

**THE CORPORATION OF THE TOWNSHIP OF
WHITEWATER REGION**

BY-LAW # 11-02-474

**A BY-LAW OF THE CORPORATION OF THE TOWNSHIP OF
WHITEWATER REGION TO AUTHORIZE THE BORROWING
UPON AMORTIZING NON REVOLVING LOAN IN THE
PRINCIPAL AMOUNT OF \$250,000 TOWARDS THE COST OF
THE RENOVATION/ADDITION OF WHITEWATER
BROMLEY COMMUNITY HEALTH CENTRE BEACHBURG**

WHEREAS the *Municipal Act, 2001*, Section 401 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 prescribed financial instruments and enter prescribed financial agreements for or in relation to the debt;

AND WHEREAS before authorizing each project the Municipality had its Treasurer update its most recent annual debt and financial obligation limit received from the Ministry of Municipal Affairs and Housing in accordance with the applicable regulation and, prior to authorizing each project, the Treasurer determined that the estimated annual amount payable in respect of each project would not cause the Municipality to exceed the updated limit and that the approval of each project by the Ontario Municipal Board was not required;

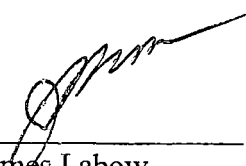
AND WHEREAS the Municipality has submitted an application to Bank of Nova Scotia for long term borrowing through the issue of a Non Revolving Loan in respect of the Renovation/Addition of the Whitewater Bromley Community Health Centre located at 20 Robertson Road, Beachburg and the Non Revolving Loan has been approved;

**NOW THEREFORE THE COUNCIL OF THE CORPORATION
OF THE TOWNSHIP OF WHITEWATER REGION ENACTS AS
FOLLOWS:**

1. For the project, the borrowing upon the credit of the Municipality of the principal sum of \$250,000.00 and the issue of amortizing Non Revolving Loan upon the credit of the Municipality to be repaid in a combined (blended) principal and interest as hereinafter set forth, are hereby authorized.
2. The Mayor and the Clerk are hereby authorized to cause the Non Revolving Loan with Bank of Nova Scotia to be issued, the Mayor and the Clerk are individually hereby authorized to generally do all things and to execute all documents and other papers in the name of the Municipality in order to carry out the issue of the Loan and the Clerk is authorized to affix the Municipality's municipal seal to any of such documents and papers.
3. This By-law takes effect on the day of passing.

By-law read a first and second time this 16th day of February, 2011

By-law read a third time and finally passed this 16th day of February, 2011



Mayor, James Labow



Dean Sauriol, Clerk



February 9, 2011

Corporation of the Township of Whitewater Region

Attention: Mr. Dean Sauriol – Chief Administrative Officer

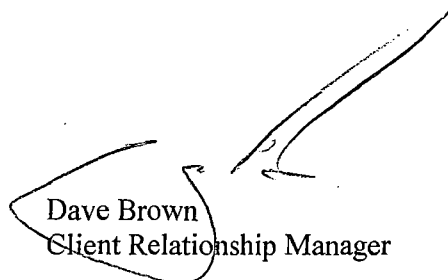
Dear Sirs:

We confirm that subject to acceptance by you, The Bank of Nova Scotia (the "Bank") will make available to the Corporation of the Township of Whitewater Region (the "Borrower"), credit facilities on the terms and conditions set out in the attached Terms and Conditions Sheet and Schedule "A".

If the arrangements set out in this letter, and in the attached Terms and Conditions Sheet and Schedule "A" (collectively the "Commitment Letter") are acceptable to you, please sign the enclosed copy of this letter in the space indicated below and return the letter to us by the close of business on February 28, 2011 after which date this offer will lapse.

This Commitment Letter replaces all previous commitments issued by the Bank to the Borrower.

Yours truly,


Dave Brown
Client Relationship Manager

Richard Vanstone
Director, Commercial Banking

By signing this Commitment Letter you confirm that the products and/or services offered to you herein will not be used for or on behalf of any individual or entity other than you and the other parties named in the Commitment Letter for whose benefit such products and services are intended.

