

CITY OF CHESTERMERE

PROVINCE OF ALBERTA

BYLAW #006-18

A Bylaw of the City of Chestermere, in the Province of Alberta, to provide a municipal loan

WHEREAS The Municipal Government Act, RSA 2000, C. M-26 and amendments thereto provides that a Municipal Council may lend money to a municipally controlled corporation;

AND WHEREAS Council deems it desirable to have the loan proceeds used in the creation of the municipally controlled corporation, Chestermere Utilities Inc.;

NOW THEREFORE The Municipal Council of the City of Chestermere, Alberta duly assembled, hereby enacts as follows:

1. Title

- (1) This bylaw may be cited as "Chestermere Utilities Inc. Promissory Note"

2. Definitions

In this bylaw:

- (a) "*Company*" means Chestermere Utilities Inc.;
- (b) "*Corporation*" means the City of Chestermere;
- (c) "*Interest*" means the interest charge for the current year;
- (d) "*Principle*" means the principle amount plus all unpaid interest charge from prior year(s);

3. Application

- (1) Nothing in this Bylaw relieves a person from complying with any provision of any federal or provincial law or regulation, other bylaw or any requirement of any lawful permit, order or license.



- (2) Any heading, sub-headings, or tables of contents in this Bylaw are included for guidance purposes and convenience only, and shall not form part of this Bylaw.
- (3) Where this Bylaw refers to another Act, bylaw, regulation or agency, it includes reference to any Act, bylaw, regulation or agency that may be substituted therefore.
- (4) All the schedules attached to this Bylaw shall form a part of this Bylaw.
- (5) This bylaw is gender-neutral and, accordingly, any reference to one gender includes the other.

4. Terms and Conditions

- (1) The Corporation shall and has lent to the Company an initial principle amount of \$554,427.00.
- (2) Interest will be charged at an annual rate of 2.44%.
- (3) It will be at the discretion of the Company if any interest will be paid in any given year.
- (4) Any or all interest that has not been paid will be added into the principle balance.
- (5) For a five year period commencing on January 1, 2019 and expiring on December 31, 2023.
- (6) The principle and interest being repayable as a lump sum at the end of the term.
- (7) All proceeds received are to be recorded in the Infrastructure Lifecycle, Maintenance and Replacement Restricted Surplus Account.
- (8) The Mayor and the Chief Administrative Officer are authorized for and on behalf of the Corporation.
- (9) The source of funds used to lend the principle amount of the loan were from:
 - (a) Property taxes.
- (10) The amount lent and the term of the loan will not exceed any restrictions set forth in the Municipal Government Act.

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- (11) In the event that the Municipal Government Act permits the extension of the term of the loan and in the event the Council of the Corporation decides to extend the loan, and the Company requests an extension of the loan, any renewal or extension, bill, debenture, promissory note, or other obligation executed by the officers designated in paragraph 3 hereof and delivered to the Company, will be valid and conclusive proof as support for the Corporation of the decision of the Council to extend the loan in accordance with the terms of such renewal or extension, bill debenture, promissory note, or other obligation, and the Company will not be bound to inquire into the authority of such officers to execute and deliver any such renewal, extension document or security.

5. Severability

- (1) If any Section or parts of this Bylaw are found in any court of law to be illegal or beyond the power of Council to enact, such Section or parts shall be deemed to be severable and all other Section or parts of this Bylaw shall be deemed to be separate and independent there from and to be enacted as such.

6. General

- (1) This bylaw shall take effect on the day which it is finally passed.

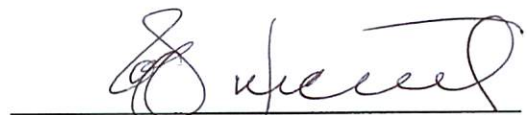
READ A FIRST TIME this 5th day of March.

READ A SECOND TIME this 7th day of May 2018

READ A THIRD TIME this 7th day of May 2018

Resolution Numbers – 207-18
208-18


MAYOR


CAO