

Authority: Notice of Motion J(19), moved by Mayor Miller, seconded by Councillor Soknacki, as adopted by City of Toronto Council on May 18, 19 and 20, 2004

Enacted by Council: May 18, 2004

CITY OF TORONTO

BY-LAW No. 354-2004

To authorize the borrowing upon sinking fund debentures in the principal amount of \$128,000,000.00 for purposes of the City of Toronto.

WHEREAS the *Municipal Act, 2001*, as amended (the "Act") provides that a municipality may incur a debt for municipal purposes, whether by borrowing money or in any other way, and may issue debentures and prescribed financial instruments and enter prescribed financial agreements for or in relation to the debt; and

WHEREAS effective January 1, 1998 the *City of Toronto Act, 1997*, as amended, incorporated a new municipality under the name of "City of Toronto" and the new municipality stands in the place, for all purposes, of the former municipality known as The Municipality of Metropolitan Toronto and of its six area municipalities; and

WHEREAS the Council of the City of Toronto has authorized the undertaking of the purposes of the City of Toronto (individually a "Project", collectively the "Projects") set out in Column 1 of Schedule "A" attached hereto and forming part of this By-law ("Schedule "A'") and desires to issue debentures for the Projects in the respective amounts specified in Column 2 of Schedule "A"; and

WHEREAS before authorizing each Project and before authorizing any additional cost amounts and any additional debenture authorities in respect thereof, the City of Toronto had its Treasurer update its most recent annual debt and financial obligation limit received from the Ministry of Municipal Affairs and Housing in accordance with the applicable regulation and, prior to authorizing each Project, each such additional cost amount and each such additional debenture authority (if any), the Treasurer determined that the estimated annual amount payable in respect of each Project, each such additional cost amount and each such additional debenture authority (if any) would not cause the City of Toronto to exceed the updated limit and that the approval of each Project, each such additional cost amount and each such additional debenture authority (if any) by the Ontario Municipal Board was not required; and

WHEREAS the *City of Toronto Act, 1997 (No. 2)*, as amended, provides that when the Council of the City of Toronto has authorized the City of Toronto to borrow money and issue debentures for its purposes the Council may, by by-law, authorize the Mayor and the Treasurer to enter into an agreement or agreements for the issue and sale of debentures, with any person or persons, at any time in the year in which the by-law is passed; and

WHEREAS pursuant to By-law No. 92-2004 the Council of the City of Toronto authorized the Mayor and the Treasurer during the year 2004 to enter into an agreement or agreements with a purchaser or purchasers for the issue and sale of debentures upon such terms and conditions as they deem expedient to provide an amount not exceeding \$500,000,000.00 for the purposes of the City of Toronto; and

WHEREAS the Mayor and the Treasurer will enter into an agreement dated May 11, 2004 with Scotia Capital Inc., CIBC World Markets Inc. and RBC Dominion Securities Inc. for the issue and sale of ten year sinking fund debentures dated May 21, 2004 in the principal amount of \$128,000,000.00 (the "Agreement"); and

WHEREAS the *City of Toronto Act, 1997 (No. 2)*, as amended, provides that when an agreement is made under a by-law, like By-law No. 92-2004, the Council of the City of Toronto shall pass all necessary money by-laws in accordance with such agreement, Part XIII of the Act and specified sections of the *City of Toronto Act, 1997 (No. 2)*; and

WHEREAS the City of Toronto has complied with all of the provisions of the aforesaid Acts relating to the borrowing of money for the Projects, and the issue of debentures to provide the respective amounts set out in Column 2 of Schedule "A"; and

WHEREAS to provide long term financing for the Projects it is now deemed to be expedient to borrow money by the issue and sale of sinking fund debentures of the City of Toronto in the principal amount of \$128,000,000.00 payable at the time and bearing interest at the rate hereinafter set forth;

The Council of the City of Toronto HEREBY ENACTS as follows:

1. For the Projects, the borrowing upon the credit of the City of Toronto at large of the principal sum of \$128,000,000.00 and the issue of sinking fund debentures (the "Debentures") therefor within the term of years set out in Column 3 of Schedule "A" to be repaid in denominations of \$1,000.00 and any integral multiples thereof as hereinafter set forth are hereby authorized.
2. The Mayor and the Treasurer of the City of Toronto are hereby authorized to cause any number of Debentures payable on November 21, 2014 to be issued for such sums of money as may be required for the Projects in global and definitive forms, not exceeding in total the said sum of \$128,000,000.00. The Debentures shall bear the City of Toronto's municipal seal and the signatures of the Mayor and the Treasurer of the City of Toronto, all in accordance with the provisions of the Act. The municipal seal of the City of Toronto and the signatures referred to in this section may be printed, lithographed, engraved or otherwise mechanically reproduced. The Debentures are sufficiently signed if they bear the required signatures and each person signing has the authority to do so on the date he or she signs. The Debentures shall initially be issued in global fully registered form as four certificates, each in the principal amount of \$32,000,000.00 (in the aggregate principal amount of \$128,000,000.00), each in the name of CDS & CO. as nominee of The Canadian Depository for Securities Limited ("CDS"), substantially in the form attached as Schedule "B" hereto and forming part of this By-law (the "Global Debentures") and each with provision for payment of interest (other than in respect of the provision for the payment of outstanding interest and principal on the maturity date upon presentation and surrender) by cheque sent by post to the registered address of the registered holder or, if the City of Toronto and the registered holder of the Global Debentures so consent, by electronic transfer of payment in respect of such interest to the credit of such registered holder on such terms as to which the registered holder and the City of Toronto may agree.

3. (1) The Debentures shall all be dated the 21st day of May, 2004 and shall be issued within two years after the day on which this By-law is enacted, and as to both principal and interest shall be expressed and be payable in lawful money of Canada. The Debentures shall be issued for a term of ten years bearing interest at the rate of 5.30% per annum and shall be payable on the 21st day of May, 2014 and in each year during such ten year period, the amount of \$6,784,000.00 shall be payable for interest on the Debentures (\$3,392,000.00 on each of November 21 and May 21) and the amount of \$10,661,240.00 shall be deposited by the Treasurer of the City of Toronto, or an authorized official of the City of Toronto, into a sinking fund (the "Sinking Fund"), which amount, with interest compounded annually, will be sufficient to pay the principal of the Debentures at maturity (the 21st day of May, 2014) as required by the provisions of the Act and the *City of Toronto Act, 1997 (No. 2)*, as amended.

