THE REGIONAL MUNICIPALITY OF YORK

BILL NO. 49

BY-LAW NO. 2010-47

TO AUTHORIZE THE BORROWING UPON DEBENTURES IN THE PRINCIPAL AMOUNT OF $12,000,000.00 FOR A PURPOSE OF THE TOWN OF MARKHAM.

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 Council of The Corporation of the Town of Markham (the "Town") has passed the by-laws enumerated in column (1) of Schedule "A" authorizing the project which the Town has undertaken on its own behalf, described in column (2) of Schedule "A" (the "**Project**");

AND WHEREAS before authorizing the Project and before authorizing an additional cost amount and an additional debenture authority in respect thereof, the Town had its Commissioner of Finance and 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 the Project, such additional cost amount and such additional debenture authority, the Commissioner of Finance and Treasurer determined that the estimated annual amount payable in respect of the Project, such additional cost amount and such additional debenture authority would not cause the Town to exceed the updated limit and that the approval of the Project, such additional cost amount and such additional debenture authority by the Ontario Municipal Board was not required;

AND WHEREAS Canada Mortgage and Housing Corporation ("**CMHC**") has developed a municipal infrastructure lending program available for municipal, housing-related infrastructure projects;

AND WHEREAS the Upper-tier Municipality has submitted an application to CMHC for long term borrowing through the issue of debentures to CMHC in respect of the Project (the "Application") and the Application has been approved;

AND WHEREAS the Upper-tier Municipality desires to issue debentures for the Project pursuant to the Debenture – Loan Agreement between CMHC and the Upper-tier Municipality dated as of July 1, 2010 (the "Agreement"), in the amount specified in column (3) of Schedule "A";

AND WHEREAS to provide long term financing for the Project pursuant to the Agreement, it is now expedient to issue 4.04% debentures in the aggregate principal amount of $12,000,000.00 in lawful money of Canada, on the terms hereinafter set forth.

NOW THEREFORE THE COUNCIL OF THE REGIONAL MUNICIPALITY OF YORK HEREBY ENACTS AS FOLLOWS:

1. The entering into of the Agreement by the Regional Chair and the Commissioner of Finance and Treasurer on behalf of the Upper-tier Municipality is hereby confirmed, ratified and approved;

2. For the Project, the borrowing upon the credit of the Upper-tier Municipality of the aggregate principal sum of $12,000,000.00 and the issue of debentures therefor to be repaid in annual instalments of combined (blended) principal and interest as hereinafter set forth, are hereby authorized.

3. The Regional Chair and the Commissioner of Finance and Treasurer of the Upper-tier Municipality are hereby authorized to cause any number of debentures to be issued up to the said sum of $12,000,000.00 substantially in the form attached as Schedule "B" hereto and forming part of this By-law (the "**Debentures**"). The Debentures shall bear the Upper-tier Municipality's municipal seal and the signatures of the Regional Chair and 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.

4. The Debentures shall be in fully registered form as one or more certificates in the aggregate principal amount of $12,000,000.00, in the name of CMHC or as CMHC may otherwise direct in accordance with the terms of the Agreement, substantially in the form attached as Schedule "B" hereto and forming part of this By-law with provision for payment of principal and interest on such terms as to which the registered holder and the Municipality may agree.

5. The Debentures shall all be dated the 1st day of July, 2010, and as to both principal and interest shall be expressed and be payable in lawful money of Canada. The Debentures shall bear interest at the rate of 4.04% per annum from the date thereof payable annually in arrears as described in this section. The Debentures shall be paid in full by July 1, 2030 and shall be payable in annual instalments of combined (blended) principal and interest on such days as are set forth in Schedule "C" attached hereto and forming part of this By-law ("**Schedule "C"**") in each of the years during the currency of the Debentures, as set forth in Schedule "C". All payments to be made by the Municipality under the Debentures to CMHC shall be made by the Municipality in accordance with the provisions of the Agreement.

6. Payments in respect of principal of and interest on the Debentures shall be made only on a day on which banking institutions in Ottawa, 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.

7. If the Upper-tier Municipality defaults in the payment of any instalment of combined (blended) principal and interest at any time appointed for payment thereof, CMHC may declare the indebtedness of the Upper-tier Municipality, as set forth in the Agreement, immediately due and payable, the whole without presentation, demand, protest or other notice of any kind, all of which are hereby expressly waived by the Borrower, and CMHC shall not be obliged to make any further advance under the Agreement and CMHC may then exercise all its recourses under the Debentures, the Agreement or under any agreement or document relating to each Project.

8. (1) Each year in which a payment of an instalment of combined (blended) principal and interest becomes due in respect of the Debentures, there shall be raised as part of the general upper-tier 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.

