THE REGIONAL MUNICIPALITY OF YORK

BILL NO. 49

BY-LAW NO. D-0170-2005-048

To authorize the borrowing of the aggregate of
the principal amounts authorized by By-laws Nos. D-0168-2005-046 and D-0169-2005-047
in the aggregate principal amount of $114,200,000.00 and
the issuing of one series of instalment debentures and retirement fund debentures therefor

WHEREAS the *Municipal Act, 2001*, as amended from time to time and the regulations made from time to time thereunder (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 provides that if a municipality intends to incur debt for two or more purposes, or if it has passed separate debenture by-laws authorizing borrowing for two or more purposes but has not sold any of the debentures, the municipality may by by-law provide for the issue of one series of debentures for the debt;

AND WHEREAS AND WHEREAS the Council of The Regional Municipality of York (the "**Upper-tier Municipality**") has passed debenture by-laws as follows:

(a) By-law No. D-0168-2005-046: a by-law to authorize the borrowing upon 6 year instalment debentures in the principal amount of $58,239,000.00 and 10 year retirement fund debentures in the principal amount of $45,354,000.00 (in the aggregate principal amount of $103,593,000.00) for purposes of the Upper-tier Municipality; and

(b) By-law No. D-0169-2005-047: a by-law to authorize the borrowing upon 6 year instalment debentures in the principal amount of $5,961,000.00 and 10 year retirement fund debentures in the principal amount of $4,646,000.00 (in the aggregate principal amount of $10,607,000.00) for purposes of The Corporation of the City of Vaughan;

both of which by-laws are hereinafter referred to as the "**Debenture By-laws**";

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 subsection 403(7) of the Act provides that all debentures issued under a by-law passed by an upper-tier municipality under section 403 are direct, joint and several obligations of the upper-tier municipality and its lower-tier municipalities;

AND WHEREAS each of the respective purposes set out in Schedules "A" to the Debenture By-laws (individually a "**Project**", collectively the "**Projects**") constitutes a purpose or joint purpose of one or more of the lower-tier municipalities that comprise the Upper-tier Municipality (individually a "**Lower-tier Municipality**", collectively the "**Lower-tier Municipalities**") for purposes of section 403 of the Act, to the extent necessary, to ensure that the debentures issued by the Upper-tier Municipality in respect of each of the Projects are direct, joint and several obligations of the Upper-tier Municipality and the Lower-tier Municipalities;

AND WHEREAS the total of the principal amounts authorized to be borrowed by the Debenture By-laws is the aggregate principal amount of $114,200,000.00 ($64,200,000.00 in the case of the instalment debentures and $50,000,000.00 in the case of the retirement fund debentures) and it is desirable to consolidate the said amounts into one aggregate principal amount of $114,200,000.00 repayable in accordance with Schedule "A" attached hereto and forming part of this By-law ("**Schedule "A"**") and to issue one series of debentures therefor;

Now therefore, the Council of The Regional Municipality of York **HEREBY ENACTS** as follows:

1. The principal amounts authorized to be borrowed by the Debenture By-laws for the Projects in the case of instalment debentures are hereby consolidated into one principal amount of $64,200,000.00. The principal amounts authorized to be borrowed by the Debenture By-laws for the Projects in the case of the retirement fund debentures are hereby consolidated into one principal amount of $50,000,000.00. Instalment debentures and retirement fund debentures are hereby authorized to be issued therefor (pursuant to section 403 of the Act to the extent necessary to ensure that such debentures are direct, joint and several obligations of the Upper-tier Municipality and the Lower-tier Municipalities) as one series of debentures 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 instalment debentures in the aggregate principal amount of $64,200,000.00 (the "**Instalment Debentures**") and any number of retirement fund debentures in the aggregate principal amount of $50,000,000.00 (the "**Retirement Fund Debentures**"), in the aggregate principal amount of $114,200,000.00, as described in section 1 above (the Instalment Debentures and the Retirement Fund Debentures are hereinafter collectively referred to as the "**Debentures**"), payable in annual instalments of principal (May 25) with semi-annual instalments of interest thereon (November 25 and May 25), in the case of the Instalment Debentures, and payable as to principal on the maturity date (May 25, 2015) with semi-annual instalments of interest, in the case of the Retirement Fund Debentures, 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 aggregate principal amount of $114,200,000.00. 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 Instalment Debentures shall initially be issued in global fully registered form as two certificates, one in the principal amount of $41,200,000.00 and one in the principal amount of $23,000,000.00, in the aggregate principal amount of $64,200,000.00, substantially in the form of Schedule "B" attached hereto and forming part of this By-law (the "**Instalment Global Debentures**"). The Retirement Fund Debentures shall initially be issued in global fully registered form as two certificates, each in the principal amount of $25,000,000.00, in the aggregate principal amount of $50,000,000.00, substantially in the form of Schedule "C" attached hereto and forming part of this By-law (the "**Retirement Fund Global Debentures**"). The Instalment Global Debentures and the Retirement Fund Global Debentures are hereinafter collectively referred to as the "**Global Debentures**". Each of the Global Debentures shall initially be issued in the name of CDS & CO. as nominee of The Canadian Depository for Securities Limited ("**CDS**"), and each with provision for payment of principal and interest (other than in respect of the provision for the final payment of principal and outstanding interest on the final maturity date upon presentation and surrender at the office of the Commissioner of Finance and Treasurer of the Upper-tier Municipality or at any branch in Canada of the Upper-tier Municipality's bank) by cheque sent by post 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. The Debentures shall all be dated the 25th day of May, 2005, and as to both principal and interest shall be expressed and be payable in lawful money of Canada.

