THE REGIONAL MUNICIPALITY OF YORK

BILL NO. 22

BY-LAW NO. 2009-21

To authorize the borrowing upon 10 year sinking fund debentures in the principal amount of $10,000,000.00 ($6,100,000.00 of which amount may be raised by the issue of refinancing debentures on or before the maturity date) for the purposes of The Corporation of the Township of King

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 Act also provides that a municipality shall authorize long term borrowing by the issue of debentures or through another municipality under section 403 or 404 of the Act;

AND WHEREAS section 403 of the Act provides that a by-law of an upper-tier municipality authorizing the issuing of debentures for the purposes or joint purposes of one or more of its lower-tier municipalities may require those lower-tier municipalities to make payments in each year to the upper-tier municipality in the amounts and on the dates specified in the by-law and subsection 403(7) of the Act provides that all debentures issued under a by-law passed by an upper-tier municipality under section 403 of the Act are direct, joint and several obligations of the upper-tier municipality and its lower-tier municipalities;

AND WHEREAS subsection 408(4) (a) of the Act provides that a debenture by-law, shall provide for raising in each year as part of the general upper-tier 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 408(4)(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. Subsection 409(1)(a) of the Act provides that a municipality may provide in a debenture by-law that all or a portion of the debentures are sinking fund debentures which have the principal payable on a fixed date and subsection 409(2) of the Act provides that a by-law passed under section 409 of the Act shall provide for an estimated amount in each year for the sinking fund which, with interest compounded annually, will be sufficient to pay the principal of the debentures at maturity. Subsection 409(3) of the Act provides that an amount required to be provided in a year under subsection 409(2) of the Act shall be deemed to be an amount of principal payable to the lender in the year for the purposes of subsection 408(4)(a) of the Act (as well as of other subsections of the Act);

AND WHEREAS the Council of The Regional Municipality of York (the "**Upper-tier Municipality**") received requests of the Council of The Corporation of the Township of King (the "**Lower-tier Municipality**") to borrow money for the respective purposes of the Lower-tier Municipality (individually a "**Project**", collectively the "**Projects**") set out in Column (2) of Schedule "A" attached hereto and forming part of this By-law ("**Schedule "A"**") and to issue debentures for the Projects in the respective principal amounts specified in Column (5) of Schedule "A";

AND WHEREAS before authorizing the Projects and before authorizing any additional cost amounts and any additional debenture authorities in respect thereof, the Council of the Lower-tier 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 Lower-tier Municipality authorizing each Project, each such additional cost amount and each such additional debenture authority, the 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 Lower-tier 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 pursuant to such regulation was not required;

AND WHEREAS to provide long term financing for the Projects it is now deemed to be expedient to borrow money by the issue and sale of 10 year sinking fund debentures of the Upper-tier Municipality in the principal amount of $10,000,000.00 ($6,100,000.00 of which amount may be raised by the issue of refinancing debentures on or before the maturity date, in consultation with the Lower-tier Municipality) payable at the time and bearing interest as hereinafter set forth, as agreed to by the Upper-tier Municipality on April 16, 2009.

NOW THEREFORE the Council of The Regional Municipality of York hereby enacts as follows:

1. For the Projects, the borrowing upon the credit of the Upper-tier Municipality at large of the principal amount of $10,000,000.00 ($6,100,000.00 of which amount may be raised by the issue of refinancing debentures on or before the maturity date, in consultation with the Lower-tier Municipality) and the issue of 10 year sinking fund debentures therefor in minimum denominations of $1,000.00, as hereinafter set forth, are hereby authorized.

