

THE CORPORATION OF THE CITY OF NORTH BAY

BY-LAW NO. 2001-126

BEING A BY-LAW TO AUTHORIZE THE BORROWING OF
\$6,000,000 UPON DEBENTURES TOWARDS THE COST OF
VARIOUS CAPITAL PROJECTS

WHEREAS the Council of The Corporation of the City of North Bay (the "Corporation") has passed the by-laws enumerated in column (1) of Schedule "A" hereto ("Schedule "A") authorizing the undertakings described in column (2) of Schedule "A" (individually a "Purpose", collectively the "Purposes"), and desires to issue debentures for the Purposes in the respective amounts set out in column (5) of Schedule "A" and repayable within the term of years authorized by the Council of the Corporation as set forth in column (6) of Schedule "A";

AND WHEREAS before authorizing each of the Purposes the Corporation had its Director of Financial Services and 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 Purpose, the Director of Financial Services and Treasurer has determined that the estimated annual amount payable in respect of each Purpose, would not cause the Corporation to exceed the updated limit and that the approval of each Purpose, by the Ontario Municipal Board under the *Ontario Municipal Board Act*, R.S.O. 1990. c. 0.28, as amended, was not required;

AND WHEREAS for the purposes aforesaid it is now expedient to issue ten year instalment debentures in the amount of \$6,000,000 payable in lawful money of Canada on the terms hereinafter set forth;

NOW THEREFORE THE COUNCIL OF THE CORPORATION OF THE CITY OF NORTH BAY ENACTS AS FOLLOWS:

1. For the purposes aforesaid, there shall be borrowed upon the credit of the Corporation at large the sum of \$6,000,000 in lawful money of Canada, and the Corporation shall issue instalment debentures therefor.
2. The Mayor 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 Purposes in global and definitive forms, not exceeding in total the said sum of \$6,000,000 (the "said debentures"), and the said 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 "Act"). The said debentures shall initially be issued in global fully registered form as one certificate in the principal amount of \$6,000,000 in the name of the nominee of The Canadian Depository for Securities Limited ("CDS"), being CDS & CO., 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 (the "Global Debenture").
3. The said debentures shall all be dated the 16th day of October, 2001 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 said debentures shall mature during a period of ten years from the date thereof and the respective amounts of principal and interest payable in each of the years in such period shall be as set forth in Schedule "B" hereto annexed ("Schedule "B"). The said debentures (and in the case of the Global Debenture, the annual amount of principal payable in respect of the said debentures thereunder) shall bear interest from the date thereof, which interest shall be payable semi-annually on April 16 and October 16 in each year of their currency. The said debentures maturing (principal payable) in the year 2002 shall bear interest at the rate of 3.400% per annum, the said debentures maturing (principal payable) in the year 2003 shall bear interest at the rate of 4.050% per annum, the said debentures maturing (principal payable) in the year 2004 shall bear interest at the rate of 4.550% per annum, the said debentures maturing (principal payable) in the year 2005 shall bear interest at the rate of 4.950% per annum, the said debentures maturing

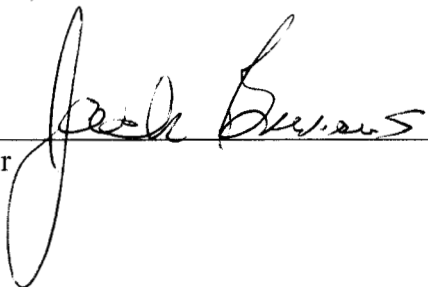
(principal payable) in the year 2006 shall bear interest at the rate of 5.300% per annum. the said debentures maturing (principal payable) in the year 2007 shall bear interest at the rate of 5.600% per annum, the said debentures maturing (principal payable) in the year 2008 shall bear interest at the rate of 5.950% per annum, the said debentures maturing (principal payable) in the year 2009 shall bear interest at the rate of 6.150% per annum, the said debentures maturing (principal payable) in the year 2010 shall bear interest at the rate of 6.250% per annum and the said debentures maturing (principal payable) in the year 2011 shall bear interest at the rate of 6.350% per annum.