(2) The Town shall pay to the Upper-tier Municipality, as part of the general upper-tier levy the amounts required to be paid to the Upper-tier Municipality by the Town in respect of the Projects, all in accordance with the manner in which the general upper-tier levy is required, from time to time, to be paid to the Upper-tier Municipality. Such amounts constitute debt of the Town to the Upper-tier Municipality. 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 principal 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, for the Project, 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 any one or more of the Lower-tier Municipalities to the extent that the amounts have not been paid to the Upper-tier Municipality in accordance with this By-law.

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 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 cancellation, 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.

11. The Regional Chair and the Commissioner of Finance and Treasurer shall issue and deliver new Debentures in exchange or substitution for the 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 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 Debentures in respect of which new Debentures are to be issued in substitution.

12. 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 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.

13. The Regional Chair and the Commissioner of Finance and Treasurer are hereby authorized to cause the Debentures to be issued, the Regional Clerk and the Commissioner of Finance and Treasurer are individually authorized to generally do all things and to execute all documents and other papers in the name of the Upper-tier Municipality in order to carry out the issue 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.

14. The proceeds realized in respect of the Debentures, after providing for the expenses related to their issue, if any, shall be apportioned and applied to the Project and to no other purpose except as permitted by the Act.

15. Pursuant to the provisions of the Agreement, CMHC does not intend to sell, transfer or assign its interest in the Debentures and agrees that where it does so, it will only be to Her Majesty in Right of Canada or other federal agencies.

16. This By-law takes effect on the day of passing.

ENACTED AND PASSED this 24th day of June, 2010.

Denis Kelly
Regional Clerk

Bill Fisch
Regional Chair

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

SCHEDULE "A"

BY-LAW NO. 2010-47

By-law	**Project Description**	**Amount of Debentures to be Issued $**
(1)	**(2)**	**(3)**
2010-40	Capital costs in connection with the Birchmount Energy Center project	12,000,000
	TOTAL	**12,000,000**

SCHEDULE "B"

BY-LAW NO. 2010-47

Province of Ontario
The Regional Municipality of York

No. CMHC10-03-020

FULLY REGISTERED 4.04% DEBENTURE

The Regional Municipality of York (the "**Upper-tier Municipality**"), for value received, hereby promises to pay to:

CANADA MORTGAGE AND HOUSING CORPORATION ("**CMHC**")

or registered assigns, subject to the conditions attached hereto which form part hereof (the "**Conditions**"), upon presentation and surrender of this debenture by the maturity date of this debenture (July 1, 2030), the principal sum of

Twelve Million Dollars
---------------------------------- ($12,000,000.00) --------------------------------

by annual instalments of combined (blended) principal and interest in the manner and in the amounts set forth in the attached amortization schedule (the "**Schedule**") and pursuant to the Conditions, in lawful money of Canada. Interest shall be paid until the maturity date of this debenture, in like money in annual payments from the 1st day of July, 2010 or from the last date on which interest has been paid on this debenture, whichever is later at the rate of 4.04% per annum, 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.

This debenture is subject to the Conditions.

DATED at the Regional Municipality of York on July 1, 2010.

IN TESTIMONY WHEREOF and under the authority of By-law No. 2010-47 of the Upper-tier Municipality duly passed on July 24, 2010 (the "**By-law**"), this debenture is sealed with the municipal seal of the Upper-tier Municipality and signed by the Regional Chair and the Commissioner of Finance and Treasurer thereof.

Date of Registration: July 1, 2010.

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Regional Chair Commissioner of Finance and Treasurer

Amortization Schedule

Interest Rate: 4.04%
Borrower: The Regional Municipality of York
Amount of the Loan: $12,000,000.00
Planned Disbursement Date: July 1, 2010
Amortization Period: 20 years
Term: 20 years

Loan Schedule

Loan Date	01-Jul-10
Loan Amount	$12,000,000.00
Interest Rate (%)	4.0400
Compounding Frequency	1
# of Payments per Year	1
Maturity Date	01-Jul-30
Term (Yrs)	20.000
Term (Yrs) -- if known	20.000
Periodic Rate (%)	4.0400
Calculated Payment	$886,111.33
Payment -- if known	$886,111.33
Number of Payments	20

