

Authority: Debenture Committee Item DB9.1, as adopted by the Debenture Committee on June 6, 2017 under the delegated authority of Section 30-12 of City of Toronto Municipal Code Chapter 30, Debenture and Other Borrowing

CITY OF TORONTO

BY-LAW 603-2017

To amend By-law 407-2017 that authorized the borrowing upon additional sinking fund debentures in the principal amount of \$300,000,000.00 for capital works of the City of Toronto.

(Second re-opening of the 3.25 percent \$100,000,000.00 sinking fund debentures due June 24, 2046, issued on June 23, 2016 and initially re-opened in the amount of \$100,000,000.00 on September 23, 2016).

Whereas the *City of Toronto Act, 2006* (the "Act") and the regulations made thereunder provide that the City of Toronto may for its purposes borrow money to obtain or provide long-term financing for 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 Debenture Committee of the City of Toronto at its meeting held on April 6, 2017 passed By-law 407-2017 (the "Debenture By-law") that authorized the borrowing upon additional sinking fund debentures dated the 12th day of April, 2017 in the principal amount of \$300,000,000.00 for capital works of the City of Toronto (second re-opening of the 3.25 percent \$100,000,000.00 sinking fund debentures due June 24, 2046, issued on June 23, 2016 and initially re-opened in the amount of \$100,000,000.00 on September 23, 2016) (the "Debenture Issue"); and

Whereas in accordance with the Debenture By-law the City of Toronto delivered to CDS Global Debenture No. GB17-30-01-887-2017 (30)-R3 in accordance with the Debenture Issue (the "Original Global Debenture"); and

Whereas the repayment schedule that forms part of the Original Global Debenture that sets out the amounts payable in respect of the Debenture Issue contains typographical errors; and

Whereas, as a consequence, Section 10 of the applicable Conditions of the Original Global Debenture contains typographical errors in the amount of semi-annual interest payments in respect of the Debenture Issue; and

Whereas, as a consequence, Section 6 of the Debenture By-law contains typographical errors in the amount of semi-annual interest payments in respect of the Debenture Issue;

The Debenture Committee of the City of Toronto enacts:

1. The Debenture Committee hereby deems the Original Global Debenture to be null and void and, immediately upon deeming the Original Global Debenture to be null and void, authorizes the issue of a replacement Global Debenture No. GB17-30-01-887-2017 (30)-R3R in the form of Schedule "A" attached hereto and forming part of this By-law (the "Replacement Global Debenture") which contains a correct repayment schedule and an amended section 10 of the applicable Conditions that includes the correct amount of semi-annual interest payments in respect of the Debenture Issue.

2. The Debenture By-law is hereby amended by deleting Section 6 of the Debenture By-law in its entirety and substituting the following Section 6:

"6. In respect of the Debentures there shall be raised in each year during their currency as part of the general levy, an amount payable for interest on the Debentures as follows: the first interest payment in the amount of \$4,875,000.00 will be made on June 24, 2017 (which payment includes accrued interest from December 24, 2016) and thereafter semi-annual interest payments in the amount of \$4,875,000.00 will be made on June 24 and December 24, commencing on December 24, 2017. There shall also be raised in each year during the said period as part of the general levy, the additional amount of \$6,833,292.00 for deposit into the Sinking Fund, commencing on June 23, 2017, for the payment of the principal of the Debentures at maturity. In each such year, for the Capital Works, the said two amounts (the amount for interest and the amount for the sinking fund contribution) shall be raised 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 levied or imposed on persons or property by a by-law of any municipality."
3. The Debenture By-law is hereby amended by deleting the form of the Original Debenture attached as Schedule "B" to the Debenture By-law in its entirety and substituting the Replacement Debenture in the form of the attached Schedule "A".
4. The Deputy City Manager and Chief Financial Officer ("Chief Financial Officer") is hereby authorized to execute the direction to CDS Clearing and Depository Services Inc. ("CDS") in the form of Schedule "B" attached hereto and forming part of this By-law (the "Direction"), the executed Direction and the Replacement Global Debenture shall be delivered to CDS and the Replacement Global Debenture shall be exchanged for the Original Global Debenture, pursuant to the Direction. Thereafter, the Chief Financial Officer shall mark or cause the Original Global Debenture to be marked "Null and Void", the Original Global Debenture shall, for all purposes, be considered to be cancelled and the Chief Financial Officer shall duly enter or cause to be entered in the debenture registry of the City of Toronto the cancellation of the Original Global Debenture and the relevant information for the Replacement Global Debenture.
5. All of the amendments described herein are effective as at April 12, 2017.
6. This By-law comes into force on the day it is passed.

