Meeting held on February 9, 2010, commencing at 5:04 p.m.

PRESENT: Councillor S. E. Eagle (Chair), Controller G. Barber and Councillor H. L. Usher and B. Mercier (Secretary).


REGRETS: Councillors S. Orser and D. Winninger, J. Binder and J. Crich.

I YOUR COMMITTEE RECOMMENDS:

1. (11) That the following actions be taken with respect to the withdrawal of the proposal for 166-170 Dundas Street, under the Canada-Ontario Affordable Housing Program (AHP), 2009 Extension:

(a) the previously-approved municipal allocation of $420,000 under the Canada-Ontario Affordable Housing Program, 2009 Extension to the project proposal for Yossaf Lavie for 166-170 Dundas Street BE WITHDRAWN;

(b) the attached Appendix ‘A’ indicating the re-allocation of the above-noted funding back to the Affordable Housing Capital Reserve Fund, BE APPROVED;

(c) the attached Report dated February 9, 2010 from the General Manager of Planning and Development, with respect to the withdrawal of the proposal for 166-170 Dundas Street under the Canada-Ontario Affordable Housing Program (AHP), 2009 Extension BE RECEIVED, for information.

2. (12) That, on the recommendation of the General Manager of Planning and Development, the following actions be taken with respect to the Convert-to-Rent/Rehabilitation Program proposal of Vernon Martin:

(a) Vernon Martin BE APPROVED to receive a Municipal allocation of $10,000 per unit for six (6) units at 258/260/262 Clarence Street;

(b) the above-noted recommendation BE FORWARDED to the Community & Protective Services Committee on March 1, 2010, along with the attached Sources of Financing Report for the municipal allocation of $60,000; and,

(c) in accordance with Municipal Housing Facilities By-Law No A.-5814-11, the attached by-law BE INTRODUCED at the Municipal Council being held on March 8, 2010 to approve the Municipal Contribution Agreement pertaining to the above-noted proposal substantially in the form of agreement appended to the aforementioned by-law and to the satisfaction of the City Solicitor, and to authorize the Mayor and the City Clerk to execute the said Agreement;

it being noted that the Council Housing Leadership Committee (CHLC) reviewed and received the attached report dated February 9, 2010 from the General Manager of Planning and Development, with respect to this matter.
3. (13) That, on the recommendation of the General Manager of Planning and Development, the following actions be taken with respect to the Convert-to-Rent/Rehabilitation Program proposal of the At'Hoisha Native Family Healing Services:

(a) conditional upon approval by the Ontario Aboriginal Housing Support Services Corporation (OAHSSC) under the Ontario First Nation, Inuit, Métis and Urban and Rural (FIMUR) Housing Program, the At'Hoisha Native Family Healing Services **BE APPROVED** to receive a municipal allocation of $10,000 per unit, for sixteen (16) affordable housing units at 343 Richmond Street;

(b) the above-noted recommendation **BE FORWARDED** to the Community & Protective Services Committee on March 1, 2010 along with the attached Sources of Financing Report for the municipal allocation of $160,000; and,

(c) in accordance with Municipal Housing Facilities By-Law No A.-5814-11, the attached by-law **BE INTRODUCED** at the Municipal Council being held on March 8, 2010 to approve the Municipal Contribution Agreement pertaining to the above-noted proposal substantially in the form of agreement appended to the aforementioned by-law and to the satisfaction of the City Solicitor, and to authorize the Mayor and the City Clerk to execute the said Agreement;

it being noted that the Council Housing Leadership Committee (CHLC) reviewed and received the attached report dated February 9, 2010 from the General Manager of Planning and Development, with respect to this matter.

4. (Added) That the Mayor **BE ASKED** to write a letter to the provincial and federal governments, copying the Federation of Canadian Municipalities (FCM), the Association of Municipalities of Ontario (AMO) and the Board of Control, requesting confirmation of the June 2010 timeline for the release of the Province's Long Term Affordable Housing Strategy.

II YOUR COMMITTEE REPORTS:

5. (2) That the Council Housing Leadership Committee (CHLC) reviewed and received a communication dated December 15, 2009, from the Manager of Legislative Services and an email submission dated November 17, 2009 from A. Hicks, with respect to rebuilding dreams in Canada in 2010; it being noted that the CHLC referred Mr. Hicks' communication to the Director of Municipal Housing for a response.

6. (10) That the Council Housing Leadership Committee (CHLC) heard a verbal update from I. De Jong and J. Whitesell, OrgCode Consulting Inc., with respect to the development of a City of London 2010 Homelessness to Housing Continuum Strategy proposal. The CHLC reviewed and received a Report dated January 13, 2010 from the General Manager of Planning and Development, and the General Manager of Community Services, with respect to the City of London Homelessness to Housing Strategy; it being noted that the CHLC asked that this matter be a standing agenda item in order to receive ongoing updates.

7. (14) That the Council Housing Leadership Committee (CHLC) held a general discussion with respect to the Auditor General's 2009 report on provincial housing spending and programs; it being noted that the CHLC asked Staff to provide a report on the impact to the City's social housing program due to expiration of the federal government's funding agreements, at the next CHLC meeting.

8. (15,16,17) That the Council Housing Leadership Committee (CHLC) reviewed and received the following communications from the Canada Mortgage and Housing Corporation (CMHC):

(a) Rental Market Report, dated Fall 2009;

(b) New Home Sales Survey, dated December 2009; and,

(c) a Press Release dated January 20, 2010, "Government of Canada Helps Expand Financing for Student Housing".
9. (18) That the Council Housing Leadership Committee (CHLC) reviewed and received the following communications with respect to the Affordable Housing Program (AHP Extension 2009):

(a) D. Richardson, Assistant Deputy Minister, Housing Division, Ministry of Municipal Affairs and Housing, dated December 2, 2009 related to the Pre-Approval: Year 2 (2010-2011) Construction-Ready Rental Housing; and

(b) A.M. DeCicco-Best, Mayor, dated February 2, 2010 related to the definition of affordable housing and the reallocation of AHP Funding;

it being noted that the CHLC asked that the above-noted matter be included as a discussion item on the next agenda of the Board of Control’s meeting with the local Members of the Legislative Assembly of Ontario.

10. (Added) That the Council Housing Leadership Committee (CHLC) heard a verbal report from G. Hopcroft, Director, Intergovernmental and Community Liaison, with respect to the annual general meeting of the Cooperative Housing Federation of Canada (CHF) to be held on June 9 – 12, 2010 in London, ON; it being noted a link to the CHF site will be forwarded to the CHLC Members for their information.

11. That the Council Housing Leadership Committee (CHLC) noted and filed the following:

(a) (1) the 1st Report of the Council Housing Leadership Committee from its meeting held on December 9, 2009;

(b) (3) a Municipal Council resolution adopted at its meeting held on December 14, 2009 with respect to revisions to the proposal for 590 Grosvenor Street under the Canada-Ontario Affordable Housing Program (AHP) 2009 Extension;

(c) (4) a Municipal Council resolution adopted at its meeting held on December 14, 2009 with respect to the City of London’s response to the Ontario Long-Term Affordable Housing Strategy (LTAHS) Consultation;

(d) (5) a Municipal Council resolution adopted at its meeting held on December 14, 2009 with respect to insurance requirements for social housing providers;

(e) (6) a Municipal Council resolution adopted at its meeting held on December 14, 2009 with respect to the project proposals received under the Canada-Ontario Affordable Housing Program (AHP) 2009 Extension, Later Starts;

(f) (7) a Municipal Council resolution adopted at its meeting held on January 18, 2010 with respect to revisions to the A’Mohsah Native Family Healing Service project proposal for 219 St. George Street under the Canada-Ontario Affordable Housing Program (AHP) 2009 Extension, EO1 09-11;
g) a Municipal Council resolution adopted at its meeting held on January 18, 2010 with respect to affordable housing, rental demolitions, condominium conversions and affordability calculations in the City of London;

h) a Municipal Council resolution adopted at its meeting held on January 18, 2010 with respect to Affordable Housing Program (AHP) 2009 Extension – Pre-approved for Year 2 (2010-2011) for Construction-Ready Rental Housing;

i) a communication dated February 3, 2010 from Controller G. Barber, with respect to a car-free day on April 11, 2010; and,

j) a communication dated February 8, 2010 from Canada Mortgage and Housing Corporation (CMHC), with respect to detached home starts moved up.

12. That the next meeting of the Council Housing Leadership Committee will be held on March 23, 2010 commencing at 5:00 p.m.

The meeting adjourned at 6:20 p.m.
FINANCE AND CORPORATE SERVICES DEPARTMENT REPORT ON THE SOURCES OF FINANCING:
Finance and Corporate Services confirms that the Municipal contribution had been accommodated from the Affordable Housing Reserve Fund, and that subject to the adoption of the recommendation of the General Manager of Planning and Development, the detailed source of financing for this request is:

<table>
<thead>
<tr>
<th>ESTIMATED EXPENDITURES</th>
<th>Approved Drawdown</th>
<th>Amount Required</th>
<th>Return to Reserve Fund</th>
</tr>
</thead>
<tbody>
<tr>
<td>Construction</td>
<td>$420,000</td>
<td>$0</td>
<td>$420,000</td>
</tr>
<tr>
<td>NET ESTIMATED EXPENDITURES</td>
<td>$420,000</td>
<td>$0</td>
<td>$420,000</td>
</tr>
<tr>
<td>SUMMARY OF FINANCING:</td>
<td></td>
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<td></td>
</tr>
<tr>
<td>Drawdown from Affordable Housing Reserve Fund (DOOR)</td>
<td>$420,000</td>
<td>$0</td>
<td>$420,000</td>
</tr>
<tr>
<td>TOTAL FINANCING</td>
<td>$420,000</td>
<td>$0</td>
<td>$420,000</td>
</tr>
</tbody>
</table>

1) The project proposal for Yoossef Lavie for 166-170 Dundas Street was originally approved by Municipal Council in July, 2009. It is noted that the funding of $420,000 is no longer required for this project and will be returned to the City's Affordable Housing Capital Reserve Fund for future projects. The uncommitted balance in this reserve fund will be approximately $2,609,000 with the return of these funds.

Martin Hayward
Director of Financial Planning & Policy
TO:  
CHAIR AND MEMBERS  
COUNCIL HOUSING LEADERSHIP COMMITTEE  
MEETING ON  
February 9, 2010

FROM:  
R.W. PANZER  
GENERAL MANAGER OF PLANNING AND DEVELOPMENT

SUBJECT:  
WITHDRAWAL OF PROPOSAL FOR  
166-170 DUNDAS STREET

RECOMMENDATION

That, on the recommendation of the General Manager of Planning and Development, the following report BE RECEIVED for information.

PREVIOUS REPORTS PERTINENT TO THIS MATTER

Council Housing Leadership Committee  
July 20, 2009 Recommendations for Proposals to go Forward under the Canada-Ontario Affordable Housing Program and the Federal/Provincial Economic Stimulus Package

BACKGROUND

Under Expressions of Interest EOI 09-11, Yossef Lavie was approved to receive a municipal allocation of $15,000 per unit for twenty eight (28) AHP housing units, for a total municipal allocation of $420,000, and a federal/provincial allocation of $70,000 per unit for the proposed project located at 166-170 Dundas Street, under the Canada-Ontario Affordable Housing Program (AHP) 2009 Extension.

Mr. Lavie's proposal, along with five others, was submitted to the Ministry of Municipal Affairs & Housing by its September 30 deadline. Three of the six proposals forwarded were approved. Unsuccessful proponents who were still interested in participating in the AHP program could have their proposals re-submitted by the final provincial deadline of February 1, 2010.

Mr. Lavie has indicated that he is withdrawing his proposal for 166-170 Dundas Street. Therefore the municipal commitment of $420,000 can be returned to the Affordable Housing Capital Reserve Fund.

PREPARED BY:  
LOUISE STEVENS  
DIRECTOR OF MUNICIPAL HOUSING

RECOMMENDED BY:  
R.W. PANZER  
GENERAL MANAGER OF PLANNING AND DEVELOPMENT

February 2010

cc.  
A. Dunbar, Manager, Financial Planning & Policy  
M. Hayward, Director, FP & P and Acting Deputy City Treasurer  
N. Watson, Housing Development Consultant
Chair and Members
Community & Protective Services Committee

RE: Convert-To-Rent/Rehabilitation Program
Vernon Martin - 260 Clarence Street

FINANCE & CORPORATE SERVICES REPORT ON THE SOURCES OF FINANCING:
Finance and Corporate Services confirms that the Municipal contribution can be accommodated from the Affordable Housing Reserve Fund, and that subject to the adoption of the recommendation of the General Manager of Planning and Development, the detailed source of financing for this request is:

<table>
<thead>
<tr>
<th>ESTIMATED EXPENDITURES</th>
<th>This Submission</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vernon Martin - 260 Clarence Street</td>
<td>$60,000</td>
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</table>

| NET ESTIMATED EXPENDITURES                                  | $60,000         |

<table>
<thead>
<tr>
<th>SOURCE OF FINANCING</th>
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<tbody>
<tr>
<td>Drawdown from Affordable Housing Reserve Fund</td>
<td>$60,000</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>NOTES:</th>
<th></th>
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<tbody>
<tr>
<td>1) The uncommitted balance in the New Affordable Housing Reserve Fund will be approximately $2,389,000 with the approval of this project.</td>
<td></td>
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</tbody>
</table>
By-law No.

A by-law to approve an agreement between The Corporation of the City of London (the City) and Vernon Martin (the Proponent) for the purpose of establishing the Proponent's obligations under the Convert-to-Rent/Rehabilitation Program and the City's obligation to provide funding to the Proponent; and to authorize the Mayor and the City Clerk to execute the agreement.

WHEREAS section 5(3) of the Municipal Act, 2007 provides that a municipal power shall be exercised by by-law;

AND WHEREAS section 8 of the Municipal Act, 2007 provides that a municipality has the capacity, rights, powers and privileges of a natural person for the purpose of exercising its authority under this or any other Act;

AND WHEREAS The Corporation of the City of London (the City) is responsible for the delivery and administration of affordable housing initiatives including affordable rental housing programs, convert-to-rent programs and other initiatives;

AND WHEREAS the Proponent has responded to the procurement process initiated by the City to undertake development activities in return for funding;

AND WHEREAS it is deemed expedient for the City to enter into an agreement with the Proponent for the purpose of establishing the Proponent's obligations with respect to the Convert-to-Rent/Rehabilitation Program and the City's obligation to provide funding to the Proponent;

NOW THEREFORE the Municipal Council of The Corporation of the City of London enacts as follows:

1. An agreement between the City and the Proponent for the purpose of establishing the Proponent's obligations with respect to the Convert-to-Rent/Rehabilitation Program and the City's obligation to provide funding to the Proponent be hereby approved.

2. The Mayor and the City Clerk be hereby authorized to execute the agreement approved in section 1, above, substantially in the form of agreement attached to this by-law and to the satisfaction of the City Solicitor.

3. This by-law shall come into force and effect on the day it is passed.


Anne Marie DeCicco-Best
Mayor

Cathy Saunders
City Clerk

First reading –
MUNICIPAL CONTRIBUTION AGREEMENT

City of London
Convert-To-Rent / Rehabilitation Assistance Program

This Agreement made the day of , 2010

BETWEEN:

THE CORPORATION OF THE CITY OF LONDON
(hereinafter called the "City")

- and -

(hereinafter called the "Proponent")

WHEREAS:

A. By-Law No. A-5814-11, the Municipal Housing Facilities By-Law, (the By-Law), permits the City to make a loan to an owner of a rental property and forgive the total or partial repayment of the loan, provided that the owner has entered into an agreement with the City that conforms to the By-Law, its Regulations, and pursuant to the conditions attached to the loan and those included in this document;

B. The Borrower has requested a loan by a final application dated the 25th day of May 2007;

C. The City has agreed to grant a loan to be forgivable over the term of this Agreement, provided that the Borrower complies with prescribed conditions;

D. The Borrower is to undertake and complete all mandatory health and safety repairs to all non-eligible units and common areas and to undertake and complete the improvement of the existing building for 5 self-contained rental units, (the "Property"), known municipally as 225-227 Dundas Street, London, Ontario, and as more particularly described in Schedule "A";

E. A forgivable loan has been granted to the Borrower on the condition that during the term of this agreement, 5 units in the Property will be rented to tenants tenant household income from all sources for tenants of assisted affordable rental housing can be no greater than five (5) times their Monthly Occupancy Cost

F. The City and the Proponent have entered into this Agreement for the purpose of establishing the Proponent's obligations with respect to the Program and the City's obligation to provide funding to the Proponent.

