

1ST REPORT OF THE
FINANCE AND ADMINISTRATIVE SERVICES COMMITTEE

Special Meeting held on December 6, 2011, commencing at 4:02 PM, in Committee Room #3, Second Floor, London City Hall.

PRESENT: Mayor J.F. Fontana (Chair), Councillors J.L. Baechler, N. Branscombe, D. Brown and P. Hubert and L. Rowe (Secretary).

ALSO PRESENT: M. Hayward and I. Collins

I. DISCLOSURES OF PECUNIARY INTEREST

1. None are disclosed.

II. SCHEDULED ITEMS

2. Election of Vice-Chair for term ending November 30, 2012

Recommendation: That Councillor P. Hubert **BE ELECTED** as Vice Chair of the Finance and Administrative Services Committee for the term ending November 30, 2012.

III. CONSENT ITEMS

3. Book Entry Only Securities Service Agreement

Recommendation: That, on the recommendation of the City Treasurer, Chief Financial Officer, the following actions be taken regarding the Book Entry Only Securities – Service Agreement between The Corporation of the City of London and CDS Clearing and Depository Services Inc. (“CDS”):

- (a) the attached proposed by-law (Appendix A) **BE INTRODUCED** at the Municipal Council meeting on December 6, 2011, to approve requiring a bond of indemnification from CDS as a condition of issuing replacement debentures;
- (b) the attached proposed by-law (Appendix B) **BE INTRODUCED** at the Municipal Council meeting on December 6, 2011, to authorize the Book Entry Only Securities – Service Agreement and Rider 1 (Municipalities) between The Corporation of the City of London and CDS; and
- (c) the Mayor and the City Clerk **BE AUTHORIZED** to execute the Book Entry Only – Securities Services Agreement and Rider 1 (Municipalities), attached as Schedule 1, and any associated documents with CDS.

4. Capital Markets Debenture Issue Update

Recommendation: That, on the recommendation of the City Treasurer, Chief Financial Officer, the following actions be taken with respect to the Capital Markets Debenture Issue:

- (a) the issue of a ten-year serial debenture for \$63,400,000, reflecting an average all in rate of 2.887% to close on December 15, 2011, **BE CONFIRMED**; and
- (b) the attached proposed By-law D.-765-16 **BE INTRODUCED** at the Municipal Council meeting of December 6, 2011 for three readings to authorize the borrowing upon serial debentures for a ten-year term in the amount of \$63,400,000 towards the cost of certain capital works of The Corporation of the City of London.

5. Ontario Infrastructure and Lands Corporation (OILC) Debenture Issue Update

Recommendation: That, on the recommendation of the City Treasurer, Chief Financial Officer the following actions be taken with respect to the Ontario Infrastructure and Lands Corporation (OILC) Debenture Issue:

- (a) the issue of a ten-year serial debenture for \$52,809,914, reflecting an offering yield of 2.86%, to the Ontario Infrastructure and Lands Corporation (OILC), to close on December 15, 2011, **BE CONFIRMED**; and
- (b) the attached proposed By-law D.-764-15 **BE INTRODUCED** at the Municipal Council meeting of December 6, 2011 for three readings to authorize the borrowing upon serial debentures for a ten-year term in the amount of \$52,809,914 towards the cost of certain capital works of The Corporation of the City of London.

IV. ITEMS FOR DIRECTION

None.

V. DEFERRED MATTERS/ADDITIONAL BUSINESS

None.

VI. CONFIDENTIAL

None.

VII. ADJOURNMENT

The meeting adjourned at 4:12 p.m.

APPENDIX A

Bill No. 20
2011

By-Law No. A.-6761-13

A by-law to authorize the issue of replacement debenture certificates

WHEREAS subsection 5(3) of the *Municipal Act, 2001*, S.O. 2001, c. 25, as amended, provides that a municipal power shall be exercised by by-law;

AND WHEREAS section 9 of the *Municipal Act, 2001* provides that a municipality has the capacity, rights, powers and privileges of a natural person for the purpose of exercising its authority under this or any other Act;

WHEREAS the *Municipal Act, 2001*, as amended (the "Act") provides that a municipality may incur a debt for municipal purposes, whether by borrowing money or in any other way, and may issue debentures and prescribed financial instruments and enter prescribed financial agreements for or in relation to the debt;

AND WHEREAS The Corporation of the City of London (the "Municipality") has issued and continues to issue debentures to provide financing for its capital works pursuant to the provisions of the Act from time to time in connection with various long term financing transactions;

AND WHEREAS when the Municipality 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") as book entry only securities;

AND WHEREAS CDS has introduced changes to its book entry only services system and, effective August 1, 2009, requires Ontario municipal issuers who desire to issue debentures in the CDS system as book entry only securities to enter into new arrangements with CDS, including CDS' Book Entry Only Securities – Services Agreement and as part of the new arrangements, Ontario municipalities may enter into Rider 1 (Municipalities) to CDS' Book Entry Only Securities – Services Agreement (the "Rider");

AND WHEREAS the Rider, amongst other things, provides in section 3.3 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;

APPENDIX A - continued

AND 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 Global Debentures, in the event of a defacement, loss, mysterious or unexplainable disappearance, theft or destruction or other instance (such as dematerialization) and establish certain conditions in respect thereof;

NOW THEREFORE the Council of The Corporation of the City of London hereby enacts as follows:

1. In the event of the defacement, loss, mysterious or unexplainable disappearance, theft or destruction or other instance (such as dematerialization) of debenture certificates, including Global Debentures, the Mayor and the City Clerk on behalf of the Municipality are hereby authorized to issue replacement debenture certificates in respect of any such debentures 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 Municipality and the entity that has requested the replacement debenture certificate.
2. In the case of a request for a replacement debenture certificate by CDS, the Municipality shall have no right to require a fee of any kind, although the Municipality, may, at its discretion, in other cases require the payment of a fee to cover the cost of issuing a replacement debenture certificate.
3. This by-law shall come into force and effect on the day it is passed.

PASSED in Open Council

, 2011

Joe Fontana
Mayor

Catharine Saunders
City Clerk

APPENDIX B

Bill No. 21
2011

By-Law No. A.-6762-14

A by-law to approve the Book Entry Only – Services Agreement and Rider 1 (Municipalities), both with CDS Clearing and Depository Services Inc. (“CDS”) and both in respect of the deposit in the CDS System of debentures as Book Entry Only Securities and to authorize the Mayor and City Clerk to execute the agreement.

WHEREAS subsection 5(3) of the *Municipal Act, 2001*, S.O. 2001, c. 25, as amended, provides that a municipal power shall be exercised by by-law;

AND WHEREAS section 9 of the *Municipal Act, 2001* provides that a municipality has the capacity, rights, powers and privileges of a natural person for the purpose of exercising its authority under this or any other Act;

AND WHEREAS section 10 of the *Municipal Act, 2001* provides that the City may provide any service or thing that the City considers necessary or desirable for the public, and may pass by-laws respecting same, and respecting economic, social and environmental well-being of the City, and the health, safety and well-being of persons;

AND WHEREAS the *Municipal Act, 2001*, as amended (the “Act”) provides that a municipality may incur a debt for municipal purposes, whether by borrowing money or in any other way, and may issue debentures and prescribed financial instruments and enter prescribed financial agreements for or in relation to the debt;

AND WHEREAS The Corporation of the City of London (the “Municipality”) has issued and continues to issue debentures to provide financing for its capital works pursuant to the provisions of the Act from time to time in connection with various long term financing transactions;

AND WHEREAS when the Municipality 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”) as book entry only securities;

AND WHEREAS CDS has introduced changes to its book entry only services system and, effective August 1, 2009, requires Ontario municipal issuers who desire to issue debentures in the CDS system as book entry only securities to enter into new arrangements with CDS, including CDS’ Book Entry Only Securities – Services Agreement and as part of the new arrangements, Ontario municipalities may enter into Rider 1 (Municipalities) to CDS’ Book Entry Only Securities – Services Agreement (the “Rider”);

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

NOW THEREFORE the Council of The Corporation of the City of London hereby enacts as follows:

1. The “Book Entry Only – Services Agreement” and Rider 1 (Municipalities), both with CDS and both in respect of the issuance of debentures of the Municipality, with such changes thereto as may be required by CDS and as such authorized officials of the Municipality may, at their discretion, approve.

APPENDIX B - continued

2. The Mayor and the City Clerk are authorized to execute the Book Entry Only – Service Agreement and the Rider Agreement approved under number 1 above.
3. This by-law shall come into force and effect on the day it is passed.

PASSED in Open Council

, 2011

Joe Fontana
Mayor

Catharine Saunders
City Clerk

First Reading – December 6, 2011
Second Reading – December 6, 2011
Third Reading – December 6, 2011

SCHEDULE 1



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

DATED this _____ day of _____, 20

at

(Optional - insert Province of execution by Issuer)

Issuer legal name:

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

Address

City

Province/state

Postal code/zip code

Country

Issuer contact name:

Job Title:

SCHEDULE 1



CDS Clearing and Depository Services Inc.

BOOK ENTRY ONLY SECURITIES - SERVICES AGREEMENT

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,

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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.

SCHEDULE 1

CDS BOOK ENTRY ONLY SECURITIES - SERVICES AGREEMENT
CDS Clearing and Depository Services Inc.

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 _____ day of _____, 20____

at _____
(Optional - insert Province of execution by Issuer)

Issuer legal name: _____

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 _____
Address _____
City _____ Province/state _____
Postal code/zip code _____ Country _____

Issuer contact name: _____

Job Title: _____

Telephone: (_____) _____

Fax: (_____) _____

Email: _____
(generic address preferred)

SCHEDULE 1

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.



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

SCHEDULE 1

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 Acknowledgement") in electronic form as described on the Website, using the form of BEO Acknowledgement 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.

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- (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

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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.

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- (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

SCHEDULE 1

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:

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- (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

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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:

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SCHEDULE 1

- 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 1

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 [redacted] day of [redacted], 2011.

BETWEEN

CDS CLEARING AND DEPOSITORY SERVICES INC. ("CDS")

- and -

[redacted] (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

SCHEDULE 1

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

SCHEDULE 1

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

SCHEDULE 1

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" heretofore 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.

SCHEDULE 1

- 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 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.

BY-LAW TO AUTHORIZE THE BORROWING
UPON INSTALMENT DEBENTURES IN THE
PRINCIPAL AMOUNT OF \$63,400,000.00
TOWARDS THE COST OF CERTAIN CAPITAL
WORKS OF THE CORPORATION OF THE CITY
OF LONDON.