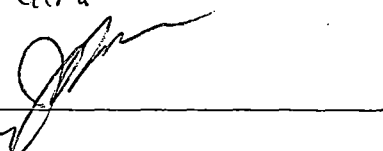
The arrangements set out above and in the attached Terms and Conditions Sheet and Schedule "A" (collectively the "Commitment Letter") are hereby acknowledged and accepted by:

CORPORATION OF THE TOWNSHIP OF WHITEWATER REGION

Name

By: 

Title: CAO / Clerk

By: 

Title: Mayor

Date: Feb 16/11

TERMS AND CONDITIONS

CREDIT NUMBER: 01

AUTHORIZED AMOUNT: \$600,000

TYPE

Operating Line.

PURPOSE

General operating requirements pending receipt of tax revenues and grants.

CURRENCY

Canadian dollars.

AVAILMENT

The Borrower may avail the Credit by way of direct advances evidenced by a Grid Note.

INTEREST RATE

The Bank's Prime Lending Rate from time to time, with interest payable monthly.

REPAYMENT

Advances are repayable on demand.

SPECIFIC SECURITY

The following security, evidenced by documents in form satisfactory to the Bank and registered or recorded as required by the Bank, is to be provided prior to any advances or availment being made under the Credit:

Municipal Borrowing By-Law for Current Expenditures containing a pledge of tax revenues.

Security Agreement – Municipalities and School Boards.

SPECIFIC CONDITION

Until all debts and liabilities under the Credit have been discharged in full, the following condition will apply in respect of the Credit:

Between January 1st and September 30th annually, advances are not to exceed 70% of estimated total revenues for the fiscal year. Between October 1st and December 31st annually, advances are not to exceed 45% of estimated revenue for the fiscal year.

CREDIT NUMBER: 02

AUTHORIZED AMOUNT: \$400,000

TYPE

Operating Temporary Overrun.

PURPOSE

To assist in meeting operating expenses pending collection of taxes

CURRENCY

Canadian dollars.

AVAILMENT

The borrower has availed the credit by way of a direct advance evidenced by a Demand Promissory Note.

INTEREST RATE

The Bank's Prime Lending Rate from time to time with interest payable monthly.

REPAYMENT

The Operating Temporary Overrun will Expire on February 28, 2011 and is to be repaid on or before that date.

CREDIT NUMBER: 03-A

AUTHORIZED AMOUNT: \$250,000

TYPE

Construction Bridge Loan.

PURPOSE

Provide financing for the construction of an addition to Whitewater Bromley Community Health Centre, 20 Robertson Drive, Beachburg, Ontario.

CURRENCY

Canadian dollars.

AVAILMENT

The Borrower may avail the Credit by way of direct advances evidenced by Demand Promissory Notes.

INTEREST RATE

The Bank's Prime Lending Rate from time to time, plus 1.00% per annum with interest payable monthly.

DRAWDOWN

A maximum of 3 advances may be made. Advances are to be made based on the presentation of the Contractor's Construction Invoices.

REPAYMENT

Advances are repayable in full on or before July 31, 2011 from Drawdown of Credit #03-A.

CONDITIONS PRECEDENT

The following conditions are to be met to the satisfaction of the Bank and its solicitors prior to any advance under the Credit:

Confirmation of the receipt of \$99,999 from Lanark Health and Community Services representing a one time lump sum funding toward the capital costs of this project.

Written authorization from ~~Whitewater-Bromley Community Health Centre~~ ^{Township of Whitewater Region Medical Centre Board} to allow the Bank to charge principal and interest payments on the Construction Bridge Loan and the Non-Revolving Loan to the General Account of the ~~Whitewater-Bromley Community Health Centre~~ ^{Township of Whitewater Region Medical Centre Board} which is maintained with the Bank.

SPECIFIC CONDITIONS

The following conditions are to be met to the satisfaction of the Bank and its solicitors prior to any advance under the Credit:

The Bank is not obligated to make advances if there is any construction lien registered against the project or if written notice of a construction lien is received by the Bank.

All cost overruns and contract additions are to be funded by the Borrower as and when they occur.

The Bank will supply such information to lien claimants as may be required under the applicable construction lien legislation.

