



Borrowing Bylaw re: Ontario Financing Authority Permanent Capital Financing
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Board Received: March 22, 2010	Review Date: Until maturity (April 13, 2035)
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A by-law to authorize a loan from the Ontario Financing Authority in the principal amount of \$18,242,787 pursuant to a loan agreement under section 7 of Ontario Regulation 41/10.

WHEREAS subsection 247 (1) of the *Education Act* R.S.O. 1990, c. E.2, as amended (the “*Education Act*”) and the regulations made thereunder, provides that, subject to any other provision of the *Education Act* and, specifically, the regulations made under subsections 242 (1) and 247 (3) of the *Education Act*, a district school board may by by-law borrow money or incur debt for permanent improvements and may issue or execute any instrument prescribed under clause 247 (3) (f) of the *Education Act* in respect of the money borrowed or the debt incurred;

AND WHEREAS section 7 of Ontario Regulation 41/10 (the “**Regulation**”), provides that (1) a board may by by-law borrow money for permanent improvements by way of a loan from the Ontario Financing Authority with an initial maturity of more than one year and that (2) a board that obtains a loan mentioned in subsection 7 (1) shall ensure that the proceeds of it are used for permanent improvements;

AND WHEREAS the Grand Erie District School Board, which under the *Education Act* constitutes a district school board (the “**Board**”), has undertaken urgent and high priority renewal projects at schools of the Board listed in any one or more of: (i) Appendix B of the document entitled “Good Places to Learn: Stage 1 Funding Allocation”; (ii) Appendix C of the document entitled “Good Places to Learn: Stage 2 Funding Allocation”; (iii) Appendix B of the document entitled “Good Places to Learn: Stage 3 Funding Allocation”; and (iv) Appendix B of the document entitled “Good Places to Learn: Stage 4 Funding Allocation”, some of which projects are described in Schedule “A” attached to the Loan Agreement, as hereinafter defined (individually a “GPL Eligible Project”, collectively the “GPL Eligible Projects”) and pursuant to Ontario Regulation 155/09, each GPL Eligible Project constitutes a “permanent improvement” as defined in subsection 1(1) of the *Education Act*. In the event that the Board will borrow the principal amount specified in paragraph 2.1 under the said Loan Agreement in respect of a single GPL Eligible Project, the term “GPL Eligible Projects” means that GPL Eligible Project;

AND WHEREAS the **Board** has undertaken capital projects required for primary class size reduction for the purpose of addressing the reduction in primary class size to 20 or fewer students, some of which projects are described in Schedule “A-1” attached to the Loan Agreement, as hereinafter defined (individually a “PCS Eligible Project”, collectively the “PCS Eligible Projects”) and each PCS Eligible Project constitutes a “permanent improvement” as defined in subsection 1(1) of the *Education Act*. In the event that the Board will borrow the principal amount specified in paragraph 2.1 under the said Loan Agreement in respect of a single PCS Eligible Project, the term “PCS Eligible Projects” means that PCS Eligible Project;

AND WHEREAS the Board has undertaken capital projects to retrofit and/or replace schools of the Board for which the cost of repair is prohibitive (which capital projects include the “deep retrofit” of the schools that are prohibitive to repair), named in Columns 3 and 4 opposite the name of the Board in Tables 23 & 24 of Ontario Regulation 155/09, some of which projects are described in Schedule “A-2” attached to the Loan Agreement, as hereinafter defined (individually a “PTR Eligible Project”, collectively the “PTR Eligible Projects”) and each PTR Eligible Project constitutes a “permanent improvement” as defined in subsection 1(1) of the *Education Act*. In the event that the Board will borrow the principal amount specified in paragraph 2.1 under the said Loan Agreement in respect of a single PTR Eligible Project, the term “PTR Eligible Projects” means that PTR Eligible Project;

AND WHEREAS the GPL Eligible Projects, the PCS Eligible Projects and the PTR Eligible Projects are collectively referred to as the “Eligible Projects”. In the event that the Board will borrow the principal amount specified in paragraph 2.1 under the said Loan Agreement in respect of a single Eligible Project, the term “Eligible Projects” means that Eligible Project;

