



**VILLAGE OF HUGHENDEN
PROVINCE OF ALBERTA
BYLAW NO. 494-16**

**A BYLAW BEING ENACTED FOR THE PURPOSE OF BORROWING MONIES FOR
CURRENT MUNICIPAL EXPENDITURES AND ESTABLISHING AN
OPERATING LINE OF CREDIT**

WHEREAS the Municipal Government Act R.S.A. 2000 cM-26 Section 255 (1) provides that a municipality may only make a borrowing if the borrowing is authorized by a borrowing bylaw;

AND WHEREAS, the Municipal Government Act R.S.A. 2000 cM-26 Section 256 (1) provides for borrowing made for the purpose of financing operating expenditures;

AND WHEREAS, the Council of the Village of Hughenden deems it necessary to borrow certain sums of money from time to time to meet current expenditures;

NOW THEREFORE the Council of the Village of Hughenden, duly assembled, enacts the following:

1. The Village of Hughenden borrow from Encompass Credit Union Limited ("Encompass CU") sums of money from time to time as required to meet current expenditures of the Village of Hughenden, provided that the total principal amount owed to Encompass CU at any one time does not exceed the sum of \$100,000.00.
2. Monies borrowed shall be repayable upon demand and subject to the payment of interest thereon at a rate per annum not to exceed the prime lending rate plus 1.5% per year from time to time established by Encompass CU, and such interest will be calculated daily and due and payable monthly on the last day of each and every month.
3. The Chief Elected Officer and the Chief Administrative Officer are authorized for and on behalf of the Village of Hughenden:
 - a) To apply to Encompass CU for the aforesaid loan (operating line) and to arrange with Encompass CU the amount, terms and conditions of the loan and security and securities to be given to Encompass CU;
 - b) As security for the money borrowed from Encompass CU:
 - (i) To execute promissory notes and other negotiable instruments or evidence of debt for such loans and renewals of all such promissory notes and other negotiable instruments or evidence of debts;
 - (ii) To give or furnish to Encompass CU all such securities and promises as Encompass CU may require to secure payment of such loans and interest thereon; and



(iii) To execute all security agreements, debentures, charges, pledges, conveyances, assignments, and transfers to and in favor of Encompass CU of all or any property, real or personal, movable or immovable, now and hereafter owned by the Village of Hughenden or in which the Village of Hughenden may have any interest, and any other documents or contracts necessary to give or to furnish to Encompass CU the security or securities required by it.

4. The source or sources of money to be used to repay the principal and interest owing under the borrowing from Encompass CU are taxes, reserves, grants, etc.
5. The amount to be borrowed and the term of the loan will not exceed any restrictions set forth in the Municipal Government Act R.S.A. 2000 cM-26.
6. In the event that the Municipal Government Act permits extension of the term of the loan and in the event the Council of the Village of Hughenden decides to extend the loan and Encompass CU is prepared to extend 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 Encompass CU will be valid and conclusive proof as against the Village of Hughenden 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 Encompass CU will not be bound to inquire into the authority of such officers to execute and deliver any such renewal, extension document or security.

This Bylaw shall have force and take effect on the final reading thereof.

READ a first time this 21st day of December, A.D. 2016

READ a second time this 21st day of December, A.D. 2016

READ a third time and finally passed this 21st day of December, A.D. 2016

CHIEF ELECTED OFFICIAL

CHIEF ADMINISTRATIVE OFFICER