

BYLAW 03-24

A BYLAW OF THE TOWN OF OKOTOKS IN THE PROVINCE OF ALBERTA TO AUTHORIZE A BORROWING LINE OF CREDIT TO FINANCE OPERATING EXPENDITURES

WHEREAS pursuant to the provisions of the *Municipal Government Act* (the Act), Revised Statutes of Alberta 2000, Chapter M-26 and amendments thereto, Council may pass a bylaw for the purpose of authorizing a borrowing line of credit to finance operating expenditures within the Town of Okotoks; and

WHEREAS the Council of the Town of Okotoks (hereafter called the "Corporation") considers it necessary to borrow certain sums of money from time to time to finance operating expenditures of the Corporation and to maintain contingencies required by its bank.

NOW THEREFORE the Council of the Corporation enacts as follows:

1. SHORT TITLE

1.1 This Bylaw may be known as the "Borrowing Line of Credit Bylaw."

2. TERMS

2.1 The Corporation may borrow from a commercial banking institution up to the principal sum of \$6.500M repayable upon demand at a rate of interest per annum not to exceed the Prime Lending Rate from time to time established by the banking institution, and such interest will be calculated daily and due and payable monthly on the last day of each and every month.

2.2 The Mayor and Chief Administrative Officer are hereby authorized for and on behalf of the Corporation;

2.2.1 to apply to the banking institution for the aforesaid loan to the Corporation and to arrange with the banking institution the amount, terms, and conditions of the loan and security or securities to be given to the banking institution;

2.2.2 as security for any money borrowed from the banking institution;

2.2.2.1 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;

2.2.2.2 to give or furnish to the banking institution all such securities and promises as the banking institution may require to secure repayment of such loans and interest thereon; and

2.2.2.3 to execute all security agreements, hypothecations, debentures, charges, pledges, conveyances, assignments and transfers to and in favour of the banking institution of all or any property, real or personal, moveable or

immovable, now or hereafter owned by the Corporation or in which the Corporation may have any interest, and any other documents or contracts necessary to give or to furnish to the banking institution the security or securities required by it.

- 2.3 The source or sources of money to be used to repay the principal and interest owing under the borrowing from the banking institution are taxes, reserves, grants, or other Corporation revenues.
- 2.4 The amount to be borrowed and the term of the loan will not exceed any restriction set forth in the *Act*.
- 2.5 In the event that the *Act* permits extension of the term of the loan and in the event the Council of the Corporation decides to extend the loan and the banking institution is prepared to extend the loan, any renewal or extension, bill, debenture, promissory note, or other obligation executed by the officers designated in paragraph 2.2 hereof and delivered to the banking institution will be valid and conclusive proof as against the Corporation of the decision of Council to extend the loan in accordance with the terms of such renewal or extension, bill, debenture, promissory note, or other obligation, and the banking institution will not be bound to inquire into the authority of such officers to execute and deliver any such renewal, extension document or security.
- 2.6 This Bylaw shall be in effect until December 31, 2024.

3. SEVERABILITY

- 3.1 It is the intention of Council that each separate provision of this Bylaw shall be deemed independent of all other provisions herein and it is the further intention of Council that if any provision of this Bylaw is declared invalid, all other provisions hereof shall remain valid and enforceable.

This Bylaw shall come into full force and effect upon third and final reading.

READ A FIRST TIME this day of 2024.

READ A SECOND TIME this day of 2024.

READ A THIRD TIME AND PASSED this day of 2024.

Mayor

Chief Administrative Officer