

BY-LAW NO. 2020-110

A by-law of the City of Ottawa to authorize the borrowing upon sinking fund debentures in the principal amount of \$300,000,000.00 towards the cost of a certain capital work of the City of Ottawa

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

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

AND WHEREAS in respect of the capital work of the City of Ottawa set out in Column 1 of Schedule "A" (the "Capital Work") a determination was made by the City of Ottawa that such Capital Work is a capital project that is beneficial to the environment, in accordance with the City of Ottawa Green Debenture Framework found on the City of Ottawa's website under the "Investor Relations/ Green Bond Framework" (the "Green Debenture Framework"). The Capital Work was authorized on the basis of debentures being issued therefor by By-law No. 2019-18 enumerated in Column 2 of Schedule "A". The Council of the City of Ottawa has authorized debentures to be issued for the Capital Work in the respective amounts shown in Column 3 of Schedule "A" for three different components of the Capital Work described therein. Before authorizing the Capital Work the Council of the City of Ottawa had its Chief Financial Officer / 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. Prior to the Council of the City of Ottawa authorizing the Capital Work the Chief Financial Officer / Treasurer determined that the estimated annual amount payable in respect of the Capital Work would not cause the City of Ottawa to exceed its updated limit and that the approval of the Capital Work by the Local Planning Appeal Tribunal pursuant to the applicable regulation was not required;

AND WHEREAS on April 11, 2007 the City of Ottawa adopted a Capital Financing and Debt Policy which was subsequently amended (the "Policy") and which establishes the administrative framework and guidelines for issuing short and long-term debt;

AND WHEREAS on September 11, 2019 by By-law No. 2019-280 the City of Ottawa authorized the Chief Financial Officer / Treasurer and the City Manager jointly to place any debenture by-law required for debt issued during the term of council

directly on the Agenda of the Finance and Economic Development Committee or Council.

AND WHEREAS the Policy provides that if such delegated authority is exercised by the Finance and Economic Development Committee such debt issuance shall be reported to Council at the earliest opportunity after such debt issuance.

AND WHEREAS on April 8, 2020 by By-law No. 2020-99 the City of Ottawa adopted and confirmed the report from the Deputy City Treasurer on the subject of "*City Debenture Issuance*" (the "Report"), pursuant to which the City of Ottawa amongst other things, delegated the authority to the Mayor or his designate to execute and enact the necessary debenture by-laws associated with the Report to authorize the issuance of debentures where the project debt authority has been approved by Council over the 2020 time period with a provision that this delegated authority be reviewed at the first in-person Council meeting once the COVID-19 emergency has ended.

AND WHEREAS the Chief Financial Officer / Treasurer has, in accordance with Section 12 of Schedule "B" of By-law No. 2019-280, and pursuant to the Policy, authorized a debenture issue by entering into a letter agreement dated May 4, 2020 with the Principals described therein for the issue and sale of sinking fund debentures in the principal amount of \$300,000,000.00, on the credit of the City of Ottawa (the "Purchase Letter") for the Capital Work, payable at the time and bearing interest as hereinafter set forth;

THEREFORE the Mayor of the City of Ottawa enacts as follows:

1. For the Capital Work, the borrowing upon the credit of the City of Ottawa of the principal amount of \$300,000,000.00 and the issue of sinking fund debentures therefor within the term of years set out in Column 6 of Schedule "A", are hereby authorized.
2. The Mayor and the Chief Financial Officer / Treasurer are hereby authorized to cause any number of sinking fund debentures in the principal amount of \$300,000,000.00, as described in section 1 above, (the "Debentures") payable as to principal on May 11, 2051 with semi-annual instalments of interest thereon on each of May 11 and November 11 (commencing on November 11, 2020) to be issued for such amounts of money as may be required for the Capital Work in global and definitive forms, not exceeding in total the said principal amount of \$300,000,000.00. The Debentures shall bear the City of Ottawa's municipal seal and the signatures of the Mayor and of the Chief Financial Officer / Treasurer, all in accordance with the provisions of the Act. The municipal seal of the City of Ottawa 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 six certificates, each in the principal amount of \$50,000,000.00 (in the aggregate principal amount of \$300,000,000.00), 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 Global Debenture shall provide for payment of principal and interest electronically in final and irrevocable same-day funds in accordance with the applicable requirements of CDS, so long as the Global Debentures are held by CDS.

