

SCHOOL DIVISION BORROWING BY-LAW
(Current Expenses)

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MANITOBA
SCHOOL DIVISION BORROWING BY-LAW

BY-LAW NO. 93-1

A By-Law of the Trustees of "The TURTLE MOUNTAIN
School Division No. 44 " in Manitoba, providing for the borrowing of
moneys upon the credit of the said School Division to meet current
expenses.

WHEREAS the estimate of the said School Division, as prepared by
the Trustees thereof, of the amount required to meet the expenditures
for such School Division for the current year (1993) is the sum of
TWO MILLION Dollars (\$2,000,000.00).

OR

WHEREAS the estimate of the said School Division for the current
year has not yet been made but the estimate of such Division for last
year (19) was the sum of _____ Dollars
(\$).

AND WHEREAS the Trustees of the said School Division have not yet
received any moneys on account of the School Taxes for the current year
from any Municipality or any Local Government District nor any moneys
from the Provincial Government by way of grant for the current year save
the sum of _____ Dollars (\$)
from the Rural Municipality of _____ No. _____;
the sum of _____ Dollars (\$)
from the Rural Municipality of _____ No. _____;

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and from Local Government District of _____
No. _____ the sum of _____ Dollars (\$ _____)
and the sum of _____ Dollars (\$ _____) from
the Provincial Government.

AND WHEREAS no moneys have been previously borrowed to meet the
expenditures of the current year save as set out in the following
Schedule, that is to say:

| <u>AMOUNTS PREVIOUSLY BORROWED</u> | <u>DATES OF NOTES GIVEN THEREFOR</u> | <u>WHEN PAYABLE</u> | <u>SUM PAID THEREON</u> | <u>DATE OF SUCH PAYMENTS</u> |
|--|--|-------------------------|-----------------------------|----------------------------------|
| \$2,000,000.00 | JUNE 9, 1992 | DEMAND | | |

AND WHEREAS the amount (if any) heretofore borrowed and the amount
hereby authorized to be borrowed do not exceed the amount of the said
estimate after deducting therefrom such sums (if any) as have been paid
over by a Municipality or by a Local Government District or by the
Provincial Government on Account of the amount required for the current
year's expenses of the School Division.

NOW THEREFORE the Trustees of "The TURTLE MOUNTAIN
School Division NO. 44" in session assembled enact as follows:

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(1)(a) THAT the Trustees of the said School Division do borrow the sum of TWO MILLION Dollars (\$2,000,000) from the KILLARNEY CREDIT UNION LIMITED upon the credit of the said School Division, and do pay or agree to pay at such times as may be required by the Credit Union interest thereon both before and after maturity, at a rate of 1/2 OF ONE percentage point(s) per annum ~~above the prime rate per annum~~ OF BELOW THE "SECURED RATE" as ~~in~~ ESTABLISHED FROM TIME TO TIME BY THE CREDIT UNION CENTRAL OF MANITOBA IN effect from time to time calculated daily.

(b) THAT the School Division do enter into a Line of Credit Agreement with the Credit Union in the form required by the Credit Union and the Corporate Seal of the said School Division be affixed to the said Line of Credit Agreement attested by the signatures of the Chairman and Secretary-Treasurer of the said School Division.

(c) THAT the School Division do give to the Credit Union the demand promissory note or notes of the School Division for the sums borrowed together with interest thereon if and as may be required by the said Credit Union and the Corporate Seal of the said School Division be affixed to the said note or notes attested by the signatures of the Chairman and Secretary-Treasurer of the said School Division.

(2) THAT the amount so borrowed shall be a first charge upon any money to be received by the Trustees on account of the current year's estimate for the purposes of the said School Division whether from the Municipalities and Local Government Districts or from the Provincial Government or from any other source and as the same are received the said School Division shall deposit them with the said Credit Union in a special account as collateral security for payment of the amount so borrowed with interest thereon but the said Credit Union shall not be restricted thereto for the payment of the sum or sums so borrowed nor shall it be bound to wait for repayment of the moneys so borrowed until the Municipalities and Local Government or the Provincial Government have discharged their obligation to the School Division nor be obliged to see that moneys paid to the School Division are deposited or applied as aforesaid.

(3) THAT nothing herein 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 Credit Union.

DONE AND PASSED at a duly assembled and constituted meeting of the said Trustees held this 27th day of APRIL A.D. 1993.

