

THE CORPORATION OF THE TOWN OF COBOURG

BY-LAW NUMBER 016-2010

A BY-LAW TO AUTHORIZE EXECUTION OF A PROMISSORY NOTE WITH COBOURG NETWORKS INC. (CNI) FOR THE STREETLIGHT PROGRAM.

WHEREAS pursuant to Section 401 (1) of the *Municipal Act, 2001*, which provides that a municipality may incur a debt for municipal purposes, whether by borrowing money or in any other way, and may enter prescribed financial agreements for or in relation to the debt;

AND WHEREAS the on March 31, 2008 Council passed a resolution authorizing the installation of a new street lighting system with the costs to be allocated to the Town's streetlight maintenance budget over a twenty year period;

AND WHEREAS in a report dated January 13, 2010. Council was advised that the project had been completed at a final cost of \$1,399,800.00 and that a provincial grant in the amount of \$500,000.00 had been applied thus reducing the project cost to a net amount of \$899,000.00;

AND WHEREAS subsequently Council authorized the Mayor and Clerk to enter into a Loan Guarantee agreement with the Toronto-Dominion bank guaranteeing a bank loan to Cobourg Networks Inc. for an amount not to exceed CDN \$900,000.00;

AND WHEREAS the Cobourg Networks Inc. have now completed their loan agreement with the bank, the final transaction is for the Town of Cobourg to provide CNI with a promissory note agreeing to repay, to CNI, the amount of \$899,000.00 plus interest over a twenty year period;

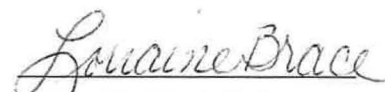
AND WHEREAS Council is desirous to do so;

NOW THEREFORE the Municipal Council of the Corporation of the Town of Cobourg enacts as follows:

1. THAT the Mayor and Treasurer are hereby authorized and instructed to execute on behalf of the Corporation a Promissory Note agreeing to repay, to CNI, the amount of \$899,800 plus interest over a twenty year period.

READ a first, second and third time and finally passed in Open Council this 29th day of March 2009.


Mayor


Municipal Clerk