

Administrative Line of Credit Agreement Terms and Conditions

Parties.	City of Hamilton (the “City”) and the Hamilton Tourism Development Corporation (the “Borrower”). The Borrower has applied to the City for a Line of Credit to provide funds for the administration operations of the Borrower.
Purpose.	The loan is being made to the Borrower relating to the financing of administration expenses of the Borrower. Expense examples include bookkeeping services, fees (e.g. banking, audit, insurance), computer software, and other supplies.
Terms	
Loan Amount.	The City will make available to the Borrower up to Two Hundred and Fifty Thousand Dollars (\$250,000 CAN) by way of advances.
Advances.	Advances will be made from the available funding, on an as required basis.
Closing Date.	Closing Date means the date the agreement is fully executed; projected to be on or before December 31, 2022.
Interest.	The Borrower will pay interest on the outstanding principal amount of the loan advanced from time to time at a rate of interest per annum equal to 5.25% plus a 0.25% administrative fee consistent with the City’s external loan guidelines.
Line of Credit Expiry Date.	The line of credit will expire on or before December 31, 2027.
Payments of Interest.	The Borrower will pay payments consisting of interest only calculated and compounded annual based on the revolving balance.
Payments of Principal.	The Borrower will pay the Principal in full on the 5 th anniversary of the Closing Date, or sooner if the Borrower is financially able. If HTDC defaults on their payments the City would have authority to draw funds from the City of Hamilton Municipal Accommodation Tax Reserve and the HTDC reserve.
Conditions	
Taxes.	The Borrower will file federal and provincial filings and reports which are required to be filed by it in respect of all taxes.
Financial Statements.	The Borrower’s financial statements will present the financial position of the Borrower and the results of its operations in accordance with generally accepted accounting principles applied on a consistent basis.
Reporting to the City.	The Borrower shall provide the City with annual audited financial statements and other required documents through the City’s Boards and Shareholders reporting structure and schedule.

Insurance.	The Borrower will maintain insurers insurance with respect to its business in the form of General Liability and Directors and Officers Liability.
Other Provisions to be included in the Agreement	
<ul style="list-style-type: none">• Repayment• Representations and Warranties• Covenants• Events of Defaults and Acceleration• Indemnification• And other general provisions or conditions deemed appropriate by the General Manager, Corporate Services Department in consultation with the General Manager, Planning and Economic Development Department, and in a form satisfactory to the City Solicitor.	