NOW THEREFORE, the City and the Proponent agree with each other as follows:

1. INTERPRETATION

1.1 In this Agreement, including its Schedules, unless the context requires otherwise,

- "Affordability Period" means the 20-year period during which the average rent in a Project is required to be maintained at an affordable level;

- "Affordable Housing" means Housing which is modest in terms of floor area and amenities, based on household needs and community norms, in Projects that achieve rent levels that are at 80% of the Canada Mortgage and Housing Corporation (CMHC) Average Market Rent;

- "Average Market Rents" means the average rent figures, based on geographical areas and classified by bedroom count, as determined annually in the CMHC Average Market Rent Survey or as determined by the City, based on available data, in areas where there is no information from the CMHC Average Market Rent Survey;

- "Business Day" means each Monday, Tuesday, Wednesday, Thursday and Friday except when any such day occurs on a statutory holiday observed in Ontario;
"Contribution Agreement" means an agreement entered into between the City and an approved Proponent for contributions under the Program;

"Contribution by Others" means cash or in-kind eligible contributions from government sources other then the City of London;

"Development Activities" means those activities which have been approved for the Project as set out in the approved Plans and Specifications and, generally, activities that are normally undertaken for the development, construction, repair, renovation, rehabilitation or conversion of buildings for residential purposes and include the acquisition of property;

"Federal Funds" means funding from CMHC for a Unit;

"Force Majeure" means a delay arising from strike, lockout, riot, insurrection, terrorism, war, fire, tempest, act of God, lack of material or supply of service at a reasonable cost, inclement weather, binding orders or regulations of governmental bodies, courts or arbitrators or any other event beyond the control of the Parties which causes a delay in the fulfillment of a Party's obligations under this Agreement notwithstanding the reasonable efforts of such Party and provided that any such non-availability or delay does not relate to any extent to any act or omission by such Party or any of its authorized agents or employees;

"Funding Schedule" means the schedule of funding for the type of Project to be undertaken by a Proponent, in the form determined by the City;

"Funds" means City Funds and Federal Funds or Provincial Funds, if applicable;

"Housing" means residential accommodation and facilities, common areas and services used directly with the residential accommodation. Housing does not include commercial or institutional premises, social or recreational services, and services or facilities related to mental or physical health care, education, corrections, food services, social support or public recreation;

"Interest Adjustment Date" means the date on which the Proponent makes the first payment of principal and interest in respect of the Proponent's permanent financing obligations for the Project, following the completion of construction;

"Improvements" means the improvements to be made on the Property, consisting of a building and other improvements to be constructed by the Proponent on the Property in accordance with the Plans and Specifications;

"Loan" means the total amount of City Funds, advanced by the City to the Proponent, in accordance with the Funding Schedule;

"Occupancy Date" means the date on which occupancy of all Units in a Project is permitted;

"Ontario Mortgage and Housing Initiative" means the government program that provides Proponents with access to lower-cost, longer-term financing for affordable rental housing for both construction financing and long-term mortgages;

"Parties" means the Proponent and the City and "Party" means either of them, as the context may require;

"Permitted Encumbrances" means the encumbrances encumbering the Affordable Housing Units listed in Schedule "G", together with such renewals or replacement financing that may be approved by the City, acting reasonably, during the term of this Agreement;

"Phase-out Period" means the last five (5) year period of the Affordability Period;

"PIPEDA" means the Personal Information Protection and Electronic Documents Act, S.C. 2000, c. 5, including any amendments thereto;

"PIPEDA Protected Information" means any "Personal Information" or "Personal Health Information", as defined under PIPEDA;

"Plans and Specifications" means the plans and specifications for the development of the Project that have been approved and reviewed by all appropriate governmental
authorities for the issuance of all permits necessary to construct and occupy the Improvements and as certified by a Quantity Surveyor;

- "Procurement Process" means the request for proposals or procurement process used by the City;
- "Program" means the City of London Convert-To-Rent / Rehabilitation Assistance Program;
- "Project" means Affordable Housing proposed or approved for the Program, as the context may require on lands described in Schedule "A";
- "Proposal" means the response to the request for proposals or procurement process, submitted to the City pursuant to the Procurement Process;
- "Provincial Funds" means funding from Ontario for a Unit;
- "Quantity Surveyor" means such Architect, Engineer or other professional duly licensed to practice in the Province of Ontario as the Proponent may from time to time appoint to supervise, direct, monitor, inspect or assess the Project or a specific aspect of the Development Activities;
- "Rent Supplement Agreement" means rent supplement agreement as defined in the Social Housing Reform Act, 2000, c.27, as amended.
- "Security Documents" means the security documents attached to and forming part of the Municipal Contribution Agreement;
- "Service Manager" means The Corporation of the City of London;
- "Substantial Completion" means the substantial performance, within the meaning of the Construction Lien Act, of all contracts which the Proponent has entered into for Development Activities in connection with the Project under this Agreement;
- "Targeting Plan" means the manner in which a Service Manager or a Proponent plans to meet the objectives of the Program to create Affordable Housing for households that are on or are eligible to be on waiting lists for social housing;
- "Unit" means a self-contained residential dwelling.

1.2 All references in this Agreement, including, without limitation, the Schedules hereto, to "rent" are deemed to include housing charges paid by members of non-profit housing cooperatives and "rental" is deemed to have a corresponding meaning.

1.3 The following Schedules are attached to and form part of this Agreement:

<table>
<thead>
<tr>
<th>Schedule</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Schedule &quot;A&quot;</td>
<td>Legal Description of Property;</td>
</tr>
<tr>
<td>Schedule &quot;B&quot;</td>
<td>Funding Schedule;</td>
</tr>
<tr>
<td>Schedule &quot;C&quot;</td>
<td>Contribution by Others - Agreements;</td>
</tr>
<tr>
<td>Schedule &quot;D&quot;</td>
<td>Rental Protocol;</td>
</tr>
<tr>
<td>Schedule &quot;E-1&quot;</td>
<td>Charge/Mortgage of Land;</td>
</tr>
<tr>
<td>Schedule &quot;E-2&quot;</td>
<td>Assignment of Rents;</td>
</tr>
<tr>
<td>Schedule &quot;E-3&quot;</td>
<td>Security Agreement;</td>
</tr>
<tr>
<td>Schedule &quot;F&quot;</td>
<td>Alternate Security;</td>
</tr>
<tr>
<td>Schedule &quot;G&quot;</td>
<td>Permitted Encumbrances;</td>
</tr>
<tr>
<td>Schedule &quot;H&quot;</td>
<td>Proponent's Initial Occupancy Report;</td>
</tr>
<tr>
<td>Schedule &quot;I&quot;</td>
<td>Proponent's Annual Occupancy Report;</td>
</tr>
<tr>
<td>Schedule &quot;J&quot;</td>
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</tr>
<tr>
<td>Schedule &quot;K&quot;</td>
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<tr>
<td>Schedule &quot;L&quot;</td>
<td>Purposely Omitted;</td>
</tr>
<tr>
<td>Schedule &quot;M&quot;</td>
<td>Project Information Form;</td>
</tr>
<tr>
<td>Schedule &quot;N&quot;</td>
<td>Development Schedule.</td>
</tr>
</tbody>
</table>

1.4 In the event of a conflict or inconsistency between the provisions of this Agreement and the provisions of a Schedule, the provisions of this Agreement shall prevail.

1.5 All references in this Agreement to section numbers are references to sections of this Agreement unless otherwise stated.
2. **FUNDING FOR AFFORDABLE HOUSING**

The Proponent agrees to advance as its equity contribution to the Project the amount of XXXXXXXX dollars ($XXXXX), on or before the commencement of Development Activities and provide written confirmation to the City that the equity contribution has been advanced.

Funding for Affordable Housing is comprised of City Funds and will be advanced to the Proponent in the form of a Loan, during the Development Activities.

The City agrees to provide to the Proponent as a Loan, upon the terms and subject to the conditions set out in this Agreement, the amount of XXXXXXXX dollars ($XXXXX) City Funds, as described in Schedule "M", to be applied by the Proponent only towards the payment of Development Activities for Affordable Housing.

The City shall have the option of withholding from the amount to be disbursed under section 2.3 the amount of the cost of construction necessary to complete the construction of the Project and, in such case, the City shall disburse the amount so withheld following its receipt of satisfactory evidence that such construction is substantially complete within the meaning of the Construction Lien Act and provided that the Construction Lien Act is complied with.

The Proponent shall use the amount of the Loan and Contribution by Others solely for the purpose of its Development Activities in connection with the Project.

The City shall disburse the Municipal funds in accordance with the Funding Schedule attached as Schedule "B."

The Proponent may authorize the City to pay Funds to a third party and the City shall permit such authorization.

3. **PROVISION OF AFFORDABLE HOUSING**

The Proponent agrees to undertake its Development Activities in connection with the Project in accordance with the provisions relating to the development of the Project in conformity with its Proposal.

The Proponent shall, subject to Force Majeure, achieve Substantial Completion in accordance with its Proposal.

Without limiting the condition set out in section 5.1 (b), the Proponent shall discharge or cause the discharge of any registered construction liens so as to ensure that there are no construction liens registered against the Project on the date for the disbursement of the Loan under section 2.3.

The Proponent shall not at any time during the term of this Agreement breach any Contribution Agreement respecting the Project that it has entered into by means of a Contribution by Others, including any municipal capital facility agreement made pursuant to section 110 of the Municipal Act, 2001 and shall not, through any breach on its part, cause such other entity to terminate a Contribution Agreement for cause. The Proponent agrees that a breach by it of any such Contribution Agreement, that has not been corrected, shall constitute a breach of this Agreement. All such agreements by means of a Contribution by Other shall be attached as Schedule 'C'. The Proponent shall provide the City with evidence of its good standing under any such Contribution Agreement within ten (10) Business Days following its receipt of a written request from the City.

4. **OPERATION OF AFFORDABLE HOUSING**

The Proponent acknowledges and agrees that the Rental Protocol set out in Schedule "D" applies to the Project by virtue of the contractual terms of this Agreement, notwithstanding that the Rental Protocol does not apply to the Project under the Residential Tenancies Act, 2006.

The Proponent agrees to operate the Units in accordance with the rules set out in Schedule "D" of this Agreement.

5. **CONDITIONS**
5.1 The provision of funding by the City pursuant to sections 2.3 and 2.4 are subject to the following conditions precedent, each of which is for the exclusive benefit of the City, and may be waived in full or in part by the City by written notice to the Proponent:

(a) the Proponent is the registered owner in fee simple of the lands described in Schedule "A";
(b) any Contribution Agreement referred to in section 3.4 remaining in force and the Proponent being in good standing thereunder;
(c) there being no Claim for Lien under the Construction Lien Act registered against the Project;
(d) there being in existence no unregistered lien or statutory claim having priority against the Project;
(e) the Proponent's title to the Project being free from any encumbrances other than the Permitted Encumbrances;
(f) the Proponent being in good standing under all of the Permitted Encumbrances;
(g) there being no work orders issued against the Project by any governmental entity, agency or official;
(h) the Proponent having provided the City with the security documents required by section 7 and in accordance with the said section; and
(i) all funds provided by means of a Contribution by Others due on or before a disbursement date hereunder having been fully advanced to the Proponent on or before such disbursement date and having been secured by by-law, agreement or otherwise and attached as Schedule "C".

5.2 If any of the conditions contained in section 5.1 have not been fulfilled on the date for the disbursement of the Loan by the City pursuant to sections 2.3 or 2.4 and are not waived by the City pursuant to section 5.1, the City shall be under no obligation to make any advance of the Loan to the Proponent and the City shall thereupon have the right to terminate this Agreement and, in that event, neither party to this Agreement shall have any rights or obligations hereunder, save and except that the City may, notwithstanding such termination, bring an action against the Proponent for all losses, costs and expenses, including, without limitation, reasonable legal fees incurred by the City in connection with this Agreement where the non-performance or non-fulfillment of a condition is a result of a breach of a covenant by the Proponent.

5.3 The provision of Funds by the City pursuant to section 2.6 is subject to the following conditions precedent, each of which is for the exclusive benefit of the City, and may be waived in full or in part by the City by written notice to the Proponent:

(a) any Contribution Agreement referred to in section 3.4 remaining in force and the Proponent being in good standing thereunder;
(b) there being no Claim for Lien under the Construction Lien Act registered against the Project;
(c) there being in existence no unregistered lien or statutory claim having priority against the Project;
(d) the Proponent's title to the Project being free from any registered encumbrances other than the Permitted Encumbrances;
(e) the Proponent being in good standing under all of the Permitted Encumbrances;
(f) there being no work orders issued against the Project by any governmental entity, agency or official;
(g) the City has approved the information reports required in section 8.1 (c);
(h) the City has approved the Proponent's Targeting Plan and has advised the City, on an annual basis, that the Proponent is in compliance with the Targeting Plan.

5.4 If any of the conditions contained in section 5.3 have not been fulfilled on the date for the disbursement of the initial Affordability Payment by the City pursuant to section 2.6 and are not waived by the City pursuant to section 5.3, the City shall be under no obligation to make
any advance of the initial Affordability Payment to the Proponent and the City shall thereupon have the right to terminate this Agreement and, in that event, neither party to this Agreement shall have any rights or obligations hereunder, save and except that the City may, notwithstanding such termination, bring an action against the Proponent for all losses, costs and expenses, including, without limitation, reasonable legal fees incurred by the City in connection with this Agreement where the non-performance or non-fulfillment of a condition is a result of a breach of a covenant by the Proponent.

6. TERMS OF THE FUNDING

6.1 The Loan shall have a term of twenty (20) years, commencing as of the Interest Adjustment Date.

6.2 Prior to the Interest Adjustment Date, interest shall accrue on the total of the amount or amounts advanced under the Loan at the rate of eight per cent (8%) per annum. The interest so calculated shall compound semi-annually, not in advance, until the Interest Adjustment Date.

6.3 On the Interest Adjustment Date, the amount of interest accrued as calculated in section 6.2 shall be forgiven, provided that the Proponent has satisfied all requirements as set out in section 2.

6.4 With effect from the Interest Adjustment Date, the interest rate applicable to the Loan shall be the higher of the average posted rate offered by major Canadian lending institutions for a commercial first mortgage having a five (5) year term, plus two per cent (2%) or the interest rate applicable to the first mortgage registered against title to the property, plus two per cent (2%).

6.5 On each anniversary date of the Interest Adjustment Date, the Proponent shall pay the City the amount of interest, as calculated on the Loan amount according to the interest rate stipulated in section 6.4, so accrued during the previous year, provided, however, if in the opinion of the City, acting reasonably, the Proponent has satisfied, as of such anniversary date, the requirements of this Agreement, the amount of the interest so owing shall automatically be forgiven.

6.6 The Loan amount shall be fully forgiven on the last day of the month at the end of the term of the Loan, provided that the Proponent has fulfilled all the requirements of the Program as set out in this Agreement.

6.7 The Proponent shall provide the City with such information respecting the Proponent's permanent financing obligations for the Project as the City may require from time to time.

7. SECURITY

7.1 Prior to the City disbursing the Loan proceeds to the Proponent pursuant to section 2.3, the Proponent shall provide the City with executed registerable security documents in the form attached hereto as Schedules "E-1", "E-2", and "E-3" (the "Security"), completed in accordance with this Agreement or such alternate form of security, on such terms and conditions as the City may require, attached hereto as Schedule "F".

7.2 The Security shall be collateral to this Agreement. The amount of all contributions from the City shall be included in the Security documents. Any cash contributions from the City shall be included in the Security documents. The amount of any eligible in-kind contributions from the City shall not be included in the Security documents.

7.3 Without limiting the Proponent's covenants and the remedies of the City under the Municipal Contribution Agreement and the Security, the Proponent agrees that a breach of this Agreement shall constitute a breach of the Security and a breach of the Security shall constitute a breach of this Agreement.