(2) Payments in respect of principal of and interest on the Debentures shall only be made on a day on which banking institutions in Toronto, Ontario are not authorized or obligated by law or executive order to be closed (a "Business Day") and if any date for payment is not a Business Day, payment shall be made on the next following Business Day and no further interest shall be paid in respect of the delay in such payment.
4. Interest shall be payable to the date of maturity of the Debentures and on default shall be payable both before and after default and judgment. Any amounts payable by the City of Toronto as interest on overdue principal or interest in respect of the Debentures shall be paid out of current revenue. Whenever it is necessary to compute any amount of interest in respect of the Debentures for a period of less than one full year, other than with respect to regular semi-annual interest payments, such interest shall be calculated on the basis of the actual number of days in the period and a year of 365 days or 366 days, if applicable.
5. In limited circumstances (as set out in the letter of representations addressed to CDS referred to below and as set out in the Global Debentures) the Global Debentures shall be exchangeable for certificated Debentures in definitive fully registered form in authorized denominations upon surrender of the Global Debentures to the Treasurer of the City of Toronto. Any of the Debentures issued as definitive Debentures may, with Council approval, be countersigned in writing by officials so designated by Council. The definitive Debentures shall aggregate the same principal amount as the principal outstanding balance of the Global Debentures as of the record date for such exchange in accordance with the provisions of the Global Debentures, shall bear the same interest rate and maturity date, shall bear all unmatured interest obligations and shall have the same benefits and be subject to the same terms and conditions as the Global Debentures (except insofar as they specifically relate to the Global Debentures). In issuing definitive Debentures no change shall be made in the amount which would otherwise be payable in each year under the Global Debentures. The definitive Debentures shall be in fully registered form, payable as to principal and outstanding interest in lawful money of Canada at maturity upon presentation and surrender thereof at any specified branch of the bank designated in the definitive Debentures, otherwise, with provision for payment of interest by cheque sent through the post to the registered addresses of the registered holders or, if the City of Toronto and any registered holder of the definitive Debentures

so consent, by electronic transfer of payment in respect of such interest to the credit of such registered holder on such terms as to which the registered holder and the City of Toronto may agree.

6. In respect of the Debentures there shall be raised in each year during the said ten year period as part of the general levy the amount of \$6,784,000.00 for interest on the Debentures (\$3,392,000.00 for each semi-annual payment) together with the said amount of \$10,661,240.00 for deposit into the Sinking Fund for the payment of the principal of the Debentures at maturity and in each such year, for the Projects, the said two amounts shall be raised in each year as part of the general levy to the extent that the amounts have not been provided for by any other available source including other taxes or fees or charges imposed on persons or property by a by-law of any municipality.
7. The Debentures may contain any provision for their registration thereof authorized by any statute relating to municipal debentures in force at the time of the issue thereof.
8. The City of Toronto shall maintain a registry in respect of the Debentures in which shall be recorded the names and the addresses of the registered holders and particulars of the Debentures held by them respectively and in which particulars of the cancellation, exchanges, substitutions and transfers of Debentures may be recorded and the City of Toronto is authorized to use electronic, magnetic or other media for records of or related to the Debentures or for copies of them.
9. The City of Toronto shall not be bound to see to the execution of any trust affecting the ownership of any Debenture or be affected by notice of any equity that may be subsisting in respect thereof. The City of Toronto shall deem and treat registered holders of the Debentures, including the Global Debentures, as the absolute owners thereof for all purposes whatsoever notwithstanding any notice to the contrary and all payments to or to the order of registered holders shall be valid and effectual to discharge the liability of the City of Toronto on the Debentures to the extent of the sum or sums so paid. Where a Debenture is registered in more than one name, the principal of and interest from time to time payable on such Debenture shall be paid to or to the order of all the joint registered holders thereof, failing written instructions to the contrary from all such joint registered holders, and such payment shall constitute a valid discharge to the City of Toronto. In the case of the death of one or more joint registered holders, despite the foregoing provisions of this section, the principal of and interest on any Debentures registered in their names may be paid to the survivor or survivors of such holders and such payment shall constitute a valid discharge to the City of Toronto.

- 10.** The Debentures are transferable or exchangeable at the office of the Treasurer of the City of Toronto upon presentation for such purpose accompanied by an instrument of transfer or exchange in a form approved by the City of Toronto and which form is in accordance with the prevailing Canadian transfer legislation and practices, executed by the registered holder thereof or such holder's duly authorized attorney or legal personal representative, whereupon and upon registration of such transfer or exchange and cancellation of the Debenture or Debentures presented, the Mayor and the Treasurer shall issue and deliver a new Debenture or Debentures of an equal aggregate principal amount in any authorized denomination or denominations as directed by the transferee, in the case of a transfer or as directed by the registered holder in the case of an exchange.
- 11.** The Mayor and the Treasurer shall issue and deliver new Debentures in exchange or substitution for Debentures outstanding on the registry with the same maturity date and of like form which have become lost, stolen, mutilated, defaced or destroyed, provided that the applicant therefor shall have: (a) paid such costs as may have been incurred in connection therewith; (b) (in the case of a lost, stolen or destroyed Debenture) furnished the City of Toronto with such evidence (including evidence as to the certificate number of the Debenture in question) and indemnity in respect thereof satisfactory to the City of Toronto in its discretion; and (c) surrendered to the City of Toronto any mutilated or defaced Debenture in respect of which new Debentures are to be issued in substitution.
- 12.** The Debentures issued upon any registration of transfer or exchange or in substitution for any Debentures or part thereof shall carry all the rights to interest if any, accrued and unpaid which were carried by such Debentures or part thereof and shall be so dated and shall bear the same maturity date and, subject to the provisions of this By-law, shall be subject to the same terms and conditions as the Debentures in respect of which the transfer, exchange or substitution is effected.
- 13.** The cost of all transfers and exchanges, including the printing of authorized denominations of the new Debentures, shall be borne by the City of Toronto. When any of the Debentures are surrendered for transfer or exchange the Treasurer of the City of Toronto shall: (a) in the case of an exchange, cancel and destroy the Debentures surrendered for exchange; (b) in the case of an exchange, certify the cancellation and destruction in the registry; and (c) enter in the registry particulars of the new Debenture or Debentures issued in exchange.
- 14.** Reasonable fees for the substitution of a new Debenture or new Debentures for any of the Debentures that are lost, stolen, mutilated, defaced or destroyed and for the replacement of lost, stolen, mutilated, defaced or destroyed interest cheques may be imposed by the City of Toronto. Where new Debentures are issued in substitution in these circumstances the City of Toronto shall: (a) treat as cancelled and destroyed the Debentures in respect of which new Debentures will be issued in substitution; (b) certify the deemed cancellation and destruction in the registry; (c) enter in the registry particulars of the new Debentures issued in substitution; and (d) make a notation of any indemnities provided.

- 15.** Except as otherwise expressly provided herein, any notice required to be given to a registered holder of one or more of the Debentures will be sufficiently given if a copy of such notice is mailed or otherwise delivered to the registered address of such registered holder.
- 16.** (1) The Mayor and the Treasurer are hereby authorized to cause the Debentures to be issued and to enter into the Agreement, the Treasurer is hereby authorized to enter into a letter of representations with CDS, the Treasurer and the Clerk are hereby severally authorized to generally do all things and to execute all other documents and papers in the name of the City of Toronto in order to carry out the sale of the Debentures and the Treasurer is authorized to affix the City of Toronto's municipal seal to any of such documents and papers.
- (2) The proceeds realized in respect of the Debentures, after providing for the discount, if any, and the expenses related to their issue, shall be apportioned and applied to the Projects, and to no other purpose except as permitted by the Act.
- 17.** Subject to the City of Toronto's investment policies and goals and the applicable legislation, the City of Toronto may, if not in default under the Debentures, at any time purchase any of the Debentures in the open market or by tender or by private contract at any price and on such terms and conditions (including, without limitation, the manner by which any tender offer may be communicated or accepted and the persons to whom it may be addressed) as the City of Toronto may in its discretion determine.
- 18.** This By-law comes into force on the day it is passed.

ENACTED AND PASSED this 18th day of May, A.D. 2004.