PMYT #	(end of period) **PMYT DATE**	**PRINCIPAL, BEGINNING OF PERIOD**	**PMYT**	**INT**	**PRN**	**PRN END OF PERIOD**
1	01/07/2011	12,000,000.00	886,111.33	484,800.00	401,311.33	11,598,688.67
2	01/07/2012	11,598,688.67	886,111.33	468,587.02	417,524.31	11,181,164.36
3	01/07/2013	11,181,164.36	886,111.33	451,719.04	434,392.29	10,746,772.07
4	01/07/2014	10,746,772.07	886,111.33	434,169.59	451,941.74	10,294,830.33
5	01/07/2015	10,294,830.33	886,111.33	415,911.15	470,200.18	9,824,630.15
6	01/07/2016	9,824,630.15	886,111.33	396,915.06	489,196.27	9,335,433.88
7	01/07/2017	9,335,433.88	886,111.33	377,151.53	508,959.80	8,826,474.08
8	01/07/2018	8,826,474.08	886,111.33	356,589.55	529,521.78	8,296,952.30
9	01/07/2019	8,296,952.30	886,111.33	335,196.87	550,914.46	7,746,037.84
10	01/07/2020	7,746,037.84	886,111.33	312,939.93	573,171.40	7,172,866.44
11	01/07/2021	7,172,866.44	886,111.33	289,783.80	596,327.53	6,576,538.91
12	01/07/2022	6,576,538.91	886,111.33	265,692.17	620,419.16	5,956,119.75
13	01/07/2023	5,956,119.75	886,111.33	240,627.24	645,484.09	5,310,635.66
14	01/07/2024	5,310,635.66	886,111.33	214,549.68	671,561.65	4,639,074.01
15	01/07/2025	4,639,074.01	886,111.33	187,418.59	698,692.74	3,940,381.27
16	01/07/2026	3,940,381.27	886,111.33	159,191.40	726,919.93	3,213,461.34
17	01/07/2027	3,213,461.34	886,111.33	129,823.84	756,287.49	2,457,173.85
18	01/07/2028	2,457,173.85	886,111.33	99,269.82	786,841.51	1,670,332.34
19	01/07/2029	1,670,332.34	886,111.33	67,481.43	818,629.90	851,702.44
20	01/07/2030	851,702.44	886,111.22	34,408.78	851,702.44	0.00

CONDITIONS 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, unsubordinated, joint and several obligations of the Upper-tier Municipality and of its 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 one fully registered Debenture registered in the name of CMHC and held by CMHC.

4. The Upper-tier 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 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.

5. 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 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.

6. The Upper-tier Municipality shall make all payments in respect of annual instalments of combined (blended) principal and interest on the Debentures on each Payment Date commencing on July 1, 2011 in accordance with the provisions of the Debenture-Loan Agreement between CMHC and the Upper-tier Municipality dated as of July 1, 2010 (the "Agreement").

7. If the Upper-tier Municipality defaults in the payment of any instalment of combined (blended) principal and interest at any time appointed for payment thereof, CMHC may declare the indebtedness of the Upper-tier Municipality, as set forth in the Agreement, immediately due and payable, the whole without presentation, demand, protest or other notice of any kind, all of which are hereby expressly waived by the Borrower, and CMHC shall not be obliged to make any further advance under the Agreement and CMHC may then exercise all its

recourses under this Debenture, the Agreement or under any agreement or document relating to each Project.

8. Payments in respect of principal of and interest on the Debentures shall be made only on a day on which banking institutions in Ottawa, 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.

9. The Upper-tier 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 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 Debentures in respect of which new Debentures are to be issued in substitution.

10. 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 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.

11. Pursuant to the provisions of the Agreement, CMHC does not intend to sell, transfer or assign its interest in the Debentures and agrees that where it does so, it will only be to Her Majesty in Right of Canada or other federal agencies.

12. Unless otherwise expressly provided herein, any reference herein to a time shall be considered to be a reference to Ottawa, Ontario time.

13. 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.

SCHEDULE "C"
BY-LAW NO. 2010-47
Amortization Schedule

Interest Rate: 4.04%
Borrower: The Regional Municipality of York
Amount of the Loan: $12,000,000.00
Planned Disbursement Date: July 1, 2010
Amortization Period: 20 years
Term: 20 years

Loan Schedule

Loan Date	01-Jul-10
Loan Amount	$12,000,000.00
Interest Rate (%)	4.0400
Compounding Frequency	1
# of Payments per Year	1
Maturity Date	01-Jul-30
Term (Yrs)	20.000
Term (Yrs) -- if known	20.000
Periodic Rate (%)	4.0400
Calculated Payment	$886,111.33
Payment -- if known	$886,111.33
Number of Payments	20

PMYT #	(end of period) PMYT DATE	PRINCIPAL, BEGINNING OF PERIOD	PMYT	INT	PRN	PRN END OF PERIOD
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3	01/07/2013	11,181,164.36	886,111.33	451,719.04	434,392.29	10,746,772.07
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5	01/07/2015	10,294,830.33	886,111.33	415,911.15	470,200.18	9,824,630.15
6	01/07/2016	9,824,630.15	886,111.33	396,915.06	489,196.27	9,335,433.88
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16	01/07/2026	3,940,381.27	886,111.33	159,191.40	726,919.93	3,213,461.34
17	01/07/2027	3,213,461.34	886,111.33	129,823.84	756,287.49	2,457,173.85
18	01/07/2028	2,457,173.85	886,111.33	99,269.82	786,841.51	1,670,332.34
19	01/07/2029	1,670,332.34	886,111.33	67,481.43	818,629.90	851,702.44
20	01/07/2030	851,702.44	886,111.22	34,408.78	851,702.44	0.00