

BYLAW NO. 2011-897
OF THE TOWN OF TWO HILLS

(hereinafter referred to as "the Town of Two Hills")

IN THE PROVINCE OF ALBERTA

This bylaw authorizes the Council of the Town of Two Hills to incur indebtedness by the issuance of debenture(s) in the amount of \$1,485,000.00 for the Town of Two Hills Reservoir.

WHEREAS:

The Council of the Town of Two Hills has decided to issue a by-law pursuant to Section 251 of the *Municipal Government Act* to authorize the financing of the Town of Two Hills Reservoir.

Plans and specifications have been prepared and the total cost of the project is estimated to be \$5,000,000 and the Town of Two Hills estimates the following grants and contributions will be applied to the project:

Provincial Grant	\$3,515,000
Town of Two Hills	\$1,485,000
Total Cost	\$5,000,000

In order to complete the project it will be necessary for the Town of Two Hills to borrow the sum of \$1,485,000.00, for a period not to exceed thirty (30) years, from the Alberta Capital Finance Authority or another authorized financial institution, by the issuance of debentures and on the terms and conditions referred to in this bylaw.

The estimated lifetime of the project financed under this by-law is equal to, or in excess of 30 years.

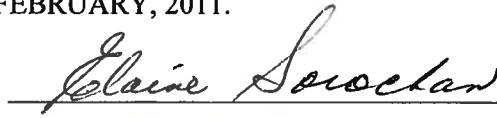
The principal amount of the outstanding debt of the Town of Two Hills at December 31, 2010 is \$962,408.81 and no part of the principal or interest is in arrears.

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 TOWN OF TWO HILLS DULY ASSEMBLED ENACTS AS FOLLOWS:

1. That for the purpose of constructing the Reservoir for the Town of Two Hills of which the sum of One Million Four Hundred and Eighty Five Thousand Dollars (\$1,485,000.00) be borrowed from the Alberta Capital Finance Authority or another authorized financial institution by way of debenture on the credit and security of the Town of Two Hills at large, of which amount the full sum of \$1,485,000 is to be paid by the Town of Two Hills at large.
2. The proper officers of the Town of Two Hills are hereby authorized to issue debenture(s) on behalf of the Town of Two Hills for the amount and purpose as authorized by this by-law, namely the Town of Two Hills Reservoir.
3. The Town of Two Hills shall repay the indebtedness according to the repayment structure in effect, namely semi-annual or annual equal payments of combined principal and interest instalments not to exceed thirty (30) 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 seven (7) percent.
4. The Town of Two Hills shall levy and raise in each year user fees and municipal taxes sufficient to pay the indebtedness.
5. The indebtedness shall be contracted on the credit and security of the Town of Two Hills.
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 28th DAY OF FEBRUARY, 2011.



Elaine Sorochan
MAYOR



C. H.
CHIEF ADMINISTRATIVE OFFICER

READ A SECOND TIME THIS 18th DAY OF APRIL, 2011.

READ A THIRD TIME THIS 18th DAY OF APRIL, 2011.



Elaine Sorochan
MAYOR



C. H.
CHIEF ADMINISTRATIVE OFFICER