

Bill No. 449
2011

By-law No. A.-

A By-law to approve a Fiscal Agency Agreement between the Corporation of the City of London (the City) , RBC Dominion Securities Inc., CIBC World Markets Inc., and Toronto-Dominion Bank (TD Securities Inc.); 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;

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

1. The Fiscal Agent Agreement between the Corporation of the City of London and RBC Securities Inc., CIBC World Markets Inc., and Toronto-Dominion Bank (TD Securities Inc.) attached as Schedule 1 is approved.
2. The Mayor and the City Clerk are authorized to execute the Fiscal Agent Agreement approved under section 1 above.
3. This by-law shall come into force and effect on the day it is passed.

PASSED in Open Council on November 7, 2011.

Joe Fontana
Mayor

Catharine Saunders
City Clerk

October 19, 2011

The City of London
Box 5035, City Hall
300 Dufferin Avenue
London, Ontario
N6A 4L9
Attention: Mr. Martin Hayward
City Treasurer, Chief Financial Officer

Dear Sir:

We understand that the Corporation of The City of London (the "City") wishes to appoint RBC Dominion Securities Inc., CIBC World Markets Inc., and Toronto-Dominion Bank as its fiscal agents in connection with the issuance and sale from time to time of debentures of the City, on and subject to the terms and conditions set forth below.

1. Appointment and Acceptance

The City hereby appoints RBC Dominion Securities Inc., CIBC World Markets Inc., and Toronto-Dominion Bank (the "Agents") as its fiscal agents to offer for sale and sell to purchasers in Canada and the United States debentures issued by the City during the term of this Agreement and to provide the services referred to herein in connection therewith, and the Agents hereby accept such appointment and agree to provide such services, on and subject to the terms and conditions contained herein. The book running responsibility will rotate amongst the Agents on an ongoing basis unless otherwise decided by the City.

2. Exclusivity

The City acknowledges and agrees that the Agents shall be its exclusive agents in respect of the offering and sale to purchasers in Canada and the United States of all debentures issued by the City during the term of this Agreement, other than debentures with a maturity of less than one year or debentures created for sale and sold to the Government of Canada or the Government of Ontario or any agency or instrumentality thereof.

The City further acknowledges and agrees that, if the City wishes hereafter to offer debentures for sale to purchasers located outside Canada or the United States, the City will afford the Agents a first right to submit a proposal to act as its agents in connection therewith and, subject to such terms and conditions as may be mutually agreed between the City and the Agents, to be appointed as its agents for such purposes.

3. Duties of the Agents

The Agents will use their reasonable efforts to procure subscriptions for all debentures of the City issued and sold from time to time hereunder. In addition, in carrying out their duties here under, the Agents will:

- (a) provide advice and assistance to the City in respect of the timing, structure and principal terms and conditions of such debentures, including the rates of interest, dates of maturity and rating thereof;
- (b) make available appropriate personnel to meet from time to time with representatives of City Council to discuss general economic conditions and market opportunities and to participate in any discussions with rating agencies relating to the City's debentures; and
- (c) provide such other advice, assistance and services as the City and the Agents may from time to time agree.

The Agents in consultation with the City may from time to time form a selling group of other investment dealers or brokers as the Agents considers appropriate in connection with the issuance and sale of debentures hereunder.

4. Covenants of the City

The City acknowledges and agrees that the timing, structure and principal terms and conditions of debentures issued and sold hereunder shall be mutually agreed between the City and the Agents. In connection with all such issuances, the City undertakes and agrees, on or before the closing of each issuance, to:

- (a) supply the Agents with such information relating to the City as the Agents may reasonably require for marketing purposes; and
- (b) pass all such by-laws, execute all such certificates and do all such other things as the Agents and its counsel may reasonably require be passed, executed or done by the City to enable such counsel to provide upon closing a legal opinion in form and substance satisfactory to the Agents, acting reasonably.

By its execution hereof, the City authorizes use by the Agents for marketing purposes of all information delivered pursuant to section 4(a) and represents and warrants that all such information will be true and correct as of its date of delivery and at all times thereafter until amended, supplemented or withdrawn in writing by the City.

5. Fees and Expenses

In consideration for the Agents' services hereunder, the City undertakes and agrees to pay commission to the Agents in respect of debentures issued and sold hereunder to investors in an amount equal:

Term (Yrs)	Installment Debentures		Sinking Fund		Amortizer	
	< C\$100 Million	> C\$100 Million	< C\$100 Million	> C\$100 Million	< C\$100 Million	> C\$100 Million
1	\$0.25	\$0.20				
2	\$0.25	\$0.20				
3	\$0.35	\$0.30				
4	\$0.45	\$0.40				
5	\$0.50	\$0.45	\$0.50	\$0.40		
6	\$0.60	\$0.55				
7	\$0.70	\$0.65	\$0.70	\$0.45		
8	\$0.75	\$0.70				
9	\$0.75	\$0.70				
10	\$0.75	\$0.70	\$0.75	\$0.60		
> 10	\$0.80	\$0.75	\$0.80	\$0.70	\$0.80	\$0.80

In all other cases, the City undertakes and agrees to pay commission to the Agents at such rate as shall be agreed upon by the City and the Agents. The commission structure will be reviewed a minimum of once a year or as dictated by changes occurring within the municipal industry.

