

THE CORPORATION OF THE CITY OF NORTH BAY

BY-LAW NO. 2009-231

**BEING A BY-LAW TO AUTHORIZE THE ISSUE OF
REPLACEMENT DEBENTURE CERTIFICATES**

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 Corporation of the City of North Bay (the “Municipality”) has issued and continues to issue debentures to provide financing for its capital works pursuant to the provisions of the Act from time to time in connection with various long term financing transactions;

AND WHEREAS the Municipality from time to time issues debentures in the capital markets, such debentures are typically issued in global fully registered form (individually a “Global Debenture” and collectively the “Global Debentures”) in the name of CDS & CO. as nominee of CDS Clearing and Depository Services Inc. (“CDS”) as book entry only securities;

AND WHEREAS CDS has introduced changes to its book entry only services system and, effective August 1, 2009, requires Ontario municipal issuers who desire to issue debentures in the CDS system as book entry only securities to enter into new arrangements with CDS, including CDS’ Book Entry Only Securities – Services Agreement and as part of the new arrangements, Ontario municipalities may enter into Rider 1 (Municipalities) to CDS’ Book Entry Only Securities – Services Agreement (the “Rider”);

AND WHEREAS the Rider, amongst other things, provides in section 3.3 that if the statute or by-laws binding the issuer requires a bond of indemnity as a condition of issuing a replacement certificate in the event of a defacement, loss, mysterious or unexplainable disappearance, theft or destruction or other instance, then CDS may at its option, either give an indemnity to the issuer for losses incurred by the issuer by reason of a claim in respect of the defaced, lost mysteriously or unexplainably disappeared, stolen or destroyed global certificate, substantially in the form required by the issuer and acceptable to CDS, or deliver a bond of indemnity, lost document bond or similar instrument each of which is issued by a surety or insurer, in a form acceptable to both the issuer and CDS, and issuer shall have no right to require a fee of any kind, whereupon the issuer shall, if requested by CDS, issue a new global certificate to replace such defaced, lost, mysteriously or unexplainably disappeared, stolen, destroyed or dematerialized global certificate;

AND WHEREAS the Rider also provides in section 3.1 that the issuer shall deliver or cause to be delivered to CDS for each specific issue of debentures being deposited at CDS, one original, fully registered global certificate or if the aggregate principal amount of the debentures at maturity exceeds \$50 million CAD and if the statutes or by-laws binding the issuer require a bond of indemnity as a condition of issuing a replacement certificate, then with respect to each \$50 million of principal amount, the issuer shall deliver or cause to be delivered to CDS an additional original, fully registered global certificate;

AND WHEREAS it is expedient to authorize the issuing of replacement debenture certificates, including Global Debentures, in the event of a defacement, loss, mysterious or unexplainable disappearance, theft or destruction or other instance (such as dematerialization) and establish certain conditions in respect thereof;

AND WHEREAS by Resolution No. 2009-693 passed on the 2nd day of November, 2009, Council of The Corporation of the City of North Bay authorized the issuance of replacement debenture certificates;

NOW THEREFORE the Council of The Corporation of the City of North Bay hereby enacts as follows:

1. In the event of the defacement, loss, mysterious or unexplainable disappearance, theft or destruction or other instance (such as dematerialization) of debenture certificates, including Global Debentures, the Mayor and the Treasurer on behalf of the Municipality are hereby authorized to issue replacement debenture certificates in respect of any such debentures on the provision of a bond of indemnity, lost document bond or similar instrument each of which is issued by a surety or insurer, in a form acceptable to both the Municipality and the entity that has requested the replacement debenture certificate.
2. In the case of a request for a replacement debenture certificate by CDS, the Municipality shall have no right to require a fee of any kind, although the Municipality, may, at its discretion, in other cases require the payment of a fee to cover the cost of issuing a replacement debenture certificate.
3. This By-law comes into force on the day it is passed.

READ A FIRST TIME IN OPEN COUNCIL THIS 2ND DAY OF NOVEMBER, 2009.

READ A SECOND TIME IN OPEN COUNCIL THIS 2ND DAY OF NOVEMBER, 2009.

READ A THIRD TIME IN OPEN COUNCIL AND ENACTED AND PASSED THIS 2ND DAY OF NOVEMBER, 2009.

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MAYOR VIC FEDELI

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CITY CLERK CATHERINE CONRAD