THE CITY OF WINNIPEG

BY-LAW NO. /2007

A borrowing by-law of THE CITY OF WINNIPEG to authorize the borrowing of money by the issue and sale of city securities in the principal amount of $17,500,000.00 for the purpose of repaying in full the principal of the Debentures issued and sold pursuant to By-law No. 7054/97.

WHEREAS Section 294 of *The City of Winnipeg Charter* provides:

"294(1) Subject to subsection (2), council may pass by-laws enabling the city to borrow money in such manner, in such amounts, and on such security as council may consider necessary for any purpose for which the city is authorized to make provision, including, without limiting the generality of the foregoing, borrowing money required for local improvements.

294(2) Before council gives second reading to a by-law under subsection (1), the city must apply for and obtain the approval of the Minister of Finance for the borrowing under the proposed by-law.

294(3) An application for approval under subsection (2) must specify the principal amount to be borrowed and give a general description of the objects for which the amount will be used, but it is not necessary to specify in the application

(a) the manner of borrowing;

(b) the particulars of any proposed securities to be issued in respect of the borrowing; or

(c) the rate of interest payable on the amount or the term within which it is repayable.

294(4) In dealing with an application made under this section, the Minister of Finance must consider only the financial position of the city and must

(a) approve the application in whole or in part or subject to terms and conditions, including specifying the time within which the amount to be borrowed is to be repayable; or

(b) refuse to approve the application."

AND WHEREAS subsection 302 of *The City of Winnipeg Charter* provides:

> "302 Where an outstanding city security is refinanced by the issue and sale of a new city security, the principal amount of the new security may exceed the amount required to repay the outstanding security; but, if the net amount raised by the new security exceeds the amount required to repay the outstanding security, the excess must be used to reduce the levies for principal and interest, or be paid into the relevant sinking fund account, in respect of the new security."

AND WHEREAS pursuant to THE CITY OF WINNIPEG By-law No. 7054/97 passed on June 20, 1997, The City of Winnipeg (herein referred to as "the City") borrowed money by the issue and sale of Debentures of the City in the aggregate principal amount of $40,000,000.00 in lawful money of Canada;

AND WHEREAS the said Debentures are payable on June 27, 2007, or on such earlier date as the principal sum may become repayable in accordance with the Terms and Conditions of the Debentures;

AND WHEREAS there is a net shortfall to the principal amount outstanding under By-law No. 7054/97 of $17,500,000.00 which must be refinanced;

AND WHEREAS the City deems it necessary and desirable to borrow an amount sufficient to repay in full the principal of the Debentures issued and sold pursuant to said By-law No. 7054/97;

AND WHEREAS, for that purpose, it is intended by this By-law and the issue of securities as security for the monies borrowed, to create a debt of $17,500,000.00 in connection with the following purposes:

Repayment of Debentures authorized by By-law No. 7054/97

Purpose	**Principal Amount**
General (Tax Supported)	$16,150,000.00
Civic Accommodations Fund (formerly included within General Tax Supported)	600,000.00
Transit System	750,000.00
Total	$17,500,000.00

AND WHEREAS before the second reading of this borrowing by-law, this borrowing received the authorization of the Minister of Finance;

NOW THEREFORE THE CITY OF WINNIPEG, in Council assembled, enacts as follows:

1. For the purposes and objects of the City specified in this by-law, money in the principal amount of $17,500,000.00. may be borrowed on the credit of the City by the issue and sale of debentures of the City, or by the issue of such other city securities as may be determined by the

Chief Financial Officer in accordance with *The City of Winnipeg Charter*.

2. The Chief Financial Officer must report to Council on the issue and sale of debentures or other city securities pursuant to this by-law within 90 days of the dates of issue.

3. Pending the issue of the debentures or other city securities, the Chief Financial Officer may agree with a bank or person for temporary advances from time to time to meet expenditures incurred for the purposes stated in this by-law.

RECEIVED FIRST READING on the day of , 2007;

AUTHORIZATION OF THE MINISTER OF FINANCE RECEIVED on the day of , 2007.

RECEIVED SECOND READING on the day of , 2007;

RECEIVED THIRD READING AND PASSED on the day of , 2007.

DONE AND PASSED, in Council assembled, this day of . 2007.

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Mayor

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City Clerk

Approved as to financial details:

_____
City Treasurer

Certified as to form:

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City Solicitor/Manager of
Legal Services