WHEREAS subsection 401(1) of the *Municipal Act, 2001*, as amended (the "Act") provides that a municipality may incur a debt for municipal purposes, whether by borrowing money or in any other way, and may issue debentures and prescribed financial instruments and enter prescribed financial agreements for or in relation to the debt;

AND WHEREAS subsection 408(2.1) of the Act provides that a municipality may issue a debenture or other financial instrument for long-term borrowing only to provide financing for a capital work;

AND WHEREAS on October 18, 2001 pursuant to By-law No. D.-739-265, the Council of The Corporation of the City of London (the "Municipality") authorized the issue of debentures for projects numbered RC3332, PP3023, ES3051, ES3052, GG1694 and GG1695 (the "2001 Capital Works") in the principal amount of \$53,500,000.00 on the basis that \$33,901,000.00 of the principal amount of such debentures payable in the year 2011 shall be raised by the issue of refunding debentures over a further term not to exceed 10 years pursuant to the provisions of the *Municipal Act*, R.S.O. 1990, c. M.45, as in force until January 1, 2003;

AND WHEREAS the currently applicable legislation as contained in subsection 408(4) of the Act provides (a) that a debenture by-law shall provide for raising in each year as part of the general levy the amounts of principal and interest payable in each year under the by-law to the extent that the amounts have not been provided for by other taxes or by fees or charges imposed on persons or property by a by-law of any municipality and subsections (b) and (c) provide that a debenture by-law shall include provisions that contemplate the payment of principal and interest in each year. Subsection 408(5) of the Act further provides that the total amount of principal and interest that must be raised in a year under subsection 408(4)(a) of the Act does not include any outstanding amount of principal specified as payable on the maturity date of a debenture if one or more refinancing debentures are issued by the municipality on or before the maturity date in respect of the outstanding principal;

AND WHEREAS the authorized 20 year amortization period of the debentures issued for the 2001 Capital Works expires on October 18, 2021 and therefore, the issue of refinancing debentures for a term of approximately 9 years in the aggregate principal amount of \$33,901,000.00 which will finally mature on December 15, 2020 (the "Refinancing Debentures") will in fact constitute the issuance of such refinancing debentures "on or before the maturity date in respect of the outstanding principal" in accordance with the currently applicable legislation;

AND WHEREAS the Council of the Municipality has authorized the capital works, including the 2001 Capital Works, of the Municipality set out in Column (2) of Schedule "A" attached hereto and forming part of this By-law ("Schedule "A") and the issue of debentures in respect thereof, including the Refinancing Debentures, in the respective principal amount specified in Column (3) of Schedule "A" (individually a "Capital Work", collectively the "Capital Works");

AND WHEREAS before authorizing the Capital Works and before authorizing any additional cost amounts and any additional debenture authorities in respect thereof, the Council of the Municipality had its Treasurer calculate an updated limit in respect of its most recent annual debt and financial obligation limit received from the Ministry of Municipal Affairs and Housing in accordance with the applicable regulation and, prior to the Council of the Municipality authorizing each Capital Work, each such additional cost amount and each such additional debenture authority, the Treasurer determined that the estimated annual amount

payable in respect of each Capital Work, each such additional cost amount and each such additional debenture authority, would not cause the Municipality to exceed the updated limit and that the approval of each Capital Work, each such additional cost amount and each such additional debenture authority by the Ontario Municipal Board pursuant to such regulation was not required;

AND WHEREAS to provide long term financing for the Capital Works it is now deemed to be expedient to borrow money by the issue and sale of instalment debentures of the Municipality in the principal amount of \$63,400,000.00 payable at the times and bearing interest at the rates hereinafter set forth, as agreed to by the Municipality on November 28, 2011.

NOW THEREFORE the Council of The Corporation of the City of London hereby enacts as follows:

1. For the Capital Works, the borrowing upon the credit of the Municipality at large of the principal amount of \$63,400,000.00 and the issue of instalment debentures therefor within the term of 10 years in denominations of \$1,000.00 and any integral multiples thereof, as hereinafter set forth, are hereby authorized.
2. The Mayor and the Treasurer of the Municipality are hereby authorized to cause any number of instalment debentures in the principal amount of \$63,400,000.00, as described in section 1 above (the "Debentures"), payable in annual instalments of principal (December 15) with semi-annual instalments of interest thereon (June 15 and December 15) to be issued for such amounts of money as may be required for the Capital Works in global and definitive forms, not exceeding in total the said principal amount of \$63,400,000.00. The Debentures shall bear the Municipality's municipal seal and the signatures of the Mayor and of the Treasurer of the Municipality, all in accordance with the provisions of the Act. The municipal seal of the Municipality and the signatures referred to in this section may be printed, lithographed, engraved or otherwise mechanically reproduced. The Debentures are sufficiently signed if they bear the required signatures and each person signing has the authority to do so on the date he or she signs. The Debentures shall initially be issued in global fully registered form as two certificates, each in the principal amount of \$31,700,000.00, in the aggregate principal amount of \$63,400,000.00, substantially in the form of Schedule "B" attached hereto and forming part of this By-law (the "Global Debentures"). The Global Debentures shall initially be issued in the name of CDS & CO. as nominee of CDS Clearing and Depository Services Inc. ("CDS"), and shall provide for payment of principal and interest, electronically in final and irrevocable same-day funds in accordance with the applicable requirements of CDS, so long as the Global Debentures are held by CDS.
3. (1) The Debentures shall all be dated the 15th day of December, 2011, and as to both principal and interest shall be expressed and be payable in lawful money of Canada. The Debentures shall mature within the terms of years set out in Column (6) of Schedule "A" and the respective amounts of principal and interest payable in each of the years during the currency of the Debentures shall be as set forth in Schedule "C" attached hereto and forming part of this By-law ("Schedule "C"). The Debentures maturing (principal payable) in the year 2012 shall bear interest at the rate of 1.40% per annum, the Debentures maturing (principal payable) in the year 2013 shall bear interest at the rate of 1.50% per annum, the Debentures maturing (principal payable) in the year 2014 shall bear interest at the rate of 1.70% per annum, the Debentures maturing (principal payable) in the year 2015 shall bear interest at the rate of 1.95% per annum, the Debentures maturing (principal payable) in the year 2016 shall bear interest at the rate of 2.30% per annum, the Debentures maturing (principal payable) in the year 2017 shall bear interest at the rate of 2.60% per annum, the Debentures maturing (principal payable) in the year 2018 shall bear interest at the rate of 2.90% per annum, the Debentures maturing (principal payable) in the year 2019 shall bear interest at the

rate of 3.15% per annum, the Debentures maturing (principal payable) in the year 2020 shall bear interest at the rate of 3.35% per annum and the Debentures maturing (principal payable) in the year 2021 shall bear interest at the rate of 3.55% per annum.

(2) Payments in respect of principal of and interest on the Debentures shall be made only on a day on which banking institutions in Toronto, Ontario are not authorized or obligated by law or executive order to be closed (a "Business Day") and if any date for payment is not a Business Day, payment shall be made on the next following Business Day and no further interest shall be paid in respect of the delay in such payment.

4. Interest shall be payable to the date of maturity of the Debentures and on default shall be payable both before and after default and judgment. Any amounts payable by the Municipality as interest on overdue principal or interest in respect of the Debentures shall be paid out of current revenue. Whenever it is necessary to compute any amount of interest in respect of the Debentures for a period of less than one full year, other than with respect to regular semi-annual interest payments, such interest shall be calculated on the basis of the actual number of days in the period and a year of 365 days or 366 days, if applicable.
5. In limited circumstances (as agreed to by both the Municipality and CDS) the Global Debentures shall be exchangeable for certificated Debentures in definitive fully registered form in authorized denominations upon surrender of the Global Debentures to the Treasurer of the Municipality provided that there is at least one definitive Debenture which matures in each of the remaining years of the currency of the Global Debentures. The definitive Debentures shall aggregate the same principal amount as the principal outstanding balance of the Global Debentures as of the record date for such exchange in accordance with the provisions of the Global Debentures, shall bear the same interest rates and maturity dates, shall bear all unmaturing interest obligations and shall have the same benefits and be subject to the same terms and conditions as the Global Debentures (except insofar as they specifically relate to the Global Debentures). In issuing definitive Debentures no change shall be made in the amount which would otherwise be payable in each year under the Global Debentures. The definitive Debentures shall be in fully registered form, payable as to principal and outstanding interest in lawful money of Canada at maturity upon presentation and surrender thereof at any specified branch in Canada of the Municipality's bank designated in the definitive Debentures. Prior to maturity, the definitive Debentures shall be payable as to interest by cheque sent by mail to the registered addresses of the registered holders or, if authorized in writing, by electronic transfer.
6. In each year in which a payment of an instalment of principal and interest becomes due in respect of the Debentures there shall be raised as part of the general levy the amounts of principal and interest payable in each year as set out in Schedule "C" to the extent that the amounts have not been provided for by any other available source including other taxes or fees or charges imposed on persons or property by a by-law of any municipality.
7. The Debentures may contain any provision for their registration thereof authorized by any statute relating to municipal debentures in force at the time of the issue thereof.
8. The Municipality shall maintain a registry in respect of the Debentures in which shall be recorded the names and the addresses of the registered holders and particulars of the Debentures held by them respectively and in which particulars of the cancellations, exchanges, substitutions and transfers of Debentures may be recorded and the Municipality is authorized to use electronic, magnetic or other media for records of or related to the Debentures or for copies of them.

9. The Municipality shall not be bound to see to the execution of any trust affecting the ownership of any Debenture or be affected by notice of any equity that may be subsisting in respect thereof. The Municipality shall deem and treat registered holders of the Debentures, including the Global Debentures, as the absolute owners thereof for all purposes whatsoever notwithstanding any notice to the contrary and all payments to or to the order of registered holders shall be valid and effectual to discharge the liability of the Municipality on the Debentures to the extent of the amount or amounts so paid. Where a Debenture is registered in more than one name, the principal of and interest from time to time payable on such Debenture shall be paid to or to the order of all the joint registered holders thereof, failing written instructions to the contrary from all such joint registered holders, and such payment shall constitute a valid discharge to the Municipality. In the case of the death of one or more joint registered holders, despite the foregoing provisions of this section, the principal of and interest on any Debentures registered in their names may be paid to the survivor or survivors of such holders and such payment shall constitute a valid discharge to the Municipality.
10. The Debentures are transferable or exchangeable at the office of the Treasurer of the Municipality upon presentation for such purpose accompanied by an instrument of transfer or exchange in a form approved by the Municipality and which form is in accordance with the prevailing Canadian transfer legislation and practices, executed by the registered holder thereof or such holder's duly authorized attorney or legal personal representative, whereupon and upon registration of such transfer or exchange and cancellation of the Debenture or Debentures presented, the Mayor and the Treasurer shall issue and deliver a new Debenture or Debentures of an equal aggregate principal amount in any authorized denomination or denominations as directed by the transferee, in the case of a transfer or as directed by the registered holder in the case of an exchange.
11. The Mayor and the Treasurer shall issue and deliver new Debentures in exchange or substitution for Debentures outstanding on the registry with the same maturity dates and of like form which have become defaced, lost, subject to a mysterious or unexplainable disappearance, stolen, destroyed or dematerialized, provided that the applicant therefor shall have: (a) paid such costs as may have been incurred in connection therewith; (b) (in the case where a Debenture is defaced, lost, mysteriously or unexplainably missing, stolen, destroyed or dematerialized) furnished the Municipality with such evidence (including evidence as to the certificate number of the Debenture in question) and indemnity in respect thereof satisfactory to the Municipality in its discretion; and (c) surrendered to the Municipality any defaced Debenture in respect of which new Debentures are to be issued in substitution.
12. The Debentures issued upon any registration of transfer or exchange or in substitution for any Debentures or part thereof shall carry all the rights to interest if any, accrued and unpaid which were carried by such Debentures or part thereof and shall be so dated and shall bear the same maturity dates and, subject to the provisions of this By-law, shall be subject to the same terms and conditions as the Debentures in respect of which the transfer, exchange or substitution is effected.
13. The cost of all transfers and exchanges, including the printing of authorized denominations of the new Debentures, shall be borne by the Municipality. When any of the Debentures are surrendered for transfer or exchange the Treasurer of the Municipality shall: (a) in the case of an exchange, cancel and destroy the Debentures surrendered for exchange; (b) in the case of an exchange, certify the cancellation and destruction in the registry; and (c) enter in the registry particulars of the new Debenture or Debentures issued in exchange.