AND WHEREAS the Board has in part financed the Eligible Projects by way of temporary borrowing from a financial institution or from a reserve account of the Board and the Board intends to borrow money from the Ontario Financing Authority for the purpose of financing the Eligible Projects on a long-term basis, and in this connection the Board intends to borrow by way of a loan with an initial maturity of more than one year from the Ontario Financing Authority the principal amount of \$18,242,787 (the “**Loan**”) pursuant to a loan agreement in the form attached hereto as Schedule “A” (the “**Loan Agreement**”) which Loan constitutes an instrument prescribed under clause 247 (3) (f) of the *Education Act* and which sets out the terms and conditions on which the Ontario Financing Authority will make the Loan available to the Board;

NOW THEREFORE THE GRAND ERIE DISTRICT SCHOOL BOARD ENACTS AS FOLLOWS:

1. The Board hereby authorizes the Loan on the basis that it constitutes a loan under section 7 of the Regulation and authorizes the entering into of the Loan Agreement that is prescribed for the purposes of clause 247(3)(f) of the *Education Act*.
2. The Board is hereby authorized to enter into the Loan Agreement pursuant to which the Loan will be made available to the Board and the Chair of the Board and the Treasurer of the Board are hereby authorized to execute for and on behalf of the Board the Loan Agreement which provides for instalments of combined (blended) principal and interest as hereinafter set forth, substantially in the form of Schedule “A”, with such changes thereto as may be suggested by the Ontario Financing Authority and as such authorized officials of the Board shall approve.
3. The Director of Education of the Board, the Treasurer of the Board and any other financial officer of the Board are hereby each individually authorized generally to do all things and execute all other documents, instruments and agreements in the name of the Board in order to give effect to the Loan Agreement.
4. The Loan shall be paid in instalments of combined (blended) principal and interest over a 25 year amortization period on the specified dates set out in Schedule “B” to the Loan Agreement with the first interest only payment on May 15, 2010 and thereafter instalments of combined (blended) principal and interest to November 15, 2034 in each of the years during the currency of the Loan as set forth in such schedule with the final payment on April 13, 2035. The Loan shall bear interest at the rate of 5.232 % on the outstanding principal amount owing thereunder from time to time from the date thereof, which interest shall be payable in arrears as part of the instalments of combined (blended) principal and interest payable on such days in each year of the currency of the Loan as are set out in Schedule “B” to the Loan Agreement.

5. In accordance with the provisions of the *Education Act* and the regulations made thereunder, during the currency of the Loan, the Board shall provide in its estimates for each fiscal year for setting aside out of its general revenue in the fiscal year the amount necessary to pay the principal and interest coming due on the Loan in the fiscal year and, on or before each due date in each such year, the Board shall pay out of its general revenue the principal and interest coming due on the Loan in the year. Such sums of principal and interest payable on the Loan shall be provided for in accordance with subsection 247(5) of the *Education Act*. Subject to the foregoing, on or before each due date in each year during the currency of the Loan, the Board shall pay out of its general revenue the amount necessary to pay the specific sums of principal and interest payable on the Loan shown for the respective year as set forth in Schedule “B” to the Loan Agreement; but such amount shall be paid out of the Board’s general revenue only to the extent required after taking into account funds available from other sources.
6. Any amounts payable by the Board in respect of the Loan including interest on overdue principal and interest in respect of the Loan together with fees and other amounts payable by the Board under the Loan Agreement, if applicable, shall be paid out of the Board’s general revenue or any other available funds.
7. The proceeds of the Loan, shall be used to finance the Eligible Expenditures, as defined in the Loan Agreement, in respect of the Eligible Projects on a long-term basis and for no other purpose except as permitted by the *Education Act* and the regulations made thereunder.

READ AND FINALLY PASSED this 22nd day of March, 2010

BOARD CHAIR

DIRECTOR OF EDUCATION

**Grand Erie District School Board
SCHEDULE “A” TO BY-LAW NUMBER 37
A FORM OF THE LOAN AGREEMENT**

GOOD PLACES TO LEARN ELIGIBLE PROJECTS DESCRIPTION

STAGE 1 GPL ELIGIBLE PROJECTS

Please provide a list of all the GPL Eligible Projects which were either underway or completed by August 31, 2009 (and in respect of which the Eligible Expenditures have not been previously financed on a long-term basis) in respect of which a total of \$ 381,093 will be borrowed hereunder pursuant to the Good Places to Learn Stage 1 Program. Please provide the name of the school, the SFIS number, a project description and the amount to be borrowed hereunder.

