

THE CORPORATION OF THE TOWNSHIP OF MCGARRY

BY-LAW NUMBER 95-5

BEING A BY-LAW TO AUTHORIZE THE ENTERING INTO
A SPECIAL ASSISTANCE LOAN AGREEMENT BETWEEN
THE CORPORATION OF THE TOWNSHIP OF MCGARRY
(THE "MUNICIPALITY") AND HER MAJESTY THE QUEEN
AS REPRESENTED BY THE MINISTER OF MUNICIPAL
AFFAIRS (THE "MINISTER").

WHEREAS the Corporation of the Township of McGarry requested a special assistance loan in the amount of \$350,000.00 from the Minister of Municipal Affairs for the construction of a communal water system for the Township of McGarry and;

WHEREAS the Minister has approved a loan in the amount of \$350,000.00;

NOW THERE BE IT RESOLVED that the Reeve and Clerk-Treasurer be and they are hereby authorized to execute the agreement and that a copy of the said agreement is attached hereto marked Schedule "A" to this by-law.

READ a first and second time this 15th day of May, 1995.

Clément Lapointe
REEVE

Ardene Lefebvre
CLERK-TREASURER

READ a third and final time this 15th day of May, 1995.

Clément Lapointe
REEVE

Ardene Lefebvre
CLERK-TREASURER

Schedule "A"

THIS AGREEMENT made in triplicate this *2nd* day of

May, 1995

BETWEEN: HER MAJESTY THE QUEEN IN RIGHT OF
ONTARIO AS REPRESENTED BY THE
MINISTER OF MUNICIPAL AFFAIRS
HEREINAFTER REFERRED TO AS THE
"MINISTER"

AND

THE TOWNSHIP OF MCGARRY HEREINAFTER REFERRED
TO AS "THE MUNICIPALITY"

WHEREAS the Municipality is experiencing financial difficulties because of the non payment of the municipal taxes by its largest ratepayer, A. J. Perron Gold Corporation;

AND WHEREAS the Municipality's water supply system does not meet Provincial standards;

AND WHEREAS the Municipality received approval for the construction of a new system at a cost of \$4.738 million;

AND WHEREAS the project received a high level of Provincial funding in the amount of \$4.355 million;

AND WHEREAS the Municipality was unable to obtain a commercial loan due to its financial difficulties;

AND WHEREAS the water project and the committed funds to date will be jeopardized without assistance;

AND WHEREAS the Minister considers it is necessary to lend funds to the Municipality to enable the Municipality to continue with the completion of the water project;

AND WHEREAS clause 7(2)(e) of the ^{*MCJ*} Ontario Unconditional Grants Act empowers the Minister ~~of~~ to make a loan to a municipality by Order when, in the Minister's opinion, property taxes in a municipality may be unduly increased because of circumstances beyond the control of the municipal council and of an unusual or special nature and such a loan may be subject to such terms and conditions as the Minister considers necessary in the circumstances;

NOW THEREFORE THIS AGREEMENT WITNESSETH THAT in consideration of the mutual covenants and agreements herein and subject to the terms and conditions in this Agreement, the Minister and the Municipality do hereby covenant and agree as follows:

1. The Minister shall lend to the Municipality the sum of Three Hundred and Fifty Thousand Dollars (\$350,000) to be paid to the Municipality on or before March 31, 1995;

2. The Municipality shall repay the Minister for the loan in ten (10) equal instalments of principal and interest at prime plus one percent (1%) as at March 31, 1995; the first payment will be due June 30, 1996 and each of the remaining nine (9) payments on June 30th of each succeeding year;

3. If the Municipality fails to make any payment under paragraph 2, the Minister may deduct all or part of the amount of the payment from any grants or other money to be paid to the Municipality by the Province.

IN WITNESS WHEREOF the Minister and the Municipality have executed this Agreement.

SIGNED, SEALED AND DELIVERED IN THE PRESENCE OF:

Witness



Her Majesty the Queen
in Right of Ontario as
Represented by the
Minister of Municipal
Affairs

Pauline Saucher
Witness

Clément J. J. J. J.
On behalf of the
Municipality

Pauline Saucher
Witness

André Lefebvre
On behalf of the
Municipality