CITY OF TORONTO

BY-LAW No. 613-2001

To authorize the issue of sinking fund debentures to the amount of $150,000,000.00 for a purpose of the City of Toronto.

WHEREAS the Municipality of Metropolitan Toronto Act (the “Metro Act”), prior to January 1, 1998, provided that, subject to the limitations and restrictions contained in the Metro Act and in the Ontario Municipal Board Act, (the “OMB Act”) the council of The Municipality of Metropolitan Toronto (the “Metropolitan Corporation”) could borrow money for the purposes of the Metropolitan Corporation including the purposes of the Toronto Transit Commission (the “TTC”) and of the Metropolitan Toronto Library Board, any area municipality, the joint purposes of any two or more area municipalities, and any board of education in the Metropolitan Area (as that term was defined in the Metro Act) whether under the Metro Act or any general or special Act and could issue debentures therefor on the credit of the Metropolitan Corporation; and

WHEREAS the Metropolitan Corporation had, in 1994, received from the Ministry of Municipal Affairs its annual debt and financial obligation limit and the Treasurer of the Metropolitan Corporation had updated such limit in accordance with the applicable regulation prior to the authorization of the purpose of the TTC described in Column 1 of Schedule “A” and such Treasurer determined that the estimated annual amount payable in respect of such purpose did not cause the Metropolitan Corporation to exceed the updated limit with the result that the council of the Metropolitan Corporation, in accordance with the applicable legislation, authorized such purpose without the approval of the Ontario Municipal Board (the “OMB”) under section 65 of the OMB Act; and

WHEREAS effective January 1, 1998 the City of Toronto Act, 1997 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 City of Toronto Act, 1997 provides that all assets, liabilities, rights, interests, approvals, status, registrations, entitlements and contractual benefits and obligations of the Metropolitan Corporation and of the six former area municipalities on December 31, 1997 are on January 1, 1998, vested in and become assets and liabilities of the new City of Toronto; and

WHEREAS subsection 2(7) of the City of Toronto Act, 1997 provides that every by-law or resolution of the council of the Metropolitan Corporation and of the councils of the six former area municipalities which were in force immediately before the dissolution of all such municipalities under section 28 of the City of Toronto Act, 1997 are deemed to be a by-law or resolution of the Council of the new City of Toronto; and
WHEREAS the Municipal Act provides that a municipality may borrow money or incur a debt for municipal purposes and may issue debentures for the money borrowed or for the debt without the approval of the OMB under section 65 of the OMB Act if the municipality does not thereby exceed its updated debt and financial obligation limit; and

WHEREAS the City of Toronto received from the Ministry of Municipal Affairs and Housing its annual debt and financial obligation limit for the year 2000 and the Treasurer of the City of Toronto updated such limit in accordance with Ontario Regulation 799/94, as amended, prior to the authorization of an increased cost amount and an additional debenture authority in respect of the purpose described in Column 1 of Schedule “A” and determined that the estimated annual amount payable in respect of the increased cost amount and the additional debenture authority would not cause the City of Toronto to exceed its updated limit with the result that the Council of the City of Toronto, in accordance with the applicable legislation, could authorize such increased cost amount and such additional debenture authority, without the approval of the OMB under section 65 of the OMB Act; and

WHEREAS the City of Toronto Act, 1997 (No. 2) 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 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. 30-2001 the Council of the City of Toronto authorized the Mayor and the Treasurer during the year 2001 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 $600,000,000.00 for the purposes of the City of Toronto; and

WHEREAS the office of Chief Financial Officer and Treasurer of the City of Toronto is vacant and pursuant to By-law No. 506-2001, as amended by By-law No. 611-2001, Al Shultz has been appointed to the office of Acting Treasurer of the City of Toronto and in that connection has all of the powers and duties imposed upon a treasurer by the Municipal Act, by any other statutes, and by any by-law of the Council of the City of Toronto; and

