

Authority: Debenture Committee Item 1.1, as approved by the Debenture Committee at its meeting of September 29, 2009 under the delegated authority of Section 30-5 of Chapter 30, Debenture Committee, of The City of Toronto Municipal Code
Enacted by Debenture Committee: September 29, 2009

CITY OF TORONTO

BY-LAW No. 885-2009

To authorize the execution of a book entry only - services agreement and a rider, both with CDS Clearing and Depository Services Inc. (“CDS”) and both in respect of the deposit in the CDS system of debentures and revenue bonds as book entry only securities.

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 and 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 it is expedient to authorize the entering into of new arrangements with CDS to ensure that CDS accepts new issues of debentures and revenue bonds and maintains existing securities issued by the City of Toronto as book entry only securities in the CDS system;

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

1. The City Clerk and Deputy City Manager and Chief Financial Officer on behalf of the City of Toronto are hereby authorized to execute the BEO SSA and the Rider, substantially in the form attached as Schedule “A” to this by-law, with such changes thereto as may be required by CDS and as such authorized officials of the City of Toronto may, at their discretion, approve.

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

MAYOR DAVID MILLER,
Chair of Debenture Committee

ULLI S. WATKISS
City Clerk

(Corporate Seal)

Schedule "A"



CDS Clearing and Depository Services Inc.

BOOK ENTRY ONLY SECURITIES - SERVICES AGREEMENT

FINAL DRAFT DATED July 17, 2009

TO: CDS Clearing and Depository Services Inc. Attention: SIES Eligibility Department

Delivered electronically via the upload facility on www.cds.ca for Book Entry Only Services or as otherwise permitted on www.cds.ca**1. Binding Agreement**

The undersigned ("Issuer") applies to CDS Clearing and Depository Services Inc. ("CDS") to make certain of its securities eligible for deposit at CDS for book entry only services of CDS or to maintain the eligibility of securities for book entry only services. Issuer agrees that this Book Entry Only Securities Services Agreement, together with the Issuer Procedures referenced below (collectively the "Agreement"), shall constitute an agreement binding on Issuer and CDS.

2. Book Entry Only Services

When Issuer from time to time issues securities in the Canadian market which Issuer desires to be eligible for book entry only services of CDS, Issuer will so advise CDS by delivering to CDS a completed BEO Acknowledgement in the requisite form set out in the Issuer Procedures, together with such other documents and fees referenced in this Agreement and the Issuer Procedures. In order to be eligible for book entry only services at CDS, 100% of each specific issue of CDS eligible securities of Issuer deposited at CDS shall be registered in the name of CDS's nominee, CDS & CO. or in such other name as CDS may designate ("CDS Name") as a book entry only security (hereinafter a "Security").

3. Previous Book Entry Only Securities and Letters of Representations

Issuer acknowledges that this Agreement applies to each previously issued book entry only security of Issuer or its predecessors delivered to CDS, and if applicable, replaces every previous letter of representations, including if applicable, master letter of representations, blanket letter of representations and memorandums of understanding and related documents, delivered by it or its predecessors, whether addressed to CDS or to its predecessor, The Canadian Depository for Securities Limited. Issuer agrees that all Securities issued by it are deposited with CDS pursuant to the terms of this Agreement, whether such Securities are issued after the date of this Agreement or were issued before the date of this Agreement pursuant to any previous letter of representations. This Agreement will continue in effect even if from time to time no Securities of Issuer are registered in CDS Name. CDS may terminate this Agreement by notice given in accordance with the Issuer Procedures. Termination of this Agreement is without prejudice to any provisions that by their terms or nature survive termination or to outstanding obligations or rights at termination.

4. Issuer Procedures are part of Agreement

Issuer agrees to be bound by the issuer procedures to the book entry only securities services agreement adopted by CDS and as amended from time to time ("Issuer Procedures") that

govern the eligibility of securities for deposit as book entry only securities at CDS. Issuer agrees that the Issuer Procedures constitute part of the binding agreement between CDS and Issuer pursuant to this Agreement. CDS shall maintain a website, currently identified as "www.cds.ca" ("website"), which identification may be changed by notice published on the website, and will publish on the website the Issuer Procedures and notices under the Issuer Procedures. CDS will give at least sixty (60) days notice of proposed changes to this Agreement or the Issuer Procedures by publishing such notice on the website, except in the case of emergencies. In addition to publishing the notice on the website, CDS will concurrently send an e-mail alert to Issuer's last known e-mail address on record at CDS, if any, instructing Issuer to access the website to read such notice published on the website. Issuer agrees that it has on or before the date of this Agreement reviewed the Issuer Procedures and is responsible to review the website in order to be aware of changes to this Agreement or the Issuer Procedures and notices communicated by CDS to issuers pursuant to the website. By continuing to use the book entry only services of CDS after this Agreement or the Issuer Procedures have been changed, Issuer signifies its acceptance and agreement, without limitation or qualification, to be bound by the revised Agreement or Issuer Procedures. If Issuer does not agree with each revised provision, Issuer shall notify CDS in writing and shall not use the book entry only services of CDS. The electronic version of the Issuer Procedures published on the website shall be the definitive version of such document that applies to this Agreement from time to time. In the event of any inconsistency between the terms of this Agreement and the terms of the Issuer Procedures, including any amendments to this Agreement or the Issuer Procedures, the provisions of this Agreement shall prevail.

5. Agent

If Issuer has appointed a third party as registrar, trustee, transfer agent and/or paying agent in respect of the Securities ("Agent"), CDS is authorized by Issuer to act upon the instructions of the Agent with respect to the Securities.

6. Representations and Warranties of Issuer

Issuer represents and warrants to CDS that: it has all necessary power, capacity and authority and has obtained all necessary unconditional authorizations and approvals to enter into this Agreement and to carry out its obligations hereunder, to issue Securities, and to issue and to deliver to CDS any certificate, document or other evidence of a Security issued by it in accordance with this Agreement; and it has read and is in agreement with the Issuer Procedures; and if this Agreement (including without limitation, any acknowledgement,



CDS Clearing and Depository Services Inc.

BOOK ENTRY ONLY SECURITIES - SERVICES AGREEMENT

confirmation, security certificate, certificate or other document contemplated by this Agreement or Issuer Procedures) is executed by or on behalf of Issuer by electronic means, including facsimile and/or electronic signatures and/or if it is scanned and/or delivered to CDS by electronic means or in electronic format, CDS may rely on such electronic version as if it were in receipt of an original paper version with signatures of authorized signatory (ies) on behalf of Issuer and in the manner set out in section 11.

7. Limitation of Issuer Liability

Provided all payments due to the registered holder of the Securities are made by Issuer or Agent to CDS in the manner provided in the Agreement, Issuer shall have no further responsibility or liability to CDS in respect of such payments. Further to and without limiting the foregoing, unless agreed to in writing by Issuer or imposed by law, Issuer shall have no responsibility or liability for maintaining, supervising or reviewing 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 a Security.

8. Indemnity by Issuer

Issuer shall from time to time indemnify and save harmless CDS, and its affiliates, directors, officers, employees, contractors or agents from and against all losses, costs, damages and expenses which CDS may suffer or incur whether by reason of an action, cause of action, claim, demand or suit taken against CDS or otherwise, as a result of: CDS accepting and acting upon the instructions of Issuer or its Agent; any payment, or part thereof, not made by or on behalf of Issuer in the manner and time set out in the Agreement; or Issuer or Agent effecting a transfer, pledge or re-registration of Securities or any instrument or other evidence of Securities to any person other than CDS or CDS Name except in accordance with the Issuer Procedures; or a breach by or on behalf of Issuer of any of Issuer's representations, warranties or obligations under this Agreement.

