

# BORROWING BY-LAW MUNICIPALITIES

Bylaw #1

BY-LAW NO. 02-51

WHEREAS the

CORPORATION

(COUNCIL)

(INSERT TITLES  
RATHER  
THAN NAMES)of the Municipality of TEMAGAMI

(NAME OF MUNICIPALITY)

(the "Corporation") deems it necessary to borrow the sum of one million dollars (\$ 1,000,000) to meet, until the taxes are collected and other revenues are received, current expenditures of the Corporation for the year;

BE IT THEREFORE ENACTED as a By-Law of the Corporation as follows:

1. The \* Mayor and Chief Administration Officer is/are hereby authorized to borrow on behalf of the Corporation from THE BANK OF NOVA SCOTIA (the "Bank") from time to time by way of promissory note or bankers' acceptance a sum or sums not exceeding at any one time one million dollars (\$ 1,000,000) to meet, until the taxes are collected and other revenues are received, current expenditures of the Corporation for the year 2002.
2. The \* Mayor and Chief Administration Officer is/are hereby authorized to sign, make or draw on behalf of the Corporation and to furnish to the Bank from time to time promissory notes or bankers' acceptances for the sum or sums so borrowed with interest or any other charges at such rate as the Bank may from time to time determine.
3. The \* Mayor and Chief Administration Officer is/are hereby authorized and directed to furnish to the Bank at the time of each borrowing and at such other times as the Bank may from time to time request, a statement showing the nature and amount of the estimated revenues of the current year not yet collected or where the estimates for the year have not been adopted, a statement showing the nature and amount of the estimated revenues of the Corporation as set forth in the estimates adopted for the next preceding year and also showing the total of any amounts borrowed in the current year and in any preceding year that have not been repaid.
4. All sums borrowed from the Bank and any interest thereon and any other charges in connection therewith shall, be a charge upon the whole of the revenues of the Corporation for the current year and for any preceding years as and when such revenues are received and that Mayor and Chief Administration Officer is/are hereby authorized to sign on behalf of the Corporation and to furnish to the Bank an Agreement or Agreements of the Corporation charging the said revenues of the Corporation with payment of all sums borrowed from the Bank and any interest thereon and any other charges in connection therewith.
5. The \* Mayor and Chief Administration Officer is/are hereby authorized and directed to apply in payment of all sums borrowed from the Bank, and of any interest thereon and any other charges in connection therewith, all of the moneys hereafter collected or received on account or realized in respect of the taxes levied for the current year and for any preceding years and all of the moneys collected or received from any other source.

## CERTIFICATE

I hereby certify that the foregoing is a true copy of By-Law No. 02-51 of the Corporation of the Municipality of Temagami in the Province of Ontario duly passed at a meeting of the Council of the said Corporation duly held on the sixteenth day of January, 18 2002, that the said By-Law is under the seal of the said Corporation and signed by its proper officers as required by law and that the said By-Law is in full force and effect.

DATED this 16th day of January, 18 2002.

IC<sup>9</sup>RP(1) **Hodgson, Clerk for the Municipality  
Of Temagami, Do Hereby Certify that this  
Document is a true copy of:**

Resolution No: \_\_\_\_\_

By Law No: 02-519Day of January, 2002

Signed \_\_\_\_\_

John Hodgson, Clerk

By: Sign \_\_\_\_\_

Title Mayor

By: Sign \_\_\_\_\_

Title Chief Administration Officer

DATE RECEIVED

RECORDED

APPROVED

E.O.  
INSPECTOR

By-law  
#02-5  
cont

# SECURITY AGREEMENT MUNICIPALITIES AND SCHOOL BOARDS

To: THE BANK OF NOVA SCOTIA, (the "Bank")

\* (DELETE  
WHICHEVER  
IS INAPPLICABLE)

WHEREAS by a \* By-law ~~OF Resolution~~ passed by the CORPORATION  
(COUNCIL OR SCHOOL BOARD, ETC.)  
of 77^1 € n M U P A L I T Y D P T E M A G A M I  
(NAME OF MUNICIPALITY, SCHOOL DISTRICT, ETC.)

