

BY-LAW NO. 1528

OF THE TOWN OF CARDSTON

(hereinafter referred to the "Municipality")

IN THE PROVINCE OF ALBERTA

This by-law authorizes the Council of the Municipality to incur an indebtedness by borrowing from the RBC Financial Group for the purpose of construction of a raw water supply pipeline and an irrigation trunkline.

WHEREAS:

The Council of the Municipality has decided to issue a by-law pursuant to Sections 251 and 258 of the *Municipal Government Act* to authorize the financing, undertaking and completing of the raw water supply pipeline and the irrigation trunkline project.

UMA Engineering Ltd made plans, specifications and estimates for the project and confirms the total cost of the said project is \$3,300,000.

The Council and the Municipality has estimated the following grants and contributions will be received or applied to the project.

- | | |
|---|-------------|
| 1. Alberta Municipal Water/Wastewater Partnership | \$1,818,045 |
|---|-------------|

In order to construct and complete the said project, it will be necessary for the Municipality to borrow the sum of \$1,482,000 (the "indebtedness") on the terms and conditions referred to in this By-law.

The Municipality will repay the indebtedness over a period of ten (10) years in monthly instalments, with interest not exceeding five point three five per cent (5.35%), per annum or the interest rate fixed from time to time by the RBC Financial Group payable monthly.

The amount of the existing debenture debt of the Municipality at December 31, 2002, is \$534,972.05, no part of which is in arrears.

The estimated lifetime of the project is 50 years.

All required approvals for the project have been obtained and the project is in compliance with all acts and regulations of the Province of Alberta.

THEREFORE, THE COUNCIL OF THE MUNICIPALITY DULY ASSEMBLED ENACTS AS FOLLOWS:

1. That for the purpose of the raw water supply pipeline and irrigation trunkline the sum of one million four hundred and eighty two thousand and zero dollars (\$1,482,000) be borrowed from RBC Financial Group on the credit and security of the Municipality at large, of which amount the sum of \$1,482,000 is to be paid by the citizens at large.
2. The borrowing to be issued under this by-law shall not exceed the sum of one million four hundred and eighty two thousand and zero dollars (\$1,482,000), and may be in any denomination not exceeding the amount authorized by this by-law and shall be dated having regard to the date of the borrowing.

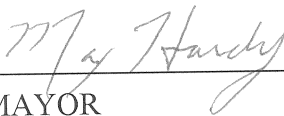
3. The borrowing shall bear interest during the currency of the loan, at a rate not exceeding five point three five per cent (5.35%), per annum
4. The borrowing shall be issued in such manner that the principal will be paid in equal monthly installments of \$12,350.00 and interest monthly as accrued, over a period of ten (10) years, in accordance with the schedule attached and forming a part of this borrowing.
5. The borrowing shall be payable in lawful money of Canada at the RBC Branch in the Town of Cardston.
6. The Mayor and Municipal Administrator of the Municipality shall authorize such bank or financial institution to debit the bank account of the Town of Cardston on such date and in such amounts as specified in the repayment schedule forming part of this borrowing.
7. The borrowing shall be signed by the Mayor and the Municipal Administrator of the Municipality and the Municipal Secretary shall affix the corporate seal of the Municipality to the borrowing instrument.
8. There shall be levied and raised in each year of the currency of the borrowing a rate or rates to the Town water rates to provide payment adequate to pay the principal and interest falling due each month. The said rates are collectible at the same time and in the same manner as other water rates.
9. The indebtedness is contracted on the credit and security of the Municipality at large.
10. The net amount realized by the borrowing authorized under this by-law shall be applied only for the purposes for which the indebtedness was created.
11. This by-law shall take effect on the day of the final passing thereof.

READ a first time in Council this 25 day of February, 2003.

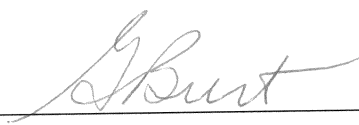
READ a second time in Council this 11 day of March, 2003.

READ a third time in Council and passed this 11 day of March, 2003.

CERTIFIED A TRUE COPY


MAYOR

SEAL


MUNICIPAL ADMINISTRATOR