

**MUNICIPALITY OF JASPER
BYLAW #160**

**BEING A BYLAW OF THE MUNICIPALITY OF JASPER IN THE PROVINCE OF ALBERTA
TO AUTHORIZE A LOAN GUARANTEE FOR CARIBOU CREEK NON-PROFIT HOUSING
LIMITED.**

WHEREAS pursuant to the provisions of the Municipality Government Act, R.S.A. 2000, Chapter M26 and amendments thereto, a municipality may guarantee the repayment of a loan between a lender and a non-profit organization;

AND WHEREAS the Municipality of Jasper views the development of affordable housing in Jasper as beneficial to the community and wishes to support such development;

AND WHEREAS Caribou Creek Non-Profit Housing Limited is a not-for-profit body corporate duly incorporated under the laws of the Province of Alberta and established to develop and operate affordable housing in Jasper;

AND WHEREAS Caribou Creek Non-Profit Housing Limited is the beneficial owner of a leasehold interest in the following lands in the Municipality of Jasper: Parcel FW Plan 0221852;

AND WHEREAS Caribou Creek Non-Profit Housing Limited to build 45 residential condominium units in as set out in the attached Schedule "A";

AND WHEREAS the Servus Credit Union has committed to finance the said construction;

AND WHEREAS Caribou Creek Non-Profit Housing Limited has requested assistance in its housing development project through the provision by the Municipality of Jasper of a loan guarantee;

AND WHEREAS the Municipality's debt limit is established by the provisions of section 276(2) of the Municipal Government Act, R.S.A. 2000, Chapter M-26 was \$19,025,728 as of the end of the 2011 fiscal year and the Municipality's obligations of \$6,909,539 as of the end of that fiscal year provide for it to assume up to \$12,116,489 in additional debt;

NOW THEREFORE BE IT RESOLVED THAT the Council of the Municipality of Jasper in the Province of Alberta, duly assembled, enacts:

1. CITATION

- 1.1 This Bylaw may be cited as "Bylaw #160 Caribou Creek Non-Profit Housing Limited Loan Guarantee Bylaw 2012".
- 1.2 Municipality of Jasper Bylaw #147, the "Caribou Creek Non-Profit Housing Limited Loan Guarantee Bylaw 2011" is hereby repealed.

2. DEFINITIONS

- 2.1 In this Bylaw
 - 2.1.1 "*Caribou Creek Non-Profit Housing Limited*" shall mean the corporation of that name created to develop and operate affordable housing in parcels

FY, FX and FW in the Municipality of Jasper (the "Development" and whose address is Box 130, Jasper, Alberta, TOE 1E0;

- 2.1.2 "Chief Administrative Officer" shall mean the individual duly appointed to that position for the Municipality of Jasper at any given time and includes any person authorized to act for and in the name of that individual.
- 2.1.3 "Council" shall mean the Council of the Municipality of Jasper;
- 2.1.4 "Municipality of Jasper" shall mean the Municipality of Jasper in Jasper National Park in the Province of Alberta;
- 2.1.5 "Servus Credit Union" shall mean the Servus Credit Union of 4904-48 Street, Stony Plain, Alberta, T7Z 1L8;
- 2.1.6 Words importing the masculine gender only, include the feminine gender whenever the context so requires and vice versa;
- 2.1.7 Words importing the singular shall include the plural or vice versa whenever the context so requires.

3. LOAN GUARANTEE

- 3.1 Subject to the provisions and limitations herein, Council is hereby authorized to guarantee the indebtedness of Caribou Creek Non-Profit Housing Limited to the Servus Credit Union during the construction of the Development set out in Schedule "A" hereto in a single stage.
- 3.2 The guarantee of indebtedness authorized herein shall not exceed thirty per cent (30%) of the financing of the Development, or three million, six hundred thousand dollars (\$3,600,000), whichever is the lesser sum.

4. INTEREST

- 4.1 Interest on the loan to be guaranteed shall be calculated at the Bank of Canada prime rate of interest plus three (3) percent.
- 4.2 Interest shall be applicable if the Municipality is required to repay any amount of indebtedness incurred by Caribou Creek Non-Profit Housing Limited.