7.4 The City acknowledges and agrees that notwithstanding that the Security provides that the principal and interest secured thereunder is payable on demand, the City shall have no right to demand payment thereunder except in accordance with the provisions of this Agreement relating to repayment. In the event of a conflict or inconsistency between the provisions of this Agreement and the Security, the provisions of this Agreement shall prevail with respect to Funds provided by the City.

7.5 The Security shall rank immediately behind the registered security for the Proponent's Permitted Encumbrances obligations for the Project.

8. ACCOUNTABILITY FRAMEWORK
8.1 (a) In the event:

(i) the City is advised that the Project will not proceed; or

(ii) the building permit for the Project is not issued on or before March 31, 2008 or such longer period of time as the City may determine;

(iii) the City determines, acting reasonably, that the Proponent is not proceeding with the construction due to delays likely to cause depreciation or deterioration of the Improvements the Proponent shall return all Funds to the City, forthwith upon demand;

(iv) the City is of the opinion that the Proponent is not proceeding in an expeditious manner with the Development Activities for which the Funds have been provided.

(b) If requested by the City, the Proponent shall submit to the City, an audited statement respecting its expenditure of the Funds provided to it pursuant to this Agreement, within ninety (90) days following the date on which the City is advised the Project will not proceed or that the Development Activities related to the Project have been fully completed.

(c) Following the full completion of the Development Activities related to the Project, the Proponent shall submit to the City a completed information report in the form attached hereto as Schedule "H", and annually thereafter shall submit to the City completed information reports in the forms attached hereto as Schedule "I".

(d) Without limiting the Proponent's obligations under section 8.1 (c), the Proponent, if requested by the City, shall forthwith submit to the City the material required to be submitted to the City pursuant to section 8.1 (c), in addition to any such material that the Proponent may have previously submitted to the City.

8.2 The Proponent represents that it has not provided any false or misleading information in the Proposal and agrees that it shall not provide any false or misleading information to the City under this Agreement.

8.3 The Proponent shall, on forty-eight (48) hours prior written notice, give the City free access to the Project and to such staff, documents, books, records, and accounts as may be determined by the City, for the purpose of verifying compliance with this Agreement.

8.4 The City may conduct an audit, investigation, or inquiry in relation to the Project or any larger development or project of which the Project is a part and the Proponent shall cooperate with the City and provide free access to the Project and to such staff, documents, book, records and accounts as may be determined by the City.

8.5 The provisions of sections 8.1, 8.2, 8.3 and 8.4 shall continue to apply for a period of seven (7) years following the end of the Affordability Period or the date of any early termination of this Agreement.

9. PUBLICITY

9.1 The Proponent shall not make any public announcement respecting the Project, insofar as it relates to the Program, or respecting its participation in the Program or respecting the Program in any other respect without the prior written consent of the City.

9.2 During the period of the Development Activities related to the Project, the Proponent may be required to erect a sign in front of the Project. The sign shall be in accordance with specifications issued by the City.

10. REMEDIES

10.1 Upon the occurrence of any one or more of the following events (each an "Event of Default"): (a) the failure of the Proponent to perform, observe or comply with any other term, covenant, condition or provision of this Agreement within 10 days of receipt of written notice of the "failure" from the City provided the Proponent shall not be deemed to be in default if within the said period of ten (10) days, the Proponent commences the necessary action to remove the "failure" and such action is diligently prosecuted;
any representation or warranty made by the Proponent in this Agreement proves to have been untrue or misleading in any material respect as of the date on which it was made;

any person commences an action, suit or proceeding materially affecting the Project or file a lien against the Property, or any person shall commence an action, suit or proceeding contesting or questioning the validity or enforceability of this Agreement, unless the Proponent shall diligently contest such action, suit or proceeding and discharge any such lien forthwith without the requirement of notice by the City and post such bonds, cash or letters of credit or give such other security in order to obtain such discharge in amounts and on terms satisfactory to the City, acting reasonably;

the Proponent ceases to carry on business;

(i) becomes insolvent or unable to pay its debts as they become due; or

(ii) files a petition in bankruptcy or voluntary petition seeking reorganization or effect a plan or other arrangement with creditors; or

(iii) makes an assignment for the benefit of creditors under the Bankruptcy Act (Canada) or any other insolvent debtors' legislation; or

(iv) applies for or consents to the appointment of any receiver or trustee for it or of all or any substantial part of its property and assets; or

(v) voluntarily liquidates or winds-up or suffers itself to be liquidated or wound-up;

(a) any of:

(vi) an involuntary petition of the Proponent as bankrupt or insolvent not removed within 30 days; or

(vii) an order of any court or other authority appointing any receiver or trustee for the Proponent or for all or any substantial portion of its property and assets; or

(viii) a writ of execution, judgment or writ of attachment or any similar process which may, in the reasonable opinion of the City, materially impair the ability of the Proponent to meet its obligations under this Agreement or any of the Security Documents shall be made, given or issued against the Proponent or in respect of its property and assets, and such petition, order, writ or judgment is not vacated or stayed within 15 days after its date;

the occurrence of a material adverse change in the financial condition of the Proponent which would, in the reasonable opinion of the City, detrimentally affect the ability of the Proponent to meet its obligations to the City; and

if the Improvements shall be entirely destroyed or damaged to such an extent that, in the opinion of the Quantity Surveyor, acting reasonably, they are no longer fit for the purpose for which they were intended and the insurance proceeds, if any, held by the City, in the opinion of the Quantity Surveyor, acting reasonably, insufficient to repair such destruction or damage, and the Proponent has not provided evidence satisfactory to the City of the timely availability of such sufficient funds,

then, at its option, the City may declare the full principal amount of the Loan then advanced, together with all other monies owing to the City hereunder, due and payable forthwith. In such case, the City may realize upon any and all security pledged to it and may commence such other legal actions or proceedings against the Proponent, the Property or assets of the Proponent as may be permitted hereunder, by any one or more of the Security Documents or at law or in equity, all as it, in its sole discretion, deems expedient. The Proponent hereby acknowledges that the City's remedies are cumulative and not mutually exclusive.

10.2 Complete Construction. If an Event of Default shall occur, then the City may, at its option, in addition to any other remedy available to it, enter upon and take charge of the Project and assume full charge of the Improvements and may complete the Improvements or enter into a contract with another to complete the same, and all amounts advanced for such purpose, including reasonable legal fees incurred by the incident to the enforcement of any provisions hereof, shall be an indebtedness of the Proponent to the City. All such amounts, even though they may, when added to the monies advanced and disbursed under this agreement, exceed the Loan, shall be secured by the Mortgage and other Security Documents.
During Term of Agreement. Should the Proponent be in default under the terms of the loan or under the terms of this Agreement or under the terms of any mortgage or other encumbrance registered on title to the Property, the City shall have the right to declare all or part of the unearned portion of the loan due and payable immediately. Interest will be payable only from the date of default until the loan is paid in full. The interest rate shall be the Bank of Canada Prime Rate plus 2% in effect at the time of the loan default. The amount of the loan that must be repaid is equal to the total amount of the loan less any amount considered forgiven from the first day of the month following full payment of the funds until the default.

Assignment of Plans and Specifications. The Proponent hereby assigns to the City and its successors and assigns, the right to possess and use the Plans and Specifications and the Proponent's rights under all construction contracts, for the purpose of completing the Improvements if Proponent defaults subject to any prior assignment to the holder of the First Loan.

Costs and Expenses of Collection. All reasonable costs and expenses of collection (including legal fees, disbursements and court costs) of all amounts owing hereunder or of enforcement of any security created in favour of the City pursuant hereto, shall be for the account of the Proponent and shall be repayable on demand.

All of the remedies in this Agreement and the Security Documents are cumulative and are not alternative and the City shall not be precluded from availing itself simultaneously of some or all of the said remedies and any other remedies available in equity or at law.

Notwithstanding any of the terms of this Agreement or of the Security Documents, the City shall have the option of waiving any or all of its remedies under this Agreement and the Security Documents, but no waiver of a provision shall be deemed to constitute a waiver of any other provision (whether or not similar) nor shall any waiver constitute a continuing waiver unless otherwise provided.

RENT SUPPLEMENT REQUIREMENT

The City, at its option, may require the Proponent to enter into a rent supplement agreement for a maximum of 30% of the units in the Project.

REPRESENTATION AND WARRANTIES

The Proponent represents and warrants to the City that:

The Proponent is a duly incorporated, organized and validly existing under the laws of the Province of Ontario and has full capacity, power and authority to own all its property and to carry on its business as now conducted and as contemplated under this Agreement and all other agreements contemplated thereunder, and is duly qualified and in good standing in each jurisdiction in which the character of the property owned or leased or the nature of the business carried on by it makes such qualification necessary or desirable.

The Proponent has full corporate power, legal right and authority to enter into this Agreement and to do all acts and things as are required or contemplated hereunder to be done, observed or performed by it.

Neither the execution and delivery of this Agreement, the consummation of the transactions herein contemplated, nor the compliance with the terms, conditions and provisions hereof and of the Mortgage will conflict with, or result in a breach of, any of the terms, conditions or provisions of the constating documents of the Proponent or of any agreement or instrument to which it is now a party, or constitute a default thereunder, or (except as contemplated by this Agreement) result in the creation or imposition of any mortgage, lien, charge or encumbrance of any nature whatsoever upon any of the properties or assets of the Proponent (whether such properties or assets are owned legally or beneficially) pursuant to the terms of any agreement or instrument to which it is a party.

There is not now pending against the Proponent any litigation, action, suit or other proceeding of a material nature by or before any court, tribunal or other governmental agency or authority or any other such pending or threatened action, suit or other proceeding against the Proponent or against or affecting any of the properties or assets of the Proponent (whether such property or assets are owned legally or beneficially) such that if the same were adversely determined, it could be reasonably expected to materially and adversely affect the business operations, properties or assets, or the condition, financial or otherwise, of the Proponent.
12.5 Except as previously disclosed in writing to the City, the Proponent is not a party to any agreement or instrument or subject to any restriction or any judgment, order, writ, injunction, decree, rule or regulation which materially and adversely affects the business, operations, prospects, properties or assets, or condition, financial or otherwise, of the Proponent.

12.6 The construction contract is in full force and effect and neither the Proponent nor any other party thereto is in default thereunder.

12.7 None of the information, financial or otherwise, provided by the Proponent to the City to induce the City to make the Loan and to enter into this Agreement contains any untrue statement of a material fact or omits to state a material fact necessary in order to make any statement contained therein not misleading in light of the circumstances in which it was made.

13. COVENANTS OF THE PROponent

13.1 The Proponent covenants and agrees with the City that it shall:

(a) take all such actions and do all such things required to develop and continuously carry on the construction of the Improvements in a good workmanlike manner and in accordance with the Plans and Specifications and to complete such construction not later than the date specified in Schedule A, subject to acts and other events which occur for non-financial reasons beyond the control of the Proponent, including, without limitation, strikes, lock-outs or other labour or industrial disturbances, civil disturbances, arrests and restraints, interruptions by government or court orders, future valid orders of any regulatory body having proper jurisdiction, wars, riots, sabotage, blockades, embargoes, insurrections, lightning, earthquake, fires, storms, floods and explosions and to pay all costs thereof;

(b) do or cause to be done all acts and things necessary to preserve in full force and effect the existence of the Proponent and all licences and permits required for the carrying on of the operations of the Proponent at and from the Property and to preserve and protect all of the properties, real and personal owned and used by the Proponent in connection with the Project and to cause the same to be properly maintained and to be kept in good state of repair;

(c) pay and discharge or cause to be paid and discharged all taxes and other levies of the Province of Ontario, the City, or of any other entity having jurisdiction to impose such taxes or levies, when the same become due and payable, except such taxes as are being contested in good faith by appropriate proceedings and provided that, in such case the Proponent shall have provided the City with appropriate security;

(d) deliver to the City the statements and reports as required by the Contribution Agreement.

13.2 The Proponent covenants and agrees with the City that, so long as any obligation is outstanding to the City hereunder the Proponent will not, without the prior written consent of the City, which consent may be unreasonably withheld:

(a) create, incur, assume or permit to exist, after knowledge of the existence thereof, any mortgage, pledge, lien, hypothecation, charge (fixed or floating), security interest or other encumbrance whatsoever on the Property or any personal property or fixtures thereon except the encumbrances created by the following encumbrances (collectively, the "Permitted Encumbrances"):

13.2.a.1 the First Mortgage;

13.2.a.2 encumbrances created in favour of or assigned or pledged to the City;

13.2.a.3 inchoate or statutory liens for taxes which have not been assessed, or if assessed, which are either not delinquent or which are being contested by bona fide proceedings in good faith, and sufficient security for the payment of same has been given to the City, if requested;

13.2.a.4 inchoate or statutory liens of contractors, sub-contractors, mechanics, suppliers, workers and others in respect of the construction, maintenance, repair and operation of the Improvements, provided that the same are not registered encumbrances against title to the Property or any personal property, or, if so registered, have been postponed to all charges in favour of the City contained in the Security Documents or are being contested by bona fide proceedings in good faith with sufficient security for the payment thereof having been given to the City or paid into Court to prevent effectively in the City's opinion realization by disposal
or other alienation from the Proponent of its legal or beneficial title to or interest in any such property; and

13.2 (a) 5 Other Permitted Encumbrances listed in Schedule "G" hereto.

(b) become a party, without the prior written consent of the City, to any transaction whereby the Project would become the property of any other person, whether by way of reorganization, amalgamation, merger, transfer, sale, lease, sale and leaseback, or otherwise;

(c) make any material change in the Plans and Specifications or the Construction Contract which pertains to the number or type of residential dwelling units of the Project without the prior written approval of the City; or

(d) change its fiscal year end or change the basis upon which the financial records of the Proponent are maintained, without the prior written consent of the City.

14. INDEMNIFICATION

14.1 The Proponent shall indemnify and save harmless the City from all claims, costs, all matter of actions, cause and causes of action, duties, dues, accounts, covenants, demands or other proceeding of every kind or nature whatsoever at law or in equity arising out of this Agreement and out of the operation of the units including claims arising out of negligence of the Proponent and specifically, all claims arising out of the intentional or criminal acts of any officers or directors, employees, agents, volunteers or independent contractors of the Proponent. Such indemnification shall survive the termination of this Agreement for claims arising from or out of incidents occurring the term of this agreement.

14.2 The Proponent agrees to purchase and maintain, during the term of this Agreement third party liability insurance in a limit of not less than Five Million Dollars ($5,000,000.00) covering bodily injury, loss or property damage resulting from any activity related in any way to this Agreement. This insurance shall include the City as an additional insured, a cross liability clause, severability of interest clause, non-owned automobile insurance and personal injury liability clause.

14.3 In addition, during the design and construction period of the contract the Proponent will obtain and maintain the following policies of insurance:

14.3.1 All risk builder's risk property insurance for the full replacement value of the completed construction project, including boiler and machinery, earthquake and flood based on a stated amount co-insurance and including a waiver of subrogation and loss payable, as their interest may appear, in favour of the City, and with a deductible of not more than One Hundred Thousand Dollars ($100,000.00) and remaining in effect until the completion of construction.

14.3.2 Construction wrap-up liability insurance coverage including owners and contractors protective, broad form products and completed operations, cross liability and severability of interest clauses, blanket contractual, hook liability, employers liability, non-owned automobile liability) and shoring, blasting, excavating, under-pinning, demolition, pile driving and caisson work, work below and above ground surface, tunnelling and grading, and similar operations associated with the construction work, as applicable; to an inclusive limit of not less than $5,000,000.00 and in the joint names of the Proponent, City, Designated Consultants, Designated Contractors, all other contractors, subcontractors, suppliers and/or tradesmen while working on the site, engineers, architects, consultants and other persons (including, but not limited to directors, officers, employees, shareholders, legislators and officials involved in the project) which the City reasonably may require to be added as insured parties.

