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Ministry of Consumer and Ontario Business Services

CERTIFICATE
This is to certify that these articles are effective on

Ministère des Services aux consommateurs et des entreprises

CERTIFICAT
Ceci certifie que les présentes statuts entrent en vigueur le

Ontario Corporation Number
Numéro de la compagnie en Ontario

1578560

JULY 02 JUILLET, 2003

[Signature]
Director / Directeur

Business Corporations Act / Loi sur les sociétés par actions

**ARTICLES OF INCORPORATION
STATUTS CONSTITUTIFS**

Form 1
Business Corporations Act

Formule
numéro 1
Loi sur les
compagnies

1. The name of the corporation is: *Dénomination sociale de la compagnie:*

Y	O	R	K		R	E	G	I	O	N		R	A	P	I	D		T	R	A	N	S	I	T										
C	O	R	P	O	R	A	T	I	O	N																								

2. The address of the registered office is: *Adresse du siège social:*

17250 YONGE STREET

(Street & Number or R.R. Number & if Multi-Office Building give Room No.)
(Rue et numéro ou numéro de la R.R. et, s'il s'agit d'échafaudage à bureaux, numéro du bureau)

NEWMARKET, ONTARIO

L | 3 | Y | 6 | Z | 1

(Name of Municipality or Post Office) (Nom de la municipalité ou du bureau de poste) (Postal Code/Code postal)

3. Number (or minimum and maximum number) of directors is: *Nombre (ou nombres minimal et maximal) d'administrateurs:*

MINIMUM - ONE (1)
MAXIMUM - FIFTEEN (15)

4. The first director(s) is/are: *Premier(s) administrateur(s):*

<i>First Name, initials and surname Prénom, initiales et nom de famille</i>	<i>Address for service, giving Street & No. or R.R. No., Municipality and Postal Code Domicile élu, y compris la rue et le numéro, le numéro de la R.R., ou le nom de la municipalité et le code postal</i>	<i>Resident Canadian State Yes or No Résident Canadien Oui/Non</i>
WILLIAM FISCH	17250 YONGE STREET NEWMARKET, ON L3Y 6Z1	YES
WILLIAM F. BELL	17250 YONGE STREET NEWMARKET, ON L3Y 6Z1	YES
MICHAEL DI BIASE	17250 YONGE STREET NEWMARKET, ON L3Y 6Z1	YES
DIANE HUMENIUK	17250 YONGE STREET NEWMARKET, ON L3Y 6Z1	YES
W. DONALD COUSENS	17250 YONGE STREET NEWMARKET, ON L3Y 6Z1	YES

5. Restrictions, if any, on business the corporation may carry on or on powers the corporation may exercise. *Limites, s'il y a lieu, imposées aux activités commerciales ou aux pouvoirs de la compagnie.* 2.

See Page 2 (A) incorporated into this form.

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6. The classes and any maximum number of shares that the corporation is authorized to issue: *Catégories et nombre maximal, s'il y a lieu, d'actions que la compagnie est autorisée à émettre:*

The authorized capital of the Corporation shall consist of:

- 1) an unlimited number of shares of one class to be designated as Common Shares;
- 2) an unlimited number of shares of one class to be designated as Class A Preferred Shares; and
- 3) an unlimited number of shares of one class to be designated as Class B Preferred Shares.

The powers of the Corporation are restricted to carrying on one or more of the following purposes:

1. To operate and maintain a public transportation system.
2. To be a party to an agreement made under section 110 of the *Municipal Act, 2001* and under the agreement operate and maintain one or more municipal capital facilities (as defined in Ontario Regulation 168/03) of the Regional Municipality of York that is also party to the agreement.
3. Paragraphs 1 and 2 do not permit the Corporation in carrying on a purpose described in paragraphs 1 or 2 to own land related to the facility, system or service described in those paragraphs.
4. To construct, operate, maintain and own, including ownership of the land related thereto, one or more of the following facilities that, except as otherwise permitted by regulation or legislation, are new when the Corporation first carries on its business with respect to them:
 - (a) public transportation systems; and
 - (b) general parking facilities.
5. To develop one or more sites for an industrial, commercial or institutional use if the sites are part of, abut or are necessary for a system or facility of the Corporation for public transportation.
6. To develop one or more sites for and construct, operate and maintain one or more housing projects used in whole or in part for residential accommodation on those sites, including facilities used for ancillary purposes, and located in one or more buildings used in whole or in part for residential accommodation if the sites are part of, abut or are necessary for a system or facility of the Corporation for public transportation.
7. To sell, lease or otherwise dispose of or encumber all or part of a site or project referred to in paragraph 5 or 6 to support or benefit a system or facility of the Corporation for public transportation.
8. The purposes described in paragraphs 5, 6 and 7 are limited to the construction, operation, maintenance and ownership of facilities or projects that are new when the Corporation first carries on its business with respect to them, except as otherwise permitted by regulation or legislation.