5. FUNDING SOURCES

- 5.1 Funding to repay the indebtedness potentially created by the loan guarantee shall be derived from two sources:
 - 5.1.1 Income to be derived from rental or sale of those unoccupied housing units available to the Municipality as security for the loan guarantee, and
 - 5.1.2 In the event such income is insufficient to fully cover the indebtedness, funds derived from the Municipality's operating budget.

6. LOAN GUARANTEE AGREEMENT

- 6.1 Council hereby authorizes the Chief Administrative Officer to enter into a Loan Guarantee Agreement with Caribou Creek Non-Profit Housing Limited and the Servus Credit Union with provisions as set out in Schedule "B" hereto.

7. SEVERANCE

7.1 If any provision herein is adjudged by a court of competent jurisdiction to be invalid for any reason, then that provision shall be severed from the remainder of this Bylaw and all other provisions of this Bylaw shall remain valid and enforceable.

8. COMING INTO EFFECT

8.1 This Bylaw shall come into force and effect on the final day of passing thereof.

8.2 If any provision herein is adjudged to be repugnant to any federal regulation or legislation, this Bylaw shall continue in full force and effect, but any such repugnant provision shall be of no force or effect until such time as the repugnancy is removed by repeal or amendment of the federal legislation or regulation.

GIVEN FIRST READING THIS 15 DAY OF MAY 2012

GIVEN SECOND READING THIS DAY OF , 2012

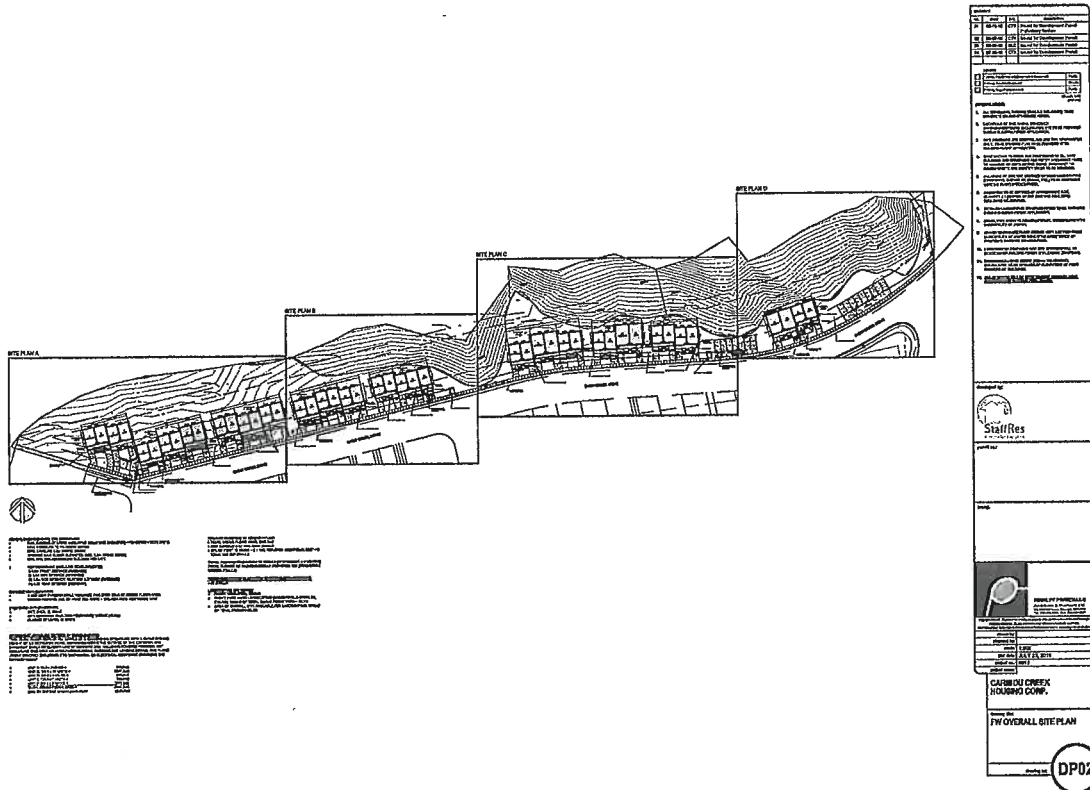
GIVEN THIRD AND FINAL READING THIS DAY OF , 2012

MAYOR

CHIEF ADMINISTRATIVE OFFICER

SCHEDULE "A"

