

**ONTARIO INFRASTRUCTURE PROJECTS CORPORATION (OIPC)
LOAN APPLICATION**

Application ID: 8015 **Program Year:** 2008/2009
Application Submit Date: Apr-30-2008

A. GENERAL INFORMATION - APPLICANT

Borrower Name: Windsor-Detroit Tunnel Corporation **Borrower ID:** 90474
Address: 350 City Hall Square West **City:** Windsor
Suite 201 **Postal Code:** N9A 6S1

Name of VP Finance (or equivalent): Onorio Colucci (Secretary Treasurer) **Fax No.:** 519-255-7310
Telephone Number: 519-255-6100 X.6234 **Email:** ocolucci@city.windsor.on.ca

B. CONTACT INFORMATION

Questions regarding the information contained in the application form should be addressed to:

Name: Onorio Colucci **Title:** Secretary Treasurer
Telephone: 519-255-6100 X.6234 **Fax No.:** 519-255-7310
Email: ocolucci@city.windsor.on.ca

C. PROJECT SUMMARY INFORMATION

<u>No.</u>	<u>Project Name</u>	<u>Category</u>	<u>Type</u>	<u>Loan Amount</u>
1	Windsor-Detroit Tunnel	Municipal Corporation Other Infrastructure	Others	\$75,000,000.00
Total Loan Amount				\$75,000,000.00

**ONTARIO INFRASTRUCTURE PROJECTS CORPORATION (OIPC)
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Project Details - Municipal Corporation Other Infrastructure

Project Name Windsor-Detroit Tunnel
Category Municipal Corporation Other Infrastructure
Construction Start Date Jun-30-2008
Construction End Date Jul-02-2008

Please indicate the type of infrastructure project. Please select only one.

- Fire
- Police
- Ambulance
- Administration
- Electrical
- Others

Windsor-Detroit Tunnel Project

Please indicate below if any aspect of the project pertains to energy conservation.

- Energy Conservation

Address of the project:

Windsor-Detroit Tunnel
Corporation
Att: Mark Galvin
c/o 350 City Hall Square
Suite 201
Windsor, Ontario
N9A 6S1

Type of work (e.g. new construction, renovation of existing facilities, redevelopment, deferred maintenance, etc.):

Acquisition of Windsor-Detroit Tunnel (Cdn.)

Description of the project:

Acquisition of the Canadian portion of the Windsor-Detroit Tunnel.

Additional comments:

None.

What is the life span of the project in years? (i.e. the physical asset)

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Please identify your Ministry contact (If applicable)

**ONTARIO INFRASTRUCTURE PROJECTS CORPORATION (OIPC)
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Project Information

Project Name Windsor-Detroit Tunnel
 Category Municipal Corporation Other Infrastructure

Project Financial Information

Please complete the following Project Financial Information. Only include Project Costs incurred on or after January 1, 2004. Project Funding/Financing represents funds that are available (on hand) at the start of the project.

Project Cost (Incurred on or after Jan. 1, 2004) (A) \$111,474,949.00

Project Funding/Financing

List present Funding/Financing sources for the project (eg. Reserves, other cash on hand, approved grants, etc.).

<u>Source/Description</u>	<u>Amount</u>
NOTE RECEIVABLE TO CITY OF WINDSOR (MIXED FUNDS)	\$36,474,949.00
APPL'N IS CANADIAN EQUIV. OF US \$75 MILLION	
Total Amount (B)	\$36,474,949.00
OIPC Loan Amount (A-B)	\$75,000,000.00

Please enter your long-term borrowing requirements including the date the funds are required. Only include long-term borrowing in this section. If you anticipate that you will require short-term financing during the construction phase of the project, the information will be gathered as part of the Financing Agreement.

<u>Date Required</u>	<u>Amount</u>	<u>Term (in years)</u>	<u>Type</u>
Jul-02-2008	\$75,000,000.00	40	Amortizing
Total Long-Term Financing	\$75,000,000.00		

**ONTARIO INFRASTRUCTURE PROJECTS CORPORATION (OIPC)
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D. DEBT AND REPAYMENT SUMMARY

Annual Financial Statements:

Please provide a copy of the Borrower's past 5 years annual audited financial statements.