(SEAL)

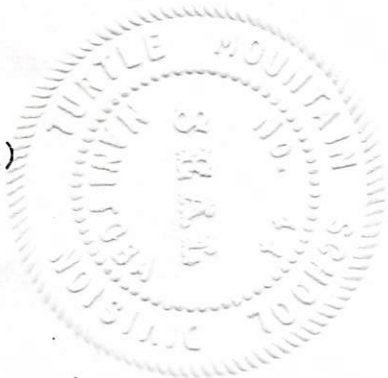



CHAIRMAN

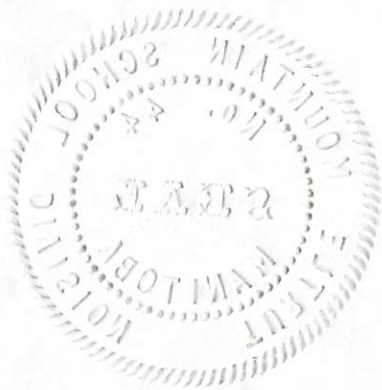

SECRETARY-TREASURER

I, DWAYNE PATCHETT Secretary of the above mentioned School Division, hereby certify the above to be a true and correct copy of By-Law No. 93-1 of the Trustees of the said School Division and that the same was duly enacted and passed by the Trustees of the said School Division at a duly assembled and constituted meeting thereof held on the 27th day of APRIL A.D. 1993.

(SEAL)




SECRETARY-TREASURER



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LINE OF CREDIT AGREEMENT

Account Number

6800-1

| | | |
|--|------------|---|
| Member Name(s) <u>TURTLE MOUNTAIN SCHOOL DIVISION</u> <u># 44</u> (hereinafter called the "Member") | Birth Date | Credit Union Name <u>KILLARNEY</u> Credit Union Limited (hereinafter called the "Credit Union") |
| Address <u>BOX 280</u> <u>KILLARNEY, MAN. R0K1G0</u> | Birth Date | Address <u>Box 1030</u> <u>KILLARNEY, MAN. R0K1G0</u> |

THIS AGREEMENT BETWEEN:

The above Member and the Credit Union is made as of the _____ day of _____, 19_____.

In consideration of the Credit Union agreeing to lend to the Member sums of money by way of a revolving line of credit

not to exceed the principal sum of TWO MILLION

DOLLARS (\$2,000,000.00)
(hereinafter called the authorized limit)

upon the terms and conditions hereinafter set forth, **THE MEMBER COVENANTS WITH THE CREDIT UNION AS FOLLOWS:**

1. ADVANCES

Any portion of the line of credit from time to time available to the Member may be accessed by the Member issuing orders drawn upon the Credit Union, (hereinafter referred to as "cheque" or "cheques") or by any other transaction by which monies could be withdrawn by the Member from his/her/their (joint) Account No. 6800-1 (C00), (all of which shall be considered an advance or a loan to the Member under the terms of this line of credit agreement, hereinafter referred to as the agreement).

2. FUNDS

(a) All dollar amounts referred to in this agreement are expressed in Canadian Funds.

~~(b) All dollar amounts referred to in this agreement are expressed in U.S. Funds.~~

3. ADVANCES NOT TO EXCEED AUTHORIZED LIMIT

The Member shall not permit the line of credit to exceed the authorized limit and the Credit Union may refuse to honour any cheque or permit any withdrawal, if by doing so the loan exceeds or would after such payment or withdrawal exceed the authorized limit; provided however that if the Credit Union honours such cheque or permits such withdrawal, the amount of the cheque or withdrawal shall be treated as an overdraft of the authorized limit and be subject to the terms and conditions of the membership application and account agreement. It is understood that the Credit Union shall be under no obligation to honour any such cheque or permit such withdrawal and that any decision to allow the same shall be in the sole and absolute discretion of the Credit Union. The Member further acknowledges that no agreement either expressed or implied shall separately result from or be implied from any decision by the Credit Union to honour any such cheque or permit any such withdrawal, and that any such decision shall not in any way affect or prejudice the rights of the Credit Union to thereafter refuse to permit any such withdrawal or honour any such cheque.

4. INTEREST

The Member agrees to pay interest to the Credit Union on all amounts advanced up to the authorized limit of the line of credit, as well after as before maturity, default or judgment as follows:

(a) **Floating Rate of Interest:** at the rate of interest equal to the PRIME Rate of interest of the Credit Union (hereinafter referred to as the "Variable Loan Rate") declared from time to time, plus MINUS ONE HALF OF ONE PERCENT (-1/2 %) per annum. The Variable Loan Rate is subject to fluctuation without notice and is the lending rate of interest expressed as a rate per annum established from time to time by the Board of Directors of the Credit Union as its Variable Loan Rate.