3. (1) The Debentures shall all be dated the 11th day of May, 2020, 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 approximately 31 years bearing interest at the rate of 2.50% per annum and shall be payable on the 11th day of May, 2051. In each year during such period, the amount of \$7,500,000.00 shall be payable for interest on the Debentures in semi-annual instalments of \$3,750,000.00 on each of May 11 and November 11 (commencing on November 11, 2020). The amount of \$7,078,904.17 shall be deposited on or before May 11 (commencing on May 11, 2021) by the Chief Financial Officer / Treasurer, or an authorized official of the City of Ottawa, into a sinking fund (the "Sinking Fund"), which amount, with interest compounded annually, will be sufficient to pay at maturity (May 11, 2051) the principal of the Debentures, as required by the provisions of this By-law, the Act and the Policy.

(2) 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 and 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.

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 City of Ottawa 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 agreed to by both the City of Ottawa and CDS) the Global Debentures shall be exchangeable for certificated Debentures in definitive fully registered form in authorized denominations upon surrender of the Global Debentures to the Chief Financial Officer / Treasurer. Any of the Debentures issued as definitive Debentures may, with the approval of the Mayor be countersigned in writing by officials so designated by the Mayor. 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 City of Ottawa's bank designated in the definitive Debentures. Prior to maturity the definitive Debentures shall be payable as to interest by cheque sent by mail to the registered addresses of the registered holders or, if authorized in writing, by electronic transfer.

6. In respect of the Debentures there shall be raised, as part of the general municipal levy the amount of \$7,500,000.00 for interest on the Debentures in semi-annual instalments of \$3,750,000.00 on each of May 11 and November 11 (commencing on November 11, 2020). There shall also be raised in each year during the said period, as part of the general municipal levy, the amount of \$7,078,904.17 for deposit into the Sinking Fund on or before May 11 (commencing on May 11, 2021) for the payment at maturity (May 11, 2051) of the principal of the Debentures. In each such year, for the Capital Work, the said two amounts (the amount for interest and the amount for the contribution to the Sinking Fund) shall be raised as part of the general municipal levy, to the extent that such amounts have not been provided for by any other available source including, without limitation, federal and provincial gas taxes and development charges in addition to other taxes or fees or charges imposed on persons or property by a by-law of any municipality.

7. The Debentures may contain any provision for their registration thereof authorized by any statute relating to municipal debentures in force at the time of the issue thereof.

8. The City of Ottawa 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 City of Ottawa is authorized to use electronic, magnetic or other media for records of or related to the Debentures or for copies of them.

9. The City of Ottawa 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 City of Ottawa 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 City of Ottawa 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 City of Ottawa. 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 City of Ottawa.

10. The Debentures are transferable or exchangeable at the office of the Chief Financial Officer / Treasurer upon presentation for such purpose accompanied by an instrument of transfer or exchange in a form approved by the City of Ottawa and which form is in accordance with the prevailing Canadian transfer legislation and practices, executed by the registered holder thereof or such holder's duly authorized attorney or legal personal representative, whereupon and upon registration of such transfer or exchange and cancellation of the Debenture or Debentures presented, the Mayor and the Chief Financial Officer / 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 transferor, in the case of a transfer or as directed by the registered holder in the case of an exchange.

11. The Mayor and the Chief Financial Officer / 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 mutilated, defaced, lost, subject to a mysterious or unexplainable disappearance, stolen, destroyed or dematerialized, provided that the applicant therefor shall have: (a) paid such costs as may have been incurred in connection therewith; (b) (in the case when a Debenture is mutilated, defaced, lost, mysteriously or unexplainably missing, stolen, destroyed or dematerialized) furnished the City of Ottawa with such evidence (including evidence as to the certificate number of the Debenture in question) and indemnity in respect thereof satisfactory to the City of Ottawa in its discretion; and (c) surrendered to the City of Ottawa 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 City of Ottawa. When any of the Debentures are surrendered for transfer or exchange the Chief Financial Officer / Treasurer 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; (c) enter in the registry particulars of the new Debenture or

Debentures issued in exchange and (d) in the case of a transfer, enter in the registry the name of the registered holder as directed by the transferor.