Existing Borrowing:

Please provide the following details on the existing debt, including capital leases and unsecured debt.

Loan #	Loan Purpose	Initial Amount Borrowed	Amount Outstanding as per Most Recent Audited Financials	Annual Interest Rate (%)	Date Borrowed (mm/dd/yy)	Maturity Year	Summary of Existing Pledges, Conditions, Covenants	Payment Type	Periodic Amount Payable	Payment Frequency

Please elaborate on re-financing plans and options for any existing "interest only" debt, if applicable

New Corporation - no outstanding loans - only intended note payable to sole shareholder, the City of Windsor.

Existing Encumbrances:

Please provide details on existing liens, pledges and any other encumbrances on existing assets

Please see Asset Purchase Agreement previously provided.

**ONTARIO INFRASTRUCTURE PROJECTS CORPORATION (OIPC)
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E. LITIGATION

Is there any litigation threatened or existing which would affect any projects or substantially impair the Borrower's ability to pay debt service costs on its general obligation indebtedness? Please indicate Yes or No.

Yes No

Please complete the Certificate of Litigation template found under the Forms menu.

F. NON-REPAYMENT OF LOANS OR DEBENTURES

In the last 10 years has the Borrower ever failed to make a loan or debenture repayment on time to any lender, including the Provincial Government?

Yes No

If yes, please provide details. If necessary, attach details.

G. PROVINCIAL GRANTS AS SECURITY

Pursuant to OIPC's enabling legislation, provincial grants to the Borrower may be appropriated by the Legislative Assembly of Ontario for payment to OIPC to satisfy any outstanding amounts owed by the Borrower to OIPC.

H. ATTACHMENTS

Please ensure all required documents are submitted with the signed application. OIPC requires originals as noted below to be mailed or couriered. Also, please retain a copy of all documents submitted to OIPC for your records.

Please indicate with a checkmark on the documents (originals where indicated) that will be submitted to OIPC.

- Completed application signed and dated by the appropriate individuals (original)
- Past 5 years annual audited financial statements
- Certificate of No Litigation using the OIPC template (original)
- Borrowing Resolution (original or certified seal true copy)

Please note: OIPC retains the right to request and review any additional information or documents at its discretion.

- I acknowledge that I have read and understood the Project Delivery Guidelines/Requirements.

Windsor-Detroit Tunnel Corporation

By: 

Name: Mayor Eddie Francis
Title: President

and by 

Name: Onorio Colucci
Title: Secretary-Treasurer
We have authority to bind the Corporation

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Dated: 8 May, 2008

RESOLUTION OF WINDSOR-DETROIT TUNNEL CORPORATION
(the "Borrower")

DIRECTORS' RESOLUTION

CAPITAL PROJECTS - FINANCING

WHEREAS the Articles of Incorporation and By-Laws of the Borrower and the governing legislation establishing the Borrower empowers the Board or person(s) authorized by the Board to borrow from time to time such sums for the use of the borrower;

AND WHEREAS it is in the best interests of the Borrower that the Borrower borrow an aggregate amount of up to Seventy-five Million U.S. (US\$75,000,000) Dollars pursuant to a financing agreement (the "Financing Agreement") to be entered into between the Borrower and Ontario Infrastructure Projects Corporation ("OIPC").

NOW THEREFORE BE IT RESOLVED THAT:

1. the Borrower is hereby authorized to borrow up to Seventy-five Million U.S. (US\$75,000.00) Dollars from OIPC for financing certain capital projects pursuant to the terms and subject to the conditions of the Financing Agreement;
2. any two of the officers and/or Directors of the Borrower (each an "Authorized Person") are hereby authorized and directed, for and on behalf of the Borrower, to negotiate the definitive terms of the Financing Agreement and such other documentation as is required in connection therewith;
3. the Borrower is hereby authorized to execute, deliver and perform its obligations under the Financing Agreement, substantially on the terms and subject to the conditions of the Financing Agreement, with such changes thereto as the Authorized Persons executing the Financing Agreement may approve, such approval to be conclusively evidenced by the execution of the Financing Agreement by such Authorized Persons;
4. any two Authorized Persons are hereby authorized and directed, for and on behalf of the Borrower, to execute under the corporate seal of the Borrower and deliver the Financing Agreement, substantially on the terms and subject to the conditions of the Financing Agreement with such amendments and variations thereto as may be negotiated by such Authorized Persons, and/or which such Authorized Persons may approve, such approval to be conclusively evidenced by the execution of the Financing Agreement by such Authorized Persons;
5. any two Authorized Persons are hereby authorized and directed, for and on behalf of the Borrower, to execute under the corporate seal of the Borrower and deliver all such further agreements, instruments, amendments, certificates and other documents and to do all such other acts or things as such Authorized Person may determine to be necessary or advisable in connection with the transactions contemplated by the foregoing resolutions, the execution of any such document or the doing of any such other act or thing by such Authorized Person being conclusive evidence of such determination.
6. any two Authorized Persons are hereby authorized and directed, for and on behalf of the Borrower, to execute under the corporate seal of the Borrower and deliver all such further

agreements, instruments, amendments, certificates and other documents and to do all such other acts or things as such Authorized Person may determine to be necessary or advisable in connection with the transactions contemplated by this resolution, the execution of any such document or the doing of any such other act or thing by such Authorized Person being conclusive evidence of such determination.

CERTIFIED to be a true and complete copy of a resolution of the Corporation that was passed at a meeting of the directors of the Corporation held on the 8th day of May, 2008, pursuant to the provisions of the Business Corporations Act, R.S.O. 1990, c.B.16; and further that the said resolution is now in full force and effect.

DATED the 8th day of May, 2008.


Onorio Colucci – Secretary-Treasurer

Draft for Discussion Purposes Only

Summary of Financial Analysis regarding Potential Detroit Deal-Based on \$75 million Payment to Detroit

9-Apr-08

Scenario #	Scenario Name (see attached for assumptions)	OIPC Loan						Detroit Loan				Note Payable to City			
		Startup & Working Capital Funds	Funds For Initial Cash Flow Stabilization (Added to Detroit Note/Payable)	Funds For Loan to Detroit	Total OIPC Loan	OIPC Annual Payment	Year OIPC Loan Paid Off	Initial Loan Amount	Peak Amount	Peak Year	Year Paid Off	Initial Note Amount	Peak Amount	Peak Year	Year Paid in Full
#1	Optimistic Model	\$2,468,921	\$2,531,079	\$75,000,000	\$80,000,000	\$4,550,000	2048	\$77,531,079	\$217,435,874	2041	2064	\$103,802,835	\$304,018,554	2041	2059
#2	Pessimistic Model	\$2,939,240	\$7,060,760	\$75,000,000	\$85,000,000	\$3,500,000 (2008 to 2027) \$8,280,000 (2028 to 2048)	2048	\$82,060,760	\$420,295,569	2067	Beyond 2082	\$103,802,835	\$643,521,374	2054	Beyond 2082
#3	Actual 2007 Cashflow Model growing @2% inflation.	\$2,710,313	\$8,289,887	\$75,000,000	\$84,000,000	\$3,500,000 (2008 to 2027) \$8,075,000 (2028 to 2048)	2048	\$81,289,687	\$1,626,480,437 in 2082 and growing	Beyond 2082 As Loan Keeps Increasing	Beyond 2082 (if ever)	\$103,802,835	\$2,143,100,267 in 2082 and growing	Beyond 2082	Beyond 2082 (if ever)
#4	Actual 2007 Cashflow Model with near term decline & long term growth.	<i>See Tunnel Cashflows Comparison by Scenarios schedule attached regarding cashflows relative to this model</i>													

- Notes:
- (1) Note Payable to City represents Sales Price to WDTC of \$111,474,949 less Accounts Payable of \$7,672,096.
 - (2) Any shortfalls of the Detroit cashflows are added to Detroit Note Payable in Years required.
 - (3) All models are based on US \$.
 - (4) In some models capital expenditures have been changed from one year to another to accommodate cashflow requirements. Impact is considered minimal.
 - (5) For this purpose loan repayments are assumed to take place mid year.

