804.93	$45,110.97	$28,324.61	$7,331.98	**$80,767.57**
01-Mar-27	01-Apr-27	31	$ 10,015,693.95	$41,467.63	$31,218.78	$8,081.16	**$80,767.57**
01-Apr-27	03-May-27	32	$ 9,974,226.32	$40,367.85	$32,092.41	$8,307.30	**$80,767.57**
03-May-27	01-Jun-27	29	$ 9,933,858.46	$44,303.51	$28,966.04	$7,498.02	**$80,767.57**
01-Jun-27	02-Jul-27	31	$ 9,889,554.96	$41,962.58	$30,825.61	$7,979.38	**$80,767.57**
02-Jul-27	03-Aug-27	32	$ 9,847,592.38	$40,880.77	$31,684.97	$8,201.83	**$80,767.57**
03-Aug-27	01-Sep-27	29	$ 9,806,711.60	$44,770.22	$28,595.30	$7,402.05	**$80,767.57**
01-Sep-27	01-Oct-27	30	$ 9,761,941.38	$43,698.94	$29,446.29	$7,622.34	**$80,767.57**
01-Oct-27	01-Nov-27	31	$ 9,718,242.44	$42,634.78	$30,291.63	$7,841.16	**$80,767.57**
01-Nov-27	01-Dec-27	30	$ 9,675,607.66	$44,026.77	$29,185.87	$7,554.93	**$80,767.57**
01-Dec-27	04-Jan-28	34	$ 9,631,580.89	$39,317.47	$32,926.81	$8,523.29	**$80,767.57**
04-Jan-28	01-Feb-28	28	$ 9,592,263.42	$46,771.54	$27,005.51	$6,990.53	**$80,767.57**
01-Feb-28	01-Mar-28	29	$ 9,545,491.88	$45,729.08	$27,833.61	$7,204.88	**$80,767.57**
01-Mar-28	03-Apr-28	33	$ 9,499,762.81	$41,087.19	$31,520.99	$8,159.39	**$80,767.57**
03-Apr-28	01-May-28	28	$ 9,458,675.62	$47,244.99	$26,629.41	$6,893.17	**$80,767.57**
01-May-28	01-Jun-28	31	$ 9,411,430.63	$43,838.66	$29,335.30	$7,593.61	**$80,767.57**
01-Jun-28	04-Jul-28	33	$ 9,367,591.97	$41,639.27	$31,082.44	$8,045.86	**$80,767.57**
04-Jul-28	01-Aug-28	28	$ 9,325,952.70	$47,715.37	$26,255.75	$6,796.45	**$80,767.57**
01-Aug-28	01-Sep-28	31	$ 9,278,237.33	$44,361.29	$28,920.14	$7,486.14	**$80,767.57**
01-Sep-28	03-Oct-28	32	$ 9,233,876.04	$43,366.58	$29,710.31	$7,690.68	**$80,767.57**
03-Oct-28	01-Nov-28	29	$ 9,190,509.46	$47,032.11	$26,798.52	$6,936.95	**$80,767.57**
01-Nov-28	01-Dec-28	30	$ 9,143,477.35	$46,047.41	$27,580.74	$7,139.43	**$80,767.57**
01-Dec-28	02-Jan-29	32	$ 9,097,429.95	$43,919.24	$29,271.29	$7,577.04	**$80,767.57**
02-Jan-29	01-Feb-29	30	$ 9,053,510.71	$46,389.03	$27,309.36	$7,069.18	**$80,767.57**
01-Feb-29	01-Mar-29	28	$ 9,007,121.67	$48,845.34	$25,358.13	$6,564.09	**$80,767.57**
01-Mar-29	02-Apr-29	32	$ 8,958,276.33	$44,482.87	$28,823.56	$7,461.14	**$80,767.57**
02-Apr-29	01-May-29	29	$ 8,913,793.46	$48,047.84	$25,991.64	$6,728.08	**$80,767.57**
01-May-29	01-Jun-29	31	$ 8,865,745.62	$45,979.84	$27,634.41	$7,153.32	**$80,767.57**
01-Jun-29	03-Jul-29	32	$ 8,819,765.78	$45,043.89	$28,377.90	$7,345.78	**$80,767.57**
03-Jul-29	01-Aug-29	29	$ 8,774,721.88	$48,558.33	$25,586.13	$6,623.11	**$80,767.57**
01-Aug-29	04-Sep-29	34	$ 8,726,163.55	$43,213.99	$29,831.53	$7,722.06	**$80,767.57**
04-Sep-29	02-Oct-29	28	$ 8,682,949.56	$49,994.25	$24,445.48	$6,327.85	**$80,767.57**
02-Oct-29	01-Nov-29	30	$ 8,632,955.32	$47,985.99	$26,040.78	$6,740.80	**$80,767.57**
01-Nov-29	03-Dec-29	32	$ 8,584,969.33	$45,994.92	$27,622.43	$7,150.22	**$80,767.57**
03-Dec-29	02-Jan-30	30	$ 8,538,974.41	$48,342.86	$25,757.29	$6,667.42	**$80,767.57**
02-Jan-30	01-Feb-30	30	$ 8,490,631.55	$48,526.43	$25,611.47	$6,629.67	**$80,767.57**
01-Feb-30	01-Mar-30	28	$ 8,442,105.12	$50,847.82	$23,767.42	$6,152.33	**$80,767.57**
01-Mar-30	01-Apr-30	31	$ 8,391,257.29	$47,841.66	$26,155.43	$6,770.48	**$80,767.57**
01-Apr-30	01-May-30	30	$ 8,343,415.64	$49,085.45	$25,167.40	$6,514.72	**$80,767.57**
01-May-30	03-Jun-30	33	$ 8,294,330.19	$46,122.27	$27,521.27	$7,124.03	**$80,767.57**
03-Jun-30	02-Jul-30	29	$ 8,248,207.92	$50,491.00	$24,050.87	$6,225.70	**$80,767.57**
02-Jul-30	01-Aug-30	30	$ 8,197,716.92	$49,638.71	$24,727.91	$6,400.96	**$80,767.57**