Please specify the total amount that the Board has previously financed on a long-term basis from the OFA under the Good Places to Learn Stage 1 Program: \$ 19,476,804.

STAGE 2 GPL ELIGIBLE PROJECTS

Please provide a list of all the GPL Eligible Projects which were either underway or completed by August 31, 2009 (and in respect of which the Eligible Expenditures have not been previously financed on a long-term basis) in respect of which a total of \$ 10,108,540 will be borrowed hereunder pursuant to the Good Places to Learn Stage 2 Program through allocations under that program or through unspent allocations pursuant to the Good Places to Learn Stage 1 Program. Please provide the name of the school, the SFIS number, a project description and the amount to be borrowed hereunder.

Please specify the total amount that the Board has previously financed on a long-term basis from the OFA under the Good Places to Learn Stage 2 Program: \$ nil.

STAGE 3 GPL ELIGIBLE PROJECTS

Please provide a list of all the GPL Eligible Projects which were either underway or completed by August 31, 2009 (and in respect of which the Eligible Expenditures have not been previously financed on a long-term basis) in respect of which a total of \$ 224,089 will be borrowed hereunder pursuant to the Good Places to Learn Stage 3 Program through allocations under that program or through unspent allocations pursuant to the Good Places to Learn Stage 1 Program or pursuant to the Good Places to Learn Stage 2 Program. Please provide the name of the school, the SFIS number, a project description and the amount to be borrowed hereunder.

Please specify the total amount that the Board has previously financed on a long-term basis from the OFA under under the Good Places to Learn Stage 3 Program: \$ nil.

STAGE 4 GPL ELIGIBLE PROJECTS

Please provide a list of all the GPL Eligible Projects which were either underway or completed by August 31, 2009 (and in respect of which the Eligible Expenditures have not been previously financed on a long-term basis) in respect of which a total of \$ nil will be borrowed hereunder pursuant to the Good Places to Learn Stage 4 Program through allocations under that program or through unspent allocations pursuant to the Good Places to Learn Stage 1 Program or pursuant to the Good Places to Learn Stage 2 Program or pursuant to the Good Places to Learn Stage 3 Program. Please provide the name of the school, the SFIS number, a project description and the amount to be borrowed hereunder.

Stage 1

School Name/SFIS	Description of GPL Eligible Project		Amount to be Borrowed Hereunder
Burford District Elementary	5249	Windows	158,896.47
Cedarland PS	350	Windows	5,835.00
Centennial/Grandwoodlands PS	352	Restoration	90,546.56
Dufferin PS	634	Carpentry	5,860.59
Joseph Brant PS	1223	Windows	3,376.55
Major Ballachey PS	1424	Restoration	25,901.60
Onondaga-Brant PS	403	Windows	8,578.35
Princess Elizabeth PS	1881	Electrical	12,852.24
Princess Elizabeth PS	1881	Roofing	11,062.05
Princess Elizabeth PS	1881	Restoration	30,736.21
Russell Reid PS	2063	Windows	27,447.38

Stage 2

School Name/SFIS	Description of GPL Eligible Project		Amount to be Borrowed Hereunder
Bellview PS	6433	Program Alterations	413,912.00
Grand Erie Learning Alternatives	5205	HVAC	11,531.00
Burford District Elementary	5249	HVAC	13,063.00
Central PS	364	HVAC	24,977.00
Dufferin PS	634	Windows	3,542.79
Fairview PS	785	HVAC	20,882.00
Glen Morris PS	923	Windows	13,853.16
Greenbrier PS	964	Fire Systems	1,711.96
Greenbrier PS	964	Roofing	566,256.76
James Hillier PS	1178	Program Alterations	74,762.02
A.G.Hodge PS	6420	Roofing	114,860.29
Lansdowne PS	1333	Roofing	259,568.01
Lansdowne PS	1333	HVAC	53,953.00
Major Ballachey PS	1424	Build Ren/Alterat	52,137.54
Major Ballachey PS	1424	Windows	3,563.11
Paris Central PS	404	Windows	130,981.48
Princess Elizabeth PS	1881	HVAC	34,943.00
St. George -German PS	2181	HVAC	12,288.00
Tollgate Technological Skills Ctr	5418	Restoration	12,063.72
Tollgate Technological Skills Ctr	5418	Roofing	222,083.78
North Park Collegiate	5549	Roofing	331.24
North Park Collegiate	5549	HVAC	6,117.00