9. Fees

Issuer agrees to pay from time to time to CDS when due the applicable fees of CDS for the services provided to Issuer or its Agent in respect of the Securities in accordance with the Issuer Procedures and CDS's fee schedule on the website, as each may be amended from time to time.

10. Eligibility

CDS reserves the right from time to time to refuse to accept any issues of securities as eligible for deposit at CDS as book entry only securities and to determine that specific issues of Securities at CDS be made ineligible for deposit at CDS as book entry only securities and to request the withdrawal of specific issues of Securities that CDS has determined are no longer eligible at CDS as book entry only securities.

11. Electronic Records

Issuer acknowledges and agrees that CDS may in its discretion create and retain electronic copies of this Agreement and related BEO Acknowledgements, certificates and security certificates (collectively "**Documents**") and destroy the original paper versions of those Documents if received by CDS. Issuer agrees that CDS's electronic copies of Documents are admissible in any legal, administrative or other proceedings between the parties in the same manner as an original paper document, and Issuer will not object to the admission of CDS's electronic copies of Documents as evidence in legal, administrative or other proceedings on the grounds that those records are not originals, are not in writing, are hearsay, are not the best evidence or are documents containing information extracted from a computer, unless Issuer has in its possession the original paper version which is inconsistent with the electronic copy or other evidence that the electronic copy is not a complete and accurate representation of the original paper version.

12. Notices

To be effective, any notice required or authorized to be given under this Agreement shall be given in accordance with this section or in the manner contemplated in the Issuer Procedures. CDS may, in its discretion, deliver notice to Issuer under this Agreement: (a) by posting those notices on the website and concurrently with such posting, sending an e-mail message to Issuer's e-mail address on this Agreement or the most recent BEO Acknowledgement, if any, notifying Issuer that one or more notices have been posted on the website and instructing Issuer to access the website to read any such notices; and/or (b) by pre-paid mail, e-mail or fax to Issuer's address, e-mail address or fax number specified on this Agreement or the most recent BEO Acknowledgement. Issuer will ensure that the address, e-mail address and fax number are and remain at all times operational and able to receive notices from CDS and will inform CDS seven (7) days in advance of any changes to such addresses and information. Notices made accessible to Issuer on the website will be deemed to be delivered to and received by Issuer when they are first made accessible to Issuer or if applicable, when an e-mail alert is sent to Issuer notifying Issuer that such notice(s) have been posted on the website, regardless of whether or when Issuer actually accesses or reads the notices. CDS's records will, in the absence of manifest error, be conclusive proof of the date on which notices are first made accessible to Issuer on the website or e-mail messages were sent. Notices and other documents and information sent to Issuer's address, e-mail or fax address specified in this Agreement or a BEO Acknowledgement will be deemed to be delivered to and received by Issuer when they are sent, regardless of whether and when Issuer actually receives, accesses, retrieves or reads the notices or other documents and information. BEO Acknowledgements that Issuer sends to CDS are not delivered or effective unless and until they are actually accepted by CDS.



CDS Clearing and Depository Services Inc.

BOOK ENTRY ONLY SECURITIES - SERVICES AGREEMENT**13. Miscellaneous**

This Agreement shall be governed by, performed and construed in accordance with the laws of the Province in which Issuer has executed this Agreement, as noted on the execution page of this Agreement (which is deemed to be Ontario if the place of execution is not specified on this Agreement or if this Agreement is executed outside Canada) and the laws of Canada applicable therein without regard to the conflict of laws provisions thereof. Failure of CDS or Issuer to require strict performance of any provision of this Agreement or the Issuer Procedures shall not affect or be deemed a waiver of CDS's or Issuer's right, respectively, thereafter to enforce such provision. Issuer shall not assign this Agreement or its rights and obligations hereunder without the prior written consent of CDS, which will not be unreasonably withheld. Upon notice to Issuer, (i) CDS may assign this Agreement and its rights and obligations hereunder, and, effective upon such assignment, CDS shall be relieved of its obligations under the Agreement; or (ii) CDS may subcontract any of its obligations hereunder, including custody of any Global Certificate in CDS Name. Subject to the foregoing, this Agreement shall enure to the benefit of and be binding upon Issuer and CDS and their respective successors and permitted assigns. At the request of Issuer, this document and all documents relating thereto shall be drawn up in English only. A la demande de l'émetteur, le présent document ainsi que tous les documents qui s'y rattachent sont rédigés en anglais seulement.

This Agreement will bind CDS only if Issuer signs and delivers to CDS an executed copy of this Agreement (which is the same as the electronic version of the agreement published on the website on the date delivered to CDS) in the manner set out above, without any changes, other than completion in full of the requisite information and signatures set out below and CDS sends a confirmation e-mail to the e-mail address of the submitter of this Agreement. Any changes to this Agreement require the prior written consent of CDS. In the event of any inconsistency between the version of the agreement delivered by Issuer to CDS and the electronic version published on the website on such date, Issuer agrees that one published on the website shall be the definitive version and shall prevail.

This is a standard form Agreement and Procedures—No amendments by Issuer are permitted.

The Book Entry Only Securities Services Agreement and Issuer Procedures are in a standard form containing terms applicable to all issuers wishing to use the BEO services of CDS. Due to the automated systems and standardized procedures of the CDSX system and the large number of BEO issuers with securities eligible for CDS's depository services, CDS is unable to offer customized services. If the terms of this Agreement are unacceptable to an issuer, its securities cannot be made eligible for the BEO Services.

DATED this 29 day of September, 2009

at

*(Optional - insert Province of execution by Issuer)*Issuer legal name:
City of Toronto

Duly authorized signatory(ies):

Signature: _____
Name & title:Signature: _____
Name & title:

Notice concerning this Agreement may be delivered to Issuer to any of the following addresses. Issuer agrees that CDS may use such addresses and contact information in replacement for any past information and for future purposes, unless otherwise notified, and in the event of any inconsistency between any information below and any information entered electronically using the upload facility on www.cds.ca when this Agreement is being delivered to CDS, the information entered below shall prevail:

Address
100 Queen Street West

Address

City Province/state

Toronto Ontario

Postal code/zip code Country

M5H2N2 Canada

Issuer contact name:

Martin Willschick

Job Title:

Manager, Treasury Services

Telephone: (416) 392-8072

Fax: (416) 397-4555

Email: mwillsch@toronto.ca*(generic address preferred)*

BEO Acknowledgement
Deposit of Securities with CDS for Book Entry Only Services

*(This BEO Acknowledgement is issued pursuant to the Issuer Procedures of CDS posted at www.cds.ca.
 One BEO Acknowledgement must be delivered for each specific issue of Securities)*

TO: CDS CLEARING AND DEPOSITORY SERVICES INC. (“CDS”)
Attention: SIES Eligibility Department

Delivered electronically via the upload facility on www.cds.ca for Book Entry Only Services, or as otherwise permitted on www.cds.ca

Issuer Legal Name: City of Toronto

Describe Issue of Securities: \$400,000,000.00 Sinking Fund Debentures due December 2, 2019

Date of Issue: October 2, 2009 ISIN: CA891288DB50

Name and Address of third party Agent who acts as registrar, trustee or transfer agent for this issue of Securities (if applicable): N/A

Name and Address of Paying Agent for this issue of Securities (if applicable): N/A

Issuer hereby acknowledges that the Book Entry Only Securities Services Agreement executed by Issuer and delivered to CDS, as such agreement may be replaced or amended from time to time, and the Issuer Procedures posted on www.cds.ca at the date of delivery of the Securities at CDS, as amended from time to time, apply to the above described Securities.