01-Aug-30	03-Sep-30	33	$	8,148,078.22	$46,733.16	$27,035.99	$6,998.42	**$80,767.57**
03-Sep-30	01-Oct-30	28	$	8,101,345.06	$52,055.52	$22,808.06	$5,903.99	**$80,767.57**
01-Oct-30	01-Nov-30	31	$	8,049,289.54	$49,183.48	$25,089.53	$6,494.56	**$80,767.57**
01-Nov-30	02-Dec-30	31	$	8,000,106.06	$49,376.47	$24,936.22	$6,454.88	**$80,767.57**
02-Dec-30	02-Jan-31	31	$	7,950,729.59	$49,570.21	$24,782.32	$6,415.04	**$80,767.57**
02-Jan-31	03-Feb-31	32	$	7,901,159.38	$48,764.63	$25,422.25	$6,580.69	**$80,767.57**
03-Feb-31	03-Mar-31	28	$	7,852,394.75	$52,937.82	$22,107.18	$5,722.57	**$80,767.57**
03-Mar-31	01-Apr-31	29	$	7,799,456.93	$52,138.22	$22,742.36	$5,886.99	**$80,767.57**
01-Apr-31	01-May-31	30	$	7,747,318.71	$51,348.98	$23,369.31	$6,049.28	**$80,767.57**
01-May-31	02-Jun-31	32	$	7,695,969.73	$49,595.73	$24,762.05	$6,409.79	**$80,767.57**
02-Jun-31	02-Jul-31	30	$	7,646,374.00	$51,732.30	$23,064.82	$5,970.46	**$80,767.57**
02-Jul-31	01-Aug-31	30	$	7,594,641.70	$51,928.74	$22,908.77	$5,930.06	**$80,767.57**
01-Aug-31	02-Sep-31	32	$	7,542,712.96	$50,216.48	$24,268.94	$6,282.15	**$80,767.57**
02-Sep-31	01-Oct-31	29	$	7,492,496.48	$53,264.98	$21,847.30	$5,655.30	**$80,767.57**
01-Oct-31	03-Nov-31	33	$	7,439,231.50	$49,694.00	$24,683.98	$6,389.59	**$80,767.57**
03-Nov-31	01-Dec-31	28	$	7,389,537.50	$54,578.24	$20,804.08	$5,385.25	**$80,767.57**
01-Dec-31	02-Jan-32	32	$	7,334,959.26	$51,057.97	$23,600.48	$6,109.12	**$80,767.57**
02-Jan-32	02-Feb-32	31	$	7,283,901.29	$52,186.74	$22,703.82	$5,877.01	**$80,767.57**
02-Feb-32	01-Mar-32	28	$	7,231,714.55	$55,137.58	$20,359.75	$5,270.24	**$80,767.57**
01-Mar-32	01-Apr-32	31	$	7,176,576.97	$52,607.86	$22,369.29	$5,790.42	**$80,767.57**
01-Apr-32	03-May-32	32	$	7,123,969.11	$51,912.57	$22,921.61	$5,933.39	**$80,767.57**
03-May-32	01-Jun-32	29	$	7,072,056.54	$54,808.28	$20,621.34	$5,337.95	**$80,767.57**
01-Jun-32	02-Jul-32	31	$	7,017,248.26	$53,233.04	$21,872.67	$5,661.86	**$80,767.57**
02-Jul-32	03-Aug-32	32	$	6,964,015.22	$52,560.45	$22,406.96	$5,800.17	**$80,767.57**
03-Aug-32	01-Sep-32	29	$	6,911,454.77	$55,397.80	$20,153.04	$5,216.73	**$80,767.57**
01-Sep-32	01-Oct-32	30	$	6,856,056.98	$54,733.34	$20,680.87	$5,353.36	**$80,767.57**
01-Oct-32	01-Nov-32	31	$	6,801,323.64	$54,080.29	$21,199.63	$5,487.64	**$80,767.57**
01-Nov-32	01-Dec-32	30	$	6,747,243.34	$55,146.53	$20,352.64	$5,268.40	**$80,767.57**
01-Dec-32	04-Jan-33	34	$	6,692,096.81	$51,967.72	$22,877.80	$5,922.05	**$80,767.57**
04-Jan-33	01-Feb-33	28	$	6,640,129.09	$57,234.22	$18,694.24	$4,839.11	**$80,767.57**
01-Feb-33	01-Mar-33	28	$	6,582,894.87	$57,437.07	$18,533.10	$4,797.40	**$80,767.57**
01-Mar-33	01-Apr-33	31	$	6,525,457.80	$55,162.75	$20,339.76	$5,265.06	**$80,767.57**
01-Apr-33	02-May-33	31	$	6,470,295.05	$55,379.20	$20,167.82	$5,220.55	**$80,767.57**
02-May-33	01-Jun-33	30	$	6,414,915.86	$56,408.46	$19,350.20	$5,008.91	**$80,767.57**
01-Jun-33	04-Jul-33	33	$	6,358,507.39	$54,208.17	$21,098.05	$5,461.35	**$80,767.57**
