

Authority: Debenture Committee Item 1.1, as adopted by the Debenture Committee on March 1, 2011 under the delegated authority of Section 30-5 of Chapter 30, Debenture Committee, of the City of Toronto Municipal Code
Enacted by the Debenture Committee: March 1, 2011

CITY OF TORONTO

BY-LAW No. 337-2011

To authorize the borrowing upon issuance of an instalment debentures in the principal amount of \$10,200,000.00 to the Canada Mortgage and Housing Corporation.

WHEREAS the *City of Toronto Act, 2006*, as amended (the "Act") and the regulations made thereunder provides that the City of Toronto may for its purposes borrow money to obtain or provide long-term financing of any capital work by issuing debentures, issuing revenue bonds, and entering bank loan agreements and that the City of Toronto shall adopt and maintain policies with respect to the financing of capital works, including the limits on the annual costs associated with the financing; and

WHEREAS the Council of the City of Toronto, in accordance with section 212 of the Act, adopted, a policy with respect to the financing of capital works (the "City Policy"), including requirements pertaining to limits on the amount of debt to be issued annually and on the annual costs associated with debt financing (the "City Debt Limits"); and

WHEREAS the Council of the City of Toronto has passed the by-law(s) enumerated in Column 4 of Schedule "A" attached hereto and forming part of this By-law ("Schedule "A") authorizing the capital works described in Column 1 of Schedule "A" (the "Capital Works") and has authorized the entering into of commitment letters dated February 14, 2011 and a loan agreement dated March 1, 2011 for the provision of long term borrowing from the Canada Mortgage and Housing Corporation, under its Municipal Infrastructure lending program in respect of the Capital Work (the "Financing Agreements"). All of the authorizations in respect of the Capital Work have been authorized in accordance with the City Policy; and

WHEREAS the Council of the City of Toronto desires to issue debentures to provide long-term financing for the Capital Work, which constitutes capital works that the City of Toronto considers necessary or desirable for the public, in the principal amount specified in Column 2 of Schedule "A" and the proposed issue of debentures in the principal amount of \$10,200,000.00 in respect thereof is in accordance with the City Policy and, in this regard will not cause the City to exceed the City Debt Limits; and

WHEREAS the City of Toronto has complied with all of the provisions of the City Policy, the Act and the regulations made thereunder relating to the borrowing of money for the Capital Works, and the issue of amortizing debentures to obtain or provide the principal amount set out in Column 2 of Schedule "A"; and

WHEREAS to provide long-term financing for the Capital Works pursuant to the Financing Agreements, it is now expedient to borrow money by issuing 3.92% amortizing debentures of the City of Toronto in the principal amount of \$10,200,000.00 in lawful money of Canada, on the terms hereinafter set forth;

The Debenture Committee of the City of Toronto HEREBY ENACTS as follows:

1. The borrowing upon the credit of the City of Toronto at large of the principal amount of \$10,200,000.00 for the purposes of the City of Toronto to provide long-term financing for the Capital Works by issuing amortizing debentures therefor to be repaid in annual instalments of combined (blended) principal and interest as hereinafter set forth, are hereby authorized.
2. The Mayor and the Deputy City Manager and Chief Financial Officer (the "DCM/CFO") are hereby authorized to cause any number of amortizing debentures to be issued in the principal amount of \$10,200,000.00, as described in section 1 above and substantially in the form attached as Schedule "B" attached hereto and forming part of this By-law (the "Debentures") payable annually in instalments of combined (blended) principal and interest to be issued for such amounts of money as may be required for the Capital Work, not exceeding in total the said principal amount of \$10,200,000.00. The Debentures shall bear the seal of the City of Toronto and the signatures of the Mayor and the DCM/CFO of the City of Toronto. The 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.
3. The Debentures shall be in fully registered form as one or more certificates in the aggregate principal amount of \$10,200,000.00, in the name of CMHC or as CMHC may otherwise direct, substantially in the form attached as Schedule "B" hereto and forming part of this By-law with provision for payment of principal and interest (other than in respect of the final payment of principal and outstanding interest on the maturity date upon presentation and surrender) on such terms as to which the registered holder and the City of Toronto may agree.
4. The Debentures shall all be dated the 1st day of March, 2011, and as to both principal and interest shall be expressed and be payable in lawful money of Canada. The Debentures shall bear interest at the rate of 3.92% per annum from the date thereof payable annually in arrears as described in this section. The Debentures shall be paid in full by the 1st day of March, 2026, and shall be payable in annual instalments of combined (blended) principal and interest on such days as are set forth in Schedule "C" attached hereto and forming part of this By-law ("Schedule "C'") in each of the years during the currency of the Debentures, as set forth in Schedule "C".
5. Payments in respect of principal of and interest on the Debentures shall be made only on a day on which banking institutions in Ottawa, Ontario, are not authorized or obligated by law or executive order to be closed (a "Business Day"), and if any date for payment is not an 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.

