

THE CORPORATION OF THE VILLAGE OF COBDEN

BY-LAW NUMBER 1993-20

BEING a by-law to authorize the borrowing of \$288,000 upon debentures to re-finance the acquisition of two capital projects.

WHEREAS by By-law Number 81-19 the Council of The Corporation of the Village of Cobden (the "Corporation") authorized the execution of an agreement dated the 20th day of July, 1982 (the "Water Works Agreement") amongst the Corporation, Her Majesty the Queen in Right of Ontario as represented by the Minister of Environment and Energy, the Treasurer of Ontario and Minister of Economics (collectively, the "Crown") and Canada Mortgage and Housing Corporation (the "CMHC");

AND WHEREAS the Water Works Agreement provided for the conveyance by the Crown to the Corporation of water works constructed and operated by the Crown on behalf of the Corporation, including all real estate and personal property acquired by the Crown for the sole purpose of the water works, known as Provincial Program Number 5-0122 (the "Water Works");

AND WHEREAS the Water Works Agreement provided that a debenture, redeemable before maturity, previously issued by the Crown to CMHC in respect of the indebtedness of the Crown to CMHC (which matures in 2012) in respect of the Water Works should be cancelled and replaced by a debenture to be issued by the Corporation to the CMHC in respect of the outstanding indebtedness in respect of the Water Works owing to the CMHC;

AND WHEREAS the Water Works Agreement provided that the Corporation should make payments to the Crown in respect of the outstanding indebtedness of the Corporation to the Crown relating to the construction of the Water Works;

AND WHEREAS the Ontario Municipal Board by its Order dated February 2, 1982, under its file number E732039 authorized the Corporation to enter into the Water Works Agreement;

AND WHEREAS by By-law No. 1987-27 the Corporation issued a debenture, redeemable before maturity, in the principal amount of \$60,612.06 to the CMHC (the "CMHC Debenture") the terms of which provide that the Corporation shall have the privilege of paying the whole amount owing thereunder or at any time prior to the 1st day of June, 2002 (subsequently amended by the Corporation at the request of CMHC to mature in 2012);

AND WHEREAS no debentures have been issued by the Corporation to the Crown in connection with the obligations of the Corporation to the Crown under the Water Works Agreement;

AND WHEREAS by By-law Number 81-20, the Council of the Corporation authorized the execution of an agreement dated the 6th day of May, 1982 (the "Sewage Works Agreement") between the Corporation and Her Majesty the Queen in Right of Ontario as represented by the Minister of Environment and Energy (the "MOEE");

AND WHEREAS the Sewage Works Agreement provided for the conveyance by the MOEE to the Corporation of sewage works constructed and operated by the MOEE on behalf of the Corporation, including all real estate and personal property acquired by the MOEE for the sole purpose of the sewage works, known as Provincial Program Number 1-0230 (the "Sewage Works");

AND WHEREAS the Sewage Works Agreement provided that the Corporation should make payments to the MOEE in respect of the outstanding indebtedness of the Corporation to the MOEE relating to the construction of the Sewage Works;

AND WHEREAS the Ontario Municipal Board by its Order dated

February 2, 1982, under its file number E732038 authorized the Corporation to enter into the Sewage Works Agreement;

AND WHEREAS no debentures have been issued by the Corporation in respect of the Sewage Works Agreement;

AND WHEREAS pursuant to Section 54(1)(d) of the Ontario Municipal Board Act the Corporation may apply to the Ontario Municipal Board for approval to issue debentures to provide for the retirement of outstanding debentures which are redeemable before maturity;

AND WHEREAS it is expedient for the Corporation to pre-pay the outstanding amounts of principal and interest as of December 31, 1993 on the CMHC Debenture and to finance the pre-payment by the issue of debentures of the Corporation in the principal amount of \$54,460.51;

AND WHEREAS for the purposes of refinancing the Corporation's outstanding amounts of principal and interest owing to the Crown in respect of the Water Works under the Water Works Agreement and to the MOEE in respect of the Sewage Works under the Sewage Works Agreement it is now expedient to issue debentures in the principal amount of \$233,539.49;

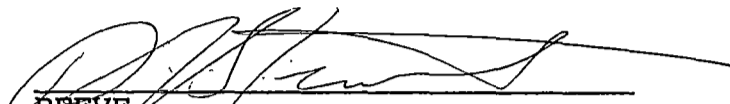
AND WHEREAS the Corporation has received from the Ministry of Municipal Affairs its annual financial debt and obligation limit (the "Limit") and the Treasurer of the Corporation has calculated an updated Limit in accordance with Ontario Regulation 710/92, as amended by Ontario Regulation 441/93, and has determined that the annual estimated amounts payable which would be payable in each year of the debentures which are authorized to be issued under this by-law in respect of the Corporation's outstanding obligations (as of December 31, 1993) to CMHC in the amount of \$54,460.51 and the Corporation's outstanding obligations (as at December 31, 1993) to the Crown and the MOEE in the amount of \$233,539.49 do not exceed the updated Limit and that the approval of the Ontario Municipal Board is not required other than to authorize the issue of debentures to provide for the retirement of the CMHC Debenture and the raising of the sum required for payment of such new debentures in the manner set forth in Section 54(1)(d) of the Ontario Municipal Board Act;

NOW THEREFORE the Council of the Corporation of the Village of Cobden enacts as follows:

1. THAT the Treasurer is authorized to make an application to the Ontario Municipal Board for an Order under Section 54(1)(d) of the Ontario Municipal Board Act authorizing the issue of debentures in an amount not to exceed \$54,460.51 for a term not to exceed 18 years to provide for the retirement of the CMHC Debenture and the raising of the sum required for payment of such new debentures in the manner set forth in Section 54(1)(d) of the Ontario Municipal Board Act.
2. THAT, subject to the following, the head of the Council and the Treasurer are hereby authorized to finance the Water Works and the Sewage Works through the issue of debentures on the credit of the Corporation at large in the maximum principal amount of \$288,000 for a term not to exceed thirteen years.
2. THAT a portion of the proceeds of the aforesaid debentures in the amount of \$54,460.51 shall be applied to pre-pay the outstanding amount of principal and interest owing on the CMHC Debenture on December 31, 1993.

3. THAT the issuance of debentures in respect of the Corporation's outstanding obligations (as at December 31, 1993) to CMHC shall not take effect until the approval of the Ontario Municipal Board for the issue of debentures to retire the CMHC Debenture has been obtained.

READ a first, second and passed upon the third reading this 14th day of December, 1993.


REEVE


CLERK-TREASURER