14. Subject to an agreement that the City of Ottawa may enter into to the contrary, reasonable fees may be imposed by the City of Ottawa for the substitution of a new Debenture or new Debentures for any of the Debentures that are mutilated, defaced, lost, mysteriously or unexplainably missing, stolen, destroyed or dematerialized and for the replacement of any of the interest cheques that are mutilated, defaced, lost, mysteriously or unexplainably missing, stolen or destroyed. When new Debentures are issued in substitution in these circumstances the City of Ottawa 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) In accordance with the Green Debenture Framework, the Purchase Letter, the Policy, the Report, By-law No. 2019-280 and the other relevant authorities, the Mayor and the Chief Financial Officer / Treasurer are hereby authorized to cause the Debentures to be issued, one or more of the Chief Financial Officer / Treasurer and the Clerk are hereby authorized to generally do all things and to execute all other documents and papers in the name of the City of Ottawa in order to carry out the sale of the Debentures through CDS's book entry only system and the Chief Financial Officer / Treasurer is authorized to affix the City of Ottawa's municipal seal to any of such documents and papers.
- (2) The money received by the City of Ottawa from the sale of the Debentures, including any premium, and any earnings derived from the investment of that money, after providing for the expenses related to their issue, if any, shall be initially invested in accordance with the Green Debenture Framework pending the application to the Capital Work or to another Eligible Project in accordance with the Green Debenture Framework, and to no other purpose except as permitted by the Green Debenture Framework and the Act.

17. The City of Ottawa has reserved the right to issue additional sinking fund debentures of the same maturity, interest rate and terms and conditions.

18. Subject to the City of Ottawa's investment policies and goals and the applicable legislation, the City of Ottawa 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 City of Ottawa may in its discretion determine.

19. This By-law comes into force on the day it is passed.

ENACTED AND PASSED this 7th day of May, 2020

DEPUTY CITY CLERK

MAYOR

City of Ottawa
Schedule "A" to By-law No. 2020-110

| 1 | 2 | 3 | 4 | 5 | 6 |
|---|--|---|---|---|--|
| <u>Purpose</u> | <u>Authorizing By-Law Number</u> | <u>Debentures Authorized by Council</u> | <u>Debentures Previously Issued Amount (\$)</u> | <u>Debentures Issued Hereunder (\$)</u> | <u>Term of Debentures Hereunder in years</u> |
| Transportation Services - Transit | | | | | |
| 1. 907926 - Stage 2 LRT (Federal Gas Tax Component) | 2019-58 | 281,000,000 | | | |
| Capital costs related to the design and construction of the Ottawa Light Rail Transit Stage 2 project | 2019-272 | | 34,000,000 | | |
| | | 281,000,000 | 34,000,000 | 60,000,000 | 31 |
| 2. 907926 - Stage 2 LRT (Provincial Gas Tax Component) | 2019-58 | 281,000,000 | | | |
| Capital costs related to the design and construction of the Ottawa Light Rail Transit Stage 2 project | 2019-272 | | 22,000,000 | | |
| | | 281,000,000 | 22,000,000 | 60,000,000 | 31 |
| 3. 907926 - Stage 2 LRT (Transit DC Component) | 2019-58 | 771,000,000 | | | |
| Capital costs related to the design and construction of the Ottawa Light Rail Transit Stage 2 project | 2019-272 | | 89,300,000 | | |
| | | 771,000,000 | 89,300,000 | 180,000,000 | 31 |
| Total amount of the debentures | | | | 300,000,000 | |

City of Ottawa
Schedule "B" to By-law No. 2020-110

Unless this certificate is presented by an authorized representative of CDS Clearing and Depository Services Inc. ("**CDS**") to the City of Ottawa or its agent for registration of transfer, exchange or payment, and any certificate issued in respect thereof is registered in the name of CDS & CO., or in such other name as is requested by an authorized representative of CDS (and any payment is made to CDS & CO. or to such other entity as is requested by an authorized representative of CDS), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL since the registered holder hereof, CDS & CO., has a property interest in the securities represented by this certificate herein and it is a violation of its rights for another person to hold, transfer or deal with this certificate.

