REFERENCE: FILE NO.

THE CITY OF WINNIPEG

BY-LAW NO. 7942/2001

A By-law of THE CITY OF WINNIPEG to authorize the borrowing during the year 2002 of monies not exceeding the sum of $250,000,000.00 in aggregate for capital and current purposes, and to authorize the issuance and delivery of promissory notes as security for such borrowing.

WHEREAS Section 281 of *The City of Winnipeg Act* provides:

"281(1) The city is authorized to pass by-laws, without submitting them for the approval of the ratepayers, to provide for the borrowing from banks or from any other persons or corporations in such amounts as the council may deem necessary for any or all of the following purposes:

(a) pending the collection of taxes to meet the current expenditures of the city including the amounts required for sinking fund, principal and interest payments falling due within the year on any debt of the city;

(b) to meet any emergency condition which may arise during any year involving abnormal expenditures;

(c) for any other purposes for which the city is permitted by law to provide;

(d) to authorize the expenditure in any year, before the adoption of the annual estimates for that year, of amounts not exceeding in aggregate 30% of the estimate of expenditures adopted for the previous year;

281(2) For the purpose of securing the repayment of any money borrowed for the purposes mentioned in this section the city may issue and deliver promissory notes and may enter into agreements for the borrowing and repayment of such money and the interest thereon and such promissory notes may be expressed so as to bear interest only on such money as shall be borrowed thereon.

281(3) In the case of a borrowing from a bank, either by way of overdraft or otherwise, the city by by-law may hypothecate, pledge and assign to the bank any or all taxes then owing to the

city or which may become owing to the city during the year in which the monies are so borrowed subject only to prior valid charges, if any.

281(6) Pending the issuing of any debentures which the city is empowered to issue under this Act, the city may, for the purpose of paying the cost of any work for the payment of which the debentures are to be issued, borrow from a bank or other person or corporation such money as it may require therefor and may give such temporary security as the bank or other person may require, which loan from the bank or other person shall be repaid and security redeemed out of the proceeds of the debentures when issued.";

AND WHEREAS it is expedient for THE CITY OF WINNIPEG to borrow from time to time from:

i) The Royal Bank of Canada by way of overdraft or otherwise;

ii) The City of Winnipeg Sinking Fund Trustees by way of call funds;

iii) other persons or corporations, including The Royal Bank of Canada, by way of issuing promissory notes;

monies not exceeding the sum of $250,000,000.00 for Current expenditures pending the collection of taxes for the year 2002 and for Capital purposes pending the issuing of debentures;

AND WHEREAS it is also expedient to authorize the issuance and delivery of promissory notes for the purpose of securing the repayment of all or a part of the monies to be borrowed;

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

1. Subject to Section 2, the Mayor and the Chief Financial Officer are hereby authorized on behalf of the City of Winnipeg to borrow from The Royal Bank of Canada (hereinafter referred to as “the Bank”) or from any other persons or corporations, including The City of Winnipeg Sinking Fund Trustees, such sums of money during the year 2002 as may be required from time to time

(a) pending the collection of taxes, to meet the current expenditures of the city including the amounts required for sinking fund, principal and interest payments falling due within the year on any debt of the City, or to meet any emergency condition, or for any other purposes for which the

City is permitted to provide; and

(b) pending the issuing of debentures, for the purpose of paying the cost of any work for which debentures are to be issued;

and to execute on behalf of the City of Winnipeg and deliver to the Bank or other persons a promissory note or notes to secure repayment of the monies so borrowed.

2. The net amount borrowed under Section 1 shall not exceed the sum of $250,000,000.00 in aggregate at any time after deducting any credit balances or short term investments held. Short term investments include those investments made under Section 333(1) of *The City of Winnipeg Act* which will mature or that the Chief Financial Officer intends to sell within a calendar year.

3. The signature of the Mayor on the promissory notes may be engraved, lithographed, printed or otherwise mechanically reproduced and if the promissory notes are countersigned by an authorized officer of The Royal Bank of Canada, the signature of the Chief Financial Officer or designate may be engraved, lithographed, printed or otherwise mechanically reproduced thereon. The reproduction of the signatures of the Mayor and the Chief Financial Officer or designate on the promissory notes shall be deemed to be the signatures of the Mayor and the Chief Financial Officer or designate respectively and shall be binding upon the City.

4. The seal of the City may be engraved, lithographed, printed or otherwise mechanically reproduced on the promissory notes and when so engraved, lithographed, printed or otherwise mechanically reproduced shall have the same force and effect as if manually affixed.

5. The rates of interest payable on promissory notes shall be established by requesting bids from banks or from other persons or corporations. The Chief Financial Officer shall approve the rates of interest that the promissory notes shall bear and shall notify the Mayor of the terms of notes and the respective rates of interest.

6. The promissory notes shall mature at such time or times during the calendar year 2002 and the following 360 days as may be determined by the Mayor and the Chief Financial Officer, and the Chief Financial Officer is hereby authorized to insert and fill in the amounts, maturity dates and the rate of interest payable.

7. The Chief Financial Officer may enter into agreements with The Royal Bank of Canada for it to act as agent for the City in the delivery of the

City's promissory notes in the cities of Winnipeg, Toronto and Montreal.

8. Call fund deposits made by the Sinking Fund Trustees of The City of Winnipeg with The City of Winnipeg do not require the issuance and authorization of promissory notes and the corresponding interest rates shall be set by the Chief Financial Officer and the Secretary of the Sinking Fund Trustees with a method of calculation to be approved from time to time by the Mayor.

9. The Chief Financial Officer may delegate any of the powers or duties provided under this by-law in writing to an employee of the City.

10. The lender from whom any monies are borrowed pursuant to this by-law shall not be bound to see to the application of any sums lent and the lender shall in no way suffer or be affected by the misapplication or non-application of any monies borrowed.

11. All realty and business taxes collected by the City, with the exception of monies collected for school purposes or levies for local improvements shall, immediately upon collection, be deposited to the credit of the City in its account with the Bank.

12. The proceeds of any debentures issued by the City for any of the purposes for which advances are made by the Bank under this by-law shall be paid into the account of the City with the Bank and shall be applied by the Bank against any indebtedness of the City to the Bank.

13. The Bank shall have the right to offset any debit balance against the credit balance in any of the City's accounts with the Bank.

DONE AND PASSED, in Council assembled, this day of , 2001.

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Mayor

_____
City Clerk

Approved as to financial details:

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City Treasurer

Certified as to form:

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City Solicitor/Manager of Legal Services