Enacted and passed on June 6, 2017.

Mayor John Tory
Chair, Debenture Committee

Ulli S. Watkiss
City Clerk

(Seal of the City)

City of Toronto
Schedule "A" to By-law 603-2017
(Schedule "B" to Debenture By-law 407-2017 – Amended)

Unless this certificate is presented by an authorized representative of CDS Clearing and Depository Services Inc. ("CDS") to the City of Toronto or its agent for registration of transfer, exchange or payment, and any certificate 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 (and any payment is made to CDS & CO. or to such other entity 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 the registered holder hereof, CDS & CO., has a property interest in the securities represented by this certificate herein and it is a violation of its rights for another person to hold, transfer or deal with this certificate.

No. GB17-30-01-887-2017 (30)-R3R

\$300,000,000.00
 CUSIP No.: 891288DP4
 ISIN No.: CA 891288DP47

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

FULLY REGISTERED GLOBAL 3.25% ADDITIONAL SINKING FUND DEBENTURE - REPLACEMENT
(Re-opening of the 3.25% \$100,000,000.00 sinking fund debentures due June 24, 2046, issued on June 23, 2016 and
re-opened in the amount of \$100,000,000.00 on September 23, 2016)

CITY OF TORONTO (the "Issuer"), for value received, hereby promises to pay to
 CDS & CO.

as nominee of CDS or registered assigns, subject to the Conditions attached hereto which form part hereof (the "Conditions"), on the maturity date of this Global Debenture (June 24, 2046), the principal amount of

THREE HUNDRED MILLION DOLLARS
 ----- (\$300,000,000.00) -----

in lawful money of Canada, and to pay interest thereon until the maturity date of this Global Debenture in like money with the first interest payment to be made on June 24, 2017 and thereafter in semi-annual payments to be made on June 24 and December 24, commencing on December 24, 2017, in each year, or from the last date on which interest has been paid on this Global Debenture, whichever is later, at the rate of 3.25% per annum in arrears (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 additional 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 12th day of April, 2017.

IN TESTIMONY WHEREOF and under the authority of By-law 407-2017 of the Issuer duly passed on the 6th day of April, 2017, as amended (the "Debenture By-law") this Global Debenture is sealed with the seal of the Issuer and signed by the Mayor and by the Deputy City Manager and Chief Financial Officer, thereof.

Date of Registration April 12, 2017

 Mayor

(seal)