DAVID R. MILLER,
Mayor

ULLI S. WATKISS
City Clerk

(Corporate Seal)

City of Toronto
Schedule "A" to By-law No. 354-2004
Finance Department 10 Year Issuance

Purpose	Amount \$	Total Repayment Years	Authorizing By-laws Nos.	Authorizing By-laws Date	Maximum Years approved by Council
1	2	3	4	5	6
HOMES FOR THE AGED					
1. Redesignation of existing Albion Lodge & True Davidson Acres for use as supporting housing site for seniors	21,808,000	10	200-2001 325-2001 168-2002	April 23,24, 25 & 26, 2001 April 30, May 1, 2001 March 4,5,6,7 & 8, 2002	20
TOTAL HOMES FOR THE AGED	21,808,000				
SHELTERS HOUSING & SUPPORT					
2. Construction of new building to provide shelter facility at 717 Broadview	2,218,000	10	168-2002 2-2000 3-2000	March 4,5,6,7 & 8, 2002 Jan 27-2000	20
TOTAL: SHELTER HOUSING AND SUPPORT	2,218,000				
TORONTO LIBRARY BOARD					
3. Toronto Reference Library renovation	300,000	10	2-2000 3-2000	Jan 27-2000	20
4. St. James Town Neighbourhood Library renovation	1,698,000	10	2-2000 3-2000 200-2001 325-2001 168-2002	Jan 27-2000 April 23,24, 25 & 26, 2001 March 4,5,6,7 & 8, 2002	20
5. Renovation of Toronto Reference Library	1,457,000	10	200-2001 325-2001 168-2002	April 23,24, 25 & 26, 2001 March 4,5,6,7 & 8, 2002	20

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Purpose	Amount \$	Total Repayment Years	Authorizing By-laws Nos.	Authorizing By-laws Date	Maximum Years approved by Council
1	2	3	4	5	6
6. Renovation and expansion of Malvern District Library	2,628,000	10	200-2001 325-2001 168-2002 180-2003	April 23,24, 25 & 26, 2001 March 4,5,6,7 & 8, 2002 Feb 24,25,26,27,28 2003 & March 3, 2003	20
TOTAL TORONTO LIBRARY BOARD	6,083,000				
PUBLIC HEALTH					
7. South Regional Animal Centre Facilities renovation	812,000	10	168-2002 180-2003	March 4,5,6,7 & 8, 2002 Feb 24,25,26,27,28 2003 & March 3, 2003	20
TOTAL PUBLIC HEALTH	812,000				
FACILITIES & REAL ESTATE					
8. Re-roofing at various locations including 86 Blake Street, 91 Front Street, 100 Queen Street, City Hall, and 100 Queen Street West, subject to the debt limits set out in the City's 2002 Capital Budget	30,000	10	168-2002	March 4,5,6,7 & 8, 2002	20

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Purpose	Amount \$	Total Repayment Years	Authorizing By-laws Nos.	Authorizing By-laws Date	Maximum Years approved by Council
1	2	3	4	5	6
9. Protective repairs at various locations including 100 Queen Street West – coating of exterior columns & recaulking including joints and repairs at cooling towers and snow guards to lower edge, 95 Lavina Avenue – rebuilding of retaining wall – precast concrete, 91 Front Street East – cleaning of duct interiors, subject to the debt limits set out in the City's 2001 Capital Budget	614,000	10	200-2001 325-2001	April 23,24, 25 & 26, 2001	20
10. Capital expenditures in connection with health & safety – buildings program including 100 Queen Street West – upgrade guards to ramps and docks and upgrade balustrades of stairs; 60 Queen Street West – temporary entrance modification for public use; 71 Front Street – roof anchors to centre block and west wing subject to the debt limits set out in the City's 2001 Capital Budget	264,000	10	200-2001 325-2001	April 23,24, 25 & 26, 2001	20
11. Replacement of doors and windows at various locations	884,000	10	200-2001 325-2001	April 23,24, 25 & 26, 2001	20
12. Swansea Town Hall Community Centre – addition	289,000	10	200-2001 325-2001 168-2002 180-2003	April 23,24, 25 & 26, 2001 March 4,5,6,7 & 8, 2002 Feb 24,25,26,27,28 2003 & March 3, 2003	20
13. Capital expenditures in connection with Barrier free access to all City buildings	51,000	10	200-2001 325-2001	April 23,24, 25 & 26, 2001	20
14. General renovation of facility in accordance with POA (Provincial	2,616,000	10	180-2003	Feb 24,25,26,27,28	20

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Purpose	Amount \$	Total Repayment Years	Authorizing By-laws Nos.	Authorizing By-laws Date	Maximum Years approved by Council
1	2	3	4	5	6
Offences Act) and MAP (Master Accommodation Plan) at 2700 Elgin West				2003 & March 3, 2003	
15. Renew interior finishes of 707 Dundas St. & 55 John St.	542,000	10	180-2003	Feb 4,25,26,27,28 2003 & March 3, 2003	20
TOTAL FACILITIES & REAL ESTATE INFORMATION TECHNOLOGY	5,290,000				
16. Capital expenditures in connection with Geo-spatial technology and systems	217,000	10	180-2003	Feb 24,25,26,27,28 2003 & March 3, 2003	20
17. Capital expenditures in connection with platform upgrades including network storage management strategy, higher availability enterprise backup solution, gigabyte bandwidth, swing disk and test environment for storage are subject to the debt limits set out in the City's 2003 Capital Budget	994,000	10	180-2003	Feb 24,25,26,27,28 2003 & March 3, 2003	20
TOTAL INFORMATION TECHNOLOGY	1,211,000				
URBAN DEVELOPMENT SERVICES					
18. Capital expenditures in connection with Public Art projects—all districts	53,000	10	200-2001 325-2001	April 23,24, 25 & 26, 2001	20
19. Capital expenditures in connection with Sheppard Avenue East (TTC) streetscape Phase 1	284,000	10	200-2001 325-2001 168-2002	April 23,24, 25 & 26, 2001 March 4,5,6,7 & 8, 2002	20
20. Routes improvements – pedestrian, vehicular ways at various locations including Jane	2,201,000	10	200-2001 325-2001 168-2002	April 23,24, 25 & 26, 2001 March 4,5,6,7 &	20

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Purpose	Amount \$	Total Repayment Years	Authorizing By-laws Nos.	Authorizing By-laws Date	Maximum Years approved by Council
1	2	3	4	5	6
Street, Dundas Street West, Kingston Road, Crawford Street, Garrison Creek, King/Parliament, Sheppard, Leslie to Don Mills, Fort York Boulevard, Jane/Finch Memorial Garden, Sheppard & Provost, Brown's Line, Dundas Square, subject to the debt limits set out in the City's 2001 and 2002 Capital Budgets				8, 2002	
21. Capital expenditures in connection with IBMS development requirements	626,140	10	168-2002	March 4,5,6,7 & 8, 2002	20
22. Capital expenditures in connection with urban –new office plan	28,860	10	82- 1999	March 2-1999	20
23. Capital expenditures in connection with urban permit /development approval /licensing	55,000	10	2-2000 3-2000	Jan 27-2000	20
TOTAL URBAN DEVELOPMENT SERVICES	3,248,000				
WATERFRONT					
24. Capital expenditures in connection with waterfront projects –corporate studies	2,100,000	10	2-2000 3-2000	Jan 27-2000	20
25. Capital expenditures in connection with Toronto waterfront revitalisation secretariat	1,212,000	10	168-2002 180-2003	March 4,5,6,7 & 8, 2002 Feb 24,25,26,27,28 2003 & March 3, 2003	20
TOTAL WATERFRONT	3,312,000				

