



CHAPTER 80

An Act to ratify by-law No. 119 of the town of Kenogami and the agreement proposed to its creditors

[Assented to, the 14th of April, 1937]

WHEREAS the town of Kenogami has, by its petition, represented: Preamble.

That under by-laws 21, 36, 59, 68, 74, 75, 76, 84, 85, 94, 95, 98, 99, 105 and 112, it has issued bonds for a large amount and there is still an amount of about five hundred and ten thousand dollars in the hands of the public bearing interest at five and one-half and six per cent;

That it is behind in the payment of the coupons and interest and has a floating debt of over one hundred thousand dollars;

That all these sums call for considerable interest and that by a new loan it can diminish such annual charges by issuing new bonds at four per cent;

That it has offered to repay all its bonds issued under the above mentioned by-laws by paying the bondholders in cash the amount of their bonds and interest;

That such loan cannot however be made without acquiring the waterworks system of the *Compagnie d'Aqueduc de Kénogami, Limitée*, to which the town has to pay yearly the sum of eighteen thousand dollars under a contract passed on the 12th of August, 1930, for thirty years, after which it becomes owner of all the assets of the company, and that it is impossible for the town to pay such amount yearly;

That the town has offered to pay the company one hundred and sixty thousand dollars in settlement of

what it may owe the company and of the bonds issued by the latter;

That the *Compagnie d'Aqueduc de Kénogami, Limitée*, has accepted the proposal and that, at a meeting of the bondholders held on the 3rd of February, 1937, the latter ratified the said transaction;

That the town of Kenogami passed a by-law on the 11th of February, 1937, to authorize it to borrow the sum of seven hundred and ninety thousand dollars to pay for the purchase of the waterworks, of its outstanding bonds, its floating debt and the costs of issuing;

That the town will be able to issue new bonds at four per cent which will enable it to greatly diminish its annual charges, lower its real estate tax and meet all its obligations;

Whereas the town of Kenogami has prayed for the passing of an act to confirm its by-law No. 119, the agreement entered into with the *Compagnie d'Aqueduc de Kénogami* and the proposal which it has made to its bondholders;

Whereas, in order to meet the wishes of the lenders, it is necessary to amend the by-law: by replacing clause 7 by the following:

"7. Such bonds shall be of the denomination of one hundred dollars or multiples thereof, dated the first day of February, 1937, and shall bear the certificate of their legality from the Minister of Municipal Affairs, Trade and Commerce";

by replacing clause 11 by the following:

"11. By the present by-law, it is enacted and ordered that, during the period of the loan, the revenues from the annual tax due by Price Brothers & Company, Ltd., amounting to thirty thousand dollars, as well as a sum of one thousand three hundred and twenty dollars monthly taken from the revenues of the town shall be specially pledged, appropriated and reserved, and, when received, employed for the payment of the principal and interest of the amounts falling due each year";

and by adding the following paragraph to the said by-law:

"12a. If the city fails to fulfil the obligations stipulated in this by-law the Quebec Municipal Commission shall be substituted for the said city and may exercise the powers of the latter";

Whereas the said purchase of the waterworks and the conversion of the said municipal debt are in accordance with the wishes of the interested parties; and

Whereas it is expedient to grant the prayer contained in the petition;

Therefore, His Majesty, with the advice and consent of the Legislative Council and of the Legislative Assembly of Quebec, enacts as follows:

1. The by-law No. 119 of the corporation of the town of Kenogami, providing for a loan of seven hundred and ninety thousand dollars for the purchase of the waterworks system of the *Compagnie d'Aqueduc de Kénogami, Limitée*, and for an issue of new bonds to pay for such purchase, its outstanding bonds and its floating debt, is hereby ratified and declared valid and obligatory, but with the following amendments: Validation and amend-
ing of by-law No. 119 of town of Kenogami.

Clauses 7 and 11 are replaced by the following:

"7. Such bonds shall be of the denomination of one hundred dollars or multiples thereof, dated the first day of February, 1937, and shall bear the certificate of their legality from the Minister of Municipal Affairs, Trade and Commerce;"

"11. By the present by-law, it is enacted and ordered that, during the period of the loan, the revenue from the annual tax due by Price Brothers & Company, Ltd., amounting to thirty thousand dollars, as well as a sum of one thousand three hundred and twenty dollars monthly taken from the revenues of the town shall be specially pledged, appropriated and reserved, and, when received, employed for the payment of the principal and interest of the amounts falling due each year";

And the following clause is added to the said by-law:

"12a. If the city fails to fulfil the obligations stipulated in this by-law the Quebec Municipal Commission shall be substituted for the said city and may exercise the powers of the latter."

2. The sale made by the *Compagnie d'Aqueduc de Kénogami, Limitée*, to the town of Kenogami, ratified by the bondholders' meeting, on the 3rd of February, 1937, on payment of the sum of one hundred and sixty thousand dollars, is ratified and declared valid. Validation of certain sale to town of Kenogami.

Validation of
certain pro-
posal to re-
deem certain
bonds.

3. The proposal made by the said town to redeem for cash all its outstanding bonds, issued under the by-laws 21, 36, 59, 68, 74, 75, 76, 78, 84, 85, 94, 95, 98, 99, 105 and 112, is declared valid and obligatory for all the bondholders and shall be carried out prior to the 1st of June, 1937.

Coming into
force.

4. This act shall come into force on the day of its sanction.