6. 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 annual instalments of combined (blended) principal and interest, such interest shall be calculated on the basis of the actual number of days in the period and a year of 365 or 366 days as appropriate.
7. Each year in which a payment of an instalment of combined (blended) principal and interest becomes due in respect of the Debentures, there shall be raised as part of the general levy the amounts of principal and interest payable in each year as set out in Schedule "C" to the extent that the amounts have not been provided for by any other available source including other taxes or fees or charges imposed on persons or property by a by-law of any City of Toronto.
8. 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.
9. The City of Toronto shall maintain a registry in respect of the Debentures in which shall be entered 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.
10. 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 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 amount or amounts 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.
11. The Debentures will be transferable or exchangeable at the office of the DCM/CFO 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 DCM/CFO 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.

- 12.** The Mayor and the DCM/CFO shall issue and deliver new Debentures in exchange or substitution for the Debentures outstanding on the registry with the same maturity and of like form which have become lost, stolen, mutilated, defaced or destroyed, provided that the applicant therefor shall have: (a) paid such costs as may have been incurred in connection therewith; (b) (in the case of a lost, stolen or destroyed Debenture) furnished the 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 Debentures in respect of which new Debentures are to be issued in substitution.
- 13.** 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.
- 14.** 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 DCM/CFO 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.
- 15.** Reasonable fees for the substitution of a new Debenture or new Debentures for any of the Debentures that are lost, stolen, mutilated, defaced or destroyed and for the replacement of lost, stolen, mutilated, defaced or destroyed principal and interest cheques may be imposed by the 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.
- 16.** 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.
- 17.** The Mayor and DCM/CFO are hereby individually authorized to generally do all things and to execute all documents and other papers in the name of the City of Toronto in order to carry out the issue of the Debentures and the DCM/CFO is authorized to affix the seal of the City of Toronto to any of such documents and papers.

- 18.** The proceeds realized by the City of Toronto in respect of the Debentures, after providing for the expenses related to their issue, if any, shall be apportioned and applied to the Capital Works and to no other purpose except as permitted by the Act, the regulations made thereunder and the City Policy.
- 19.** Subject to the City of Toronto's investment policies and goals, the applicable legislation and the terms and conditions of the Debentures, 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.
- 20.** This By-law takes effect on the day of passing.

ENACTED AND PASSED this 1st day of March, A.D. 2011.

MIKE DEL GRANDE
Vice Chair of Debenture Committee

ULLI S. WATKISS
City Clerk

(Corporate Seal)

Schedule "A" to Municipal Borrowing By-law

(1)	(2)	(3)	(4)	(5)	(6)
Capital Work	Principal Amount	Total Repayment Years	Authorizing By-law Number	Authorizing By-law Date	Maximum Years Approved by Council
Regent Park Revitalization – Electrical Concept Phase 2	1,600,000	15	By-law No. 1327-2008	December 10, 2008	30
Regent Park Revitalization – District Energy Project	8,600,000	15	By-law No. 1327 2008	December 10, 2008	30
Total	10,200,000				

Schedule "B" to Municipal Borrowing By-law

Province of Ontario
CITY OF TORONTO

No.

FULLY REGISTERED 3.92% AMORTIZING DEBENTURE

CITY OF TORONTO, for value received, hereby promises to pay to:

CANADA MORTGAGE AND HOUSING CORPORATION ("CMHC")

or registered assigns, subject to the conditions attached hereto which form part hereof (the "**Conditions**"), upon presentation and surrender of this debenture by the maturity date of this debenture (July 1, 2026), the principal sum of

TEN MILLION, TWO HUNDRED THOUSAND DOLLARS

-----(\$10,200,000.00)-----

by annual instalments of combined (blended) principal and interest in the manner and in the amounts set forth in the attached amortization schedule (the "**Amortization Schedule**") and subject to late payment interest charges pursuant to the Conditions, in lawful money of Canada. Interest shall be paid until the maturity date of this debenture, in like money in annual payments from the 1st day of March, 2012, or from the last date on which interest has been paid on this debenture, whichever is later at the rate of 3.92% per annum, annually in arrears, on the specified dates, as set forth in the Amortization Schedule (each, a "**Payment Date**") in the manner provided in the Conditions. Subject to the Conditions, interest shall be paid on default at the applicable rate set out in the Conditions both before and after default and judgment. The applicable rate of interest, the payments of principal and interest and the principal balance outstanding in each year are shown in the Amortization Schedule.

This debenture is subject to the Conditions.

DATED at the City of Toronto, on the 1st day of March, 2011.

IN TESTIMONY WHEREOF and under the authority of By-law No. 337-2011 of the City of Toronto duly passed on March 1, 2011 (the "**By-law**"), this debenture is sealed with the seal of the City of Toronto and signed by the Mayor and Deputy City Manager and Chief Financial Officer (the "DCM/CFO") thereof.

Date of Registration: the 1st day of March, 2011.

