

THE CORPORATION OF THE
TOWN OF PELHAM
BY-LAW #2642 (2005)

Being a by-law to authorize the interim financing of \$3,600,000 for the Town of Pelham.

WHEREAS the Council of the Town of Pelham (hereinafter called the "Municipality") deems it necessary to borrow the sum of \$3,600,000 to be used to purchase 32.12 acres of land from Westerra Equities Corp. hereinafter called the "Work";

AND WHEREAS the Municipal Act, S.O. 2001, Section 401 (5) describes "Work" to include any undertaking, project, scheme, act, matter or thing;

AND WHEREAS the Municipal Act, S.O. 2001, c.25, Section 405, authorizes temporary borrowing to meet expenditures made in connection with a "Work" to be financed in whole or in part by the issue of debentures;

AND WHEREAS approval of the Ontario Municipal Board for such interim financing and long term debt is not required pursuant to the Ontario Municipal Board Act, c.O. 28, Section 65 (3) (d);

AND WHEREAS the Municipality is desirous of entering into an agreement with the Canadian Imperial Bank of Commerce "CIBC" to provide for fifteen years interim financing (hereinafter called the "Demand Loan") for the "Work" which will include an annual amortization schedule for repayment of the long term debt;

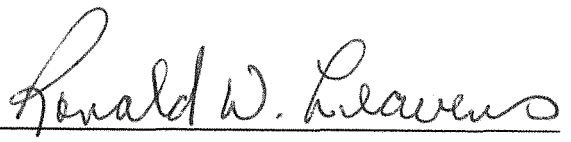
AND WHEREAS the Treasurer of the Corporation of the Town of Pelham has confirmed that the debt repayment limit for the Town of Pelham has been updated and that this project will not cause the Corporation to exceed its limit;

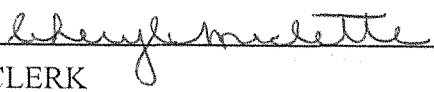
NOW THEREFORE COUNCIL OF THE CORPORATION OF THE TOWN OF PELHAM ENACTS AS FOLLOWS:

- (1) The Mayor and the Treasurer are hereby authorized on behalf of the Municipality to enter into arrangements with CIBC to borrow sum or sums not exceeding in the aggregate of \$3,600,000 to meet its share of the expenditures of the "Work", and to give on behalf of the Municipality to CIBC a Promissory Note or Notes sealed with the Corporate Seal of the municipality and signed by the Mayor and Treasurer for the monies so borrowed, with interest at such rate as is agreed upon with CIBC.
- (2) All sums borrowed pursuant to the authority of this by-law, from the CIBC for the "Work", shall, with interest thereon, be a charge upon the whole of the revenues of the Town of Pelham for the current year and for all succeeding years as and when such revenues are received, until the Demand Loan is paid.

- (3) The Treasurer is hereby authorized and directed to apply in payment of all sums borrowed as aforesaid, together with interest thereon, all of the monies hereafter collected or received either on account or realized in respect of taxes levied for the current year and succeeding years or from any other source which may lawfully be applied for such purpose, to meet the fifteen year amortization schedule for the Demand Loan.
- (4) That the Mayor and the Treasurer are hereby authorized and directed to execute on behalf of the Corporation of the Town of Pelham the arrangements and documents necessary in order to give effect to the Demand Loan.

READ A FIRST, SECOND AND THIRD TIME
AND FINALLY PASSED BY COUNCIL THIS
7th. DAY OF FEBRUARY, 2005 A.D.


MAYOR


CLERK