

BY-LAW NO. 01-06

LEDUC COUNTY

A BY-LAW OF LEDUC COUNTY, IN THE PROVINCE OF ALBERTA, TO AUTHORIZE BORROWING FROM THE ALBERTA CAPITAL FINANCE AUTHORITY FOR NISKU EAST RESERVOIR AND PUMPHOUSE

This by-law authorizes the Council of Leduc County to incur indebtedness by the issuance of debentures (the "debentures") to the Alberta Capital Finance Authority for the purpose of upgrading the Nisku East Reservoir and Pumphouse.

WHEREAS Leduc County has decided to issue a by-law pursuant to Section 258 of the Municipal Government Act to authorize the financing, undertaking and completion of water reservoir and Pumphouse within the Nisku Industrial Business Park.

UMA Engineering Ltd. of Edmonton, AB made plans, specifications and estimates for the project and confirms the total cost of the said project is Four Million Eight Hundred Thousand Dollars (\$4,800,000).

The Council of Leduc County has estimated the following funding will be applied to the project:

1. Offsite Levies Fund \$1,314,000.00, and
2. New Deal for Cities and Communities Grant \$486,000.00.

In order to construct and complete the said project, it will be necessary for Leduc County to borrow the sum of Three Million Dollars (\$3,000,000.00) (the "indebtedness") on the terms and conditions referred to in this by-law.

Leduc County will repay the indebtedness according to the repayment structure in effect, namely semi-annual or annual equal payments of combined principal and interest installments not to exceed up to TWENTY (20) years calculated at a rate not exceeding the interest rate fixed by the Alberta Capital Finance Authority on the date of the borrowing and not to exceed TEN (10) percent.

The estimated lifetime of the project is fifty (50) years.

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.

NOW THEREFORE the Council of Leduc County, duly assembled, enacts as follows:

- 1) That for the purpose of constructing the Nisku East Reservoir and Pumphouse and upgrading the existing Nisku Pumphouse the sum of Three Million Dollars (\$3,000,000.00) be borrowed from Alberta Capital Finance Authority by way of debenture on the credit and security of Leduc County at large, of which amount the sum of Three Million Dollars (\$3,000,000.00) is to be paid through the municipal taxes.
- 2) The debentures to be issued under this by-law shall not exceed the sum of Three Million Dollars (\$3,000,000.00), and may be in any denomination not exceeding the amount authorized by this by-law 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 ten per cent (10%), or the interest rate fixed from time to time by the Alberta Capital Finance Authority, semi-annual or annual equal payments.

BY-LAW NO. 01-06

- 2 -

- 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, semi-annual or annual equal payments over a period of up to TWENTY (20) years, in accordance with the schedule attached and forming a part of each debenture.
The debentures shall be payable in lawful money of Canada at the Royal Bank in the Branch of City of Leduc or at such other bank or financial institution as the Council of Leduc County may authorize as its banking agency during the currency of the debenture.
- 5) The Chief Elected Official and Chief Administrative Officer of Leduc County shall authorize such bank or financial institution to make payment to the holder of the debentures, on such date and in such amounts as specified in the repayment schedule forming part of each debenture.
- 6) The debentures shall be signed by the Chief Elected Official and Chief Administrative Officer of Leduc County and affix the corporate seal of Leduc County to the debentures.
- 7) There shall be levied and raised in each year of the currency of the debentures through municipal taxes sufficient funding to pay the principal and interest falling due in such year on such debentures.
- 8) The indebtedness is contracted on the credit and security of Leduc County at large.
- 9) The net amount realized by the issue and sale of debentures authorized under this by-law shall be applied only for the purposes for which the indebtedness was created.
- 10) This by-law shall come into effect upon final reading.

Read a first time this 24^h day of January, 2006.

SEAL

John Whaley
RÉVE
[Signature]
COUNTY MANAGER

Read a second time this 22 day of February, 2006.

Read a third time this 22 day of February, 2006.

SEAL

John Whaley
REEVE
[Signature]
COUNTY MANAGER