

THE CORPORATION OF THE TOWN OF AMHERSTBURG

BY-LAW NUMBER 2005-92

A BY-LAW OF THE CORPORATION OF THE TOWN OF AMHERSTBURG TO AUTHORIZE THE BORROWING UPON DEBENTURES IN THE AMOUNT OF \$296,619.00 TOWARDS THE COST OF THE 6TH CONCESSION N. (ALMA TO CNTY. RD. 10 2 1/2" ASPHALT), SANDWICH ST. FROM ST. ARNAUD TO N. LIMIT OF TOWN, 7TH CONCESSION S. (ALMA TO CNTY. RD. 20), ERIEVIEW BEACH TO LEVERGOOD LANE, WELLINGTON ST. AND BLUE STREET

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

AND WHEREAS the Council of The Corporation of the Town of Amherstburg (the "Municipality") has passed the by-laws enumerated in column (1) of Schedule "A" attached hereto and forming part of this by-law authorizing the projects described in column (2) of Schedule "A" (individually a "Project", collectively, the "Projects"), and authorizing the entering into of a Financing Agreement for the provision of temporary borrowing from OSIFA in respect of the Projects (the "Financing Agreement") and desires to issue debentures for the Projects in the respective amounts specified in column (5) of Schedule "A";

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 the Project would not cause the Municipality to exceed the updated limit and that the approval of the Project by the Ontario Municipal Board was not required;

AND WHEREAS the Municipality has submitted an application to the Ontario Strategic Infrastructure Financing Authority ("OSIFA") for long-term borrowing through the issue of debentures to OSIFA in respect of the Projects (the "Application") and the Application has been approved;

AND WHEREAS to provide long-term financing for the Project and to repay certain temporary advances in respect of the Projects made by OSIFA pursuant to the Financing Agreement dated effective as of 19th of May, 2004 (the "Advances"), it is now expedient to issue 2.20 % amortizing debentures in the amount of \$ 296,619 in lawful money of Canada, payable semi-annually in instalments of combined (blended) principal and interest in each year commencing on 1st of June, 2006 and ending on 1st of December, 2010 on the terms hereinafter set forth;

AND WHEREAS on May 18, 2004 a regulation was filed which changed the name of the Ontario Municipal Economic Infrastructure Financing Authority ("OMEIFA") to the Ontario Strategic Infrastructure Financing Authority ("OSIFA").

NOW THEREFORE THE COUNCIL OF THE CORPORATION OF THE TOWN OF AMHERSTBURG ENACTS AS FOLLOWS:

1. For the Projects, the borrowing upon the credit of the Municipality of the sum of \$296,619.00 and the issue of debentures therefore upon the credit of the Municipality to be repaid in semi-annual instalments of combined (blended) principal and interest as hereinafter set forth, are hereby authorized.
2. The Mayor and the Treasurer of the Municipality are hereby authorized to cause any number of debentures to be issued for such sums of money as may be required for the Projects in definitive forms, not exceeding in total the said sum of

\$296,619.00 (the "Debentures"). The Debentures shall bear the Municipality's municipal seal and the signatures of the Mayor and the Treasurer of the Municipality, all in accordance with the provisions of the Act. The municipal seal of the Municipality and the signatures referred to in this section may be printed, lithographed, engraved or otherwise mechanically reproduced. The Debentures are sufficiently signed if they bear the required signatures and each person signing has the authority to do so on the date he or she signs.