- 14. Subject to an agreement that the Municipality may enter into to the contrary, reasonable fees may be imposed by the Municipality for the substitution of a new Debenture or new Debentures for any of the Debentures that are defaced, lost, mysteriously or unexplainably missing, stolen, destroyed or dematerialized and for the replacement of any of the interest cheques that are defaced, lost, mysteriously or unexplainably missing, stolen or destroyed. Where new Debentures are issued in substitution in these circumstances the Municipality shall: (a) treat as cancelled and destroyed the Debentures in respect of which new Debentures will be issued in substitution; (b) certify the deemed cancellation and destruction in the registry; (c) enter in the registry particulars of the new Debentures issued in substitution; and (d) make a notation of any indemnities provided.
- 15. Except as otherwise expressly provided herein, any notice required to be given to a registered holder of one or more of the Debentures will be sufficiently given if a copy of such notice is mailed or otherwise delivered to the registered address of such registered holder.
- 16. (1) The Mayor and the Treasurer are hereby authorized to cause the Debentures to be issued, the execution of the purchase letter in respect of the Debentures, dated as at November 28, 2011, by the Treasurer is hereby ratified, confirmed and approved, one or more of the Treasurer and the Clerk are hereby authorized to generally do all things and to execute all other documents and papers in the name of the Municipality in order to carry out the sale of the Debentures through CDS' book entry only system and the Treasurer is authorized to affix the Municipality's municipal seal to any of such documents and papers.

(2) The money received by the Municipality from the sale of the Debentures, including any premium, and any earnings derived from the investment of that money, shall be apportioned and applied to the Capital Works, and to no other purpose except as permitted by the Act.
- 17. The Municipality reserves the right to issue additional instalment debentures of the same maturities, interest rates and terms and conditions.
- 18. Subject to the Municipality's investment policies and goals and the applicable legislation, the Municipality may, if not in default under the Debentures, at any time purchase any of the Debentures in the open market or by tender or by private contract at any price and on such terms and conditions (including, without limitation, the manner by which any tender offer may be communicated or accepted and the persons to whom it may be addressed) as the Municipality may in its discretion determine.
- 19. This By-law comes into force on the day it is passed.

Passed in Open Council on December 6, 2011

Joe Fontana, Mayor

Catharine Saunders, City Clerk

THE CORPORATION OF THE CITY OF LONDON

SCHEDULE "A" TO BY-LAW No. D.-765 -16

(1)	(2)	(3)	(4)	(5)	(6)
By-Law Number	Capital Work Description	Approved Principal Amount to be Financed Through the Issue of Debentures	Principal Amount of Debentures Previously Issued	Principal Amount of Debentures to be Issued	Term of Years
		\$	\$	\$	
W.-1739-178 W.-1739(a)-312	Capital costs in connection with the new Fire Station # 13 – North London project (PP1085)	640,446.00	Nil	640,446.00	10
W.-1730-139	Capital costs in connection with the Nichols Arena Expansion project (RC2613)	5,800,000.00	Nil	1,168,712.00	10
W.-1694-151 W.-1694(d)-107	Capital costs in connection with the Operations Centre – Site Development project (TS6210)	6,008,030.00	Nil	5,661,958.00	10
W.-1693-150 W.-1693(c)-43	Capital costs in connection with the Commissioners Road East Widening project (TS1132)	4,091,324.00	Nil	4,031,961.00	10
W.-1809-204 W.-1809(c)-164	Capital costs in connection with the Veterans Memorial Parkway project (TS1497)	3,080,737.00	Nil	991,873.00	10
W.-5309-247	Capital costs in connection with the Fare Collection System (Fare Box Replacement) project (MU1164)	1,747,600.00	Nil	1,049,617.00	5
W.-1696-153 W.-1696(b)-164	Capital costs in connection with the Salt and Sand Storage Facility project (TS6181)	2,469,941.00	Nil	2,275,518.00	10
W.-1982-94 W.-1982(a)-227	Capital costs in connection with the Wonderland-Dingman Pumping Station project (ES3088)	6,444,766.00	Nil	5,300,000.00	10
W.-1864-268 W.-1864(b)-532	Capital costs in connection with the Edward St. Trunk Storm Sewer project (ES5138)	3,090,471.00	Nil	878,915.00	10
W.-1708-21	Capital costs in connection with the Dingman Pumping Station and Watershed project (ES3073)	3,680,000.00	Nil	1,500,000.00	10
W.-2006-36	Capital costs in connection with the SS5 Dingman Drive Trunk Sanitary Sewer (ES5244)	1,216,000.00	Nil	1,000,000.00	10

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THE CORPORATION OF THE CITY OF LONDON					
SCHEDULE "A" TO BY-LAW No. D.-765 -16					
(1)	(2)	(3)	(4)	(5)	(6)
By-Law Number	Capital Work Description	Approved Principal Amount to be Financed Through the Issue of Debentures	Principal Amount of Debentures Previously Issued	Principal Amount of Debentures to be Issued	Term of Years
		\$	\$	\$	
W.-2006(a)-137					
W.-5235-346 W.-5235(a)-8	Capital costs in connection with the 2009 SWM (swimming) Ponds (DC) (ES3018)	12,257,001.00	Nil	5,000,000.00	10
W.-1661-29	Capital costs in connection with the Central Library expansion/relocation project (RC3332)	24,721,472.00	17,000,000.00	10,772,280.00*	9**
W.-1764-253	Capital costs in connection with the New Public Market Improvements (Mezzanine) project (PP3023)	900,000.00	900,000.00	570,297.00*	9**
W.-1638-135	Capital costs in connection with the Burbrook Trunk Storm Sewer – Phase I project (ES3051)	1,000,000.00	1,000,000.00	633,664.00*	9**
W.-1659-11 W.-1659(a)-244	Capital costs in connection with the Burbrook Trunk Storm Sewer – Phase II project (ES3052)	2,600,000.00	2,600,000.00	1,647,525.00*	9**
W.-1702-177	Capital costs in connection with the Western Fair Arena project (GG1694) and capital costs in connection with the Downtown Arena and Entertainment Centre (JLC) (GG1695)	58,720,000.00	12,000,000.00 20,000,000.00	7,603,963.00* 12,673,271.00*	9**
	GRAND TOTAL			63,400,000.00	

* Refinancing debentures authorized by by-law No. D.-739-265

** Approximate term of years

THE CORPORATION OF THE CITY OF LONDON

Schedule "B" to By-law No. D.-765 -16

Unless this certificate is presented by an authorized representative of CDS Clearing and Depository Services Inc. ("CDS") to The Corporation of the City of London (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.

No. FRG11-01

\$31,700,000.00

CANADA
Province of Ontario
THE CORPORATION OF THE CITY OF LONDON

FULLY REGISTERED GLOBAL INSTALMENT DEBENTURE

THE ISSUER, for value received, hereby promises to pay to
CDS & CO.

as nominee of CDS or registered assigns, subject to the Conditions attached hereto which form part hereof (the "Conditions"), by the final maturity date of this global debenture (December 15, 2021), the principal amount of

THIRTY-ONE MILLION SEVEN HUNDRED THOUSAND DOLLARS
----- (\$31,700,000.00) -----

by annual payments on the 15th day of December in each of the years 2012 to 2021, both inclusive, in the amounts set forth in the Schedule on the reverse side hereof (the "Schedule") in lawful money of Canada, and to pay interest thereon until the final maturity date of this Global Debenture in like money in semi-annual payments from December 15, 2011, or from the last date on which interest has been paid on this Global Debenture, whichever is later, at the rates of interest set forth in the Schedule, in arrears on the 15th day of June and the 15th day of December, in each year (each, a "Payment Date") in the manner provided in the Conditions. Subject to the Conditions, interest shall be paid on default at the applicable rate set out in the Schedule both before and after default and judgment. The applicable interest rate, the payments of principal and interest and the principal balance outstanding in each year are shown in the Schedule.

This Global Debenture is subject to the Conditions.

DATED at the City of London the 15th day of December, 2011.

IN TESTIMONY WHEREOF and under the authority of By-law No. D.-765 -16 of the Issuer duly passed on the 6th day of December, 2011 (the "Debenture By-law"), this Global Debenture is sealed with the municipal seal of the Issuer and signed by the Mayor and by the Treasurer thereof.

Date of Registration: December 15, 2011

Mayor

(seal)

Treasurer

SCHEDULE

Year	CUSIP No.	ISIN No.	Interest Rate %	Semi-annual Interest		Principal December 15 \$	Total Annual Payment \$	Principal Balance Outstanding December 15 \$
				June 15 \$	December 15 \$			
2011								31,700,000.00
2012	541908FQ7	CA541908FQ78	1.40	381,096.88	381,096.88	3,156,000.00	3,918,193.76	28,544,000.00
2013	541908FR5	CA541908FR51	1.50	359,004.88	359,004.88	3,197,500.00	3,915,509.76	25,346,500.00
2014	541908FS3	CA541908FS35	1.70	335,023.63	335,023.63	3,244,000.00	3,914,047.26	22,102,500.00
2015	541908FT1	CA541908FT18	1.95	307,449.63	307,449.63	3,297,500.00	3,912,399.26	18,805,000.00
2016	541908FU8	CA541908FU80	2.30	275,299.00	275,299.00	3,360,500.00	3,911,098.00	15,444,500.00
2017	541908FV6	CA541908FV63	2.60	236,653.25	236,653.25	3,323,500.00	3,796,806.50	12,121,000.00
2018	541908FW4	CA541908FW47	2.90	193,447.75	193,447.75	3,408,000.00	3,794,895.50	8,713,000.00
2019	541908FX2	CA541908FX20	3.15	144,031.75	144,031.75	3,505,000.00	3,793,063.50	5,208,000.00
2020	541908FY0	CA541908FY03	3.35	88,828.00	88,828.00	3,614,000.00	3,791,656.00	1,594,000.00
2021	541908FZ7	CA541908FZ77	3.55	28,293.50	28,293.50	1,594,000.00	1,650,587.00	-
				2,349,128.27	2,349,128.27	31,700,000.00	36,398,256.54	

LEGAL OPINION

We have examined the Debenture By-law of the Issuer authorizing the issue of instalment debentures in the principal amount of \$63,400,000.00 dated December 15, 2011 and maturing in ten (10) instalments of principal of varying amounts on the 15th day of December in each of the years 2012 to 2021, both inclusive.