14.4 The Proponent shall advise the City of any cancellation, material alteration or lapse of any policies of insurance required to be provided hereunder. If the Proponent fails to effect and keep such insurance in force, or if such insurance is in an amount less than the amount required under this Agreement, the City shall have the right, upon notice to the Proponent and without assuming any obligation in connection therewith, to effect such insurance at the cost of the Proponent and all outlays by the City shall be payable by the Proponent to the City forthwith upon demand without prejudice to any other rights and recourses of the City hereunder. No such insurance taken out by the City shall relieve the Proponent of its obligations to insure hereunder and the City shall not be liable for any loss or damage suffered by the Proponent.
The Proponent shall duly and punctually pay or cause to be paid all premiums and other sums of money payable for maintaining the insurance to be provided pursuant to this Article. Evidence that the insurance described above is in force shall be provided to the City prior to commencement of the Agreement and thereafter once annually at least ten (10) clear days prior to the renewal date of the policy, and that the insurance will not be cancelled or permitted to expire unless the insurer notifies the City in writing at least thirty (30) days prior to such cancellation.

Further, the Proponent shall require all professionals involved with the project to carry professional (errors and omissions) liability insurance in an amount not less than Two Million ($2,000,000.00) dollars and make reasonable efforts to verify such insurance is in force throughout the period of the work.

The Proponent agrees to obtain for its employees and to require all Designated Consultants, Designated Contractors, all other contractors, sub-contractors, suppliers and/or tradesmen while working on the site, engineers, architects, consultants and other persons Workplace Safety and Insurance Board coverage and to ensure that such coverage continues in effect throughout the period of the work.

NOTICE

15.1 Any notice or other communication required, desired or permitted to be given by this Agreement shall be in writing and shall be effectively given if:

(a) delivered personally;

(b) sent by prepaid courier service; or

(c) sent by facsimile communication, and confirmed by mailing the original documents so sent by prepaid mail on the same or following day, addressed as follows:

(i) in the case of notice to the City:

The Corporation of the City of London
Housing Division
P.O. Box 5035
London, ON
N6A 4L9
Fax: 519-561-5804

(ii) in the case of notice to the Proponent:

XXXXXXXXXXX

or at such other address as the party to whom such notice or other communication is to be given shall have advised the party giving same in the manner provided in this section. Any notice or other communication delivered personally or by prepaid courier service shall be deemed to have been given and received on the day it is so delivered at such address, provided that if such day is not a Business Day such notice or other communication shall be deemed to have been given and received on the next following Business Day. Any notice or other communication transmitted by facsimile communication shall be deemed to have been given and received on the day of its transmission, provided that such day is a Business Day and such transmission is completed before 4:20 p.m. on such day, failing which such notice or other communication shall be deemed to have been given and received on the first (1st) Business Day after its transmission. If there has been a mail stoppage and if a party sends a notice or other communication by facsimile communication, such party shall be relieved from the obligation to mail the original document in accordance with this paragraph.

16. GENERAL

16.1 Any power, right or function of the City, contemplated by this Agreement, may be exercised by any employee or agent of the Corporation of the City of London, who is hereby specifically authorized in this regard.
It is understood that the Municipal Freedom of Information and Protection of Privacy Act shall apply to all records submitted to or created by the City pursuant to this Agreement.

The Proponent represents and warrants that:

a) it shall preserve the PIPEDA compliance of all PIPEDA protected Information transferred to it by the City;

b) it shall ensure the PIPEDA compliance of all PIPEDA Protected Information it collects in the course of performing its contractual obligations; and

c) it shall ensure the PIPEDA compliance of all PIPEDA Protected Information that it transfers to the City.

The disbursement of Funds by the City to the Proponent pursuant to sections 2.3 and 2.4 are subject to the necessary appropriation by Municipal Council. The City shall have no liability in the event the respective appropriation is insufficient to meet the funding obligations.

Nothing in this Agreement is to be construed as authorizing one Party to contract for or incur any obligation on behalf of the other or to act as agent for the other and nothing in this Agreement shall be construed to constitute the City and the Proponent as partners of each other.

The Proponent acknowledges that CMHC and the Minister are not parties to this Agreement or other agreement relating to any Project.

No member of:

a) the House of Commons or Senate of Canada; or

b) the Legislative Assembly of Ontario; or

c) the Municipal Council constituting the Service Manager or the Municipal Council of any local municipality of the Service Manager or the governing body of any Municipal Agency, Board or Commission, of any such municipalities; shall be admitted to any share or part of any contract, agreement or commission made pursuant to this Agreement or to any benefit arising therefrom, including, without limitation, any contract, agreement or commission arising from or related to the Program.

Time shall in all respects be of the essence in this Agreement, provided that the time for doing or completing any matter provided for under this Agreement may be extended or abridged by agreement in writing signed by the City and the Proponent or their respective solicitors on their behalf, who are hereby expressly authorized in this regard.

Any tender of documents or money hereunder may be made by the City or the Proponent or their respective solicitors, and it shall be sufficient that a bank draft or certified cheque may be tendered instead of cash.

This Agreement is made pursuant to and shall be governed by and construed in accordance with the laws of the Province of Ontario. Any reference to a statute in this Agreement includes a reference to all regulations made pursuant to such statute, all amendments made to such statute and regulations in force from time to time and to any statute or regulation which may be passed and which has the effect of supplementing or superseding such statute or regulations.

The headings and subheadings contained in this Agreement are inserted for convenience and for reference only and in no way define, limit or describe the scope or intent of this Agreement or form part of this Agreement.

The Parties agree that there are no representations, warranties, covenants, agreements, collateral agreements or conditions affecting the property or this Agreement other than as expressed in writing in this Agreement.

This Agreement shall be read with all changes of gender and number required by the context.

(a) The Proponent shall not transfer or convey its interest in all or any part of the Project without, subject to subsection 16.14(b), simultaneously assigning its interest in this Agreement to the transferee, which transferee shall enter into one or more agreements with the City, in a form satisfactory to the City, to assume all of the
Proponent's obligations under this Agreement and to provide the City with Security in accordance with this Agreement.

(b) The Proponent shall not assign its interest in this Agreement without the prior written consent of the City, which consent shall not be arbitrarily or unreasonably withheld.

16.15 Each of the Parties shall, at any time and from time to time, upon not less than twenty (20) Business Days prior written notice by the other Party, execute and deliver to the other Party a statement in writing certifying that this Agreement is in good standing, unmodified and in full force and effect, or if there have been modifications that the same are in good standing and in full force and effect, as modified, and stating the modifications. Where applicable, the statement shall state the defaults, if any, known to the Party to whom such request has been made and the action taken or proposed to be taken by such requested Party with respect to same.

16.16 If more than one entity is a party to this Agreement as Proponent, all references to the Proponent shall include all of the said entities and this Agreement shall be binding on each jointly and severally.

16.17 This Agreement shall enure to the benefit of and be binding upon the Parties hereto and their respective successors and assigns, provided that this paragraph shall in no way derogate from the provisions of section 16.15 restricting the Proponent's ability to assign this Agreement.

IN WITNESS WHEREOF this Agreement has been executed by the Parties.

THE CORPORATION OF THE CITY OF LONDON

Anne Marie DeCicco-Best
Mayor

Cathy Saunders
City Clerk
Per: __________________________
Name: __________________________
Title: __________________________

Per: __________________________
Name: __________________________
Title: __________________________

I/WE have the authority to bind the Corporation.

SCHEDULE "A"

LEGAL DESCRIPTION OF PROPERTY

Number of Units:

Property Address:

PIN:

Description:
SCHEDULE "B"

FUNDING SCHEDULE

1. Progress Payments for Construction of Projects – Municipal Funds

<table>
<thead>
<tr>
<th>Construction Milestones</th>
<th>Progress Payments</th>
</tr>
</thead>
<tbody>
<tr>
<td>First Building Permit</td>
<td>40 per cent (less 10% holdback)</td>
</tr>
<tr>
<td>Structure Framing Certified</td>
<td>30 per cent (less 10% holdback)</td>
</tr>
<tr>
<td>Complete</td>
<td></td>
</tr>
<tr>
<td>Substantial Performance</td>
<td>30 per cent (less 10% holdback)</td>
</tr>
</tbody>
</table>

No funds shall flow if an order has been issued under subsection 12(2) of the Building Code Act and there has not been compliance with that order.

2. DISBURSEMENT OF THE LOAN

2.1 Payment. – Municipal Funds

(a) The City shall make advances of the loan at the following times upon at least ten (10) days prior notice to the City, provided that the conditions set forth below have been satisfied:

(i) an amount equal to 40% of the Loan Maximum Amount (less 10% holdback), at first building permit, which amount shall be paid to the Proponent's solicitor in trust for payment in its entirety only in respect of Construction Costs provided the funds are, in the opinion of the City, properly secured;

(ii) an amount equal to 30% of the Loan Maximum Amount (less 10% holdback), at completion of structural framing, which amount shall be paid to the Proponent's solicitor in trust for payment in its entirety only in respect of Construction Costs provided the funds are, in the opinion of the City, properly secured;

(iii) the balance of the Loan Amount upon Substantial Performance (less 10% holdback) as evidenced by the General Contractor's Certificate and expiry of all lien periods under the Construction Lien Act (Ontario), as amended, or successor legislation, provided the funds are, in the opinion of the City, properly secured.

(b) the City shall not be liable to suppliers, contractors, sub-contractors, craftsmen, labourers or others for goods and services delivered by them in or upon the Property, or employed in the construction of the Improvements, or for any debts or claims accruing to any of the parties against the Proponent or against the Property;

(c) it is distinctly understood and agreed by the parties hereto that there is no contractual relationship either express or implied, between the City and any supplier, contractor, sub-contractor, craftsman, labourer or person supplying any work, services or material to the Improvements. The Proponent is not, and shall not be, the agent of the City for any purpose. There shall be no third party beneficiary of this Agreement, express or implied.
3. CONDITIONS

3.1 The obligation of the City to make the payment of the loan is conditional upon prior compliance with such of the following conditions precedent as are not previously waived in writing by the City:

(a) the Proponent shall have submitted the Project Budget and Project Construction Schedule to the City in a form and content satisfactory to the City;

(b) the Proponent shall have delivered to the City evidence satisfactory to the City that the Proponent's Equity has been paid, delivered or pledged;

(c) the City shall have received the following documents and materials each of which shall be satisfactory in substance and in form to the City:

(i) certificates of incumbency of the persons signing on behalf of the Proponent;

(ii) certified copies of such corporate documents of the Proponent as the City may reasonably require including, without limitation, letters patent, articles of incorporation, certified abstracts from by-laws, and certified copies of relevant directors' resolutions;

(iii) an opinion of the Proponent's counsel, dated the proposed date for the initial advance and addressed to the City and its counsel.

(A) that the Proponent:

(a) is a body corporate, duly incorporated and properly organized and validly existing as a corporation under the laws of the jurisdiction in which it was incorporated;

(b) is qualified to do business in the Province of Ontario;

(c) has all the necessary corporate power and authority to carry on the business to be conducted by it in respect of the development, operation and management of the Project; and

(d) has all the necessary corporate power and authority to enter into and perform its obligations under this Agreement and each of the Security Documents to which it is a party in accordance with their respective terms;

(B) that this Agreement to which the Proponent is a party have been duly and validly authorized, executed and delivered by the Proponent and are valid and binding obligations of the Proponent enforceable in accordance with their respective terms;

(C) that neither the execution and delivery by the Proponent of this Agreement to which it is a party nor compliance by the Proponent with any of their respective terms will contravene the charter documents or by-laws of the Proponent or, to the best of such counsel's knowledge, after having made due enquiry of the Proponent, contravene or result in a default under any other agreement or instrument by which Proponent may be bound or affected;
(D) that, to the best of such counsel's knowledge, without having made independent enquiry, there are no actions or proceedings pending or threatened against the Proponent, before any court or administrative agency;

(E) that the Proponent has or will have good and marketable title to the Property, subject only to Permitted Encumbrances, and that the Project complies in all respects with and is not in contravention of any relevant municipal, provincial or federal law, by-law, statute, ordinance or regulation;

(F) that no instrument containing a charge on any of the undertaking, property or assets of the Proponent, or notice thereof, has been registered in the Province of Ontario other than Permitted Encumbrances;

(G) that this Agreement and financing statements, notices and other documents relative thereto have been duly registered or filed in all places in Ontario where such registration or filing is required by law or is necessary to make effective, preserve and protect the security which they purport to create and

(H) as to such other matters as the City or its counsel may reasonably request.
SCHEDULE "C"

CONTRIBUTION BY OTHERS - AGREEMENTS

[Relevant Agreement to be Attached]
SCHEDULE "D"

RENTAL PROTOCOL

1. DEFINITIONS

1.1 In this Schedule "D", unless the context requires otherwise,

- "Affordability Period" means the "twenty (20) year period" following the date of the first (1st) occupancy of a Unit in the Project;

- "Agreement" means the Agreement to which this Schedule "D" is attached;

- "Phase-out Period" means the last five (5) year period of the "Affordability Period", and

when used in this Schedule "D", the term "rent" includes the amount of any consideration paid or given or required to be paid or given by or on behalf of a tenant to the Proponent or the Proponent's agent for the right to occupy a Unit and for any services and facilities and any privilege, accommodation or thing that the Proponent provides for the tenant in respect of the occupancy of the Unit, whether or not a separate charge is made for services and facilities or for the privilege, accommodation or thing,

1.2 The definitions in the Agreement shall apply to this Schedule "D", in addition to the definitions contained in section 1.1 above.

1.3 All references to section numbers in this Schedule are references to sections of the Schedule and not sections of the Agreement, unless otherwise explicitly stated.

2. AFFORDABLE RENT

2.1 During the Affordability Period, the Proponent shall not charge rent for a Unit in the Project in excess of the affordable rent permitted under this Schedule "D" nor increase any rent charged for a Unit except as permitted in this Schedule "D"

3. RENTS

3.1 The weighted average rent of all Units in a Project for which Program Funds have been utilized shall not exceed eighty per cent (80%) of CMHC Average Market Rents in the geographical area, as determined in the most recent CMHC Annual Rental Market Survey.

3.2 The maximum rent for any Unit shall not exceed one hundred and five per cent (105%) of the modified shelter allowance under the Ontario Works program, provided that the amount so calculated does not exceed the CMHC Average Market Rent for units of a similar type in the geographical area.
4. RENT INCREASES

4.1 The Proponent may increase the rent charged under section 3.1 with respect to a Unit only if at least twelve (12) months have elapsed,

(a) since the day of the last rent increase respecting the Unit, if there has been an increase, or

(b) since the day the Unit was first rented for the first (1st) rental period following the completion of the Development Activities in connection with the Project.

4.2 The Proponent shall not increase the rent pursuant to section 4.1 during the Affordability Period by more than the then prevailing rent increase guideline established for each calendar year pursuant to the Residential Tenancies Act, 2006 or any successor legislation. The Proponent acknowledges that the rent increase guideline of the Residential Tenancies Act, 2006 or any successor legislation, does not apply to the Project and agrees that the rent increase guideline applies by virtue of the contractual terms of the Agreement and this Schedule "D".

5. PHASE-OUT PERIOD

5.1 During the Phase-out Period, the Proponent shall not increase the rent charged to in-situ tenants of Units by more than the rent guideline increase permitted under section 4.2.

5.2 Upon a Unit becoming vacant during the Phase-out Period, the Proponent may rent the Unit to a new tenant at any rent agreed to by the Proponent and the new tenant.

6. AFTER PHASE-OUT PERIOD

6.1 After the end of the Phase-out Period, the Proponent shall be permitted to rent Units in the Project to new tenants at rents agreed to by the Proponent and the new tenants.

7. MAXIMUM HOUSEHOLD INCOME

7.1 Gross tenant household income from all sources for tenants of assisted affordable rental housing can be no greater than five (5) times their Monthly Occupancy Cost. Proponents will be required to check incomes for prospective tenants of Assisted Affordable Rental Housing Units to ensure compliance with this requirement at initial occupancy ("rent up") and when any new tenants are selected as ensuing vacancies occur during the fifteen (15) year period following the Project Completion Date. Proponents are not required, expected or allowed to check incomes for approved tenants once they have taken possession of their units.
SCHEDULE "E-1", "E-2", "E-3"

SECURITY DOCUMENTS

[Relevant Documents to be Attached]

Schedule E-1 - Charge/Mortgage of Land - register in land titles/land registry system
Schedule E-2 - Assignment of Rents - register in land titles/land registry system and PPSA
Schedule E-3 - Security Agreement (chattels) - register in PPSA
SCHEDULE "F"

ALTERNATE SECURITY

[Relevant Documents to be Attached]

Schedule "F" is not registerable and is used to replace Schedules "E-1", "E-2" and "E-3".
SCHEDULE "G"

PERMITTED ENCUMBRANCES

[This schedule in the executed Charge/Mortgage will contain the registration details of all registered documents which fit into the categories listed below.]

