

THE CORPORATION OF THE CITY OF KENORA

BY-LAW NUMBER 59 -2005

A BY-LAW TO AUTHORIZE CONSTRUCTION FINANCING IN THE AMOUNT OF \$8,887,117.87 THROUGH THE ISSUANCE OF DEBT TO KMTS MOBILITY TOWARDS THE COSTS OF THE PUBLIC WORKS FACILITY RELOCATION PROJECT

WHEREAS the Council of the Corporation of the City of Kenora, pursuant to Section 401(1) of the Municipal Act, S.O. 2001 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 City of Kenora, pursuant to Section 408(4)(d) of the Municipal Act may provide that instalments of principal, interest or both are not payable during the period of construction of an undertaking for which the debt was incurred, as estimated by council, but not to exceed five years; and

WHEREAS a debenture, pursuant to Section 408(6) may be dated as specified in the issuing by-law, including a date before the by-law is passed; and

WHEREAS the Corporation of the City of Kenora is within the prescribed limits as set out by the Ontario Municipal Board (OMB) in accordance with Section 401(4)(c) of the Municipal Act for issuing debt without application to the OMB; and

WHEREAS the Corporation of the City of Kenora intends to issue a final debt to KMTS Mobility upon completion of the Public Works Facility Relocation Project;

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

1. For the purposes aforesaid, there shall be borrowed upon the credit of the Corporation at large, the sum of \$8,887,117.87 in lawful money of Canada, and the Corporation shall issue debt in that amount to KMTS Mobility.
2. The debt shall be dated the 31st day of December 2004, and shall be repayable in full through the issue of a subsequent debt instrument to KMTS Mobility in the amount of this debt plus any additional unfinanced capital outlay relating the Public Works Facility Relocation Project upon completion of that project. For the duration of this construction financing, this debt shall bear interest at a rate of 3.3% per annum, payable either on the 31st day of December annually, or on the date the debt is paid, whichever comes earlier.
3. The debt shall be payable to principal in lawful money of Canada at the City's appointed financial institution.
4. The debt shall not be issued in any paper format other than this By-law.
5. THAT this By-law shall become law and take effect as of the 31st day of December, 2004.

By-law read a First & Second Time this 9th day of May, 2005.

By-law read a Third & Final Time this 9th day of May, 2005.

THE CORPORATION OF THE CITY OF KENORA:

Per.....D. Canfield, MAYOR

Per.....J. McMillin, CLERK