

PROPOSED BY-LAW NO. 1532 ✓

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 the issuance of debentures (the “debentures”) to the Alberta Municipal Financing Corporation for the purpose of loaning money to Leavitt Irrigation District to construct a pressure pipe, and for construction of an Irrigation Line to service the community.

WHEREAS:

The Council of the Municipality has decided to issue a by-law pursuant to Section 251 & 258 of the Municipality Government Act to authorize the financing, undertaking and completing of the Irrigation project.

Golder Associates made plans, specifications and estimates for the project and confirms the total cost of the said project is \$ 853,000.

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

- | | | |
|----|----------------------|----------|
| 1. | \$140,000 ICAP Grant | \$ _____ |
| 2. | _____ | \$ _____ |

In order to construct and complete the said project, it will be necessary for the Municipality to borrow the sum of \$730,000 (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 annual instalments, with interest not exceeding seven per cent (7%) or the interest rate fixed from time to time by the Alberta Municipal Financing Corporations, per annum, payable annually.

The amount of the existing debentures debt of the Municipality at May 31, 2003, is \$1,946,900.23, 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 loaning and constructing an irrigation mainline the sum of seven hundred and thirty thousand DOLLARS (\$ 730,000) be borrowed from AMFC by way of debenture on the credit and security of the Municipality at large, of which amount the sum of \$ 730,000 is to be paid by the citizens at large on the millrate of the Town as a tax due and payable.
2. The debentures to be issued under this by-law shall not exceed the sum of seven hundred and thirty thousand DOLLARS (\$ 730,000), 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 debentures shall bear interest during the currency of the debentures, at a rate not exceeding seven per cent (7%), or the interest rate fixed from time to time by the Alberta Municipal Financing Corporation, per annum, payable annually.
4. The debentures shall be issued in such manner that the principal and interest will be combined and be made payable in, as nearly as possible, equal annual instalments over a period of ten (10) years, in accordance with the schedule attached and forming a part of each debenture.
5. The debentures shall be payable in lawful money of Canada at the TD Canada Trust Bank in the Town of Cardston or at such other bank or financial institution as the Council of the Municipality may authorize as its banking agency during the currency of the debenture.
6. The Chief Elected Official and Chief Administrative Officer of the Municipality shall authorize such bank or financial institution to make payments to the holder of the debentures, on such date and in such amounts as specified in the repayment schedule forming part of each debenture.
7. The debentures shall be signed by the Chief Elected Official and the Chief Administrative Officer of the Municipality and the Municipality Secretary affix the corporate seal of the Municipality to the debentures.
8. There shall be levied and raised in each year of the currency of the debentures a rate or rates on the assessed value of all lands and improvements shown on the assessment roll, sufficient to provide an annual tax adequate to pay the interest falling due in such year on such debentures. The principal shall be paid under agreement, by the Leavitt Irrigation District in equal annual payments of \$65,000. The said rates and taxes are collectible at the same time and in the same manner as other rates and taxes.
9. The indebtedness is contracted on the credit and security of the Municipality at large.
10. The net amount realized by the issue and sale of debentures authorized under this by-law shall be applied only for the purposes for which the indebtedness was created.
11. The by-law shall take effect on the day of the final passing thereof.

READ a first time in Council this 11 day of June, 2003.

READ a second time in Council this 8 day of July, 2003.

READ a third time in Council and passed this 8 day of July, 2003.

CERTIFIED A TRUE COPY

777 of Hardy
CHIEF ELECTED OFFICIAL

CHIEF ADMINISTRATIVE OFFICER

G. Burt
CHIEF ADMINISTRATIVE OFFICER

SEAL