1. All mortgages and security collateral thereto-totaling principal amounts which do not exceed the total costs of the Development Activities incurred in connection with the Project.

2. Such easements and restrictive covenants as do not prevent the Project from being constructed or used as Affordable Housing.

3. Municipal agreements relating to the Development Activities in connection with the Project.
### A. Project Information

<table>
<thead>
<tr>
<th>Contribution Agreement Number</th>
<th>NNNNNNNNNN</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contribution Agreement Expiry Date</td>
<td>DDMYYYY</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Project Name</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Project Address</td>
<td></td>
</tr>
</tbody>
</table>

Project Details (check all that apply):
- apartment
- townhouse
- heat included
- electricity included

### B. Number of Units in Project

<table>
<thead>
<tr>
<th>Unit Type</th>
<th>City Funded Rental Units (#)</th>
<th>Units Not Receiving City Funding (#)</th>
<th>Total Number of Units (#)</th>
</tr>
</thead>
<tbody>
<tr>
<td>One Bedroom</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>One Bedroom</td>
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<tr>
<td>Large</td>
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<tr>
<td>Total</td>
<td></td>
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</tr>
</tbody>
</table>

### C. Depth of Affordability: Rents at Occupancy (AHP Funded Units)

Establishes "permitted rents" which are used in Schedule "I"

<table>
<thead>
<tr>
<th>Unit Type</th>
<th>Average Unit Rent (City Funded Units) (A)</th>
<th>CMHC Average Market Rent ($) (B)</th>
<th>Percentage of CMHC Average Market Rent (A+B) x 100</th>
</tr>
</thead>
<tbody>
<tr>
<td>One Bedroom</td>
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<tr>
<td>One Bedroom</td>
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<td>Large</td>
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<tr>
<td>Other</td>
<td></td>
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</tr>
</tbody>
</table>
Dept of Affordability: Percentage of CMHC Average Market Rent Achieved for Overall Project %
(Note: This figure cannot be greater than 80% of CMHC Average Market Rent, without the approval of the City)

D. Household Income (Note: increase rows depending on number of units)

<table>
<thead>
<tr>
<th>Unit Number</th>
<th>Unit Type</th>
<th>Tenant Name</th>
<th>Total Gross Household Income</th>
<th>Tenant Move-In Date</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
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</table>

E. Project Certification

I certify, to the best of my knowledge that the information provided in Sections B, C and D in this report are true and correct. I hereby authorize the City of London to review the rent roll from appropriate source(s) if deemed necessary.

Signed by [please print name]

Date: _______________

I am [please check on the appropriate line below]

_____ the owner of the Project
_____ the Chairperson of the Board of Directors of the Project

NOTE: The "permitted rents" must be consistent with the formula for determining the initial rents, set out in Schedule "D" Rental Protocol.
SCHEDULE "I"

PROPOSAL'S ANNUAL OCCUPANCY REPORT

Convert-To-Rent / Rehabilitation Assistance Program

Reporting Period: ____________________________ to ____________________________

A. Project Information

<table>
<thead>
<tr>
<th>Contribution Agreement Number</th>
<th>NNNNNNNNNN</th>
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</thead>
<tbody>
<tr>
<td>Contribution Agreement Expiry Date</td>
<td>DMMYYYY</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Project Name</th>
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<tbody>
<tr>
<td>Project Address</td>
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</table>

<table>
<thead>
<tr>
<th>Project Details (check all that apply)</th>
<th></th>
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</thead>
<tbody>
<tr>
<td>__apartment</td>
<td>__townhouse</td>
</tr>
<tr>
<td>__heat included</td>
<td>__electric included</td>
</tr>
</tbody>
</table>

B. Average Rents at Year End

<table>
<thead>
<tr>
<th>Unit Type</th>
<th>Total # of Units</th>
<th>City Funded Rental Units (#)</th>
<th>Permitted Rent (insert last reporting year) ($)</th>
<th>RTA Permitted Increase ($)</th>
<th>Permitted Rent per Unit per Month ($)</th>
<th>Average Rent per Unit per Month ($)</th>
<th>Rationale</th>
</tr>
</thead>
<tbody>
<tr>
<td>One bdrm</td>
<td></td>
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<tr>
<td>One bdrm</td>
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* A+B=C
* (If D>C)

(Rationale: ____________)

(Heat included: ____________)

(Electricity included: ____________)

(Projects: ____________)

(Units: ____________)

(Rents: ____________)

(Average Rent: ____________)

(Rationale: ____________)

(Contribution Agreement Number: NNNNNNNNNN)

(Contribution Agreement Expiry Date: DMMYYYY)
C. Affordability

<table>
<thead>
<tr>
<th>Year</th>
<th>Average Rent in Relation to AMR</th>
<th>Variance Between Current and Last Year’s Average Rent</th>
<th>RTA Permitted Increase</th>
<th>Rationale for Amount Above RTA Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>First Year Occupied</td>
<td>180%*</td>
<td>n/a</td>
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<tr>
<td>Annually Thereafter</td>
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"This figure cannot be greater than 80% of the CMHC Average Market Rent, without the approval of the City of London"

D. Household Income New Tenants - Since Last Report
(Note: increase rows depending on project size)

<table>
<thead>
<tr>
<th>Unit Number</th>
<th>Unit Type</th>
<th>Tenant Name</th>
<th>Total Gross Household Income</th>
<th>Tenant Move-In Date</th>
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</table>
E. Project Certification

I certify, to the best of my knowledge, that the information provided in Sections B and D in this report are true and correct. I hereby authorize the City of London to review the rent roll from appropriate source(s) if deemed necessary.

__________________________________________  Date:________________________

Signed by [please print name]

I am [please check on the appropriate line below]

______ the Owner of the Project

______ the Chairperson of the Board of Directors of the Project
SCHEDULES "J", "K" and "L"

Purposely Omitted
SCHEDULE "M"

PROJECT INFORMATION FORM

Service Manager – City of London

Project Name:

Official Name of Proponent:
Proponent Address and Contact Information:
Email:

Proponent Type:

✓ private sector  [ ] municipal non-profit  [ ] co-operative  [ ] partnership
[ ] private non-profit, charitable corporation  [ ] other

Project Information

Number of Affordable Units Created: New Supply:
Type of Construction: Apartment ✓ Row [ ]
Total Number of Units in Project: 5
Client Type: Family [ ] Seniors ✓ Single ✓ Other [ ]

Anticipated First Occupancy Date:

<table>
<thead>
<tr>
<th>Number of Affordable Units</th>
<th>Unit Size (square feet)</th>
<th>Affordable Rents</th>
</tr>
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<tbody>
<tr>
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<tr>
<td>Total</td>
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Approvals

Date of Council Approval of Project:
Project Funding

1. Municipal Funding
   a) Development charges waived
   b) CTR/Rehab $
   c) AHCRF $
   d) Building Code Loan Program $
   e) Façade Improvement Loan Program $

2. Contributions form other sources
   Owner Equity $

3. Mortgage $

TOTAL FUNDING AND FINANCING $

Total Capital Costs of Project

Soft Costs (legal, architecture, engineering, insurance, taxes, fees, etc.) $

Land Costs $

Construction or Hard Costs (labour, construction materials, equipment) $

TOTAL CAPITAL COSTS $
SCHEDULE "N"
DEVELOPMENT SCHEDULE

Completed ESA
Re-zoning Approval
Minor Variance
Closing of Land Purchase
Construction Contract
Mortgage Commitment
Building Permit
Construction Start
Structural Framing
Substantial Completion
Occupancy
Commercial Completion
1. That, on the recommendation of the General Manager of Planning and Development, the following actions with respect to the Convert-to-Rent/Rehabilitation Program BE APPROVED:

a. Vernon Martin receive a municipal allocation of $10,000 per unit for six (6) units at 258/260/262 Clarence Street; and

b. The recommendation be forwarded to the Community & Protective Services Committee on March 1, 2010 along with a Sources of Financing Report for the municipal allocation of $50,000.

2. That, on the recommendation of the General Manager of Planning and Development, and in accordance with Municipal Housing Facilities By-Law No A-58-14-11, the attached by-law BE INTRODUCED at the Municipal Council being held on March 8, 2010 to approve the Municipal Contribution Agreement pertaining to the above-noted proposal substantially in the form of agreement appended to the aforementioned by-law and to the satisfaction of the City Solicitor, and to authorize the Mayor and the City Clerk to execute the said Agreement.

PREVIOUS REPORTS PERTINENT TO THIS MATTER

COMMUNITY AND PROTECTIVE SERVICES COMMITTEE

November 25, 2002 – Affordable Housing $2M Capital Reserve Fund Conditional Allocation
September 9, 2003 – Convert-to-Rent Operating Agreement, Authorization for Mayor and Clerk to Execute
March 29, 2004 – Convert-to-Rent Pilot Program and Old East Village BIA

COUNCIL HOUSING LEADERSHIP COMMITTEE

September 13, 2005 – Convert-to-Rent Pilot Program Evaluation
March 7, 2006 – Convert-to-Rent Program Evaluation
April 3, 2007 – Convert-to-Rent/Rehab Proposal

BACKGROUND

An evaluation of the delivery and effectiveness of the Convert-to-Rent Pilot Program was undertaken by the Housing Division's Affordable Housing Consultant and by representatives of the Old East Village BIA which was the sponsor agency for the Pilot Program. The evaluation assisted in the Council Housing Leadership Committee's deliberations with respect to the implementation of our Affordable Housing Strategy and in setting Affordable Housing Priority recommendations.

The Convert-To-Rent Program was then expanded to include rehabilitation of existing rental units and special needs modifications. The new program is called the Convert-To-Rent / Rehabilitation Assistance Program (CTR/Rehab). The rents for units approved under the CTR/Rehab Program are set at 70% of the Canada Mortgage & Housing Corporation (CMHC) Average Market Rents established annually in October.

The CTR/Rehab Program boundaries cover a designated area, the downtown Community Improvement Plan area, the downtown Community Improvement Plan area and the properties fronting on Dundas Street between these two areas.

The City of London funding under the CTR/Rehab Program is a maximum of $24,000 per unit. A Municipal Contribution Agreement was created and approved by Council in 2003.
All work must be completed within 18 months of receiving notice of funding approval. The Convert-To-Rent Municipal Contribution Agreement with successful proponents must be registered on title.

Proposals Approved Under Convert-to-Rent To-Date

Under the Convert-to-Rent/Rehabilitation Assistance program, with the added assistance of the Canada Mortgage & Housing Corporation RRAP Program, 23 units to-date were approved by the City of London:

- 225 Dundas Street, 5 apartment units
- 614 Dundas Street East, 2 apartment units
- 658 Dundas Street East, 2 apartment units
- 874 Dundas Street East, 2 apartment units
- 773 Dundas Street East, 1 apartment unit
- 610 Dundas Street East, 1 apartment unit
- 572 Dundas Street East, 10 apartment units

Proposal from Vernon Martin at 258/260/262 Clarence Street

This two floor brick building with six rental units is located near the northeast corner of Horton Street and Clarence Street. It was extensively damaged in a fire August 3, 2009. Due to the fire damage the building must undergo a complete rebuild of the interior space. The owner would rebuild 6 apartments. The insurance company has agreed to replace the roof, the interior work of the three upper units and the water damage of the ceiling in the lower units. The owner has decided to take the building back down to the original brickwork and rebuild all the units from scratch. (See attached for full description)

The rents for the above-noted units will be set at 70% of the 2008 CMHC Average Market Rent.

Although the location of the proposed property is immediately south of the current CTR/Rehab Program boundaries, in order to leverage funding from the Canada Mortgage and Housing Corporation RRAP program, it is recommended that the request for CTR/Rehabilitation funding assistance be approved.

Recommendation

It is recommended that the proposal from Vernon Martin for the property at 258/260/262 Clarence Street with respect to the Convert-to-Rent/Rehabilitation Program be approved and that a Municipal Contribution Agreement be entered into with Vernon Martin for its property at 258/260/262 Clarence Street for a total of $60,000.
City of London
Convert-To-Rent / Rehabilitation Program 2010

258/250/262 Clarence Street
(East side between Bathurst and Horton Street)

Owner: Vernon Martin

Building Description:
Two floor brick building with six rental units was extensively damaged in a fire August 3, 2009. Due to the fire damage the building will undergo a complete rebuild of the interior space. The owner would rebuild 6 apartments. The insurance company has agreed to replace the roof, the interior work of the three upper units and the water damage of the ceiling in the lower units. The owner has decided to take the building back down to the original brickwork and rebuild all the units from scratch. The extra work that the owner is proposing includes:
- removing & replacing all existing floor joists in the main floor units;
- replacing the staircases in the north and south units;
- installing storage rooms for units in the basement and setting up laundry facilities;
- replacement of furnace, water heaters, duct work, electrical and plumbing systems;
- install high efficiency 2 tier boiler system and hot water holding tank;
- install radiator system with climate control in all units;
- install complete plumbing system for whole building with PVC fire retardant plumbing systems;
- new electrical system;
- complete interior work of 3 lower units;
- re-pointing of all damaged brickwork inside and outside;
- new energy efficient appliances;
- painting whole building and landscaping.

CMHC - RRAP: Yes

Cost Estimate: $306,463
Requested from the City of London: $60,000
Requested from CMHC: $70,000
Insurance Claim: $150,000
Owner Contribution: $26,463

Current Mortgage: $20,000

Affordability Agreement: 20 years (includes five year phase out period)
Rent (includes heat & water):
One-bedroom (4) $550  Two-bedroom (2) $675
RE: Convert-To-Rent/Rehabilitation Program
At^lohsa Native Family Healing Services - 343 Richmond Street

FINANCE & CORPORATE SERVICES REPORT ON THE SOURCES OF FINANCING:
Finance and Corporate Services confirms that the Municipal contribution can be accommodated from the Affordable Housing Reserve Fund, and that subject to the adoption of the recommendation of the General Manager of Planning and Development, the detailed source of financing for this request is:

**ESTIMATED EXPENDITURES**

<table>
<thead>
<tr>
<th>Source of Expenditure</th>
<th>This Submission</th>
</tr>
</thead>
<tbody>
<tr>
<td>At^lohsa Native Family Healing Services-343 Richmond Street</td>
<td>$160,000</td>
</tr>
</tbody>
</table>

**NET ESTIMATED EXPENDITURES**

<table>
<thead>
<tr>
<th>Source of Expenditure</th>
<th>Amount</th>
</tr>
</thead>
</table>

**SOURCE OF FINANCING**

<table>
<thead>
<tr>
<th>Source of Financing</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Drawdown from Affordable Housing Reserve Fund</td>
<td>$160,000</td>
</tr>
</tbody>
</table>

**NOTES:**

1) The uncommitted balance in the New Affordable Housing Reserve Fund will be approximately $2,449,000 with the approval of this project.

EH

Marilyn Hayward
Director of Financial Planning & Policy
By-law No.

A by-law to approve an agreement between The Corporation of the City of London (the City) and Atôhosa Native Family Healing Services (the Proponent) for the purpose of establishing the Proponent's obligations under the Convert-to-Rent/Rehabilitation Program and the City's obligation to provide funding to the Proponent; and to authorize the Mayor and the City Clerk to execute the agreement.

WHEREAS section 5(3) of the Municipal Act, 2001 provides that a municipal power shall be exercised by by-law;

AND WHEREAS section 8 of the Municipal Act, 2001 provides that a municipality has the capacity, rights, powers and privileges of a natural person for the purpose of exercising its authority under this or any other Act;

AND WHEREAS The Corporation of the City of London (the City) is responsible for the delivery and administration of affordable housing initiatives including affordable rental housing programs, convert-to-rent programs and other initiatives;

AND WHEREAS the Proponent has responded to the procurement process initiated by the City to undertake development activities in return for funding;

AND WHEREAS it is deemed expedient for the City to enter into an agreement with the Proponent for the purpose of establishing the Proponent's obligations with respect to the Convert-to-Rent/Rehabilitation Program and the City's obligation to provide funding to the Proponent;

NOW THEREFORE the Municipal Council of The Corporation of the City of London enacts as follows:

1. An agreement between the City and the Proponent for the purpose of establishing the Proponent's obligations with respect to the Convert-to-Rent/Rehabilitation Program and the City's obligation to provide funding to the Proponent be hereby approved.

