

BYLAW NO. 1285-07

OF THE TOWN OF THREE HILLS

(hereinafter referred to as "the Municipality")

IN THE PROVINCE OF ALBERTA

This bylaw authorizes the Council of the Municipality to incur indebtedness by the issuance of debenture(s) in the amount of \$800,000.00 for the upgrade and expansion of the Three Hills Arena Facility.

WHEREAS:

The Council of the Municipality has decided to issue a bylaw pursuant to Section 258 of the Municipal Government Act to authorize the financing for the upgrade and expansion of the Three Hills Arena Facility.

Plans and specifications have been prepared and the total cost of the project is estimated to be \$1,820,000.00 and the Municipality estimates the following grants and contributions will be applied to the project:

Operating	\$ 40,000.00
Community Facilities Enhancement Grants	\$ 375,000.00
Town Reserves	\$ 105,000.00
Borrowing	\$ 800,000.00
Donations & Fundraising	<u>\$ 500,000.00</u>
TOTAL PROJECT COST	\$1,820,000.00

In order to complete the project it will be necessary for the Municipality to borrow the sum of \$800,000.00, for a period not to exceed twenty five (25) years, from the Alberta Capital Finance Authority or another authorized financial institution, by issuance of debentures and on the terms and conditions referred to in this bylaw.

The estimates lifetime of the project financed under this by-law is equal to, or in excess of twenty five (25) years.

The principal amount of the outstanding debt of the Municipality at December 31, 2005 is \$3,182,220 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.

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

1. That for the upgrade and expansion of the Three Hills Arena Facility, the sum of EIGHT HUNDRED THOUSAND DOLLARS (\$800,000.00) be borrowed from the Alberta Capital Finance Authority or another authorized financial institution by way of debenture on the credit and security of the Municipality at large, of which amount the full sum of \$800,000.00 is to be paid by the Municipality at large.
2. The proper officers of the Municipality are hereby authorized to issue debenture(s) on behalf of the Municipality for the amount and purpose as authorized by this bylaw, namely the upgrade and expansion of the Three Hills Arena Facility.
3. The Municipality shall repay the indebtedness according to the repayment structure in effect, namely monthly, semi-annual or annual equal payments (or other terms as negotiated) of combined principal and interest installments not to exceed twenty five (25) years calculated at a rate not exceeding the interest rate fixed by the Alberta Capital Finance Authority or another authorized financial institution on the date of the borrowing, and not to exceed fourteen percent (14%).
4. The Municipality shall levy and raise in each year municipal taxes 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.

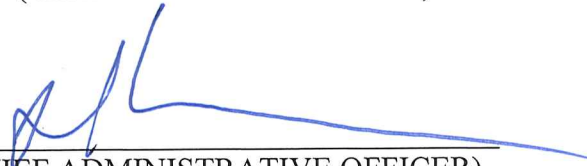
READ A FIRST TIME THIS 5th DAY OF March 2007.

READ A SECOND TIME THIS 23rd DAY OF April 2007.

READ A THIRD AND FINAL TIME THIS 23rd DAY OF April 2007.



(CHIEF ELECTED OFFICIAL)



(CHIEF ADMINISTRATIVE OFFICER)