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Purpose	Amount \$	Total Repayment Years	Authorizing By-laws Nos.	Authorizing By-laws Date	Maximum Years approved by Council
1	2	3	4	5	6
PARKS AND RECREATION					
26. Capital expenditures in connection with facility components - various projects including capital planning and asset management, investigation and pre-engineering, capital emergency funding, mainland terminal building, Agincourt tennis field house, East York arena, board replacement and pump, East York curling electrical services upgrade and lighting replacement, Bluffers Park, subject to the debt limits set out in the City's 2000, 2001, 2002, 2003 and 2004 Capital Budgets	4,636,000	10	2-2000 3-2000 200-2001 325-2001 168-2002 180-2003 351-2004	Jan 27-2000 April 23,24, 25 & 26, 2001 March 4,5,6,7 & 8, 2002 Feb 24,25,26,27,28 2003 & March 3, 2003 April 28, 2004	20
27. Capital expenditures in connection with outdoor recreation centres at various locations including Bathurst Heights outdoor basketball, Lindylon Park, Havenbrook Park, North District, Ashtonbee Park, Thompson Park, Bocce development, Adams Park, Glamorgan Park, L'Amoreaux tennis court, Field of Dreams, Bestview Park, Downsview lawn bowling, Leaside lawn bowling, subject to the debt limits set out in the City's 2000, 2001, 2002 and 2003 Capital Budgets	4,195,000	10	2-2000 3-2000 200-2001 325-2001 168-2002 180-2003	Jan 27-2000 April 23,24, 25 & 26, 2001 March 4,5,6,7 & 8, 2002 Feb 24,25,26,27,28 2003 & March 3, 2003	20

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Purpose	Amount \$	Total Repayment Years	Authorizing By-laws Nos.	Authorizing By-laws Date	Maximum Years approved by Council
1	2	3	4	5	6
28. Capital expenditures in connection with pool improvements at various locations including Dundas, Westmount, Albion, Lord Dufferin, Pinepoint, Stanley Park, Maryville Park roof program, Etobicoke Olympium, Regent Park, subject to the debt limits set out in the City's 2000, 2001, 2002 and 2003 Capital Budgets	4,512,000	10	2-2000 3-2000 200-2001 325-2001 168-2002 180-2003	Jan 27-2000 April 23,24, 25 & 26, 2001 March 4,5,6,7 & 8, 2002 Feb 24,25,26,27,28 2003 & March 3, 2003	20
29. Capital expenditures in connection with arenas at various locations including Earls court, Pleasantview, roofing programs, Earls court, Centennial Park, Wedgewood Outdoor Rink, Queensway Rink, Victoria Village, Bayview, subject to debt limits set out in the City's 2000, 2001, 2002, 2003 and 2004 Capital Budgets	6,200,000	10	2-2000 3-2000 200-2001 325-2001 168-2002 180-2003 351-2004	Jan 27-2000 April 23,24, 25 & 26, 2001 March 4,5,6,7 & 8, 2002 Feb 24,25,26,27,28 2003 & March 3, 2003 April 28, 2004	20
30. Capital expenditures in connection with community centres at various locations including Fairbank, McCormick, St. Jamestown, Main Square, Cormier Curran Hall, Regent Park, Fairbank, Main Square, Roofing, Islington Piccinninni, Wallace Emersion, St. Timothy's, Ourland, St. Jamestown, Massaryk – Cowan, Oakdale, Heron Park, Eglinton/Black Creek, roofing program, Islington senior centre, subject to the debt limits set out in the City's 2000, 2001, 2002 and 2003 Capital Budgets	8,465,000	10	2-2000 3-2000 200-2001 325-2001 168-2002 180-2003	Jan 27-2000 April 23,24, 25 & 26, 2001 March 4,5,6,7 & 8, 2002 Feb 24,25,26,27,28 2003 & March 3, 2003	20

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Purpose	Amount \$	Total Repayment Years	Authorizing By-laws Nos.	Authorizing By-laws Date	Maximum Years approved by Council
1	2	3	4	5	6
31. Capital expenditures in connection with major maintenance – various projects including Signage Program, Cassels Avenue, Humbertown Park, Pine Point, Etobicoke Olympium, North Toronto Memorial Arena, mandatory structural inspection, Sunnyside Pavilion, hard surfaces preservation turf preservation, parks rehabilitation, Albion, Allen Gardens, Thistletown, hard surfaces and lifesaving station, various buildings rehabilitation, Pine Point, various parks rehabilitation, subject to the debt limits set out in the City's 2000, 2001, 2002 and 2003 Capital Budgets	5,993,000	10	2-2000 3-2000 200-2001 325-2001 168-2002 180-2003	Jan 27-2000 April 23,24, 25 & 26, 2001 March 4,5,6,7 & 8, 2002 Feb 24,25,26,27,28 2003 & March 3, 2003	20
32. Capital expenditures in connection with special facilities at various locations including Allan Gardens, outdoor environmental centre, classical Chinese garden, Earl Bales ski hill, Inukshuk-battery Park, subject to the debt limits set out in the City's 2000, 2001, 2002 and 2003 Capital Budgets	1,772,000	10	2-2000 3-2000 200-2001 325-2001 168-2002 180-2003	Jan 27-2000 April 23,24, 25 & 26, 2001 March 4,5,6,7 & 8, 2002 Feb 24,25,26,27,28 2003 & March 3, 2003	20
TOTAL PARKS & RECREATION	35,773,000				
CANADIAN NATIONAL EXHIBITION					
33. Automotive Building repair	1,279,000	10	200-2001 325-2001 168-2002 180-2003	April 23,24, 25 & 26, 2001 March 4,5,6,7 & 8, 2002 Feb 24,25,26,27,28 2003 & March 3, 2003	20

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Purpose	Amount \$	Total Repayment Years	Authorizing By-laws Nos.	Authorizing By-laws Date	Maximum Years approved by Council
1	2	3	4	5	6
34. Capital expenditures in connection with IHL (International Hockey League) Coliseum Complex rehabilitation	9,000,000	10	2-2000	Jan 27-2000	20
35. National Trade Centre doors renovation, capital costs in connection with security system upgrade	350,000	10	168-2002 180-2003	March 4,5,6,7 & 8, 2002 Feb 24,25,26,27,28 2003 & March 3, 2003	20
36. Horse Palace renovation/replace existing type windows	255,000	10	168-2002 180-2003 351-2004	March 4,5,6,7 & 8, 2002 Feb 24,25,26,27,28 2003 & March 3, 2003 April 28, 2004	20
37. Queen Elizabeth building renovation	205,000	10	168-2002 180-2003	March 4,5,6,7 & 8, 2002 Feb 24,25,26,27,28 2003 & March 3, 2003	20
38. Coliseum Complex renovation	362,000	10	168-2002 180-2003	March 4,5,6,7 & 8, 2002 Feb 24,25,26,27,28 2003 & March 3, 2003	20
39. Stanley Barracks (Marine Museum) renovation	246,000	10	180-2003	Feb 24,25,26,27,28 2003 & March 3, 2003	20
40. Other buildings renovation (Princes gates)	250,000	10	180-2003	Feb 24,25,26,27,28 2003 & March 3, 2003	20
TOTAL CANADIAN NATIONAL EXHIBITION	11,947,000				