Tunnel Comparison of Cashflows for Each Scenario

#1 Optimistic Model

Year	WOTC Net of Capital	DWTT Net of Capital	Cashflow Before Debt Payments	Cashflow Before Debt Payments
2008	2,497,208	2,432,899	186,281	2,322,847
2009	2,487,439	2,414,529	707,000	2,302,847
2010	2,486,182	2,398,053	606,182	2,294,425
2011	2,484,881	2,382,281	505,364	2,286,003
2012	2,483,580	2,366,509	404,546	2,277,581
2013	2,482,279	2,350,737	303,728	2,269,159
2014	2,480,978	2,334,965	202,910	2,260,737
2015	2,479,677	2,319,193	102,092	2,252,315
2016	2,478,376	2,303,421	1,274	2,243,893
2017	2,477,075	2,287,649	1,274	2,235,471
2018	2,475,774	2,271,877	1,274	2,227,049
2019	2,474,473	2,256,105	1,274	2,218,627
2020	2,473,172	2,240,333	1,274	2,210,205
2021	2,471,871	2,224,561	1,274	2,201,783
2022	2,470,570	2,208,789	1,274	2,193,361
2023	2,469,269	2,193,017	1,274	2,184,939
2024	2,467,968	2,177,245	1,274	2,176,517
2025	2,466,667	2,161,473	1,274	2,168,095
2026	2,465,366	2,145,701	1,274	2,159,673
2027	2,464,065	2,129,929	1,274	2,151,251
2028	2,462,764	2,114,157	1,274	2,142,829
2029	2,461,463	2,098,385	1,274	2,134,407
2030	2,460,162	2,082,613	1,274	2,125,985
2031	2,458,861	2,066,841	1,274	2,117,563
2032	2,457,560	2,051,069	1,274	2,109,141
2033	2,456,259	2,035,297	1,274	2,100,719
2034	2,454,958	2,019,525	1,274	2,092,297
2035	2,453,657	2,003,753	1,274	2,083,875
2036	2,452,356	1,987,981	1,274	2,075,453
2037	2,451,055	1,972,209	1,274	2,067,031
2038	2,449,754	1,956,437	1,274	2,058,609
2039	2,448,453	1,940,665	1,274	2,050,187
2040	2,447,152	1,924,893	1,274	2,041,765
2041	2,445,851	1,909,121	1,274	2,033,343
2042	2,444,550	1,893,349	1,274	2,024,921
2043	2,443,249	1,877,577	1,274	2,016,499
2044	2,441,948	1,861,805	1,274	2,008,077
2045	2,440,647	1,846,033	1,274	1,999,655
2046	2,439,346	1,830,261	1,274	1,991,233
2047	2,438,045	1,814,489	1,274	1,982,811
2048	2,436,744	1,798,717	1,274	1,974,389
2049	2,435,443	1,782,945	1,274	1,965,967
2050	2,434,142	1,767,173	1,274	1,957,545
2051	2,432,841	1,751,401	1,274	1,949,123
2052	2,431,540	1,735,629	1,274	1,940,701
2053	2,430,239	1,719,857	1,274	1,932,279
2054	2,428,938	1,704,085	1,274	1,923,857
2055	2,427,637	1,688,313	1,274	1,915,435
2056	2,426,336	1,672,541	1,274	1,907,013
2057	2,425,035	1,656,769	1,274	1,898,591
2058	2,423,734	1,641,000	1,274	1,890,169
2059	2,422,433	1,625,228	1,274	1,881,747
2060	2,421,132	1,609,456	1,274	1,873,325
2061	2,419,831	1,593,684	1,274	1,864,903
2062	2,418,530	1,577,912	1,274	1,856,481
2063	2,417,229	1,562,140	1,274	1,848,059
2064	2,415,928	1,546,368	1,274	1,839,637
2065	2,414,627	1,530,596	1,274	1,831,215
2066	2,413,326	1,514,824	1,274	1,822,793
2067	2,412,025	1,499,052	1,274	1,814,371
2068	2,410,724	1,483,280	1,274	1,805,949
2069	2,409,423	1,467,508	1,274	1,797,527
2070	2,408,122	1,451,736	1,274	1,789,105
2071	2,406,821	1,435,964	1,274	1,780,683
2072	2,405,520	1,420,192	1,274	1,772,261
2073	2,404,219	1,404,420	1,274	1,763,839
2074	2,402,918	1,388,648	1,274	1,755,417
2075	2,401,617	1,372,876	1,274	1,746,995
2076	2,400,316	1,357,104	1,274	1,738,573
2077	2,399,015	1,341,332	1,274	1,730,151
2078	2,397,714	1,325,560	1,274	1,721,729
2079	2,396,413	1,309,788	1,274	1,713,307
2080	2,395,112	1,294,016	1,274	1,704,885
2081	2,393,811	1,278,244	1,274	1,696,463
2082	2,392,510	1,262,472	1,274	1,688,041