7. Rights, privileges, restrictions and conditions (if any) attaching to each class of shares and directors authority with respect to any class of shares which may be issued in series:

Droits, privilèges, restrictions et conditions, s'il y a lieu, rattachés à chaque catégorie d'actions et pouvoirs des administrateurs relatifs à chaque catégorie d'actions qui peut être émise en série:

3.

See Pages 3(A) to 3(E), inclusive, incorporated into this form.

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1. The rights, privileges, restrictions and conditions attaching to the Common Shares are as follows:

The holders of the Common Shares shall be entitled:

- (a) to receive notice of, to attend and to have one vote for each Common Share held by them at all meetings of shareholders of the Corporation except meetings at which only holders of a specified class of shares are entitled to vote;
- (b) to receive, subject to the rights of the holders of another class of shares, any dividend declared by the Corporation; and
- (c) to receive, subject to the rights of the holders of another class of shares, the remaining property of the Corporation on the liquidation, dissolution or winding up of the Corporation, whether voluntary or involuntary.

2. The rights, privileges, restrictions and conditions attaching to the Class A Preferred Shares are as follows:

Definitions

In these share conditions, the following words and phrases shall have the following meanings:

- (i) "redemption amount" of each Class A Preferred Share means the sum of \$100.00;
- (ii) "redemption price" of each Class A Preferred Share means the redemption amount plus an amount equal to all dividends which have at the relevant time been declared or accrued on the share but which have not then been paid (if any); and
- (iii) "Act" means the *Business Corporations Act* (Ontario).

Voting

The holders of the Class A Preferred Shares shall be entitled to receive notice of, to attend and to have one vote for each Class A Preferred Share held by them at all meetings of the shareholders of the Corporation, except meetings at which only holders of a specified class of shares are entitled to vote.

Fixed Cumulative Cash Dividends

Subject to the Act, the holders of the Class A Preferred Shares shall in each financial year of the Corporation in the discretion of the directors, but always in preference and priority to any payment of dividends on the Common Shares and the Class B Preferred Shares, be entitled to cumulative dividends at the rate of \$3.50 per share, payable in one or more instalments, and no dividends shall be paid or set apart for payment on the Common Shares and Class B Preferred Shares unless all cumulative dividends on the Class A Preferred Shares have been declared and

paid or set aside for payment. The holders of the Class A Preferred Shares shall not be entitled to any dividends other than as provided for in this section. Dividends shall accrue on the Class A Preferred Shares from the date of issue unless the directors otherwise determine.