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

Toronto, December 15, 2011

BORDEN LADNER GERVAIS LLP

CONDITIONS OF GLOBAL DEBENTURE

Form, Denomination, Ranking and Beneficial Interests in Global Debenture

1. The debentures issued pursuant to the Debenture By-law (collectively the "Debentures" and individually a "Debenture") are issuable as fully registered Debentures without coupons in denominations of \$1,000.00 and any integral multiples thereof.
2. The Debentures are direct, unsecured and unsubordinated obligations of the Issuer. The Debentures rank concurrently and equally in respect of payment of principal and interest with all other debentures of the Issuer except for the availability of money in a sinking or retirement fund for a particular issue of debentures.
3. This Debenture is a Global Debenture registered in the name of the nominee of CDS and held by CDS. Beneficial interests in this Global Debenture are represented through book entry accounts, to be established and maintained by CDS, on its records for CDS' participants (the "Participants") in accordance with its participant agreement and rules and procedures which are posted on CDS' website.
4. Except in the limited circumstances described herein, owners of beneficial interests in this Global Debenture will not be entitled to have Debentures registered in their names, will not receive or be entitled to receive physical delivery of Debentures and will not be considered registered holders of Debentures under the Conditions. The Issuer does not have any responsibility or liability for maintaining, supervising or reviewing any records of CDS or Participants relating to payments made or to be made by CDS or any Participant on account of beneficial ownership interests in this Global Debenture.

Certificated Debentures

5. This Global Debenture is exchangeable, in whole but not in part, for certificated Debentures in definitive form registered in the name of a person other than CDS or its nominee only upon the occurrence of any of the following events (a) upon reasonable notice by CDS to the Issuer, CDS may discontinue the eligibility of this Global Debenture on deposit, or cease to hold this Global Debenture in respect of the Debentures, 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 the Issuer gives CDS appropriate notice that it is unable or unwilling to continue to have CDS hold this Global Debenture as a book entry only security or that it desires or has processed an entitlement requiring a withdrawal of this Global Debenture, and the Issuer has all right, power, capacity and authority to do so.
6. Debentures issued in exchange for this Global Debenture shall be issued as certificated Debentures in definitive form in authorized denominations, shall have the same benefits and be subject to the same terms and conditions as this Global Debenture (except insofar as they specifically relate to this Global Debenture as such), shall be registered in such names and in such denominations as CDS shall direct and shall be delivered as directed by the persons in whose names such definitive Debentures are to be registered.
7. Upon the exchange of certificated Debentures in definitive form for this Global Debenture, the Issuer shall receive and cancel this Global Debenture, shall reduce the holdings of CDS & CO. on the registry to nil and shall issue or cause to be issued in exchange for this Global Debenture certificated Debentures in definitive form in an aggregate principal amount equal to and in exchange for the Participants' proportionate interests in this Global Debenture as of the record date for such exchange, as directed by CDS. On or after any such exchange, but only to the extent reasonably practicable in the circumstances, the Issuer shall make all payments in respect of such certificated Debentures in definitive form to the registered holders thereof, notwithstanding such exchange occurred after the record date for any payment and prior to such payment date.

Registration

8. The Issuer will keep at its designated office in the City of London a registry in which shall be entered the names and addresses of the registered holders of Debentures and particulars of the Debentures held by them respectively and in which transfers, exchanges and substitutions of Debentures may be registered.

Title

9. The Issuer shall not be bound to see to the execution of any trust affecting the ownership of any Debenture or be affected by notice of any equity that may be subsisting in respect thereof. The Issuer shall deem and treat registered holders of Debentures, including this Global Debenture, as the absolute owners thereof for all purposes whatsoever notwithstanding any notice to the contrary and all payments to or to the order of registered holders shall be valid and effectual to discharge the liability of the Issuer on the Debentures to the extent of the amount or amounts so paid.

Payments of Principal and Interest

10. The record date for purposes of payment of principal of and interest on the Debentures is as of 5:00 p.m. on the sixteenth calendar day preceding any Payment Date, including a maturity date. Principal of and interest on the Debentures are payable by the Issuer to the persons registered as holders in the registry on the relevant record date. The Issuer shall not be required to register any transfer, exchange or substitution of Debentures during the period from any record date to the corresponding Payment Date.
11. The Issuer shall make all payments in respect of annual principal and semi-annual interest on the Debentures on each Payment Date commencing on June 15, 2012 electronically in final and irrevocable same-day funds in accordance with the applicable requirements of CDS, so long as this Global Debenture is held by CDS.
12. In the case that certificated Debentures in definitive form are issued, the Issuer shall make all payments in respect of principal and outstanding interest in lawful money of Canada at maturity upon presentation and surrender thereof at any specified branch in Canada of the Issuer's bank designated in the definitive Debentures, and prior to maturity, shall make payments of interest, by cheque sent by mail to the registered addresses of the registered holders or, if authorized in writing, by electronic transfer.
13. Whenever it is necessary to compute any amount of interest in respect of the Debentures for a period of less than one full year, other than with respect to regular semi-annual interest payments, such interest shall be calculated on the basis of the actual number of days in the period and a year of 365 days or 366 days, if applicable.
14. Payments in respect of principal of and interest on the Debentures shall be made only on a day on which banking institutions in Toronto, Ontario, are not authorized or obligated by law or executive order to be closed (a "Business Day"), and if any date for payment is not a Business Day, payment shall be made on the next following Business Day and no further interest shall be paid in respect of the delay in such payment.
15. Where a Debenture is registered in more than one name, the principal of and interest from time to time payable on such Debenture shall be paid to or to the order of all the joint registered holders thereof, failing written instructions to the contrary from all such joint registered holders, and such payment shall constitute a valid discharge to the Issuer.
16. In the case of the death of one or more joint registered holders, despite sections 9 and 15 of the Conditions, the principal of and interest on any Debentures registered in their names may be paid to the survivor or survivors of such holders and such payment shall constitute a valid discharge to the Issuer.

Transfers, Exchanges and Substitutions

17. Debentures are transferable or exchangeable at the office of the Treasurer of the Issuer upon presentation for such purpose accompanied by an instrument of transfer or exchange in a form approved by the Issuer and which form is in accordance with the prevailing Canadian transfer legislation and practices, executed by the registered holder thereof or such holder's duly authorized attorney or legal personal representative, whereupon and upon registration of such transfer or exchange and cancellation of the Debenture or Debentures presented, a new Debenture or Debentures of an equal aggregate principal amount in any authorized denomination or denominations will be delivered as directed by the transferee, in the case of a transfer or as directed by the registered holder in the case of an exchange.
18. The Issuer shall issue and deliver Debentures in exchange for or in substitution for Debentures outstanding on the registry with the same maturity date and of like form in the event of a defacement, loss, mysterious or unexplainable disappearance, theft, destruction or dematerialization, provided that the applicant therefor shall have (i) paid such costs as may have been incurred in connection therewith; (ii)

(in the case of a lost, mysteriously or unexplainably missing, stolen, destroyed or dematerialized Debenture) furnished the Issuer with such evidence (including evidence as to the certificate number of the Debenture in question) and indemnity in respect thereof satisfactory to the Issuer in its discretion; and (iii) surrendered to the Issuer any defaced Debenture in respect of which new Debentures are to be issued in substitution.

19. Each Debenture executed and delivered upon any registration of transfer or exchange for or in substitution for any Debenture or part thereof shall carry all the rights to interest, if any, accrued and unpaid which were carried by such Debenture or part thereof and shall be so dated.
20. Subject to an agreement that the Issuer may enter into to the contrary, the Issuer shall not impose any fees in respect of the Debentures, in the normal course of business, other than reasonable fees for the issue of new Debentures or for the issue of new cheques in substitution for Debentures that are defaced, lost, mysteriously or unexplainably missing, stolen, destroyed or dematerialized, or interest cheques that are defaced, lost, mysteriously or unexplainably missing or destroyed.

Purchases

21. Subject to the investment policies and goals of the Issuer and the applicable legislation, the Issuer may, if not in default under the Debentures, at any time purchase Debentures in the open market or by tender or by private contract at any price and on such terms and conditions (including without limitation, the manner by which any tender offer may be communicated or accepted and the persons to whom it may be addressed) as the Issuer may in its discretion determine.

Additional Debentures

22. The Issuer has reserved the right to issue additional instalment debentures of the same maturities, interest rates and terms and conditions.

Notices

23. Except as otherwise expressly provided herein, any notice required to be given to a registered holder of one or more of the Debentures will be sufficiently given if a copy of such notice is mailed or otherwise delivered to the registered address of such registered holder. If the Issuer or any registered holder is required to give any notice in connection with the Debentures on or before any day and that day is not a Business Day then such notice may be given on the next following Business Day.

Time

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

Governing Law

25. The Debentures are governed by and shall be construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable in Ontario.

Unless this certificate is presented by an authorized representative of CDS Clearing and Depository Services Inc. ("CDS") to The Corporation of the City of London (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.

No. FRG11-02

\$31,700,000.00

CANADA
Province of Ontario
THE CORPORATION OF THE CITY OF LONDON

FULLY REGISTERED GLOBAL INSTALMENT DEBENTURE

THE ISSUER, for value received, hereby promises to pay to
CDS & CO.

as nominee of CDS or registered assigns, subject to the Conditions attached hereto which form part hereof (the "Conditions"), by the final maturity date of this global debenture (December 15, 2021), the principal amount of

THIRTY-ONE MILLION SEVEN HUNDRED THOUSAND DOLLARS
----- (\$31,700,000.00) -----

by annual payments on the 15th day of December in each of the years 2012 to 2021, both inclusive, in the amounts set forth in the Schedule on the reverse side hereof (the "Schedule") in lawful money of Canada, and to pay interest thereon until the final maturity date of this Global Debenture in like money in semi-annual payments from December 15, 2011, or from the last date on which interest has been paid on this Global Debenture, whichever is later, at the rates of interest set forth in the Schedule, in arrears on the 15th day of June and the 15th day of December, in each year (each, a "Payment Date") in the manner provided in the Conditions. Subject to the Conditions, interest shall be paid on default at the applicable rate set out in the Schedule both before and after default and judgment. The applicable interest rate, the payments of principal and interest and the principal balance outstanding in each year are shown in the Schedule.

This Global Debenture is subject to the Conditions.

DATED at the City of London the 15th day of December, 2011.

IN TESTIMONY WHEREOF and under the authority of By-law No. D.-765 -16 of the Issuer duly passed on the 6th day of December, 2011 (the "Debenture By-law"), this Global Debenture is sealed with the municipal seal of the Issuer and signed by the Mayor and by the Treasurer thereof.