No. FR000001-20

\$50,000,000.00
CUSIP 689551FG9
ISIN CA689551FG93

C A N A D A
Province of Ontario
City of Ottawa

FULLY REGISTERED GLOBAL 2.50% SINKING FUND DEBENTURE

CITY OF OTTAWA (the "**Issuer**"), for value received, hereby promises to pay to
CDS & CO.

as nominee of CDS or registered assigns, subject to the Conditions attached hereto which form part hereof (the "**Conditions**"), by the maturity date of this global debenture (May 11, 2051), the principal amount of

FIFTY MILLION DOLLARS
----- (\$50,000,000.00) -----

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 May 11, 2020, or from the last date on which interest has been paid on this global debenture, whichever is later, at the rate of 2.50% per annum in arrears on May 11 and November 11, commencing on November 11, 2020, 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 second page hereof.

This global debenture is subject to the Conditions.

DATED at the City of Ottawa the 11th day of May, 2020.

IN TESTIMONY WHEREOF and under the authority of By-law No. 2020-110 of the Issuer duly passed on the 7th day of May, 2020 (the "**Debenture By-law**"), this global debenture is sealed with the municipal seal of the Issuer and signed by the Mayor and by the Chief Financial Officer / Treasurer thereof.

Date of Registration: May 11, 2020

Mayor

(seal)