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Purpose	Amount \$	Total Repayment Years	Authorizing By-laws Nos.	Authorizing By-laws Date	Maximum Years approved by Council
1	2	3	4	5	6
TORONTO ZOO					
41. Capital expenditures in connection with ride and revenue development	129,000	10	200-2001 325-2001	April 23,24, 25 & 26, 2001	20
42. Capital expenditures in connection with information systems upgrade	402,000	10	2-2000 3-2000 200-2001 325-2001 168-2002 180-2003	Jan 27-2000 April 23,24, 25 & 26, 2001 March 4,5,6,7 & 8, 2002 Feb 24,25,26,27,28 2003 & March 3, 2003	20
43. Capital expenditures in connection with Conservation Place-special event facility	530,000	10	200-2001 325-2001 168-2002	April 23,24, 25 & 26, 2001 March 4,5,6,7 & 8, 2002	20
44. Exhibit refurbishment	183,000	10	168-2002 180-2003	March 4,5,6,7 & 8, 2002 Feb 24,25,26,27,28 2003 & March 3, 2003	20
45. Grounds and visitor area improvements	200,000	10	168-2002	March 4,5,6,7 & 8, 2002	20
46. Capital expenditures in connection with Canadian wilderness project	202,000	10	168-2002 180-2003	March 4,5,6,7 & 8, 2002 Feb 24,25,26,27,28 2003 & March 3, 2003	20
TOTAL TORONTO ZOO	1,646,000				

City of Toronto By-law No. 354-2004

Purpose	Amount \$	Total Repayment Years	Authorizing By-laws Nos.	Authorizing By-laws Date	Maximum Years approved by Council
1	2	3	4	5	6
TORONTO & REGION CONSERVATION AUTHORITY					
47. Capital expenditures in connection with public use infrastructure	338,000	10	2-2000 3-2000 200-2001 325-2001 168-2002 180-2003	Jan 27-2000 April 23,24, 25 & 26, 2001 March 4,5,6,7 & 8, 2002 Feb 4,25,26,27,28 2003 & March 3, 2003	20
48. Capital expenditures in connection with waterfront and valley erosion control at various locations including Toronto park sites, Toronto islands, Fishleigh Drive, Shoreline monitoring and maintenance, Guildwood parkway, Highland Creek Weirs, subject to the debt limits set out in the City's 2000, 2001, 2002 and 2003 Capital Budgets	2,148,000	10	2-2000 3-2000 200-2001 325-2001 168-2002 180-2003	Jan 27-2000 April 23,24, 25 & 26, 2001 March 4,5,6,7 & 8, 2002 Feb 24,25,26,27,28 2003 & March 3, 2003	20
49. Black Creek Pioneer Village retrofit	755,000	10	2-2000 3-2000 200-2001 325-2001 168-2002 180-2003	Jan 27-2000 April 23,24, 25 & 26, 2001 March 4,5,6,7 & 8, 2002 Feb 4,25,26,27,28 2003 & March 3, 2003	20

City of Toronto By-law No. 354-2004

Purpose	Amount \$	Total Repayment Years	Authorizing By-laws Nos.	Authorizing By-laws Date	Maximum Years approved by Council
1	2	3	4	5	6
50. Capital expenditures in connection with waterfront development including environmental monitoring, Keating Channel dredging, Tommy Thompson Park, information management, Ashbridge's Bay, Thompson Cell capping, apartment strip, Arsenal Park development, Toronto Bay, subject to the debt limits set out in the City's 2000, 2001, 2002 and 2003 Capital Budgets	2,683,000	10	2-2000 3-2000 200-2001 325-2001 168-2002 180-2003	Jan 27-2000 April 23,24, 25 & 26, 2001 March 4,5,6,7 & 8, 2002 Feb 24,25,26,27,28 2003 & March 3, 2003	20
51. Major facilities retrofit	585,000	10	200-2001 325-2001 168-2002 180-2003	April 23,24, 25 & 26, 2001 March 4,5,6,7 & 8, 2002 Feb 24,25,26,27,28 2003 & March 3, 2003	20
52. Capital expenditures in connection with information technology	338,000	10	168-2002 180-2003	March 4,5,6,7 & 8, 2002 Feb 24,25,26,27,28 2003 & March 3, 2003	20
TOTAL TORONTO & REGION CONSERVATION AUTHORITY	6,847,000				
AMBULANCE SERVICES					
53. 25 Station Morningside and Sheppard renovation	242,000	10	2-2000 3-2000 200-2001 325-2001 168-2002 180-2003	Jan 27-2000 April 23,24, 25 & 26, 2001 March 4,5,6,7 & 8, 2002 Feb 24,25,26,27,28 2003 & March 3, 2003	20

City of Toronto By-law No. 354-2004

Purpose	Amount \$	Total Repayment Years	Authorizing By-laws Nos.	Authorizing By-laws Date	Maximum Years approved by Council
1	2	3	4	5	6
54. Ambulance station vehicle emission venting system refurbishment	180,000	10	2-2000 3-2000 200-2001 325-2001 168-2002 180-2003	Jan 27-2000 April 23,24, 25 & 26, 2001 March 4,5,6,7 & 8, 2002 Feb 24,25,26,27,28 2003 & March 3, 2003	20
55. Capital expenditures in connection with portable radio systems upgrade	66,000	10	2-2000 3-2000 200-2001 325-2001 168-2002 180-2003	Jan 27-2000 April 23,24, 25 & 26, 2001 March 4,5,6,7 & 8, 2002 Feb 24,25,26,27,28 2003 & March 3, 2003	20
56. Capital expenditures in connection with asset management	1,589,000	10	2-2000 3-2000 200-2001 325-2001 168-2002 180-2003	Jan 27-2000 April 23,24, 25 & 26, 2001 March 4,5,6,7 & 8, 2002 Feb 4,25,26,27,28 2003 & March 3, 2003	20
57. Capital expenditures in connection with information technology	174,000	10	2-2000 3-2000 200-2001 325-2001 168-2002 180-2003	Jan 27-2000 April 23,24, 25 & 26, 2001 March 4,5,6,7 & 8, 2002 Feb 24,25,26,27,28 2003 & March 3, 2003	20
58. Station vehicle emission venting system refurbishment	128,000	10	168-2002	March 4,5,6,7 & 8, 2002	20

City of Toronto By-law No. 354-2004

Purpose	Amount \$	Total Repayment Years	Authorizing By-laws Nos.	Authorizing By-laws Date	Maximum Years approved by Council
1	2	3	4	5	6
59. Capital expenditures in connection with public access defibrillator program	385,000	10	168-2002 180-2003	March 4,5,6,7 & 8, 2002 Feb 24,25,26,27,28 2003 & March 3, 2003	20
TOTAL AMBULANCE SERVICES	2,764,000				
FIRE SERVICES					
60. Harbour Front fire station renovation	2,491,000	10	82-1999 2-2000 3-2000 200-2001 325-2001 168-2002 180-2003	March 2, 1999 Jan 27-2000 April 23,24, 25 & 26, 2001 March 4,5,6,7 & 8, 2002 Feb 24,25,26,27,28 2003 & March 3, 2003	20
61. Capital expenditures in connection with fire training towers grounds	412,000	10	2-2000 3-2000 200-2001 325-2001 168-2002 180-2003	Jan 27-2000 April 23,24, 25 & 26, 2001 March 4,5,6,7 & 8, 2002 Feb 24,25,26,27,28 2003 & March 3, 2003	20
62. Capital expenditures in connection with technical rescue training simulator	600,000	10	2-2000 3-2000 200-2001 325-2001 168-2002 180-2003	Jan 27-2000 April 23,24, 25 & 26, 2001 March 4,5,6,7 & 8, 2002 Feb 24,25,26,27,28 2003 & March 3, 2003	20
63. Capital expenditures in connection with Fire Academy – propane training props	336,000	10	2-2000 3-2000	Jan 27-2000	20