 Deputy City Manager and Chief Financial Officer

SCHEDULE

Year	Interest Rate %	Interest		Annual Sinking Fund Deposit (23 June)	Total Annual Payment	Principal Balance Outstanding 24-Jun
		24-June	24-Dec			
		\$	\$	\$	\$	\$
2017	3.25	4,875,000.00	4,875,000.00	6,833,292.00	16,583,292.00	300,000,000.00
2018	3.25	4,875,000.00	4,875,000.00	6,833,292.00	16,583,292.00	300,000,000.00
2019	3.25	4,875,000.00	4,875,000.00	6,833,292.00	16,583,292.00	300,000,000.00
2020	3.25	4,875,000.00	4,875,000.00	6,833,292.00	16,583,292.00	300,000,000.00
2021	3.25	4,875,000.00	4,875,000.00	6,833,292.00	16,583,292.00	300,000,000.00
2022	3.25	4,875,000.00	4,875,000.00	6,833,292.00	16,583,292.00	300,000,000.00
2023	3.25	4,875,000.00	4,875,000.00	6,833,292.00	16,583,292.00	300,000,000.00
2024	3.25	4,875,000.00	4,875,000.00	6,833,292.00	16,583,292.00	300,000,000.00
2025	3.25	4,875,000.00	4,875,000.00	6,833,292.00	16,583,292.00	300,000,000.00
2026	3.25	4,875,000.00	4,875,000.00	6,833,292.00	16,583,292.00	300,000,000.00
2027	3.25	4,875,000.00	4,875,000.00	6,833,292.00	16,583,292.00	300,000,000.00
2028	3.25	4,875,000.00	4,875,000.00	6,833,292.00	16,583,292.00	300,000,000.00
2029	3.25	4,875,000.00	4,875,000.00	6,833,292.00	16,583,292.00	300,000,000.00
2030	3.25	4,875,000.00	4,875,000.00	6,833,292.00	16,583,292.00	300,000,000.00
2031	3.25	4,875,000.00	4,875,000.00	6,833,292.00	16,583,292.00	300,000,000.00
2032	3.25	4,875,000.00	4,875,000.00	6,833,292.00	16,583,292.00	300,000,000.00
2033	3.25	4,875,000.00	4,875,000.00	6,833,292.00	16,583,292.00	300,000,000.00
2034	3.25	4,875,000.00	4,875,000.00	6,833,292.00	16,583,292.00	300,000,000.00
2035	3.25	4,875,000.00	4,875,000.00	6,833,292.00	16,583,292.00	300,000,000.00
2036	3.25	4,875,000.00	4,875,000.00	6,833,292.00	16,583,292.00	300,000,000.00
2037	3.25	4,875,000.00	4,875,000.00	6,833,292.00	16,583,292.00	300,000,000.00
2038	3.25	4,875,000.00	4,875,000.00	6,833,292.00	16,583,292.00	300,000,000.00
2039	3.25	4,875,000.00	4,875,000.00	6,833,292.00	16,583,292.00	300,000,000.00
2040	3.25	4,875,000.00	4,875,000.00	6,833,292.00	16,583,292.00	300,000,000.00
2041	3.25	4,875,000.00	4,875,000.00	6,833,292.00	16,583,292.00	300,000,000.00
2042	3.25	4,875,000.00	4,875,000.00	6,833,292.00	16,583,292.00	300,000,000.00

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City of Toronto By-law 603-2017

Year	Interest Rate %	Interest		Annual Sinking Fund Deposit (23 June)	Total Annual Payment	Principal Balance Outstanding 24-Jun
		24-June \$	24-Dec \$			
2043	3.25	4,875,000.00	4,875,000.00	6,833,292.00	16,583,292.00	300,000,000.00
2044	3.25	4,875,000.00	4,875,000.00	6,833,292.00	16,583,292.00	300,000,000.00
2045	3.25	4,875,000.00	4,875,000.00	6,833,292.00	16,583,292.00	300,000,000.00
2046	3.25	4,875,000.00		6,833,292.00	11,708,292.00	300,000,000.00
		<u>146,250,000.00</u>	<u>141,375,000.00</u>	<u>204,998,760.00</u>	<u>492,623,760.00</u>	

LEGAL OPINION

We have examined the Debenture By-law of the Issuer authorizing the issue of additional sinking fund debentures in the principal amount of \$300,000,000.00 dated April 12, 2017 and maturing on June 24, 2046.

The Debenture By-law has been properly passed and is within the legal powers of the Issuer. The additional sinking fund global fully registered debenture certificate issued under the Debenture By-law (the "Global Debenture") is a direct, general and unsubordinated obligation of the Issuer. The Global Debenture is enforceable against the Issuer subject to the special jurisdiction and powers of the Ontario Municipal Board over defaulting municipalities under the *Municipal Affairs Act*, as amended. This opinion is subject to and incorporates all the assumptions, qualifications and limitations set out in our opinion letter delivered on the date of the Global Debenture.

Toronto, April 12, 2017

WeirFoulds LLP

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

1. The additional sinking fund debentures issued pursuant to the Debenture By-law (individually a "Debenture", collectively the "Debentures") are issuable as fully registered Debentures without coupons in minimum denominations of \$1,000.00.
2. The Debentures are direct, general and unsubordinated obligations of the Issuer. The Debentures rank concurrently and equally in respect of payment of principal and interest with all other debentures of the Issuer except for the availability of money in a sinking or retirement fund for a particular issue of debentures. (The Debentures represent additional sinking fund debentures in the principal amount of \$100,000,000.00 issued in connection with the second re-opening of the 3.25% \$100,000,000.00 sinking fund debentures due June 24, 2046, issued on June 23, 2016 (the "Original Debentures") and initially re-opened in the amount of \$100,000,000.00 of additional sinking fund debentures on September 23, 2016 (the "Additional Debentures"). The Debentures together with the Original Debentures and with the Additional Debentures, constitute one series of sinking fund debentures in the aggregate principal amount of \$500,000,000.00).
3. This Debenture is a Global Debenture registered in the name of the nominee of CDS and held by CDS. Beneficial interests in this Global Debenture are represented through book entry accounts to be established and maintained by CDS on its records for CDS's participants (the "Participants") in accordance with its participant agreement and rules and procedures which are posted on CDS's website.
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 the Conditions. The Issuer does not have any responsibility or liability for maintaining, supervising or reviewing any records of CDS or Participants relating to payments made or to be made by CDS or any Participant on account of beneficial ownership interests in this Global Debenture.

