

REGIONAL DISTRICT OF CENTRAL OKANAGAN

BYLAW NO. 939

A bylaw to authorize the entering into of an Agreement respecting financing between the Regional District of Central Okanagan (the "Regional District") and the Municipal Finance Authority of British Columbia (the "Authority").

WHEREAS the Authority may provide financing of capital requirements for Regional Districts and for their member municipalities by the issue of debentures, or other evidence of indebtedness of the Authority and lending the proceeds to the Regional District on whose request the financing is undertaken.

AND WHEREAS the City of Kelowna is a member municipality of the Regional District of Central Okanagan.

AND WHEREAS the Regional District is to finance from time to time on behalf of and at the sole cost of the member municipalities under the provisions of Section 835 of the "Local Government Act", the works to be financed under the following security issuing bylaws:

| Municipality | Security Issuing Bylaw No. | Term of Issue | Amount |
|-----------------|-------------------------------|------------------|------------------|
| City of Kelowna | 8718 | 17 years | \$ 49,300,000.00 |

TOTAL FINANCING pursuant to Section 835 \$ 49,300,000.00

AND WHEREAS the Regional Board, by this bylaw, hereby requests that such financing shall be undertaken through the Authority.

NOW THEREFORE the Regional Board of the Regional District of Central Okanagan in open meeting assembled enacts as follows:

1. The Authority is hereby requested and authorized to finance from time to time the aforesaid undertakings at the sole cost and on behalf of the Central Okanagan Regional District and its member municipalities hereinbefore referred to, in Canadian dollars or in such other currency or currencies as the Authority shall determine so that the amount realized does not exceed Forty Nine Million Three Hundred Thousand Dollars (\$49,300,000.00), in Canadian dollars and/or the equivalent there to and at such interest and with such discounts or premiums and expense as the Authority may deem consistent with the money market for the sale of the securities of the Authority.

2. Upon completion by the Authority of financing undertaken pursuant hereto, the Chair and the Treasurer of the Regional District, on behalf of the Regional District and under its seal shall, at such time or times that the Trustees of the Authority may request, enter into and deliver to the Authority one or more Agreements which said Agreement or Agreements shall be substantially in the form annexed hereto as "Schedule 'A'" and made part of the Bylaw (such Agreement or Agreements as may be entered into, delivered or substituted hereinafter referred to as "Agreement") providing for payment by the Regional District to the Authority of the amounts required to meet the obligations of the Authority with respect to its borrowings undertaken pursuant hereto, which Agreement shall rank as debenture debt of the Regional District.

3. The Agreement in the form of Schedule 'A' shall be dated and payable in the principal amount or amounts of money in Canadian dollars or as the Authority shall determine and subject to the Local Government Act, in such other currency or currencies as shall be borrowed by the Authority pursuant to Section 1 and shall set out the schedule of repayment of the principal amount together with interest on unpaid amounts as shall be determined by the Treasurer of the Authority.

4. The obligation incurred under the said Agreement shall bear interest from a date specified therein, which date shall be determined by the Treasurer of the Authority and shall bear interest at a rate to be determined by the Treasurer of the Authority.

5. The Agreement shall be sealed with the seal of the Regional District and shall bear the signatures of the Chair and Treasurer.

6. The obligations incurred under the said Agreement as to both principal and interest shall be payable at the Head Office of the Authority in Victoria and at such time or times as shall be determined by the Treasurer of the Authority.

7. During the currency of the obligations incurred under the said Agreement to secure borrowings in respect of City of Kelowna Security Issuing Bylaw No. 8718 there shall be requisitioned annually an amount sufficient to meet the annual payment of interest and the repayment of principal.

8. The Regional District shall provide and pay over to the Authority such sums as required to discharge its obligations in accordance with the terms of the Agreement, provided however that if the sum provided for in the Agreement is not sufficient to meet the obligations of the Authority, any deficiency in meeting such obligations shall be a liability of the Regional District to the Authority and the Regional District shall make provision to discharge such liability.

9. At the request of the Treasurer of the Authority and pursuant to Section 15 of the Municipal Finance Authority Act, the Regional District shall pay over to the Authority such sums and execute and deliver such promissory notes as are required pursuant to Section 15 of the Municipal Finance Authority of British Columbia Act, to form part of the Debt Reserve Fund established by the Authority in connection with the financing undertaken by the Authority on behalf of the Regional District pursuant to the Agreement.

