

A BY-LAW AUTHORIZING THE BORROWING OF MONEY TO MEET CURRENT EXPENDITURES
OF THE COUNCIL OF THE CORPORATION OF THE TOWN OF PELHAM (the "Municipality")

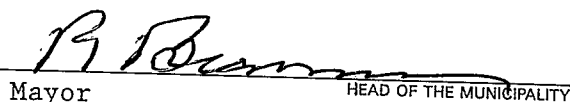
- A. In accordance with subsection 187(1) of the Ontario Municipal Act (the "Act"), the Municipality considers it necessary to borrow the amount of \$ 2,000,000.00 to meet, until taxes are collected, the current expenditures of the Municipality for the year 1998;
- B. Pursuant to subsection 187(2) of the Act, the total amount borrowed pursuant to this by-law together with the total of any similar borrowings is not to exceed the limits set forth in that subsection.
- C. The total amount previously borrowed by the Municipality pursuant to section 187 that has not been repaid is \$ Nil

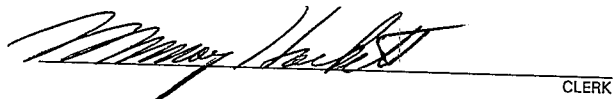
THEREFORE, the Council of the Municipality enacts as follows:

1. The Head and the Treasurer are authorized on behalf of the Municipality to borrow from time to time by way of promissory note or bankers' acceptance from CANADIAN IMPERIAL BANK OF COMMERCE ("CIBC") a sum or sums not exceeding in the aggregate \$2,000,000.00 to meet, until taxes are collected, the current expenditures of the Municipality for the year (including the amounts required for the purposes mentioned in subsection 187(1) of the Act) and to give to CIBC promissory notes or bankers' acceptances, as the case may be, sealed with the corporate seal of the Municipality and signed by the Head and Treasurer for the sums borrowed plus interest at a rate to be agreed upon from time to time with CIBC.
2. All sums borrowed pursuant to this by-law, as well as all other sums borrowed pursuant to the Act in this year and in previous years from CIBC for any purpose will, with interest thereon, be a charge upon the whole of the revenues of the Municipality for the current year and for all preceding years as and when this revenue is received.
3. The Treasurer is authorized and directed to apply in payment of all sums borrowed plus interest, all of the moneys collected or received on account in respect of taxes levied for the current year and preceding years or from any other source which may lawfully be applied for this purpose.
4. The Treasurer is authorized to furnish to CIBC a statement showing the nature and amount of the estimated revenues of the Municipality not yet collected and also showing the total of any amounts borrowed that have not been repaid.

PASSED this 15th. day of DECEMBER, 1997.




Mayor HEAD OF THE MUNICIPALITY


CLERK

I hereby certify that the forgoing is a true and complete copy of the By-law numbered above of the Municipality in the Province of Ontario, duly passed at a meeting of the Council of the Municipality and that this By-law is in full force and effect.

Dated this 15th. day of DECEMBER, 1997.

Witness the corporate seal




CLERK