(1) The Instalment Debentures shall mature within the term of years set out in Column (6) of the respective Schedule "A" of the Debenture By-laws in respect of the Instalment Debentures and the respective amounts of principal and interest payable in each of the years in such period in respect of the Instalment Debentures shall be as set forth in Schedule "A". The Instalment Debentures maturing (principal payable) in the year 2006 shall bear interest at the rate of 3.000% per annum, the Instalment Debentures maturing (principal payable) in the year 2007 shall bear interest at the rate of 3.250% per annum, the Instalment Debentures maturing (principal payable) in the

year 2008 shall bear interest at the rate of 3.500% per annum, the Instalment Debentures maturing (principal payable) in the year 2009 shall bear interest at the rate of 3.750% per annum, the Instalment Debentures maturing (principal payable) in the year 2010 shall bear interest at the rate of 3.875% per annum and the Instalment Debentures maturing (principal payable) in the year 2011 shall bear interest at the rate of 4.125% per annum.

(2) The Retirement Fund Debentures which comprise the remainder of the Debentures, shall bear interest in each year of their currency from May 25, 2005 at the rate of 4.600% per annum. In each year during the currency of the Retirement Fund Debentures the amount of $2,300,000.00 shall be payable for interest ($1,150,000.00 on each of November 25 and May 25) and in each year of the Retirement Fund Debentures in which no other debentures issued under this By-law become due and payable, commencing in the seventh year (on May 25, 2012), an amount of $11,774,502.27 shall be deposited by the Commissioner of Finance and Treasurer of the Upper-tier Municipality, or an authorized official of the Upper-tier Municipality, into a retirement fund (the "**Retirement Fund**"), which amount is equal to or greater than the amount that would have been required for the repayment of the principal of the Retirement Fund Debentures in that year if the principal had been payable in equal annual instalments and the Retirement Fund Debentures had been issued for the maximum period authorized by the Lower-tier Municipality for the repayment of the debt for which the Retirement Fund Debentures were issued.

(3) 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 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 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 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 provided that there is at least one definitive Debenture which matures in each of the remaining years of the currency of the Instalment 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 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 of the bank designated in the definitive Debentures, otherwise, with provision for payment of principal and interest in the case of the Instalment Global Debentures and of interest in the case of the Retirement Fund Global Debentures, by cheque sent through the post 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 each year in which a payment of an instalment of interest or of principal and interest becomes due in respect of the Instalment Debentures, there shall be raised as part of the general upper-tier levy the amounts of interest or of principal and interest payable in each year as set out in Schedule "A" 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) In respect of the Retirement Fund Debentures there shall be raised, as part of the general upper-tier levy, in each year of their currency the amount of $2,300,000.00 which shall be payable for interest ($1,150,000.00 on each of November 25 and May 25) and in each year commencing in the seventh year (on May 25, 2012), the amount of $11,774,502.27 for deposit into the Retirement Fund for the payment of the principal of the Retirement Fund Debentures at maturity, and in each year, for the Projects, the said two amounts should be raised as part of the general upper-tier levy, to the extent that such 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.