WHEREAS the Mayor and the Acting Treasurer entered into an agreement dated July 16, 2001 with Scotia Capital Inc., RBC Dominion Securities Inc., and CIBC World Markets Inc. for the issue and sale of twenty year sinking fund debentures dated July 26, 2001 in the principal amount of $150,000,000.00 (the “Agreement”); and

WHEREAS the City of Toronto Act, 1997 (No. 2) provides that when an agreement is made under a by-law, like By-law No. 30-2001, the Council of the City of Toronto shall pass all necessary money by-laws in accordance with such agreement, Part X of the Municipal Act and specified sections of the City of Toronto Act, 1997 (No. 2); and
WHEREAS the City of Toronto and the Metropolitan Corporation have complied with all of the provisions of the aforesaid Acts relating to the borrowing of money for the purpose described in Column 1 of Schedule “A”, and the issue of debentures to provide the amount set out in Column 2 of Schedule “A”; and

WHEREAS it is deemed necessary to issue debentures on the credit of the City of Toronto in the principal amount of $150,000,000.00 in order to provide the amount set out in Column 2 of Schedule “A” after providing for the discount, if any, and expenses incidental to the negotiation and sale of the debentures, such debentures to be payable within the term of years set out in Column 5 of Schedule “A” which term of years does not exceed the lifetime of the purpose described in Column 1 of Schedule “A”; and

WHEREAS it is expedient that the said debentures bear interest at the rate set out in section 3 hereof payable semi-annually with the principal amount of such debentures payable on the 26th day of July, 2021;

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

1. The borrowing of the said sum of $150,000,000.00 for the purpose described in Column 1 of Schedule “A” and the issue of sinking fund debentures therefor on the credit of the City of Toronto to be repaid on the day hereinafter fixed are hereby authorized.

2. The Mayor and the Treasurer or the Acting Treasurer of the City of Toronto are hereby authorized to cause any number of sinking fund debentures to be made for such sums of money as may be required for the purpose aforesaid in global and definitive forms not exceeding in the whole the said sum of $150,000,000.00 (hereinafter called the “said debentures”) and the said debentures shall be sealed and signed in accordance with the provisions of the Municipal Act. The said debentures shall initially be issued in global fully registered form as six certificates, each in the principal amount of $25,000,000.00, each in the name of the nominee of The Canadian Depository for Securities Limited, (hereinafter called “CDS”), being CDS & Co., with provision for payment of principal and interest by cheque sent by post to the registered address of the registered holder or, if authorized in writing, by electronic transfer (hereinafter called the “Global Debentures”). Any of the said debentures issued in definitive form may, with Council approval, be countersigned in writing by officials so designated by Council.

3. The said debentures shall all be dated the 26th day of July, 2001 and shall be issued within two years after the day on which this By-law is passed and as to both principal and interest shall be expressed and be payable in lawful money of Canada. The said debentures shall be issued for a term of twenty years bearing interest at the rate of 6.80 per cent per annum and shall be payable on the 26th day of July, 2021 and in each year during such twenty year period, the sum of $10,200,000.00 shall be payable for interest on the said debentures and the sum of $4,536,388.50 shall be deposited by the said Treasurer, or an authorized official of the City of Toronto, in the sinking fund for the payment of the principal of the said debentures at maturity as required by the provisions of the Municipal Act and the City of Toronto Act, 1997 (No. 2).
4. The said debentures shall bear interest at the rate aforesaid from the date thereof, which interest shall be payable semi-annually in arrears on January 26 and July 26 in each year commencing on January 26, 2002. Interest shall be payable to the date of maturity 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 and interest in respect of the said debentures shall be paid out of current revenues.