CARIBOU CREEK DEVELOPMENT STAGES 2 & 3



SCHEDULE "B"

AGREEMENT

WHEREAS CARIBOU CREEK NON PROFIT HOUSING LIMITED ("Caribou Creek") is the beneficial owner of a leasehold interest in the following lands in the town of Jasper:

Parcel FW Plan 0221852

on which it intends to build 45 residential Condominium Units (the "Developer") in one stage as set out in the attached Schedule "A";

AND WHEREAS SERVUS has committed to finance the said construction;

AND WHEREAS THE MUNICIPALITY OF JASPER (the "Municipality") has agreed to guarantee the financing by Servus for thirty percent of each financing stage to a maximum of \$3,600,000 subject to certain conditions;

NOW THEREFORE, IN CONSIDERATION OF THE COVENANTS HEREIN CONTAINED, IT IS AGREED AS FOLLOWS:

1. Subject to Caribou Creek satisfying the obligations contained in paragraph 2, the Municipality shall provide its guarantee of the indebtedness of Caribou Creek to Servus in respect of the Development in the form of the guarantee attached hereto as Schedule B and shall secure its obligations under its guarantee by registering a collateral mortgage against Parcel FW subject only to such prior security as Servus requires.
2. Caribou Creek shall provide to the Municipality evidence that:
 - a) Parks Canada has issued a lease to Caribou Creek or its authorized trustee and agent Caribou Creek Housing Corporation for the Parcel FW property identified in this Agreement which provides for the development on the lands subject to the leases;
 - b) Caribou Creek or its authorized trustee and agent Caribou Creek Housing Corporation has requested development permits from Parks Canada for the development on the property;
 - c) Caribou Creek or its authorized trustee and agent Caribou Creek Housing Corporation has secured contracts for the construction of the development which demonstrate that the development can be completed in accordance with the financing approved by Servus;

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- d) Caribou Creek or its authorized trustee and agent Caribou Creek Housing Corporation has received into trust amounts equal to not less than five (5) percent of the total purchase price for each unit and that such sums are either held in trust by Caribou Creek or its authorized trustee and agent Caribou Creek Housing Corporation, or have been expended in whole or in part on the development. The amount of each deposit shall be a credit to the unit buyer or his or her purchase of one of the said forty-five (45) units;
 - e) Before the Municipality provides its guarantee of the financing of any stage of the Development, Caribou Creek shall provide to the Municipality acceptable evidence that each unit in the particular stage has been pre-sold;
 - f) Confirming Caribou Creek's indebtedness to the Municipality and agreement to pay interest on the short-term loan previously advanced by the Municipality to Caribou Creek Housing Corporation and upon any amount paid by the Municipality to Servus under the guarantee;
 - g) Written confirmation from Parks Canada that the Municipality shall have the right to lease any unoccupied or unsold units in the Development, and
 - h) Caribou Creek or its authorized trustee and agent Caribou Creek Housing Corporation provides evidence of having effected insurance satisfactory to the Municipality.
3. The Municipality agrees that it shall retire any indebtedness to Servus, to the limits set out in its guarantee, within sixty (60) days from the demand by Servus in accordance with the guarantee.
 4. Caribou Creek agrees to use its best efforts to complete the Development on time and within budget and to forward, upon receipt, all sale proceeds (net of closing costs and adjustments) of each condominium unit to Servus.
 5. Servus confirms that it has issued to Caribou Creek an approval of loan to finance for the Development according to the terms of its commitment letter.
 6. This agreement shall be binding on the parties hereto and their successors and assigns.