City of Toronto By-law No. 354-2004

Purpose	Amount \$	Total Repayment Years	Authorizing By-laws Nos.	Authorizing By-laws Date	Maximum Years approved by Council
1	2	3	4	5	6
64. Fire hall stations E & F rehabilitation	1,237,000	10	2-2000 3-2000 200-2001 325-2001 168-2002 180-2003	Jan 27-2000 April 23,24, 25 & 26, 2001 March 4,5,6,7 & 8, 2002 Feb 24,25,26,27,28 2003 & March 3, 2003	20
65. Masonry and concrete rehabilitation	282,000	10	2-2000 3-2000 200-2001 325-2001 168-2002 180-2003	Jan 27-2000 April 23,24, 25 & 26, 2001 March 4,5,6,7 & 8, 2002 Feb 24,25,26,27,28 2003 & March 3, 2003	20
66. Training facilities renovations	1,929,000	10	200-2001 325-2001 168-2002 180-2003	April 23,24, 25 & 26, 2001 March 4,5,6,7 & 8, 2002 Feb 24,25,26,27,28 2003 & March 3, 2003	20
67. Purchase of new vehicles	305,000	10	168-2002 180-2003	March 4,5,6,7 & 8, 2002 Feb 24,25,26,27,28 2003 & March 3, 2003	20
68. Purchase of vector command training simulator	177,000	10	168-2002	March 4,5,6,7 & 8, 2002	20
69. Purchase of TORYORK facility	2,200,000	10	180-2003	Feb 24,25,26,27,28 2003 & March 3, 2003	20

City of Toronto By-law No. 354-2004

Purpose	Amount \$	Total Repayment Years	Authorizing By-laws Nos.	Authorizing By-laws Date	Maximum Years approved by Council
1	2	3	4	5	6
70. Capital expenditures in connection with Interface between Toronto Fire Services & Toronto Emergency Medical Services CAD Systems	200,000	10	180-2003	Feb 24,25,26,27,28 2003 & March 3, 2003	20
TOTAL FIRE SERVICES	10,169,000				
TECHNICAL SERVICES					
71. Emergency Operations Centre construction	317,000	10	2-2000 3-2000 200-2001 325-2001	Jan 27-2000 April 23,24, 25 & 26, 2001	20
72. Capital expenditures in connection with Broadband video expansion (Fire/Ambulance)	480,000	10	200-2001 325-2001 168-2002 180-2003	April 23,24, 25 & 26, 2001 March 4,5,6,7 & 8, 2002 Feb 24,25,26,27,28 2003 & March 3, 2003	20
TOTAL TECHNICAL SERVICES	797,000				
ARTS AND CULTURE					
73. Capital expenditures in connection with collections care	110,000	10	168-2002 180-2003	March 4,5,6,7 & 8, 2002 Feb 24,25,26,27,28 2003 & March 3, 2003	20

City of Toronto By-law No. 354-2004

Purpose	Amount \$	Total Repayment Years	Authorizing By-laws Nos.	Authorizing By-laws Date	Maximum Years approved by Council
1	2	3	4	5	6
74. Capital expenditures in connection with cultural infrastructure development – various projects including public art development, the Guild revitalization project, Scarborough Historic Museum interpretive centre, Waterfront cultural centre, Fort York visitor amenities and services and Franklin Carmichael Art, subject to the debt limits set out in the City's 2002 and 2003 Capital Budgets	202,000	10	168-2002 180-2003	March 4,5,6,7 & 8, 2002 Feb 24,25,26,27,28 2003 & March 3, 2003	20
75. Capital expenditures in connection with major maintenance at various locations including Canstage Company, Lorraine Kimsa theatre, St. Lawrence Centre, Alumnae theatre, John Street Roundhouse, Design Exchange, subject to the debt limits set out in the City's 2002 and 2003 Capital Budgets	133,000	10	168-2002 180-2003	March 4,5,6,7 & 8, 2002 Feb 24,25,26,27,28 2003 & March 3, 2003	20
76. Capital expenditures in connection with refurbishment and rehabilitation at various locations including Gibson house, Market Gallery, Scarborough Village theatre, rehabilitation, public spaces – museum and art centres, Montgomery's Inn, subject to the debt limits set out in the City's 2002 and 2003 Capital Budgets	377,000	10	168-2002 180-2003	March 4,5,6,7 & 8, 2002 Feb 24,25,26,27,28 2003 & March 3, 2003	20
TOTAL ARTS AND CULTURE	822,000				

City of Toronto By-law No. 354-2004

Purpose	Amount \$	Total Repayment Years	Authorizing By-laws Nos.	Authorizing By-laws Date	Maximum Years approved by Council
1	2	3	4	5	6
ECONOMIC DEVELOPMENT					
77. Capital expenditures in connection with commercial façade improvement program	857,000	10	2-2000 3-2000 200-2001 325-2001 168-2002 180-2003	Jan 27-2000 April 23,24, 25 & 26, 2001 March 4,5,6,7 & 8, 2002 Feb 24,25,26,27,28 2003 & March 3, 2003	20
78. Capital expenditures in connection with employment revitalisation program	609,000	10	2-2000 3-2000 200-2001 325-2001 168-2002 180-2003	Jan 27-2000 April 23,24, 25 & 26, 2001 March 4,5,6,7 & 8, 2002 Feb 4,25,26,27,28 2003 & March 3, 2003	20
TOTAL ECONOMIC DEVELOPMENT	1,466,000				
TORONTO TRANSIT COMMISSION					
79. Streetcar overhead reconstruction	1,421,000	10	2-2000 3-2000 200-2001 325-2001 168-2002 180-2003	Jan 27-2000 April 23,24, 25 & 26, 2001 March 4,5,6,7 & 8, 2002 Feb 24,25,26,27,28 2003 & March 3, 2003	
80. Capital expenditures in connection with Queens Quay streetcar connection	3,799,000	10	82-1999 2-2000 3-2000 200-2001 325-2001 168-2002	March 2,1999 Jan 27-2000 April 23,24, 25 & 26, 2001 March 4,5,6,7 & 8, 2002	