5. In limited circumstances (as set out in the letter of representations referred to in subsection 7(1) of this By-law), the Global Debentures shall be exchangeable for debentures in definitive fully registered form in denominations of $1,000.00 and any multiples thereof upon surrender of the Global Debentures to the Treasurer of the City of Toronto. The definitive debentures in respect of the said debentures shall aggregate the same principal amount as the principal outstanding balance of the Global Debentures which relate to the said debentures as at the date of exchange, shall bear the same interest rate and maturity date, shall bear all unmatured interest obligations and shall be the same substantially in every respect to the Global Debentures as they relate to the said debentures. In issuing definitive debentures, no change shall be made in the amount which would otherwise be payable in each year in respect of the said debentures under the Global Debentures. The definitive debentures shall be in fully registered form, payable as to principal in lawful money of Canada at any specified branch of the bank designated in the definitive debentures with provision for payment of interest by cheque sent by post to the registered addresses of the registered holders or, if authorized in writing, by electronic transfer.

6. There shall be raised in each year during the twenty year period from the date of the said debentures the said sum of $10,200,000.00 for interest on the said debentures together with the said sum of $4,536,388.50 for deposit in the said sinking fund for the payment of the principal of the said debentures at maturity and in each such year, for the purpose described in Column 1 of Schedule “A”, the said two sums shall be levied and raised by a special rate sufficient therefor, on all the rateable property in the City of Toronto to the extent that such sums have not been provided for by any special rates imposed on persons or property made especially liable for them by a by-law of the Council of the City of Toronto. The said sum of $4,536,388.50 for deposit in the said sinking fund shall, in accordance with the provisions of the Municipal Act and sections 104 and 105 of the City of Toronto Act, 1997 (No. 2), be deposited with a bank listed in Schedule I or II to the Bank Act (Canada) or a trust corporation that is registered under the Loan and Trust Corporations Act, or subject to the Credit Unions and Caisses Populaires Act (sic), with a credit union as defined in that Act, and such amount shall be so deposited on or before the anniversary date in each year of the currency of the said debentures.

7. (1) The said Mayor and the Acting Treasurer are hereby authorized to complete the sale of the said debentures in accordance with the Agreement. The entering into of a letter of representations addressed to CDS is hereby authorized in such form as the Mayor and the Acting Treasurer, on the advice of the City Solicitor, may approve. The Mayor and the Acting Treasurer are hereby authorized to complete the sale of the said debentures in accordance with the terms of the Agreement and the letter of representations and generally to do all things and execute all documents and other
papers in the name of the City of Toronto in order to complete the sale of the said debentures contemplated by the Agreement, the letter of representations and this By-law and the seal of the City of Toronto may be affixed to all or any of such documents and papers, including the Agreement and the letter of representations.

(2) The proceeds of the sale or hypothecation of the said debentures, after providing for the discount, if any, and the expenses of the negotiation and sale thereof, shall be applied for the purpose described in Column 1 of Schedule “A” and for no other purpose except as permitted by the Municipal Act and the City of Toronto Act, 1997 (No. 2).

8. The City of Toronto may from time to time, without notice to or the consent of the registered holders of the said debentures, create and issue further debentures in sets, in accordance with the Municipal Act, ranking concurrently and equally with the said debentures in all respects (or in all respects except for the payment of interest accruing prior to the issue date of such further debentures or except for the first payment of interest following the issue date of such further debentures) and so that such further debentures shall be consolidated and form a single series with the said debentures and shall have the same terms as to status, redemption or otherwise as the said debentures.

9. The debentures to be issued hereunder may contain or have endorsed upon them a provision to the following effect: “This debenture, or any interest herein, shall not, after a certificate of ownership has been endorsed hereon by the Treasurer of the City of Toronto (or by such other person authorized by By-law of the City of Toronto to endorse such certificate of ownership), be transferable except by entry by the Treasurer (or by such other person so authorized), in the Debenture Registry of the City of Toronto at the City of Toronto”.

ENACTED AND PASSED this 24th day of July, A.D. 2001.

CASE OOTES, JEFFREY A. ABRAMS,
Deputy Mayor Acting City Clerk

(Corporate Seal)
### SCHEDULE “A”

<table>
<thead>
<tr>
<th>Purpose</th>
<th>Amount</th>
<th>Term Years</th>
<th>Repayment</th>
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