Redemption Rights

- (a) *General* - Subject to the Act, the Corporation may redeem the whole or any part of the issued Class A Preferred Shares on payment for each share to be redeemed of the redemption price.
- (b) *Notice* - Unless all the holders of the Class A Preferred Shares to be redeemed have waived notice of redemption, the Corporation shall give not less than 30 days' notice in writing of the redemption by mailing to each person who at the date of mailing is a registered holder of the Class A Preferred Shares to be redeemed a notice in writing of the intention of the Corporation to redeem those Class A Preferred Shares. Such notice shall be mailed in a postage prepaid envelope addressed to each such shareholder at its, his or her address as it appears on the books of the Corporation or, in the event of the address of any such shareholder not so appearing, then to the last known address of the shareholder provided, however, that accidental failure or omission to give any such notice to one or more of such holders shall not affect the validity of the redemption. The notice shall set out the redemption price of the shares to be redeemed and the date on which redemption is to take place and, if part only of the Class A Preferred Shares held by the person to whom notice is given is to be redeemed, the number so to be redeemed.
- (c) *Redemption Procedure* - On or after the date so specified for redemption in the notice, the Corporation shall pay or cause to be paid to or to the order of the registered holders of the shares to be redeemed the redemption price of those shares on presentation and surrender, at the registered office of the Corporation or any other place designated in the notice, of the certificates representing the shares so called for redemption. Payment shall be made by cheque payable at any branch in Canada of one of the Corporation's bankers for the time being.
- (d) *Partial Redemption* - In case a part only of the Class A Preferred Shares is at any time to be redeemed, the shares so to be redeemed shall be redeemed proportionately, disregarding fractions, and the board of directors may provide for such adjustments as may be necessary to avoid the redemption of fractions of shares. If a part only of the Class A Preferred Shares represented by any certificates are redeemed, a new certificate for the balance shall be issued by the Corporation.
- (e) *Cessation of Rights* - From and after the date specified for redemption in any such notice, the Class A Preferred Shares called for redemption shall cease to be entitled to dividends and their holders shall not be entitled to exercise any of the rights of shareholders in respect of them, unless payment of the redemption price of the Class A Preferred Shares is not made on presentation of the certificates in

accordance with the foregoing provisions, in which case the rights of the holders shall remain unaffected.

- (f) *Deposit of Redemption Price* - The Corporation shall have the right, at any time after the mailing of notice of its intention to redeem any shares, to deposit the redemption price of the Class A Preferred Shares so called for redemption or of such of the said shares represented by certificates which have not at the date of such deposit been surrendered by their holders in connection with any such redemption, in a special account in any chartered bank or any trust company in Canada named in the notice, to be paid without interest to or to the order of the respective holders of those shares called for redemption on presentation and surrender to the bank or trust company of the certificates representing the shares and, on such deposit being made or on the date specified for redemption in the notice, whichever is the later, the Class A Preferred Shares in respect of which such deposit has been made shall be redeemed and their holders after the deposit or redemption date, as the case may be, shall be limited to receiving without interest their proportionate part of the total redemption price of the Class A Preferred Shares so deposited, against presentation and surrender of the certificates held by them respectively, and interest allowed on any such deposit shall belong to the Corporation.

Retraction Rights

- (a) *General* - Subject to the Act, a holder of any Class A Preferred Shares shall be entitled to require the Corporation to redeem the whole or any part of the Class A Preferred Shares registered in the name of the holder on the books of the Corporation.
- (b) *Notice* - A holder of shares to be redeemed shall tender to the Corporation at its registered office a request in writing specifying (i) that the holder desires to have the whole or any part of the Class A Preferred Shares registered in its, his or her name redeemed by the Corporation and (ii) the business day, which shall be not less than 30 days after the day on which the request in writing is given to the Corporation, on which the holder desires to have the Corporation redeem the shares (the "redemption date"), together with the share certificates, if any, representing the Class A Preferred Shares which the registered holder desires to have the Corporation redeem.
- (c) *Redemption Procedure* - On receipt of a request and share certificates, the Corporation shall, on the redemption date, redeem the shares by paying to the registered holder an amount equal to the redemption price. This payment shall be made by cheque payable at any branch in Canada of one of the Corporation's bankers for the time being. If a part only of the Class A Preferred Shares represented by any certificates is redeemed, a new certificate for the balance shall be issued by the Corporation.

- (d) *Cessation of Rights* - The Class A Preferred Shares shall be redeemed on the redemption date and from that date the shares shall cease to be entitled to dividends and their holders shall not be entitled to exercise any of the rights of shareholders in respect of the shares, unless payment of the redemption price is not made on the redemption date, in which case the rights of the holders of the shares shall remain unaffected.

Distribution Rights

In the event of the liquidation, dissolution or winding up of the Corporation, whether voluntary or involuntary, the holders of the Class A Preferred Shares shall be entitled to receive, before any distribution of any part of the assets of the Corporation among the holders of the Common Shares or the Class B Preferred Shares, an amount equal to the redemption price of their shares and no more.