At the date of the execution of this Agreement the Variable Loan Rate is _____ PERCENT (____%) per annum and therefore, the interest rate initially charged on money advanced pursuant to this agreement shall be _____ PERCENT (____%) per annum.

(b) **Fixed Rate of Interest:** at _____ PERCENT (____%) per annum.

DELETE
(a) or (b)

COMPLETE ONLY
(a) or (b)



All interest shall be calculated daily, not in advance, compounded monthly and payable on the last day of each and every month during which there are sums outstanding and owing hereunder, provided that in the event the Member shall not pay the accrued interest as provided herein, then the Credit Union is hereby authorized and directed to advance such sums under the line of credit as may be required to pay the interest and such advance shall be considered an advance or loan under the terms of this agreement and shall bear interest at the aforesaid rate from the date of such advance.

5. COMPOUND INTEREST ON DEFAULT

On default of payment of any sum to become due for interest at any time appointed for payment hereof as aforesaid, compound interest shall be payable thereon, and the sum in arrears for interest from time to time, as well after as before maturity, default and judgment, shall bear interest at the rates aforesaid, and in case the interest and compound interest are not paid in one month from the time of default a rest shall be made, and compound interest at the rates aforesaid shall be payable on the aggregate amount of interest and compound interest then due, as well after as before maturity, default and judgment, and so on from time to time.

6. EQUIVALENT YEARLY RATE

The Equivalent Yearly Rate of Interest chargeable on the sums advanced under this agreement may be determined by reference to the compound interest conversion table, incorporated into and forming part of this agreement.

7. ADVANCES AND DEPOSITS

All sums advanced to the Member under this agreement shall be debited to the line of credit and interest shall be charged thereon on the day of any such advance. All sums paid by the Member in payment of any advances or deposited into the Member's line of credit account shall be credited on the date of receipt of funds, provided if any cheque deposited to the account is subsequently dishonoured for any reason, any such payment shall for all purposes be treated as not having been made and interest shall continue to accrue and be recalculated on the full amount of the loan. All such payments and deposits shall be applied and credited firstly on interest owing at the time of payment and the balance on principal.

8. REPAYMENT

The Member agrees to repay the full amount advanced under this agreement, together with all interest thereon; *UPON DEMAND. UPON DEMAND*, the Member shall forthwith pay to the Credit Union all amounts owing including any interest thereon. A demand shall terminate any obligation of the Credit Union to make any further advances to the Member under this agreement. It is also acknowledged and agreed that the Member shall have the right to repay all sums due under the line of credit including interest at any time without notice, bonus or penalty.

9. TERMINATION

In addition to the Credit Union's right to demand payment, this agreement shall terminate:

(a) Immediately, **without notice**, upon the Member ceasing to meet the Member's liabilities to the Credit Union as they become due, becoming insolvent, committing any act of bankruptcy or upon the death of the Member.

or,

(b) **By notice** to the Member indicating the date of termination, provided that the parties agree that the Credit Union shall not in any event, be required to give more than seven (7) days notice of such termination.

Upon termination of this agreement all money owing hereunder shall thereupon become immediately due and payable and in the event of failure to pay, the Credit Union may realize on all of the collateral granted by the Member to secure the amount advanced under this agreement. In any case, the Credit Union shall not be obliged or required to honour any cheque presented for payment after the date of termination of this agreement.

10. LIMIT OF AGGREGATE AMOUNT ADVANCED

The Credit Union shall have the right at any time during the currency of this agreement by notice, to limit the aggregate amount to be advanced hereunder.

11. SERVICE OF NOTICES

Unless otherwise specifically stated, service of any notice under this agreement may be made on the Member either personally or by forwarding a letter to the Member by ordinary post to the address of the Member listed in the Credit Union's records. A notice sent by post shall be deemed to have been received by the Member forty-eight (48) hours after it was posted.

12. USE OF ADVANCES

The Member agrees to use the advances made under this agreement in accordance with the purposes as represented to the Credit Union on the application for credit.

13. LIEN ON SHARES AND DEPOSITS

The Member acknowledges that the Credit Union has a lien upon any share held by the Member and any amount standing to the credit of the Member or his/her/their legal representative with the Credit Union for amounts due under this agreement and that the Credit Union may enforce the lien in any manner and apply any monies to the credit of the Member toward payment of the amount due by the Member to the Credit Union under this agreement.