04-Jul-33	02-Aug-33	29	$	6,304,299.22	$57,626.47	$18,382.65	$4,758.45	**$80,767.57**
02-Aug-33	01-Sep-33	30	$	6,246,672.75	$57,047.33	$18,842.70	$4,877.54	**$80,767.57**
01-Sep-33	03-Oct-33	32	$	6,189,625.42	$55,697.04	$19,915.33	$5,155.19	**$80,767.57**
03-Oct-33	01-Nov-33	29	$	6,133,928.38	$58,251.85	$17,885.86	$4,629.86	**$80,767.57**
01-Nov-33	01-Dec-33	30	$	6,075,676.53	$57,696.64	$18,326.90	$4,744.02	**$80,767.57**
01-Dec-33	03-Jan-34	33	$	6,017,979.88	$55,630.55	$19,968.15	$5,168.87	**$80,767.57**
03-Jan-34	01-Feb-34	29	$	5,962,349.33	$58,881.66	$17,385.56	$4,500.35	**$80,767.57**
01-Feb-34	01-Mar-34	28	$	5,903,467.67	$59,845.03	$16,620.28	$4,302.25	**$80,767.57**
01-Mar-34	03-Apr-34	33	$	5,843,622.63	$56,358.84	$19,389.62	$5,019.11	**$80,767.57**
03-Apr-34	01-May-34	28	$	5,787,263.79	$60,256.87	$16,293.13	$4,217.57	**$80,767.57**
01-May-34	01-Jun-34	31	$	5,727,006.92	$58,295.74	$17,851.00	$4,620.83	**$80,767.57**
01-Jun-34	04-Jul-34	33	$	5,668,711.18	$57,089.44	$18,809.25	$4,868.88	**$80,767.57**
04-Jul-34	01-Aug-34	28	$	5,611,621.74	$60,879.37	$15,798.64	$4,089.57	**$80,767.57**
01-Aug-34	01-Sep-34	31	$	5,550,742.38	$58,987.37	$17,301.59	$4,478.61	**$80,767.57**
01-Sep-34	03-Oct-34	32	$	5,491,755.01	$58,523.71	$17,669.91	$4,573.95	**$80,767.57**
03-Oct-34	01-Nov-34	29	$	5,433,231.30	$60,823.89	$15,842.71	$4,100.97	**$80,767.57**
01-Nov-34	01-Dec-34	30	$	5,372,407.41	$60,367.14	$16,205.54	$4,194.89	**$80,767.57**
01-Dec-34	02-Jan-35	32	$	5,312,040.27	$59,251.62	$17,091.67	$4,424.27	**$80,767.57**
02-Jan-35	01-Feb-35	30	$	5,252,788.65	$60,821.36	$15,844.71	$4,101.49	**$80,767.57**
01-Feb-35	01-Mar-35	28	$	5,191,967.28	$62,366.67	$14,617.17	$3,783.74	**$80,767.57**
01-Mar-35	02-Apr-35	32	$	5,129,600.61	$59,990.58	$16,504.67	$4,272.32	**$80,767.57**
02-Apr-35	01-May-35	29	$	5,069,610.03	$62,158.63	$14,782.43	$3,826.51	**$80,767.57**
01-May-35	01-Jun-35	31	$	5,007,451.41	$61,119.15	$15,608.16	$4,040.26	**$80,767.57**
01-Jun-35	03-Jul-35	32	$	4,946,332.25	$60,732.89	$15,914.99	$4,119.68	**$80,767.57**
03-Jul-35	01-Aug-35	29	$	4,885,599.36	$62,834.07	$14,245.87	$3,687.62	**$80,767.57**
01-Aug-35	04-Sep-35	34	$	4,822,765.29	$60,012.50	$16,487.25	$4,267.82	**$80,767.57**
04-Sep-35	02-Oct-35	28	$	4,762,752.78	$63,887.85	$13,408.78	$3,470.94	**$80,767.57**
02-Oct-35	01-Nov-35	30	$	4,698,864.93	$62,924.76	$14,173.84	$3,668.98	**$80,767.57**
01-Nov-35	03-Dec-35	32	$	4,635,940.17	$61,990.11	$14,916.30	$3,861.17	**$80,767.57**
03-Dec-35	02-Jan-36	30	$	4,573,950.07	$63,399.09	$13,797.04	$3,571.44	**$80,767.57**
02-Jan-36	01-Feb-36	30	$	4,510,550.98	$63,639.83	$13,605.80	$3,521.94	**$80,767.57**
01-Feb-36	03-Mar-36	31	$	4,446,911.14	$63,318.62	$13,860.96	$3,587.99	**$80,767.57**
03-Mar-36	01-Apr-36	29	$	4,383,592.52	$64,676.78	$12,782.08	$3,308.71	**$80,767.57**
01-Apr-36	01-May-36	30	$	4,318,915.74	$64,367.52	$13,027.74	$3,372.30	**$80,767.57**
01-May-36	02-Jun-36	32	$	4,254,548.21	$63,534.90	$13,689.15	$3,543.51	**$80,767.57**

