



RURAL MUNICIPALITY OF DUFFERIN

By-law No. 1795

**Being a by-law of the Rural Municipality of Dufferin
authorizing for Borrowing for Current Expenses**

WHEREAS the Council of the Rural Municipality of Dufferin (hereinafter referred to as the "Corporation") deems it necessary to borrow the sum of Seven Hundred and Fifty Thousand Dollars (\$750,000.00) to meet the current expenditures of the Corporation for the current year, 2006, until such time as the taxes levied therefore are collected;

AND WHEREAS the total amount of the taxes collected by the Corporation and grants in lieu of taxes received last year was the sum of three million, seven hundred and five thousand, eight hundred and ten dollars and eleven cents (\$3,705,810.11);

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

NOW THEREFORE it is hereby enacted by the Council of the Rural Municipality of Dufferin in a meeting assembled:

1. That the Reeve and Chief Administrative Officer of the Corporation be and they are hereby authorized to borrow from the Dufferin Credit Union Limited (hereinafter referred to as the "Credit Union") the sum of Seven Hundred and Fifty Thousand Dollars 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 nominal rate of _____% per annum.
2. That the Reeve and Chief Administrative Officer of the Corporation be and they are hereby authorized on behalf of the Corporation to execute under seal of the Corporation a promissory note or notes in favour of the Dufferin Credit Union for the amount of said loan with interest as aforesaid payable on _____.
3. That the Corporation hereby mortgages, assigns, transfers, pledges, and hypothecates to the Credit Union the taxes of the Corporation for the present year for municipal, school or Municipal Commissioner purposes 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 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 Reeve and Chief Administrative Officer are hereby authorized to give to the Credit Union in the name, on behalf of and under the seal of the Corporation as security for the monies 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 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 said Credit Union to the credit of the Corporation in a special account as collateral security for said loan and interest thereon.
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 Credit Union.

DONE AND PASSED at a duly assembled and constituted meeting of the Council of the Rural Municipality of Dufferin this _____ day of _____, 2006.

Douglas W. Sisson, Reeve

Ruth Stege, Chief Administrative Officer

Given first reading this 27th day of June, 2006

Given second reading this

Given third reading this