School Name/SFIS	Description of GPL Eligible Project		Amount to be Borrowed Hereunder
Paris District High School	5576	Roofing	14,935.20
Pauline Johnson Collegiate	5582	Restoration	17,180.56
Pauline Johnson Collegiate	5582	Windows	56,005.47
Simcoe Composite School	5640	Electrical	564.89
Simcoe Composite School	5640	Electrical	151,093.81
Simcoe Composite School	5640	Windows	2,586.22
Port Dover Composite School	5594	Electrical	429.41
Delhi District Secondary	5304	Electrical	5,384.14
Delhi District Secondary	5304	Restoration	6,472.41
Delhi District Secondary	5304	Roofing	322,436.56
Delhi District Secondary	5304	Windows	3,425.45
Delhi District Secondary	5304	Windows	10,194.20
Delhi District Secondary	5304	Paving	26,314.40
Delhi District Secondary	5304	Program Alterations	1,139,238.30
Waterford District High School	5730	Roofing	540,382.37
Waterford District High School	5730	Windows	15,854.00
Waterford District High School	5730	Siporex	5,340.10
Valley Heights Secondary	5715	Electrical	5,772.77
Valley Heights Secondary	5715	Windows	1,524.00
Valley Heights Secondary	5715	Program Alterations	1,328,196.50
Bloomsburg PS	2178	Windows	14,127.79
Teeterville PS	1650	Plumbing	2,814.32
Teeterville PS	1650	Roofing	259,157.19
Teeterville PS	1650	Roofing	1,528.80
Teeterville PS	1650	Windows	188,208.04
Elgin Avenue PS	715	Roofing	78,124.18
Elgin Avenue PS	715	Roofing	1,592.06
West Lynn PS	2458	Windows	18,417.55
Walsh PS	2416	Windows	5,382.90
Doverwood PS	607	Siporex	72,437.33
Langton PS	402	Program Alterations	27,073.96
Langton PS	402	Windows	12,575.03
Houghton PS	1110	Roofing	52,211.75
Courtland PS	524	Program Alterations	39,153.01
Delhi PS	570	Build Ren/Alterat	2,606.64
Delhi PS	570	Electrical	24,100.00
Anna Melik Memorial	79	Roofing	253.39
Anna Melik Memorial	79	Windows	216,179.04
Caledonia Centennial PS	306	Roofing	2,335.31
Caledonia Centennial PS	306	Windows	90,993.04
Dunnville Central PS	648	Roofing	8,837.62
Thompson Creek PS	650	Windows	7,436.09
Thompson Creek PS	650	HVAC	15,052.00
Fairview Avenue PS	783	Roofing	230,086.79
Fairview Avenue PS	783	Windows	1,794.94
Fairview Avenue PS	783	HVAC	295,780.00
Grandview Central PS	954	Roofing	244,712.02
Jarvis PS	1190	Restoration	11,379.20

School Name/SFIS	Description of GPL Eligible Project		Amount to be Borrowed Hereunder
Hagersville Elementary	1771	Windows	1,897.50
Hagersville Elementary	1771	HVAC	4,964.00
Rainham Central PS	1949	Roofing	77,487.33
Rainham Central PS	1949	Windows	114,094.37
Seneca Central PS	2102	Restoration	33,272.80
Walpole North PS	2340	Roofing	271,165.63
Cayuga Secondary	5265	Electrical	18,241.87
Cayuga Secondary	5265	Windows	88,936.14
Dunnville Secondary	5319	Windows	3,802.89
Dunnville Secondary	5319	Program Alterations	9,265.92
Dunnville Secondary	5319	HVAC	416,324.71
Hagersville Secondary	5408	Fire Systems	4,726.43
Hagersville Secondary	5408	Program Alterations	1,439,297.80