Issuer to check one (1) box, as applicable to this delivery

- Uncertificated Security** – Section 2(c)(i) of Issuer Procedures applies. No Global Certificate is being delivered to CDS. Issuer or its Agent must have an approved CUID from CDS.
- Certificated Security - Global Certificate** representing above-described issue of Securities is being delivered to CDS. Section 2(c)(ii) of Issuer Procedures applies. **Issuer agrees to pay CDS any applicable fees for this service if and when due in accordance with CDS’s fee schedule, as amended from time to time.**

Please identify why Issuer selected to deliver a Global Certificate:

- Legal restriction/inability to deliver Uncertificated Security (identify particulars): _____
- Trust Indenture requires physical certificate.
- Other: By-law of the City of Toronto

This is a standard form Agreement and Procedures—No amendments are permitted.

The Book Entry Only Securities Services Agreement and Issuer Procedures are in a standard form containing terms applicable to all issuers wishing to use the BEO services of CDS. Due to the automated systems and standardized procedures of the CDSX system and the large number of BEO issuers with securities eligible for CDS's depository services, CDS is unable to offer customized services. If the terms of this Agreement are unacceptable to an issuer, its securities cannot be made eligible for the BEO Services.

INTERNAL CDS FINAL DRAFT JULY 17, 2009



CDS Clearing and Depository Services Inc.
85 Richmond St. W., Toronto, ON M5H 2C9
T. 416.365.8400 F. 416.365.0842
www.cds.ca

ISSUER PROCEDURES TO THE BOOK ENTRY ONLY SECURITIES SERVICES AGREEMENT

These Issuer Procedures govern the eligibility of securities for deposit at CDS Clearing and Depository Services Inc. ("CDS") as book entry only securities and the procedures to be complied with in order for such securities to remain eligible at CDS. These Issuer Procedures are part of and are incorporated by reference into the Book Entry Only Securities Services Agreement (Issuer Procedures and Book Entry Only Securities Services Agreement, collectively the "Agreement") which has been signed and delivered to CDS by an issuer (the "Issuer") of Securities (defined below). The Issuer Procedures shall continue in effect even if from time to time there are no Securities of Issuer registered in CDS Name (defined below) or held by CDS.

CDS will give at least sixty (60) days notice of changes to Issuer Procedures by publishing such notice on its website, www.cds.ca (the "Website"), which Website may be changed by notice published on such Website. In addition to publishing the notice on the Website, CDS will concurrently send an e-mail alert to Issuer's last known e-mail address on record at CDS, if any, instructing Issuer to access the Website to read such notice published on the Website. Issuer agrees that it has on or before the effective date of its Agreement reviewed the then current Issuer Procedures and is responsible to review the Website in order to be aware of, from time to time, changes to Issuer Procedures and notices communicated by CDS to issuers pursuant to the Website. The electronic version of Issuer Procedures published on the Website shall be the definitive version of such document that applies to the Agreement, unless the Website indicates otherwise. CDS will maintain a master document list evidencing the version of Issuer Procedures that is in effect from time to time. Capitalized terms not defined below have the meanings set out in the Agreement.

CDS will make Securities eligible for deposit at CDS as book entry only securities or maintain the eligibility of securities for book entry only services provided Issuer has signed and delivered to CDS the Agreement, the Securities meets CDS's other eligibility criteria and Issuer undertakes and agrees, in addition to its obligations under the Agreement and those stated above, as follows:

1. Book Entry Only Services

When Issuer from time to time issues securities in the Canadian market which Issuer desires to be eligible for book entry only services of CDS, Issuer will so advise CDS by delivering to CDS a completed BEO Acknowledgement in the requisite form set out in these Issuer Procedures, together with such other documents and fees referenced in the Agreement. In order to be eligible for book entry only services at CDS or to maintain the eligibility of securities for

book entry only services at CDS, 100% of each specific issue of CDS eligible securities of Issuer deposited at CDS shall be registered in the name of CDS's nominee, CDS & CO. or in such other name as CDS may designate ("**CDS Name**") as a book entry only security (hereinafter a "**Security**"). Each issue of Securities shall be identified by a separate ISIN number. CDS acts as a securities intermediary on behalf of its participants ("**Participants**"), which use the services of CDS and act on their own behalf or on behalf of beneficial owners (who are the clients or customers of the Participants). Interests in Securities are represented through book entry accounts ("**Book Accounts**") established and maintained by CDS on its records for its Participants in accordance with its participant agreement and rules and procedures which are posted on the Website. When a Security is delivered in accordance with section 2 so that CDS has received (i) delivery of the signed BEO Acknowledgement and the Global Certificate (if applicable) and (ii) confirmation of the deposit of the Security in CDS's system, then CDS shall provide book entry only services by crediting the Book Accounts of those Participants with interests in the Security in accordance with instructions received from or on behalf of Issuer. Except as provided in the Agreement, no Participant can initiate a withdrawal of Securities or request or receive a certificate and the Securities will remain registered in CDS Name until maturity, if applicable, or until no further Securities are outstanding as issued securities of Issuer.

2. Delivery of Securities

- (a) **registration** Issuer agrees to register, or cause to be registered the Securities in CDS Name and to deposit the Securities in CDS's system as set out in this section 2 and these Issuer Procedures. So long as the Securities remain outstanding and except as provided in the Agreement, the Agent (defined below) will not register transfers of Securities out of CDS Name and Issuer and/or Agent will promptly notify CDS in the manner set out in section 16 of any increases or reductions in the registered holdings in CDS Name.
- (b) **BEO Acknowledgment** At least two (2) business days prior to the closing for each specific issue of Securities, Issuer shall complete all of the required information and deliver or cause to be delivered to CDS a signed acknowledgement (an "**BEO Acknowledgment**") in electronic form as described on the Website, using the form of BEO Acknowledgment for such purpose included in these Issuer Procedures.
- (c) **form of Securities** All Securities shall be registered in CDS Name on the register of Issuer. Securities delivered to CDS for book entry only services shall be in one of the forms set out below:
- (i) **Uncertificated Security** If the Securities registered in CDS Name are not represented by a certificate deposited at CDS ("**Uncertificated Security**"), then subject to compliance with section 2(h), Issuer shall deliver or cause to be delivered to CDS if, as and when requested by CDS, a written statement containing any information required by law to be stated on a security certificate.
- (ii) **Certificated Security** If the Securities are to be represented by a certificate registered in CDS Name and deposited with CDS ("**Certificated Security**"), then Issuer shall deliver or cause to be delivered to CDS for each specific issue of Securities being deposited at CDS, one original, fully registered global certificate (or in limited circumstances acceptable to CDS, one or more Global Certificates) registered in CDS Name bearing signatures authorized by the Authority (defined in section 4(a)) as a book entry only security ("**Global Certificate**", which includes any schedules).
- (d) **certification of Uncertificated Security** If CDS requests the issuance of a certificate for Uncertificated Securities, then Issuer or Agent shall promptly deliver or cause to be delivered to CDS for each specific issue of Securities, a Global Certificate together with payment of any applicable fee of CDS at the time due.
- (e) **conversion of Certificated Security to an Uncertificated Security** If Issuer and/or Agent agree that any Certificated Securities represented by a Global Certificate delivered to and deposited with CDS pursuant to the Agreement of Issuer or pursuant to any previous letter of representations of Issuer, or its predecessor, are to be converted to Uncertificated Securities, then, subject to compliance with section 2(h), CDS may deliver the Global Certificate (which shall not be required to be endorsed for transfer by CDS) to Issuer or Agent for conversion to an Uncertificated Security registered in CDS Name.

