

**BYLAW NO. 031-07
OF THE TOWN OF CHESTERMERE**

(hereinafter referred to as "the Municipality")

IN THE PROVINCE OF ALBERTA

This bylaw authorizes the Council of the Municipality to incur indebtedness in the amount of \$6,815,676 for the purpose of water reservoir expansion.

WHEREAS:

The Council of the Municipality has decided to issue a by-law pursuant to Section 258 of the *Municipal Government Act* to authorize the financing, undertaking and completion of the water reservoir expansion.

Plans and specifications have been prepared and the total cost of the project is estimated to be \$6,378,026 and the Municipality estimates the following grants and contributions will be applied to the project:

Capital Reserves	- NIL -
Provincial Grants	- NIL -
Loan	\$6,378,026
Total Cost	\$6,378,026

In order to complete the project it will be necessary for the Municipality to borrow the sum of \$6,378,026, for a period not to exceed twenty years, from EPCOR Water Services Inc., by loan and on the terms and conditions referred to in this bylaw.

The estimated lifetime of the project financed under this by-law is equal to, or in excess of thirty years.

The principal amount of the outstanding debt of the Municipality at December 31, 2006 is \$7,431,997 and no part of the principal or interest is in arrears.

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.

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

1. That for the purpose of constructing the water reservoir expansion the sum of SIX MILLION THREE HUNDRED SEVENTY EIGHT THOUSAND TWENTY SIX DOLLARS (\$6,378,026) be borrowed from EPCOR Water Services Inc. by way of loan on the credit and security of the Municipality at large, of which amount the full sum of \$6,378,026 is to be paid by the Municipality at large.
2. The proper officers of the Municipality are hereby authorized to issue a loan on behalf of the Municipality for the amount and purpose as authorized by this by-law, namely the water reservoir expansion.
3. The Municipality shall repay the indebtedness according to the repayment structure in effect, namely monthly payments of combined principal and interest instalments not to exceed twenty (20) years calculated at a rate not exceeding the interest rate fixed by the Operations, Maintenance And Capital Works Agreement between the Municipality and EPCOR Water Services Inc. on the date of the Capital Project Term Sheet, and not to exceed nine (9) percent.
4. The Municipality shall levy and raise in each year utility revenue sufficient to pay the indebtedness.
5. The indebtedness shall be contracted on the credit and security of the Municipality.
6. The net amount borrowed under the by-law shall be applied only to the project specified by this by-law.
7. This by-law comes into force on the date it is passed.

READ A FIRST TIME THIS 17 DAY OF DECEMBER 2007.

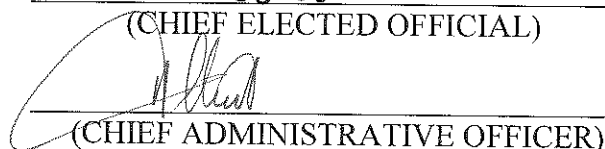
READ A SECOND TIME THIS 21 DAY OF JANUARY 2008.

READ A THIRD TIME THIS 21 DAY OF JANUARY 2008.

RESOLUTION NO. 038-08 & 039-08 526-07



(CHIEF ELECTED OFFICIAL)



(CHIEF ADMINISTRATIVE OFFICER)

SEAL