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 upon the occurrence of any of the following events: (a) upon 30 days' notice by CDS to the Issuer, CDS may discontinue the eligibility of this Global Debenture on deposit, or cease to hold this Global Debenture in respect of the Debentures; or (b) if CDS ceases to be a recognized clearing agency under applicable Canadian or provincial securities legislation and a successor is not appointed; or (c) if the Issuer gives CDS appropriate notice that it is unable or unwilling to continue to have CDS hold this Global Debenture as a book entry only security or that it desires or has processed an entitlement requiring a withdrawal of this Global Debenture, and the Issuer has all right, power, capacity and authority to do so.
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 Issuer 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 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 Issuer 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 Issuer 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 Issuer 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 Issuer 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 Issuer on the Debentures to the extent of the amount or amounts so paid.

Payments of Principal and Interest

10. In each year during the currency of the Debentures, there shall be raised as part of the general levy, the amount for interest on the Debentures as follows: the first interest payment in the amount of \$4,875,000.00 will be made on June 24, 2017 (which payment includes accrued interest from December 24, 2016) and thereafter semi-annual payments in the amount of \$4,875,000.00 will be made on June 24 and December 24, commencing on December 24, 2017. There shall also be raised in each year during the said period as part of the general levy, the additional amount of \$6,833,292.00 for deposit by the Issuer into the sinking fund established under Debenture By-law 667-2016 (the "Sinking Fund") for the payment of the principal of the Debentures at maturity in accordance with the relevant authorities including the provisions of the Debenture By-law, the *City of Toronto Act, 2006*, the regulations made thereunder and the City Policy, as defined in the Debenture By-law.
11. The record date for purposes of payment of principal and of interest on the Debentures is as of 5:00 p.m. on the fourteenth calendar day preceding any relevant Payment Date, including the maturity date. Principal of and interest on the Debentures are payable by the Issuer to the persons registered as holders in the registry on the relevant record date. The Issuer 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 Issuer shall make all payments in respect of semi-annual interest on the Debentures on the Payment Dates, commencing on June 24, 2017, and of principal at maturity, electronically in final and irrevocable same-day funds in accordance with the applicable requirements of CDS, so long as this Global Debenture is held by CDS.
13. In the case that certificated Debentures in definitive form are issued, the Issuer shall make all payments in respect of principal and outstanding interest in lawful money of Canada at maturity upon presentation and surrender thereof at any specified branch in Canada of the Issuer's bank designated in the definitive Debentures and prior to maturity, shall make payments of interest, by cheque sent by mail to the registered addresses of the registered holders or, if authorized in writing, by electronic transfer.
14. 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.
15. Payments in respect of contributions to the Sinking Fund as well as of principal 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.
16. 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 Issuer.

17. In the case of the death of one or more joint registered holders, despite sections 9 and 16 of the 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 Issuer.

Transfers, Exchanges and Substitutions

18. Debentures are transferable or exchangeable at the office of the Deputy City Manager and Chief Financial Officer of the Issuer upon presentation for such purpose accompanied by an instrument of transfer or exchange in a form approved by the Issuer 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 transferor, in the case of a transfer or as directed by the registered holder in the case of an exchange.
19. The Issuer 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 in the event of a mutilation, defacement, loss, mysterious or unexplainable disappearance, theft, destruction or dematerialization, 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 mutilated, defaced, lost, mysteriously or unexplainably missing, stolen, destroyed or dematerialized Debenture) furnished the Issuer with such evidence (including evidence as to the certificate number of the Debenture in question) and indemnity in respect thereof satisfactory to the Issuer in its discretion; and (iii) surrendered to the Issuer any mutilated or defaced Debenture in respect of which new Debentures are to be issued in substitution. In the case of the Global Debenture, the Issuer has waived the requirement of a bond of indemnity as a condition of issuing a replacement global fully registered debenture certificate in the event of a mutilation, defacement, loss, mysterious or unexplainable disappearance, theft or destruction.
20. 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.
21. Subject to an agreement that the Issuer may enter into to the contrary, the Issuer 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 Debentures or interest cheques that are mutilated, defaced, lost, mysteriously or unexplainably missing, stolen or destroyed.