02-Jun-36	02-Jul-36	30	$	4,191,013.31	$64,853.20	$12,641.93	$3,272.44	**$80,767.57**
02-Jul-36	01-Aug-36	30	$	4,126,160.11	$65,099.47	$12,446.31	$3,221.80	**$80,767.57**
01-Aug-36	02-Sep-36	32	$	4,061,060.65	$64,318.61	$13,066.60	$3,382.36	**$80,767.57**
02-Sep-36	01-Oct-36	29	$	3,996,742.04	$66,096.79	$11,654.06	$3,016.72	**$80,767.57**
01-Oct-36	03-Nov-36	33	$	3,930,645.25	$64,349.32	$13,042.20	$3,376.05	**$80,767.57**
03-Nov-36	01-Dec-36	28	$	3,866,295.93	$67,064.99	$10,884.95	$2,817.63	**$80,767.57**
01-Dec-36	02-Jan-37	32	$	3,799,230.94	$65,379.12	$12,224.16	$3,164.29	**$80,767.57**
02-Jan-37	02-Feb-37	31	$	3,733,851.82	$66,116.55	$11,638.36	$3,012.66	**$80,767.57**
02-Feb-37	02-Mar-37	28	$	3,667,735.27	$67,768.71	$10,325.93	$2,672.92	**$80,767.57**
02-Mar-37	01-Apr-37	30	$	3,599,966.55	$67,097.56	$10,859.08	$2,810.93	**$80,767.57**
01-Apr-37	01-May-37	30	$	3,532,868.99	$67,352.35	$10,656.68	$2,758.54	**$80,767.57**
01-May-37	01-Jun-37	31	$	3,465,516.65	$67,169.45	$10,801.97	$2,796.15	**$80,767.57**
01-Jun-37	02-Jul-37	31	$	3,398,347.19	$67,433.01	$10,592.60	$2,741.95	**$80,767.57**
02-Jul-37	04-Aug-37	33	$	3,330,914.18	$66,854.39	$11,052.25	$2,860.94	**$80,767.57**
04-Aug-37	01-Sep-37	28	$	3,264,059.79	$69,199.38	$9,189.45	$2,378.74	**$80,767.57**
01-Sep-37	01-Oct-37	30	$	3,194,860.41	$68,635.85	$9,637.10	$2,494.62	**$80,767.57**
01-Oct-37	02-Nov-37	32	$	3,126,224.55	$68,105.08	$10,058.73	$2,603.76	**$80,767.57**
02-Nov-37	01-Dec-37	29	$	3,058,119.48	$69,542.18	$8,917.14	$2,308.25	**$80,767.57**
01-Dec-37	04-Jan-38	34	$	2,988,577.30	$67,906.04	$10,216.84	$2,644.69	**$80,767.57**
04-Jan-38	01-Feb-38	28	$	2,920,671.26	$70,416.39	$8,222.69	$2,128.49	**$80,767.57**
01-Feb-38	01-Mar-38	28	$	2,850,254.87	$70,665.95	$8,024.44	$2,077.17	**$80,767.57**
01-Mar-38	01-Apr-38	31	$	2,779,588.91	$69,860.92	$8,663.94	$2,242.71	**$80,767.57**
01-Apr-38	03-May-38	32	$	2,709,727.99	$69,792.06	$8,718.64	$2,256.87	**$80,767.57**
03-May-38	01-Jun-38	29	$	2,639,935.93	$71,077.20	$7,697.76	$1,992.61	**$80,767.57**
01-Jun-38	02-Jul-38	31	$	2,568,858.74	$70,687.79	$8,007.10	$2,072.68	**$80,767.57**
02-Jul-38	03-Aug-38	32	$	2,498,170.95	$70,648.95	$8,037.95	$2,080.67	**$80,767.57**
03-Aug-38	01-Sep-38	29	$	2,427,522.00	$71,856.90	$7,078.39	$1,832.28	**$80,767.57**
01-Sep-38	01-Oct-38	30	$	2,355,665.09	$71,822.50	$7,105.72	$1,839.35	**$80,767.57**
01-Oct-38	01-Nov-38	31	$	2,283,842.60	$71,806.15	$7,118.71	$1,842.72	**$80,767.57**
