To authorize the issue of replacement debenture certificates and revenue bonds.

WHEREAS the City of Toronto Act, 2006 and the regulations made thereunder (the “Act”) 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

WHEREAS the City of Toronto has issued and continues to issue debentures to provide long term financing for its capital works pursuant to the provisions of the Act from time to time; and

WHEREAS when the City of Toronto from time to time issues debentures in the capital markets, such debentures are typically issued in global fully registered form (individually a “Global Debenture” and collectively the “Global Debentures”) in the name of CDS & CO. as nominee of CDS Clearing and Depository Services Inc. (“CDS”) and are typically deposited in the CDS system as book entry only securities; and

WHEREAS CDS has introduced changes to its book entry only services system and, effective August 1, 2009, CDS requires Ontario municipal issuers who desire to deposit debentures in the CDS system as book entry only securities to enter into new arrangements with CDS which, amongst other things, requires them to enter into a Book Entry Only Securities – Services Agreement (“BEO SSA”) which is in a standard form containing terms applicable to all issuers wishing to use the book entry services of CDS and CDS permits Ontario municipalities to enter into Rider 1 (Municipalities) to the BEO SSA (the “Rider”) which Rider modifies certain terms of the BEO SSA to make such terms more favourable to those who enter into the Rider; and

WHEREAS the Rider, generally modifies the BEO SSA by rendering certain terms thereof more favourable to those who enter into the Rider and in section 3.3 of the Rider it provides that if the statute or by-laws binding the issuer require a bond of indemnity as a condition of issuing a replacement certificate in the event of a defacement, loss, mysterious or unexplainable disappearance, theft or destruction or other instance, then CDS may at its option, either give an indemnity to the issuer for losses incurred by the issuer by reason of a claim in respect of the defaced, lost mysteriously or unexplainably disappeared, stolen or destroyed global certificate, substantially in the form required by the issuer and acceptable to CDS, or deliver a bond of indemnity, lost document bond or similar instrument each of which is issued by a surety or insurer, in a form acceptable to both the issuer and CDS, and issuer shall have no right to require a fee of any kind, whereupon the issuer shall, if requested by CDS, issue a new global certificate to replace such defaced, lost, mysteriously or unexplainably disappeared, stolen, destroyed or dematerialized global certificate; and

CITY OF TORONTO

BY-LAW No. 884-2009

To authorize the issue of replacement debenture certificates and revenue bonds.
WHEREAS the Rider also provides in section 3.1 that the issuer shall deliver or cause to be delivered to CDS for each specific issue of debentures being deposited at CDS, one original, fully registered global certificate or if the aggregate principal amount of the debentures at maturity exceeds $50 million CAD and if the statutes or by-laws binding the issuer require a bond of indemnity as a condition of issuing a replacement certificate, then with respect to each $50 million of principal amount, the issuer shall deliver or cause to be delivered to CDS an additional original, fully registered global certificate; and

WHEREAS it is expedient to authorize the issuing of replacement debenture certificates (including the Global Debentures) and revenue bonds, in the event of a defacement, loss, mysterious or unexplainable disappearance, theft or destruction or other instance and establish certain conditions in respect thereof;

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

1. In the event of a defacement, loss, mysterious or unexplainable disappearance, theft or destruction or other instance in respect of debenture certificates (including Global Debentures) and of revenue bonds, the Mayor and the Deputy City Manager and Chief Financial Officer on behalf of the City of Toronto are hereby authorized to issue replacement debenture certificates (including replacement Global Debentures) and revenue bonds, as the case may be, on the provision of a bond of indemnity, lost document bond or similar instrument each of which is issued by a surety or insurer, in a form acceptable to both the City of Toronto and the entity that has requested the replacement debenture certificate (including Global Debentures) or revenue bond.

2. In the case of a request for a replacement debenture certificate (including a Global Debenture) or a revenue bond by CDS, the City of Toronto shall have no right to require a fee of any kind, although the City of Toronto, may, at its discretion, in other cases require the payment of a fee to cover the cost of issuing a replacement debenture certificate (including a Global Debenture) or a revenue bond.

3. This By-law comes into force on the day it is passed.

ENACTED AND PASSED this 29th day of September, A.D. 2009.

MAYOR DAVID MILLER, ULLI S. WATKISS
Chair of Debenture Committee City Clerk

(Corporate Seal)