Date of Registration: December 15, 2011

Mayor

(seal)

Treasurer

SCHEDULE

Year	CUSIP No.	ISIN No.	Interest Rate %	Semi-annual Interest		Principal December 15 \$	Total Annual Payment \$	Principal Balance Outstanding December 15 \$
				June 15 \$	December 15 \$			
2011								31,700,000.00
2012	541908FQ7	CA541908FQ78	1.40	381,096.87	381,096.87	3,156,000.00	3,918,193.74	28,544,000.00
2013	541908FR5	CA541908FR51	1.50	359,004.87	359,004.87	3,197,500.00	3,915,509.74	25,346,500.00
2014	541908FS3	CA541908FS35	1.70	335,023.62	335,023.62	3,244,000.00	3,914,047.24	22,102,500.00
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2020	541908FY0	CA541908FY03	3.35	88,828.00	88,828.00	3,614,000.00	3,791,656.00	1,594,000.00
2021	541908FZ7	CA541908FZ77	3.55	28,293.50	28,293.50	1,594,000.00	1,650,587.00	
				2,349,128.23	2,349,128.23	31,700,000.00	36,398,256.46	

LEGAL OPINION

We have examined the Debenture By-law of the Issuer authorizing the issue of instalment debentures in the principal amount of \$63,400,000.00 dated December 15, 2011 and maturing in ten (10) instalments of principal of varying amounts on the 15th day of December in each of the years 2012 to 2021, both inclusive.

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

Toronto, December 15, 2011

BORDEN LADNER GERVAIS LLP

CONDITIONS OF GLOBAL DEBENTURE

Form, Denomination, Ranking and Beneficial Interests in Global Debenture

1. The debentures issued pursuant to the Debenture By-law (collectively the "Debentures" and individually a "Debenture") are issuable as fully registered Debentures without coupons in denominations of \$1,000.00 and any integral multiples thereof.
2. The Debentures are direct, unsecured and unsubordinated obligations of the Issuer. The Debentures rank concurrently and equally in respect of payment of principal and interest with all other debentures of the Issuer except for the availability of money in a sinking or retirement fund for a particular issue of debentures.
3. This Debenture is a Global Debenture registered in the name of the nominee of CDS and held by CDS. Beneficial interests in this Global Debenture are represented through book entry accounts, to be established and maintained by CDS, on its records for CDS' participants (the "Participants") in accordance with its participant agreement and rules and procedures which are posted on CDS' website.
4. Except in the limited circumstances described herein, owners of beneficial interests in this Global Debenture will not be entitled to have Debentures registered in their names, will not receive or be entitled to receive physical delivery of Debentures and will not be considered registered holders of Debentures under the Conditions. The Issuer does not have any responsibility or liability for maintaining, supervising or reviewing any records of CDS or Participants relating to payments made or to be made by CDS or any Participant on account of beneficial ownership interests in this Global Debenture.

Certificated Debentures

5. This Global Debenture is exchangeable, in whole but not in part, for certificated Debentures in definitive form registered in the name of a person other than CDS or its nominee only upon the occurrence of any of the following events (a) upon reasonable notice by CDS to the Issuer, CDS may discontinue the eligibility of this Global Debenture on deposit, or cease to hold this Global Debenture in respect of the Debentures, 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 the Issuer gives CDS appropriate notice that it is unable or unwilling to continue to have CDS hold this Global Debenture as a book entry only security or that it desires or has processed an entitlement requiring a withdrawal of this Global Debenture, and the Issuer has all right, power, capacity and authority to do so.
6. Debentures issued in exchange for this Global Debenture shall be issued as certificated Debentures in definitive form in authorized denominations, shall have the same benefits and be subject to the same terms and conditions as this Global Debenture (except insofar as they specifically relate to this Global Debenture as such), shall be registered in such names and in such denominations as CDS shall direct and shall be delivered as directed by the persons in whose names such definitive Debentures are to be registered.
7. Upon the exchange of certificated Debentures in definitive form for this Global Debenture, the Issuer shall receive and cancel this Global Debenture, shall reduce the holdings of CDS & CO. on the registry to nil and shall issue or cause to be issued in exchange for this Global Debenture certificated Debentures in definitive form in an aggregate principal amount equal to and in exchange for the Participants' proportionate interests in this Global Debenture as of the record date for such exchange, as directed by CDS. On or after any such exchange, but only to the extent reasonably practicable in the circumstances, the Issuer shall make all payments in respect of such certificated Debentures in definitive form to the registered holders thereof, notwithstanding such exchange occurred after the record date for any payment and prior to such payment date.

Registration

8. The Issuer will keep at its designated office in the City of London a registry in which shall be entered the names and addresses of the registered holders of Debentures and particulars of the Debentures held by them respectively and in which transfers, exchanges and substitutions of Debentures may be registered.

Title

9. The Issuer shall not be bound to see to the execution of any trust affecting the ownership of any Debenture or be affected by notice of any equity that may be subsisting in respect thereof. The Issuer shall deem and treat registered holders of Debentures, including this Global Debenture, as the absolute owners thereof for all purposes whatsoever notwithstanding any notice to the contrary and all payments to or to the order of registered holders shall be valid and effectual to discharge the liability of the Issuer on the Debentures to the extent of the amount or amounts so paid.

Payments of Principal and Interest

10. The record date for purposes of payment of principal of and interest on the Debentures is as of 5:00 p.m. on the sixteenth calendar day preceding any Payment Date, including a maturity date. Principal of and interest on the Debentures are payable by the Issuer to the persons registered as holders in the registry on the relevant record date. The Issuer shall not be required to register any transfer, exchange or substitution of Debentures during the period from any record date to the corresponding Payment Date.
11. The Issuer shall make all payments in respect of annual principal and semi-annual interest on the Debentures on each Payment Date commencing on June 15, 2012 electronically in final and irrevocable same-day funds in accordance with the applicable requirements of CDS, so long as this Global Debenture is held by CDS.
12. In the case that certificated Debentures in definitive form are issued, the Issuer shall make all payments in respect of principal and outstanding interest in lawful money of Canada at maturity upon presentation and surrender thereof at any specified branch in Canada of the Issuer's bank designated in the definitive Debentures, and prior to maturity, shall make payments of interest, by cheque sent by mail to the registered addresses of the registered holders or, if authorized in writing, by electronic transfer.
13. Whenever it is necessary to compute any amount of interest in respect of the Debentures for a period of less than one full year, other than with respect to regular semi-annual interest payments, such interest shall be calculated on the basis of the actual number of days in the period and a year of 365 days or 366 days, if applicable.
14. Payments in respect of principal of and interest on the Debentures shall be made only on a day on which banking institutions in Toronto, Ontario, are not authorized or obligated by law or executive order to be closed (a "Business Day"), and if any date for payment is not a Business Day, payment shall be made on the next following Business Day and no further interest shall be paid in respect of the delay in such payment.
15. Where a Debenture is registered in more than one name, the principal of and interest from time to time payable on such Debenture shall be paid to or to the order of all the joint registered holders thereof, failing written instructions to the contrary from all such joint registered holders, and such payment shall constitute a valid discharge to the Issuer.
16. In the case of the death of one or more joint registered holders, despite sections 9 and 15 of the Conditions, the principal of and interest on any Debentures registered in their names may be paid to the survivor or survivors of such holders and such payment shall constitute a valid discharge to the Issuer.

Transfers, Exchanges and Substitutions

17. Debentures are transferable or exchangeable at the office of the Treasurer of the Issuer upon presentation for such purpose accompanied by an instrument of transfer or exchange in a form approved by the Issuer and which form is in accordance with the prevailing Canadian transfer legislation and practices, executed by the registered holder thereof or such holder's duly authorized attorney or legal personal representative, whereupon and upon registration of such transfer or exchange and cancellation of the Debenture or Debentures presented, a new Debenture or Debentures of an equal aggregate principal amount in any authorized denomination or denominations will be delivered as directed by the transferee, in the case of a transfer or as directed by the registered holder in the case of an exchange.
18. The Issuer shall issue and deliver Debentures in exchange for or in substitution for Debentures outstanding on the registry with the same maturity date and of like form in the event of a defacement, loss, mysterious or unexplainable disappearance, theft, destruction or dematerialization, provided that the applicant therefor shall have (i) paid such costs as may have been incurred in connection therewith; (ii) (in the case of a lost, mysteriously or unexplainably missing, stolen, destroyed or dematerialized Debenture) furnished the Issuer with such evidence (including evidence as to the certificate number of the Debenture in question) and indemnity in respect thereof satisfactory to the Issuer in its discretion; and (iii) surrendered to the Issuer any defaced Debenture in respect of which new Debentures are to be issued in substitution.
19. Each Debenture executed and delivered upon any registration of transfer or exchange for or in substitution for any Debenture or part thereof shall carry all the rights to interest, if any, accrued and unpaid which were carried by such Debenture or part thereof and shall be so dated.
20. Subject to an agreement that the Issuer may enter into to the contrary, the Issuer shall not impose any fees in respect of the Debentures, in the normal course of business, other than reasonable fees for the issue of new Debentures or for the issue of new cheques in substitution for Debentures that are defaced, lost, mysteriously or unexplainably missing, stolen, destroyed or dematerialized, or interest cheques that are defaced, lost, mysteriously or unexplainably missing or destroyed.

Purchases

21. Subject to the investment policies and goals of the Issuer and the applicable legislation, the Issuer may, if not in default under the Debentures, at any time purchase Debentures in the open market or by tender or by private contract at any price and on such terms and conditions (including without limitation, the manner by which any tender offer may be communicated or accepted and the persons to whom it may be addressed) as the Issuer may in its discretion determine.

Additional Debentures

22. The Issuer has reserved the right to issue additional instalment debentures of the same maturities, interest rates and terms and conditions.

Notices

23. Except as otherwise expressly provided herein, any notice required to be given to a registered holder of one or more of the Debentures will be sufficiently given if a copy of such notice is mailed or otherwise delivered to the registered address of such registered holder. If the Issuer or any registered holder is required to give any notice in connection with the Debentures on or before any day and that day is not a Business Day then such notice may be given on the next following Business Day.

Time

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

Governing Law

25. The Debentures are governed by and shall be construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable in Ontario.

Bill No. 22
2011

BY-LAW NO. D.-764-15

BY-LAW TO AUTHORIZE THE
BORROWING UPON SERIAL
DEBENTURES IN THE AMOUNT OF
\$52,809,914.00 TOWARDS THE COST OF
CERTAIN CAPITAL WORKS OF THE
CORPORATION OF THE CITY OF
LONDON.

WHEREAS subsection 401(1) of the *Municipal Act, 2001*, as amended (the "Act") provides that a municipality may incur a debt for municipal purposes, whether by borrowing money or in any other way, and may issue debentures and prescribed financial instruments and enter prescribed financial agreements for or in relation to the debt;

AND WHEREAS subsection 408 (2.1) of the Act provides that a municipality may issue a debenture or other financial instrument for long-term borrowing only to provide financing for a capital work;

AND WHEREAS the Council of The Corporation of the City of London (the "Municipality") has passed the by-laws enumerated in column (1) of Schedule "A" attached hereto and forming part of this By-law ("Schedule "A"") authorizing the capital works described in column (2) of Schedule "A" (individually a "Project", collectively the "Projects"), and authorizing the entering into of a Financing Agreement for the provision of temporary and long-term borrowing from the Ontario Infrastructure and Lands Corporation ("OILC") in respect of the Projects (the "Financing Agreement") and desires to issue debentures for the Projects in the amounts specified in column (5) of Schedule "A";

AND WHEREAS before authorizing the Projects and before authorizing any additional cost amount and any additional debenture authority in respect thereof, the Municipality had its City Treasurer update its most recent annual debt and financial obligation limit received from the Ministry of Municipal Affairs and Housing in accordance with the applicable regulation and, prior to authorizing each Project, each such additional cost amount and each such additional debenture authority, the City Treasurer determined that the estimated annual amount payable in respect of each Project, each such additional cost amount and each such additional debenture authority, would not cause the Municipality to exceed the updated limit and that the approval of each Project, each such additional cost amount and each such additional debenture authority by the Ontario Municipal Board was not required;

AND WHEREAS to provide long term financing for the Projects, pursuant to the Financing Agreement dated and effective as of October 5, 2011, it is now expedient to issue serial debentures in the principal amount of \$52,809,914.00 in lawful money of Canada, payable as to combined principal and interest semi-annually on such days in June and December in each of the years 2012 to 2021, both inclusive, on the terms hereinafter set forth.