01-Nov-38	01-Dec-38	30	$	2,212,036.45	$72,367.89	$6,672.47	$1,727.21	**$80,767.57**
01-Dec-38	04-Jan-39	34	$	2,139,668.56	$71,559.37	$7,314.74	$1,893.46	**$80,767.57**
04-Jan-39	01-Feb-39	28	$	2,068,109.18	$73,437.96	$5,822.44	$1,507.17	**$80,767.57**
01-Feb-39	01-Mar-39	28	$	1,994,671.22	$73,698.24	$5,615.68	$1,453.65	**$80,767.57**
01-Mar-39	01-Apr-39	31	$	1,920,972.98	$73,229.99	$5,987.65	$1,549.94	**$80,767.57**
01-Apr-39	02-May-39	31	$	1,847,742.99	$73,517.33	$5,759.39	$1,490.85	**$80,767.57**
02-May-39	01-Jun-39	30	$	1,774,225.66	$74,030.37	$5,351.84	$1,385.35	**$80,767.57**
01-Jun-39	04-Jul-39	33	$	1,700,195.29	$73,665.88	$5,641.39	$1,460.30	**$80,767.57**
04-Jul-39	02-Aug-39	29	$	1,626,529.41	$74,797.09	$4,742.78	$1,227.70	**$80,767.57**
02-Aug-39	01-Sep-39	30	$	1,551,732.32	$74,875.24	$4,680.70	$1,211.63	**$80,767.57**
01-Sep-39	03-Oct-39	32	$	1,476,857.08	$74,785.69	$4,751.84	$1,230.04	**$80,767.57**
03-Oct-39	01-Nov-39	29	$	1,402,071.39	$75,621.01	$4,088.29	$1,058.28	**$80,767.57**
01-Nov-39	01-Dec-39	30	$	1,326,450.38	$75,730.69	$4,001.16	$1,035.72	**$80,767.57**
01-Dec-39	03-Jan-40	33	$	1,250,719.69	$75,543.33	$4,149.99	$1,074.25	**$80,767.57**
03-Jan-40	01-Feb-40	29	$	1,175,176.36	$76,453.87	$3,426.69	$887.02	**$80,767.57**
01-Feb-40	01-Mar-40	29	$	1,098,722.49	$76,734.51	$3,203.75	$829.31	**$80,767.57**
01-Mar-40	02-Apr-40	32	$	1,021,987.99	$76,628.10	$3,288.28	$851.19	**$80,767.57**
02-Apr-40	01-May-40	29	$	945,359.89	$77,297.45	$2,756.57	$713.55	**$80,767.57**
01-May-40	01-Jun-40	31	$	868,062.43	$77,361.44	$2,705.74	$700.40	**$80,767.57**
01-Jun-40	03-Jul-40	32	$	790,701.00	$77,564.91	$2,544.11	$658.56	**$80,767.57**
03-Jul-40	01-Aug-40	29	$	713,136.09	$78,149.87	$2,079.43	$538.27	**$80,767.57**
01-Aug-40	04-Sep-40	34	$	634,986.22	$78,034.87	$2,170.78	$561.92	**$80,767.57**
04-Sep-40	02-Oct-40	28	$	556,951.35	$78,793.67	$1,568.01	$405.89	**$80,767.57**
02-Oct-40	01-Nov-40	30	$	478,157.68	$78,951.88	$1,442.33	$373.36	**$80,767.57**
01-Nov-40	03-Dec-40	32	$	399,205.80	$79,150.62	$1,284.46	$332.49	**$80,767.57**
03-Dec-40	02-Jan-41	30	$	320,055.18	$79,552.24	$965.43	$249.91	**$80,767.57**
02-Jan-41	01-Feb-41	30	$	240,502.94	$79,854.32	$725.46	$187.79	**$80,767.57**
01-Feb-41	01-Mar-41	28	$	160,648.62	$80,198.21	$452.28	$117.08	**$80,767.57**
01-Mar-41	01-Apr-41	31	$	80,450.41	$80,450.41	$250.76	$64.91	**$80,766.08**
			$	0.00				

