VILLAGE OF SPRING LAKE

BYLAW #389

A BYLAW BEING ENACTED FOR THE PURPOSE OF BORROWING MONIES FOR CURRENT MUNICIPAL EXPENDITURES FOR THE VILLAGE OF SPRING LAKE FOR ITS FINANCIAL YEAR COMMENCING JANUARY 1, 2021

WHEREAS, Section 251 (1) of the Municipal Government Act provides that a municipality may only make a borrowing if the borrowing is authorized by a borrowing bylaw;

AND WHEREAS, Section 256 (1) of the Municipal Government Act provides for borrowing made for the purpose of financing operating expenditures;

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

NOW THERFORE, the Council of the Village of Spring Lake, duly assembled, enacts the following:

1. The Village of Spring Lake do borrow from Servus Credit Union Limited (hereafter called "the Credit Union) sums of money from time to time in the said financial year as required to meet current expenditures of the Village of Spring Lake in the said financial year, provided that the total principal amount owned to the Credit Union at any one time hereunder shall not exceed the sum of seventy-five thousand dollars ($75 000.00).

2. The Mayor and the Chief Administrative Officer are hereby authorized for and on behalf of the Village of Spring Lake:

   (a) to apply to the Credit Union for the aforesaid loan to the Village of Spring Lake; and

   (b) to obtain advance of monies from the Credit Union in the said financial year by way of an overdraft on the Village of Spring Lake's account at the Credit Union or pursuant to promissory notes and other evidence of indebtedness, as may be permitted or required by the Credit Union; and

   (c) to execute on behalf of the Village of Spring Lake such bills, debentures, promissory notes or similar forms of obligation as the Credit Union may require as evidence of, and security for, all sums borrowed hereunder:

   and each document executed as aforesaid shall be valid and binding upon the Village of Spring Lake according to its tenor, and the Credit Union shall never be bound to inquire whether such officers are observing the limitations on their authority as set forth in this Bylaw.

3. Notwithstanding the foregoing, the Mayor and Chief Administrative Officer shall apply such part of the foregoing sum authorized to be borrowed in repayment of previous borrowings of the Village of Spring Lake such that all amount borrowed and outstanding by the Village of Spring Lake at any one time to the Credit Union and to all other persons, firms and corporations shall not exceed the amount of the taxes levied or estimated to be levied by the Village of Spring Lake for the said financial year.

4. All sums borrowed as aforesaid or so much thereof as from time to time remains unpaid shall bear interest at a rate per annum equal to the Prime Lending rate established from time to time by the Credit Union to a maximum of eight percent (8%) and such interest shall be calculated and due and payable monthly.

5. All sums authorized to be borrowed hereunder, including interest, shall be due and payable in full not later than December 31 of the said financial year, unless hereafter extended by authority of the Council of the Village of Spring Lake.

6. As security for payment of money borrowed hereunder, the Village of Spring Lake hereby charges to and in favour of the Credit Union the whole of the taxes levied or to be levied by the Village of Spring Lake, requisitions made or to be made by the Village of Spring Lake and all other money due or accruing due to the Village of Spring Lake, and the Mayor and Chief Administrative Officer of the Village of Spring Lake are hereby authorized on behalf and in the name of the Village of Spring Lake to execute and deliver to the Credit Union such security documents that the Credit Union may require in relation to the foregoing charge. The said charge shall be collateral to the obligation of the Village of Spring Lake to repay with interest all sums borrowed from the Credit Union and the Credit Union shall not be bound to recover any such taxes, requisitions or other monies before being entitles to payment from the Village of Spring Lake.

7. In the event the Council of the Village of Spring Lake decides to extend the said loan and the Credit Union is prepared to extend the said loan, any renewal or extension bill, debenture, promissory note or other obligation executed by the officers designated in paragraph 2 hereof and delivered to the Credit Union shall be valid and conclusive proof as against the Village of Spring Lake 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 the Credit Union shall not be bound to inquire into the authority of such officers to execute and delivery any such renewal or extension document.

8. The source or sources of money to be used to repay the principal and interest owing under the borrowing from the Credit Union are:

   - annual property taxes, reserves, grants or other municipal revenue sources or a combination thereof.

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

READ a first time this 12th day of January, 2021.

READ a second time this 12th day of January, 2021.

READ a third time this 12th day of January, 2021.

Jason Shoff

Mayor

Emily Kruse

Chief Administrative Officer