The City further undertakes and agrees, whether or not a particular issuance of debentures is completed, to pay all of the expenses associated with the issuance of debentures hereunder, including the expenses of printing and delivery of debenture certificates and the reasonable fees and disbursements of the Agents' legal counsel.

The Fiscal Agents will be responsible for their travelling and out-of-pocket expenses, advertising, offering circular and other marketing documents and other matters relating to the marketing of issues. Fiscal Agents will also be responsible for Clearing and Depository Services Inc. (CDS) and Book-Entry-Only (BEO) fees.

6. Mutual Indemnification

6.1 The City agrees to indemnify and save harmless the Agents and each of their respective directors, officers, employees and agents from and against all direct losses (except loss of profits), claims, actions, suits, proceedings, damages, liabilities or expenses (each, a "Claim") of whatsoever nature or kind incurred or sustained by any of such persons arising directly or indirectly from the failure by the City to perform its obligations hereunder or from reliance by the Agents on the representations and warranties of the City contained herein.

6.2 Each Agent severally and not jointly (or jointly and severally) agrees to indemnify and save harmless the City, its officers, employees and agents from and against all direct losses, claims, actions, suits, proceedings, damages, liabilities or expenses (each, a "Claim") of whatsoever nature or kind incurred or sustained if and to the extent that a court of competent

jurisdiction in a final, non-appealable judgment in a proceeding in which such Agent is named as a party determines that such Claim resulted from the negligence or bad faith by such Agent.

7. Termination

This Agreement shall be effective upon execution by the City and will continue in force until November 7th, 2015. Extension of this agreement will be by mutual consent of both parties, in writing.

This Agreement may be terminated by either party at any time upon ninety (90) days' prior written notice given to the other party. In addition, the Agents may upon written notice terminate its obligations hereunder at any time, if, in the reasonable opinion of the Agents, there should occur or develop any event in the affairs of the City that would have a material adverse effect, financial or otherwise, on the assets, liabilities, capital, business or operations of the City.

Termination of this Agreement or the obligations of the Agents hereunder shall not affect sections 5 and 6, which shall survive and continue in force notwithstanding such termination. From and after the effective date of any such termination, no further commissions shall be payable hereunder, other than those payable on debentures of the City which were sold, and for which the City received full value, prior to the effective date of termination.

8. Notice

Any notice or other written communication required or permitted to be given hereunder may be delivered by hand, prepaid registered mail or by facsimile, addressed, in the case of the City as follows:

The Corporation of The City of London
Box 5035, City Hall
300 Dufferin Avenue
London, Ontario
N6A 4L9
Attention: Martin Hayward
City Treasurer – Chief Financial Officer
Facsimile: (519) 661-5932

and, in the case of the Agents, as follows:

RBC Dominion Securities Inc.
P.O. Box 50, 200 Bay Street
Royal Bank Plaza, North Tower, 2nd Floor
Toronto, Ontario
M5J 2W7
Attention: Grant S. Berry
Managing Director, Government Finance
Facsimile: (416) 842-7777

CIBC World Markets Inc.
161 Bay Street, Brookfield Place, 5th Floor
Toronto, Ontario
M5J 2S8
Attention: Sunil Bhutani
Managing Director, Government Finance
Facsimile: (416) 594-7760

Toronto-Dominion Bank
222 Bay Street, Ernst & Young Tower, 7th Floor
Toronto, Ontario
M5K 1A2
Attention: Les Peterdy
Vice President, Government Finance
Facsimile: (416) 944-4190

or to such other address as a party may have specified by notice in writing given under this section. Any such notice or other communication, if delivered, shall be effective upon delivery, if mailed, shall be effective upon the fifth business day after the mailing thereof, and, if sent by facsimile, shall be effective on the business day next following the date of transmission.

9. Miscellaneous

This Agreement may not be amended except by instrument in writing signed by the parties, may not be assigned and shall be binding upon and ensure to the benefit of the parties and their respective successors.

If any provision of this Agreement is determined to be void or unenforceable in whole or in part, such void or unenforceable provision shall not affect or impair the validity of any other provision of this Agreement and shall be severable from this Agreement.

This Agreement may be executed in any number of counterparts, each of which when executed and delivered shall be deemed to be an original and all of which taken together shall constitute one and the same instrument.

This Agreement shall be interpreted in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.

If the foregoing is in accordance with your understanding, please signify the City's acceptance by signing and returning the accompanying duplicate of this letter, whereupon this letter will constitute a binding agreement between the City and the Agents.

Yours truly,

RBC DOMINION SECURITIES INC.

Per: _____

CIBC WORLD MARKETS INC.

Per: _____

THE TORONTO-DOMINION BANK

Per: _____

Accepted and agreed as of November 7, 2011
THE CORPORATION OF THE CITY OF LONDON

Per: _____
Joe Fontana, Mayor

Per: _____
Catharine Saunders, City Clerk