Interest Rate Swaps Overview

Capital Area Recreation Inc.

This Discussion Paper ("Summary") and the rates contained herein have been prepared for educational purposes only. This Summary is not an exhaustive description of the terms and conditions of the financing which would be set out in the Credit Agreement and the International Swap and Derivatives Association Master Agreement (the "Agreements"). In the event of a conflict between this Summary example and a real set of Agreements, the latter shall govern. This Summary is for educational purposes only, is subject to further due diligence, and should not be construed as a potential commitment to finance.

Our Understanding

RBC Royal Bank understands Capital Area Recreation Inc. ("the Client") is considering financing options to fund term debt.

We are pleased to present a financial solution that will allow the Client to lock in a fixed interest rate on the term financing with the following features:

- Superior contractual terms relative to a traditional term loan
- Ability to 'custom tailor' financing to include prepayment options or extension options
- Provide the Client the ability to hedge their interest rate exposure by locking in a fixed rate on a future-starting loan
- Ability to make changes to the loan structure at market rates with two-way breakage costs

The financial solution consists of a combination of a CORRA Loan and an Interest Rate Swap that we believe the Client will find extremely flexible and cost-effective relative to traditional fixed-rate term and lease products.

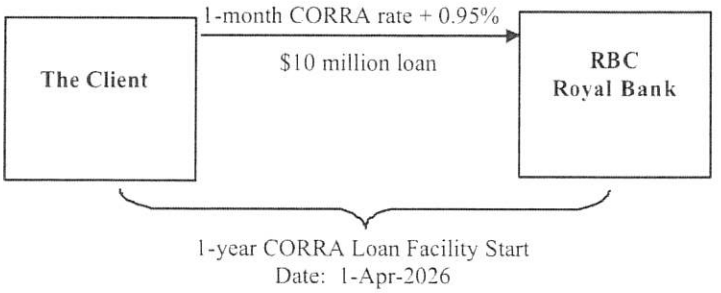
What are CORRA Loans and Interest Rate Swaps?

CORRA Loans

In order to create a fixed interest rate financing structure, RBC would provide the Client with a CORRA Loan. A CORRA Loan is a floating-rate loan that has a rate of interest based on a market-driven 'CORRA rate' plus a Credit Spread[1].

For illustrative purposes only, the indicative 1-year Credit Spread would be 0.95% over the prevailing CORRA rate. A 1-year CORRA Loan can be illustrated as follows:

[1] CORRA loan terms and spreads would be specified in the credit agreement



The CORRA Loan above simply provides the Client with a floating rate loan. In order to fix the interest rate, RBC would also provide an Interest Rate Swap.

Interest Rate Swaps

An Interest Rate Swap is a contract between RBC Royal Bank and a Client. The two parties involved in the Interest Rate Swap contract agree to exchange fixed rate interest payments for floating interest rate payments on a predetermined notional amount and term.

- *Interest Rate Swaps effectively enable a client to transform a floating interest rate loan into a fixed rate loan and vice-versa.*

In Canada, the floating "leg" of an Interest Rate Swap contract is the CORRA rate (usually the 1- or 3- month CORRA rate). Therefore, a Client that borrows by way of a CORRA Loan option can enter into a Pay-Fixed Interest Rate Swap and synthetically create a fixed interest rate loan from a floating interest rate loan.

The Client can achieve, *for example,* up to a 15-year fixed cost-of-funds through the use of a renewable CORRA Loan facility overlaid with a 15-year Interest Rate Swap (the "Term Facility").

