

Bill No. 259
2016

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 Convention Centre Corporation and to authorize the Mayor and City Clerk to execute the promissory note.

WHEREAS subsection 5(3) of the *Municipal Act, 2001* S.O. 2001, c.25, as amended, provides that a municipal power shall be exercised by by-law;

AND WHEREAS a promissory note from the London Convention Centre would qualify as an eligible investment under section 418(1) of the *Municipal Act, 2001* 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 Convention Centre Corporation regarding the \$1,965,000.00 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.
3. This by-law shall come into force and effect on the day it is passed.

PASSED in Open Council on July 26, 2016.

Matt Brown
Mayor

Catharine Saunders
City Clerk

First Reading – July 26, 2016
Second reading – July 26, 2016
Third reading – July 26, 2016

Schedule "1"

PROMISSORY NOTE

Date:

To the order of: **THE CORPORATION OF THE CITY OF LONDON** (the "Lender")
300 Dufferin Ave., P.O. Box 5035
London, Ontario
N6A 4L9

Borrower: London Convention Centre Corporation

For Value Received, the undersigned (the "Borrower") promises to pay on the Maturity Date to or to the order of the Lender at the office of the Lender specified above, the principal amount specified below ("Principal") together with interest at the rate specified below ("Interest"). All payments received under this promissory note (the "Note") shall be applied first to the payment of Interest, and second to the payment of Principal.

This Note is a negotiable instrument.

The following are the terms and conditions of the Note:

1. Principal:

The Principal of this Note is: ONE MILLION NINE HUNDRED SIXTY FIVE THOUSAND DOLLARS (CAD\$1,965,000.00).

2. Regular Installment Payment

TWO-HUNDRED TWENTY-TWO THOUSAND TWO-HUNDRED FOUR DOLLARS THIRTY-SEVEN CENTS (CAD\$222,204.37) such payments to be made annually on the first day of August during the term of this Note commencing on August 1, 2017.

3. Maturity Date:

This Note shall mature on August 1, 2026.

4. Interest Rate

Interest shall be payable at a fixed rate of interest of 2.30% 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.

5. Default

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

6. Right of Prepayment

- (1) The Borrower may, prepay the whole or any part of the Principal together with all accrued interest provided:
 - a. Any prepayment may only be made on August 1st;
 - b. Any amount of prepayment shall not be less than the sum of FIFTY THOUSAND DOLLARS (\$50,000.00);
 - c. The Borrower shall provide the Lender at least thirty (30) days prior written notice of its intention to prepay which notice shall include the amount to be prepaid;
 - d. Any notice given under c. shall be irrevocable and shall bind the Borrower; and
 - e. Where the prepayment amounts to the full amount of the Principal outstanding, such prepayment shall include all accrued interest.

- (2) In the event of repayment of any part of the Principal amount, the total remaining Principal shall be amortized over the remaining years of the loan at the same fixed rate of interest of 2.30% per cent per annum.
- (3) The Lender shall provide the Borrower with an adjusted amortization schedule within thirty (30) days of an annual payment date on which a prepayment was made by the Borrower.

7. No Assignment

The Borrower may not assign or endorse this Note or its obligations thereunder at any time without the express written consent of the Lender which consent may be unreasonably withheld.

Signed and sealed as of the date first above written

LONDON CONVENTION CENTRE CORPORATION

By: _____
Name:
Title:

By: _____
Name:
Title:
(seal)