

BORROWING BYLAW

MUNICIPAL - CURRENT EXPENDITURES

BYLAW NO. 1589

A BYLAW OF THE COUNTY OF ST. PAUL NO. 19 IN THE PROVINCE OF ALBERTA

WHEREAS the Council of the County of St. Paul No. 19 (hereafter called the "Corporation") in the Province of Alberta considers it necessary to borrow certain sums of money from time to time to meet current expenditures of the Corporation for its financial year commencing **January 1, 2012**.

NOW THEREFORE, pursuant to the provisions of the Municipal Government Act and/or the County Act, it is hereby enacted by the Council of the Corporation as a Bylaw that:

1. The Corporation do borrow from Servus Credit Union Ltd., (hereafter called "Servus Credit Union") sums of money from time to time in the said financial year as required to meet current expenditures of the Corporation in the said financial year, provided that the total principal amount owed to Servus Credit Union at any one time hereunder shall not exceed the sum of **SEVEN MILLION DOLLARS (\$7,000,000.00)**.

2. The Mayor (or Reeve in the case of a County, if that person has the same functions and powers as a Mayor of a Municipality) and Treasurer be and they are hereby authorized for and on behalf of the Corporation:

(a) to apply to Servus Credit Union for the aforesaid loan to the Corporation; and

(b) to obtain advance of monies from Servus Credit Union in the said financial year by way of an overdraft on the Corporation's account at Servus Credit Union or pursuant to promissory notes or other evidence of indebtedness, as may be permitted or required by Servus Credit Union; and

(c) to execute on behalf of the Corporation such bills, debentures, promissory notes or similar forms of obligation as Servus Credit Union may require as evidence of and security for all sums borrowed hereunder;

and each document executed as foresaid shall be valid and binding upon the Corporation according to its tenor, and Servus Credit Union shall never be bound to inquire whether such officers are observing the limitations on their authority as set forth in this Bylaw.

3. Notwithstanding the foregoing, the Mayor (or Reeve) and Treasurer shall apply such part of the foregoing sum authorized to be borrowed in repayment of previous borrowings of the Corporation such that all amounts borrowed and outstanding by the Corporation at any one time to Servus Credit Union and to all other persons, firms and corporations shall not exceed the amount of the taxes levied or estimated to be levied by the Corporation for the said financial year.

4. All sums borrowed as aforesaid or so much thereof as from time to time remain unpaid shall bear interest at a rate per annum equal to the Prime Lending Rate established from time to time by Servus Credit Union and such interest shall be calculated and due and payable monthly.

5. All sums authorized to be borrowed hereunder, including interest, shall be due and payable in full no later than December 31st of the said financial year, unless hereafter extended by authority of the Council of the Corporation.

6. As security for payment of money borrowed hereunder, the Corporation hereby charges to and in favor of Servus Credit Union the whole of the taxes levied or to be levied by the Corporation, requisitions made or to be made by the Corporation and all other money due or accruing due to the Corporation, and the Mayor or Reeve and Treasurer of the Corporation are hereby authorized on behalf and in the name of the Corporation to execute and deliver to Servus Credit Union such security documents as Servus Credit Union may require in relation to the foregoing charge. The said charge shall be collateral to the obligation of the Corporation to repay with interest all sums borrowed from Servus Credit Union and Servus Credit Union shall not be bound to recover any such taxes, requisitions or other monies before being entitled to payment from the Corporation.

7. The repayment of the money borrowed hereunder shall come from taxes collected for the current fiscal year and will be repaid to the Servus Credit Union by June 30 of that year.

8. In the event the Council of the Corporation decides to extend the said sum and Servus Credit Union is prepared to extend the said loan, any renewal or extended bill, debenture, promissory note or other obligation executed by the officers designated in paragraph 2 hereof and delivered to Servus Credit Union shall be valid and conclusive proof as against the Corporation of the decision to extend the loan in accordance with the terms of such renewal or extension bill, debenture, promissory note or other obligation, and Servus Credit Union shall not be bound to inquire into the authority of such officers to execute and delivery any such renewal or extension document.

9. This Bylaw comes into force on the final passing thereof.

CERTIFICATE

WE HEREBY CERTIFY that the foregoing Bylaw was duly passed and enacted by the Council of the Corporation therein mentioned at a duly and regularly constituted meeting thereof held on the **13th DAY OF DECEMBER, 2011** at which a quorum was present, as entered in the minutes of the said Council, and the said Bylaw is in full force and effect.

WITNESS our hands and the seal of the Corporation this 13th day of December, 2011.

Read a first time in Council this 13th day of December, A.D. 2011.

Read a second time in Council this 14th day of December, A.D. 2011.

Read a third time in Council this 13th day of December, A.D. 2011 and duly passed this 13th day of December, A.D. 2011.

Reeve

Chief Administrative Officer