2. The Regional Chair and the Commissioner of Finance and Treasurer of the Upper-tier Municipality are hereby authorized to cause any number of 10 year sinking fund debentures in the principal amount of $10,000,000.00 ($6,100,000.00 of which amount may be raised by the issue of refinancing debentures on or before the maturity date, in consultation with the Lower-tier Municipality), as described in

section 1 above, (the "**Debentures**") payable on April 29, 2019 to be issued for such amounts of money as may be required for the Projects in global and definitive forms, not exceeding in total the said principal amount of $10,000,000.00. The Debentures shall bear the Upper-tier Municipality's municipal seal and the signatures of the Regional Chair and of the Commissioner of Finance and Treasurer of the Upper-tier Municipality, all in accordance with the provisions of the Act. The municipal seal of the Upper-tier 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 part of five certificates, each in the principal amount of $40,000,000.00 (in the aggregate principal amount of $200,000,000.00), each substantially in the form attached as Schedule "B" 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 each shall provide for payment of interest (other than in respect of the provision for the payment of interest and principal on the maturity date upon presentation and surrender at the office of the Commissioner of Finance and Treasurer of the Upper-tier Municipality in the case of the Global Debentures or at any specified branch in Canada of the Upper-tier Municipality's bank in other cases) by cheque sent by mail to the registered address of the registered holder or, if the Upper-tier Municipality and the registered holder of the Global Debentures so consent, by electronic transfer of payment 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 Upper-tier Municipality may agree.

3. (1) The Debentures shall all be dated the 29th day of April, 2009, and as to both principal and interest shall be expressed and be payable in lawful money of Canada. The Debentures shall be issued for a term of 10 years bearing interest at the rate of 5.00% per annum and shall be payable on the 29th day of April, and in each year during such 10 year period, the amount of $250,000.00 shall be payable for interest on the Debentures on each of October 29 and April 29 (commencing on October 29, 2009) and the amount of $340,198.98 shall be deposited on or before April 29 (commencing on April 29, 2010) by the Commissioner of Finance and Treasurer of the Upper-tier Municipality, or an authorized official of the Upper-tier Municipality, into a sinking fund (the "**Sinking Fund**"), which amount, with interest compounded annually, will be sufficient to pay at maturity (April 29, 2009) the principal of the Debentures, subject to the ability of the Upper-tier Municipality to issue refinancing debentures for a further term of up to 10 years in accordance with the Act. The annual contribution to the Sinking Fund takes into account the Upper-tier Municipality's ability to issue refinancing debentures in respect of the outstanding principal in accordance with the provisions of the Act.

(2) Of the principal amount of $10,000,000.00 that matures on April 29, 2019, the principal amount of $6,100,000.00 payable thereunder may be raised by the issue of refinancing debentures over a further period not to exceed 10 years (20 years being the maximum period of years for the repayment of the debt for which the Debentures will be issued), and upon such terms not contrary thereto as shall be

determined by the Council of the Upper-tier Municipality, in consultation with the Lower-tier Municipality.

(3) Payments in respect of contributions to the Sinking Fund as well 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 Upper-tier 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 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 set out in the letter of representations addressed to CDS referred to below and as set out in the Global Debentures) 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 Commissioner of Finance and Treasurer of the Upper-tier Municipality. 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 rate and maturity date, shall bear all unmatured 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 Upper-tier Municipality's bank designated in the definitive Debentures, otherwise, with provision for payment of interest by cheque sent by mail to the registered addresses of the registered holders or, if the Upper-tier Municipality and any registered holder of the definitive Debentures so consent, by electronic transfer of payment in respect of such interest to the credit of such registered holder on such terms as to which the registered holder and the Upper-tier Municipality may agree.

6. (1) In respect of the Debentures, there shall be raised in each year during the currency of the Debentures as part of the general upper-tier levy the amount of $250,000.00 payable for interest on the Debentures on each of October 29 and April 29 (commencing on October 29, 2009) and the amount of $340,198.98 for deposit into the Sinking Fund on or before April 29 (commencing on April 29, 2010) for the payment at maturity (April 29, 2019) of the principal of the Debentures in respect of which no refinancing debentures may be issued by the Upper-tier Municipality on or

before such maturity date. In each such year, for the Projects, the said two amounts shall be raised as part of the general upper-tier levy 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. The total amount of the contribution to the Sinking Fund and interest that must be raised in each such year does not include any contribution to the Sinking Fund in respect of the refinancing debentures that the Upper-tier Municipality is authorized to issue on or before the maturity date of the Debentures, in accordance with the provisions of the Act.