- (f) **information on certificates** Issuer acknowledges that CDS has no obligation to communicate to Participants any information contained in any Global Certificate and that neither the Participants nor any beneficial owners of an interest in any such certificate shall be deemed to have notice of the provisions of the Global Certificate by virtue of the delivery of the certificate to CDS.
- (g) **legend on certificates** Any Global Certificate issued pursuant to the Agreement shall bear the following legend:
- “Unless this certificate is presented by an authorized representative of CDS Clearing and Depository Services Inc. (“CDS”) to _____ (the “Issuer”) 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.”
- (h) **confirmation of registered holdings for reconciliations of Uncertificated Securities** Issuer shall deliver, or cause to be delivered, to CDS an end-of-day closing balance Confirmation by 8:00 p.m. Eastern Time or, as from time to time requested by CDS, with respect to each issue of Uncertificated Securities. “Confirmation” means the report made to CDS disclosing in respect of each Uncertificated Security the quantity of such Uncertificated Security registered in CDS Name on the security holder’s register maintained by Issuer or Agent. The transmission to CDS or entering the closing balance for an Uncertificated Security by electronic means acceptable to CDS as described in the Procedures¹ by Issuer or Agent for an Uncertificated Security shall constitute confirmation that CDS Name is the registered holder of the quantity of the Uncertificated Securities shown in the Confirmation.

3. Agent or Paying Agent

If Issuer has appointed a third party as agent, registrar, trustee and/or transfer agent (the “Agent”) and/or a paying agent (the “Paying Agent”) each of whom is a CDS recognized agent² in respect of the Securities, Issuer shall give CDS notice, initially in the BEO Acknowledgement and thereafter in the manner set out in section 16, of the name and address of such Agent and/or Paying Agent and of any change in Agent and/or Paying Agent or its principal location not later than the business day preceding the effective date of the change. CDS is authorized to act upon the instructions of Agent or Paying Agent on Issuer’s behalf and is not required to confirm any steps taken by Agent or Paying Agent with Issuer. Issuer is liable for the actions or inactions of its Agents and Paying Agents, and shall ensure they comply with the Agreement. Whether or not an Agent or Paying Agent has been appointed, Issuer and CDS acknowledge and agree that CDS is not acting as registrar, trustee, fiscal agent, issuing agent, transfer agent, or paying agent or in any other capacity as agent for or on behalf of Issuer or assuming any of the responsibilities as such, unless otherwise agreed to in writing by CDS and Issuer.

4. Additional Representations and Warranties of Issuer

In addition to representations and warranties of Issuer in the Agreement, Issuer represents and warrants to CDS that:

- (a) it has all necessary power, capacity and authority and has obtained all necessary unconditional authorizations and approvals (collectively the “Authority”) to carry out its obligations hereunder, to issue the Securities (whether as Certificated Securities or as Uncertificated Securities) and to issue, execute and

¹ For set-up, contact CDS customer service at 416-365-8426

² A list of recognized CDS agents which meet CDS qualifications is posted on www.cds.ca

to deliver to CDS in the manner set out under these Issuer Procedures, any Global Certificate, BEO Acknowledgment, Confirmation or other instrument issued under these Issuer Procedures;

- (b) each Security is duly issued and registered in the name of CDS Name, free and clear of all liens, claims and encumbrances, and is enforceable against Issuer in accordance with its terms (subject to any applicable general qualifications as customarily appear in legal opinions delivered by counsel in relation to securities issues of Issuer), and each certificate, document or other evidence of a Security issued by it in accordance with the Agreement is duly executed and delivered and does not conflict with the attributes of the Security, legislation applicable to the Security or any articles, trust indenture, by-laws or other document governing the Security;
- (c) the Agent and if applicable, the Paying Agent has all necessary power, capacity and authority to act on behalf of and bind Issuer and Issuer is fully liable to CDS for the acts of Agents and/or Paying Agents or if any of them fail to abide by any term, obligation, representation or warranty in the Agreement;
- (d) if the Agent agrees that a Certificated Security is to be converted to an Uncertificated Security (as contemplated in section 2(e)), then at the time of such conversion, no attributes of the Securities or of Issuer, or provisions of applicable legislation, or of any applicable trust indenture or other governing document restrict the ability of CDS to deliver any Global Certificate (which shall not be required to be endorsed for transfer by CDS) to Issuer or Agent to be represented as an Uncertificated Security. If the Agent agrees to such conversion, Issuer confirms that CDS is acting in reliance upon representations from Issuer and/or Agent that the Securities can be converted from a Certificated Security to an Uncertificated Security;
- (e) pursuant to section 5(g), Issuer has made arrangements with the Agent or Paying Agent, if appointed, as to the acceptable documentation that is to be delivered by it or the Agent prior to the payable date to confirm the holdings of CDS Name on the register for any impacted Securities, in order for the Paying Agent to process payment to CDS on the due date;
- (f) any notation made on any applicable Global Certificate or other certificate or schedule thereto as contemplated in the Agreement shall be in accordance with the Authority and enforceable against Issuer in accordance with its terms (subject to the qualification as to enforceability described in paragraph (b) above).

These representations and warranties shall be effective from time to time upon each delivery of Securities to CDS or registration of Securities into CDS Name; and from time to time upon each delivery of a BEO Acknowledgment, a Confirmation or a Global Certificate (including for greater certainty, a Replacement Global Certificate and/or Additional Global Certificate as provided for in section 8(f)) for any specific issue of Securities.

5. Entitlements

- (a) **distributions and buy-back/normal course issuer bids** Payments of entitlements (whether in the form of dividends, principal, interest or other) to which the registered holder of the Securities is entitled shall, when due, be based on the holdings of the registered holder:
 - as at the close of business on the day preceding the payable date of an interest or maturity payment; or
 - as at the close of business on the record date for a dividend or other payment;and notwithstanding any Securities that were bought back by Issuer but were not yet withdrawn from CDS prior to such payable or record date, payment shall be made by or on behalf of Issuer to CDS & CO. based on the amount of the Securities registered in CDS Name in the register of Issuer on the record or payable date of the payment which shall include any such amount of Securities that were bought back by Issuer but not yet withdrawn from CDS. CDS shall distribute such payment to its Participants.
- (b) **record date** Issuer or Agent shall establish a record date which is at least two (2) business days prior to the payment date of the dividend or other entitlement distribution.