#2 Pessimistic Model

Year	WOTC Net of Capital	DWTT Net of Capital	Cashflow Before Debt Payments	Cashflow Before Debt Payments
2008	2,497,208	2,432,899	186,281	2,322,847
2009	2,487,439	2,414,529	707,000	2,302,847
2010	2,486,182	2,398,053	606,182	2,294,425
2011	2,484,881	2,382,281	505,364	2,286,003
2012	2,483,580	2,366,509	404,546	2,277,581
2013	2,482,279	2,350,737	303,728	2,269,159
2014	2,480,978	2,334,965	202,910	2,260,737
2015	2,479,677	2,319,193	102,092	2,252,315
2016	2,478,376	2,303,421	1,274	2,243,893
2017	2,477,075	2,287,649	1,274	2,235,471
2018	2,475,774	2,271,877	1,274	2,227,049
2019	2,474,473	2,256,105	1,274	2,218,627
2020	2,473,172	2,240,333	1,274	2,210,205
2021	2,471,871	2,224,561	1,274	2,201,783
2022	2,470,570	2,208,789	1,274	2,193,361
2023	2,469,269	2,193,017	1,274	2,184,939
2024	2,467,968	2,177,245	1,274	2,176,517
2025	2,466,667	2,161,473	1,274	2,168,095
2026	2,465,366	2,145,701	1,274	2,159,673
2027	2,464,065	2,129,929	1,274	2,151,251
2028	2,462,764	2,114,157	1,274	2,142,829
2029	2,461,463	2,098,385	1,274	2,134,407
2030	2,460,162	2,082,613	1,274	2,125,985
2031	2,458,861	2,066,841	1,274	2,117,563
2032	2,457,560	2,051,069	1,274	2,109,141
2033	2,456,259	2,035,297	1,274	2,100,719
2034	2,454,958	2,019,525	1,274	2,092,297
2035	2,453,657	2,003,753	1,274	2,083,875
2036	2,452,356	1,987,981	1,274	2,075,453
2037	2,451,055	1,972,209	1,274	2,067,031
2038	2,449,754	1,956,437	1,274	2,058,609
2039	2,448,453	1,940,665	1,274	2,050,187
2040	2,447,152	1,924,893	1,274	2,041,765
2041	2,445,851	1,909,121	1,274	2,033,343
2042	2,444,550	1,893,349	1,274	2,024,921
2043	2,443,249	1,877,577	1,274	2,016,499
2044	2,441,948	1,861,805	1,274	2,008,077
2045	2,440,647	1,846,033	1,274	1,999,655
2046	2,439,346	1,830,261	1,274	1,991,233
2047	2,438,045	1,814,489	1,274	1,982,811
2048	2,436,744	1,798,717	1,274	1,974,389
2049	2,435,443	1,782,945	1,274	1,965,967
2050	2,434,142	1,767,173	1,274	1,957,545
2051	2,432,841	1,751,401	1,274	1,949,123
2052	2,431,540	1,735,629	1,274	1,940,701
2053	2,430,239	1,719,857	1,274	1,932,279
2054	2,428,938	1,704,085	1,274	1,923,857
2055	2,427,637	1,688,313	1,274	1,915,435
2056	2,426,336	1,672,541	1,274	1,907,013
2057	2,425,035	1,656,769	1,274	1,898,591
2058	2,423,734	1,641,000	1,274	1,890,169
2059	2,422,433	1,625,228	1,274	1,881,747
2060	2,421,132	1,609,456	1,274	1,873,325
2061	2,419,831	1,593,684	1,274	1,864,903
2062	2,418,530	1,577,912	1,274	1,856,481
2063	2,417,229	1,562,140	1,274	1,848,059
2064	2,415,928	1,546,368	1,274	1,839,637
2065	2,414,627	1,530,596	1,274	1,831,215
2066	2,413,326	1,514,824	1,274	1,822,793
2067	2,412,025	1,499,052	1,274	1,814,371
2068	2,410,724	1,483,280	1,274	1,805,949
2069	2,409,423	1,467,508	1,274	1,797,527
2070	2,408,122	1,451,736	1,274	1,789,105
2071	2,406,821	1,435,964	1,274	1,780,683
2072	2,405,520	1,420,192	1,274	1,772,261
2073	2,404,219	1,404,420	1,274	1,763,839
2074	2,402,918	1,388,648	1,274	1,755,417
2075	2,401,617	1,372,876	1,274	1,746,995
2076	2,400,316	1,357,104	1,274	1,738,573
2077	2,399,015	1,341,332	1,274	1,730,151
2078	2,397,714	1,325,560	1,274	1,721,729
2079	2,396,413	1,309,788	1,274	1,713,307
2080	2,395,112	1,294,016	1,274	1,704,885
2081	2,393,811	1,278,244	1,274	1,696,463
2082	2,392,510	1,262,472	1,274	1,688,041

