

TOWN OF HAMIOTA

BY-LAW NO. 7/2001

WHEREAS the Council of the Town of Hamiota (herein referred to as the Corporation) deems it necessary to borrow the sum of Three Hundred Thousand Dollars (\$300,000.00) to meet the current expenditures of the Corporation for the current year 2001 until such time as the taxes levied therefore are collected;

AND WHEREAS the total amount of the taxes collected by the Corporation last year was the sum of Seven Hundred and Ninety Thousand, Two Hundred and Ninety Five Dollars and Nineteen Cents (\$790,295.19).

AND WHEREAS the amounts (if any) heretofore borrowed and outstanding for current purposes and the amount hereby authorized to be borrowed and the amounts (if any) heretofore borrowed by any School District during the present year for current purposes in anticipation of the school tax moneys to be received by it from the Corporation do not exceed the total amount of the taxes so collected as aforesaid.

NOW THEREFORE it is hereby enacted by the Corporation of The Town of Hamiota as follows:

1. That the Mayor and The Treasurer of the Corporation be and they are hereby authorized to borrow under the seal of the Corporation from the Hamiota Credit Union Limited the sum of Three Hundred Thousand Dollars (\$300,000.00) for the purpose aforesaid and to pay or agree to pay interest: thereon, either in advance or at maturity and in either case after maturity, at the rate of prime minus 1/2 per centum per annum.
2. That a promissory note or notes under the seal of the Corporation and signed by Mayor and Treasurer thereof be duly executed and given to the said Credit Union for the amount so borrowed with interest as aforesaid.
3. That the Corporation hereby mortgages, assigns, transfers, pledges and hypothecates to the said Credit Union the taxes of the Corporation for the present year for municipal or school purposes or the purposes of the minister as additional security for the repayment of the amount so borrowed for any of such respective purposes.
4. That the Corporation shall deposit said taxes with the said Credit Union, as collected, in a special account as collateral security for payment of the amount so borrowed and interest, but the Credit Union shall not be restricted to the said taxes for payment of the sum borrowed hereunder, nor shall it be bound to wait for repayment of said sum until said taxes are collected, or be required to see that they are deposited or applied as aforesaid.
5. That the amount so borrowed and interest shall be payable within the current year.
6. That the Mayor and Treasurer are hereby authorized to give to the said Credit Union in the name of, on behalf of and under the seal of the Corporation, as security for the moneys so borrowed and interest thereon, a covenant or agreement containing a clause that all taxes levied or to be levied by the Corporation for the present year be and they are thereby pledged, hypothecated, mortgaged, transferred and assigned to the said Credit Union as security for said loan and interest thereon and are charged as a first charge with repayment of such loan and interest, or a clause to like effect; and that said taxes shall be deposited forthwith on being collected in the said Credit Union to the credit of the Corporation in a special account as collateral security for said advance.
7. That this By-law shall come into force and have effect immediately from and after the passing thereof.

8. That nothing herein or in said covenant or agreement contained shall waive, prejudicially affect or exclude any right, power, benefit or security by statute, common law or otherwise given to or implied in favour of the said Credit Union.

Done and passed at a duly assembled and constituted meeting of the Council of the Corporation held this ____ day of _____, 2001.

MAYOR

CHIEF ADMINISTRATIVE OFFICER

Read a first time this 19th day of September A.D. 2001.

Read a second time this ____ day of _____A.D. 2001.

Read a third time this ____ day of _____A.D. 2001.