Stage 3

School Name/SFIS	Description of GPL Eligible Project		Amount to be Borrowed Hereunder
Delhi PS	570	Build Ren/Alterat	100,293.36
Delhi PS	570	Hvac	123,795.64

Stage 4

School Name/SFIS	Description of GPL Eligible Project		Amount to be Borrowed Hereunder

SCHEDULE “A-1”

PRIMARY CLASS SIZE REDUCTION ELIGIBLE PROJECTS DESCRIPTION

Please provide a list of the PCS Eligible Projects which were substantially completed by August 31, 2009 (and in respect of which the Eligible Expenditures have not been previously financed on a long-term basis) in respect of which a total of \$ 5,792,248 will be borrowed hereunder. Please include the name of the school, the SFIS number, a project description and the amount to be borrowed hereunder.

School Name/SFIS	Description of PCS Eligible Project		Amount to be Borrowed Hereunder
North Ward PS	1662	Addition	\$1,938,413
St. George German PS	2181	Addition	\$1,224,120
Cobblestone Elementary	1124	New Construction	\$2,629,715

SCHEDULE “A-2”

PROHIBITIVE TO REPAIR ELIGIBLE PROJECTS DESCRIPTION

Please provide a list of the PTR Eligible Projects (Phase 1 and Phase 2) which were substantially completed by August 31, 2009 (and in respect of which the Eligible Expenditures have not been previously financed on a long-term basis) in respect of which a total of \$ \$1,736,817 will be borrowed hereunder. Please include the name of the replacement school, the SFIS number, a project description and the amount to be borrowed hereunder.

Phase 1

Replacement School Name/SFIS	Description of PTR Eligible Project Including Prohibitive to Repair School Name	Amount to be Borrowed Hereunder

Phase 2

Replacement School Name/SFIS	Description of PTR Eligible Project Including Prohibitive to Repair School Name	Amount to be Borrowed Hereunder
Delhi District Secondary School	5304 Demolition/Renovation Addition	\$1,736,817
Note: work done at the PTR school. This is only a partial demolition and replacement project.		

SCHEDULE "A-3"

GROWTH SCHOOLS ELIGIBLE PROJECTS DESCRIPTION

Please provide a list of the Growth Eligible Projects which were substantially completed by August 31, 2009 (and in respect of which the Eligible Expenditures have not been previously financed on a long-term basis) in respect of which a total of \$ nil will be borrowed hereunder. Please include the name of the school, the SFIS number, a project description and the amount to be borrowed hereunder.

School Name/SFIS	Description of Growth Eligible Project	Amount to be Borrowed Hereunder

SCHEDULE “A-4”

FRENCH CAPITAL TRANSITIONAL ELIGIBLE PROJECTS DESCRIPTION

Please provide a list of the CTA Eligible Projects which were substantially completed by August 31, 2009 (and in respect of which the Eligible Expenditures have not been previously financed on a long-term basis) in respect of which a total of \$ nil will be borrowed hereunder. Please include the name of the school, the SFIS number, a project description and the amount to be borrowed hereunder.

School Name/SFIS	Description of CTA Eligible Project	Amount to be Borrowed Hereunder

SCHEDULE “A-5”

CAPITAL PRIORITIES ELIGIBLE PROJECTS DESCRIPTION

Please provide a list of the CP Eligible Projects which were substantially completed by August 31, 2009 (and in respect of which the Eligible Expenditures have not been previously financed on a long-term basis) in respect of which a total of \$ nil will be borrowed hereunder. Please include the name of the school, the SFIS number, a project description and the amount to be borrowed hereunder.

School Name/SFIS	Description of CP Eligible Project	Amount to be Borrowed Hereunder

SCHEDULE “B”

AMORTIZATION SCHEDULE

SCHEDULE “C”

PAYOR PRE-AUTHORIZED DEBIT AGREEMENT
(this “PAD Agreement”)

TO: Ontario Financing Authority (the “OFA”)

Payor (the “Board”):

Full Legal Name	Exact Name in which Account is Held	
Address	Telephone Number	
City	Province	Postal Code

Payor’s Financial Institution (the “Bank”):

Name of Bank	Address	
City	Province	Postal Code
Bank Account No.	Branch No.	Institution No.