- (c) **calls** If Issuer calls an issue of Securities in full prior to their maturity date, or takes any action which will result in there being no further issue of Securities outstanding, it shall provide CDS with at least five (5) business days prior notice in the manner set out in section 16.
- (d) **information** Issuer, Agent and/or Paying Agent shall give notice to CDS in the manner set out in section 16, of the respective record date and distribution details for each entitlement, including rates, at least two business days prior to the respective record date or payment date, as applicable. Alternatively, the record date and distribution details, including rates, for all payments in respect of the Securities until maturity, if applicable, or until no further Securities shall be outstanding, are described with particulars in Schedule "B" hereto, if attached hereto, in which case Issuer Agent and/or Paying Agent shall give notice to CDS in the manner set out in section 16 if there is a change to any record date or distribution details from that set out in Schedule "B".
- (e) **final and irrevocable funds** Issuer or Paying Agent shall make payment electronically to CDS & CO. no later than 2:00 p.m. Eastern Time on the due date of such payment (subject to any changes in timing posted from time to time by CDS on the Website) in final and irrevocable same-day funds with the ISIN in respect of which Securities the payment is made and payable date clearly identified. Acceptable payment in final and irrevocable same-day funds shall be made by one of the following methods of payment:
- (i) in the case of payments in Canadian dollars, by using the Large Value Transfer System operated by the Canadian Payments Association ("LVTS");
 - (ii) in the case of payments in U.S. dollars, by using the Fedwire system operated by the U.S. Federal Reserve Bank; or
 - (iii) in the case of payments in Canadian dollars or U.S. dollars, if the Paying Agent is a Participant, by debit by CDS to a CDSX funds account.

Issuer agrees that if payment is not made as stated above, CDS may make the Securities ineligible for continued deposit and, in addition to other rights of CDS, Issuer and/or Paying Agent agree to pay interest to CDS on the amount of the payment not properly made until rectified, at CDS's bank's prime rate plus 2 per cent per annum,

- (f) **account** Each payment made through the payment systems and not by debit to a CDS funds account shall be made to one of the following accounts or to such other account as CDS may direct, with the ISIN in respect of which Securities the payment is made clearly identified:
- (i) in the case of payments in Canadian dollars using LVTS to:

Name of Bank	Bank of Canada, 234 Wellington St., Ottawa ON K1A 0G9
Bank BIC Code	BCANCAW2
Bank Transit Number	00006177
For credit of	CDS Clearing and Depository Services Inc., Toronto ON
Account No.	154510002
Beneficiary BIC Code	CDSLCAAT;
 - or
 - (ii) in the case of payments in U.S. dollars using the Fedwire system to:

Name of Bank	Harris Trust and Savings Bank, Chicago, U.S.A.
Telegraphic	IDHARRIS CHGO
For credit of	CDS Clearing and Depository Services Inc.
Account Number	203-213-4
ABA Number	071000288

- (g) **maturity and redemptions** Issuer irrevocably waives any requirement for CDS to present a Global Certificate to Issuer or Paying Agent in order to receive full payment on maturity or a redemption. If requested by Issuer, CDS will deliver the Global Certificate, marked "cancelled", after payment. At least five (5) business days prior to the maturity or redemption date, Issuer or Agent will provide confirmation to

both CDS and the Paying Agent, of the registered holdings in CDS Name on the register for the Securities and such other information as may be required by the Paying Agent for processing the maturity or redemption payment without the requirement of CDS to deliver the Global Certificate prior to payment. After payment has been received by CDS, Issuer will accept delivery of the matured or redeemed Global Certificate.

- (h) **changes** CDS may, from time to time, direct Issuer, Agent or Paying Agent to use any other phone or fax number, account number or address as the phone or fax number, account number or address to which notices or payments should be sent by providing notice in the manner set out in section 16.

6. Replacement of Certificates

In the event of the defacement, loss, mysterious or unexplainable disappearance, theft, destruction or dematerialization of any Global Certificate, CDS shall provide Issuer with an affidavit of two senior officers of CDS attesting to the said defacement, loss, mysterious or unexplainable disappearance, theft, destruction or dematerialization and giving all relevant information together with such other documents as Issuer may reasonably require, provided however that Issuer shall have no right to require an indemnity, bond of indemnity, lost document bond or similar instrument or fee of any kind, whereupon 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.

7. Withdrawal of Securities

Issuer's Securities shall be withdrawn from the CDS system upon the occurrence of any of the following events:

- (a) upon reasonable notice by CDS to Issuer, CDS may discontinue the eligibility of the Securities on deposit, or cease to hold a Global Certificate in respect of the Securities, with or without cause; 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 Issuer gives CDS notice in the manner set out in section 16 that it is unable or unwilling to continue to have CDS hold the Securities as book entry only or that it desires or has processed an entitlement requiring a withdrawal of Securities, and Issuer has all right, power, capacity and Authority to do so.

Securities shall be withdrawn using CDS's current processes. Following the withdrawal of Securities, all payments in respect of the withdrawn Securities shall be made to the registered holders thereof and all rights of the holders of the withdrawn Securities shall be exercised by the registered holders thereof, in accordance with the terms and conditions of the Securities.

8. Exercise of Certain Rights

Prior to the maturity of Securities or while the Securities remains eligible as book entry only securities at CDS, the total number or quantity of the Securities registered in CDS Name may be changed if Issuer has rights with respect to, or the Securities provide for one of the following events, and Issuer exercises such rights or the event occurs:

- (a) partial payments of principal prior to maturity;
- (b) repurchase, buy-back, redemption, other acquisition rights or conversion rights; or
- (c) the reopening or issuance of additional Securities in CDS Name having the identical rights, privileges, restrictions and conditions as the Securities.

Upon the occurrence of any such change in the total number or quantity of a specific issue of Securities in CDS Name, the following steps shall occur:

- (d) Issuer or Agent shall give notice to CDS in the manner set out in section 16 and update its records accordingly.
- (e) If the Securities are Uncertificated Securities, then, subject to compliance with section 2(h) Issuer shall deliver or cause to be delivered to CDS, if, as and when requested by CDS, a written statement containing any of the information required by law to be stated on a security certificate in respect of the Securities.
- (f) If the Securities are Certificated Securities represented by a Global Certificate, Issuer may proceed as follows:
 - (i) Issuer shall issue and deliver or cause to be delivered to CDS a replacement Global Certificate in the same manner as required in the Agreement for the delivery of the original Global Certificate (except that Issuer shall not be required to deliver a BEO Acknowledgement) (the “**Replacement Global Certificate**”), together with payment in full when due for any applicable CDS fee, which Replacement Global Certificate shall represent the revised total number or quantity of Securities registered in CDS Name, and, in exchange for the Replacement Global Certificate, CDS shall deliver to Issuer or Agent the original Global Certificate (which shall not be required to be endorsed for transfer by CDS), and the Replacement Global Certificate shall thereafter be the “Global Certificate”; or
 - (ii) Issuer or Agent shall make a notation upon the Global Certificate or update a schedule to the Global Certificate, indicating the date and amount of such change in the total number or quantity of Securities represented by the Global Certificate and the current registered holdings in CDS Name, together with payment in full for any applicable CDS fee; or
 - (iii) Issuer shall issue and deliver or cause to be delivered to CDS a Global Certificate representing the increase in the total number or quantity of Securities following the reopening or issuance (the “**Additional Global Certificate**”), together with payment in full when due for any applicable CDS fee, and the original Global Certificate, together with the Additional Global Certificate(s) shall collectively thereafter be the “Global Certificate” for all purposes; or
 - (iv) If Issuer and/or Agent agree that the Securities represented by the Global Certificate, together with any revised total number or quantity of Securities, are to be collectively converted to an Uncertificated Security, then, subject to compliance with section 2(h), CDS may deliver the Global Certificate (which shall not be required to be endorsed for transfer by CDS) to Issuer or Agent to confirm the holdings in CDS Name on the register and thereafter the Securities represented by such Global Certificate together with any revised total number or quantity of Securities shall be represented as an Uncertificated Security registered in CDS Name.