3. The rights, privileges, restrictions and conditions attaching to the Class B Preferred Shares are as follows:

The Class B Preferred Shares may from time to time be issued in one or more series and subject to the following provisions, and subject to the sending of articles of amendment in prescribed form, and the endorsement on them of a certificate of amendment in respect of them, the directors may fix from time to time before such issue the number of shares that is to comprise each series and the designation, rights, privileges, restrictions and conditions attaching to each series of Class B Preferred Shares including, without limiting the generality of the foregoing, the rate or amount of dividends or the method of calculating dividends, the dates of payment, the redemption, purchase and/or conversion prices and terms and conditions of redemption, purchase and/or conversion, and any sinking fund or other provisions.

The Class B Preferred Shares of each series shall, with respect to the payment of dividends and the distribution of assets or return of capital in the event of liquidation, dissolution or winding up of the Corporation, whether voluntary or involuntary, or any other return of capital or distribution of the assets of the Corporation among its shareholders for the purpose of winding up its affairs, rank on a parity with the Class B Preferred Shares of every other series and be subordinate to the Class A Preferred Shares and entitled to preference over the Common Shares and over any other shares of the Corporation ranking junior to the Class B Preferred Shares. The Class B Preferred Shares of any series may also be given such other preferences, not inconsistent with these articles, over the Common Shares and any other shares of the Corporation ranking junior to such Class B Preferred Shares as may be fixed in accordance with the immediately preceding paragraph.

If any cumulative dividends or amounts payable on the return of capital in respect of a series of Class B Preferred Shares are not paid in full, all series of Class B Preferred Shares shall participate rateably in respect of such dividends and return of capital.

The Class B Preferred Shares of any series may be made convertible into common shares.

Unless the directors otherwise determine in the articles of amendment designating a series, the holder of each share of a series of Class B Preferred Shares shall be entitled to receive notice of,

3 (E)

to attend and to have one vote at all meetings of shareholders of the Corporation, except meetings of which only holders of a specified class of shares are entitled to vote.

8. The issue, transfer or ownership of shares is/is not restricted and the restrictions (if any) are as follows: *L'émission, le transfert ou la propriété d'actions est/n'est pas restreinte. Les restrictions, s'il y a lieu, sont les suivantes:* 4.

No share shall be transferred without the express consent of a majority of the Board of Directors of the Corporation, such consent to be signified either by a resolution passed by the Board or by a consent in writing signed by a majority of the members of the Board.

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9. Other provisions, (if any, are):

Autres dispositions, s'il y a lieu:

- a) The number of shareholders of the Corporation, exclusive of:
- (i) persons or companies that are or at the time they last acquired securities of the Corporation were, accredited investors as defined in Ontario Securities Commission Rule 45-501, and
 - (ii) current or former directors, officers or employees of the issuer or an affiliated entity of the issuer, or current or former consultants as defined in Ontario Securities Commission Rule 45-503 who in each case beneficially own only securities of the Corporation that were issued as compensation by, or under an incentive plan of, the Corporation or an affiliated entity of the issuer; provided that:
 - A. two or more persons who are joint registered holders of one or more securities of the Corporation shall be counted as one beneficial owner of those securities; and
 - B. a corporation, partnership, trust or other entity shall be counted as one beneficial owner of securities of the Corporation unless the entity has been created or is being used primarily for the purpose of acquiring or holding securities of the Corporation, in which event each beneficial owner of an equity interest in the entity or each beneficiary of the entity, as the case may be, shall be counted as a separate beneficial owner of those securities of the Corporation,
- is limited to not more than thirty-five persons and companies.
- b) The Corporation may purchase any of its issued shares provided that the Corporation is solvent and the purchase would not render the Corporation insolvent, and further, provided that the purchase is authorized by a resolution of the Board of Directors and is made in accordance with the relevant provisions of the *Business Corporations Act* (Ontario).
- c) Except as otherwise provided by regulation or legislation, the Corporation has the capacity and the rights, powers and privileges of a natural person as necessary to carry on the purposes set forth in Section 5 of these Articles.

continued on Page 5(A) attached.