2. The Mayor and the City Clerk be hereby authorized to execute the agreement approved in section 1, above, substantially in the form of agreement attached to this by-law and to the satisfaction of the City Solicitor.

3. This by-law shall come into force and effect on the day it is passed.


Anne Marie DeCicco-Best
Mayor

Cathy Saunders
City Clerk

First reading –
MUNICIPAL CONTRIBUTION AGREEMENT

City of London
Convert-To-Rent / Rehabilitation Assistance Program

This Agreement made the day of , 2010

BETWEEN:

THE CORPORATION OF THE CITY OF LONDON

(hereinafter called the "City")

- and -

(hereinafter called the "Proponent")

WHEREAS:

A. City By-Law No. A.-5814-11, the Municipal Housing Facilities By-Law, the By-Law, permits the City to make a loan to an owner of a rental property and forgive the total or partial repayment of the loan, provided that the owner has entered into an agreement with the City that conforms to the By-Law, its Regulations, and pursuant to the conditions attached to the loan and those included in this document;

B. The Borrower has requested a loan by a final application dated the 25th day of May 2007;

C. The City has agreed to grant a loan to be forgivable over the term of this Agreement, provided that the Borrower complies with prescribed conditions;

D. The Borrower is to undertake and complete all mandatory health and safety repairs to all non-eligible units and common areas in the existing building for 5 self-contained rental units, known municipally as 225-227 Dundas Street, London, Ontario, and as more particularly described in Schedule "A";

E. A forgivable loan has been granted to the Borrower on the condition that during the term of this agreement, 5 units in the property will be rented to tenants tenant household income from all sources for tenants of assisted affordable rental housing can be no greater than five (5) times their Monthly Occupancy Cost;

F. The City and the Proponent have entered into this Agreement for the purpose of establishing the Proponent's obligations with respect to the Program and the City's obligation to provide funding to the Proponent;

NOW THEREFORE, the City and the Proponent agree with each other as follows:

1. INTERPRETATION

1.1 In this Agreement, including its Schedules, unless the context requires otherwise,

- "Affordability Period" means the 20-year period during which the average rent in a Project is required to be maintained at an affordable level;

- "Affordable Housing" means Housing which is modest in terms of floor area and amenities, based on household needs and community norms, in Projects that achieve rent levels that are at 80% of the Canada Mortgage and Housing Corporation (CMHC) Average Market Rent;

- "Average Market Rents" means the average rent figures, based on geographical areas and classified by bedroom count, as determined annually in the CMHC Average Market Rent Survey or as determined by the City, based on available data, in areas where there is no information from the CMHC Average Market Rent Survey;

- "Business Day" means each Monday, Tuesday, Wednesday, Thursday and Friday except when any such day occurs on a statutory holiday observed in Ontario;
"Contribution Agreement" means an agreement entered into between the City and an approved Proponent for contributions under the Program;

"Contribution by Others" means cash or in-kind eligible contributions from government sources other than the City of London;

"Development Activities" means those activities which have been approved for the Project as set out in the approved Plans and Specifications and, generally, activities that are normally undertaken for the development, construction, repair, renovation, rehabilitation or conversion of buildings for residential purposes and include the acquisition of property;

"Federal Funds" means funding from CMHC for a Unit;

"Force Majeure" means a delay arising from strike, lockout, riot, insurrection, terrorism, war, fire, tempest, act of God, lack of material or supply of service at a reasonable cost, inclement weather, binding orders or regulations of governmental bodies, courts or arbitrators or any other event beyond the control of the Parties which causes a delay in the fulfillment of a Party's obligations under this Agreement notwithstanding the reasonable efforts of such Party and provided that any such non-availability or delay does not relate to any extent to any act or omission by such Party or any of its authorized agents or employees;

"Funding Schedule" means the schedule of funding for the Project to be undertaken by a Proponent, in the form determined by the City;

"Funds" means City Funds and Federal Funds or Provincial Funds, if applicable;

"Housing" means residential accommodation and facilities, common areas and services used directly with the residential accommodation. Housing does not include commercial or institutional premises, social or recreational services, and services or facilities related to mental or physical health care, education, corrections, food services, social support or public recreation;

"Interest Adjustment Date" means the date on which the Proponent makes the first payment of principal and interest in respect of the Proponent's permanent financing obligations for the Project, following the completion of construction;

"Improvements" means the improvements to be made on the Property, consisting of a building and other improvements to be constructed by the Proponent on the Property in accordance with the Plans and Specifications;

"Loan" means the total amount of City Funds, advanced by the City to the Proponent, in accordance with the Funding Schedule;

"Occupancy Date" means the date on which occupancy of all Units in a Project is permitted;

"Ontario Mortgage and Housing Initiative" means the government program that provides Proponents with access to lower-cost, longer-term financing for affordable rental housing for both construction financing and long-term mortgages;

"Parties" means the Proponent and the City and "Party" means either of them, as the context may require;

"Permitted Encumbrances" means the encumbrances encumbering the Affordable Housing Units listed in Schedule "G", together with such renewals or replacement financing that may be approved by the City, acting reasonably, during the term of this Agreement;

"Phase-out Period" means the last five (5) year period of the Affordability Period;

"PIPEDA" means the Personal Information Protection and Electronic Documents Act, S.C. 2000, c. 5, including any amendments thereto;

"PIPEDA Protected Information" means any "Personal Information" or "Personal Health Information", as defined under PIPEDA;

"Plans and Specifications" means the plans and specifications for the development of the Project that have been approved and reviewed by all appropriate governmental
authorities for the issuance of all permits necessary to construct and occupy the
Improvements and as certified by a Quantity Surveyor;

- "Procurement Process" means the request for proposals or procurement process used
  by the City;
- "Program" means the City of London Convert-To-Rent / Rehabilitation Assistance
  Program;
- "Project" means Affordable Housing proposed or approved for the Program, as the
  context may require on lands described in Schedule "A";
- "Proposal" means the response to the request for proposals or procurement process,
  submitted to the City pursuant to the Procurement Process;
- "Provincial Funds" means funding from Ontario for a Unit;
- "Quantity Surveyor" means such Architect, Engineer or other professional duly licensed
  to practice in the Province of Ontario as the Proponent may from time to time appoint to
  supervise, direct, monitor, inspect or assess the Project or a specific aspect of the
  Development Activities;
- "Rent Supplement Agreement" means rent supplement agreement as defined in the
  Social Housing Reform Act, 2000, c.27, as amended.
- "Security Documents" means the security documents attached to and forming part of the
  Municipal Contribution Agreement;
- "Service Manager" means The Corporation of the City of London;
- "Substantial Completion" means the substantial performance within the meaning of the
  Construction Lien Act, of all contracts which the Proponent has entered into for
  Development Activities in connection with the Project under this Agreement;
- "Targeting Plan" means the manner in which a Service Manager or a Proponent plans to
  meet the objectives of the Program to create Affordable Housing for households that are
  on or are eligible to be on waiting lists for social housing;
- "Unit" means a self-contained residential dwelling.

1.2 All references in this Agreement, including, without limitation, the Schedules hereto, to "rent" are
deemed to include housing charges paid by members of non-profit housing cooperatives
and "rental" is deemed to have a corresponding meaning.

1.3 The following Schedules are attached to and form part of this Agreement:

   Schedule "A" - Legal Description of Property;
   Schedule "B" - Funding Schedule;
   Schedule "C" - Contribution by Others - Agreements;
   Schedule "D" - Rental Protocol;
   Schedule "E-1" - Charge/Mortgage of Land;
   Schedule "E-2" - Assignment of Rents;
   Schedule "E-3" - Security Agreement;
   Schedule "F" - Alternate Security;
   Schedule "G" - Permitted Encumbrances;
   Schedule "H" - Proponent's Initial Occupancy Report;
   Schedule "I" - Proponent's Annual Occupancy Report;
   Schedule "J" - Purposely Omitted;
   Schedule "K" - Purposely Omitted;
   Schedule "L" - Purposely Omitted;
   Schedule "M" - Project Information Form;
   Schedule "N" - Development Schedule.

1.4 In the event of a conflict or inconsistency between the provisions of this Agreement and the
provisions of a Schedule, the provisions of this Agreement shall prevail.

1.5 All references in this Agreement to section numbers are references to sections of this
Agreement unless otherwise stated.
2. **FUNDING FOR AFFORDABLE HOUSING**

The Proponent agrees to advance as its equity contribution to the Project the amount of XXXXXXXX dollars ($XXXXX), on or before the commencement of Development Activities and provide written confirmation to the City that the equity contribution has been advanced.

Funding for Affordable Housing is comprised of City Funds and will be advanced to the Proponent in the form of a Loan, during the Development Activities.

The City agrees to provide to the Proponent as a Loan, upon the terms and subject to the conditions set out in this Agreement, the amount of XXXXXXXX dollars [($-) City Funds], as described in Schedule "M", to be applied by the Proponent only towards the payment of Development Activities for Affordable Housing.

The City shall have the option of withholding from the amount to be disbursed under section 2.3 the amount of the cost of construction necessary to complete the construction of the Project and, in such case, the City shall disburse the amount so withheld following its receipt of satisfactory evidence that such construction is substantially complete within the meaning of the Construction Lien Act and provided that the Construction Lien Act is complied with.

The Proponent shall use the amount of the Loan and Contribution by Others solely for the purpose of its Development Activities in connection with the Project.

The City shall disburse the Municipal funds in accordance with the Funding Schedule attached as Schedule "B."

The Proponent may authorize the City to pay Funds to a third party and the City shall permit such authorization.

3. **PROVISION OF AFFORDABLE HOUSING**

The Proponent agrees to undertake its Development Activities in connection with the Project in accordance with the provisions relating to the development of the Project in conformity with its Proposal.

The Proponent shall, subject to Force Majeure, achieve Substantial Completion in accordance with its Proposal.

Without limiting the condition set out in section 5.1 (b), the Proponent shall discharge or cause the discharge of any registered construction liens so as to ensure that there are no construction liens registered against the Project on the date for the disbursement of the Loan under section 2.3.

The Proponent shall not at any time during the term of this Agreement breach any Contribution Agreement respecting the Project that it has entered into by means of a Contribution by Others, including any municipal capital facility agreement made pursuant to section 110 of the Municipal Act, 2001 and shall not, through any breach on its part, cause such other entity to terminate a Contribution Agreement for cause. The Proponent agrees that a breach by it of any such Contribution Agreement, that has not been corrected, shall constitute a breach of this Agreement. All such agreements by means of a Contribution by Other shall be attached as Schedule "C". The Proponent shall provide the City with evidence of its good standing under any such Contribution Agreement within ten (10) Business Days following its receipt of a written request from the City.

4. **OPERATION OF AFFORDABLE HOUSING**

The Proponent acknowledges and agrees that the Rental Protocol set out in Schedule "D" applies to the Project by virtue of the contractual terms of this Agreement, notwithstanding that the Rental Protocol does not apply to the Project under the Residential Tenancies Act, 2006.

The Proponent agrees to operate the Units in accordance with the rules set out in Schedule "D" of this Agreement.

5. **CONDITIONS**
The provision of funding by the City pursuant to sections 2.3 and 2.4 are subject to the following conditions precedent, each of which is for the exclusive benefit of the City, and may be waived in full or in part by the City by written notice to the Proponent:

(a) the Proponent is the registered owner in fee simple of the lands described in Schedule "A";
(b) any Contribution Agreement referred to in section 3.4 remaining in force and the Proponent being in good standing thereunder;
(c) there being no Claim for Lien under the Construction Lien Act registered against the Project;
(d) there being in existence no unregistered lien or statutory claim having priority against the Project;
(e) the Proponent's title to the Project being free from any encumbrances other than the Permitted Encumbrances;
(f) the Proponent being in good standing under all of the Permitted Encumbrances;
(g) there being no work orders issued against the Project by any governmental entity, agency or official;
(h) the Proponent having provided the City with the security documents required by section 7 and in accordance with the said section; and
(i) all funds provided by means of a Contribution By Others due on or before a disbursement date hereunder having been fully advanced to the Proponent on or before such disbursement date and having been secured by by-law, agreement or otherwise and attached as Schedule "A".

5.2 If any of the conditions contained in section 5.1 have not been fulfilled on the date for the disbursement of the Loan by the City pursuant to sections 2.3 or 2.4 and are not waived by the City pursuant to section 5.1, the City shall be under no obligation to make any advance of the Loan to the Proponent and the City shall have the right to terminate this Agreement and, in that event, neither party to this Agreement shall have any rights or obligations hereunder, save and except that the City may, notwithstanding such termination, bring an action against the Proponent for all losses, costs and expenses, including, without limitation, reasonable legal fees incurred by the City in connection with this Agreement where the non-performance or non-fulfilment of a condition is a result of a breach of a covenant by the Proponent.

5.3 The provision of Funds by the City pursuant to section 2.6 is subject to the following conditions precedent, each of which is for the exclusive benefit of the City, and may be waived in full or in part by the City by written notice to the Proponent:

(a) any Contribution Agreement referred to in section 3.4 remaining in force and the Proponent being in good standing thereunder;
(b) there being no Claim for Lien under the Construction Lien Act registered against the Project;
(c) there being in existence no unregistered lien or statutory claim having priority against the Project;
(d) the Proponent's title to the Project being free from any registered encumbrances other than the Permitted Encumbrances;
(e) the Proponent being in good standing under all of the Permitted Encumbrances;
(f) there being no work orders issued against the Project by any governmental entity, agency or official;
(g) the City has approved the information reports required in section 8.1 (c);
(h) the City has approved the Proponent's Targeting Plan and has advised the City, on an annual basis, that the Proponent is in compliance with the Targeting Plan.

5.4 If any of the conditions contained in section 5.3 have not been fulfilled on the date for the disbursement of the initial Affordability Payment by the City pursuant to section 2.6 and are not waived by the City pursuant to section 5.3, the City shall be under no obligation to make
6. TERMS OF THE FUNDING

6.1 The Loan shall have a term of twenty (20) years, commencing as of the Interest Adjustment Date.

6.2 Prior to the Interest Adjustment Date, interest shall accrue on the total of the amount or amounts advanced under the Loan at the rate of eight per cent (8%) per annum. The interest so calculated shall compound semi-annually, not in advance, until the Interest Adjustment Date.

6.3 On the Interest Adjustment Date, the amount of interest accrued as calculated in section 6.2 shall be forgiven, provided that the Proponent has satisfied all requirements as set out in section 2.

6.4 With effect from the Interest Adjustment Date, the interest rate applicable to the Loan shall be the higher of the average posted rate offered by major Canadian lending institutions for a commercial first mortgage having a five (5) year term, plus two per cent (2%) or the interest rate applicable to the first mortgage registered against title to the property, plus two per cent (2%).

6.5 On each anniversary date of the Interest Adjustment Date, the Proponent shall pay the City the amount of interest, as calculated on the Loan amount according to the interest rate stipulated in section 6.4, so accrued during the previous year, provided, however, if in the opinion of the City, acting reasonably, the Proponent has satisfied, as of such anniversary date, the requirements of this Agreement, the amount of the interest so owing shall automatically be forgiven.

6.6 The Loan amount shall be fully forgiven on the last day of the month at the end of the term of the Loan, provided that the Proponent has fulfilled all the requirements of the Program as set out in this Agreement.

6.7 The Proponent shall provide the City with such information respecting the Proponent’s permanent financing obligations for the Project as the City may require from time to time.

7. SECURITY

7.1 Prior to the City disbursing the Loan proceeds to the Proponent pursuant to section 2.3, the Proponent shall provide the City with executed registerable security documents in the form attached hereto as Schedules "E-1", "E-2" and "E-3" (the "Security"), completed in accordance with this Agreement or such alternate form of security, on such terms and conditions as the City may require, attached hereto as Schedule "F".

7.2 The Security shall be collateral to this Agreement. The amount of all contributions from the City shall be included in the Security documents. Any cash contributions from the City shall be included in the Security documents. The amount of any eligible in-kind contributions from the City shall not be included in the Security documents.

7.3 Without limiting the Proponent’s covenants and the remedies of the City under the Municipal Contribution Agreement and the Security, the Proponent agrees that a breach of this Agreement shall constitute a breach of the Security and a breach of the Security shall constitute a breach of this Agreement.