NOW THEREFORE THE COUNCIL OF THE CORPORATION OF THE CITY OF LONDON ENACTS AS FOLLOWS:

1. For the Projects, the borrowing upon the credit of the Municipality of the aggregate principal sum of \$52,809,914.00 and the issue of serial debentures therefor upon the credit of the Municipality to be repaid in semi-annual instalments of combined principal and interest, as hereinafter set forth, are hereby authorized.
2. The Mayor and the City Treasurer of the Municipality are hereby authorized to cause any number of serial debentures to be issued for such sums of money as

may be required for the Project in definitive form, not exceeding in total the said sum of \$52,809,914.00 (the "Debentures"). The Debentures shall bear the Municipality's municipal seal and the signatures of the Mayor and the City Treasurer of the Municipality, all in accordance with the provisions of the Act. The municipal seal of the Municipality and the signatures referred to in this section may be printed, lithographed, engraved or otherwise mechanically reproduced. The Debentures are sufficiently signed if they bear the required signatures and each person signing has the authority to do so on the date he or she signs.

3. The Debentures shall be in fully registered form as one or more certificates in the aggregate principal amount of \$52,809,914.00, in the name of OILC or as OILC may otherwise direct, substantially in the form attached as Schedule "B" hereto and forming part of this By-law with provision for payment of principal and interest (other than in respect of the final payment of principal and outstanding interest on the final maturity date upon presentation and surrender) by pre-authorized debit in respect of such principal and interest to the credit of such registered holder on such terms as to which the registered holder and the Municipality may agree.
4. In accordance with the provisions of section 25 of the *Ontario Infrastructure and Lands Corporation Act, 2011* as security for the payment by the Municipality of the indebtedness of the Municipality to OILC under the Debentures (the "Obligations"), the Municipality is hereby authorized to agree in writing with OILC that the Minister of Finance is entitled, without notice to the Municipality, as appropriate, to deduct from money appropriated by the Legislative Assembly of Ontario for payment to the Municipality, or from money appropriated by such Assembly for payment to the Municipality in respect of such matters as may be specified, amounts not exceeding the amounts that the Municipality fails to pay to OILC on account of the Obligations and to pay such amounts to OILC.
5. The Debentures shall all be dated the 15th day of December, 2011 and shall be issued within two years after the day on which this By-law is enacted, and as to both principal and interest shall be expressed and be payable in lawful money of Canada. The Debentures shall mature during a period of 10 years from the date thereof and the respective amounts of principal and interest payable in each of the years in such period shall be as set forth in Schedule "C" attached hereto and forming part of this By-law ("Schedule "C"). The Debentures shall bear interest from the date thereof payable semi-annually in arrears in each year of their currency. The Debentures shall bear interest at the rate of 2.86% per annum.
6. Payments in respect of principal of and interest on the Debentures shall be made only on a day on which banking institutions in Toronto, Ontario, are not authorized or obligated by law or executive order to be closed (a "Toronto Business Day") and if any date for payment is not a Toronto Business Day, payment shall be made on the next following Toronto Business Day.
7. Interest shall be payable to the date of maturity of the Debentures and on default shall be payable on any overdue amounts both before and after default and judgment at a rate per annum equal to the greater of the rate specified on the Schedule as attached to and forming part of the Debentures for such amounts plus 200 basis points (2% per annum) or Prime Rate (as defined below) plus 200 basis points (2% per annum), calculated on a daily basis from the date such amounts become overdue for so long as such amounts remain overdue and the Municipality shall pay to the registered holders any and all costs incurred by the registered holders as a result of the overdue payment. Any amounts payable by the Municipality as interest on overdue principal or interest and all costs incurred by the registered holders as a result of the overdue payment in respect of the Debentures shall be paid out of current revenue. Whenever it is necessary to compute any amount of interest in respect of the Debentures for a period of less than one full year, other than with respect to regular semi-annual interest

payments, such interest shall be calculated on the basis of the actual number of days in the period and a year of 365 or 366 days as appropriate.

"Prime Rate" means, on any day, the annual rate of interest which is the arithmetic mean of the prime rates announced from time to time by the five major Canadian Schedule I banks, as of the issue date of this Debenture, Royal Bank of Canada, Canadian Imperial Bank of Commerce, The Bank of Nova Scotia, Bank of Montreal and The Toronto-Dominion Bank (the **"Reference Banks"**) as their reference rates in effect on such day for Canadian dollar commercial loans made in Canada. If fewer than five of the Reference Banks quote a prime rate on such days, the **"Prime Rate"** shall be the arithmetic mean of the rates quoted by the remaining Reference Banks.

8. Each year in which a payment of an instalment of principal and interest becomes due in respect of the Debentures, there shall be raised as part of the general levy the amounts of principal and interest payable in each year as set out in Schedule "C" to the extent that the amounts have not been provided for by any other available source including other taxes or fees or charges imposed on persons or property by a by-law of any municipality.
9. The Debentures may contain any provision for their registration thereof authorized by any statute relating to municipal debentures in force at the time of the issue thereof.
10. The Municipality shall maintain a registry in respect of the Debentures in which shall be recorded the names and the addresses of the registered holders and particulars of the Debentures held by them respectively and in which particulars of the cancellation, exchanges, substitutions and transfers of Debentures, may be recorded and the Municipality is authorized to use electronic, magnetic or other media for records of or related to the Debentures or for copies of them.
11. The Municipality shall not be bound to see to the execution of any trust affecting the ownership of any Debenture or be affected by notice of any equity that may be subsisting in respect thereof. The Municipality shall deem and treat registered holders of Debentures as the absolute owners thereof for all purposes whatsoever notwithstanding any notice to the contrary and all payments to or to the order of registered holders shall be valid and effectual to discharge the liability of the Municipality on the Debentures to the extent of the sum or sums so paid. Where a Debenture is registered in more than one name, the principal of and interest from time to time payable on such Debenture shall be paid to or to the order of all the joint registered holders thereof, failing written instructions to the contrary from all such joint registered holders, and such payment shall constitute a valid discharge to the Municipality. In the case of the death of one or more joint registered holders, despite the foregoing provisions of this section, the principal of and interest on any Debentures registered in their names may be paid to the survivor or survivors of such holders and such payment shall constitute a valid discharge to the Municipality.
12. The Debentures will be transferable or exchangeable at the office of the City Treasurer of the Municipality upon presentation for such purpose accompanied by an instrument of transfer or exchange in a form approved by the Municipality and which form is in accordance with the prevailing Canadian transfer legislation and practices, executed by the registered holder thereof or such holder's duly authorized attorney or legal personal representative, whereupon and upon registration of such transfer or exchange and cancellation of the Debenture or Debentures presented, the Mayor and the City Treasurer shall issue and deliver a new Debenture or Debentures of an equal aggregate principal amount in any authorized denomination or denominations as directed by the transferee, in the case of a transfer or as directed by the registered holder in the case of an exchange.
13. The Mayor and the City Treasurer shall issue and deliver new Debentures in exchange or substitution for Debentures outstanding on the registry with the

same maturity and of like form which have become lost, stolen, mutilated, defaced or destroyed, provided that the applicant therefor shall have: (a) paid such costs as may have been incurred in connection therewith; (b) (in the case of a lost, stolen or destroyed Debenture) furnished the Municipality with such evidence (including evidence as to the certificate number of the Debenture in question) and indemnity in respect thereof satisfactory to the Municipality in its discretion; and (c) surrendered to the Municipality any mutilated or defaced Debentures in respect of which new Debentures are to be issued in substitution.

14. The Debentures issued upon any registration of transfer or exchange or in substitution for any Debentures or part thereof shall carry all the rights to interest if any, accrued and unpaid which were carried by such Debentures or part thereof and shall be so dated and shall bear the same maturity date and, subject to the provisions of this By-law, shall be subject to the same terms and conditions as the Debentures in respect of which the transfer, exchange or substitution is effected.
15. The cost of all transfers and exchanges, including the printing of authorized denominations of the new Debentures, shall be borne by the Municipality. When any of the Debentures are surrendered for transfer or exchange the City Treasurer of the Municipality shall: (a) in the case of an exchange, cancel and destroy the Debentures surrendered for exchange; (b) in the case of an exchange, certify the cancellation and destruction in the registry; and (c) enter in the registry particulars of the new Debenture or Debentures issued in exchange.
16. Reasonable fees for the substitution of a new Debenture or new Debentures for any of the Debentures that are lost, stolen, mutilated, defaced or destroyed and for the replacement of lost, stolen, mutilated, defaced or destroyed principal and interest cheques may be imposed by the Municipality. Where new Debentures are issued in substitution in these circumstances the Municipality shall: (a) treat as cancelled and destroyed the Debentures in respect of which new Debentures will be issued in substitution; (b) certify the deemed cancellation and destruction in the registry; (c) enter in the registry particulars of the new Debentures issued in substitution; and (d) make a notation of any indemnities provided.
17. Except as otherwise expressly provided herein, any notice required to be given to a registered holder of one or more of the Debentures will be sufficiently given if a copy of such notice is mailed or otherwise delivered to the registered address of such registered holder.
18. The Mayor and the City Treasurer are hereby authorized to cause the Debentures to be issued, the Clerk and City Treasurer are hereby individually authorized to generally do all things and to execute all documents and other papers in the name of the Municipality in order to carry out the issue of the Debentures and the City Treasurer is authorized to affix the Municipality's municipal seal to any of such documents and papers.
19. The proceeds realized in respect of the Debentures, after providing for the expenses related to their issue, if any, shall be apportioned and applied for the Projects and for no other purpose except as permitted by the Act.

20. Subject to the Municipality's investment policies and goals, the applicable legislation and the terms and conditions of the Debentures, the Municipality may, if not in default under the Debentures, at any time purchase any of the Debentures in the open market or by tender or by private contract at any price and on such terms and conditions (including, without limitation, the manner by which any tender offer may be communicated or accepted and the persons to whom it may be addressed) as the Municipality may in its discretion determine.
21. This By-law shall come into force and take effect upon the date of the final passing thereof.