(3) Without limiting the generality of the foregoing the Lower-tier Municipalities shall pay to the Upper-tier Municipality in accordance with Debenture By-law No. D-0168-2005-046 and The Corporation of the City of Vaughan in accordance with By-law No. D-0169-2005-047, and the Upper-tier Municipality shall pay the respective amounts of principal and interest payable and for annual contributions to the Retirement Fund in each year in respect of the Debentures by such entities as set out in the Debenture By-laws and the amounts to be raised by levy each year pursuant to the Debenture By-laws shall be raised and collected and such amounts shall be applied to the amounts of interest or of principal and interest payable and for annual contributions to the Retirement Fund in the respective year in respect of the Debentures to be issued under this By-Law in accordance with the Debenture By-laws.

(4) If any Lower-tier Municipality fails to make any payment or portion of it as provided in this By-law, such 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.

(5) 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 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.

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 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.

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 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 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 dates 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 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 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 or 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.

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 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 is hereby authorized to enter into a purchase letter in respect of the Debentures, the Commissioner of Finance and Treasurer and the Regional Clerk are hereby individually or jointly 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 proceeds realized in respect of the Debentures, after providing for the discount, if any, and the expenses related to their issue, shall be apportioned and applied to the Projects, and to no other purpose except as permitted by the Act.

17. 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 19th day of May, 2005.

Denis Kelly	Bill Fisch
Regional Clerk	Regional Chair

THE REGIONAL MUNICIPALITY OF YORK
SCHEDULE "A" TO BY-LAW NO. D-170-2005-048

Year	Interest %	Principal $ May-25	Retirement Fund Deposit $ May-25	Interest $ May-25	Interest $ Nov-25	Total Payments $
2005	-	-	-	-	2,308,000.00	2,308,000.00
2006	3.000	9,700,000.00	-	2,308,000.00	2,162,500.00	14,170,500.00
2007	3.250	10,000,000.00	-	2,162,500.00	2,000,000.00	14,162,500.00
2008	3.500	10,500,000.00	-	2,000,000.00	1,816,250.00	14,316,250.00
2009	3.750	11,000,000.00	-	1,816,250.00	1,610,000.00	14,426,250.00
2010	3.875	11,500,000.00	-	1,610,000.00	1,387,187.50	14,497,187.50
2011	4.125	11,500,000.00	-	1,387,187.50	1,150,000.00	14,037,187.50
2012	4.600	-	11,774,502.27	1,150,000.00	1,150,000.00	14,074,502.27
2013	4.600	-	11,774,502.27	1,150,000.00	1,150,000.00	14,074,502.27
2014	4.600	-	11,774,502.27	1,150,000.00	1,150,000.00	14,074,502.27
2015	4.600	-	11,774,502.27	1,150,000.00	-	12,924,502.27
		64,200,000.00	47,098,009.08	15,883,937.50	15,883,937.50	143,065,884.08

THE REGIONAL MUNICIPALITY OF YORK
Schedule "B" to By-law No. D-170-2005-048

Unless this debenture is presented by an authorized representative of The Canadian Depository for Securities Limited ("**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. GI05-001-006 $•

C A N A D A

Province of Ontario

THE REGIONAL MUNICIPALITY OF YORK

FULLY REGISTERED GLOBAL INSTALMENT DEBENTURE

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

CDS & CO.

as nominee of The Canadian Depository for Securities Limited 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 final maturity date of this Global Debenture (May 25, 2011), the principal sum of

• DOLLARS

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by annual payments on the 25th day of May in each of the years 2006 to 2011, 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 May 25, 2005, or 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 25th day of November and the 25th day of May, 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 Regional Municipality of York the 25th day of May, 2005.

IN TESTIMONY WHEREOF and under the authority of By-law No. D-170-2005-048 of the Upper-tier Municipality duly passed on the 19th day of May, 2005, 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: May 25, 2005

______________________________ (seal) ________________________________

Regional Chair Commissioner of Finance and Treasurer

SCHEDULE

Year	CUSIP No.	ISIN No.	InterestRate %	Semi-annual Interest Nov. 25 $	Semi-annual Interest May 25 $	Principal May 25 $	Total Annual Payment $	Principal Outstanding May 25 $
2005			------	-----------	-------------	-------------------	------------------	
2006								
2007								
2008								
2009								
2010								
2011								