SPECIFIC SECURITY

The following security, evidenced by documents in form satisfactory to the Bank and registered or recorded as required by the Bank, is to be provided prior to any advances or availment being made under the Credit:

Collateral Mortgage in the amount of \$250,000 providing a first fixed charge over 20 Robertson Drive, Beachburg, Ontario, (prior encumbrances nil), with replacement cost fire insurance coverage, loss, if any, payable to the Bank as first mortgagee.

FEE

An Application Fee of \$500 is payable upon acceptance of this Commitment Letter.

CREDIT NUMBER: 03-B

AUTHORIZED AMOUNT: (\$250,000)

TYPE

Non-Revolving Loan.

PURPOSE

Take out Credit #03-A to provide long term financing for the addition to Whitewater Bromley Community Health Centre.

CURRENCY

Canadian dollars.

AVAILMENT

The Borrower may avail the Credit by way of a direct advance evidenced by a Demand Promissory Note.

INTEREST RATE

Floating Rate Option:

The Bank's Prime Lending Rate from time to time, plus 1.00% per annum with interest payable monthly.

Fixed Rate Option:

At time of Drawdown, the Borrower has the option to fix the interest rate for the loan, subject to availability, at the following rates:

Three Year Term:

Scotiabank's Base for Fixed Rates from time to time, plus 2.00% per annum.

Five Year Term:

Scotiabank's Base for Fixed Rates from time to time, plus 2.25% per annum.

DRAWDOWN

The Loan is to be fully drawn down by July 31, 2011.

REPAYMENT

Floating Rate Option:

The Loan is repayable in 59 equal monthly principal instalments of \$ (to be determined based on the amount drawn) plus interest monthly, commencing one month after final drawdown of the Loan, with a final payment of the balance of principal and interest then outstanding due on maturity. The term of the Loan is 5 years and the amortization of the loan is 15 years.

Fixed Rate Option:

If the Borrower opts for a Fixed Interest Rate, the Loan will be repayable in (number to be determined) equal blended monthly instalments (amount to be determined based on the amount drawn and fixed interest rate obtained) of principal and interest applied first to interest, with a final payment of the balance of principal and interest then outstanding due on maturity. The term of the Loan is either 3 or 5 years and the amortization of the Loan is 15 years.

PREPAYMENTFloating Rate Option:

Prepayment is permitted without penalty at any time in whole or in part.

Fixed Interest Rate Option:

No prepayments are permitted except that up to 10% of the original amount drawn may be prepaid without penalty on the first and each subsequent anniversary of drawdown. Such prepayment options are non-cumulative.

Prepayments are to be applied against instalments of principal in the inverse order of their maturities.

SPECIFIC SECURITY

The following security, evidenced by documents in form satisfactory to the Bank and registered or recorded as required by the Bank, is to be provided prior to any advances or availment being made under the Credit:

Collateral Mortgage in the amount of \$250,000 providing a first fixed charge over 20 Robertson Drive, Beachburg, Ontario, (prior encumbrances nil), with replacement cost fire insurance coverage, loss, if any, payable to the Bank as first mortgagee.

CREDIT NUMBER: 04AUTHORIZED AMOUNT: \$25,000TYPE

ScotiaLine for business VISA - Availment, interest rate and repayment as per Cardholder Agreement.

PURPOSE

Business expenses.

CURRENCY

Canadian dollars.

SPECIFIC SECURITY

The following security, evidenced by documents in form satisfactory to the Bank and registered or recorded as required by the Bank, is to be provided prior to any advances or availment being made under the Credit:

ScotiaLine for business VISA Agreement.

GENERAL TERMS AND CONDITIONS APPLICABLE TO ALL CREDITSGENERAL BORROWER REPORTING CONDITION

Until all debts and liabilities under the Credits have been discharged in full, the Borrower will provide the Bank with the following:

Annual Audited Consolidated Financial Statements of the Borrower within 150 days of fiscal year-end, duly signed.

Letter from the Ontario Municipal Board setting out the Township's long term borrowing limit.

Approved upcoming fiscal budget of the Borrower within 150 days of fiscal year-end.