Passed in Open Council on December 6, 2011

Joe Fontana, Mayor

Catharine Saunders, City Clerk

THE CORPORATION OF THE CITY OF LONDON

Schedule "A" to By-law No. D.-764-15

By-law (1)	Project Description (2)	Approved Amount to be Financed Through the Issue of Debentures (3) \$	Amount of Debentures Previously Issued (4) \$	Amount of Debentures to be Issued (5) \$	Term of Years of Debentures (6)
W.-2031-261 A.-6680(a)-232 A.-6680-171 A.-6743-312	2008 Bridges Major Upgrades (TS1761)	635,000.00	Nil	635,000.00	10
W.-2049-126 A.-6680(a)-232 A.-6680-171 A.-6743-312	2009 Bridges Major Upgrades (TS1762)	665,000.00	Nil	665,000.00	10
W.-2022-191 A.-6680(a)-232 A.-6680-171 A.-6743-312	Purchase of Land-EROC (TS6213)	511,251.00	Nil	511,251.00	10
W.-5219-251 A.-6680(a)-232 A.-6680-171 A.-6743-312	A.J. Tyler Operations Centre (GG1600-677)	239,664.00	Nil	239,664.00	10
W.-2028-258 A.-6680(a)-232 A.-6680-171 A.-6743-312	2008 Fire Station Upgrades (PP1174)	605,000.00	Nil	605,000.00	10
W.-5230-262 A.-6680(a)-232 A.-6680-171 A.-6743-312	Oxford – New Operations Centre (TS6200-869)	934,668.00	Nil	934,668.00	10
W.-2004-11 A.-6680(a)-232 A.-6680-171 A.-6743-312	2007 Arenas – Major Upgrades (RC2425)	389,943.00	Nil	389,943.00	10
W.-2021-167 A.-6680(a)-232 A.-6680-171 A.-6743-312	2008 Arenas-Major Upgrades (RC2426)	1,816,285	Nil	1,816,285	10
W.-2010-139 A.-6680(a)-232 A.-6680-171 A.-6743-312	2008 Springbank Park Upgrade (PD1171)	688,746.00	Nil	688,746.00	10
W.-5233-290 A.-6680(a)-232 A.-6680-171 A.-6743-312	Carling Arena – Replace Roof (RC2200-610)	206,667.00	Nil	206,667.00	10
W.-5307-218	2008 Aquatic Facilities (RC2112)	889,460.00	Nil	889,460.00	10

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By-law (1)	Project Description (2)	Approved Amount to be Financed Through the Issue of Debentures (3) \$	Amount of Debentures Previously Issued (4) \$	Amount of Debentures to be Issued (5) \$	Term of Years of Debentures (6)
A.-6680(a)-232 A.-6680-171 A.-6743-312 W.-5231-288	Byron Community Centre Rehabilitation (RC2200-616)	432,000.00	Nil	432,000.00	10
A.-6680(a)-232 A.-6680-171 A.-6743-312					
W.-5232-289 A.-6680(a)-232 A.-6680-171 A.-6743-312	Boyle Community Centre Rehab (RC2200-619)	400,000.00	Nil	400,000.00	10
W.-1997(a)-339 A.-6680(a)-232 A.-6680-171 A.-6743-312					
W.-1997(a)-339 A.-6680(a)-232 A.-6680-171 A.-6743-312	Thames Pool (RC2621)	2,080,000.00	Nil	2,080,000.00	10
W.-2009-138 A.-6680(a)-232 A.-6680-171 A.-6743-312					
W.-2009-138 A.-6680(a)-232 A.-6680-171 A.-6743-312	2008 Road Rehabilitation – Local and Rural (TS3012)	1,107,676.00	Nil	1,107,676.00	10
W.-1924(b)-617 A.-6680(a)-232 A.-6680-171 A.-6743-312					
W.-1924(b)-617 A.-6680(a)-232 A.-6680-171 A.-6743-312	Fanshawe Park Road West Widening (TS1344)	2,874,647.00	Nil	2,874,647.00	10
W.-1995-174 A.-6680(a)-232 A.-6680-171 A.-6743-312					
W.-1995-174 A.-6680(a)-232 A.-6680-171 A.-6743-312	Adelaide St. North Widening (TS1353)	830,522.00	Nil	830,522.00	10
W.-1987(a)-213 A.-6680(a)-232 A.-6680-171 A.-6743-312					
W.-1987(a)-213 A.-6680(a)-232 A.-6680-171 A.-6743-312	Western Road Widening (TS1401)	1,635,132.00	Nil	1,635,132.00	10
W.-2017-162 A.-6680(a)-232 A.-6680-171 A.-6743-312					
W.-2017-162 A.-6680(a)-232 A.-6680-171 A.-6743-312	2008 Replacement of Sidewalks (TS3035)	841,760.00	Nil	841,760.00	10
W.-2000-244 A.-6680(a)-232 A.-6680-171 A.-6743-312					
W.-2000-244 A.-6680(a)-232 A.-6680-171 A.-6743-312	2007 New Traffic Signals (TS4064)	498,824.00	Nil	498,824.00	10
W.-2023-192 A.-6680(a)-232 A.-6680-171 A.-6743-312					
W.-2023-192 A.-6680(a)-232 A.-6680-171 A.-6743-312	2008 New Traffic Signals (TS4065)	685,000.00	Nil	685,000.00	10
W.-2015-160 A.-6680(a)-232					
W.-2015-160 A.-6680(a)-232	2008 Road Rehabilitation (TS1444)	1,882,780.00	Nil	1,882,780.00	10

By-law (1)	Project Description (2)	Approved Amount to be Financed Through the Issue of Debentures (3) \$	Amount of Debentures Previously Issued (4) \$	Amount of Debentures to be Issued (5) \$	Term of Years of Debentures (6)
A.-6680-171 A.-6743-312					
W.-2055-169 A.-6680(a)-232 A.-6680-171 A.-6743-312	2007 Bus Purchase (MU1039)	2,219,869.00	Nil	2,219,869.00	10
W.-2056-170 A.-6680(a)-232 A.-6680-171 A.-6743-312	2008 Bus Purchase (MU1042)	3,089,200.00	Nil	3,089,200.00	10
W.-5300-185 A.-6680(a)-232 A.-6680-171 A.-6743-312	2009 Bus Purchase (MU1043)	1,978,506.00	Nil	1,978,506.00	10
W.-5301-186 A.-6680(a)-232 A.-6680-171 A.-6743-312	2010 Bus Purchase (MU1044)	2,562,400.00	Nil	2,562,400.00	10
W.-2058-172 A.-6680(a)-232 A.-6680-171 A.-6743-312	2008 Facility Repairs (MU134)	1,300,000.00	Nil	1,300,000.00	10
W.-1975-671 A.-6680(a)-232 A.-6680-171 A.-6743-312	Oxford PCP Expansion and Upgrade (ES5013)	7,405,802.00	Nil	7,405,802.00	10
W.-2007(a)-279 A.-6680(a)-232 A.-6680-171 A.-6743-312	Incinerator Refurbishing (ES5282)	4,426,611.00	Nil	4,426,611.00	10
W.-1986-109 A.-6680(a)-232 A.-6680-171 A.-6743-312	2007 Sewer Replacement (ES2411)	1,227,365.00	Nil	1,227,365.00	10
W.-2016-161 A.-6680(a)-232 A.-6680-171 A.-6743-312	2008 Sewer Replacement (ES2412)	7,750,136.00	Nil	7,750,136.00	10
TOTAL				52,809,914.00	

THE CORPORATION OF THE CITY OF LONDON

Schedule "B" to By-law No. D.-764-15

No. OILC2011-01

\$52,809,914.00

CANADA
Province of Ontario
THE CORPORATION OF THE CITY OF LONDON

FULLY REGISTERED 2.86% SERIAL DEBENTURE

THE CORPORATION OF THE CITY OF LONDON (the "Municipality"), for value received, hereby promises to pay to

ONTARIO INFRASTRUCTURE AND LANDS CORPORATION
("OILC")

or registered assigns, subject to the Conditions attached hereto which form part hereof (the "Conditions"), upon presentation and surrender of this debenture by the final maturity date of this debenture (December 15, 2021), the principal sum of

FIFTY-TWO MILLION, EIGHT HUNDRED NINE THOUSAND, NINE HUNDRED
AND FORTEEN DOLLARS

----- (\$52,809,914.00) -----

by semi-annual payments on such days in June and December in each of the years 2012 to 2021, both inclusive, as are set out in the attached Schedule (the "Schedule") in the amounts set forth in the Schedule and subject to late payment interest charges pursuant to the Conditions, in lawful money of Canada, and to pay interest thereon until the final maturity date of this debenture, in like money in semi-annual payments from the 15th day of December, 2011, or from the last date on which interest has been paid on this debenture, whichever is later, at the rate of interest set forth in the Schedule, in arrears, on the specified dates as set forth in the Schedule (each, a "Payment Date") in the manner provided in the Conditions. Interest shall be paid on default at the applicable rate set out in the Conditions both before and after default and judgment. The applicable rate of interest, the payments of principal and interest and the principal balance outstanding in each year are shown in the Schedule.

The Municipality, pursuant to section 25 of the *Ontario Infrastructure and Lands Corporation Act, 2011* (the "OILC Act, 2011") hereby irrevocably agrees that the Minister of Finance is entitled, without notice to the Municipality, to deduct from money appropriated by the Legislative Assembly of Ontario for payment to the Municipality, or from money appropriated by such Assembly for payment to the Municipality in respect of such matters as may be specified, amounts not exceeding the amounts that the Municipality fails to pay to OILC on account of the indebtedness evidenced by this debenture, and to pay such amounts to OILC.

This debenture is subject to the Conditions.

DATED at the City of London the 15th day of December, 2011.

IN TESTIMONY WHEREOF and under the authority of By-law No. D.-764-15 of the Municipality duly passed on the 6th day of December, 2011 (the "By-law"), this debenture is sealed with the municipal seal of the Municipality and signed by the Mayor and by the City Treasurer thereof.

Date of Registration: December 15, 2011

Joe Fontana, Mayor

(seal)

Martin Hayward, Treasurer

OILC hereby agrees that the Minister of Finance is entitled to exercise certain rights of deduction pursuant to section 25 of the OILC Act, 2011 as described in this debenture.

Ontario Infrastructure and Lands Corporation

by: _____
Authorized Signing Officer

LEGAL OPINION

We have examined the By-law of the Municipality authorizing the issue of serial debentures in the principal amount of \$52,809,914.00 dated December 15, 2011 and providing for 20 combined instalments of principal and interest on such days in June and December in each of the years 2012 to 2021, both inclusive, as are set out in the Schedule.

In our opinion, the By-law has been properly passed and is within the legal powers of the Municipality. The debenture issued under the By-law in the within form (the "Debenture") is the direct, unsecured and unsubordinated obligation of the Municipality. The Debenture is enforceable against the Municipality subject to the special jurisdiction and powers of the Ontario Municipal Board over defaulting municipalities under the *Municipal Affairs Act*, as amended. This opinion is subject to and incorporates all the assumptions, qualifications and limitations set out in our opinion letter.

