

The Corporation of the Municipality of Strathroy-Caradoc

BY-LAW NUMBER XXXXX

A BY-LAW TO AUTHORIZE FROM TIME TO TIME DURING THE CURRENT TERM OF COUNCIL OF The Corporation of the Municipality of Strathroy-Caradoc (THE “MUNICIPALITY”) THE FOLLOWING: THE SUBMISSION OF APPLICATIONS TO ONTARIO INFRASTRUCTURE AND LANDS CORPORATION (“OILC”) FOR THE FINANCING OF CERTAIN CAPITAL WORK(S) OF THE MUNICIPALITY; TO AUTHORIZE TEMPORARY BORROWING FROM OILC TO MEET EXPENDITURES IN CONNECTION WITH SUCH CAPITAL WORK(S); AND TO AUTHORIZE LONG-TERM BORROWING FOR SUCH CAPITAL WORKS THROUGH THE ISSUE OF DEBENTURES TO OILC

WHEREAS the *Municipal Act, 2001* (Ontario), as amended, (the “**Act**”) provides that a municipal power shall be exercised by by-law unless the municipality is specifically authorized to do otherwise;

AND WHEREAS subsection 405 (1) of the Act provides, amongst other things, that a municipality may authorize temporary borrowing to meet expenditures made in connection with a work to be financed in whole or in part by the issue of debentures if, the municipality is an upper-tier municipality, a lower-tier municipality in a county or a single-tier municipality and it has approved the issue of debentures for the work;

AND WHEREAS subsection 401(1) of 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 Act also provides that a municipality shall authorize long-term borrowing by the issue of debentures or through another municipality under section 403 or 404 of the Act;

AND WHEREAS OILC has invited Ontario municipalities desirous of obtaining temporary and long-term debt financing in order to meet capital expenditures incurred from time to time in connection with eligible capital works to make application to OILC for such financing by completing and submitting an application in the form provided by OILC;

AND WHEREAS the Municipality has completed and submitted an application to OILC or intends to complete and submit an application or applications to OILC, from time to time during the current term of Council of the Municipality (individually an "**Application**"), to request financing by way of long-term borrowing through the issue of debentures to OILC and by way of temporary borrowing from OILC pending the issue of such debentures for: (i) one or more authorized capital works of the Municipality and (ii) one or more authorized classes of capital works of the Municipality, as described in each Application (individually a "**Capital Work**", collectively the "**Capital Works**");

AND WHEREAS OILC has accepted and has approved or will accept and will approve an initial Application and any other Applications made and submitted by the Municipality under the authority of this By-law, as the case may be;

NOW THEREFORE THE COUNCIL OF The Corporation of the Municipality of Strathroy-Caradoc ENACTS AS FOLLOWS:

1. The Council of the Municipality hereby confirms, ratifies and approves the execution by the Treasurer of an initial Application and the submission by such authorized official of the Application, duly executed by such authorized official, to OILC, and also authorizes the Treasurer to execute any other Applications under the authority of this By-law and submit such other Applications, duly executed by such authorized official, to OILC, from time to time during the current term of Council of the Municipality, for the financing of the Capital Work(s) in the authorized maximum aggregate principal amount substantially in the form of Schedule "A" hereto and forming part of this By-law, with such changes thereon as such authorized official may hereafter approve, such execution and delivery to be conclusive evidence of such approval.
2. The Mayor and the Treasurer are hereby authorized to negotiate and enter into, execute and deliver for and on behalf of the Municipality, from time to time during the current term of Council of the Municipality, any financing agreement (individually a "**Financing Agreement**") with OILC that provides for temporary and long-term borrowing from OILC under the authority of this By-law in respect of the Capital Work(s) on such terms and conditions as such authorized officials may approve, such execution and delivery to be conclusive evidence of such approval.
3. The Mayor and/or the Treasurer are hereby authorized, from time to time during the current term of Council of the Municipality, pending the substantial completion of a Capital Work or of each Capital Work, as the case may be, or as otherwise agreed with OILC, to make temporary borrowings pursuant to section 405 of the Act in respect of the Capital Work or of each Capital Work, as the case may be, on the terms and conditions provided in the relevant Financing Agreement which