1. Scope

The Board acknowledges that this PAD Agreement is provided for the benefit of the OFA and the Bank, and is provided in consideration of the Bank agreeing to process pre-authorized debits (each, a “PAD”) against the Board’s account specified above (the “Account”) in accordance with the rules of the Canadian Payments Association (the “CPA”).

The Board represents that all information provided with respect to the Account is complete and accurate. A specimen cheque if available for the Account has been marked “VOID” and is attached to this PAD Agreement.

The Board undertakes to inform the OFA in writing of any change in the Account information provided in this PAD Agreement at least 5 business days prior to the next following PAD.

2. Valid Authority

The Board warrants and guarantees that all persons whose signatures are required to sign on the Account have signed this PAD Agreement.

3. Purpose of Debits, Amount and Timing**X Business PAD**

The Board authorizes the OFA to debit or cause to be debited a fixed amount from the Account which amount will be debited with set frequency determined by the Board in its sole discretion. The Board and the OFA agree that the fixed amount of each such debit is for payment due and owing by the Board to the OFA in respect of a loan agreement dated as of April 14, 2010.

4. Cancellation of Agreement

This PAD Agreement may be cancelled at any time upon notice being provided by the Board, in writing at least 5 business days prior to the next following PAD. The Board acknowledges that, in order to revoke this authorization, the Board must provide notice of revocation to the OFA. This PAD Agreement applies only to the method of payment and does not otherwise have any bearing on the payment obligations of the Board to the OFA.

5. Acceptance of Delivery of Authorization

The Board acknowledges that providing and delivering this agreement to the OFA constitutes delivery by the Board to the Bank. Any delivery of this authorization to the OFA constitutes delivery by the Board.

6. Waiver of Pre-Notification

The Board understands that no pre-notification shall be required prior to a PAD being exchanged or cleared provided the authorization occurs in compliance with this PAD Agreement.

The Board authorizes and instructs the OFA to issue, without pre-notification, a new PAD for a dishonoured PAD amount in accordance with this Agreement.

7. Validation by the Bank

The Board acknowledges that the Bank is not required to verify that a PAD has been issued in accordance with the particulars of the PAD Agreement including, but not limited to, the amount.

The Board acknowledges that the Bank is not required to verify that any purpose of payment for which the PAD was issued has been fulfilled by the OFA as a condition to honouring a PAD issued or caused to be issued by the OFA on the Account.

8. Payor’s Rights of Dispute

The Board may dispute a pre-authorized debit under the following conditions:

- (i) the debit was not drawn in accordance with this PAD Agreement; or
- (ii) this PAD Agreement was revoked or cancelled.

In order to be reimbursed, the Board must complete a declaration form to the effect that either (i) or (ii) took place at the above indicated branch of the Bank up to and including 10 calendar days, after the date on which the PAD in dispute was posted to the Account.

The Board acknowledges that disputes after the above noted time limitation are matters to be resolved solely between the OFA and the Board.

9. Contact Information

All notices sent by the Board to the OFA under Sections 1., 4. and 8. of this PAD Agreement shall be made in writing by letter and delivered to the OFA by registered mail or fax at the following address:

**Ontario Financing Authority
 1 Dundas Street West
 Suite 1400
 Toronto, Ontario M7A 1Y7
 Fax: (416) 204-6659**

Inquiries, concerns or errors regarding PADs may be directed to Mr. Joe Pedota, Coordinator, Settlements, Payments & Fiscal Agency, Finance and Reporting Division at the above address or by telephone at (416) 325-3851.

10. Board Acceptance

The Board acknowledges receipt of a signed copy of this PAD Agreement. The Board acknowledges that it has read, understands, and accepts the terms and conditions of this PAD Agreement.

Signature of Treasurer Date

Signature of Board Chair Date

*******For verification, please attach a blank cheque marked "VOID" to the completed Agreement.***** Do not require if banking instructions have not changed.**