(2) Without limiting the generality of the foregoing, the Lower-tier Municipality shall pay the aforesaid yearly amounts as set out in Schedule "C" attached hereto and forming part of this By-law ("**Schedule "C"**") to the Upper-tier Municipality one Business Day before the date payment is due. The amounts required to be paid to the Upper-tier Municipality in accordance with Schedule "C" shall constitute a debt of the Lower-tier Municipality to the Upper-tier Municipality and such amounts shall, when combined with any amount payable by the Upper-tier Municipality in the year for repayment of the debt for which the Debentures are to be issued, be sufficient to meet the total amount of the contribution to the Sinking Fund and interest payable in the year by the Upper-tier Municipality in respect of the Debentures, all in accordance with the provisions of this By-law and the Act.

(3) If the Lower-tier Municipality fails to make any payment or portion of it as provided in this By-law, the Lower-tier Municipality shall pay interest to the Upper-tier Municipality on the amount in default at the rate of 15% per annum, from the date the payment is due until it is made.

(4) There shall be raised, pursuant to this By-law, in each year of the currency of the Debentures, as part of the general upper-tier levy, the amounts required to be paid to the Upper-tier Municipality in any previous year by the Lower-tier Municipality to the extent that the amounts have not been paid to the Upper-tier Municipality in accordance with this By-law and the Act.

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 Upper-tier 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 Upper-tier 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 Upper-tier 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 Upper-tier 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 Upper-tier 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 Upper-tier 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 Upper-tier Municipality.

10. The Debentures are transferable or exchangeable at the office of the Commissioner of Finance and Treasurer of the Upper-tier Municipality upon presentation for such purpose accompanied by an instrument of transfer or exchange in a form approved by the Upper-tier 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 Regional Chair and the Commissioner of Finance and 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 Regional Chair and the Commissioner of Finance and Treasurer shall issue and deliver new Debentures in exchange or substitution for Debentures outstanding on the registry with the same maturity date 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 Upper-tier Municipality with such evidence (including evidence as to the certificate number of the Debenture in question) and indemnity in respect thereof satisfactory to the Upper-tier Municipality in its discretion; and (c) surrendered to the Upper-tier Municipality any mutilated or 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 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.

13. The cost of all transfers and exchanges, including the printing of authorized denominations of the new Debentures, shall be borne by the Upper-tier Municipality. When any of the Debentures are surrendered for transfer or exchange the Commissioner of Finance and Treasurer of the Upper-tier 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. 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 interest cheques may be imposed by the Upper-tier Municipality. Where new Debentures are issued in substitution in these circumstances the Upper-tier 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 execution of a purchase letter in respect of the Debentures, dated as at April 16, 2009, by the Director of Policy, Risk and Treasury is hereby ratified, confirmed and approved, the Regional Chair and the Commissioner of Finance and Treasurer are hereby authorized to cause the Debentures to be issued, the Commissioner of Finance and Treasurer is hereby authorized to enter into a letter of representations with CDS, the Commissioner of Finance and Treasurer and the Regional Clerk, are hereby individually authorized to generally do all things and to execute all other documents and papers in the name of the Upper-tier Municipality in order to carry out the sale of the Debentures and the Commissioner of Finance and Treasurer is authorized to affix the Upper-tier Municipality's municipal seal to any of such documents and papers.

(2) The money received by the Lower-tier 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 Projects, and to no other purpose except as permitted by the Act.

17. The Upper-tier Municipality reserves the right to issue additional sinking fund debentures of the same maturity, interest rate and terms and conditions.

18. Subject to the Upper-tier Municipality's investment policies and goals and the applicable legislation, the Upper-tier 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 Upper-tier Municipality may in its discretion determine.

