



Invitation for Public Participation NOTICE

Pursuant to Bylaw No.009-21: Public Participation, the Public is hereby provided Notice of the following:

Bylaw No.002-2022: Lending Money to a Municipally Controlled Non-Profit Organization

The purpose of the proposed Bylaw No. 002-2022 is to advise residents of the Town's intent to lend funds, 590,000.00, to the Municipally Controlled Corporation named: "MCC for Smoky Lake Development Corp." for the purpose of investing in the Smoky Lake Tourism Company Ltd. which will invest and or lend funds to local tourism opportunities.

As per Section 265(3) of the Municipal Government Act the bylaw that authorizes the loan must be advertised R.S.A. 2000, Chapter M-26.

The Town of Smoky Lake will receive written submissions at the Town Office prior to 4:00 p.m. on April 27, 2022, or email finance@smokylake.ca.

A copy of Bylaw No. 002-2022 can be obtained at the Town Office located at 56 Wheatland Avenue in Smoky Lake during regular business hours: Monday through Friday from 8:30 a.m. to 4:00 p.m. or on the Town's website www.smokylake.ca.

For more information, please contact Adam Kozakiewicz, Chief Administrative Officer at (780) 656-3674.

This notice was posted on the Town website on April 7, 2022.



**BYLAW NO.002-2022
OF THE TOWN OF SMOKY LAKE
IN THE PROVINCE OF ALBERTA**

A BYLAW OF THE TOWN OF SMOKY LAKE IN THE PROVINCE OF ALBERTA, TO AUTHORIZE LENDING MONEY TO THE MUNICIPALLY CONTROLLED NON-PROFIT ORGANIZATION.

WHEREAS pursuant to Sections 264 and 265 of the Municipal Government Act, R.S.A. 2000, Chapter M-26 and amendments thereto, a municipality may loan funds to a non-profit organization or one of its controlled corporations.

AND WHEREAS, the Municipally Controlled Corp. (MCC) for Smoky Lake Development Corp. is a non-profit municipal controlled corporation duly incorporated under the laws of the Province of Alberta.

AND WHEREAS, the MCC for Smoky Lake Development Corp.; is owned 50% by the Town of Smoky Lake and 50% by Smoky Lake County.

AND WHEREAS, the MCC for Smoky Lake Development Corp will invest in the Smoky Lake Tourism Company Ltd. which will invest and or lend funds for local tourism opportunities.

AND WHEREAS, the Town of Smoky Lake's available debt limit established by the provisions of 276(2) of the Municipal Government Act, R.S.A. 2000, Chapter M-26 was \$4,649,425.00.

NOW THEREFORE, be it resolved that the Council of the Town of Smoky Lake in the Province of Alberta, duly assembled hereby enacts as follows:

1. The Town of Smoky Lake will lend to the MCC the amount of Five Hundred Ninety Thousand Dollars (\$590,000.00) for the Smoky Lake Development Corp. for the purpose of investing in the Smoky Lake Tourism Company Ltd. The term of the loan is eight (8) years.
2. The interest rate offered is 6.5% (per annum) and is based on the MCC for Smoky Lake Development Corp.'s Business Plan.
3. The loan will be repaid by the MCC for Smoky Lake Development Corp. annually on or before December 31 of each year, commencing December 31, 2024, hereafter called the "due date". The loan will be repaid according to the schedule outlined in Schedule "A", attached hereto forming part of this bylaw.
4. Payments may be made without penalty in advance of the due dates above. Payments in advance of the due date will result in the recalculation of future payments. Interest is due or payable on the outstanding balance at the time of each repayment installment.

5. It is anticipated that the MCC for Smoky Lake Development Corp. will repay the loan from investment earnings.
6. The source of money to be loaned to the MCC for Smoky Lake Development Corp. shall be from an authorized financial institution. All principal repayments received from the MCC for Smoky Lake Development Corp. shall be used to pay back the debenture. All interest earned shall be allocated to general revenue in the year it is received.
7. The MCC for the Smoky Lake Development Corp. and the Town of Smoky Lake shall enter into a loan agreement consistent with the terms of this bylaw. The agreement will form Schedule "B", attached hereto and forming part of this bylaw.
8. Any funds not used by the MCC for Smoky Lake Development Corp. for the purposes contained in this bylaw or the funding agreement shall be immediately returned to the Town of Smoky Lake.
9. This bylaw shall take effect on the day of the final passing thereof and shall remain in effect until all amounts due to the Town of Smoky Lake specified within this bylaw have been received.

READ a FIRST time this 1st Day of April 2022.

Amy Cherniwchan
Mayor

Adam Kozakiewicz
Chief Administrative Officer

READ a SECOND time this ___ Day of ___ 2022.

READ a THIRD and FINAL time this ___ Day of ___ 2022.

