

THE RURAL MUNICIPALITY OF MORRIS

BY-LAW NO. 1560/02

WHEREAS the Council of the Rural Municipality of Morris (hereinafter referred to as the Corporation) deems it necessary to borrow the sum of One Million Dollars (\$1,000,000.00) to meet the current expenditures of the Corporation for the current year 2002 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 Two Million, Two Hundred and Seventeen Thousand Dollars (\$2,217,000.);


AND WHEREAS the amounts heretofore borrowed and outstanding for the purpose and the amount hereby authorized to be borrowed by 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 Rural Municipality of Morris as follows:

1. That the Reeve and Municipal Administrator of the corporation be and they are hereby authorized to borrow under the seal of the Corporation from the Bank of Montreal the sum of One Million Dollars (\$1,000,000.00) 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.
2. That a promissory note or notes under the seal of the Corporation and signed by the Reeve and Municipal Administrator thereof be duly executed and given to the said Bank for the amount so borrowed with interest as aforesaid.
3. That the Corporation hereby mortgages, assigns, transfers, pledges and hypothecates to the said Bank the taxes of the Corporation for the present year for municipal 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 said Bank as collected in a special account as collateral security for payment of the amount so borrowed and interest, but the Bank 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 Municipal Administrator are hereby authorized to give to the said Bank in the name, on behalf of and under the seal of the Corporation as security for the moneys so borrowed and interest thereon, 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 hereby pledged, hypothecated, mortgaged, transferred and assigned to the said Bank as security for the said loan and interest thereon and are charged as a first charge with repayment of such loan and interest, or a clause to the like effect, and that said taxes shall be deposited forthwith on being collected in said Bank 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 as of January 1, 2002.
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 Bank.

DONE AND PASSED at a duly assembled and constituted meeting of the Council of the Rural Municipality of Morris held this 13th day of February, 2002.

  
\_\_\_\_\_  
Reeve

  
\_\_\_\_\_  
Municipal Administrator



COVENANT OR AGREEMENT given by the Rural Municipality of Morris,  
hereinafter called the Corporation, to the Bank of Montreal, hereinafter called the Bank.

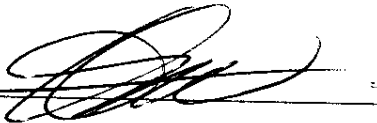
Whereas by By-law No. 1560/02 of the Corporation providing for borrowing  
from the Bank the sum of One Million Dollars (\$1,000,000.00) to meet the current  
expenditures of the Corporation for the present year 2002, provision is made for the  
giving of this Covenant or Agreement as security for said loan and interest thereon.

NOW THEREFORE THIS COVENANT OR AGREEMENT WITNESSETH  
that in consideration of the premises, the Corporation covenants and agrees with the  
Bank as follows:

1. That all taxes levied or to be levied by the Corporation for the present year be  
and they are hereby pledged, hypothecated, mortgaged, transferred and assigned  
to the Bank as security for said loan and interest thereon and are charged as a  
first charge with repayment of such loan and interest.
2. That said taxes shall be deposited forthwith on being collected in the said Bank  
to the credit of the Corporation in a special account as collateral security for  
said advance.

IN WITNESS WHEREOF these presents have been executed under the seal of  
the Corporation attested by the signatures of its Reeve and Municipal Administrator this  
13th day of February , 2002.

Reeve



Municipal Administrator