4. Interest shall be payable to the date of maturity of the said debentures and on default shall be payable both before and after default and judgment. Any amounts payable by the Corporation as interest on overdue principal or interest in respect of the said debentures shall be paid out of current revenue.
5. In limited circumstances (as set out in the letter of representations addressed to 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 of the Corporation 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 in lawful money of Canada at any specified branch of the bank designated in the definitive debentures 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 said debentures, there shall be levied and raised by a special rate sufficient therefor in respect of the Purposes, over and above all other rates, on all the rateable property in the City of North Bay, the amount of the instalment of principal and interest payable in each year as set out in Schedule "B" to this by-law, but no greater rate shall be levied and raised 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 Purposes.
7. Pending the sale of the said debentures, or in lieu of selling them, the Council may by resolution authorize the head of the Council and the Treasurer to raise money by way of loan on the security of the said debentures or upon the security of some part of them, and to hypothecate the said debentures as security for the repayment of the loan.
8. The said 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.
9. (1) The Mayor and the Treasurer are hereby authorized to cause the said debentures to be issued, the Mayor and the Treasurer are hereby authorized to enter into a letter of representations with CDS, the Treasurer is hereby authorized to enter into a purchase letter in respect of the said debentures, the Treasurer is hereby authorized to generally do all things and to execute all documents and other papers in the name of the Corporation in order to carry out the sale or hypothecation of the said debentures and the Treasurer is authorized to affix the seal of the Corporation to any of such documents and papers.

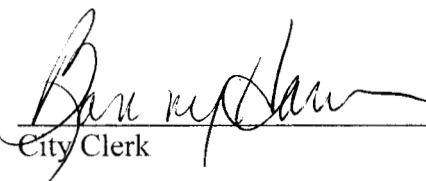
(2) The proceeds of the sale or hypothecation of the said debentures, after providing for the discount, if any, and the expenses of negotiation and sale thereof, shall be apportioned and applied for the Purposes and for no other purpose except as permitted by the Act.

10. The holder of any definitive debenture may exchange such debenture for debentures of authorized denominations 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 definitive debenture surrendered, bear all unmatured interest obligations, the same interest rate and maturity date and be the same in every respect except in denomination to such debenture surrendered. The cost of all such exchanges, including the printing of the new denominations of debentures, shall be borne by the Corporation.

READ A FIRST, SECOND AND THIRD TIME and finally passed this 9th day of October, 2001.



Mayor



City Clerk

THE CORPORATION OF THE CITY OF NORTH BAY

SCHEDULE "A" TO BY-LAW NO. 2001-126

(1)	(2)	(3)	(4)	(5)	(6)
Authorizing By-Law No.	Description of Undertaking	Debenture Amount Authorized by Council	Debentures Previously Issued	Debentures to be Issued	Authorized Term of Years
1999-107	Renovations to City Hall involving floors 1,2,3,4, and 5 including mechanical and electrical repair, renewal or replacement.	3,270,000	1,651,000	1,400,000	15
1999-154	Investigation and design, property purchase and building construction and rail relocation of the Canadian Pacific Rail Lands along the waterfront	12,015,387	NIL	3,400,000	15
2001-43	Construction of Community Aquatics Centre	3,600,000	NIL	1,200,000	15
				<u>6,000,000</u>	

THE CORPORATION OF THE CITY OF NORTH BAY

SCHEDULE "B"
TO BY-LAW NO. 2001-126

<u>Year</u>	<u>Interest Rate</u> %	<u>Interest April 16</u> \$	<u>Principal October 16</u> \$	<u>Interest October 16</u> \$	<u>Total Payment</u> \$
2002	3.400	161,834.00	466,000.00	161,834.00	789,668.00
2003	4.050	153,912.00	492,000.00	153,912.00	799,824.00
2004	4.550	143,949.00	519,000.00	143,949.00	806,898.00
2005	4.950	132,141.75	547,000.00	132,141.75	811,283.50
2006	5.300	118,603.50	577,000.00	118,603.50	814,207.00
2007	5.600	103,313.00	609,000.00	103,313.00	815,626.00
2008	5.950	86,261.00	643,000.00	86,261.00	815,522.00
2009	6.150	67,131.75	678,000.00	67,131.75	812,263.50
2010	6.250	46,283.25	715,000.00	46,283.25	807,566.50
2011	6.350	23,939.50	754,000.00	23,939.50	801,879.00
		1,037,368.75	6,000,000.00	1,037,368.75	8,074,737.50