ENACTED AND PASSED this 23rd day of April, 2009.

Denis Kelly	Bill Fisch
Regional Clerk	Regional Chair

Authorized by those by-laws listed in Schedule "A" to this by-law.

THE REGIONAL MUNICIPALITY OF YORK
SCHEDULE "A" TO BY-LAW NO. 2009-21

(1)	(2)	(3)	(4)	(5)	(6)	(7)
By-law	**Project 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**	**Amount of Refinancing Debentures to be Issued on or before the Maturity Date $**
2006-70 2008-76	Capital costs in connection with the King City Concurrent Road projects (2006)	625,150.00	Nil	625,000.00	10	381,000.00
2007-85 2008-76	Capital costs in connection with the King City Concurrent Road projects (2007)	1,395,550.00	Nil	1,395,000.00	10	851,000.00
2008-24 2008-76	Capital costs in connection with the King City Concurrent Road projects (2008)	5,654,500.00	Nil	5,654,000.00	10	3,450,000.00
2008-24 2008-76	Capital costs in connection with the Nobleton Concurrent Road projects (2008)	885,410.00	Nil	885,000.00	10	540,000.00
2008-24 2008-76	Capital costs in connection with the 16th Sideroad project (2008)	59,455.00	Nil	59,000.00	10	36,000.00
2008-24 2008-76	Capital costs in connection with the Keewaydin Road project (2008)	44,275.00	Nil	44,000.00	10	27,000.00
2008-24 2008-76	Capital costs in connection with the King View Crescent project (2008)	184,690.00	Nil	184,000.00	10	112,000.00
2008-24 2008-76	Capital costs in connection with the King Summit Road project (2008)	189,750.00	Nil	189,000.00	10	115,000.00
2008-24 2008-76	Capital costs in connection with the Bachly Crescent project (2008)	46,805.00	Nil	46,000.00	10	28,000.00
2008-24 2008-76	Capital costs in connection with the Little Rebel Road project (2008)	29,095.00	Nil	29,000.00	10	18,000.00
2008-	Capital costs in	1,500,000.00	Nil	250,000.00	10	152,000.00

THE REGIONAL MUNICIPALITY OF YORK
SCHEDULE "A" TO BY-LAW NO. 2009-21

(1) By-law	(2) Project Description	(3) Approved Principal Amount to be Financed Through the Issue of Debentures $	(4) Principal Amount of Debentures Previously Issued $	(5) Principal Amount of Debentures to be Issued $	(6) Term of Years	(7) Amount of Refinancing Debentures to be Issued on or before the Maturity Date $
76	connection with the King City Concurrent Road projects (2009)					
2008-76	Capital costs in connection with the Nobleton Concurrent Road projects (2009)	1,500,000.00	Nil	640,000.00	10	390,000.00
	TOTAL			**10,000,000.00**		

THE REGIONAL MUNICIPALITY OF YORK
SCHEDULE "B" TO BY-LAW NO. 2009-21

Unless this debenture is presented by an authorized representative of CDS Clearing and Depository Services Inc. ("**CDS**") to The Regional Municipality of York for registration of transfer, exchange or payment, and any debenture 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, ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL since as the registered holder hereof, CDS & CO. has an interest herein.

No. GSF09-01-010

$40,000,000.00	CUSIP NO. 98704CQD1 ISIN NO. CA 98704CQD16

C A N A D A
Province of Ontario
THE REGIONAL MUNICIPALITY OF YORK

FULLY REGISTERED GLOBAL 5.00% SINKING FUND DEBENTURE

THE REGIONAL MUNICIPALITY OF YORK (the "**Upper-tier Municipality**"), for value received, hereby promises to pay to

CDS & CO.

as nominee of CDS Clearing and Depository Services Inc. or registered assigns, subject to the Conditions attached hereto which form part hereof (the "**Conditions**"), upon presentation and surrender of this global debenture by the maturity date of this global debenture (April 29, 2019), the principal amount of

FORTY MILLION DOLLARS
----------------------------------- ($40,000,000.00) ---------------------------------

in lawful money of Canada, and to pay interest thereon until the maturity date of this global debenture in like money in semi-annual payments from April 29, 2009, or from the last date on which interest has been paid on this global debenture, whichever is later, at the rate of 5.00% per annum in arrears on the 29th day of October and the 29th day of April, 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 aforesaid rate both before and after default and judgment. The payments of interest, the amount to be deposited into the applicable sinking fund and the principal balance outstanding in each year are shown in the Schedule on the reverse side hereof.