FEES

In addition to, and not in substitution for the obligations of the Borrower and the rights of the Bank upon the occurrence of an event of default herein, the Borrower shall pay to the Bank administration fees of:

- (a) \$ 250 per month (or such higher amount as may be determined by the Bank from time to time) for each month or part thereof during which the Borrower is late in providing the Bank with financial or other information required herein;
- (b) \$ 250 per month (or such higher amount as may be determined by the Bank from time to time) for each month or part thereof during which loan payments of principal, interest or other amounts are past due; and
- (c) \$ 1,000 per month (or such higher amount as may be determined by the Bank from time to time) for each month or part thereof during which the Borrower is in default of any other term or condition contained in this Commitment Letter or in any other agreement to which the Borrower and the Bank are parties.

The imposition or collection of fees does not constitute an express or implied waiver by the Bank of any event of default or any of the terms or conditions of the lending arrangements, security or rights arising from any default. Fees may be charged to the Borrower's deposit account when incurred.

The applicable fees are subject to increase by the Bank upon 30 days prior notice to you.

In the event of a default in any of the terms and conditions set out herein the Borrower agrees with the Bank that the interest rates fees will be increased by 1.50 per cent (%) per annum on all credits outstanding to the Borrower effective as of the date of default by the Borrower and continuing until the default is cured by the Borrower when the interest rates and fees will be reduced to the original rates set out herein. The imposition and collection of these increased interest rates and fees will not constitute an express or implied waiver by the Bank of any event of default or any of the terms and conditions of the lending arrangements, security or rights arising from any default by the Borrower.

SCHEDULE A

ADDITIONAL TERMS AND CONDITIONS APPLICABLE
TO ALL CREDITS

1. Calculation and Payment of Interest

Interest on loans/advances made in Canadian dollars will be calculated on a daily basis and payable monthly on the 22nd day of each month (unless otherwise stipulated by the Bank). Interest shall be payable not in advance on the basis of a calendar year for the actual number of days elapsed both before and after demand of payment or default and/or judgment.

2. Interest on Overdue Interest

Interest on overdue interest shall be calculated at the same rate as interest on the loans/advances in respect of which interest is overdue, but shall be compounded monthly and be payable on demand, both before and after demand and judgment.

3. Indemnity Provision

If the introduction, adoption or implementation of, or any change in, or in the interpretation of, or any change in its application to the Borrower of, any law or any regulation or guideline issued by any central bank or other governmental authority (whether or not having the force of law), including, without limitation, any liquidity reserve or other reserve or special deposit requirement or any tax (other than tax on the Bank's general income) or any capital requirement, has due to the Bank's compliance the effect, directly or indirectly, of (i) increasing the cost to the Bank of performing its obligations hereunder or under any avilment hereunder; (ii) reducing any amount received or receivable by the Bank or its effective return hereunder or in respect of any avilment hereunder or on its capital; or (iii) causing the Bank to make any payment or to forgo any return based on any amount received or receivable by the Bank hereunder or in respect of any avilment hereunder determined by the Bank in its discretion, then upon demand from time to time the Borrower shall pay such amount as shall compensate the Bank for any such cost, reduction, payment or forgone return (collectively "Increased Costs") as such amounts are reasonably determined by the Bank as set forth in a certificate to the Borrower.

In the event of the Borrower becoming liable for such Increased Costs, the Borrower shall have the right to repay in full, without penalty, the outstanding principal balance under the affected credit other than the face amount of any document or instrument issued or accepted by the Bank for the account of the Borrower, including, without limitation, a Letter of Credit, a Letter of Guarantee or a Bankers Acceptance. Upon any such prepayment, the Borrower shall also pay the then accrued interest on the amount prepaid and the Increased Costs to the date of prepayment together with such amount as will compensate the Bank for the cost of any early termination of its funding arrangements in accordance with its normal practices, as such amounts are calculated in a certificate reasonably prepared by the Bank.

4. Environment

The Borrower agrees:

- (a) to obey all applicable laws and requirements of any federal, provincial, or any other governmental authority relating to the environment and the operation of the business activities of the Borrower;
- (b) to allow the Bank access at all times to the business premises of the Borrower to monitor and inspect all property and business activities of the Borrower;

- (c) to notify the Bank from time to time of any business activity conducted by the Borrower which involves the use or handling of hazardous materials or wastes or which increases the environmental liability of the Borrower in any material manner;
- (d) to notify the Bank of any proposed change in the use or occupation of the property of the Borrower prior to any change occurring;
- (e) to provide the Bank with immediate written notice of any environmental problem and any hazardous materials or substances which have an adverse effect on the property, equipment, or business activities of the Borrower and with any other environmental information requested by the Bank from time to time.
- (f) to conduct all environmental remedial activities which a commercially reasonable person would perform in similar circumstances to meet its environmental responsibilities and if the Borrower fails to do so, the Bank may perform such activities; and
- (g) to pay for any environmental investigations, assessments or remedial activities with respect to any property of the Borrower that may be performed for or by the Bank from time to time.