Purchases

22. Subject to the investment policies and goals of the Issuer and the applicable legislation, the Issuer 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 Issuer may in its discretion determine.

Additional Debentures

23. The Issuer has reserved the right to issue additional sinking fund debentures of the same maturity, interest rate and terms and conditions.

Notices

24. 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 Issuer 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.

Time

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

Governing Law

26. 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.

City of Toronto
Schedule "B" to By-law 603-2017

DIRECTION REGARDING REPLACEMENT
OF THE CITY OF TORONTO \$300,000,000.00 GLOBAL DEBENTURE
ISSUED ON APRIL 12, 2017

TO: CDS Clearing and Depository Services Inc. ("CDS")
85 Richmond Street West, 2nd Floor
Toronto, ON

COPY TO: WeirFoulds LLP
66 Wellington Street West, Suite 4100,
P.O. Box 35, TD Bank Tower,
Toronto, ON M5K 1B7

AND COPY TO: RBC Dominion Securities Inc.
2nd Floor, North Tower, Royal Bank Plaza, 200 Bay Street,
Toronto, ON M5J 2W7

IN THE MATTER OF an issue of additional sinking fund debentures of the City of Toronto in the principal amount of \$300,000,000.00 payable on June 24, 2046 authorized by By-law 407-2017 – CUSIP/ISIN 891288DP4 / CA 891288DP47 (the "**Debenture Issue**") (*Second re-opening of the 3.25% \$100,000,000.00 sinking fund debentures due June 24, 2046, issued on June 23, 2016 and initially re-opened in the amount of \$100,000,000.00 on September 23, 2016*)

WHEREAS the City of Toronto delivered to CDS Global Debenture No. GB17-30-01-887-2017 (30)-R3 in accordance with the Debenture Issue (the "**Original Global Debenture**") in the form attached as Schedule "A".

AND WHEREAS typographical errors in the Original Global Debenture have been identified as follows:

1. The repayment schedule that forms part of the Original Global Debenture that sets out the amounts payable in respect of the Debenture Issue contains typographical errors which errors are highlighted in yellow in Schedule "A".
2. Section 10 of the applicable Conditions of the Original Global Debenture contains typographical errors in the amount of semi-annual interest payments in respect of the Debenture Issue.
3. The City of Toronto by amending By-law 603-2017 deemed the Original Global Debenture to be null and void and immediately upon deeming the Original Global Debenture to be null and void authorized the issue of a replacement Global Debenture No. GB17-30-01-887-2017 (30)-R3R (the "**Replacement Global Debenture**") which contains a correct repayment schedule and an amended section 10 of the applicable Conditions that includes the correct amount of semi-annual interest payments in respect of the Debenture Issue.

NOW THEREFORE the undersigned hereby:

1. Authorizes and directs CDS to substitute for the Original Global Debenture the Replacement Global Debenture which contains a correct repayment schedule and an amended section 10 of the applicable Conditions that includes the correct amount of semi-annual interest payments in respect of the Debenture Issue.
2. Authorizes and directs CDS to return the Original Global Debenture which has been deemed to be null and void to the City of Toronto's authorized representative.

DATED at the City of Toronto this 7th day of June, 2017

Roberto Rossini
Deputy City Manager and Chief Financial Officer

SCHEDULE "A"
(ORIGINAL GLOBAL DEBENTURE)

Unless this certificate is presented by an authorized representative of CDS Clearing and Depository Services Inc. ("CDS") to the City of Toronto or its agent for registration of transfer, exchange or payment, and any certificate 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 (and any payment is made to CDS & CO. or to such other entity 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 the registered holder hereof, CDS & CO., has a property interest in the securities represented by this certificate herein and it is a violation of its rights for another person to hold, transfer or deal with this certificate.