Mayor

Deputy City Manager and Chief Financial Officer

AMORTIZATION SCHEDULEAmortization Schedule

Interest Rate: 3.92%
 Borrower: City of Toronto
 Amount of the Loan: \$10,200,000.00
 Planned Disbursement Date: March 1, 2011
 Amortization Period: 15 years
 Term: 15 years

Loan Schedule

Loan Date	01-Mar-11
Loan Amount	\$10,200,000.00
Interest Rate (%)	3.9200
Compounding Frequency	1
# of Payments per Year	1
Maturity Date	01-Mar-26
Term (Yrs)	15.000
Term (Yrs) -- if known	15.000
Periodic Rate (%)	3.9200
Calculated Payment	\$912,274.78
Payment -- if known	\$912,274.78
Number of Payments	15

	(end of period)	PRINCIPAL,				PRN
PMYT	PMYT	BEGINNING	PMYT	INT	PRN	END OF
#	DATE	OF PERIOD				PERIOD
1	01/03/2012	10,200,000.00	912,274.78	399,840.00	512,434.78	9,687,565.22
2	01/03/2013	9,687,565.22	912,274.78	379,752.56	532,522.22	9,155,043.00
3	01/03/2014	9,155,043.00	912,274.78	358,877.69	553,397.09	8,601,645.91
4	01/03/2015	8,601,645.91	912,274.78	337,184.52	575,090.26	8,026,555.65
5	01/03/2016	8,026,555.65	912,274.78	314,640.98	597,633.80	7,428,921.85
6	01/03/2017	7,428,921.85	912,274.78	291,213.74	621,061.04	6,807,860.81
7	01/03/2018	6,807,860.81	912,274.78	266,868.14	645,406.64	6,162,454.17
8	01/03/2019	6,162,454.17	912,274.78	241,568.20	670,706.58	5,491,747.59
9	01/03/2020	5,491,747.59	912,274.78	215,276.51	696,998.27	4,794,749.32
10	01/03/2021	4,794,749.32	912,274.78	187,954.17	724,320.61	4,070,428.71
11	01/03/2022	4,070,428.71	912,274.78	159,560.81	752,713.97	3,317,714.74
12	01/03/2023	3,317,714.74	912,274.78	130,054.42	782,220.36	2,535,494.38
13	01/03/2024	2,535,494.38	912,274.78	99,391.38	812,883.40	1,722,610.98
14	01/03/2025	1,722,610.98	912,274.78	67,526.35	844,748.43	877,862.55
15	01/03/2026	877,862.55	912,274.76	34,412.21	877,862.55	0.00

CONDITIONS OF THE DEBENTURE

1. The debentures issued pursuant to the By-law (collectively the "Debentures" and individually a "Debenture") are issuable as fully registered Debentures without coupons.
2. The Debentures are direct, unsecured 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 one fully registered Debenture registered in the name of CMHC and held by CMHC.
4. The City of Toronto shall maintain at its designated office a registry in respect of the Debentures in which shall be entered the names and the addresses of the registered holders of the Debentures and particulars of the Debentures held by them respectively and in which particulars of the cancellation, exchanges, substitutions and transfers of Debentures, may be registered 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.
5. 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 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. 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.
6. The record date for purposes of payment of principal and interest on the Debentures is as of 2:00 p.m. on the sixteenth calendar day preceding any Payment Date including the maturity date. Principal of and interest on the Debentures are payable by the 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.

7. The City of Toronto shall make all payments in respect of annual instalments of combined (blended) principal and interest on the Debentures on each Payment Date commencing on the 1st day of March, 2012 (other than in respect of the final payment of principal and outstanding interest on the maturity date upon presentation and surrender of this Debenture) on such terms as the City of Toronto and the registered holder may agree.
8. 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 annual interest payments, such interest shall be calculated on the basis of the actual number of days in the period and a year of 365 or 366 days, as appropriate.
9. 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.
10. The Debentures may be transferred by CMHC only with the prior written consent of the City of Toronto. Notwithstanding the foregoing, CMHC may transfer the Debentures without the prior consent of the City of Toronto if such transfer: (i) is to Her Majesty in Right of Canada, or (ii) is to a Federal Agency.
11. The City of Toronto shall issue and deliver new Debentures in exchange or substitution for Debentures outstanding on the registry with the same maturity and of like form which have become lost, stolen, mutilated, defaced or destroyed, provided that the applicant therefor shall have: (a) paid such costs as may have been incurred in connection therewith; (b) (in the case of a lost, stolen or destroyed Debenture) furnished the 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 Debentures 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 the By-law, shall be subject to the same terms and conditions as the Debentures in respect of which the transfer, exchange or substitution is effected.
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 to the Deputy City Manager and the Chief Financial Officer 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 principal and 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. 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 then such notice may be given on the next following Business Day.
16. Unless otherwise expressly provided herein, any reference herein to a time shall be considered to be a reference to Toronto, Ontario time.
17. 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.