LEGAL OPINION

We have examined By-law No. D-170-2005-048 (the "**Debenture By-law**") of the Upper-tier Municipality authorizing the issue of instalment debentures in the principal amount of $64,200,000 (the "**Instalment Debentures**") and the retirement fund debentures in the principal amount of $50,000,000 (the "**Retirement Fund Debentures**"), in the aggregate principal amount of $114,200,000 dated May 25, 2005 (the Instalment Debentures and the Retirement Fund Debentures are hereinafter collectively referred to as the "**Debentures**"). The Instalment Debentures shall mature in six (6) instalments of principal of varying amounts on the 25th day of May in each of the years 2006 to 2011, both inclusive. The Retirement Fund Debentures shall mature on the 25th of May, 2015.

The Debenture By-law has been properly passed and is within the legal powers of the Upper-tier Municipality. The global debentures issued under the Debenture By-law in the within form (the "**Global Debentures**") are the direct, unsecured, 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, May 25, 2005 **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**", collectively the "**Debentures**") are issuable as fully registered Debentures without coupons in minimum denominations of $1,000.

2. The Debentures are direct, unsecured, 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' 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 sum or sums 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 thirtieth calendar day preceding any Payment Date, including a 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.

11. The Upper-tier Municipality shall make all payments in respect of annual principal and semi-annual interest on the Debentures on each Payment Date commencing on November 25, 2005 (other than in respect of the final payment of principal and outstanding interest on the final 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 branch in Canada of the Upper-tier Municipality's bank), by forwarding by post, 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 or of the principal and interest in respect of which they are issued. Despite the foregoing, the Upper-tier Municipality may make payments in respect of interest or of principal and interest on any Debenture (other than in respect of the final payment of principal and outstanding interest payable on the final maturity date upon presentation and surrender at the office of the Commissioner of Finance and Treasurer of the Upper-tier Municipality or at any branch in Canada of the Upper-tier Municipality's bank) to the credit of the registered holder of that Debenture, by electronic transfer of payment in respect of such interest and principal

to the credit of the registered holder on such terms as to which the registered holder and the Upper-tier Municipality may agree.

12. 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.

13. 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.

14. 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.

15. In the case of the death of one or more joint registered holders, despite sections 9 and 14 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

16. 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.

17. 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 dates 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.

18. 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.

19. 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, interest cheques or principal and interest cheques.

Purchases

20. 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.

Notices

21. 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

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

Governing Law

23. 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. D-170-2005-048

Unless this debenture is presented by an authorized representative of The Canadian Depository for Securities Limited ("**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. GR05-001-010

$•
CUSIP No.
ISIN No.

C A N A D A

Province of Ontario

THE REGIONAL MUNICIPALITY OF YORK

FULLY REGISTERED GLOBAL 4.60% RETIREMENT FUND DEBENTURE

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

CDS & CO.

as nominee of The Canadian Depository for Securities Limited 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 (May 25, 2015), the principal sum of

• DOLLARS

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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 May 25, 2005, or the last date on which interest has been paid on this Global Debenture, whichever is later, at the rate of 4.60% per annum, in arrears on the 25th day of November and the 25th day of May, 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 retirement 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 25th day of May, 2005.

IN TESTIMONY WHEREOF and under the authority of By-law No. D-170-2005-048 of the Upper-tier Municipality duly passed on the 19th day of May, 2005, 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: May 25, 2005

______________________	(seal)	______________________
Regional Chair		Commissioner of Finance and Treasurer

SCHEDULE

Year	Interest Rate %	Semi-annual Interest May 25 $	Semi-annual Interest November 25 $	Total Annual Interest Payment Each Year $	Annual Retirement Fund Deposit May 25 $	Principal Outstanding May 25 $
2005	---	--------------	----------------	-------------------	-------------------	0
2006						
2007						
2008						
2009						
2010						
2011						
2012						
2013						
2014						
2015						

LEGAL OPINION

We have examined By-law No. D-170-2005-048 (the "**Debenture By-law**") of the Upper-tier Municipality authorizing the issue of instalment debentures in the principal amount of $64,200,000 (the "**Instalment Debentures**") and the retirement fund debentures in the principal amount of $50,000,000 (the "**Retirement Fund Debentures**"), in the aggregate principal amount of $114,200,000 dated May 25, 2005 (the Instalment Debentures and the Retirement Fund Debentures are hereinafter collectively referred to as the "**Debentures**"). The Instalment Debentures shall mature in six (6) instalments of principal of varying amounts on the 25th day of May in each of the years 2006 to 2011, both inclusive. The Retirement Fund Debentures shall mature on the 25th of May, 2015.