No. GB17-30-01-887-2017 (30)-R3

\$300,000,000.00
CUSIP No.: 891288DP4
ISIN No.: CA 891288DP47

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

FULLY REGISTERED GLOBAL 3.25% ADDITIONAL SINKING FUND DEBENTURE
(Re-opening of the 3.25% \$100,000,000.00 sinking fund debentures due June 24, 2046, issued on June 23, 2016 and re-opened in the amount of \$100,000,000.00 on September 23, 2016)

CITY OF TORONTO (the "Issuer"), for value received, hereby promises to pay to
CDS & CO.

as nominee of CDS or registered assigns, subject to the Conditions attached hereto which form part hereof (the "Conditions"), on the maturity date of this Global Debenture (June 24, 2046), the principal amount of

THREE HUNDRED MILLION DOLLARS
----- (\$300,000,000.00) -----

in lawful money of Canada, and to pay interest thereon until the maturity date of this Global Debenture in like money with the first interest payment to be made on June 24, 2017 and thereafter in semi-annual payments to be made on June 24 and December 24, commencing on December 24, 2017, in each year, or from the last date on which interest has been paid on this Global Debenture, whichever is later, at the rate of 3.25% per annum in arrears (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 additional 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 12th day of April, 2017.

IN TESTIMONY WHEREOF and under the authority of By-law 407-2017 (the "Debenture By-law") of the Issuer duly passed on the 6th day of April, 2017, this Global Debenture is sealed with the seal of the Issuer and signed by the Mayor and by the Deputy City Manager and Chief Financial Officer, thereof.

Date of Registration April 12, 2017

Mayor

(seal)

Deputy City Manager and Chief Financial Officer

SCHEDULE

Year	Interest Rate	Interest		Annual Sinking Fund Deposit (23 June)	Total Annual Payment	Principal Balance Outstanding 24-June
		24-June	24-Dec			
	%	\$	\$	\$	\$	\$
2017	3.25	2,911,643.84	4,875,000.00	6,833,292.00	14,619,935.84	300,000,000.00
2018	3.25	4,875,000.00	4,875,000.00	6,833,292.00	16,583,292.00	300,000,000.00
2019	3.25	4,875,000.00	4,875,000.00	6,833,292.00	16,583,292.00	300,000,000.00
2020	3.25	4,875,000.00	4,875,000.00	6,833,292.00	16,583,292.00	300,000,000.00
2021	3.25	4,875,000.00	4,875,000.00	6,833,292.00	16,583,292.00	300,000,000.00
2022	3.25	4,875,000.00	4,875,000.00	6,833,292.00	16,583,292.00	300,000,000.00
2023	3.25	4,875,000.00	4,875,000.00	6,833,292.00	16,583,292.00	300,000,000.00
2024	3.25	4,875,000.00	4,875,000.00	6,833,292.00	16,583,292.00	300,000,000.00
2025	3.25	4,875,000.00	4,875,000.00	6,833,292.00	16,583,292.00	300,000,000.00
2026	3.25	4,875,000.00	4,875,000.00	6,833,292.00	16,583,292.00	300,000,000.00
2027	3.25	4,875,000.00	4,875,000.00	6,833,292.00	16,583,292.00	300,000,000.00
2028	3.25	4,875,000.00	4,875,000.00	6,833,292.00	16,583,292.00	300,000,000.00
2029	3.25	4,875,000.00	4,875,000.00	6,833,292.00	16,583,292.00	300,000,000.00
2030	3.25	4,875,000.00	4,875,000.00	6,833,292.00	16,583,292.00	300,000,000.00
2031	3.25	4,875,000.00	4,875,000.00	6,833,292.00	16,583,292.00	300,000,000.00
2032	3.25	4,875,000.00	4,875,000.00	6,833,292.00	16,583,292.00	300,000,000.00
2033	3.25	4,875,000.00	4,875,000.00	6,833,292.00	16,583,292.00	300,000,000.00
2034	3.25	4,875,000.00	4,875,000.00	6,833,292.00	16,583,292.00	300,000,000.00
2035	3.25	4,875,000.00	4,875,000.00	6,833,292.00	16,583,292.00	300,000,000.00
2036	3.25	4,875,000.00	4,875,000.00	6,833,292.00	16,583,292.00	300,000,000.00
2037	3.25	4,875,000.00	4,875,000.00	6,833,292.00	16,583,292.00	300,000,000.00
2038	3.25	4,875,000.00	4,875,000.00	6,833,292.00	16,583,292.00	300,000,000.00
2039	3.25	4,875,000.00	4,875,000.00	6,833,292.00	16,583,292.00	300,000,000.00
2040	3.25	4,875,000.00	4,875,000.00	6,833,292.00	16,583,292.00	300,000,000.00
2041	3.25	4,875,000.00	4,875,000.00	6,833,292.00	16,583,292.00	300,000,000.00

