

# Lending Guidelines for LAS' Recreation Facility LED Service Program for Ontario Municipalities

LAS is pleased to partner with CIBC to be able to offer Ontario municipalities competitive financing for this excellent energy efficiency opportunity. The paybacks for these projects are so aggressive that in most instances, municipalities can make the monthly payment from the ensuing energy savings, resulting in a net reduction in your operating costs and having zero impact on capital budgets!

Consistent with CIBC's desire to provide a high level of professional financial services, the following guidelines have been developed to promote the uniform treatment of requests for credit facilities by Ontario municipalities ("Borrowers") of energy-saving light-emitting diode ("LED") technology for their recreation facilities.

## **Terms of the Credit**

**Purpose:** To finance the design, procurement, installation and operation of energy-saving LED technology (the "Project") for Ontario municipalities' recreation facilities.

**Repayment:** Interest-only payments until completion of the Project or up to 6 months from first loan advance, whichever is sooner. Payments of principal plus interest monthly thereafter; maximum 5 year term and maximum 5 year amortization.

## **Interest rates:**

- Loans under \$250,000: [CIBC Prime](#) plus 1.0% per annum.
- Loans \$250,000 to \$500, 000: [CIBC Prime](#) plus 0.50% per annum.
- Loans over \$500,000: [CIBC Prime](#) plus 0.0% per annum.

Canadian dollar Bankers Acceptances ("BAs"). CIBC's stamping fee for BAs will be calculated at 0.5% per annum.

Fixed rate Canadian dollar loans. Interest on each fixed-rate loan will be calculated at a rate agreed upon by the Borrower and CIBC at the time of drawdown, for such period as they may agree upon up to a maximum of 5 years.

## **Security**

- Unsecured

## **Fees**

- Structuring fee, renewal fee and amendment fee will be waived



## **General Requirements**

The Borrower must at all times be in compliance with the *Ontario Municipal Act, 2001* (the "Act"), which is the main statute governing the creation, administration and government of municipalities in Ontario.

The Borrower is required to pass a Borrowing By-law confirming authority to borrow including amounts, purpose and agents who may act on behalf of the local Council. These by-laws are to be provided annually.

The Borrower is to ensure that capital expenditures financed through debt must be able to be serviced within the Annual Repayment Limit ("ARL") prescribed by the Ministry of Municipal Affairs and Housing (the "Ministry").

## **Understandings of Credit**

1. To assist in assessing the Borrower's financial requirements, the following documentation will be provided:
  - a. Borrower is to provide financial statements for the last three years.
  - b. Borrower is to provide a budget for current year capital expenditures.
  - c. Borrowing authority.
  - d. On an annual basis the Borrower is to provide audited financial statements within 120 days of each year-end.
2. CIBC is prepared to finance 100% of the financing requirement.
3. All credit facilities are demand facilities.
4. A credit agreement outlining the agreed upon terms, conditions and covenants is to be issued to the Borrower.

## **Contact:**

Sam Marra | Senior Manager | CIBC Commercial Banking - Public Sector and Not For Profit Team | 199 Bay St, 4th Floor | Toronto, ON, M5L 1A2 | T: 416-980-4538  
F: 416-861-9295 | [sam.marra@cibc.com](mailto:sam.marra@cibc.com)