14. COLLATERAL

As a condition of the Credit Union advancing any monies to the Member under this agreement and in order to secure repayment of any sums owing under this agreement including interest, the Member hereby grants, assigns, hypothecates and pledges to the Credit Union:

BORROWING By LAW.

Further, the Member shall from time to time forthwith on demand, deliver to the Credit Union such additional collateral as may be required by the Credit Union and in the event of failure by the Member to do so, the Credit Union may in its discretion cease or refrain from making further loans or advances to the Member under this agreement.

The collateral hereby granted, assigned, hypothecated and pledged and agreed to be granted, assigned, hypothecated and pledged by the Member together with any substituted collateral that may be granted, assigned, hypothecated and pledged by the Member to the Credit Union in the future shall be held by the Credit Union as a continuing security interest for the payment and satisfaction of all money and liabilities which are now or at any time hereafter may be due, owing or incurred by the Member under this agreement. The Member agrees to execute such additional security documents as may be necessary to give further effect to this provision. Any such documents taken shall be in addition to this agreement and shall not merge with or otherwise affect the enforceability of this agreement.

No right or remedy of the Credit Union under this agreement or which the Credit Union may have at law shall be exclusive or dependent upon any right, remedy or agreement but any one or more of such rights, remedies or agreement may from time to time be exercised independently or in combination.

15. REMEDIES ON DEFAULT

If any Member shall make default in payment of the amounts advanced under this agreement or fail to perform any covenant or condition required herein, the Credit Union shall be entitled to exercise all remedies or rights available to it by law for collection of all sums outstanding herein, including seizure and/or sale of all property granted, assigned, hypothecated and pledged as collateral pursuant to this agreement. All monies realized by the Credit Union from any collateral granted, assigned, hypothecated and pledged by the Member shall be applied in repayment of the monies owing by the Member under this agreement. The Member shall be liable for and forthwith pay any deficiency remaining after realization of any such collateral, including all costs and expenses incurred by the Credit Union in pursuit of its remedies upon default which are collectable by law.

16. PROVISIONS SEVERABLE

It is further agreed that in the event any provision of this agreement is determined to be unenforceable or void by a Court of competent jurisdiction such provision shall be deemed to be severable and such determination shall solely affect such provision and shall not in itself impair or render void or unenforceable the remaining provisions of this agreement.

17. ADVANCES THROUGH ERROR

In the event that the Credit Union advances to or for the Member sums through error, through any other agreement or otherwise, the terms of this agreement shall apply to such advance unless otherwise agreed.

18. APPLICABLE LAW

This agreement and the transactions evidenced hereby shall be governed by and construed in accordance with the laws of the Province of Manitoba, including *The Personal Property Security Act* and *The Real Property Act*, as the case may be, and where the provisions of the agreement are completed as to collateral, the Credit Union has all the rights of a secured creditor under those Acts.

19. OBLIGATIONS, JOINT AND SEVERAL

This agreement shall enure to the benefit of and be binding upon the parties hereto, their respective successors, heirs and assigns. If more than one Member executes this agreement, the obligation of each Member hereunder shall be joint and several.

20. HEADINGS AND MARGINAL NOTES

The Member covenants and agrees with the Credit Union that the headings and marginal notes are included in this agreement only for convenience, and do not form part of the covenants, provisos and agreements herein contained.

21. ACKNOWLEDGEMENT

The Member acknowledges having read the terms and conditions herein and having received a copy of this agreement. In addition, the Member agrees to maintain a membership in the Credit Union and comply with all other requirements of The Credit Unions and Caisses Populaires Act.

IN WITNESS WHEREOF the Member has hereunto signed, sealed and delivered this agreement as of the day, month and year first above written.

If Member is an Individual:

Witness

Member

Witness

Member

If Member is a Corporation:

TURTLE MOUNTAIN SCHOOL
DIVISION # 44

(Name of Corporation)

Witness

Per: D. Patil
(Signature and Title) SECRETARY - TREASURER

Witness (Complete if Corporation does not have a seal)

Per: Sandy
(Signature and Title) CHAIRMAN

If Member is a Partnership:

(Name of Partnership)

Witness

Per:

Witness

Per:

Signed on behalf of the Credit Union:

Per: _____
(Signature and Title)

COMPOUND INTEREST CONVERSION TABLE

N.B. 'The equivalent yearly rate' is the equivalent interest rate compounded yearly, assuming that no payments are made during the year and that the rate applied to the advance did not vary during the year.

