

Discussion Paper for Rural Municipality of Victoria

THIS PAPER IS INTENDED FOR DISCUSSION PURPOSES ONLY. IT DOES NOT REPRESENT A COMMITMENT OR OFFER OF CREDIT AND IS SUBJECT TO CREDIT APPROVAL. THE PRICING MAY VARY IF A FORMAL OFFER IS MADE. SPECIFIC TERMS, CONDITIONS AND SECURITY WILL BE DETERMINED IF A FORMAL OFFER IS MADE.

Facility #1

Type	Non-Revolving
Purpose	To bridge the expense for the Wharf Sewer Infrastructure Replacement project. (Advances are repayable in full at the earlier of January 31, 2025)
Amount/Currency	CAD \$90,000
Availment	Direct advances
Interest Rates	<u>Floating Rate</u> Prime - 25bps
Repayment	Monthly payment of outstanding balance interest.

General Security

Security to be provided as applicable to transactions of this nature and may include, but is not limited to, liens on specific company's assets as required by the Bank.

- Borrowing Resolution(s) of Council authorizing the Municipality to Borrow for all loans/credits.

Conditions Precedent

Due diligence is to be conducted in a manner considered customary for a transaction of this nature, results of which are to be fully satisfactory to the Bank.

Conditions specific to Facility #1:

- Signed price contract for the Wharf Sewer Infrastructure Replacement project, contractor/subcontractor to be acceptable to the Bank.

General Conditions / Reporting Conditions

Financial and reporting covenants will be determined in accordance with conditions normally applicable to transactions of this nature and may include the following:

General Conditions:

Until all debts and liabilities under the Credit(s) have been discharged in full, the following conditions will apply in respect of the Credit(s):

- The Borrower is to comply with all applicable borrowing legislation.
 - The Borrower is to advise the Bank of any breach in statutory borrowing limits.
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- The Borrower shall permit the Bank, or its agents, access at all reasonable times, to all premises.

Reporting:

- Annual Audited Financial Statements of Rural Municipality of Victoria, prepared in accordance with the elected Generally Accepted Accounting Principle ('GAAP') applicable at the date of the financial statements within 180 days of fiscal year end.
- Annual approved Budget for the ensuing year, within 120 days of each fiscal year end.

Next Steps:

- Copy of the contract for the Wharf Sewer Infrastructure Replacement project, contractor/subcontractor to be acceptable to the Bank.

Please execute and return this letter by no later than **November 21st, 2023** to indicate your agreement and acknowledgement regarding: (a) your obligation to pay the fees outlined and the conditions thereto, and (b) that this Discussion Paper is a general outline for discussion purposes only and not a commitment by Scotiabank to lend money.

We appreciate the opportunity to review your financing needs and look forward to your concurrence to move forward.

Yours truly,

Paola Yescas Martinez
Client Relationship Manager

Nathan Steeves
Associate Director & Team Lead

Date of Issue: November 17, 2023

Accepted this ___ day of _____, 2023.
Borrower: Rural Municipality of Victoria

By: _____
Name:
Title:

By: _____
Name:
Title:
