

**RURAL MUNICIPALITY OF HEADINGLEY**

**BY-LAW NO. 18/93**

BEING A BY-LAW OF THE RURAL MUNICIPALITY OF  
HEADINGLEY to authorize borrowing for Capital Purposes. \_\_\_\_\_

WHEREAS Subsection 458(1) of The Municipal Act, being R.S.M. 1988, c. M225 provides as follows:

**Borrowing for current expenses.**

**458(1)** Subject to subsections (2) and (7), a municipality may borrow by overdraft or other means such amounts as the council deems necessary to meet the then current expenditures and obligations of the municipality until such time as the taxes levied therefor are collected and may authorize the head of the municipality with the treasurer thereof, to execute security for and on behalf of the municipality and under the seal of the municipality.

AND WHEREAS the Council of The Rural Municipality of Headingley (herein called "the Municipality") deems it necessary to borrow the sum of Six Hundred Fifty Thousand Dollars (\$650,000.00) to meet the capital expenditures of the Corporation for the fiscal year 1993 to be repaid firstly from any funds received from the division of assets received from the City of Winnipeg with any remaining balance to be recovered by equal levies in the years 1994 and 1995;

NOW THEREFORE, IT IS HEREBY ENACTED by the Council of the Rural Municipality of Headingley as follows:

1. That the Reeve and Municipal Administrator of the Municipality be and they are hereby authorized to borrow under the seal of the Municipality from **ROYAL BANK OF CANADA** (herein called "the Bank") the sum of Six Hundred Fifty Thousand Dollars (\$650,000.00), for the purpose aforesaid and to pay or agree to pay interest thereon, or on so much thereof as remains from time to time unpaid, calculated at the Bank's prime interest rate in effect from time to time plus 0% per annum, as well after as before maturity, default and judgment, with interest on overdue interest at the same rate as the principal.
2. That the amount so borrowed with interest aforesaid be evidenced by either of the following means:
  - (a) by one or more promissory notes under the seal of the Municipality and signed by the Reeve and Municipal Administrator thereof and given to the Bank, or
  - (b) by overdraft on the account of the corporation with the Bank by cheques signed by the Reeve and Municipal Administrator thereof.
3. That the Municipality hereby mortgages, assigns, transfers, pledges and hypothecates to the said Bank any funds received from the City of Winnipeg with the remaining balance to be recovered by equal levies in the years 1994 and 1995.
4. That the Municipality shall deposit said moneys or taxes with the 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 fiscal year from funds received from the City of Winnipeg with any remaining balance to be recovered by equal levies in the years 1994 and 1995.
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 Municipality as security for the moneys

so borrowed, and interest thereon, a covenant or agreement containing a clause that all funds received from the City of Winnipeg, with any remaining balance to be recovered by equal levies in the years 1994 and 1995 be and they are thereby pledged, hypothecated, mortgaged, transferred and assigned to the Bank as security for said loan and interest therein and are charged as a first charge with repayment of such loan and interest, or a clause to like effect; and that said funds or taxes shall be deposited forthwith on being collected in the Bank to the credit of the Municipality in a special account as collateral security for said advance.

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 said Bank.

DONE AND PASSED by the Council of the Rural Municipality of Headingley, assembled at Headingley, in the Province of Manitoba this 18th day of May , 1993.

RURAL MUNICIPALITY OF HEADINGLEY

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Reeve

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Municipal Administrator