#3 2007 Actual Net Cashflow Growing at Inflation Model

Year	WOTC Net of Capital	DWTT Net of Capital	Cashflow Before Debt Payments	Cashflow Before Debt Payments
2008	4,700,000	1,193,791	3,506,209	186,281
2009	4,700,000	1,193,791	3,506,209	186,281
2010	4,700,000	1,193,791	3,506,209	186,281
2011	4,700,000	1,193,791	3,506,209	186,281
2012	4,700,000	1,193,791	3,506,209	186,281
2013	4,700,000	1,193,791	3,506,209	186,281
2014	4,700,000	1,193,791	3,506,209	186,281
2015	4,700,000	1,193,791	3,506,209	186,281
2016	4,700,000	1,193,791	3,506,209	186,281
2017	4,700,000	1,193,791	3,506,209	186,281
2018	4,700,000	1,193,791	3,506,209	186,281
2019	4,700,000	1,193,791	3,506,209	186,281
2020	4,700,000	1,193,791	3,506,209	186,281
2021	4,700,000	1,193,791	3,506,209	186,281
2022	4,700,000	1,193,791	3,506,209	186,281
2023	4,700,000	1,193,791	3,506,209	186,281
2024	4,700,000	1,193,791	3,506,209	186,281
2025	4,700,000	1,193,791	3,506,209	186,281
2026	4,700,000	1,193,791	3,506,209	186,281
2027	4,700,000	1,193,791	3,506,209	186,281
2028	4,700,000	1,193,791	3,506,209	186,281
2029	4,700,000	1,193,791	3,506,209	186,281
2030	4,700,000	1,193,791	3,506,209	186,281
2031	4,700,000	1,193,791	3,506,209	186,281
2032	4,700,000	1,193,791	3,506,209	186,281
2033	4,700,000	1,193,791	3,506,209	186,281
2034	4,700,000	1,193,791	3,506,209	186,281
2035	4,700,000	1,193,791	3,506,209	186,281
2036	4,700,000	1,1		