Chief Financial Officer / Treasurer

SCHEDULE

| Year | Interest Rate | Interest | | Total Annual Interest Payment Each Year | Annual Sinking Fund Deposit | Principal Balance Outstanding |
|------|---------------|---------------|---------------|---|-----------------------------|-------------------------------|
| | | 11/May | 11/Nov | | | |
| | % | \$ | \$ | \$ | \$ | \$ |
| | | | | | | |
| 2020 | 2.5 | - | 625,000.00 | 625,000.00 | - | 50,000,000.00 |
| 2021 | 2.5 | 625,000.00 | 625,000.00 | 1,250,000.00 | 1,179,817.36 | 50,000,000.00 |
| 2022 | 2.5 | 625,000.00 | 625,000.00 | 1,250,000.00 | 1,179,817.36 | 50,000,000.00 |
| 2023 | 2.5 | 625,000.00 | 625,000.00 | 1,250,000.00 | 1,179,817.36 | 50,000,000.00 |
| 2024 | 2.5 | 625,000.00 | 625,000.00 | 1,250,000.00 | 1,179,817.36 | 50,000,000.00 |
| 2025 | 2.5 | 625,000.00 | 625,000.00 | 1,250,000.00 | 1,179,817.36 | 50,000,000.00 |
| 2026 | 2.5 | 625,000.00 | 625,000.00 | 1,250,000.00 | 1,179,817.36 | 50,000,000.00 |
| 2027 | 2.5 | 625,000.00 | 625,000.00 | 1,250,000.00 | 1,179,817.36 | 50,000,000.00 |
| 2028 | 2.5 | 625,000.00 | 625,000.00 | 1,250,000.00 | 1,179,817.36 | 50,000,000.00 |
| 2029 | 2.5 | 625,000.00 | 625,000.00 | 1,250,000.00 | 1,179,817.36 | 50,000,000.00 |
| 2030 | 2.5 | 625,000.00 | 625,000.00 | 1,250,000.00 | 1,179,817.36 | 50,000,000.00 |
| 2031 | 2.5 | 625,000.00 | 625,000.00 | 1,250,000.00 | 1,179,817.36 | 50,000,000.00 |
| 2032 | 2.5 | 625,000.00 | 625,000.00 | 1,250,000.00 | 1,179,817.36 | 50,000,000.00 |
| 2033 | 2.5 | 625,000.00 | 625,000.00 | 1,250,000.00 | 1,179,817.36 | 50,000,000.00 |
| 2034 | 2.5 | 625,000.00 | 625,000.00 | 1,250,000.00 | 1,179,817.36 | 50,000,000.00 |
| 2035 | 2.5 | 625,000.00 | 625,000.00 | 1,250,000.00 | 1,179,817.36 | 50,000,000.00 |
| 2036 | 2.5 | 625,000.00 | 625,000.00 | 1,250,000.00 | 1,179,817.36 | 50,000,000.00 |
| 2037 | 2.5 | 625,000.00 | 625,000.00 | 1,250,000.00 | 1,179,817.36 | 50,000,000.00 |
| 2038 | 2.5 | 625,000.00 | 625,000.00 | 1,250,000.00 | 1,179,817.36 | 50,000,000.00 |
| 2039 | 2.5 | 625,000.00 | 625,000.00 | 1,250,000.00 | 1,179,817.36 | 50,000,000.00 |
| 2040 | 2.5 | 625,000.00 | 625,000.00 | 1,250,000.00 | 1,179,817.36 | 50,000,000.00 |
| 2041 | 2.5 | 625,000.00 | 625,000.00 | 1,250,000.00 | 1,179,817.36 | 50,000,000.00 |
| 2042 | 2.5 | 625,000.00 | 625,000.00 | 1,250,000.00 | 1,179,817.36 | 50,000,000.00 |
| 2043 | 2.5 | 625,000.00 | 625,000.00 | 1,250,000.00 | 1,179,817.36 | 50,000,000.00 |
| 2044 | 2.5 | 625,000.00 | 625,000.00 | 1,250,000.00 | 1,179,817.36 | 50,000,000.00 |
| 2045 | 2.5 | 625,000.00 | 625,000.00 | 1,250,000.00 | 1,179,817.36 | 50,000,000.00 |
| 2046 | 2.5 | 625,000.00 | 625,000.00 | 1,250,000.00 | 1,179,817.36 | 50,000,000.00 |
| 2047 | 2.5 | 625,000.00 | 625,000.00 | 1,250,000.00 | 1,179,817.36 | 50,000,000.00 |
| 2048 | 2.5 | 625,000.00 | 625,000.00 | 1,250,000.00 | 1,179,817.36 | 50,000,000.00 |
| 2049 | 2.5 | 625,000.00 | 625,000.00 | 1,250,000.00 | 1,179,817.36 | 50,000,000.00 |
| 2050 | 2.5 | 625,000.00 | 625,000.00 | 1,250,000.00 | 1,179,817.36 | 50,000,000.00 |
| 2051 | 2.5 | 625,000.00 | - | 625,000.00 | 1,179,817.36 | - |
| | | | | | | |
| | | 19,375,000.00 | 18,750,000.00 | 38,125,000.00 | \$36,574,338.20 | |

LEGAL OPINION

We have examined the Debenture By-law of the Issuer authorizing the issue of sinking fund debentures in the principal amount of \$300,000,000.00 dated May 11, 2020 and maturing on May 11, 2051.

The Debenture By-law has been properly passed and is within the legal powers of the Issuer. The six fully registered global sinking debenture certificates issued under the Debenture By-law, each in the principal amount of \$50,000,000.00 (in the aggregate principal amount of \$300,000,000.00) substantially in the within form (the “**Global Debentures**”), are direct, general and unsubordinated obligations of the Issuer. The Global Debentures are enforceable against the Issuer subject to the special jurisdiction and powers of the Local Planning Appeal Tribunal 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 11, 2020

WeirFoulds LLP

CONDITIONS OF GLOBAL DEBENTURE

Form, Denomination, Ranking and Beneficial Interests in Global Debenture

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

Certificated Debentures

5. This Global Debenture is exchangeable, in whole but not in part, for certificated Debentures in definitive form registered in the name of a person other than CDS or its nominee only upon the occurrence of any of the following events: (a) upon 30 days’ notice by CDS to the Issuer, CDS may discontinue the eligibility of this Global Debenture on deposit, or cease to hold this Global Debenture in respect of the Debentures; or (b) if CDS ceases to be a recognized clearing agency under applicable Canadian or provincial securities legislation and a successor is not appointed; or (c) if the Issuer gives CDS appropriate notice that it is unable or unwilling to continue to have CDS hold this Global Debenture as a book entry only security or that it desires or has processed an entitlement requiring a withdrawal of this Global Debenture, and the Issuer has all right, power, capacity and authority to do so.
6. Debentures issued in exchange for this Global Debenture shall be issued as certificated Debentures in definitive form in authorized denominations, shall have the same benefits and be subject to the same terms and conditions as this Global Debenture (except insofar as they specifically relate to this Global Debenture as such), shall be registered

in such names and in such denominations as CDS shall direct and shall be delivered as directed by the persons in whose names such definitive Debentures are to be registered.