This global debenture is subject to the Conditions.

DATED at the Regional Municipality of York the 29th day of April, 2009.

IN TESTIMONY WHEREOF and under the authority of By-law No. 2009-22 of the Upper-tier Municipality duly passed on the 23rd day of April, 2009 (the "**Debenture By-law**"), this global debenture is sealed with the municipal seal of the Upper-tier Municipality and signed by the Regional Chair and by the Commissioner of Finance and Treasurer thereof.

Date of Registration: April 29, 2009

______________________________ (seal) ________________________________
Regional Chair Commissioner of Finance and Treasurer

Schedule

Year	Interest Rate %	Interest October 29 $	Interest April 29 $	Total Annual Interest Payment Each Year $	Annual Sinking Fund Deposit October 29 $	Principal Balance Outstanding April 29 $
2009	5.00		-----------------		---------------------	40,000,000.00
2010	5.00					40,000,000.00
2011	5.00					40,000,000.00
2012	5.00					40,000,000.00
2013	5.00					40,000,000.00
2014	5.00					40,000,000.00
2015	5.00					40,000,000.00
2016	5.00					40,000,000.00
2017	5.00					40,000,000.00
2018	5.00					40,000,000.00
2019	5.00	------------------				------------------

LEGAL OPINION

We have examined the Debenture By-law of the Upper-tier Municipality authorizing the issue of sinking fund debentures in the aggregate principal amount of $200,000,000.00 dated April 29, 2009 and maturing on April 29, 2019.

The Debenture By-law has been properly passed and is within the legal powers of the Upper-tier Municipality. The five global sinking fund debentures issued under the Debenture By-law in the within form (the "**Global Debentures**") are direct, general, unsubordinated, joint and several obligations of the Upper-tier Municipality and of its lower-tier municipalities (the "**Lower-tier Municipalities**"). The Global Debentures are enforceable against the Upper-tier Municipality and the Lower-tier Municipalities 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 Debentures.

Toronto, April 29, 2009 **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 (individually a "**Debenture**" and collectively the "**Debentures**") are issuable as fully registered Debentures without coupons in minimum denominations of $1,000.00.

2. The Debentures are direct, general, unsubordinated, joint and several obligations of the Upper-tier Municipality and of the Lower-tier Municipalities. The Debentures rank concurrently and equally in respect of payment of principal and interest with all other debentures of the Upper-tier Municipality 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, for financial institutions acting on behalf of beneficial owners as direct and indirect participants in CDS's book entry only system.

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 Upper-tier Municipality does not have any responsibility or liability for maintaining, supervising or reviewing any records of CDS relating to beneficial interests in this Global Debenture or for any aspect of the records of CDS relating to payments made by CDS on account of such beneficial interests.

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 if (i) CDS notifies the Upper-tier Municipality that it is unable to continue as depository in connection with this Global Debenture or ceases to be a recognized clearing agency under the *Securities Act*, as amended, or other applicable Canadian securities legislation and a successor depository is not appointed by the Upper-tier Municipality or (ii) the Upper-tier Municipality in its sole discretion elects to issue certificated Debentures in definitive form in exchange for this Global Debenture.

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 Upper-tier Municipality 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 CDS 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 Upper-tier Municipality 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 Upper-tier Municipality will keep at its designated office in the Regional Municipality of York 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 Upper-tier 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 Upper-tier Municipality 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 Upper-tier Municipality on the Debentures to the extent of the amount or amounts so paid.

