

# MUNICIPAL BORROWING BYLAW

For the Purpose Specified in Section 256 (1) of the Municipal Government Act  
Bylaw No. 96-12

WHEREAS the Council of Village of Andrew  
(hereinafter called the "Corporation") in the  
Province of Alberta, considers it necessary to borrow certain sums of money  
for the purpose of:

(Insert description  
of purpose in general  
terms.)

Revolving Operating Line of Credit.

NOW THEREFORE pursuant to the provisions of the Municipal  
Government Act, it is hereby enacted by the Council of the Corporation as a  
By-law that:

1. The Corporation borrow from Province of Alberta Treasury Branches  
("ATB") up to the principal sum of \$ 100,000.00 repayable upon  
demand at a rate of interest per annum not to exceed the Prime Lending Rate  
from time to time established by ATB, and such interest will be calculated daily  
and due and payable monthly on the last day of each and every month.

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2. if loan is

~~2. Prior to demand the Corporation make on account of the borrowing  
payments of \$ \_\_\_\_\_ each or as may  
(monthly, quarterly, semi-annual, annual, etc.)  
subsequently be agreed with ATB in writing for a term of \_\_\_\_\_ years.~~

3. The Chief Elected Officer and the Chief Administrative Officer are  
authorized for and on behalf of the Corporation:

- (a) to apply to ATB for the aforesaid loan to the Corporation and to  
arrange with ATB the amount, terms and conditions of the loan  
and security or securities to be given to ATB;
- (b) as security for any money borrowed from ATB
  - (i) to execute promissory notes and other negotiable  
instruments or evidences of debt for such loans and  
renewals of all such promissory notes and other negotiable  
instruments or evidences of debts;
  - (ii) to give or furnish to ATB all such securities and promises as  
ATB may require to secure repayment of such loans and  
interest thereon; and

### REVOLVING LINE OF CREDIT AGREEMENT

TO: Province Of Alberta Treasury Branches ("ATB")

Andrew, Alberta

RE: Revolving Line Of Credit (the "Credit")

Credit Limit \$ 100,000.00

In consideration of ATB agreeing to provide the Credit to the undersigned on the following terms, the undersigned (jointly and severally if more than one) agrees as follows:

1. ATB is authorized to advance or readvance (in either case, an "advance") funds under the Credit from time to time on a revolving basis by credit to account number 9300007-24, ("the Account") in the name of Village of Andrew at the above branch.

Each advance, if made, will be in the minimum amount of \$ 10,000.00 (or such lesser sum as ATB may permit) or a multiple of it and will be made as required to meet directions to pay on or other withdrawals or payments from the Account.

2. ATB may, without restriction:  
(a) refuse to make any further advance on the Credit if the amount of such advance, when added to the amount then outstanding on the Credit, would exceed the Credit Limit; provided that this agreement will apply to the Credit even if the amount advanced or outstanding on it exceeds the Credit Limit;

(b) on oral or written notice to the undersigned, temporarily or permanently reduce the Credit Limit; provided that, without notice to the undersigned and for so long as ATB thinks fit, ATB may reduce the Credit Limit by an amount equal to ATB's liability (as determined by ATB) on Letters of Guarantee issued by ATB at the request of the undersigned;

(c) on oral or written notice to the undersigned, terminate the Credit, in which case no further advances will be available and all amounts then outstanding on the Credit will become immediately payable.

3. ATB is authorized to debit the Account from time to time to pay interest, principal, costs, or other monies owing to ATB in respect of the Credit, provided that ATB will not be obliged to do so at any time.

4. The undersigned promises to pay interest to ATB on the aggregate of all advances from time to time outstanding under the Credit at the rate(s) set out below. Interest in all cases will be calculated daily and, prior to demand, will be payable on the \_\_\_\_\_ day of each month. The interest rate applicable to the amount outstanding on the Credit at any time will be:

(a) as to the first \$100,000.00, a variable rate per annum equal to 25 <sup>below</sup> % ~~above~~ the Prime Lending Rate of ATB; and

(b) as to the balance (if any), a variable rate per annum equal to \_\_\_\_\_ % above the Prime Lending Rate of ATB.

5. The undersigned will execute and deliver (or has executed and delivered) to ATB demand promissory note(s) (or promise(s) to pay) for (or totalling) the amount of the Credit Limit at the applicable interest rate(s), to be held by ATB as further evidence of and security for the obligation of the undersigned to pay to ATB ON DEMAND, the interest, principal, costs and other monies owing to ATB from time to time in respect to the Credit

6. ATB's written statement of the amount owing under the Credit and the interest rate(s) applicable to it at any particular time will, in the absence of obvious error, be conclusively binding on the undersigned for all purposes. Such statement may be included with the consolidated statement of the Account from time to time.

7. It is understood that additional agreements may from time to time exist between ATB and the undersigned relating to the Credit and in the event of a conflict between this agreement and other agreement relating to the Credit such other agreement will prevail; if there is no conflict, this agreement and such other agreement will be read in conjunction with and as supplementary to each other.

The undersigned has executed this agreement this 26<sup>th</sup> day of SEPTEMBER, 1996.

  