The Credit Spread charged on the CORRA facility will be evaluated by RBC upon maturity of the facility, and could be adjusted higher or lower. **In the case of the 1-year CORRA Loan facility, it will be reevaluated annually.** However, the 15-year Interest Rate Swap will immunize the Client from all market interest rate exposure for the 15-year period.

In order to create the Term Facility, the Client would enter into the following transactions:

- Borrow $10 million with a renewable 1-year floating rate CORRA Loan facility priced at a Credit Spread of + **0.95%** over the 1-month CORRA rate, and

- Enter into a 15-year Interest Rate Swap (assuming a 15-year amortization) where the Client would pay the fixed interest rate. The Interest Rate Swap rate will not change and is not influenced by credit considerations.

For further information refer to Appendix A: The Mechanics of a CORRA and Interest Rate Swap

Principal repayments on the Term Facility would be made on a monthly basis.

TERM FINANCING ASSUMPTIONS (FOR INDICATIVE PURPOSES ONLY)

Cost-of-Funds Protection

Start Date of Financing: 31-Jan-2025

Start Date	Swap Term	Amortization	CORRA Loan Facility	Credit Spread	Swap Rate	All-in Rate
31-Jan-2025	5-year	15-year	1-year	0.95%	3.34%	4.29%
	10-year				3.52%	4.47%
	15-year				3.58%	4.53%

Start Date of Financing: 1-Apr-2026

Start Date	Swap Term	Amortization	CORRA Loan Facility	Credit Spread	Swap Rate	All-in Rate
1-Apr-2026	5-year	15-year	1-year	0.95%	3.42%	4.37%
	10-year				3.61%	4.56%
	15-year				3.67%	4.62%

NOTES ON SWAP RATE PRICING

- Swap rate is indicative only as of 16-Jan-2025
- All-in rates assume no change in Credit Spread upon the renewal of the selected CORRA Loan facility term
- Swap rate is fixed for the entire term selected, while the Credit Spread on the CORRA Loan facility is evaluated upon the maturity of the selected CORRA Loan facility term
- Please note the above pricing is subject to credit risk approval

ADVANTAGES OF THE SWAP-CORRA COMBINATION VERSUS A TRADITIONAL TERM LOAN

Superior Breakage Costs Calculation

With a traditional term loan product, there are two components underlying a loan:

- Spread anticipated to be earned by a lending institution
- Cost-of-funds (i.e. a fixed-rate hedge)

By disaggregating these two components through the use of CORRA borrowing and an Interest Rate Swap, the Client will be able to achieve more **flexible** funding and potentially **lower** its funding costs when compared to a traditional term loan.

SPREAD PENALTY - NONE

The combination of a CORRA Loan facility and the Pay-Fixed Interest Rate Swap will allow the Client to prepay the CORRA Loan Facilities without penalty. Under a traditional term the Client would be required to prepay the spread earned by RBC Royal Bank over the life of the term loan (i.e. 0.95% Credit Spread) as an up-front payment if it wished to prepay the loan.

BREAKAGE COSTS (ON COST-OF-FUNDS) – Interest Rate Swap Facility

An interest rate swap uses two-way interest rate differential, whereas a traditional match funded term loan uses a one-way calculation. The calculation for the breakage costs associated with the cost-of-funds is the same for either a traditional term loan or an Interest Rate Swap.

The Interest Rate Swap can be unwound at any time subject to a two-way interest rate differential calculation. A two-way calculation implies that if prevailing swap rates have decreased (compared to the original swap rate) the Borrower will owe the Lender the Net Present Value ("NPV") of the change in swap rates for the outstanding period of the notional amount of the loan. If prevailing swap rates have increased (compared to the original swap rate), the Lender will pay the Borrower the NPV of the change in swap rates for the outstanding period of the notional amount of the loan.

EXAMPLE:

A client entered into a **traditional term loan** with RBC Royal Bank for a 5-year term with an all-in interest rate of 5.00%, comprised of a 2.00% Credit Spread and a 3.00% cost-of-funds.

After 1 year the client requests to break the 5.00% Term Loan with RBC Royal Bank. Suppose under current market conditions a 4-year cost-of-funds is at 2.00%. RBC Royal Bank would have to be compensated for the net present value of the 1.00% differential between the existing 3.00% cost-of-funds associated with the Term Loan and the current market rates.

If current market rates for cost-of-funds were higher than 3.00%, under a traditional term loan RBC Royal Bank would not be obligated to pay the client for the difference.

The breakage costs of an Interest Rate Swap contract would also be calculated in a similar manner. However, if market rates were **higher** at the time of the Interest Rate Swap contract's cancellation, RBC Royal Bank would be obligated to pay the client the difference.

