

THE CORPORATION OF THE TOWN OF AMHERSTBURG

BY-LAW NO. 1998-62

A BY-LAW TO AUTHORIZE THE BORROWING OF \$2,029,705 UPON DEBENTURES TOWARDS THE PAYMENT TO THE ONTARIO CLEAN WATER AGENCY OF ALL CAPITAL AMOUNTS OWING IN RESPECT OF THE AMHERSTBURG WATER TREATMENT PLANT AND DISTRIBUTION SYSTEM

WHEREAS by by-law the Council of The Corporation of the Town of Amherstburg (the "Corporation") has authorized the Corporation to enter into and execute an agreement with the Ontario Water Resources Commission (the "Commission") in respect of the supply of water to the Corporation from water works to be provided or acquired by the Commission and the Corporation, pursuant to such authority, entered into an agreement (the "Water Agreement") with the Commission whereby the Commission agreed to supply water to the Corporation by means of the Amherstburg Water Treatment Plant and Distribution System (the "Water System");

AND WHEREAS the Ontario Municipal Board authorized the Corporation to enter into the Water Agreement;

AND WHEREAS the Commission has incurred various capital costs in connection with the provision of the aforesaid supply of water on behalf of the Corporation pursuant to the Water Agreement;

AND WHEREAS the Corporation has issued no debentures in respect of the capital costs which relate to the Water Agreement;

AND WHEREAS pursuant to section 53 of the *Capital Investment Plan Act*, 1993, S.O. 1993, c.23, as amended, the assets and liabilities of the Crown as represented by the Minister of the Environment or a predecessor of the Minister and of the Ontario Water Resources Commission with respect to water works and water service were transferred to and assumed by the Ontario Clean Water Agency ("OCWA");

AND WHEREAS pursuant to section 2 of the *Municipal Water and Sewage Transfer Act*, 1997, S.O. 1997, c.6 ownership of the Water System will be transferred to the Corporation;

AND WHEREAS the Corporation is required to make payments on account of capital costs (principal and interest) in respect of the Water System to OCWA until the balance of the capital costs have been paid in full and the Corporation deems it desirable to pay in full all amounts owing to OCWA in respect such capital costs and in this connection the Corporation has determined that it will issue debentures in the amount of \$2,029,705;

AND WHEREAS the Treasurer has calculated an updated limit for the Corporation using its most recent debt and financial obligation limit determined by the Ministry of Municipal Affairs and Housing in accordance with the provisions of Ontario Regulation 799/94, as amended (the "Limit"), has calculated the estimated annual amount payable by the Corporation in respect of the undertaking described in this by-law and has determined that such estimated annual amount payable would not cause the Corporation to exceed the updated limit;

AND WHEREAS for the purpose aforesaid it is now expedient to issue debentures in the amount of \$2,029,705 payable in lawful money of Canada, such debentures to be payable within the term of twelve years, which term of years is not greater than the lifetime of the capital assets to which the capital costs in respect of the supply of water under the Water Agreement relate, all such debentures being issued on the terms hereinafter set forth;

BE IT THEREFORE ENACTED AS A BY-LAW OF THE SAID CORPORATION
OF THE TOWN OF AMHERSTBURG AS FOLLOWS:

1. For the purpose aforesaid, there shall be borrowed upon the credit of the Corporation at large the sum of \$2,029,705 in lawful money of Canada, and the Corporation shall issue debentures therefor in denominations of \$1,000 and any multiples thereof.
2. The head of the Council and the Treasurer of the Corporation are hereby authorized to cause any number of instalment debentures to be issued for such sums of money as may be required for the purpose aforesaid in global and definitive forms, not exceeding in total the sum of \$2,029,705 and the debentures shall be sealed and signed in accordance with the provisions of the *Municipal Act* R.S.O. 1990, c.M.45, as amended. The debentures shall initially be issued in global fully registered form (the "Global Debenture") in the name of the nominee of The Canadian Depository for Securities Limited ("CDS"), being CDS & Co., and held by CDS with provision for payment of principal and interest by cheque sent by post to the registered address of the registered holder or, if authorized in writing, by electronic transfer.
3. The debentures shall be dated 18th day of September, 1998, and shall be payable in twelve annual varying instalments of principal on the 18th day of September in each of the years 1999 to 2010, both inclusive. The debentures (and in the case of the Global Debenture, the annual amount of principal payable in respect thereof), shall bear interest payable semi-annually on the 18th day of March and the 18th day of September in each year during the currency of the debentures. The respective amounts of principal and interest payable in each of such years shall be as set forth in Schedule "A" and forming part of this by-law. The debentures maturing (principal payable in the case of the Global Debenture) in the following years shall bear interest at the following rates per annum:

Year Debentures Mature (Year Principal Payable)	Interest Rate per Annum %
1999	5.65
2000	5.70
2001	5.75
2002	5.80
2003	5.85
2004	5.90
2005	5.95
2006	6.00
2007	6.05
2008	6.10
2009	6.15
2010	6.20

4. Interest shall be payable to the date of maturity and shall be payable both before and after default and judgment. Any amounts payable by the Corporation in respect of interest on overdue principal and interest in respect of the debentures shall be paid out of current revenue.
5. In limited circumstances (as set out in the agreement with CDS referred to below) the Global Debenture shall be exchangeable for debentures in definitive fully registered form in denominations of \$1,000 and any multiples thereof upon surrender of the Global Debenture to the Treasurer provided that there is at least one definitive debenture which matures in each of the remaining years of the currency of the Global Debenture. The definitive debentures shall aggregate the same principal amount as the principal outstanding balance of the Global Debenture as at the date of exchange, shall bear the same interest rates and maturity dates, shall bear all unmatured interest obligations and shall be the same substantially in every respect to the Global Debenture. In issuing definitive debentures no change shall be made in the amount which would otherwise be payable in each year under the Global Debenture. The definitive debentures shall be in fully registered form payable as to principal at any specified branches in Canada of the bank designated therein with provision for payment

of interest by cheque sent through the post to the registered addresses of the registered holders or, if authorized in writing, by electronic transfer.

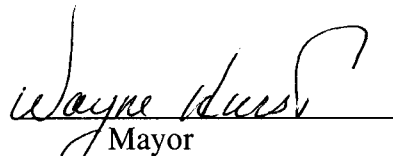
6. In each year during the currency of the debentures, there shall be levied and raised by a special rate sufficient therefor, over and above all other rates, on all the rateable property in the Town of Amherstburg the amount of the instalment of principal and interest payable in that year as set out in Schedule "A"; but no greater rate shall be levied 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 Water System;
7. The debentures may contain any provision for their registration authorized by law.
8. (1) Subject to paragraph 2 of this By-law, the head of the Council and the Treasurer of the Corporation are hereby authorized to cause the debentures to be sold or hypothecated at such price or prices as they may determine, to enter into an agreement with CDS and to do all things and execute all documents and other papers in the name of the Corporation in order to carry out the sale or hypothecation of the debentures and the Treasurer is authorized to affix the seal of the Corporation to all such documents and papers.

(2) The proceeds of the sale or hypothecation of the debentures, after providing for the discount, if any, and the expenses of the negotiation and sale thereof, shall be apportioned and applied to the purpose aforesaid and for no other purpose, except as permitted by the *Municipal Act*.
9. The holder of any definitive debenture issued under the authority of this by-law may exchange such debenture for debentures of the denomination of \$1,000 or any multiples thereof 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 rate and maturity date, bear 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.

1st Reading: September 14, 1998

2nd Reading September 14, 1998

3rd Reading September 14, 1998



Mayor



Clerk

THE CORPORATION OF THE TOWN OF AMHERSTBURG

Schedule "A" to By-law No. 1998-62

Year	Principal SEPT. 18	Interest Rate %	Interest		Annual Payment
			MAR 18	SEPT. 18	
1999	\$131,705.00	5.650	\$60,266.91	\$60,266.91	\$252,238.82
2000	139,000.00	5.700	56,546.25	56,546.25	252,092.50
2001	147,000.00	5.750	52,584.75	52,584.75	252,169.50
2002	156,000.00	5.800	48,358.50	48,358.50	252,717.00
2003	165,000.00	5.850	43,834.50	43,834.50	252,669.00
2004	174,000.00	5.900	39,008.25	39,008.25	252,016.50
2005	185,000.00	5.950	33,875.25	33,875.25	252,750.50
2006	196,000.00	6.000	28,371.50	28,371.50	252,743.00
2007	208,000.00	6.050	22,491.50	22,491.50	252,983.00
2008	220,000.00	6.100	16,199.50	16,199.50	252,399.00
2009	234,000.00	6.150	9,489.50	9,489.50	252,979.00
2010	<u>74,000.00</u>	6.200	<u>2,294.00</u>	<u>2,294.00</u>	<u>78,588.00</u>
TOTAL	<u>\$2,029,705.00</u>		<u>\$413,320.41</u>	<u>\$413,320.41</u>	<u>\$2,856,345.82</u>