3. The Debentures shall be in fully registered form as one or more certificates in the aggregate principal amount of \$296,619.00, in the name of OSIFA, substantially in the form attached as Schedule "B" hereto and forming part of this By-law with provision for payment of principal and interest (other than in respect of the final payment of principal and outstanding interest on maturity upon presentation and surrender) by pre-authorized debit in respect of such principal and interest to the credit of such registered holder on such terms as to which the registered holder and the Municipality may agree.
4. In accordance with the provisions of section 18 of the *Ontario Strategic Infrastructure Financing Authority Act, 2002* as security for the payment by the Municipality of the indebtedness of the Municipality to OSIFA under the Debentures (the "Obligations"), the Municipality is hereby authorized to agree in writing with OSIFA that the Minister of Finance is entitled, without notice to the Municipality, to deduct from money appropriated by the Legislative Assembly of Ontario for payment to the Municipality, or from money appropriated by such Assembly for payment to the Municipality in respect of such matters as may be specified, amounts not exceeding the amounts that the Municipality fails to pay to OSIFA on account of the Obligations and to pay such amounts to OSIFA.
5. The Debentures shall all be dated the 1st day of December, 2005 and shall be issued within two years after the day on which this By-law is enacted, and as to both principal and interest shall be expressed and be payable in lawful money of Canada. The Debentures shall bear interest from the date thereof at the rate of 2.20 % per annum payable semi-annually in arrears, as part of the semi-annual instalments described in this section. The Debentures shall be paid in full by December 1, 2010 and semi-annual instalments of combined (blended) principal and interest shall be payable on June 1 and December 1, commencing June 1, 2006 in each of the years during the currency of the Debentures as set forth in the amortization schedule set forth in Schedule "C" attached hereto and forming part of this By-law (the "Schedule "C").
6. Payments in respect of principal of and interest on the Debentures shall be made only on a day on which banking institutions in Toronto, Ontario, are not authorized or obligated by law or executive order to be closed (a "Toronto Business Day") and if any date for payment is not a Toronto Business Day, payment shall be made on the next following Toronto Business Day.
7. Interest shall be payable to the date of maturity of the Debentures and on default shall be payable both before and after default and judgment. Any amounts payable by the Municipality as interest on overdue principal or interest in respect of the Debentures shall be paid out of current revenue. Whenever it is necessary to compute any amount of interest in respect of the Debentures for a period of less than one full year, other than with respect to regular semi-annual interest payments, such interest shall be calculated on the basis of the actual number of days in the period and a year of 365 or 366 days as appropriate.
8. In each year in which a payment of an instalment of combined (blended) principal and interest becomes due, there shall be raised as part of the general levy the amounts of principal and interest payable in each year as set out in Schedule "C" to the extent that the amounts have not been provided for by any other available source including other taxes or fees or charges imposed on persons or property by a by-law of any municipality.
9. The Debentures may contain any provision for their registration thereof authorized by any statute relating to municipal debentures in force at the time of the issue thereof.

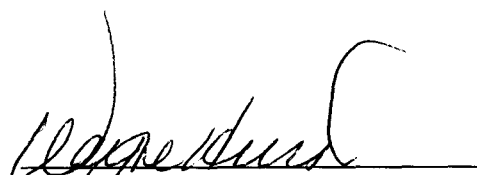
10. The Municipality shall maintain a registry in respect of the Debentures in which shall be recorded the names and the addresses of the registered holders and particulars of the Debentures held by them respectively and in which particulars of the cancellation, exchanges, substitutions and transfers of Debentures, may be recorded and the Municipality is authorized to use electronic, magnetic or other media for records of or related to the Debentures or for copies of them.
11. The Municipality shall not be bound to see to the execution of any trust affecting the ownership of any Debenture or be affected by notice of any equity that may be subsisting in respect thereof. The Municipality shall deem and treat registered holders of Debentures as the absolute owners thereof for all purposes whatsoever notwithstanding any notice to the contrary and all payments to or to the order of registered holders shall be valid and effectual to discharge the liability of the Municipality on the Debentures to the extent of the sum or sums so paid. Where a Debenture is registered in more than one name, the principal of and interest from time to time payable on such Debenture shall be paid to or to the order of all the joint registered holders thereof, failing written instructions to the contrary from all such joint registered holders, and such payment shall constitute a valid discharge to the Municipality. In the case of the death of one or more joint registered holders, despite the foregoing provisions of this section, the principal of and interest on any Debentures registered in their names may be paid to the survivor or survivors of such holders and such payment shall constitute a valid discharge to the Municipality.
12. The Debentures will be transferable or exchangeable at the office of the Treasurer of the Municipality upon presentation for such purpose accompanied by an instrument of transfer or exchange in a form approved by the Municipality and which form is in accordance with the prevailing Canadian transfer legislation and practices, executed by the registered holder thereof or such holder's duly authorized attorney or legal personal representative, whereupon and upon registration of such transfer or exchange and cancellation of the Debenture or Debentures presented, the Mayor and the Treasurer shall issue and deliver a new Debenture or Debentures of an equal aggregate principal amount in any authorized denomination or denominations as directed by the transferee, in the case of a transfer or as directed by the registered holder in the case of an exchange.
13. The Mayor and the Treasurer shall issue and deliver new Debentures in exchange or substitution for Debentures outstanding on the registry with the same maturity and of like form which have become lost, stolen, mutilated, defaced or destroyed, provided that the applicant therefore shall have: (a) paid such costs as may have been incurred in connection therewith; (b) (in the case of a lost, stolen or destroyed Debenture) furnished the Municipality with such evidence (including evidence as to the certificate number of the Debenture in question) and indemnity in respect thereof satisfactory to the Municipality in its discretion; and (c) surrendered to the Municipality any mutilated or defaced Debentures in respect of which new Debentures are to be issued in substitution.
14. The Debentures issued upon any registration of transfer or exchange or in substitution for any Debentures or part thereof shall carry all the rights to interest if any, accrued and unpaid which were carried by such Debentures or part thereof and shall be so dated and shall bear the same maturity date and, subject to the provisions of this By-law, shall be subject to the same terms and conditions as the Debentures in respect of which the transfer, exchange or substitution is effected.
15. The cost of all transfers and exchanges, including the printing of authorized denominations of the new Debentures, shall be borne by the Municipality. When any of the Debentures are surrendered for transfer or exchange the Treasurer of the Municipality shall: (a) in the case of an exchange, cancel and destroy the Debentures surrendered for exchange; (b) in the case of an exchange, certify the cancellation and destruction in the registry; and (c) enter in the registry particulars of the new Debenture or Debentures issued in exchange.
16. Reasonable fees for the substitution of a new Debenture or new Debentures for any of the Debentures that are lost, stolen, mutilated, defaced or destroyed and