7.4 The City acknowledges and agrees that notwithstanding that the Security provides that the principal and interest secured thereunder is payable on demand, the City shall have no right to demand payment thereunder except in accordance with the provisions of this Agreement relating to repayment. In the event of a conflict or inconsistency between the provisions of this Agreement and the Security, the provisions of this Agreement shall prevail with respect to Funds provided by the City.

7.5 The Security shall rank immediately behind the registered security for the Proponent’s Permitted Encumbrances obligations for the Project.

8. ACCOUNTABILITY FRAMEWORK
8.1 (a) In the event:

(i) the City is advised that the Project will not proceed; or
(ii) the building permit for the Project is not issued on or before March 31, 2008 or such longer period of time as the City may determine;
(iii) the City determines, acting reasonably, that the Proponent is not proceeding with the construction due to delays likely to cause depreciation or deterioration of the Improvements the Proponent shall return all Funds to the City, forthwith upon demand;
(iv) the City is of the opinion that the Proponent is not proceeding in an expeditious manner with the Development Activities for which the Funds have been provided.

the Proponent shall return all Funds to the City, forthwith upon demand.

(b) If requested by the City, the Proponent shall submit to the City, an audited statement respecting its expenditure of the Funds provided to it pursuant to this Agreement, within ninety (90) days following the date on which the City is advised that the Project will not proceed or that the Development Activities related to the Project have been fully completed.

(c) Following the full completion of the Development Activities related to the Project, the Proponent shall submit to the City a completed information report in the form attached hereto as Schedule "H", and annually thereafter shall submit to the City complete information reports in the forms attached hereto as Schedule "I".

(d) Without limiting the Proponent's obligations under section 8.1 (c), the Proponent, if requested by the City, shall forthwith submit to the City the material required to be submitted to the City pursuant to section 8.1 (c), in addition to any such material that the Proponent may have previously submitted to the City.

8.2 The Proponent represents that it has not provided any false or misleading information in the Proposal and agrees that it shall not provide any false or misleading information to the City under this Agreement.

8.3 The Proponent shall, on forty-eight (48) hours prior written notice, give the City free access to the Project and to such staff, documents, books, records, and accounts as may be determined by the City, for the purpose of verifying compliance with this Agreement.

8.4 The City may conduct an audit, investigation, or inquiry in relation to the Project or any larger development or project of which the Project is a part and the Proponent shall cooperate with the City and provide free access to the Project and to such staff, documents, book, records and accounts as may be determined by the City.

8.5 The provisions of sections 8.1, 8.2, 8.3 and 8.4 shall continue to apply for a period of seven (7) years following the end of the Affordability Period or the date of any early termination of this Agreement.

9. PUBLICITY

9.1 The Proponent shall not make any public announcement respecting the Project, insofar as it relates to the Program, or respecting its participation in the Program or respecting the Program in any other respect without the prior written consent of the City.

9.2 During the period of the Development Activities related to the Project, the Proponent may be required to erect a sign in front of the Project. The sign shall be in accordance with specifications issued by the City.

10. REMEDIES

10.1 Upon the occurrence of any one or more of the following events (each an "Event of Default"):

(a) the failure of the Proponent to perform, observe or comply with any other term, covenant, condition or provision of this Agreement within 10 days of receipt of written notice of the "failure" from the City provided the Proponent shall not be deemed to be in default if within the said period of ten (10) days, the Proponent commences the necessary action to remove the "failure" and such action is diligently prosecuted;
(b) any representation or warranty made by the Proponent in this Agreement proves to have been untrue or misleading in any material respect as of the date on which it was made;

(c) any person commences an action, suit or proceeding materially affecting the Project or file a lien against the Property, or any person shall commence an action, suit or proceeding contesting or questioning the validity or enforceability of this Agreement, unless the Proponent shall diligently contest such action, suit or proceeding and discharge any such lien forthwith without the requirement of notice by the City and post such bonds, cash or letters of credit or give such other security in order to obtain such discharge in amounts and on terms satisfactory to the City, acting reasonably;

(d) the Proponent ceases to carry on business;

(e) the Proponent:

(i) becomes insolvent or unable to pay its debts as they become due; or

(ii) files a petition in bankruptcy or voluntary petition seeking reorganization or effect a plan or other arrangement with creditors; or

(iii) makes an assignment for the benefit of creditors under the Bankruptcy Act (Canada) or any other insolvent debtors' legislation;

(iv) applies for or consents to the appointment of any receiver or trustee for it or of all or any substantial part of its property and assets; or

(v) voluntarily liquidates or winds-up or suffers itself to be liquidated or wound-up;

(f) any of:

(vi) an involuntary petition seeking the adjudication of the Proponent as bankrupt or insolvent not removed within 30 days; or

(vii) an order of any court or other authority appointing any receiver or trustee for the Proponent or for all or any substantial portion of its property and assets; or

(viii) a writ of execution, judgment or writ of attachment or any similar process which may, in the reasonable opinion of the City, materially impair the ability of the Proponent to perform its obligations under this Agreement or any of the Security Documents shall be made, given or issued against the Proponent or in respect of its property and assets, and such petition, order, writ or judgment is not vacated or stayed within 15 days after its date;

(g) the occurrence of a material adverse change in the financial condition of the Proponent which would, in the reasonable opinion of the City, detrimentally affect the ability of the Proponent to meet its obligations to the City; and

(h) if the Improvements shall be entirely destroyed or damaged to such an extent that, in the opinion of the Quantity Surveyor, acting reasonably, they are no longer fit for the purpose for which they were intended and the insurance proceeds, if any, held by the City, in the opinion of the Quantity Surveyor, acting reasonably, insufficient to repair such destruction or damage, and the Proponent has not provided evidence satisfactory to the City of the timely availability of such sufficient funds,

then, at its option, the City may declare the full principal amount of the Loan then advanced, together with all other moneys owing to the City hereunder, due and payable forthwith. In such case, the City may realize upon any and all security pledged to it and may commence such other legal actions or proceedings against the Proponent, the Property or assets of the Proponent as may be permitted hereunder, by any one or more of the Security Documents or at law or in equity, all as it, in its sole discretion, deems expedient. The Proponent hereby acknowledges that the City's remedies are cumulative and not mutually exclusive.

10.2 Complete Construction. If an Event of Default shall occur, then the City may, at its option, in addition to any other remedy available to it, enter upon and take charge of the Project and assume full charge of the Improvements and may complete the Improvements or enter into a contract with another to complete the same, and all amounts advanced for such purpose, including reasonable legal fees incurred by the City in the enforcement of any provisions hereof, shall be an indebtedness of the Proponent to the City. All such amounts, even though they may, when added to the moneys advanced and disbursed under this agreement, exceed the Loan, shall be secured by the Mortgage and other Security Documents.
10.3 During Term of Agreement. Should the Proponent be in default under the terms of the loan or under the terms of this Agreement or under the terms of any mortgage or other encumbrance registered on title to the Property, the City shall have the right to declare all or part of the unearned portion of the loan due and payable immediately. Interest will be payable only from the date of default until the loan is paid in full. The interest rate shall be the Bank of Canada Prime Rate plus 2% in effect at the time of the loan default. The amount of the loan that must be repaid is equal to the total amount of the loan less any amount considered forgiven from the first day of the month following full payment of the funds until the default.

10.4 Assignment of Plans and Specifications. The Proponent hereby assigns to the City and its successors and assigns, the right to possess and use the Plans and Specifications and the Proponent’s rights under all construction contracts, for the purpose of completing the Improvements if Proponent defaults subject to any prior assignment to the holder of the First Loan.

10.5 Costs and Expenses of Collection. All reasonable costs and expenses of collection (including legal fees, disbursements and court costs) of all amounts owing hereunder or of enforcement of any security created in favour of the City pursuant hereto, Proponent and shall be repayable on demand.

10.6 All of the remedies in this Agreement and the Security Documents are cumulative and are not alternative and the City shall not be precluded from availing itself simultaneously of some or all of the said remedies and any other remedies available in equity or law.

10.7 Notwithstanding any of the terms of this Agreement or of the Security Documents, the City shall have the option of waiving any or all of its remedies under this Agreement and the Security Documents, but no waiver of a provision shall be deemed to constitute a waiver of any other provision (whether or not similar) nor shall any waiver constitute a continuing waiver unless otherwise provided.

11. RENT SUPPLEMENT REQUIREMENT

11.1 The City, at its option, may require the Proponent to enter into a rent supplement agreement for a maximum of 30% of the units in the Project.

12. REPRESENTATION AND WARRANTIES

The Proponent represents and warrants to the City that:

12.1 The Proponent is a duly incorporated, organized and validly existing under the laws of the Province of Ontario and has full capacity, power and authority to own all its property and to carry on its business as now conducted and as contemplated under this Agreement and all other agreements contemplated thereunder, and is duly qualified and in good standing in each jurisdiction in which the character of the property owned or leased or the nature of the business carried on by it makes such qualification necessary or desirable.

12.2 The Proponent has full corporate power, legal right and authority to enter into this Agreement and to do all acts and things as are required or contemplated hereunder to be done, observed or performed by it.

12.3 Neither the execution and delivery of this Agreement, the consummation of the transactions herein contemplated, nor the compliance with the terms, conditions and provisions hereof and of the Mortgage will conflict with, or result in a breach of, any of the terms, conditions or provisions of the constating documents of the Proponent or of any agreement or instrument to which it is now a party, or constitute a default thereunder, or (except as contemplated by this Agreement) result in the creation or imposition of any mortgage, lien, charge or encumbrance of any nature whatsoever upon any of the properties or assets of the Proponent (whether such properties or assets are owned legally or beneficially) pursuant to the terms of any agreement or instrument to which it is a party.

12.4 There is not now pending against the Proponent any litigation, action, suit or other proceeding of a material nature by or before any court, tribunal or other governmental agency or authority or any other such pending or threatened action, suit or other proceeding against the Proponent or against or affecting any of the properties or assets of the Proponent (whether such property or assets are owned legally or beneficially) such that if the same were adversely determined, it could be reasonably expected to materially and adversely affect the business operations, properties or assets, or the condition, financial or otherwise, of the Proponent.
12.5 Except as previously disclosed in writing to the City, the Propponent is not a party to any agreement or instrument or subject to any restriction or any judgment, order, writ, injunction, decree, rule or regulation which materially and adversely affects the business, operations, prospects, properties or assets, or condition, financial or otherwise, of the Propponent.

12.6 The construction contract is in full force and effect and neither the Propponent nor any other party thereto is in default thereunder.

12.7 None of the information, financial or otherwise, provided by the Propponent to the City to induce the City to make the Loan and to enter into this Agreement contains any untrue statement of a material fact or omits to state a material fact necessary in order to make any statement contained therein not misleading in light of the circumstances in which it was made.

13. COVENANTS OF THE PROONENT

13.1 The Propponent covenants and agrees with the City that, it shall:

(a) take all such actions and do all such things required to develop and continuously carry on the construction of the Improvements in a good and workmanlike manner and in accordance with the Plans and Specifications and to complete such construction not later than the date specified in Schedule A, subject to a occurrence for non-financial reasons beyond the control of the Propponent, including, without limitation, strikes, lock-outs or other labour or industrial disturbances, civil disturbances, arrests and restraints, interruptions by government or court orders, future valid orders of any regulatory body having proper jurisdiction, wars, riots, sabotage, blockades, embargoes, insurrections, lightning, earthquake, fires, storms, floods and explosions and to pay all costs thereof;

(b) do or cause to be done all acts and things necessary to preserve in full force and effect the existence of the Propponent and all licences and permits required for the carrying on of the operations of the Propponent at and from the Property and to preserve and protect all of the properties, real and personal owned and used by the Propponent in connection with the Project and to cause the same to be properly maintained and to be kept in good state of repair;

(c) pay and discharge or cause to be paid and discharged all taxes and other levies of the Province of Ontario, the City, or of any other entity having jurisdiction to impose such taxes or levies, when the same becomes due and payable, except such taxes as are being contested in good faith by appropriate proceedings and provided that, in such case the Propponent shall have provided the City with appropriate security;

(d) deliver to the City the statements and reports as required by the Contribution Agreement.

13.2 The Propponent covenants and agrees with the City that, so long as any obligation is outstanding by the Propponent to the City hereunder the Propponent will not, without the prior written consent of the City, which consent may be unreasonably withheld:

(a) create, incur, assume or permit to exist, after knowledge of the existence thereof, any mortgage, pledge, lien, hypothecation, charge (fixed or floating), security interest or other encumbrance whatsoever on the Property or any personal property or fixtures thereon except the encumbrances created by the following encumbrances (collectively, the "Permitted Encumbrances"):

13.2.a.1 the First Mortgage;

13.2.a.2 encumbrances created in favour of or assigned or pledged to the City;

13.2.a.3 inchoate or statutory liens for taxes which have not been assessed, or if assessed, which are either not delinquent or which are being contested by bona fide proceedings in good faith, and sufficient security for the payment of same has been given to the City, if requested;

13.2.a.4 inchoate or statutory liens of contractors, sub-contractors, mechanics, suppliers, workers and others in respect of the construction, maintenance, repair and operation of the Improvements, provided that the same are not registered encumbrances against title to the Property or any personal property, or, if so registered, have been postponed to all charges in favour of the City contained in the Security Documents or are being contested by bona fide proceedings in good faith with sufficient security for the payment thereof having been given to the City or paid into Court to prevent effectively in the City's opinion realization by disposal
13.2.a.5 Other Permitted Encumbrances listed in Schedule "G" hereto.

(b) become a party, without the prior written consent of the City, to any transaction whereby the Project would become the property of any other person, whether by way of reorganization, amalgamation, merger, transfer, sale, lease, sale and leaseback, or otherwise;

(c) make any material change in the Plans and Specifications or the Construction Contract which pertains to the number or type of residential dwelling units of the Project without the prior written approval of the City; or

(d) change its fiscal year end or change the basis upon which the financial records of the Proponent are maintained, without the prior written consent of the City.

14. INDEMNIFICATION

14.1 The Proponent shall indemnify and save harmless the City from all claims, costs, all matter of actions, cause and causes of action, duties, dues, accounts, covenants, demands or other proceeding of every kind or nature whatsoever at law or in equity arising out of this Agreement and out of the operation of the units including claims arising out of negligence of the Proponent and specifically, all claims arising out of the intentional or criminal acts of any officers or directors, employees, agents, volunteers or independent contractors of the Proponent. Such indemnification shall survive the termination of this Agreement for claims arising from or out of incidents occurring the term of this agreement.

14.2 The Proponent agrees to purchase and maintain, during the term of this Agreement third party liability insurance in a limit of not less than Five Million Dollars ($5,000,000.00) covering bodily injury, loss or property damage resulting from any activity related in any way to this Agreement. This insurance shall include the City as an additional insured, a cross liability clause, severability of interest clause, non-owned automobile insurance and personal injury liability clause.

In addition, during the design and construction period of the contract the Proponent will obtain and maintain the following policies of insurance:

14.3.1 All risk builder's risk insurance for the full replacement value of the completed construction project, including boiler and machinery, earthquake and flood based on a stated amount co-insurance and including a waiver of subrogation and loss payable, as their interest may appear, in favour of the City, and with a deductible of not more than One Hundred Thousand Dollars ($100,000.00) and remaining in effect until the completion of construction.

14.3.2 Construction wrap-up liability insurance coverage including owners and contractors protective, broad form products and completed operations, cross liability and severability of interest clauses, blanket contractual, hook liability, employers liability, non-owned automobile liability) and shoring, blasting, excavating, under-pinning, demolition, pile driving and caisson work, work below and above ground surface, tunnelling and grading, and similar operations associated with the construction work, as applicable; to an inclusive limit of not less than $5,000,000.00 and in the joint names of the Proponent, City, Designated Consultants, Designated Contractors, all other contractors, sub-contractors, suppliers and/or tradesmen while working on the site, engineers, architects, consultants and other persons (including, but not limited to directors, officers, employees, shareholders, legislators and officials involved in the project) which the City reasonably may require to be added as insured parties.