If, notwithstanding the above, a Participant or Issuer seeks to deposit additional Securities or an Additional Global Certificate, Issuer acknowledges that such deposit will be deemed book entry only and/or if such deposit is not in the same form of Securities (as contemplated in section 2(d)) as was previously delivered to CDS, CDS may impose such conditions on such deposit(s) as CDS sees fit, including without limitation, conversion to Uncertificated Securities and/or consolidation of Global Certificates.

9. Restriction of CDS Obligations

CDS shall not be responsible for the administration of any trust as such relative to the Securities, nor, if applicable, be affected by notice of any equity that may be subsisting in respect thereof. In addition, CDS does not in any way undertake to and shall not have any responsibility to monitor or ascertain: (i) the compliance of any transactions in the Securities by Participants or beneficial owners with the terms of the Securities (including any restrictions on ownership or transfer) or with any federal, provincial, municipal or foreign laws or regulations, including rules of any self-regulatory organization; or (ii) the quantity of the Securities that can be owned by a defined category of investor, with reference to the terms of the Securities or to any federal, provincial, municipal or foreign laws or regulations, including rules of any self-regulatory organization; or (iii) whether Securities can be issued as or converted to Uncertificated Securities. Issuer confirms that any restrictions on the maximum amount of Securities

that an individual owner may acquire shall not be enforced against CDS or its nominee. Furthermore, unless otherwise provided herein, agreed to in writing by CDS or imposed by law on CDS, CDS shall not be liable for nor shall it be deemed to assume any other responsibilities, whether or not contained in a trust indenture, agency agreement, prospectus, offering memorandum or any other agreement or document.

10. Fees

Issuer agrees to pay to CDS or any CDS affiliates, at the time due, the applicable fees and taxes for the services requested by Issuer or its Agent from time to time in respect of the Securities in accordance with CDS's or its affiliate's then current fee schedule on the Website, as amended from time to time. Issuer shall pay interest on all fees that remain unpaid thirty (30) days after their due date at CDS's bank's prime rate plus 2% per annum.

11. CDS Signatures

CDS authorized signatures on file with Issuer or, if applicable, the Agent shall be accepted without a signature guarantee.

12. Exercise of Security Holder Rights

Issuer will permit a beneficial owner of Securities registered in CDS Name to exercise security holder rights in respect of its interest in the Securities if CDS (and, if necessary, the Participant acting for the beneficial owner) provides Issuer with notice that the beneficial owner may exercise such rights in respect of a specified number or quantity of Securities registered in CDS Name and Issuer will recognize the standing, capacity and entitlement of the beneficial owner in the same manner as if the beneficial owner had a certificate representing its interest in the Securities registered in such beneficial owner's name, and any requirement for delivery of a physical certificate to Issuer in connection with the exercise of such rights will be deemed satisfied by the instructions received from CDS.

13. Governing Law

These Issuer Procedures are governed by the same laws that apply to the Agreement. All suits, actions or proceedings of any kind arising out of or in relation to these Issuer Procedures may be brought in the Supreme Court of the capital of that Province, and each of Issuer and CDS submits to the jurisdiction of such Court for such purpose, but such submission shall not prevent the enforcement of the Agreement or these Issuer Procedures or any related judgement in any other jurisdiction.

14. Waiver

The failure of CDS or Issuer to require strict performance of any provision in the Agreement shall in no way affect or be deemed a waiver of CDS's or Issuer's right, respectively, thereafter to enforce such provision.

15. Assignment

Issuer shall not assign the Agreement without the prior written consent of CDS, which consent shall not be unreasonably withheld. Upon notice to Issuer, (i) CDS may assign the Agreement and its obligations hereunder, and, effective upon such assignment, CDS shall be relieved of its obligations under the Agreement; or (ii) CDS may subcontract any of its obligations hereunder, including, the holding of any Global Certificate. Subject to the foregoing, the Agreement shall enure to the benefit of and be binding upon Issuer and CDS and their respective successors and permitted assigns.

16. Notices

- (a) Notices to CDS pursuant to the Agreement shall be given by e-mail **and shall state the ISIN number(s) of the affected Securities.**

If not otherwise specifically identified in this Agreement, notices to CDS shall be addressed as follows:

- In the case of notices regarding processing payments, corporate actions, record dates:

siesinfo@cds.ca

- In the case of notices regarding the Agreement, Issuer Procedures, a change in Issuer, its address or a change in Agent, Paying Agent or other similar events:

eligibility@cds.ca

or to such other address as CDS may specify by notice to Issuer.

- (b) Notices to Issuer shall be given in the manner set out at the commencement of these Issuer Procedures or in the manner set out in the Agreement.
- (c) CDS may, in addition or in place of (b), send a notice to Issuer addressed to the address specified on the Agreement or on the most recent BEO Acknowledgement, or to such other address as Issuer may specify by notice to CDS in the manner set out in (a) above, by postage-prepaid mail, by personal delivery, by fax or by e-mail.

Any notice set out in (a) or (c) above if delivered by e-mail as aforesaid shall be deemed to have been given and received on the day it is so delivered at such address, provided that if such day is not a business day then the notice shall be deemed to have been given on the next business day. Any notice if mailed as aforesaid shall be deemed to have been given and received on the 3rd business day following the date of its mailing. Any notice if sent by fax or by personal delivery as aforesaid shall be deemed given and received on the first business day after transmission or personal delivery. For the purposes of the Agreement, "business day" is a day on which any office of the recipient of the notice is open for business.

17. Miscellaneous

Issuer acknowledges that CDS reserves the right from time to time by giving notice as set out above to amend the Agreement and/or these Issuer Procedures and to include new operating procedures which CDS reasonably requires adherence to, which new or amended procedures shall apply to all Securities. At the request of Issuer, this document and all documents relating thereto shall be drawn up in English only. A la demande de l'émetteur, le présent document ainsi que tous les documents qui s'y rattachent sont rédigés en anglais seulement.

_____END

Attachments :

- BEO Acknowledgement
- Schedule "B"

Schedule “B”
(Optional)

Record Dates

(This Schedule B to the BEO Acknowledgement is issued pursuant to the Issuer Procedures of CDS posted at www.cds.ca)

Issuer legal name: City of Toronto

Describe issue of securities: \$400,000,000.00 Sinking Fund Debentures due December 2, 2019

ISIN: CA891288DB50

Record date: November 18

Distribution details, including rates:

CONFIDENTIAL

**RIDER 1 (MUNICIPALITIES)
TO
BOOK ENTRY ONLY SECURITIES – SERVICES AGREEMENT**

This Rider is an amending agreement to Book Entry Only Securities – Services Agreement (this “Amendment”) is made effective as of the ___ day of _____, 20__.

BETWEEN

CDS CLEARING AND DEPOSITORY SERVICES INC. (“CDS”)

- and -

[Insert Name of Municipal Issuer] (the “Issuer”).