Financing Agreement provides that the information contained in the Record, as defined in the Financing Agreement, in respect of such temporary borrowings shall be deemed final, conclusive and binding on the Municipality, and on such other terms and conditions as such authorized officials may agree; and the Treasurer is authorized to sign such certifications as OILC may require in connection with such borrowings in respect of the Capital Work(s); provided that the amount of borrowings allocated to the Capital Work or to each Capital Work, as the case may be, does not exceed the authorized estimated expenditure for the Capital Work or each Capital Work, as the case may be (the “**Authorized Expenditure**”), and does not exceed the related loan amount set out in the relevant Application in respect of such Capital Work.

4. Subject to the terms and conditions of the relevant Financing Agreement entered into under the authority of this By-law and such other terms and conditions as OILC may otherwise require, the Mayor and the Treasurer are hereby authorized, from time to time during the term of the relevant Financing Agreement, to long-term borrow for the Capital Work(s) and to issue debentures to OILC on the terms and conditions provided in the relevant Financing Agreement and on such other terms and conditions as such authorized officials may agree (the “**Debentures**”); provided that the principal amount of the Debentures issued in respect of the Capital Work or of each Capital Work, as the case may be, does not exceed the Authorized Expenditure for such Capital Work and does not exceed the related loan amount set out in the relevant Application in respect of such Capital Work.
5. In accordance with the provisions of section 25 of the *Ontario Infrastructure and Lands Corporation Act, 2011*, as amended from time to time hereafter, the Municipality is hereby authorized to agree in writing with OILC that the Minister of Finance is entitled, without notice to the Municipality, to deduct from money appropriated by the Legislative Assembly of Ontario for payment to the Municipality, amounts not exceeding the amounts that the Municipality fails to pay to OILC on account of any unpaid indebtedness of the Municipality to OILC under any outstanding temporary borrowing and/or the Debentures, as the case may be pursuant to the Financing Agreements entered into from time to time under the authority of this By-law (the “**Obligations**”) and to pay such amounts to OILC from the Consolidated Revenue Fund.
6. For the purposes of meeting the Obligations, the Municipality shall provide for raising in each year as part of the general levy, the amounts of principal and interest payable in each year under any outstanding temporary borrowing and/or any Debenture outstanding pursuant to the relevant Financing Agreement entered into under the authority of this By-law, to the extent that the amounts have not been provided for by any other available source including other taxes or fees or charges imposed on persons or property by a by-law of any municipality.
7. (a) The Mayor and the Treasurer are hereby authorized, from time to time during the current term of Council of the Municipality, to enter into, execute and deliver the Applications and the relevant Financing Agreements under the authority of this By-law, and to issue the Debentures, one or more of the

Clerk and the Treasurer are hereby authorized, from time to time during the current term of Council of the Municipality, to generally do all things and to execute all other documents and papers in the name of the Municipality in order to perform the Obligations of the Municipality under such Financing Agreements, to request and receive any temporary borrowing and to issue the Debentures, and the Treasurer is authorized to affix the Municipality's municipal seal to any such documents and papers.

- (b) The money realized in respect of any temporary borrowing for the Capital Work(s) and the Debentures, including any premium, and any earnings derived from the investment of that money, after providing for the expenses related to any such temporary borrowing and to the issue of the Debentures, if any, shall be apportioned and applied to the respective Capital Work and to no other purpose except as permitted by the Act.

8. This By-law takes effect on the day of passing.

ENACTED AND PASSED this _____ day of _____, A.D. 20_____.

Colin Grantham
Mayor

Deputy Clerk

Schedule "A"
to By-Law Number XXXXX

Please insert a form of the OILC Application into Schedule "A".