Payments of Principal and Interest

10. In each year during the currency of the Debentures, the amount of $5,000,000.00 shall be payable for interest on the Debentures on each of October 29 and April 29 (commencing on October 29, 2009) and the amount of $6,803,979.52 shall be deposited on or before April 29 (commencing on April 29, 2010) by the Upper-tier Municipality into a sinking fund for the payment of principal of the Debentures in respect of which no refinancing debentures may be issued by the Upper-tier Municipality on or before the maturity date (April 29, 2009) (the "Sinking Fund") in accordance with the provisions of the *Municipal Act*, *2001*, as amended.

11. The record date for purposes of payment of a deposit into the Sinking Fund and of payment of principal and of interest on the Debentures is as of 5:00 p.m. on the thirtieth calendar day preceding any Payment Date, including the maturity date. Principal of and interest on the Debentures are payable by the Upper-tier Municipality to the persons registered as holders in the registry on the relevant record date. The Upper-tier 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.

12. The Upper-tier Municipality shall make all payments in respect of semi-annual interest on the Debentures on each Payment Date commencing on October 29, 2009 (other than in respect of the payment of principal and outstanding interest on the maturity date which shall be paid upon presentation and surrender of this Global Debenture at the office of the Commissioner of Finance and Treasurer of the Upper-tier Municipality or at any specified branch in Canada of the Upper-tier Municipality's bank in other cases) by forwarding by mail, a cheque dated the due date for payment to the registered address of each registered holder of Debentures sufficiently in advance of the relevant due date that delivery of such cheques to the registered address of each registered holder on or before the due date is reasonably assured. All cheques mailed or otherwise delivered in accordance with this section shall be dated the due date for payment of the interest in respect of which they are issued. Despite the foregoing, the Upper-tier Municipality may make payments in respect of interest on any Debenture (other than in respect of the payment of principal and outstanding interest payable on the maturity date upon presentation and surrender at the office of the Commissioner of Finance and Treasurer of the Upper-tier Municipality or at any specified branch in Canada of the Upper-tier Municipality's bank, as applicable) to the credit of the registered holder of that Debenture, by electronic transfer of payment in respect of such interest to the credit of the registered holder on such terms as to which the registered holder and the Upper-tier Municipality may agree.

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 contributions to the Sinking Fund as well as 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 Upper-tier Municipality.

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 Upper-tier Municipality.

Transfers, Exchanges and Substitutions

17. Debentures are transferable or exchangeable at the office of the Commissioner of Finance and Treasurer of the Upper-tier Municipality upon presentation for such purpose accompanied by an instrument of transfer or exchange in a form approved by the Upper-tier 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.

18. The Upper-tier Municipality 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 which have become lost, stolen, mutilated, defaced or destroyed 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, stolen or destroyed Debenture) furnished the Upper-tier Municipality with such evidence (including evidence as to the certificate number of the Debenture in question) and indemnity in respect thereof satisfactory to the Upper-tier Municipality in its discretion; and (iii) surrendered to the Upper-tier Municipality any mutilated or 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. The Upper-tier Municipality 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 lost, stolen, mutilated, defaced or destroyed Debentures or interest cheques.

Purchases

21. Subject to the investment policies and goals of the Upper-tier Municipality and the applicable legislation, the Upper-tier Municipality 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 Upper-tier Municipality may in its discretion determine.

Additional Debentures

22. The Upper-tier Municipality has reserved the right to issue additional sinking fund debentures of the same maturity, interest rate 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 Upper-tier 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 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.

THE REGIONAL MUNICIPALITY OF YORK
SCHEDULE "C" TO BY-LAW NO. 2009-21

Year	TOTAL ($) Payment
2010	840,198.98
2011	840,198.98
2012	840,198.98
2013	840,198.98
2014	840,198.98
2015	840,198.98
2016	840,198.98
2017	840,198.98
2018	840,198.98
2019	840,198.98
	8,401,989.80