\*\* (INSERT TITLES  
RATHER THAN  
NAMES OF  
AUTHORIZED  
OFFICIALS  
AS SET OUT IN  
THE BORROWING  
BY-LAW OR  
RESOLUTION)

on the 15<sup>th</sup> day of January, y<sup>ss</sup> authority was given to the  
\*\* MAYOR AND Chief ADMINISTRATION OFFICER to borrow from  
the Bank the sum or sums therein mentioned and this Agreement was authorized.

AND WHEREAS the Corporation desires to borrow the said sum or sums from the Bank.

NOW IT IS HEREBY AGREED by the Corporation that in consideration of the Bank advancing or providing the said sum or sums to the Corporation that all the revenues of the Corporation of whatever nature and kind are hereby charged to and in favour of the Bank, as security for payment of the moneys so advanced or provided by the Bank and any interest thereon and any other charges in connection therewith and the Bank shall have a lien upon all such revenues until the charge hereby and by the said \* By-law or Resolution created is satisfied.

The Corporation represents and warrants that the whole or any part or parts of the revenues of the Corporation are not subject to any prior charge, except as disclosed to the Bank in writing.

IN WITNESS WHEREOF the Corporation has caused ~~this agreement~~ <sup>40 be eMecu.4eel by</sup>  
~~its corporate~~ <sup>not to "IT" nffHn\*</sup>  
its proper officers as required by law this 15<sup>th</sup> day of January, 2002

I, John Hodgson, Cleric for the Municipality  
Of Temagami, Do Hereby Certify that this  
Document Is a true copy of-

Resolution No. \_\_\_\_\_

By Law Na 02-519

Day of January, 2002

Signed  
WITNESS: John Hodgson, Cleric

By: Sign [Signature]  
Title MAYOR

Sign [Signature] c/s  
Title Chief ADMINISTRATION OFFICER

DATE RECEIVED

RECORDED ....

APPROVED ....

E.O.  
INSPECTOR ...



New Liskeard, Ontario

January 24, 2002


The Corporation of the Municipality of Temagami

Dear Sir:

We confirm that subject to acceptance by you, The Bank of Nova Scotia (the "Bank") will make available to the Corporation of the Municipality of Temagami (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 2002 after which date this offer will lapse.

8,  
2, \$

A handwritten signature in blue ink, possibly reading 'R.G. Norris', with a small '8, 2, \$' written above it.

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

Yours very truly,

A handwritten signature in blue ink, likely belonging to R.G. Norris.

R.G. Norris  
Manager

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:

The Corporation of the Municipality of Temagami  
Name

By: A. McLean  
Title Mayor

Date: 21 Feb 02

A handwritten signature in blue ink, followed by the date '21 FEB 02' written in blue ink.

## **TERMS AND CONDITIONS**

CREDIT NUMBER: 01 AUTHORIZED AMOUNT: \$1,000,000

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### TYPE

Operating

### PURPOSE

General operating requirements.

### CURRENCY

Canadian dollars

### AVAILMENT

The Borrower may avail the credit by way of Direct advances evidenced by Demand Promissory Note.

### INTEREST RATE

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

### DRAWDOWN

Advances are to be made in minimum multiples of \$10,000.

### REPAYMENT

Advances are repayable on demand.

### SPECIFIC CONDITIONS

The following conditions will apply in respect of the Credit:

Operating credits are to be limited to:

January 1 to September 30 annually

70% of total estimated annual revenue as approved by Council.

October 1 to December 31 annually

45% of total estimated annual revenue as approved by Council.

CREDIT NUMBER: 02 AUTHORIZED AMOUNT: \$1,000

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TYPE

Corporate VISA - availment, interest rate and repayment as per Cardholder Agreement

PURPOSE

Miscellaneous 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:

Cardholder Agreement

GENERAL SECURITY, TERMS, AND CONDITIONS APPLICABLE TO ALL CREDITS

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GENERAL 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 Credits:

Borrowing By-Law Municipalities - Ontario containing a Pledge of Revenue.

Security Agreement Municipalities and School Boards.

Banking Resolution, Municipalities and a supporting List of Officers.

GENERAL CONDITIONS

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

Comply with all applicable borrowing legislation.

Advise the Bank of any breach of statutory borrowing limits.

Provide the Bank with certificates of estimated revenues from time to time, upon request.

GENERAL BORROWER REPORTING CONDITIONS

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

Annual Audited Financial Statements within 120 days of the Borrower's fiscal year end, duly signed.

## 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 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 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, 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 calculated in a certificate reasonably prepared by the Bank.

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.



(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.