City of Toronto By-law No. 354-2004

Purpose	Amount \$	Total Repayment Years	Authorizing By-laws Nos.	Authorizing By-laws Date	Maximum Years approved by Council
1	2	3	4	5	6
81. Harvey Shop (heavy bus repair building constructed in 1924) renovation	1,843,000	10	2-2000 3-2000 180-2003	Jan 27-2000 Feb 24,25,26,27,28 2003 & March 3, 2003	
82. Capital expenditures in connection with bus overhaul projects	826,000	10	82-1999 2-2000 3-2000 200-2001 325-2001	March 2,1999 Jan 27-2000 April 23,24, 25 & 26, 2001	
83. Capital expenditures in connection with storage tank containment system renovation	655,000	10	200-2001 325-2001 168-2002	April 23,24, 25 & 26, 2001 March 4,5,6,7 & 8, 2002	
84. Capital expenditures in connection with garage subsurface remediation program	2,643,000	10	82-1999 2-2000 3-2000 200-2001 325-2001 168-2002 180-2003	March 2,1999 Jan 27-2000 April 23,24, 25 & 26, 2001 March 4,5,6,7 & 8, 2002 Feb 4,25,26,27,28 2003 & March 3, 2003	
85. Union station second platform construction/ rehabilitation	600,000	10	2-2000 3-2000 200-2001 325-2001	Jan 27-2000 April 23,24, 25 & 26, 2001	
TOTAL TORONTO TRANSIT COMMISSION	11,787,000				
<u>TOTAL</u>	<u>128,000,000</u>				

**City of Toronto
Schedule "B" to By-law No. 354-2004
Finance Department 10 Year Issuance**

Unless this debenture is presented by an authorized representative of The Canadian Depository for Securities Limited ("CDS") to the City of Toronto for registration of transfer, exchange or payment, and any debenture issued in respect thereof is registered in the name of CDS & CO., or in such other name as is requested by an authorized representative of CDS, ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL since as the registered holder hereof, CDS & CO. has an interest herein.

No. GB04-10-001 \$32,000,000.00
BL CUSIP No.: 891288
891288BL50 5
ISIN No.:CA

C A N A D A
Province of Ontario
CITY OF TORONTO

FULLY REGISTERED GLOBAL 5.30% SINKING FUND DEBENTURE

CITY OF TORONTO, for value received, hereby promises to pay to
CDS & CO.

as nominee of The Canadian Depository for Securities Limited or registered assigns, subject to the Conditions attached hereto which form part hereof (the "Conditions"), upon presentation and surrender of this Global Debenture by the maturity date of this Global Debenture (May 21, 2014), the principal sum of

THIRTY-TWO MILLION DOLLARS
----- (\$32,000,000.00) -----

in lawful money of Canada, and to pay interest thereon until the maturity date of this Global Debenture in like money in semi-annual payments from May 21, 2004, or the last date on which interest has been paid on this Global Debenture, whichever is later, at the rate of 5.30% per annum in arrears on the 21st day of November and the 21st day of May, in each year (each, a "Payment Date") in the manner provided in the Conditions. Subject to the Conditions, interest shall be paid on default at the aforesaid rate both before and after default and judgment. The payments of interest, the amount to be deposited into the applicable sinking fund and the principal balance outstanding in each year are shown in the Schedule on the reverse side hereof.

This Global Debenture is subject to the Conditions.

DATED at the City of Toronto the 21st day of May, 2004.

IN TESTIMONY WHEREOF and under the authority of By-law No. 354-2004 of the City of Toronto duly passed on the 18th day of May, 2004 (the "Debenture By-law"), this Global Debenture is sealed with the municipal seal of the City of Toronto and signed by the Mayor and by the Treasurer thereof.

Date of Registration: May 21, 2004

Mayor

(seal)

Treasurer

City of Toronto By-law No. 354-2004

SCHEDULE

Year	Interest Rate %	Semi-annual Interest		Total Annual Interest Payment Each Year \$	Sinking Fund Deposit May 21 Each Year \$	Principal Outstanding May 21 \$
		November 21 \$	May 21 \$			
2004	5.30	848,000.00	-----	848,000.00	-----	32,000,000.00
2005	5.30	848,000.00	848,000.00	4,361,310.08	2,665,310.00	32,000,000.00
2006	5.30	848,000.00	848,000.00	4,361,310.08	2,665,310.00	32,000,000.00
2007	5.30	848,000.00	848,000.00	4,361,310.08	2,665,310.00	32,000,000.00
2008	5.30	848,000.00	848,000.00	4,361,310.08	2,665,310.00	32,000,000.00
2009	5.30	848,000.00	848,000.00	4,361,310.08	2,665,310.00	32,000,000.00
2010	5.30	848,000.00	848,000.00	4,361,310.08	2,665,310.00	32,000,000.00
2011	5.30	848,000.00	848,000.00	4,361,310.08	2,665,310.00	32,000,000.00
2012	5.30	848,000.00	848,000.00	4,361,310.08	2,665,310.00	32,000,000.00
2013	5.30	848,000.00	848,000.00	4,361,310.08	2,665,310.00	32,000,000.00
2014	5.30	-----	848,000.00	3,513,310.08	2,665,310.00	-----
		8,480,000.00	8,480,000.00	43,613,100.80	26,653,100.80	

LEGAL OPINION

We have examined By-law No. 354-2004 "Debenture By-law") of the City of Toronto authorizing the issue of sinking fund debentures in the principal amount of \$128,000,000.00 dated May 21, 2004 and maturing on May 21, 2014.

In our opinion, the Debenture By-law has been properly passed and is within the legal powers of the City of Toronto. The sinking fund debentures issued under the Debenture By-law in the within form (individually a "Global Debenture", collectively the "Global Debentures") are direct, general and unsubordinated obligations of the City of Toronto and are enforceable against the City of Toronto subject to the special jurisdiction and powers of the Ontario Municipal Board over defaulting municipalities under the *Municipal Affairs Act*. This opinion is subject to and incorporates all the assumptions, qualifications and limitations set out in our opinion letter delivered on the date of this Global Debenture.

Toronto, May 21, 2004

BORDEN LADNER GERVAIS LLP

CONDITIONS OF GLOBAL DEBENTURE**Form, Denomination, Ranking and Beneficial Interests in Global Debenture**

1. The debentures issued pursuant to the Debenture By-law (individually a “Debenture”, collectively the “Debentures”) are issuable as fully registered Debentures without coupons in denominations of \$1,000.00 and any integral multiples thereof.
2. The Debentures are direct, general and unsubordinated obligations of the City of Toronto. The Debentures rank concurrently and equally in respect of payment of principal and interest with all other debentures of the City of Toronto except for the availability of money in a sinking or retirement fund for a particular issue of debentures.
3. This Debenture is a Global Debenture registered in the name of the nominee of The Canadian Depository for Securities Limited (“CDS”) and held by CDS. Beneficial interests in this Global Debenture are represented through book entry accounts, to be established and maintained by CDS, for financial institutions acting on behalf of beneficial owners as direct and indirect participants in CDS’ book entry only system.
4. Except in the limited circumstances described herein, owners of beneficial interests in this Global Debenture will not be entitled to have Debentures registered in their names, will not receive or be entitled to receive physical delivery of Debentures and will not be considered registered holders of Debentures under these Conditions. The City of Toronto does not have any responsibility or liability for maintaining, supervising or reviewing any records of CDS relating to beneficial interests in this Global Debenture or for any aspect of the records of CDS relating to payments made by CDS on account of such beneficial interests.

