

RESOLUTION

TO REQUEST PERMISSION TO BORROW BY WAY OF DEBENTURES

RESOLVED:

THAT application be made to the Local Government Committee for permission to borrow by way of debentures, the sum of *(amount to be borrowed)*, in *(year of borrowing)* repayable over a period of *(term of the debenture)* years, for the purpose of *(name of project for borrowing)*.

DEBENTURES to be repayable ... *(see note for wording on type of debenture issue)*.

I hereby certify that the above is a true copy of a resolution passed by the council/board of the *(name of local authority)* at a meeting duly held on the *(date of resolution)*

Clerk/Administrator/Secretary-Treasurer

(SEAL)

NOTES FOR SECOND PARAGRAPH

1. Wording for serial annuity debentures --

... so that without combining principal and interest, the aggregate amount payable for principal and interest in each year is as nearly as possible the same interest at the rate of *(amount of interest for the term of the debenture)* per centum, per annum, payable at least annually.

2. Wording for annuity debentures --

... so that the principal and interest are combined and made payable in equal annual instalments during the term of the securities interest at the rate of *(amount of interest for the term of the debenture)* per centum, per annum, payable at least annually.

Explanation of type of debentures:

The most common methods for debenture repayment are annuity and serial annuity. The following is an explanation of the repayment methods:

Annuity -- this method of repayment is used when there is only one or two purchasers of the debenture issue. The coupons attached to the debenture include annual payments of principal and interest until the debt is retired.

Serial Annuity -- this method of repayment is used when there are multiple purchasers and the denominations are rounded to the nearest thousand. The coupons attached are for interest only with the principal amount on the "face" of the debenture is payable at the end of the term.