10. This bylaw may be cited as "Regional District of Central Okanagan Security Issuing Bylaw No. 939, 2001.

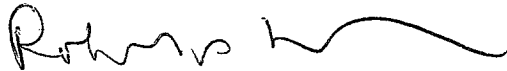
READ A FIRST TIME THIS 1st DAY OF October, 2001.

READ A SECOND TIME THIS 1st DAY OF October, 2001.

READ A THIRD TIME THIS 1st DAY OF October, 2001.

Approved by the Inspector of Municipalities this 5th day of October, 2001.

RECONSIDERED AND ADOPTED THIS 15th DAY OF October, 2001.




CHAIRPERSON



DIRECTOR OF CORPORATE SERVICES

I hereby certify the foregoing to be a true and correct copy of Bylaw No. 939 cited as the "Regional District of Central Okanagan Security Issuing Bylaw No. 939, 2001" as read a third time by the Regional Board on the 1st day of October, 2001.

Dated at Kelowna, B.C. this 2nd day of October, 2001.



DIRECTOR OF CORPORATE SERVICES

I hereby certify the foregoing to be a true and correct copy of Bylaw No. 939 cited as the "Regional District of Central Okanagan Security Issuing Bylaw No. 939, 2001" as adopted by the Regional Board on the 15th day of October, 2001.

Dated at Kelowna, B.C. this 16th day of October, 2001.



DIRECTOR OF CORPORATE SERVICES

SCHEDULE 'A'

CANADA

PROVINCE OF BRITISH COLUMBIA

AGREEMENT

REGIONAL DISTRICT OF CENTRAL OKANAGAN

The Regional District of Central Okanagan (the "Regional District") hereby promises to pay to the Municipal Finance Authority of British Columbia (the "Authority") at its Head Office in Victoria, British Columbia the sum of Forty Nine Million Three Hundred Thousand Dollars (\$49,300,000.00), in lawful money of Canada, together with interest thereon from the day of 2001, at varying rates of interest calculated semi-annually in each and every year during the currency of this Agreement; and payments of principal and interest shall be as specified in the table appearing on the reverse hereof commencing on the day of 2001, provided in the event the payments of principal and interest hereunder are insufficient to satisfy the obligations of the Authority undertaken on behalf of the Regional District, the Regional District shall pay over to the Authority such further sums as are sufficient to satisfy the obligations of the Regional District to the Authority.

Dated at Kelowna, British Columbia, this day of , 2001.

IN TESTIMONY WHEREOF and under the authority of Bylaw No. 939 cited as "Regional District of Central Okanagan Security Issuing Bylaw No. 939, 2001". This Agreement is sealed with the Corporate Seal of the Regional District of Central Okanagan and signed by the Chairperson and Treasurer thereof.

CHAIRPERSON

TREASURER

Pursuant to the "Local Government Act", I hereby certify that the within Agreement has been lawfully and validly made and issued and that its validity is not open to question on any ground whatever in any court of the Province of British Columbia. "

INSPECTOR OF MUNICIPALITIES



No. _____

Statutory Approval

Under the provisions of section _____ 833

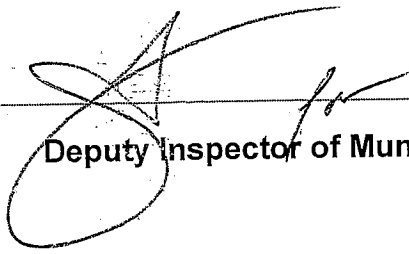
of the _____ Local Government Act

I hereby approve Bylaw No. _____ 939

of _____ the Regional District of Central Okanagan _____,

a copy of which is attached hereto.

Dated this *fifth* day
of *October*, 2001



Deputy Inspector of Municipalities

CANADA:
Province of British Columbia }




No. 15058

Certificate of Approval

In pursuance of the Local Government Act, I hereby certify that the within by-law, being Bylaw No. 939 cited as "Regional District of Central Okanagan Security Issuing Bylaw No. 939, 2001" of the Regional District of Central Okanagan,

has been lawfully and validly made and enacted, and that its validity is not open to be questioned on any ground whatever in any of the Courts of the Province of British Columbia.

Dated this eighteenth *day*
of October, 2001


Deputy Inspector of Municipalities of British Columbia