If the Borrower notifies the Bank of any specified activity or change or provides the Bank with any information pursuant to subsections (c), (d), or (e), or if the Bank receives any environmental information from other sources, the Bank, in its sole discretion, may decide that an adverse change in the environmental condition of the Borrower or any of the property, equipment, or business activities of the Borrower has occurred which decision will constitute, in the absence of manifest error, conclusive evidence of the adverse change. Following this decision being made by the Bank, the Bank shall notify the Borrower of the Bank's decision concerning the adverse change.

If the Bank decides or is required to incur expenses in compliance or to verify the Borrower's compliance with applicable environmental or other regulations, the Borrower shall indemnify the Bank in respect of such expenses, which will constitute further advances by the Bank to the Borrower under this Agreement.

5. Periodic Review

The obligation of the Bank to make further advances or other accommodation available under any Credit(s) of the Borrower under which the indebtedness or liability of the Borrower is payable on demand, is subject to periodic review and to no adverse change occurring in the financial condition or the environmental condition of the Borrower or any guarantor.

6. Evidence of Indebtedness

The Bank's accounts, books and records constitute, in the absence of manifest error, conclusive evidence of the advances made under this Credit, repayments on account thereof and the indebtedness of the Borrower to the Bank.

7. Acceleration

- (a) All indebtedness and liability of the Borrower to the Bank payable on demand, is repayable by the Borrower to the Bank at any time on demand;

- (b) All indebtedness and liability of the Borrower to the Bank not payable on demand, shall, at the option of the Bank, become immediately due and payable, the security held by the Bank shall immediately become enforceable, and the obligation of the Bank to make further advances or other accommodation available under the Credits shall terminate, if any one of the following Events of Default occurs:
- (i) the Borrower or any guarantor fails to make when due, whether on demand or at a fixed payment date, by acceleration or otherwise, any payment of interest, principal, fees, commissions or other amounts payable to the Bank;
 - (ii) there is a breach by the Borrower of any other term or condition contained in this Commitment Letter or in any other agreement to which the Borrower and the Bank are parties;
 - (iii) any default occurs under any security listed in this Commitment Letter under the headings "Specific Security" or "General Security" or under any other credit, loan or security agreement to which the Borrower is a party;
 - (iv) any bankruptcy, re-organization, compromise, arrangement, insolvency or liquidation proceedings or other proceedings for the relief of debtors are instituted by or against the Borrower and, if instituted against the Borrower, are allowed against or consented to by the Borrower or are not dismissed or stayed within 60 days after such institution;
 - (v) a receiver is appointed over any property of the Borrower or any guarantor or any judgement or order or any process of any court becomes enforceable against the Borrower or any guarantor or any property of the Borrower or any guarantor or any creditor takes possession of any property of the Borrower or any guarantor;
 - (vi) any course of action is undertaken by the Borrower or any guarantor or with respect to the Borrower or any guarantor which would result in the Borrower's or guarantor's reorganization, amalgamation or merger with another corporation or the transfer of all or substantially all of the Borrower's or any guarantor's assets;
 - (vii) any guarantee of indebtedness and liability under the Credit Line is withdrawn, determined to be invalid or otherwise rendered ineffective;
 - (viii) any adverse change occurs in the financial condition of the Borrower or any guarantor.
 - (ix) any adverse change occurs in the environmental condition of:
 - (A) the Borrower or any guarantor of the Borrower; or
 - (B) any property, equipment, or business activities of the Borrower or any guarantor of the Borrower.

8. Costs

All costs, including legal and appraisal fees incurred by the Bank relative to security and other documentation, shall be for the account of the Borrower and may be charged to the Borrower's deposit account when submitted.