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.

Original Signed.
_____
Amy Cherniwchan
Mayor

Original Signed.
_____
Adam Kozakiewicz
Chief Administrative Officer

READ a SECOND time this 25 Day of July 2022.

READ a THIRD and FINAL time this 25 Day of July 2022.

Original Signed.
_____
Amy Cherniwchan
Mayor

Original Signed.
_____
Crystal Letwin
Interim Chief Administrative Officer