for the replacement of lost, stolen, mutilated, defaced or destroyed principal and interest cheques may be imposed by the Municipality. Where new Debentures are issued in substitution in these circumstances the Municipality shall: (a) treat as cancelled and destroyed the Debentures in respect of which new Debentures will be issued in substitution; (b) certify the deemed cancellation and destruction in the registry; (c) enter in the registry particulars of the new Debentures issued in substitution; and (d) make a notation of any indemnities provided.

17. Except as otherwise expressly provided herein, any notice required to be given to a registered holder of one or more of the Debentures will be sufficiently given if a copy of such notice is mailed or otherwise delivered to the registered address of such registered holder.
18. The Mayor and the Treasurer are hereby authorized to cause the Debentures to be issued, the Clerk and Treasurer 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 Debentures and the Treasurer is authorized to affix the Municipality's municipal seal to any of such documents and papers.
19. The proceeds realized in respect of the Debentures, after providing for the expenses related to their issue, if any, shall be apportioned and applied for the Project and for no other purpose except as permitted by the Act.
20. Subject to the Municipality's investment policies and goals, the applicable legislation and the terms and conditions of the Debentures, the Municipality may, if not in default under the Debentures, at any time purchase any of the Debentures in the open market or by tender or by private contract at any price and on such terms and conditions (including, without limitation, the manner by which any tender offer may be communicated or accepted and the persons to whom it may be addressed) as the Municipality may in its discretion determine.
21. This By-law takes effect on the day of passing.

By-law read a first and second time this 28th day of November, 2005.

By-law read a third time and finally passed this 28th day of November, 2005.


Wayne Hurst, Mayor


David Mailloux, Clerk

THE CORPORATION OF THE TOWN OF AMHERSTBURG

Schedule "A" to By-law Number 2005-92

By-law	Project Description	Approved Amount to be Financed Through the Issue of Debentures	Amount of Debentures Previously Issued	Amount of Debentures to be Issued	Term of Years of Debentures
(1)	(2)	(3)	(4)	(5)	(6)
2003-48	6th Concession N. (Alma to Cnty. Rd. 10 2 1/2" asphalt)	\$131,374.00			5 Years Amortizing
	Sandwich St. from St. Arnaud to N. limit of Town	\$72,832.00			
	7th Concession S. (Alma to Cnty. Rd. 20)	\$60,399.00			
	Erievue Beach to Levergood Lane	\$7,549.00			
	Wellington St. and Blue Street	\$24,465.00			