7. Upon the exchange of certificated Debentures in definitive form for this Global Debenture, the Issuer shall receive and cancel this Global Debenture, shall reduce the holdings of CDS & CO. on the registry to nil and shall issue or cause to be issued in exchange for this Global Debenture certificated Debentures in definitive form in an aggregate principal amount equal to and in exchange for the Participants' proportionate interests in this Global Debenture as of the record date for such exchange, as directed by CDS. On or after any such exchange, but only to the extent reasonably practicable in the circumstances, the Issuer shall make all payments in respect of such certificated Debentures in definitive form to the registered holders thereof, notwithstanding such exchange occurred after the record date for any payment and prior to such payment date.

Registration

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

Title

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

Payments of Principal and Interest

10. In each year during the currency of the Debentures the amount of \$7,500,000.00 shall be payable for interest on the Debentures (\$3,750,000.00 on each of May 11 and November 11, commencing on November 11, 2020). The amount of \$7,078,904.17 shall be deposited on or before May 11 (commencing on May 11, 2021) by the Issuer into a sinking fund for the payment of the principal of the debentures issued thereunder at maturity (the "Sinking Fund"), all in accordance with the provisions of the Debenture By-law, the *Municipal Act, 2001*, as amended, the Policy and the Report (as defined in the Debenture By-law).

11. The record date for purposes of payment of principal and of interest on the Debentures is as of 5:00 p.m. on the sixteenth calendar day preceding the relevant Payment Date, including the maturity date. Principal of and interest on the Debentures are payable by the Issuer to the persons registered as holders in the registry on the relevant record date. The Issuer shall not be required to register any transfer, exchange or substitution of Debentures during the period from any record date to the corresponding Payment Date.
12. The Issuer shall make all payments in respect of semi-annual interest on the Debentures on each Payment Date commencing on November 11, 2020 and of the principal at maturity electronically in final and irrevocable same-day funds in accordance with the applicable requirements of CDS, so long as this Global Debenture is held by CDS.
13. In the case that certificated Debentures in definitive form are issued, the Issuer shall make all payments in respect of principal and outstanding interest in lawful money of Canada at maturity upon presentation and surrender thereof at any specified branch in Canada of the Issuer's bank designated in the definitive Debentures, and prior to maturity, shall make payments of interest by cheque sent by mail to the registered addresses of the registered holders or, if authorized in writing, by electronic transfer.
14. 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.
15. 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 and 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.
16. Where a Debenture is registered in more than one name, the principal of and interest from time to time payable on such Debenture shall be paid to or to the order of all the joint registered holders thereof, failing written instructions to the contrary from all such joint registered holders, and such payment shall constitute a valid discharge to the Issuer.
17. In the case of the death of one or more joint registered holders, despite sections 9 and 16 of the Conditions, the principal of and interest on any Debentures registered in their names may be paid to the survivor or survivors of such holders and such payment shall constitute a valid discharge to the Issuer.

Transfers, Exchanges and Substitutions

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

Purchases

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

Additional Debentures

23. The Issuer reserves the right to issue additional sinking fund debentures of the same maturity, interest rate and terms and conditions.

Notices

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

Time

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

Governing Law

26. 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.

BY-LAW NO. 2020-110

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A by-law of the City of Ottawa to authorize the issue of sinking fund debentures in the principal amount of \$300,000,000.00, for a capital work of the City of Ottawa

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Enacted on May 7, 2020

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LEGAL SERVICES

COUNCIL

AUTHORITY:

April 8, 2020 Council meeting, Item #4