	Fixed Rate Loan	**CORRA Loan & Interest Rate Swap**
Interest Rate Differential	One-Way (In favour of RBC)	Two-Way
Partial Breakage	No	Yes

REQUIREMENTS

In order to complete the Interest Rate Swap transaction, the Client must sign an International Swap and Derivatives Association ("ISDA") Master Agreement.

An ISDA Agreement is a globally recognized set of standards designed to protect both parties involved in a swap transaction. This is achieved by outlining the various terms and conditions of the Interest Rate Swap transaction.

NOTES

- The Client can terminate the swap at any time at the prevailing market cost. RBC has the option to terminate the swap if it ceases to be a lender to the Client.
- In accordance with applicable accounting standards in Canada, an interest rate swap is typically recorded at fair value on the balance sheet, with changes in fair value recorded each period in earnings. RBC would strongly encourage you to consult with your auditors/accountants to ensure that they are comfortable with the accounting of the CORRA Loan and Interest Rate Swap product.
- Legal Entity Identifier ("LEI"): To enter into an over-the-counter ("OTC") derivative, a LEI is required as per new regulations implemented by Canadian regulators. This is not an RBC requirement, but is required for all clients with OTC derivatives transacted in Canada. The LEI can be obtained from the RapidLEI website: https://rapidlei.com/. RBC is pleased to work with the Client to obtain the LEI. It is a relatively straightforward process
- U.S. Cross-Border Representation and Canadian. Representation Letters are also required to enable regulatory compliance related to trade-reporting and business conduct requirements, as applicable.

Please note that all pricing contained in this proposal is indicative only and subject to changing market conditions. For more information, including on material risks and characteristics of transactions, please refer to RBC's Dodd Frank Disclosures available online at: https://www.rbccm.com/en/legal/dodd-frank-disclosures.page

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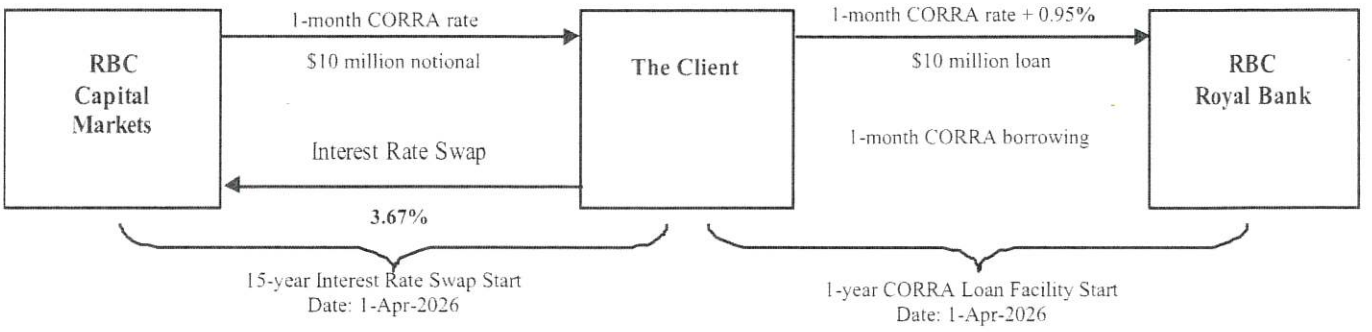
APPENDIX A: MECHANICS OF A CORRA FACILITY AND INTEREST RATE SWAP

Every month, the Client will service its CORRA Loan facility with payments to RBC Royal Bank on the principal outstanding. These payments will be made at the 1-month CORRA rate plus a 0.95% Credit Spread.

Throughout the 15-year duration of the Interest Rate Swap, RBC Capital Markets ("RBC CM") will pay the Client the floating rate cost on the bank financing (i.e. 1-month CORRA rate, not including the Credit Spread) and the Client will pay RBC CM a fixed rate of 3.67%.

Since the 1-month CORRA rate is essentially a "wash" every month, the Term Facility is economically equivalent to entering into a traditional fixed-rate term loan at an all-in rate of **4.62%** assuming the Credit Spread does not change.

The diagram below illustrates the monthly cash flows of the proposed structured financing solution:



Payments on the Interest Rate Swap portion of the transaction are offset so that only the net payment of both the fixed and floating rate cash flow is provided to the party that is owed. Therefore, at the end of each month:

- If the 1-month CORRA rate setting is greater than the fixed rate of 3.67% then RBC CM will make a payment to the Client (equal to 1-month CORRA minus 3.67%)
- If the 1-month CORRA rate setting is less than the fixed rate of 3.67% then the Client will make a payment to RBC CM (equal to 3.67% minus 1-month CORRA rate)

  ❖ **Assuming that the Credit Spread does not change, the net result of this strategy is that the Client achieves an all-in fixed rate of 4.62%.**