| Rate Per Annum (Compounded Monthly) | = | Yearly Rate of Interest per Annum | Rate Per Annum (Compounded Monthly) | = | Yearly Rate of Interest per Annum | Rate Per Annum (Compounded Monthly) | = | Yearly Rate of Interest per Annum |
|---|---|---|---|---|---|---|---|---|
| 4 % | | 4.07415 % | 13 % | | 13.80325 % | 22 % | | 24.35966 % |
| 4¼ % | | 4.33377 % | 13¼ % | | 14.08503 % | 22¼ % | | 24.66530 % |
| 4½ % | | 4.59398 % | 13½ % | | 14.36744 % | 22½ % | | 24.97164 % |
| 4¾ % | | 4.85479 % | 13¾ % | | 14.65050 % | 22¾ % | | 25.27866 % |
| 5 % | | 5.11619 % | 14 % | | 14.93420 % | 23 % | | 25.58638 % |
| 5¼ % | | 5.37819 % | 14¼ % | | 15.21855 % | 23¼ % | | 25.89479 % |
| 5½ % | | 5.64079 % | 14½ % | | 15.50354 % | 23½ % | | 26.20389 % |
| 5¾ % | | 5.90398 % | 14¾ % | | 15.78917 % | 23¾ % | | 26.51368 % |
| 6 % | | 6.16778 % | 15 % | | 16.07545 % | 24 % | | 26.82418 % |
| 6¼ % | | 6.43218 % | 15¼ % | | 16.36238 % | 24¼ % | | 27.13537 % |
| 6½ % | | 6.69719 % | 15½ % | | 16.64996 % | 24½ % | | 27.44727 % |
| 6¾ % | | 6.96279 % | 15¾ % | | 16.93820 % | 24¾ % | | 27.75986 % |
| 7 % | | 7.22901 % | 16 % | | 17.22708 % | 25 % | | 28.07316 % |
| 7¼ % | | 7.49583 % | 16¼ % | | 17.51662 % | 25¼ % | | 28.38716 % |
| 7½ % | | 7.76326 % | 16½ % | | 17.80681 % | 25½ % | | 28.70186 % |
| 7¾ % | | 8.03130 % | 16¾ % | | 18.09766 % | 25¾ % | | 29.01728 % |
| 8 % | | 8.29995 % | 17 % | | 18.38917 % | 26 % | | 29.33340 % |
| 8¼ % | | 8.56921 % | 17¼ % | | 18.68134 % | 26¼ % | | 29.65023 % |
| 8½ % | | 8.83909 % | 17½ % | | 18.97417 % | 26½ % | | 29.96777 % |
| 8¾ % | | 9.10958 % | 17¾ % | | 19.26766 % | 26¾ % | | 30.28603 % |
| 9 % | | 9.38069 % | 18 % | | 19.56182 % | 27 % | | 30.60500 % |
| 9¼ % | | 9.65241 % | 18¼ % | | 19.85664 % | 27¼ % | | 30.92468 % |
| 9½ % | | 9.92476 % | 18½ % | | 20.15212 % | 27½ % | | 31.24509 % |
| 9¾ % | | 10.19772 % | 18¾ % | | 20.44828 % | 27¾ % | | 31.56621 % |
| 10 % | | 10.47131 % | 19 % | | 20.74510 % | 28 % | | 31.88805 % |
| 10¼ % | | 10.74551 % | 19¼ % | | 21.04259 % | 28¼ % | | 32.21061 % |
| 10½ % | | 11.02035 % | 19½ % | | 21.34076 % | 28½ % | | 32.53390 % |
| 10¾ % | | 11.29580 % | 19¾ % | | 21.63960 % | 28¾ % | | 32.85791 % |
| 11 % | | 11.57188 % | 20 % | | 21.93911 % | 29 % | | 33.18265 % |
| 11¼ % | | 11.84859 % | 20¼ % | | 22.23930 % | 29¼ % | | 33.50811 % |
| 11½ % | | 12.12593 % | 20½ % | | 22.54016 % | 29½ % | | 33.83430 % |
| 11¾ % | | 12.40390 % | 20¾ % | | 22.84171 % | 29¾ % | | 34.16123 % |
| 12 % | | 12.68250 % | 21 % | | 23.14393 % | 30 % | | 34.48888 % |
| 12¼ % | | 12.96174 % | 21¼ % | | 23.44684 % | | | |
| 12½ % | | 13.24160 % | 21½ % | | 23.75043 % | | | |
| 12¾ % | | 13.52211 % | 21¾ % | | 24.05470 % | | | |