Amy Cherniwchan
Mayor

Adam Kozakiewicz
Chief Administrative Officer

SCHEDULE "A"

		Accrued Principle	Principal Paid	Interest	Balance Owing	Payment
Deferred Interest Payment	31-Dec-22	\$ 590,000.00	\$ -	\$ 38,350.00	\$ 628,350.00	\$ -
Deferred Interest Payment	31-Dec-23	\$ 628,350.00	\$ -	\$ 40,842.75	\$ 669,192.75	\$ -
Payment #1	31-Dec-24		\$ 56,502.47	\$ 43,497.53	\$ 612,690.28	\$ 100,000.00
Payment #2	31-Dec-25		\$ 60,175.13	\$ 39,824.87	\$ 552,515.15	\$ 100,000.00
Payment #3	31-Dec-26		\$ 64,086.52	\$ 35,913.48	\$ 488,428.63	\$ 100,000.00
Payment #4	31-Dec-27		\$ 68,252.14	\$ 31,747.86	\$ 420,176.49	\$ 100,000.00
Payment #5	31-Dec-28		\$ 72,688.53	\$ 27,311.47	\$ 347,487.96	\$ 100,000.00
Payment #6	31-Dec-29		\$ 77,413.28	\$ 22,586.72	\$ 270,074.68	\$ 100,000.00
Payment #7	31-Dec-29		\$ 190,881.93	\$ 17,554.85	\$ -	\$ 287,629.54
Totals			\$ 590,000.00	\$ 297,629.54		\$ 887,629.54
Principal		\$ 590,000.00				
Interest		\$ 297,629.54				
Total Payments			\$ 887,629.54			

PROMISSORY NOTE

BETWEEN:

MCC FOR SMOKY LAKE DEVELOPMENT CORP.
(the "Borrower")

- and -

TOWN OF SMOKY LAKE
(the "Lender")

WHEREAS:

- A. The Lender is a 50% shareholder of the Borrower;
- B. The Lender has passed Bylaw No. 002-2022, pursuant to Section 264 and Section 265 of the *Municipal Government Act*, R.S.A. 2000, Chapter M-26 to permit the Lender to lend to the Borrower, the money as evidenced herein;
- C. The Lender has agreed to the making of a loan of Five Hundred Ninety Thousand (\$590,000.00) Dollars to the Borrower upon and subject to the terms, covenants and conditions contained within this Promissory Note.

NOW THEREFORE IN CONSIDERATION of the Lender advancing funds to the Borrower as evidenced by this Promissory Note, the Borrower promises to pay the sums required within this Promissory Note, and the mutual covenants contained within this Promissory Note, the Lender and the Borrower covenant, promise and agree as follows:

1. Loan

The Borrower hereby promises to pay to, or to the order of, the Lender at its address of PO Box 460, Smoky Lake, AB T0A 3C0, or such other address as directed by the Lender, the sum of Five Hundred Ninety Thousand (\$590,000.00) Dollars in lawful money of Canada and upon the following terms:

- (a) interest shall accrue on the balance outstanding from time to time at the rate of six and one half (6.5%) percent per annum, compounded calculated semi-annually and not in advance;
- (b) the indebtedness evidenced hereof shall be payable in accordance with the amortization schedule attached hereto as Schedule "A".

2. Service and Legal Fees

The Borrower shall be responsible for payment of any and all service fees and legal costs (on a solicitor and his own client full indemnity basis) incurred by the Lender in the enforcement of any or all of the terms of this Promissory Note.

3. Default

At the option of the Lender, the whole of the balance outstanding under the above-noted loan, together with accrued interest, shall be accelerated and become immediately due and payable and the in each and every of the following events:

- (a) if the Borrower defaults in payment of amount when the same becomes due and payable, either by the terms hereof or otherwise;
- (b) if the Borrower is in default under any other terms of this Promissory Note or any further or other agreement which is now or may hereafter be granted by the Borrower in favour of the Lender collateral to, in addition to, or as security for the performance of the Borrower's obligations contained within this Promissory Note.

A default by the Borrower under this Promissory Note shall constitute a default under any other instruments or agreements, if any, granted by the Borrower in addition to, collateral to, or as security for this Promissory Note.

4. Pre-payment

Notwithstanding anything contained within this Promissory Note, the Borrower shall be entitled to prepay all or any portion of the above-noted loan at any time without notice, bonus or penalty. This Promissory Note shall remain in full force and effect until all amounts described herein, as well as all obligations of the Borrower, are fully paid and discharged.

5. Extension for Time

The extension of time for payment of all or any part of the amounts outstanding from time to time under this Promissory Note at any time or times shall not release the Borrower of or from their obligations hereunder.

6. Waiver of Presentment

The Borrower hereby waives demand and presentment for payment, notice of non-payment and notice of protest of this Promissory Note.

7. Interpretation

Wherever the singular, plural, masculine, feminine or neuter is used throughout this Agreement, the same shall be construed as meaning the singular, plural, masculine, feminine, neuter, body politic or body corporate where the fact or context so requires and the provisions hereof and all covenants herein shall be construed to be joint and several where applicable to more than one party.

DATED at _____, in the Province of Alberta, this ____ day of _____, 2022.

MCC FOR SMOKY LAKE DEVELOPMENT CORP.

Per: _____

Per: _____