

**THE CORPORATION OF THE CITY OF KENORA**

**BY-LAW NUMBER 31-2003**

**A BY-LAW TO AMEND BY-LAW NUMBER 96-99 – BEING A BY-LAW TO APPROVE THE OPERATION OF KENORA HYDRO ELECTRIC CORPORATION LTD. AND TO AUTHORIZE THE EXECUTION OF AN AGREEMENT BETWEEN THE HYDRO ELECTRIC COMMISSION OF THE CORPORATION OF THE TOWN OF KENORA, NOW CITY OF KENORA, THE CORPORATION OF THE CITY OF KENORA AND KENORA HYDRO ELECTRIC CORPORATION LTD.**

**WHEREAS** By-law Number 96-99 was passed in October 1999, prior to final 1999 year end information being available; and

**WHEREAS** By-law Number 96-99 included estimated values based on projected utility value as at 31 December 1999; and

**WHEREAS** it was the intent of By-law Number 96-99 to amend the related dollar amounts once final audited statements and utility valuation information was available following 31 December 1999;

**NOW THEREFORE** the Council of the Corporation of the City of Kenora enacts as follows:

1. THAT the debenture and any other items attached to By-law Number 96-99 be amended as per the attached amendments;
2. THAT the Mayor and Clerk be hereby authorized to execute all amended documents related to the above-noted matters on behalf of The Corporation of the City of Kenora.
3. THAT this By-law shall be in effect from the 31<sup>st</sup> day of December, 1999.

**By-law read a First & Second Time this 17<sup>th</sup> day of February, 2003.**

**By-law read a Third & Final Time this 17<sup>th</sup> day of February, 2003.**

**THE CORPORATION OF THE CITY OF KENORA:**

.....**D. Canfield, MAYOR**

.....**J. McMillin, CLERK**



AMENDMENTS TO THE CERTIFICATE

The certificate shall be amended as follows:

**IN THE MATTER OF** an issue of debentures of KENORA HYDRO ELECTRIC CORPORATION LTD. in the principal amount of \$3,069,278.86 dated 31<sup>st</sup> day of December, 1999, for the purposes of purchasing all the assets of The Hydro Electric Commission of the Town of Kenora, now the City of Kenora, authorized by By-Law No. Three (3) (the “Debenture By-Law”) of Kenora Hydro Electric Corporation Ltd.,

All other sections of the original certificate remain unchanged.

Dated as at the 17<sup>th</sup> day of February, 2003.

(Corporate Seal)

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David Sinclair

AMENDMENTS TO THE DEBENTURE

CANADIAN \$ 3,069,278.86

KENORA HYDRO ELECTRIC CORPORATION LTD.

(Province of Ontario, Canada)

CANADIAN \$ 3,069,278.86

Interest at a rate equal to the City's appointed bank's prime rate for that month as used for calculating interest payments on the City's accounts

This Debenture forms part of an Issue of Debentures in the principal amount Canadian \$3,069,278.86 issued under the authority of By-Law No. Three (3)

KENORA HYDRO ELECTRIC CORPORATION LTD.

KENORA HYDRO ELECTRIC CORPORATION LTD., FOR VALUE RECEIVED, HEREBY PROMISES TO PAY THE BEARER ON DEMAND THE PRINCIPAL SUM OF:

THREE MILLION, SIXTY-NINE THOUSAND, TWO HUNDRED & SEVENTY EIGHT DOLLARS AND EIGHTY SIX CENTS (\$3,069,278.86) CANADIAN

AND TO PAY INTEREST THEREON AT A RATE EQUAL TO THE CITY'S APPOINTED BANK'S PRIME RATE FOR THAT MONTH AS USED FOR CALCULATING INTEREST PAYMENTS ON THE CITY'S ACCOUNTS, PAYABLE MONTHLY IN ARREARS ON THE LAST DAY OF EACH MONTH TOGETHER WITH OTHER AMOUNTS AS MAY BE PAYABLE, ALL SUBJECT TO AND IN ACCORDANCE WITH SUCH TERMS AND CONDITIONS.

All other sections of the original debenture remain unchanged.

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**David E. Sinclair, President**

(Corporate Seal)

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**William E. Preisentanz, Secretary**

AMENDMENTS TO THE TERMS AND CONDITIONS  
APPLICABLE TO THE DEBENTURE

1. Section 2 shall be amended as follows:

Interest

The Debenture bears interest from December 31, 1999 at the City's appointed bank's prime rate for that month as used for calculating interest payments on the City's accounts payable monthly in arrears on the last day of each month, the first payment falling due on January 31, 2000. Interest payments in respect of the Debenture will be made against surrender of the appropriate Coupons in accordance with the provisions of Condition 4. If interest is required to be calculated for a period of less than a full month, it will be calculated on the basis of the actual number of days for which the debenture, or any portion thereof, is outstanding.

2. Section 5 shall be amended as follows:

Redemption and Purchase

- a. On Demand – the Debenture will be redeemed at its principal amount on demand, together with accrued and unpaid interest.

3. Section 8 shall be deleted

All other sections of the original terms and conditions applicable to the debenture remain unchanged.