WHEREAS the Issuer entered into a Book Entry Only Securities – Services Agreement (the “BEO SSA”), which incorporates by reference the provisions of the issuer procedures (the “Issuer Procedures”) in the BEO SSA (collectively, the Issuer Procedures and the BEO SSA are referred to herein as the “Original Agreement”);

AND WHEREAS the parties hereto wish to amend the Original Agreement as hereinafter set out:

THIS AMENDMENT WITNESSES THAT for good and valuable consideration (the receipt and sufficiency of which are acknowledged by each party) the parties agree as follows:

1 Definitions and Recitals

- 1.1 Any capitalized terms used but not defined herein shall have the meanings ascribed to them in the Original Agreement, however the term “Agreement” used herein shall have the meaning ascribed to it in the Original Agreement, as amended by this Amendment.
- 2.2 The above recitals are true and are incorporated herein.

2 Amendments to the BEO SSA

- 2.1 Section 3 of the BEO SSA is amended by the changes marked below in bold and underline to that section, as follows:

3. Previous Book Entry Only Securities and Letters of Representations

Issuer acknowledges that this Agreement applies to each previously issued book entry only security of Issuer or its predecessors delivered to CDS, and if applicable, replaces every previous letter of representations, including if applicable, master letter of representations, blanket letter of representations and memorandums of understanding and related documents, delivered by it or its predecessors, whether addressed to CDS or to its predecessor, The Canadian Depository for Securities Limited. Issuer agrees that all Securities issued by it are deposited with CDS pursuant to the terms of this Agreement, whether such

Securities are issued after the date of this Agreement or were issued before the date of this Agreement pursuant to any previous letter of representations. This Agreement will continue in effect even if from time to time no Securities of Issuer are registered in CDS Name. CDS may terminate this Agreement by sixty (60) days notice given in accordance with the Issuer Procedures, subject to the escalation process described in Section 4 of this Agreement. Termination of this Agreement is without prejudice to any provisions that by their terms or nature survive termination or to outstanding obligations or rights at termination.

- 2.2 Section 4 of the BEO SSA is amended by the changes marked below in bold and underline to that section, as follows:

4. Issuer Procedures are part of Agreement

Issuer agrees to be bound by the issuer procedures to the book entry only securities services agreement adopted by CDS and as amended from time to time ("Issuer Procedures") that govern the eligibility of securities for deposit as book entry only securities at CDS. Issuer agrees that the Issuer Procedures constitute part of the binding agreement between CDS and Issuer pursuant to this Agreement. CDS shall maintain a website, currently identified as "www.cds.ca" ("website"), which identification may be changed by notice published on the website, and will publish on the website the Issuer Procedures and notices under the Issuer Procedures. CDS will give at least sixty (60) days notice of proposed changes to this Agreement or the Issuer Procedures by publishing such notice on the website, except in the case of emergencies (in which case CDS will give as much notice as is reasonably practicable in the circumstances). In addition to publishing the notice on the website, CDS will concurrently send an e-mail alert to Issuer's last known e-mail address on record at CDS, if any, instructing Issuer to access the website to read such notice published on the website. Issuer agrees that it has on or before the date of this Agreement reviewed the Issuer Procedures and is responsible to review the website in order to be aware of changes to this Agreement or the Issuer Procedures and notices communicated by CDS to issuers pursuant to the website. By continuing to use the book entry only services of CDS after this Agreement or the Issuer Procedures have been changed, Issuer signifies its acceptance and agreement, without limitation or qualification (except to the extent the escalation process described in this section has been commenced by Issuer and is continuing), to be bound by the revised Agreement or Issuer Procedures. If Issuer does not agree with each revised provision, Issuer shall ~~notify CDS in writing and shall~~ not use the book entry only services of CDS or Issuer shall notify CDS in writing of its disagreement within fifteen (15) days following delivery of the e-mail alert notifying Issuer of the revised provision and if such disagreement is not resolved by discussion with CDS, Issuer shall refer the dispute for escalation by sending, within fifteen (15) days following Issuer's delivery of notice of such disagreement, a notice addressed to the Chief Legal Officer of CDS setting forth in reasonable detail the nature of the dispute and the remedy sought and designating a representative of Issuer to meet with the Chief Legal Officer of CDS described below, failing which Issuer is deemed to have accepted the proposed amendment. The Chief Legal Officer of CDS and the designated representative of Issuer shall meet as soon as is reasonably possible after the notice of escalation is received by the Chief Legal officer of CDS, giving due regard to the nature and impact of the issue under consideration, and in any event no later than fifteen (15) days following receipt of that notice. If the dispute cannot be resolved by the Chief Legal Officer of CDS and the Issuer's designated representative within a satisfactory time period, Issuer may request the Chief Executive Officer of CDS to review the dispute together with an appropriate senior officer of Issuer, by sending, within ten (10) days following the meeting of the Chief Legal Officer of CDS with the designated Issuer representative, a notice addressed to the Chief Legal Officer of CDS requesting such a review and naming its senior officer. The senior officers of each party shall meet as soon as is reasonably possible after a dispute is referred to them. If the dispute cannot be resolved by the senior officers, Issuer may request that the Board of Directors of CDS consider the dispute, by sending, within ten (10) day following the meeting of the senior officers, a notice addressed to the Chief Legal Officer of CDS requesting such a review. The Chief Legal Officer or Chief Executive Officer of CDS shall prepare a summary of the dispute for the CDS Board of Directors, and Issuer shall be provided an opportunity to review that summary and to make an

additional written submission to the Board of Directors. The decision of the CDS Board of Directors shall be final and shall have effect within thirty (30) days of Issuer receiving notice of that decision unless Issuer has referred the disagreement to a regulatory body with jurisdiction over both Issuer and CDS to provide direction on the matter, in which event the regulatory body's decision will be final. Unless Issuer complies with the aforementioned escalation process, it shall be bound by the revised Agreement or Issuer Procedures upon their applicable effective date. The electronic version of the Issuer Procedures published on the website shall be the definitive version of such document that applies to this Agreement from time to time. In the event of any inconsistency between the terms of this Agreement and the terms of the Issuer Procedures, including any amendments to this Agreement or the Issuer Procedures, the provisions of this Agreement shall prevail. **For the purpose of this Section, a "meeting" may take place in person, by telephone, video conference or other means.**

- 2.3 Section 9 of the BEO SSA is amended by the changes marked below in bold and underline to that section as follows

9. Fees

Issuer agrees to pay from time to time to CDS when due the applicable fees of CDS for the services provided to Issuer or its Agent in respect of the Securities in accordance with the Issuer Procedures and CDS's fee schedule on the website, as each may be amended from time to time. **This includes the one-time set up fee set out in CDS's fee schedule. After Securities of Issuer are on deposit at CDS, any changes to CDS's fee schedule after the date of such deposit will not apply to Securities of Issuer that were, prior to the date of such fee schedule change, on deposit at CDS.**

- 2.4 Section 10 of the BEO SSA is amended by the changes marked below in bold and underline to that section as follows:

10. Eligibility

CDS reserves the right from time to time to refuse to accept any issues of securities as eligible for deposit at CDS as book entry only securities and to determine that specific issues of Securities at CDS be made ineligible for deposit at CDS as book entry only securities and **upon thirty (30) days notice to Issuer (or less if agreed to in writing by Issuer)**, to request the withdrawal of specific issues of Securities that CDS has determined are no longer eligible at CDS as book entry only securities.

