

Bill No. 289
2018

By-law No. A.-_____

A by-law to approve and execute a promissory note between The Corporation of the City of London, and The London Public Library and to authorize the Mayor and City Clerk to execute the agreement.

WHEREAS subsection 5(3) of the *Municipal Act, 2001* provides that a municipal power shall be exercised by by-law;

AND WHEREAS a promissory note from the London Public Library would qualify as and eligible investment under section 418(1) of the Municipal Act as such prescribed under Ontario Regulation 438/97 ss 0.1 ui as a security that the municipality may invest in.

NOW THEREFORE the Municipal Council of The Corporation of the City of London enacts as follows:

1. The agreement to be entered into between The Corporation of the City of London and The London Public Library regarding the \$1,917,507.00 promissory note, attached as Schedule 1 to this by-law, is approved.
2. The Mayor and the City Clerk are authorized to execute the agreement approved under section 1 above.

This by-law shall come into force and effect on the day it is passed.

PASSED in Open Council on June 26, 2018

Matt Brown
Mayor

Catharine Saunders
City Clerk

APPENDIX A

LONDON PUBLIC LIBRARY BOARD PROMISSORY NOTE

FOR VALUE RECEIVED, the London Public Library Board (the “Debtor”) hereby promises to pay on the Maturity Date to or to the order of THE CORPORATION OF THE CITY OF LONDON (the “Creditor”) at its offices in London, Ontario, the principal amount specified below (“Principal”) together with interest at the rate specified below (“Interest”) under this promissory note (the “Note”).

The following are the terms and conditions of the Note:

PRINCIPAL

1. The Principal of this Note is ONE MILLION NINE HUNDRED SEVENTEEN THOUSAND FIVE HUNDRED AND SEVEN DOLLARS (CAD \$1,917,507.00).

INTEREST RATE

2. Interest shall be payable at a fixed rate of 3.258% per cent per annum, calculated and compounded annually not in advance and payable before and after maturity or default and judgment on the amount outstanding from time to time.

REGULAR INSTALLMENT PAYMENT

3. A payment of TWO HUNDRED TWENTY SEVEN THOUSAND SEVEN HUNDRED AND SIXTY DOLLARS (CAD \$227,760.00) shall be made annually on the first day of March during the term of this Note commencing March 1, 2019.

MATURITY DATE

4. This Note shall mature on March 1, 2029.

ASSIGNMENT

5. The Creditor may, at any time and from time to time, assign or transfer any or all of its right, title or interest in, to and under this Note to any Person. The Debtor shall not assign any or all of its obligations without the prior written consent of the Creditor, which consent may be arbitrarily withheld without reasons.

DEFAULT

6. In the event of a default of the payment in accordance with the terms of this note of any Principal or Interest, the Debtor and every permitted endorser shall pay all costs incurred by the Creditor in enforcing and collecting upon this Note, including legal costs on a full indemnity basis.

AMENDMENT

7. All amendments to this Note require the written consent of the Debtor and Creditor.

ENUREMENT

8. This Note shall be binding upon and enure to the benefit of the Debtor and the Creditor and their respective successors and permitted assigns.

WAIVER

9. The Debtor hereby waives presentment, demand for payment, notice of dishonour, notice of non-payment, protest, notice of protest, and any and all other notices and demands in connection with the delivery, acceptance, performance, default or enforcement of this Note.

EXCHANGE OF NOTE

10. On receipt of evidence reasonably satisfactory to the Debtor of the loss, theft, destruction or mutilation of this Note, and in the case of loss, theft or destruction, on delivery of an indemnity agreement reasonably satisfactory in form and substance to the Debtor or, in the case of mutilation, on surrender and cancellation of the mutilated Note, the Debtor at its expense shall execute and deliver, in lieu of this Note, a new promissory note of the same form and amount.

SIGNATURES

11. If this Note bears the signatures of individuals who were at any time the proper officers of the Debtor at the time of signing, such signatures shall bind the Debtor, notwithstanding that any such individuals may have ceased to hold such officers prior to or subsequent to the delivery of this Note.

GOVERNING LAW

12. This Note shall be construed, interpreted and governed by the laws of the Province of Ontario and the federal laws of Canada applicable therein.

This Note is executed by the Debtor this _____ day of, _____ at London, Ontario.

LONDON PUBLIC LIBRARY BOARD

Per: _____