Certificated Debentures

5. This Global Debenture is exchangeable, in whole but not in part, for certificated Debentures in definitive form registered in the name of a person other than CDS or its nominee only if (i) CDS notifies the City of Toronto that it is unable to continue as depository in connection with this Global Debenture or ceases to be a recognized clearing agency under the *Securities Act* (Ontario), or other applicable Canadian securities legislation and a successor depository is not appointed by the City of Toronto or (ii) the City of Toronto in its sole discretion elects to issue certificated Debentures in definitive form in exchange for this Global Debenture.
6. Debentures issued in exchange for this Global Debenture shall be issued as certificated Debentures in definitive form in authorized denominations, shall have the same benefits and be subject to the same terms and conditions as this Global Debenture (except insofar as they specifically relate to this Global Debenture as such), shall be registered in such names and in such denominations as CDS shall direct and shall be delivered as directed by the persons in whose names such definitive Debentures are to be registered.
7. Upon the exchange of certificated Debentures in definitive form for this Global Debenture, the City of Toronto shall receive and cancel this Global Debenture, shall reduce the holdings of CDS & CO. on the registry to nil and shall issue or cause to be issued in exchange for this Global Debenture certificated Debentures in definitive form in an aggregate principal amount equal to and in exchange for the CDS participants’ proportionate interests in this Global Debenture as of the record date for such exchange, as directed by CDS. On or after any such exchange, but only to the extent reasonably practicable in the circumstances, the City of Toronto shall make all payments in respect of such certificated Debentures in definitive form to the registered holders thereof, notwithstanding such exchange occurred after the record date for any payment and prior to such payment date.

Registration

8. The City of Toronto will keep at its designated office in the City of Toronto a registry in which shall be entered the names and addresses of the registered holders of Debentures and particulars of the Debentures held by them respectively and in which transfers, exchanges and substitutions of Debentures may be registered.

Title

9. The City of Toronto shall not be bound to see to the execution of any trust affecting the ownership of any Debenture or be affected by notice of any equity that may be subsisting in respect thereof. The City of Toronto shall deem and treat registered holders of Debentures, including this Global Debenture, as the absolute owners thereof for all purposes whatsoever notwithstanding any notice to the contrary and all payments to or to the order of registered holders shall be valid and effectual to discharge the liability of the City of Toronto on the Debentures to the extent of the sum or sums so paid.

Payments of Principal and Interest

10. In each year during the currency of the Debentures, the sum of \$6,784,000.00 shall be payable as interest and the sum of \$10,661,240.00 shall be deposited by the City of Toronto into a sinking fund for the payment of principal (the "Sinking Fund") at maturity in accordance with the provisions of the *Municipal Act, 2001*, as amended and the *City of Toronto Act, 1997 (No. 2)*, as amended.
11. The record date for purposes of payment of a deposit into the Sinking Fund and of payment of principal of and interest on the Debentures is as of 5:00 p.m. on the fourteenth calendar day preceding any Payment Date, including the maturity date. Principal of and interest on the Debentures are payable by the City of Toronto to the persons registered as holders in the registry on the relevant record date. The City of Toronto shall not be required to register any transfer, exchange or substitution of Debentures during the period from any record date to the corresponding Payment Date.
12. The City of Toronto shall make all payments in respect of semi-annual interest on the Debentures on each Payment Date commencing on November 21, 2004 (other than in respect of the final payment of principal and outstanding interest on the maturity date which shall be paid upon presentation and surrender of this Global Debenture), by forwarding by post, a cheque dated the due date for payment to the registered address of each registered holder of Debentures sufficiently in advance of the relevant due date that delivery of such cheques to the registered address of each registered holder on or before the due date is reasonably assured. All cheques mailed or otherwise delivered in accordance with this section shall be dated the due date for payment of the interest in respect of which they are issued. Despite the foregoing, the City of Toronto may make payments in respect of interest on any Debenture (other than in respect of the final payment of principal and outstanding interest payable on maturity upon presentation and surrender) to the credit of the registered holder of that Debenture, by electronic transfer of payment in respect of such interest to the credit of the registered holder on such terms as to which the registered holder and the City of Toronto may agree.
13. Whenever it is necessary to compute any amount of interest in respect of the Debentures for a period of less than one full year, other than with respect to regular semi-annual interest payments, such interest shall be calculated on the basis of the actual number of days in the period and a year of 365 days or 366 days, if applicable.
14. Payments in respect of principal of and interest on the Debentures shall be made only on a day on which banking institutions in Toronto, Ontario, are not authorized or obligated by law or executive order to be closed (a "Business Day"), and if any date for payment is not a Business Day, payment shall be made on the next following Business Day and no further interest shall be paid in respect of the delay in such payment.

15. Where a Debenture is registered in more than one name, the principal of and interest from time to time payable on such Debenture shall be paid to or to the order of all the joint registered holders thereof, failing written instructions to the contrary from all such joint registered holders, and such payment shall constitute a valid discharge to the City of Toronto.
16. In the case of the death of one or more joint registered holders, despite section 9 of these Conditions, the principal of and interest on any Debentures registered in their names may be paid to the survivor or survivors of such holders and such payment shall constitute a valid discharge to the City of Toronto.

Transfers, Exchanges and Substitutions

17. Debentures are transferable or exchangeable at the office of the Treasurer of the City of Toronto upon presentation for such purpose accompanied by an instrument of transfer or exchange in a form approved by the City of Toronto and which form is in accordance with the prevailing Canadian transfer legislation and practices, executed by the registered holder thereof or such holder's duly authorized attorney or legal personal representative, whereupon and upon registration of such transfer or exchange and cancellation of the Debenture or Debentures presented, a new Debenture or Debentures of an equal aggregate principal amount in any authorized denomination or denominations will be delivered as directed by the transferee, in the case of a transfer or as directed by the registered holder in the case of an exchange.
18. The City of Toronto shall issue and deliver Debentures in exchange for or in substitution for Debentures outstanding on the registry with the same maturity date and of like form which have become lost, stolen, mutilated, defaced or destroyed provided that the applicant therefor shall have (i) paid such costs as may have been incurred in connection therewith; (ii) (in the case of a lost, stolen or destroyed Debenture) furnished the City of Toronto with such evidence (including evidence as to the certificate number of the Debenture in question) and indemnity in respect thereof satisfactory to the City of Toronto in its discretion; and (iii) surrendered to the City of Toronto any mutilated or defaced Debenture in respect of which new Debentures are to be issued in substitution.
19. Each Debenture executed and delivered upon any registration of transfer or exchange for or in substitution for any Debenture or part thereof shall carry all the rights to interest, if any, accrued and unpaid which were carried by such Debenture or part thereof and shall be so dated.
20. The City of Toronto shall not impose any fees in respect of the Debentures, in the normal course of business, other than reasonable fees for the issue of new Debentures or for the issue of new cheques in substitution for lost, stolen, mutilated, defaced or destroyed Debentures or interest cheques.

Purchases

21. Subject to the investment policies and goals of the City of Toronto and the applicable legislation, the City of Toronto may, if not in default under the Debentures, at any time purchase Debentures in the open market or by tender or by private contract at any price and on such terms and conditions (including without limitation, the manner by which any tender offer may be communicated or accepted and the persons to whom it may be addressed) as the City of Toronto may in its discretion determine.

Notices

22. Except as otherwise expressly provided herein, any notice required to be given to a registered holder of one or more of the Debentures will be sufficiently given if a copy of such notice is mailed or otherwise delivered to the registered address of such registered holder. If the City of Toronto or any registered holder is required to give any notice in connection with the Debentures on or before any day and that day is not a Business Day (as defined in section 14 of these Conditions) then such notice may be given on the next following Business Day.

Time

23. Unless otherwise expressly provided herein, any reference herein to a time shall be considered to be a reference to Toronto time.

Governing Law

24. The Debentures are governed by and shall be construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable in Ontario.