- 2.5 Section 13 of the BEO SSA is amended by the changes marked below in bold and underline to that section as follows:

13. Miscellaneous

This Agreement shall be governed by, performed and construed in accordance with the laws of the Province in which Issuer has executed this Agreement, as noted on the execution page of this Agreement (which is deemed to be Ontario if the place of execution is not specified on this Agreement or if this Agreement is executed outside Canada) and the laws of Canada applicable therein without regard to the conflict of laws provisions thereof. Failure of CDS or Issuer to require strict performance of any provision of this Agreement or the Issuer Procedures shall not affect or be deemed a waiver of CDS's or Issuer's right, respectively, thereafter to enforce such provision. Issuer shall not assign this Agreement or its rights and obligations hereunder without the prior written consent of CDS, which will not be unreasonably withheld. Upon notice to Issuer, (i) CDS may assign this Agreement and its rights and obligations hereunder, and, effective upon such assignment, CDS shall be relieved of its obligations under the Agreement; or (ii) CDS may subcontract any of its obligations hereunder, including custody of any Global Certificate in CDS

Name. However notwithstanding the foregoing, if CDS wishes to assign this Agreement to a party that is not a recognized clearing agency under applicable Canadian or provincial securities legislation, such assignment shall require the prior written consent of the Issuer, which will not be unreasonably withheld. Subject to the foregoing, this Agreement shall enure to the benefit of and be binding upon Issuer and CDS and their respective successors and permitted assigns. At the request of Issuer, this document and all documents relating thereto shall be drawn up in English only. A la demande de l'émetteur, le présent document ainsi que tous les documents qui s'y rattachent sont rédigés en anglais seulement.

3 Amendments to the Issuer Procedures

3.1 Section 2(c)(ii) of the Issuer Procedures is amended by the changes marked below in bold and underline to that section as follows:

2(c)(ii) **Certificated Security** If the Securities are to be represented by a certificate registered in CDS Name and deposited with CDS ("Certificated Security"), then Issuer shall deliver or cause to be delivered to CDS for each specific issue of Securities being deposited at CDS, one original, fully registered global certificate (or if the aggregate principal amount of the Securities 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 the face amounts of all such global certificates are as described in Schedule "B" heretoor-in limited circumstances acceptable to CDS, one or more Global Certificates) registered in CDS Name bearing signatures authorized by the Authority (defined in section 4(a)) as a book entry only security ("Global Certificate", which includes any schedules).

3.2 Section 2(h) of the Issuer Procedures is amended by the changes marked below in bold and underline to that section as follows:

2(h) **confirmation of registered holdings for reconciliations of Uncertificated Securities** Issuer shall deliver, or cause to be delivered, to CDS on the date of closing and on any day that the number of outstanding Uncertificated Securities is increased or decreased from the date before or, as from time to time requested by CDS, an end-of-day closing balance Confirmation by 8:00 p.m. Eastern Time ~~or, as from time to time requested by CDS,~~ with respect to each issue of Uncertificated Securities. "Confirmation" means the report made to CDS disclosing in respect of each Uncertificated Security the quantity of such Uncertificated Security registered in CDS Name on the security holder's register maintained by Issuer or Agent. The transmission to CDS or entering the closing balance for an Uncertificated Security by electronic means acceptable to CDS as described in the Procedures¹ by Issuer or Agent for an Uncertificated Security shall constitute confirmation that CDS Name is the registered holder of the quantity of the Uncertificated Securities shown in the Confirmation.

- 3.3 Section 6 of the Issuer Procedures is amended by the changes marked below in bold and underline to that section as follows:

6 Replacement of Certificates

In the event of the defacement, loss, mysterious or unexplainable disappearance, theft, destruction or dematerialization of any Global Certificate, CDS shall provide Issuer with an affidavit of two senior officers of CDS attesting to the said defacement, loss, mysterious or unexplainable disappearance, theft, destruction or dematerialization and giving all relevant information together with such other documents as Issuer may reasonably require, provided however 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 Issuer and acceptable to CDS, or deliver a Issuer shall have no right to require an indemnity**, 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 Issuer and CDS, and Issuer shall have no right to require a ~~or~~ fee of any kind, whereupon 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.

- 3.4 Section 7(a) of the Issuer Procedures is amended by the changes marked below in bold and underline to that section, as follows:

7(a) upon **thirty (30) days**~~reasonable~~ notice by CDS to Issuer **(or less if agreed to in writing by Issuer)**, **which notice shall include reasons for CDS taking such action**, CDS may discontinue the eligibility of the Securities on deposit, or cease to hold a Global Certificate in respect of the Securities, ~~with or without cause~~: or

- 3.5 Section 15 of the Issuer Procedures is amended by the changes marked below in bold and underline to that section, as follows:

15. Assignment

Issuer shall not assign the Agreement without the prior written consent of CDS, which consent shall not be unreasonably withheld. Upon notice to Issuer, (i) CDS may assign the Agreement and its obligations hereunder, and, effective upon such assignment, CDS shall be relieved of its obligations under the Agreement; or (ii) CDS may subcontract any of its obligations hereunder, including, the holding of any Global Certificate. **However notwithstanding the foregoing, if CDS wishes to assign this Agreement to a party that is not a recognized clearing agency under applicable Canadian or provincial securities legislation, such assignment shall require the prior written consent of the Issuer, which will not be unreasonably withheld.** Subject to the foregoing, the Agreement shall enure to the benefit of and be binding upon Issuer and CDS and their respective successors and permitted assigns.

4 Miscellaneous

This Amendment and the terms and conditions of this Amendment are confidential to the parties hereto, and except as required by law or by the regulators of a party, will not be disclosed without the prior written consent of the other party; provided that a copy of this Agreement may be provided on a confidential need to know basis to other persons involved in the offering of Securities and each party may generally describe this Agreement to any person with which such party is having bona fide merger, business combination or acquisition discussions, or if required by an officer, director, employee or agent of a party in order to comply with a party's obligations hereunder, or summarize generally the impact of changes imposed by this Agreement in a prospectus or registration statement filed by a party with a securities regulatory authority or any offering document.

Except for the foregoing amendments, the parties acknowledge that the Original Agreement shall remain in full force and effect, unamended. In the event of any inconsistency between the terms of this Amendment and the terms of the Original Agreement, including any amendments to either the BEO SSA or the Issuer Procedures dealing with the subject matter of this Amendment after the date of this Amendment, the provisions of this Amendment shall prevail. Furthermore, the parties agree that they will not be required to enter into a further amendment to this Amendment in the event of further changes to the BEO SSA or Issuer Procedures dealing with the same sections which are amended herein, where such further changes do not impact the specific amendment agreed to in this Amendment as marked in bold and underline.

This Amendment will bind CDS only if Issuer signs and delivers to CDS an executed copy of this Agreement electronically in the manner described in section 11 of the Original Agreement (which is the same as the electronic version of the Amendment delivered to Issuer for signature without any changes other than completion of the name of the Issuer and relevant dates) and CDS sends a confirmation e-mail to the e-mail address of the submitter of this Amendment. In the event of any inconsistency between the version delivered to Issuer by CDS and the version delivered to CDS by Issuer, Issuer agrees that the version delivered by CDS shall prevail. Any changes to this Amendment require the prior written consent of CDS.

IN WITNESS WHEREOF this Amendment has been executed by the duly authorized signatories of the parties as of the date executed.

CDS CLEARING AND DEPOSITORY SERVICES INC.



By: Mark Weaseluck
Name & Title: MARK WESELUCK
CHIEF BUSINESS DEVELOPMENT
OFFICER

By: Keith Evans
Name & Title: KEITH EVANS
EXECUTIVE DIRECTOR, OPERATIONS

By: _____
Name & Title: _____

By: _____
Name & Title: _____