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City of Toronto By-law 603-2017

Year	Interest Rate	Interest		Annual Sinking Fund Deposit (23 June)	Total Annual Payment	Principal Balance Outstanding 24-June
		24-June	24-Dec			
	%	\$	\$	\$	\$	\$
2042	3.25	4,875,000.00	4,875,000.00	6,833,292.00	16,583,292.00	300,000,000.00
2043	3.25	4,875,000.00	4,875,000.00	6,833,292.00	16,583,292.00	300,000,000.00
2044	3.25	4,875,000.00	4,875,000.00	6,833,292.00	16,583,292.00	300,000,000.00
2045	3.25	4,875,000.00	4,875,000.00	6,833,292.00	16,583,292.00	300,000,000.00
2046	3.25	4,875,000.00	4,875,000.00	6,833,292.00	16,583,292.00	300,000,000.00
		<u>144,286,643.84</u>	<u>146,250,000.00</u>	<u>204,998,760.00</u>	<u>495,535,403.84</u>	

LEGAL OPINION

We have examined the Debenture By-law of the Issuer authorizing the issue of additional sinking fund debentures in the principal amount of \$300,000,000.00 dated April 12, 2017 and maturing on June 24, 2046.

The Debenture By-law has been properly passed and is within the legal powers of the Issuer. The additional sinking fund global fully registered debenture certificate issued under the Debenture By-law (the "Global Debenture") is a direct, general and unsubordinated obligation of the Issuer. The Global Debenture is enforceable against the Issuer subject to the special jurisdiction and powers of the Ontario Municipal Board over defaulting municipalities under the *Municipal Affairs Act*, as amended. This opinion is subject to and incorporates all the assumptions, qualifications and limitations set out in our opinion letter delivered on the date of the Global Debenture.

Toronto, April 12, 2017

WeirFoulds LLP

CONDITIONS OF GLOBAL DEBENTURE

Form, Denomination, Ranking and Beneficial Interests in Global Debenture

1. The additional sinking fund debentures issued pursuant to the Debenture By-law (individually a "Debenture", collectively the "Debentures") are issuable as fully registered Debentures without coupons in minimum denominations of \$1,000.00.
2. The Debentures are direct, general and unsubordinated obligations of the Issuer. The Debentures rank concurrently and equally in respect of payment of principal and interest with all other debentures of the Issuer except for the availability of money in a sinking or retirement fund for a particular issue of debentures. (The Debentures represent additional sinking fund debentures in the principal amount of \$100,000,000.00 issued in connection with the second re-opening of the 3.25% \$100,000,000.00 sinking fund debentures due June 24, 2046, issued on June 23, 2016 (the "Original Debentures") and initially re-opened in the amount of \$100,000,000.00 of additional sinking fund debentures on September 23, 2016 (the "Additional Debentures"). The Debentures together with the Original Debentures and with the Additional Debentures, constitute one series of sinking fund debentures in the aggregate principal amount of \$500,000,000.00).
3. This Debenture is a Global Debenture registered in the name of the nominee of CDS and held by CDS. Beneficial interests in this Global Debenture are represented through book entry accounts to be established and maintained by CDS on its records for CDS's participants (the "Participants") in accordance with its participant agreement and rules and procedures which are posted on CDS's website.
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 the Conditions. The Issuer does not have any responsibility or liability for maintaining, supervising or reviewing any records of CDS or Participants relating to payments made or to be made by CDS or any Participant on account of beneficial ownership interests in this Global Debenture.

