

POLICY MDL-06

PART 6 - LOAN GUARANTEES FOR COMMUNITY ORGANIZATIONS

1. For the purposes of this policy, a community organization includes the following:

- a) names registered Canadian charitable organizations;
- b) non-profit community, charitable, fraternal, educational, recreational, religious, cultural or sporting organizations if, in the opinion of the Council, the organization provides a service that might otherwise be a responsibility of the Council;
- c) fire departments;

2. The community organizations must be incorporated pursuant to the Rural Fire District Act, The Societies Act, or a private Act of the Provincial Legislature.

3. The community organizations are required to submit a current financial statement with its application.

4. Loan guarantees to all community organizations shall not exceed Five Hundred Thousand Dollars (\$500,000.00) at any one time.

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5. A loan guarantee to a community organization shall not exceed One Hundred thousand Dollars (\$100,000.00).

6. A guarantee amount shall not exceed sixty (60%) percent of the capital assets of a community organization including any assets being purchased with loan funds.

7. The Municipality shall not provide a loan guarantee exceeding ten (10) years.

8. A community organization shall provide security as determined by the Municipality by the way of a first mortgage on its real or personal property.

9. A community organization for which the Municipality has provided a loan guarantee must provide a statement from its lender not later than April 15th in each year showing the balance as of December 31st of the preceding year.

10. A community organization must insure, at its expense, the assets that the Municipality had determined as security in accordance with paragraph 8 herein, for not less than the amount of the loan guarantee. The Municipality must be shown as names insured on the insurance policy with a copy of the policy being provided to the Municipality not later than April 15th of each year that the loan remains outstanding.

11. All expenses incurred by the Municipality to facilitate a loan guarantee including legal, appraisal, or other costs, shall be paid by the community organization.