

TOWN OF PENHOLD
BYLAW NO. 838/2025

Borrowing Bylaw

This Bylaw being Bylaw No. 838/2025 of the Town of Penhold, in the Province of Alberta for the purpose of authorizing the Council of the Municipality to incur short-term indebtedness by borrowing funds from time to time up to \$5,120,000.00 (Five Million, One Hundred and Twenty - Thousand Dollars) for the purpose of funding operation expenditures.

WHEREAS:

The Council of the Municipality has decided to issue a Bylaw pursuant to Section 256 of the *Municipal Government Act* to authorize short-term borrowing for operating expenditures when considered necessary to do so.

NOW, THEREFORE, pursuant to the provisions of the Municipal Government Act, it is hereby enacted by the Council of the Corporation as a Bylaw that:

1. That for the purpose of financing operating expenditures the Municipality borrows from ATB Financial (ATB) up to the principal sum of \$5,120,000.00 (Five Million, One Hundred and Twenty-Thousand Dollars) repayable upon demand at a rate of interest per annum not to exceed 10%, and such interest will be calculated daily and due and payable monthly on the last day of each and every month.
2. The borrowing is a line of credit and credit card limits repayable on demand and the Municipality is required to pay accrued interest monthly.
3. The proper officers of the Municipality are hereby authorized to:
 - a) to apply to ATB for the aforesaid loan to the Municipality and to arrange with ATB the amount, terms and conditions of the loan and security or securities to be given to ATB;
 - b) As security for any money borrowed from ATB
 - 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 ATB all such securities and promises as ATB may require to secure repayment of such loans and interest thereon; and

- iii) to execute all security agreements, hypothecations, debentures, charges, pledges, conveyances, assignments and transfers to and in favour of ATB of all or any property, real or personal, movable or immovable, now or hereafter owned by the Municipality or in which the Municipality may have any interest, and or any other documents or contracts necessary to give or to furnish to ATB 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 ATB are:

Reserves, grants, and collection of property taxes and utility payments

5. The amount to be borrowed and the term of the loan will not exceed any restrictions set forth in the Municipal Government Act.
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 Municipality decides to extend the loan and ATB 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 hereof and delivered to ATB will be valid and conclusive proof as against the Municipality 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 ATB will not be bound to inquire into the authority of such officers to execute and deliver any such renewal, extension document or security.
7. This Bylaw replaces Bylaw 829/2024 and will come into effect on the date it is passed.

EFFECTIVE DATE:

This Bylaw shall come into force and effect following the third and final reading.

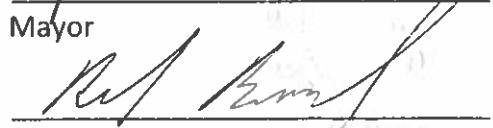
READ the first time this 12th day of May 2025

READ a second time this 12th day of May 2025

READ a third time and final time this 12th day of May 2025



Mayor



Chief Administrative Officer