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 upon the occurrence of any of the following events: (a) upon 30 days' notice by CDS to the Issuer, CDS may discontinue the eligibility of this Global Debenture on deposit, or cease to hold this Global Debenture in respect of the Debentures; or (b) if CDS ceases to be a recognized clearing agency under applicable Canadian or provincial securities legislation and a successor is not appointed; or (c) if the Issuer gives CDS appropriate notice that it is unable or unwilling to continue to have CDS hold this Global Debenture as a book entry only security or that it desires or has processed an entitlement requiring a withdrawal of this Global Debenture, and the Issuer has all right, power, capacity and authority to do so.
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 Issuer 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 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 Issuer 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 Issuer 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 Issuer 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 Issuer 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 Issuer on the Debentures to the extent of the amount or amounts so paid.

Payments of Principal and Interest

10. In each year during the currency of the Debentures, there shall be raised as part of the general levy, the amount for interest on the Debentures as follows: the first interest payment in the amount of \$2,911,643.84 will be made on June 24, 2017 (which payment includes accrued interest from December 24, 2016) and thereafter semi-annual payments in the amount of \$4,785,000.00 will be made on June 24 and December 24, commencing on December 24, 2017. There shall also be raised in each year during the said period as part of the general levy, the additional amount of \$6,833,292.00 for deposit by the Issuer into the sinking fund established under Debenture By-law 667-2016 (the "Sinking Fund") for the payment of the principal of the Debentures at maturity in accordance with the relevant authorities including the provisions of the Debenture By-law, the *City of Toronto Act, 2006*, the regulations made thereunder and the City Policy, as defined in the Debenture By-law.
11. The record date for purposes of payment of principal and of interest on the Debentures is as of 5:00 p.m. on the fourteenth calendar day preceding any relevant Payment Date, including the maturity date. Principal of and interest on the Debentures are payable by the Issuer to the persons registered as holders in the registry on the relevant record date. The Issuer 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 Issuer shall make all payments in respect of semi-annual interest on the Debentures on the Payment Dates, commencing on June 24, 2017, and of principal at maturity, electronically in final and irrevocable same-day funds in accordance with the applicable requirements of CDS, so long as this Global Debenture is held by CDS.
13. In the case that certificated Debentures in definitive form are issued, the Issuer shall make all payments in respect of principal and outstanding interest in lawful money of Canada at maturity upon presentation and surrender thereof at any specified branch in Canada of the Issuer's bank designated in the definitive Debentures and prior to maturity, shall make payments of interest, by cheque sent by mail to the registered addresses of the registered holders or, if authorized in writing, by electronic transfer.
14. 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.
15. Payments in respect of contributions to the Sinking Fund as well as of principal 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.
16. 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 Issuer.

17. In the case of the death of one or more joint registered holders, despite sections 9 and 16 of the 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 Issuer.

Transfers, Exchanges and Substitutions

18. Debentures are transferable or exchangeable at the office of the Deputy City Manager and Chief Financial Officer of the Issuer upon presentation for such purpose accompanied by an instrument of transfer or exchange in a form approved by the Issuer 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 transferor, in the case of a transfer or as directed by the registered holder in the case of an exchange.
19. The Issuer 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 in the event of a mutilation, defacement, loss, mysterious or unexplainable disappearance, theft, destruction or dematerialization, 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 mutilated, defaced, lost, mysteriously or unexplainably missing, stolen, destroyed or dematerialized Debenture) furnished the Issuer with such evidence (including evidence as to the certificate number of the Debenture in question) and indemnity in respect thereof satisfactory to the Issuer in its discretion; and (iii) surrendered to the Issuer any mutilated or defaced Debenture in respect of which new Debentures are to be issued in substitution. In the case of the Global Debenture, the Issuer has waived the requirement of a bond of indemnity as a condition of issuing a replacement global fully registered debenture certificate in the event of a mutilation, defacement, loss, mysterious or unexplainable disappearance, theft or destruction.
20. 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.
21. Subject to an agreement that the Issuer may enter into to the contrary, the Issuer 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 Debentures or interest cheques that are mutilated, defaced, lost, mysteriously or unexplainably missing, stolen or destroyed.

Purchases

22. Subject to the investment policies and goals of the Issuer and the applicable legislation, the Issuer 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 Issuer may in its discretion determine.

Additional Debentures

23. The Issuer has reserved the right to issue additional sinking fund debentures of the same maturity, interest rate and terms and conditions.

Notices

24. 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 Issuer 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.

Time

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

Governing Law

26. 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.