

# MUNICIPAL BORROWING BYLAW

For the Purpose Specified in Section 26(1) of the Municipal Government Act  
Bylaw No.97-02

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.)

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

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

# Alberta Treasury Branches



PO Box 90  
Andrew, Alberta  
TOB OCO

April 28, 1997

Village of Andrew  
Box 180  
Andrew, Alberta.  
TOB OCO

Dear Sirs:

Alberta Treasury Branches has approved and offers financial assistance on the terms and conditions in the attached Outline of Credit.

You may accept our offer by returning the enclosed duplicate of this letter, signed as indicated below by 4:30pm on May 16, 1997, or our offer will automatically expire. We reserve the right to cancel our offer at any time prior to acceptance.

Yours truly,

A handwritten signature in blue ink, appearing to read 'L. McKeith'.

Lloyd McKeith  
Branch Manager

Accepted May 14<sup>th</sup> 1997

Village of Andrew

By *Deonair*

*[Handwritten Signature]*

**POSITIVE CONVENANTS:**

Borrower will:

- (a) Deliver to Lender the Security Documents in the form required by Lender;
- (b) Provide to Lender within 90 days after the end of each of its fiscal years, financial statements and accountants comments prepared by a firm of qualified accountants, and signed by appropriate officers of Borrower. Lender reserves the right to require audited financial statements;
- (c) Provide Lender with such information and documentation as Lender may reasonably require from time to time in respect of the collection and payment of GST including, without limitation, information concerning the amount of taxable supplies, GST collected, input tax credits received and GST paid during each quarter of Borrower's operations;
- (d) Forward to Lender copy of any GST election forms filed with Revenue Canada taxation;
- (e) Advise Lender of any transfer or exchange of assets with a related party where no funds are exchanged.

**NEGATIVE CONVENANTS:**

Borrower will not, without the prior written consent of Lender:

- (a) Borrow money from or grant security to anybody other than Lender;
- (b) Amalgamate with anybody else or voluntarily wind-up the affairs of Borrower;

**CONDITIONS PRECEDENT:**

None of the Credit Facilities will be available and the availability of further advances on any of the loans will be curtailed until the following conditions precedent have been satisfied, unless waived by Lender:

- (a) Lender has received all Security Documents and all registrations and filings have been completed, in all cases in form and substance satisfactory to Lender;
- (b) Borrower has provided all financial statements, appraisals, environmental reports and and other information that Lender may require;
- (c) Lender is satisfied as to the value of Borrower's assets and financial condition, and Borrower's ability to carry on business and repay any amount owed to Lender from time to time;
- (d) There is no Event of Default;

**OUTLINE OF CREDIT**

**LENDER:**                    **Alberta Treasury Branches**

**BORROWER:**                **Village of Andrew**

**DETAILS OF CREDIT FACILITIES:**

1. \$ 100,000.00 - (maximum) (variable rate advance)

- revolving line of credit

- interest calculated on daily outstanding principal at .25% below Prime will be payable on the last day of each month.

- principal advances and repayments to be in the minimum sum of \$10,000.00 or multiple of it.

if advances exceed the maximum amount of credit available as established by the above formula, Lender may treat the excess as an overdraft. The Lender's overdraft interest rate in effect will be charged on the full amount of the excess, where Lender in its discretion permits excess borrowings if any.

- this line of credit is subject to periodic (and at least annual) review. Next scheduled review date is June 30, 1997.

- this line of credit will expire and all outstanding amounts under it will be payable in full on demand by Lender.

**SECURITY DOCUMENTS:**

**SECURITY TO BE TAKEN**

The following will secure all Credit Facilities unless and until otherwise agreed in writing by Lender:

The Security Documents (whether now held or hereafter delivered) will secure all Credit Facilities unless and until otherwise agreed in writing by Lender.

1. Revolving Line of Credit Agreement and related demand promissory note.

2. Municipal Borrowing By-Law

3. Such supporting resolutions, certificates, opinions and the like as Lender may require.

4. Such additional securities and other documents as Lender may require.

**EVENTS OF DEFAULT:**

Without restricting Lender's right to demand payment at any time as described under Details of Credit Facilities, Lender may, by notice to Borrower, terminate any or all of the Credit Facilities and demand immediate payment and, failing such immediate payment, Lender may without further notice realize under the Security Documents as Lender thinks fit, in any of the following events:

- (a) If Borrower defaults in payment of any sum when due;
- (b) If Borrower defaults in the observance or performance of any covenant or other obligation it has to the Lender;
- (c) If any other creditor of Borrower or a Guarantor (if any) takes collection steps against Borrower or its assets;
- (d) If a judgment is entered against Borrower or a Guarantor (if any);
- (e) If any action is taken to wind up the affairs of Borrower or a Guarantor (if any) or to put Borrower or a Guarantor (if any) into bankruptcy or to appoint a receiver for Borrower or a Guarantor (if any) or any of its property;
- (f) If Borrower or a Guarantor (if any) becomes insolvent;
- (g) If Borrower ceases to carry on its business or makes a bulk sale of its assets;
- (h) If, in the opinion of Lender, any material adverse change occurs in the business, management, prospects, assets, liabilities or condition (financial or otherwise) of Borrower or a Guarantor (if any).

**MISCELLANEOUS:**

- (a) All legal and other costs and expenses incurred by Lender in respect of the Credit Facilities, the Security Documents and other related matters will be paid or reimbursed by Borrower on demand by Lender;
- (b) All Security Documents will be prepared at option of Lender by or under the supervision of Lender's solicitors;
- (c) Acceptance of this offer will authorize Lender to prepare all necessary Security Documents and proceed with related matters;
- (d) Lender, without restriction, may waive the satisfaction, observance or performance of any of the Conditions or Covenants contained in this Outline of Credit. Except to the extent that such waiver relates to an obligation of a Guarantor, the obligations of Guarantors (if any) will not be diminished, discharged or otherwise affected by or as a result of any such waiver.

**INTERPRETATION:**

(a) "Prime" means the prime lending rate per annum established by Lender from time to time. Where the interest rate for a credit is based on Prime, the applicable rate on any day will depend on the Prime in effect on that day. The statement by Lender as to Prime and as to the rate of interest applicable to a credit on any day will be binding and conclusive for all purposes;

(b) All interest rates specified are nominal annual rates. The effective annual rate in any case will vary with payment frequency.

Principal Sum: \$ 100,000.00

Date Sept. 26/96

For value received the undersigned (jointly and severally, if more than one) promises to pay to Alberta Treasury Branches ("ATB") at Andrew

Alberta, ON DEMAND, in lawful money of Canada, the Principal Sum together with interest on all amounts of the Principal Sum remaining unpaid from time to time after Date, both before and after default, at a variable rate per annum of 25 %

*E* below  
~~XXXX~~ the Prime Lending Rate of ATB in effect from time to time (the "Interest Rate"). Interest will be calculated daily and, prior to demand, will be payable on the last day of each month. The Prime Lending Rate of ATB in effect on this Date is 5.75 % per annum.

On this Date the Interest Rate is 5.50

Village of Andrew

Reg. Deaneval  
[Signature]