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- d) Except as otherwise provided by regulation or legislation, the directors of the Corporation may, as necessary to carry on the purposes set forth in Section 5 of these Articles:
- (i) borrow money upon the credit of the Corporation;
 - (ii) issue, reissue, sell or pledge debt obligations of the Corporation;
 - (iii) give, directly or indirectly, financial assistance to any person by means of a loan, a guarantee or otherwise secure performance of an obligation of any person; and
 - (iv) mortgage, hypothecate, pledge or otherwise create a security interest in all or any property of the Corporation, owned or subsequently acquired, to secure any obligation of the Corporation,

and the directors may by resolution delegate any or all of the powers referred to above to a director, a committee of directors or an officer of the Corporation.

10. The names and addresses of the incorporators are
Nom et adresse des fondateurs
First name, initials and last name or corporate name
Prénom, initiale et nom de famille ou dénomination sociale

Full address for service or address of registered office or of principal place of business giving Street & No. or R.R. No., municipality and postal code
Domicile élu, adresse du siège social ou adresse de l'établissement principal, y compris la rue et le numéro, le numéro de la R.R., le nom de la municipalité et le code postal

THE REGIONAL MUNICIPALITY OF YORK

17250 YONGE STREET
NEWMARKET, ON L3Y 6Z1

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These articles are signed in duplicate.

Les présents statuts sont signés en double exemplaire.

Signatures of incorporators / *Signatures des fondateurs*

THE REGIONAL MUNICIPALITY OF YORK

Bill Fisch

By: William Fisch
Regional Chair



Ms Janis Vanderburgh, Senior Counsel
York Region Rapid Transit Corporation
3601 Highway 7 East, Twelfth Floor
Markham, ON L3R 0M3

File: 11894-13-5
Case: 126357

DEC 14 2010

Dear Ms Vanderburgh :

This refers to your letter of July 6, 2010, concerning your request that the York Region Rapid Transit Corporation (the "Corporation") be determined to be a municipality for purposes of Part IX of the *Excise Tax Act* (the "Act").

A review of your application indicates that the Corporation meets the criteria described in Technical Information Bulletin No. B-046, published by the Canada Revenue Agency, to be determined a municipality under the administrative criteria relating to para municipal organizations for Goods and Services Tax (GST)/Harmonized Sales Tax (HST) purposes.

I am pleased, therefore, to hereby determine the Corporation to be a municipality pursuant to paragraph (b) of the definition of "municipality" in subsection 123(1) of the Act. This effective date of this determination is four years retroactive from the beginning of the month in which this letter is signed. As a result of this determination, the Corporation is required to comply with all the provisions in the Act that apply to municipalities for GST/HST purposes.

Municipalities (including determined municipalities) are eligible for a 100% rebate of the GST and the federal portion of the HST. Since July 1, 2010, in addition to the 100% rebate of the GST and the federal portion of the HST, municipalities (including determined municipalities) resident in Ontario are eligible for a 78% rebate of the provincial part of the HST.

Please note that the Act imposes a four year time limitation for the claiming of public service body rebates. A rebate will not be paid to an organization determined to be a municipality in respect of a claim period of the organization unless an application for rebate is filed within four years of the last day of the claim period.

The claim period for an organization that is registered for GST/HST purposes is the same as its reporting period and it can file its rebate claim with its GST/HST return, either annually, quarterly or monthly as the case may be. A non-registered organization can file two rebate claims each year; i.e., one claim at the end of its second fiscal quarter and another claim at the end of its fourth fiscal quarter.

.../2

If there are any changes to the Corporation's status or the manner in which it is operated, we recommend that you contact this office to determine the effect these changes may have on its municipal determination for purposes of the Act. The address is: Public Service Bodies and Governments Division, Municipalities and Health Care Services Unit, 320 Queen Street, Tower A, 14th Floor, Ottawa, ON, K1A 0L5.

In addition, if you have any questions concerning how the GST/HST applies to the Corporation's activities because of this determination, we encourage you to contact Graham Brunke, 1 Front Street West, 1st Floor West, Toronto, ON M5J 2X6; telephone: 416-954-0474. Collect calls are accepted.

Yours truly,

A handwritten signature in black ink, appearing to be 'PN', written over a large, faint circular stamp or watermark.

Philippe Nault
Director
Public Service Bodies and Governments Division
Excise and GST/HST Rulings Directorate