

TOWN OF LACOMBE

BYLAW 298

A Bylaw of the Town of Lacombe authorizing the Council to incur an indebtedness by the issuance of debentures to the Alberta Municipal Financing Corporation for the North Area Water Supply Project

WHEREAS the Council of the Town of Lacombe (hereinafter referred to as the "Municipality") has decided to issue a by-law pursuant to Section 251 of the *Municipal Government Act*, R.S.A. 2000, c. M26 to authorize the financing, undertaking and completing the construction of water supply wells and a pump-house and reservoir facility to supply water to the north area of Lacombe and to be included as part of the the 2001 Infrastructure Project.

AND WHEREAS the engineering firm of UMA Engineering Ltd. has made plans, specifications and estimates for the project and confirms the total cost of the said project is \$2,635,000.

AND WHEREAS the Council of the Municipality has estimated the following grants and reserve funds will be received or applied to the project:

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|--|---------------------------------|----------|
| 1. Alberta Waste/Waste Water Grant Program | \$942,710 | RS
WM |
| 2. Town's Capital Reserve and Offsite Levy Funds | \$400,000
392,290 | |

AND WHEREAS in order to construct and complete the said project, it will be necessary for the Municipality to borrow the sum of \$1,300,000, on the terms and conditions referred to in this Bylaw.

AND WHEREAS the Municipality will repay the indebtedness over a period of fifteen (15) years in annual installments, with interest not exceeding fourteen per cent (14%), or the interest rate fixed from time to time by the Alberta Municipal Financing Corporation, per annum, payable annually;

AND WHEREAS the amount of the existing debenture debt of the Municipality at December 31, 2001 is \$7,252,288, no part of which is in arrears;

AND WHEREAS the estimated lifetime of the project is fifteen (15) years;

AND WHEREAS all required approvals of the project have been obtained and the project is in compliance with all acts and regulations of the Province of Alberta;

AND WHEREAS the Council of the Municipality has given proper notice of the proposed debenture borrowing.

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

1. For the purpose of infrastructure work and the sum of debenture on the credit and security of the Municipality at large, of which amount the sum of \$1,300,000 is to be paid by the Municipality at large.
2. The debentures to be issued under this Bylaw shall not exceed the sum of \$1,300,000 and may be in any denomination not exceeding the amount authorized by this bylaw 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 fourteen per cent (14%) 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 installments over a period of fifteen (15) years.
5. The debentures shall be payable in lawful money of Canada at the Community Credit Union Ltd. in the Town of Lacombe or at such

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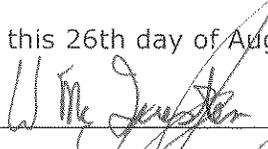
other bank or financial institution as the Council of the Municipality may authorize as its banking agency during the currency of the debenture.

- 6 The Mayor 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 Mayor and the Chief Administrative Officer of the Municipality and the Chief Administrative Officer shall 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 principal and interest falling due in such year on such debentures. 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 bylaw shall be applied only for the purposes for which the indebtedness was created.
- 11 This bylaw shall take effect on the day of the final passing thereof.
- 12 Bylaw 290 is rescinded and replaced with Bylaw 298

INTRODUCED AND GIVEN FIRST READING this 22nd day of July A.D. 2002

AMENDED AND GIVEN SECOND READING this 26th day of August, A.D. 2002

GIVEN THIRD AND FINAL READING this 26th day of August, A.D. 2002



Mayor



Chief Administrative Officer