

THE CORPORATION OF THE VILLAGE OF COBDEN

BY-LAW NUMBER 1993-21

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 ("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 (which matures in 2012) in respect of the indebtedness of the Crown to CMHC 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 incurred by 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 prior to 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 incurred by 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 by By-law 1993-20 the Corporation authorized the issue of debentures to finance the pre-payment of the Corporation's outstanding obligations to CMHC (as of December 31, 1993) in the amount of \$54,460.51, subject to the approval of the Ontario Municipal Board, and to refinance the Corporation's outstanding obligations (as at December 31, 1993) to the Crown and the MOEE in the amount of \$233,539.49;

AND WHEREAS an application will be made to the Ontario Municipal Board under Section 54(1)(d) of the Ontario Municipal Board Act 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;

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 in each year of the debentures to be issued under this by-law in respect of the Corporation's outstanding obligations (as at December 31, 1993) to CMHC in the amount of \$54,460.51 and the Corporation's outstanding obligations (as at December 31, 1993) to 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;

AND WHEREAS for the purposes aforesaid, it is now expedient to issue debentures in the aggregate principal amount of \$288,000 payable in lawful money of Canada on the terms hereinafter set forth;

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

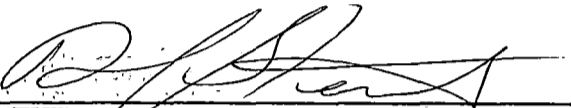
1. THAT for the purposes aforesaid and subject to the Corporation obtaining the approval of the Ontario Municipal Board for the issue of debentures to provide for the retirement of the CMHC Debenture, there shall be borrowed upon the credit of the Corporation at large the sum of \$288,000 in lawful money of Canada, and the Corporation shall issue debentures therefor in lawful money of Canada in denominations of not less than \$1,000 and any multiples thereof.
2. THAT the debentures shall be dated the 31st day of December, 1993, and shall be issued within two years after the date on which this by-law is enacted. The debentures shall be payable in thirteen annual instalments of principal on the 31st day of December in each of the years 1994 to 2006, both inclusive. The respective amounts of principal and interest payable in each of such years shall be as set forth in Schedule "A" annexed hereto and the debentures shall bear interest payable semi-annually on June 30 and December 31 in each year during the currency of the debentures. The debentures maturing in the year 1994 shall bear interest at the rate of five percent (5%) per annum,

the debentures maturing in the year 1995 shall bear interest at the rate of five and three-eighths percent (5 3/8%) per annum, the debentures maturing in the year 1996 shall bear interest at the rate of five and seven-eighths percent (5 7/8%) per annum, the debentures maturing in the year 1997 shall bear interest at the rate of six and one-half percent (6 1/2%) per annum, the debentures maturing in the year 1998 shall bear interest at the rate of six and seven-eighths percent (6 7/8%) per annum, the debentures maturing in the year 1999 shall bear interest at the rate of seven and one-eighth percent (7 1/8%) per annum, the debentures maturing in the year 2000 shall bear interest at the rate of seven and one-quarter percent (7 1/4%) per annum, the debentures maturing in the year 2001 shall bear interest at the rate of seven and three-quarters percent (7 3/4%) per annum, the debentures maturing in the year 2002 shall bear interest at the rate of seven and seven-eighths percent (7 7/8%) per annum, the debentures maturing in the year 2003 shall bear interest at the rate of eight percent (8%) per annum, the debentures maturing in each of the years 2004 and 2005 shall bear interest at the rate of eight and one-eighth percent (8 1/8%) per annum, and the debentures maturing in the year 2006 shall bear interest at the rate of eight and one-quarter percent (8 1/4%) per annum.


3. THAT the debentures shall be payable as to principal in lawful money of Canada at the principal office of the National Bank of Canada in the City of Pembroke or at the principal office of the said Bank in either of the cities of Toronto or Montreal, at the holder's option. The debentures shall be in fully registered form with provision for payment of interest by cheque sent by post to the registered holder. In the case of joint registered holders of the said debentures, the principal and interest thereon may be paid to the holder whose name first appears in the debenture registry of the Corporation, whose receipt thereof shall constitute a valid discharge to the Corporation.
4. THAT the debentures shall be sealed with the seal of the Corporation and signed by the head of the Council or by some other person authorized by by-law to sign them, and by the Treasurer or Deputy-Treasurer. The signature of the head of the Council, such other person authorized by by-law, the Deputy-Treasurer and Treasurer on the debentures may be written or engraved, lithographed, printed or otherwise mechanically reproduced.
5. THAT in each year during the currency of the debentures, there shall be levied and raised by a special rate sufficient therefor, over and above all other rates, on all the rateable property in the Village of Cobden, the amount of the instalment of principal and interest payable in each year as set forth in Schedule "A" hereto annexed; but no greater rate shall be levied and raised in any year for such purpose than is required to pay the said amount after taking into account receipts from any other source in respect of the said works.
6. THAT the debentures may contain any provision for their registration thereof authorized by law.
7. THAT pending the sale of the said debentures, or in lieu of selling them, the Council may by resolution authorize the head of the Council and the Treasurer to raise money by way of loan on the security of the said debentures or upon the security of some part of them, and to hypothecate such debentures as security for the repayment of the said loan.

8. THAT the holder of any debentures issued under the authority of this by-law may exchange such debenture for debentures of authorized denominations upon surrender of such debenture to the Treasurer of the Corporation. Debentures issued in substitution for any such debenture surrendered shall aggregate the same principal amount as the debenture surrendered, bear the same interest maturity date and all unmatured interest obligations and shall be the same in every respect except in denomination to such debenture surrendered. The cost of all such exchanges including printing of the new denominations of debentures shall be borne by the Corporation.

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



REEVE



CLERK-TREASURER

Schedule "A" to By-law Number 1993-21

The Corporation of the Village of Cobden

Dated: December 31, 1993 To mature: December 31, 1994 to 2006

Schedule of Principal and Interest Repayments

Year	Interest Rate %	Interest		Principal DEC. 31	Annual Payment
		JUN. 30	DEC. 31		
1994	5.000	10,413.12	10,413.12	15,000.00	35,826.24
1995	5.375	10,038.12	10,038.12	18,000.00	38,076.24
1996	5.875	9,554.37	9,554.37	19,000.00	38,108.74
1997	6.500	8,996.25	8,996.25	20,000.00	37,992.50
1998	6.875	8,346.25	8,346.25	22,000.00	38,692.50
1999	7.125	7,590.00	7,590.00	23,000.00	38,180.00
2000	7.250	6,770.62	6,770.62	24,000.00	37,341.24
2001	7.750	5,900.62	5,900.62	26,000.00	37,801.24
2002	7.875	4,893.12	4,893.12	21,000.00	30,786.24
2003	8.000	4,066.25	4,066.25	22,000.00	30,132.50
2004	8.125	3,186.25	3,186.25	24,000.00	30,372.50
2005	8.125	2,211.25	2,211.25	26,000.00	30,422.50
2006	8.250	1,155.00	1,155.00	28,000.00	30,310.00
TOTAL		\$ 83,121.22	\$ 83,121.22	\$ 288,000.00	\$ 454,242.44