December 15, 2011

Borden Ladner Gervais LLP

CONDITIONS OF THE DEBENTURE

Form, Denomination, and Ranking of the Debenture

1. The debentures issued pursuant to the By-law (collectively the "Debentures" and individually a "Debenture") are issuable as fully registered Debentures without coupons.
2. The Debentures are direct, unsecured and unsubordinated obligations of the Municipality. The Debentures rank concurrently and equally in respect of payment of principal and interest with all other debentures of the Municipality except for the availability of money in a sinking or retirement fund for a particular issue of debentures.
3. This Debenture is one fully registered Debenture registered in the name of OILC and held by OILC.

Registration

4. The Municipality shall maintain at its designated office a registry in respect of the Debentures in which shall be recorded the names and the addresses of the registered holders and particulars of the Debentures held by them respectively and in which particulars of the cancellation, exchanges, substitutions and transfers of Debentures, may be recorded and the Municipality is authorized to use electronic, magnetic or other media for records of or related to the Debentures or for copies of them.

Title

5. The Municipality shall not be bound to see to the execution of any trust affecting the ownership of any Debenture or be affected by notice of any equity that may be subsisting in respect thereof. The Municipality shall deem and treat registered holders of Debentures, including this Debenture, as the absolute owners thereof for all purposes whatsoever notwithstanding any notice to the contrary and all payments to or to the order of registered holders shall be valid and effectual to discharge the liability of the Municipality on the Debentures to the extent of the sum or sums so paid. Where a Debenture is registered in more than one name, the principal of and interest from time to time payable on such Debenture shall be paid to or to the order of all the joint registered holders thereof, failing written instructions to the contrary from all such joint registered holders, and such payment shall constitute a valid discharge to the Municipality. In the case of the death of one or more joint registered holders, despite the foregoing provisions of this section, the principal of and interest on any Debentures registered in their names may be paid to the survivor or survivors of such holders and such payment shall constitute a valid discharge to the Municipality.

Payments of Principal and Interest

6. The record date for purposes of payment of principal of and interest on the Debentures is as of 5:00 p.m. on the sixteenth calendar day preceding any Payment Date including a maturity date. Principal of and interest on the Debentures are payable by the Municipality to the persons registered as holders in the registry on the relevant record date. The Municipality shall not be required to register any transfer, exchange or substitution of Debentures during the period from any record date to the corresponding Payment Date.
7. The Municipality shall make all payments in respect of semi-annual instalments of combined principal and interest on the Debentures on each Payment Date commencing on June 15, 2012 (other than in respect of the final payment of principal and outstanding interest on the final maturity date upon presentation and surrender of this Debenture) by pre-authorized debit in respect of such interest and principal to the credit of the registered holder on such terms as the Municipality and the registered holder may agree.

8. The Municipality shall pay to the registered holder interest on any overdue amount of principal or interest in respect of any Debenture, both before and after default and judgment, at a rate per annum equal to the greater of the rate specified on the Schedule as attached to and forming part of the Debenture for such amount plus 200 basis points (2% per annum) or Prime Rate (as defined below) plus 200 basis points (2% per annum), calculated on a daily basis from the date such amount becomes overdue for so long as such amount remains overdue and the Municipality shall pay to the registered holder any and all costs incurred by the registered holder as a result of the overdue payment.
9. Whenever it is necessary to compute any amount of interest in respect of the Debentures for a period of less than one full year, other than with respect to regular semi-annual interest payments, such interest shall be calculated on the basis of the actual number of days in the period and a year of 365 days or 366 days, as appropriate.
10. Payments in respect of principal of and interest on the Debentures shall be made only on a day on which banking institutions in Toronto, Ontario, are not authorized or obligated by law or executive order to be closed (a "Toronto Business Day"), and if any date for payment is not a Toronto Business Day, payment shall be made on the next following Toronto Business Day as noted on the Schedule and no further interest shall be paid in respect of the delay in such payment.
11. The Debentures are transferable or exchangeable at the office of the Treasurer of the Municipality upon presentation for such purpose accompanied by an instrument of transfer or exchange in a form approved by the Municipality and which form is in accordance with the prevailing Canadian transfer legislation and practices, executed by the registered holder thereof or such holder's duly authorized attorney or legal personal representative, whereupon and upon registration of such transfer or exchange and cancellation of the Debenture or Debentures presented, a new Debenture or Debentures of an equal aggregate principal amount in any authorized denomination or denominations will be delivered as directed by the transferee, in the case of a transfer or as directed by the registered holder in the case of an exchange.
12. The Municipality shall issue and deliver new Debentures in exchange or substitution for Debentures outstanding on the registry with the same maturity and of like form which have become lost, stolen, mutilated, defaced or destroyed, provided that the applicant therefor shall have: (a) paid such costs as may have been incurred in connection therewith; (b) (in the case of a lost, stolen or destroyed Debenture) furnished the Municipality with such evidence (including evidence as to the certificate number of the Debenture in question) and indemnity in respect thereof satisfactory to the Municipality in its discretion; and (c) surrendered to the Municipality any mutilated or defaced Debentures in respect of which new Debentures are to be issued in substitution.
13. The Debentures issued upon any registration of transfer or exchange or in substitution for any Debentures or part thereof shall carry all the rights to interest if any, accrued and unpaid which were carried by such Debentures or part thereof and shall be so dated and shall bear the same maturity date and, subject to the provisions of the By-law, shall be subject to the same terms and conditions as the Debentures in respect of which the transfer, exchange or substitution is effected.
14. The cost of all transfers and exchanges, including the printing of authorized denominations of the new Debentures, shall be borne by the Municipality. When any of the Debentures are surrendered for transfer or exchange the Treasurer of the Municipality shall: (a) in the case of an exchange, cancel and destroy the Debentures surrendered for exchange; (b) in the case of an exchange,

certify the cancellation and destruction in the registry; and (c) enter in the registry particulars of the new Debenture or Debentures issued in exchange.

15. Reasonable fees for the substitution of a new Debenture or new Debentures for any of the Debentures that are lost, stolen, mutilated, defaced or destroyed and for the replacement of lost, stolen, mutilated, defaced or destroyed principal and interest cheques may be imposed by the Municipality. Where new Debentures are issued in substitution in these circumstances the Municipality shall: (a) treat as cancelled and destroyed the Debentures in respect of which new Debentures will be issued in substitution; (b) certify the deemed cancellation and destruction in the registry; (c) enter in the registry particulars of the new Debentures issued in substitution; and (d) make a notation of any indemnities provided.
16. If OILC elects to terminate its obligations under the financing agreement entered into between the parties, OILC, at its discretion, shall assess any losses that it may incur as a result of the termination as follows: if on the date of termination the outstanding principal balance on the Debenture is less than the Net Present Value of the Debenture, the Municipality shall pay the difference between these two amounts to OILC.

Notices

17. Except as otherwise expressly provided herein, any notice required to be given to a registered holder of one or more of the Debentures will be sufficiently given if a copy of such notice is mailed or otherwise delivered to the registered address of such registered holder. If the Municipality or any registered holder is required to give any notice in connection with the Debentures on or before any day and that day is not a Toronto Business Day (as defined in section 10 of these Conditions) then such notice may be given on the next following Toronto Business Day.

Time

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

Governing Law

19. The Debentures are governed by and shall be construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable in Ontario.

Definitions:

- (a) "Net Present Value" will be calculated based on the following formulae: For Serial Debenture - $[(\text{principal}) / (1+(r/2))^n] + [\text{interest payment } / (r/2) * (1 - (1/(1+(r/2))^n))]$ for each remaining serial principal repayment or for Amortizing Debenture - $[\text{loan payment } / (r/2) * (1 - 1/(1+(r/2))^n)]$, where "r" is the prevailing lending rate less an appropriate basis point deduction for costs incurred and "n" is the number of semi-annual periods to maturity.
- (b) "Prime Rate" means, on any day, the annual rate of interest which is the arithmetic mean of the prime rates announced from time to time by the five major Canadian Schedule I banks, as of the issue date of this Debenture, Royal Bank of Canada, Canadian Imperial Bank of Commerce, The Bank of Nova

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Scotia, Bank of Montreal and The Toronto-Dominion Bank (the "**Reference Banks**") as their reference rates in effect on such day for Canadian dollar commercial loans made in Canada. If fewer than five of the Reference Banks quote a prime rate on such days, the "**Prime Rate**" shall be the arithmetic mean of the rates quoted by the remaining Reference Banks.

THE CORPORATION OF THE CITY OF LONDON

Schedule "C" to By-law No. D.-764-15



Serial Debenture Schedule

Organization Name The City of London
 Principal Amount \$52,809,914.00
 Annual Interest Rate 2.8600%
 Loan Term (Year) 10
 Debenture Date (m/d/yyyy) 12/15/2011
 Maturity Date (m/d/yyyy) 12/15/2021
 Payment Frequency Semi Annual
 Loan Type Serial

Payment Date	Total Payment	Principal Amount	Interest Amount	Principal Balance
6/15/2012	\$3,397,746.46	\$2,640,495.70	\$757,250.76	\$50,169,418.30
12/15/2012	\$3,397,746.09	\$2,640,495.70	\$757,250.39	\$47,528,922.60
6/17/2013	\$3,318,297.20	\$2,640,495.70	\$677,801.50	\$44,888,426.90
12/16/2013	\$3,280,841.55	\$2,640,495.70	\$640,345.85	\$42,247,931.20
6/16/2014	\$3,242,985.92	\$2,640,495.70	\$602,490.22	\$39,607,435.50
12/16/2014	\$3,205,330.28	\$2,640,495.70	\$564,834.58	\$36,966,939.80
6/15/2015	\$3,167,674.65	\$2,640,495.70	\$527,178.95	\$34,326,444.10
12/15/2015	\$3,132,708.69	\$2,640,495.70	\$492,212.99	\$31,685,948.40
6/15/2016	\$3,094,846.16	\$2,640,495.70	\$454,350.46	\$29,045,452.70
12/15/2016	\$3,056,983.62	\$2,640,495.70	\$416,487.92	\$26,404,957.00
6/15/2017	\$3,017,052.09	\$2,640,495.70	\$376,556.39	\$23,764,461.30
12/15/2017	\$2,981,256.55	\$2,640,495.70	\$340,760.85	\$21,123,965.60
6/15/2018	\$2,941,740.81	\$2,640,495.70	\$301,245.11	\$18,483,469.90
12/15/2018	\$2,908,430.05	\$2,640,495.70	\$267,934.35	\$15,842,974.20
6/17/2019	\$2,868,429.53	\$2,640,495.70	\$225,933.83	\$13,202,478.50
12/16/2019	\$2,829,738.88	\$2,640,495.70	\$183,242.88	\$10,561,982.80
6/15/2020	\$2,791,118.26	\$2,640,495.70	\$150,622.56	\$7,921,487.10
12/15/2020	\$2,754,083.31	\$2,640,495.70	\$113,587.61	\$5,280,991.40
6/15/2021	\$2,715,806.98	\$2,640,495.70	\$75,311.28	\$2,640,495.70
12/15/2021	\$2,678,358.24	\$2,640,495.70	\$37,862.54	\$0.00
Total	\$60,748,012.33	\$52,809,914.00	\$7,938,098.33	