In our opinion, the Debenture By-law has been properly passed and is within the legal powers of the Upper-tier Municipality. The global debentures issued under the Debenture By-law in the within form (the "**Global Debentures**") are the 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 this Global Debenture.

Toronto, May 25, 2005 **BORDEN LADNER GERVAIS LLP**

CONDITIONS OF GLOBAL DEBENTURE

Form, Denomination, Ranking and Beneficial Interests in Global Debenture

1. The Retirement Fund Debentures are issuable as fully registered Retirement Fund Debentures without coupons in minimum denominations of $1,000.

2. The Retirement Fund Debentures are direct, general, unsubordinated, joint and several obligations of the Upper-tier Municipality and of the Lower-tier Municipalities. The Retirement Fund 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' 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 Retirement Fund Debentures registered in their names, will not receive or be entitled to receive physical delivery of Retirement Fund Debentures and will not be considered registered holders of Retirement Fund 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 Retirement Fund Debentures

5. This Global Debenture is exchangeable, in whole but not in part, for certificated Retirement Fund 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 Retirement Fund Debentures in definitive form in exchange for this Global Debenture.

6. Retirement Fund Debentures issued in exchange for this Global Debenture shall be issued as certificated Retirement Fund 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 Retirement Fund Debentures are to be registered.

7. Upon the exchange of certificated Retirement Fund 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 Retirement Fund 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 Retirement Fund 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 Retirement Fund Debentures and particulars of the Retirement Fund Debentures held by them respectively and in which transfers, exchanges and substitutions of Retirement Fund 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 Retirement Fund 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 Retirement Fund Debentures to the extent of the sum or sums so paid.

Payments of Principal and Interest

10. There shall be raised for interest on the Retirement Fund Debentures in each year of their currency the amount of $• for the payment of interest ($• on each of November 25 and May 25). In each year during the currency of the Retirement Fund Debentures in which no other debentures issued under the Debenture By-law become due and payable, commencing on the seventh year (May 25, 2012), an amount of $• shall be deposited by the Upper-tier Municipality into a retirement fund for the payment of principal at maturity (the "**Retirement Fund**"), all in accordance with the provisions of the Act, as defined in the Debenture By-law.

11. The record date for purposes of payment of a deposit into the Retirement Fund and of payment of principal and of interest on the Retirement Fund 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 Retirement Fund Debentures on each Payment Date commencing on November 25, 2005 (other than in respect of the final 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 branch in Canada of the Upper-tier Municipality's bank), by forwarding by post, a cheque dated the due date for payment to the registered address of each registered holder of Retirement Fund 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 final 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 branch in Canada of the Upper-tier Municipality's bank) 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 Retirement Fund 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 Retirement Fund 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 Retirement Fund Debenture is registered in more than one name, the principal of and interest from time to time payable on such Retirement Fund 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 Retirement Fund 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. Retirement Fund 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 Retirement Fund Debenture or Retirement Fund Debentures presented, a new Retirement Fund Debenture or Retirement Fund 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 Retirement Fund Debentures in exchange for or in substitution for Retirement Fund 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 Retirement Fund Debenture) furnished the Upper-tier Municipality with such evidence (including evidence as to the certificate number of the Retirement Fund 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 Retirement Fund Debenture in respect of which new Retirement Fund Debentures are to be issued in substitution.

19. Each Retirement Fund Debenture executed and delivered upon any registration of transfer or exchange for or in substitution for any Retirement Fund Debenture or part thereof shall carry all the rights to interest, if any, accrued and unpaid which were carried by such Retirement Fund Debenture or part thereof and shall be so dated.

20. The Upper-tier Municipality shall not impose any fees in respect of the Retirement Fund Debentures, in the normal course of business, other than reasonable fees for the issue of new Retirement Fund Debentures or for the issue of new cheques in substitution for lost, stolen, mutilated, defaced or destroyed Retirement Fund 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 Retirement Fund Debentures, at any time purchase Retirement Fund 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.

Notices

22. Except as otherwise expressly provided herein, any notice required to be given to a registered holder of one or more of the Retirement Fund 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 Retirement Fund 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

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

Governing Law

24. The Retirement Fund 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.