

TOWN OF VULCAN

BYLAW NO. 1298

A bylaw of the Town of Vulcan in the Province of Alberta to authorize the Municipal Council of the Town of Vulcan to guarantee repayment of a loan between the Vulcan Golf and Country Club and the Macleod Savings and Credit Union Ltd.

WHEREAS, pursuant to the Municipal Government Act, Chapter M-26.1 RSA 1994 and amendments thereto, a Council may pass a Bylaw to guarantee the repayment of a loan between a lender and a non-profit organization if the Council considers the money will be used for a purpose that will benefit the municipality.

AND WHEREAS, the Vulcan Golf and Country Club is a non-profit organization which operates the Vulcan Golf and Country Club under an agreement with the Town for the benefit of the community.

NOW THEREFORE, the Town of Vulcan, duly assembled does hereby enact:

1. That the Town of Vulcan hereby undertakes to guarantee the repayment of a loan provided to the Vulcan Golf and Country Club from the Macleod Savings and Credit Union.
2. The maximum amount of money to be guaranteed under this loan is One Million Three Hundred Thousand Dollars Canadian. (\$1,300,000.00) to be amortized over a period of twenty five (25) years in its entirety, for the purpose of providing funding in the construction and expansion of the Vulcan Golf and Country Club.
3. The rate of interest to be paid on the loan is as follows:

a.) During Construction

The interest rate on the demand loan will be at the Credit Union's Prime Rate as established from time to time, plus zero percent per annum (Prime plus 0.0% p.a.). Interest shall be calculated daily and paid monthly in arrears on the 1st day of each month, based on the outstanding balance of the loan, not to exceed the outlined maximum of \$1,300,000.00. During this time, the loan will be payable on demand until completion of course construction, or by April 30, 2006 whichever is soonest. No blended principal and interest repayment amounts will be required during this period.

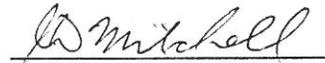
b.) After Construction

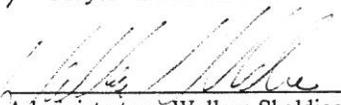
At the time that construction is complete, the Vulcan Golf and Country Club is to request that the loan with its balance outstanding be amortized over a period of no more than 23 years, with payments of blended principal and interest. Once this request is made, the Credit Union will provide financing at an interest rate equal to posted residential mortgage rates (excluding special campaign mortgage rates) in effect at the time of the request to lock in rates. The loan would remain payable on demand, but until demand, in 276 monthly blended payments of principal and interest. The determination of blended payments will be made once the final balance of the loan is known and the interest rate and term are selected by the Vulcan Golf and Country Club.

Or, the Vulcan Golf and Country Club may choose to keep interest floating at the Credit Union's Prime Rate minus one quarter per cent (Prime - 0.25%). If the floating interest rate option was chosen, the Vulcan Golf and Country Club would have the option to lock in a fixed rate at any time during the amortization of the loan, at the posted residential mortgage rates (excluding special campaign mortgage rates) in effect at the time, without interest penalty.

4. The Town of Vulcan will repay the principle and interest on the loan upon demand of the Macleod Savings and Credit Union Ltd.
5. This Bylaw shall take effect from the date of the third and final reading.

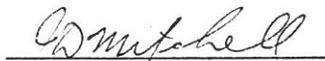
Read a first time in Council this 29th day of September A.D., 2003.

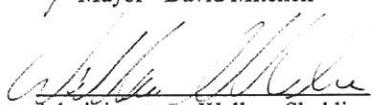

/ Mayor - David Mitchell


Administrator - Wallace Sholdice

Read a second time this 27th day of October A.D., 2003.

Read a third time, by unanimous consent of the Councillors present, and finally passed this 27th day of October, A.D., 2003.


/ Mayor - David Mitchell


Administrator - Wallace Sholdice