The Proponent shall advise the City of any cancellation, material alteration or lapse of any policies of insurance required to be provided hereunder. If the Proponent fails to effect and keep such insurance in force, or if such insurance is in an amount less than the amount required under this Agreement, the City shall have the right, upon notice to the Proponent and without assuming any obligation in connection therewith, to effect such insurance at the cost of the Proponent and all outlays by the City shall be payable by the Proponent to the City forthwith upon demand without prejudice to any other rights and recourse of the City hereunder. No such insurance taken out by the City shall relieve the Proponent of its obligations to insure hereunder and the City shall not be liable for any loss or damage suffered by the Proponent.
14.5 The Proponent shall duly and punctually pay or cause to be paid all premiums and other sums of money payable for maintaining the insurance to be provided pursuant to this Article. Evidence that the insurance described above is in force shall be provided to the City prior to commencement of the Agreement and thereafter once annually at least ten (10) clear days prior to the renewal date of the policy, and that the insurance will not be cancelled or permitted to expire unless the insurer notifies the City in writing at least thirty (30) days prior to such cancellation.

14.6 Further, the Proponent shall require all professionals involved with the project to carry professional (errors and omissions) liability insurance in an amount not less than Two Million ($2,000,000.00) dollars and make reasonable efforts to verify such insurance is in force throughout the period of the work.

14.7 The Proponent agrees to obtain for its employees and to require all Designated Consultants, Designated Contractors, all other contractors, sub-contractors, suppliers and/or tradesmen while working on the site, engineers, architects, consultants and other persons Workplace Safety and Insurance Board coverage and to ensure that such coverage continues in effect throughout the period of the work.

15. NOTICE

15.1 Any notice or other communication required, desired or permitted to be given by this Agreement shall be in writing and shall be effectively given if:
(a) delivered personally;
(b) sent by prepaid courier service; or
(c) sent by facsimile communication, and confirmed by mailing the original documents so sent by prepaid mail on the same or following day, addressed as follows:

(i) in the case of notice to the City:

The Corporation of the City of London
Housing Division
P.O. Box 5035
London, ON
N6A 4L9
Fax: 519-661-5804

(ii) in the case of notice to the Proponent:

XXXXXXXXXXXX

or at such other address as the party to whom such notice or other communication is to be given shall have advised the party giving same in the manner provided in this section. Any notice or other communication delivered personally or by prepaid courier service shall be deemed to have been given and received on the day it is so delivered at such address, provided that if such day is not a Business Day such notice or other communication shall be deemed to have been given and received on the next following Business Day. Any notice or other communication transmitted by facsimile communication shall be deemed to have been given and received on the day of its transmission, provided that such day is a Business Day and such transmission is completed before 4:20 p.m. on such day, failing which such notice or other communication shall be deemed to have been given and received on the first (1st) Business Day after its transmission. If there has been a mail stoppage and if a party sends a notice or other communication by facsimile communication, such party shall be relieved from the obligation to mail the original document in accordance with this paragraph.

16. GENERAL

16.1 Any power, right or function of the City, contemplated by this Agreement, may be exercised by any employee or agent of the Corporation of the City of London, who is hereby specifically authorized in this regard.
It is understood that the Municipal Freedom of Information and Protection of Privacy Act shall apply to all records submitted to or created by the City pursuant to this Agreement.

The Proponent represents and warrants that:

a) it shall preserve the PIPEDA compliance of all PIPEDA protected Information transferred to it by the City;

b) it shall ensure the PIPEDA compliance of all PIPEDA Protected Information it collects in the course of performing its contractual obligations; and

c) it shall ensure the PIPEDA compliance of all PIPEDA Protected Information that it transfers to the City.

The disbursement of Funds by the City to the Proponent pursuant to sections 2.3 and 2.4 are subject to the necessary appropriation by Municipal Council. The City shall have no liability in the event the respective appropriation is insufficient to meet the funding obligations.

Nothing in this Agreement is to be construed as authorizing one Party to contract for or incur any obligation on behalf of the other or to act as agent for the other and nothing in this Agreement shall be construed to constitute the City and the Proponent as partners of each other.

The Proponent acknowledges that CMHC and the Minister are not parties to this Agreement or other agreement relating to any Project.

No member of:

a) the House of Commons or Senate of Canada; or

b) the Legislative Assembly of Ontario; or

c) the Municipal Council constituting the Service Manager or the Municipal Council of any local municipality of the Service Manager or the governing body of any Municipal Agency, Board or Commission, of any such municipalities; shall be admitted to any share or part of any contract, agreement or commission made pursuant to this Agreement or to any benefit arising therefrom, including, without limitation, any contract, agreement or commission arising from or related to the Program.

Time shall in all respects be of the essence in this Agreement, provided that the time for doing or completing any matter provided for under this Agreement may be extended or abridged by agreement in writing signed by the City and the Proponent or their respective solicitors or on their behalf, who are hereby expressly authorized in this regard.

Any tender of documents or money hereunder may be made by the City or the Proponent or their respective solicitors, and it shall be sufficient that a bank draft or certified cheque may be tendered instead of cash.

This Agreement is made pursuant to and shall be governed by and construed in accordance with the laws of the Province of Ontario. Any reference to a statute in this Agreement includes a reference to all regulations made pursuant to such statute, all amendments made to such statute and regulations in force from time to time and to any statute or regulation which may be passed and which has the effect of supplementing or superseding such statute or regulations.

The headings and subheadings contained in this Agreement are inserted for convenience and for reference only and in no way define, limit or describe the scope or intent of this Agreement or form part of this Agreement.

The Parties agree that there are no representations, warranties, covenants, agreements, collateral agreements or conditions affecting the property or this Agreement other than as expressed in writing in this Agreement.

This Agreement shall be read with all changes of gender and number required by the context.

(a) The Proponent shall not transfer or convey its interest in all or any part of the Project without, subject to subsection 16.14(b), simultaneously assigning its interest in this Agreement to the transferee, which transferee shall enter into one or more agreements with the City, in a form satisfactory to the City, to assume all of the
Proponent's obligations under this Agreement and to provide the City with Security in accordance with this Agreement.

(b) The Proponent shall not assign its interest in this Agreement without the prior written consent of the City, which consent shall not be arbitrarily or unreasonably withheld.

16.15 Each of the Parties shall, at any time and from time to time, upon not less than twenty (20) Business Days prior written notice by the other Party, execute and deliver to the other Party a statement in writing certifying that this Agreement is in good standing, unmodified and in full force and effect, or if there have been modifications that the same are in good standing and in full force and effect, as modified, and stating the modifications. Where applicable, the statement shall state the defaults, if any, known to the Party to whom such request has been made and the action taken or proposed to be taken by such requested Party with respect to same.

16.16 If more than one entity is a party to this Agreement as Proponent, all references to the Proponent shall include all of the said entities and this Agreement shall be binding on each jointly and severally.

16.17 This Agreement shall enure to the benefit of and be binding upon the Parties hereto and their respective successors and assigns, provided that this paragraph shall in no way derogate from the provisions of section 16.15 restricting the Proponent's ability to assign this Agreement.

IN WITNESS WHEREOF this Agreement has been executed by the Parties.

THE CORPORATION OF THE CITY OF LONDON

Anne Marie DeCicco-Best
Mayor

Cathy Saunders
City Clerk
We have the authority to bind the Corporation.

SCHEDULE "A"

LEGAL DESCRIPTION OF PROPERTY

Number of Units:
Property Address:
PIN:
Description:
SCHEDULE "B"

FUNDING SCHEDULE

1. Progress Payments for Construction of Projects – Municipal Funds

<table>
<thead>
<tr>
<th>Construction Milestones</th>
<th>Progress Payments New Construction</th>
</tr>
</thead>
<tbody>
<tr>
<td>First Building Permit</td>
<td>40 per cent (less 10% holdback)</td>
</tr>
<tr>
<td>Structure Framing Certified</td>
<td>30 per cent (less 10% holdback)</td>
</tr>
<tr>
<td>Complete</td>
<td></td>
</tr>
<tr>
<td>Substantial Performance</td>
<td>30 per cent (less 10% holdback)</td>
</tr>
</tbody>
</table>

No funds shall flow if an order has been issued under subsection 12(2) of the Building Code Act and there has not been compliance with that order.

2. DISBURSEMENT OF THE LOAN

2.1 Payment. – Municipal Funds

(a) The City shall make advances of the loan at the following times upon at least ten (10) days prior notice to the City, provided that the conditions set forth below have been satisfied:

(i) an amount equal to 25% of the Loan Maximum Amount (less 10% holdback), at first building permit, which amount shall be paid to the Proponent’s solicitor in trust for payment in its entirety only in respect of Construction Costs provided the funds are, in the opinion of the City, properly secured;

(ii) an amount equal to 25% of the Loan Maximum Amount (less 10% holdback), at completion of structural framing, which amount shall be paid to the Proponent’s solicitor in trust for payment in its entirety only in respect of Construction Costs provided the funds are, in the opinion of the City, properly secured;

(iii) the balance of the Loan Amount upon Substantial Performance (less 10% holdback) as evidenced by the General Contractor’s Certificate and expiry of all lien periods under the Construction Lien Act (Ontario), as amended, or successor legislation, provided the funds are, in the opinion of the City, properly secured.

(b) The City shall not be liable to suppliers, contractors, sub-contractors, craftsmen, labourers or others for goods and services delivered by them in or upon the Property, or employed in the construction of the Improvements, or for any debts or claims accruing to any of the parties against the Proponent or against the Property;

(c) it is distinctly understood and agreed by the parties hereto that there is no contractual relationship either express or implied, between the City and any supplier, contractor, sub-contractor, craftsman, labourer or person supplying any work, services or material to the Improvements. The Proponent is not, and shall not be, the agent of the City for any purpose. There shall be no third party beneficiary of this Agreement, express or implied.
3. CONDITIONS

3.1 The obligation of the City to make the payment of the loan is conditional upon prior compliance with such of the following conditions precedent as are not previously waived in writing by the City:

(a) the Proponent shall have submitted the Project Budget and Project Construction Schedule to the City in a form and content satisfactory to the City;

(b) the Proponent shall have delivered to the City evidence satisfactory to the City that the Proponent's Equity has been paid, delivered or pledged;

(c) the City shall have received the following documents and materials each of which shall be satisfactory in substance and in form to the City:

(i) certificates of incumbency of the persons signing on behalf of the Proponent;

(ii) certified copies of such corporate documents of the Proponent as the City may reasonably require including, without limitation, letters patent, articles of incorporation, certified abstracts from by-laws, and certified copies of relevant directors' resolutions;

(iii) an opinion of the Proponent's counsel, dated the proposed date for the initial advance and addressed to the City and its counsel

(A) that the Proponent:

(a) is a duly incorporated and properly organized and validly existing as a corporation under the laws of the jurisdiction in which it was incorporated;

(b) is qualified to do business in the Province of Ontario;

(c) has all the necessary corporate power and authority to carry on the business to be conducted by it in respect of the development, operation and management of the Project; and

(d) has all the necessary corporate power and authority to enter into and perform its obligations under this Agreement and each of the Security Documents to which it is a party in accordance with their respective terms;

(B) that this Agreement to which the Proponent is a party have been duly and validly authorized, executed and delivered by the Proponent and are valid and binding obligations of the Proponent enforceable in accordance with their respective terms;

(C) that neither the execution and delivery by the Proponent of this Agreement to which it is a party nor compliance by the Proponent with any of their respective terms will contravene the charter documents or by-laws of the Proponent or, to the best of such counsel's knowledge, after having made due enquiry of the Proponent, contravene or result in a default under any other agreement or instrument by which Proponent may be bound or affected;
(D) that, to the best of such counsel’s knowledge, without having made independent enquiry, there are no actions or proceedings pending or threatened against the Proponent, before any court or administrative agency;

(E) that the Proponent has or will have good and marketable title to the Property, subject only to Permitted Encumbrances, and that the Project complies in all respects with and is not in contravention of any relevant municipal, provincial or federal law, by-law, statute, ordinance or regulation;

(F) that no instrument containing a charge on any of the undertaking, property or assets of the Proponent, or notice thereof, has been registered in the Province of Ontario other than Permitted Encumbrances;

(G) that this Agreement and financing statements, notices and other documents relative thereto have been duly registered or filed in all places in Ontario where such registration or filing is required by law or is necessary to make effective, preserve and protect the security which they purport to create;

(H) as to such other matters as the City or its counsel may reasonably request.
SCHEDULE "C"

CONTRIBUTION BY OTHERS - AGREEMENTS

[Relevant Agreement to be Attached]
SCHEDULE "D"

RENTAL PROTOCOL

1. DEFINITIONS

1.1 In this Schedule "D", unless the context requires otherwise,

• "Affordability Period" means the "twenty (20) year period" following the date of the first (1st) occupancy of a Unit in the Project;

• "Agreement" means the Agreement to which this Schedule "D" is attached;

• "Phase-out Period" means the last five (5) year period of the "Affordability Period", and

when used in this Schedule 'D', the term "rent" includes the amount of any consideration paid or given or required to be paid or given by or on behalf of a tenant to the Proponent or the Proponent's agent for the right to occupy a Unit and for any services and facilities and any privilege, accommodation or thing that the Proponent provides for the tenant in respect of the occupancy of the Unit, whether or not a separate charge is made for services and facilities or for the privilege, accommodation or thing.

1.2 The definitions in the Agreement shall apply to this Schedule "D", in addition to the definitions contained in section 1.1 above.

1.3 All references to section numbers in this Schedule are references to sections of the Schedule and not sections of the Agreement, unless otherwise explicitly stated.

2. AFFORDABLE RENT

2.1 During the Affordability Period, the Proponent shall not charge rent for a Unit in the Project in excess of the affordable rent permitted under this Schedule "D" nor increase any rent charged for a Unit except as permitted in this Schedule "D"

3. RENTS

3.1 The weighted average rent of all Units in a Project for which Program Funds have been utilized shall not exceed eighty per cent (80%) of CMHC Average Market Rents in the geographical area, as determined in the most recent CMHC Annual Rental Market Survey.

3.2 The maximum rent for any Unit shall not exceed one hundred and five per cent (105%) of the modified shelter allowance under the Ontario Works program, provided that the amount so calculated does not exceed the CMHC Average Market Rent for units of a similar type in the geographical area.
4. RENT INCREASES

4.1 The Proponent may increase the rent charged under section 3.1 with respect to a Unit only if at least twelve (12) months have elapsed.

(a) since the day of the last rent increase respecting the Unit, if there has been an increase, or

(b) since the day the Unit was first rented for the first (1st) rental period following the completion of the Development Activities in connection with the Project.

4.2 The Proponent shall not increase the rent pursuant to section 4.1 during the Affordability Period by more than the then prevailing rent increase guideline established for each calendar year pursuant to the Residential Tenancies Act, 2006 or any successor legislation. The Proponent acknowledges that the rent increase guideline of the Residential Tenancies Act, 2006 or any successor legislation, does not apply to the rent increase guideline applies by virtue of the contractual terms of the Agreement and this Schedule "D".

5. PHASE-OUT PERIOD

5.1 During the Phase-out Period, the Proponent shall not increase the rent charged to in-situ tenants of Units by more than the rent increase permitted under section 4.2.

5.2 Upon a Unit becoming vacant during the Phase-out Period, the Proponent may rent the Unit to a new tenant at any rent agreed to by the Proponent and the new tenant.

6. AFTER PHASE-OUT PERIOD

6.1 After the end of the Phase-out Period, the Proponent shall be permitted to rent Units in the Project to new tenants at rents agreed to by the Proponent and the new tenants.

7. MAXIMUM HOUSEHOLD INCOME

7.1 Gross tenant household income from all sources for tenants of assisted affordable rental housing can be no greater than five (5) times their Monthly Occupancy Cost. Proponents will be required to check incomes for prospective tenants of Assisted Affordable Rental Housing Units to ensure compliance with this requirement at initial occupancy ("rent up") and when any new tenants are selected as ensuing vacancies occur during the fifteen (15) year period following the Project Completion Date. Proponents are not required, expected or allowed to check incomes for approved tenants once they have taken possession of their units.
SCHEDULE "E-1", "E-2", "E-3"

SECURITY DOCUMENTS

[Relevant Documents to be Attached]

Schedule E-1  - Charge/Mortgage of Land - register in land titles/land registry system
Schedule E-2  - Assignment of Rents - register in land titles/land registry system and PPSA
Schedule E-3  - Security Agreement (chattels) - register in PPSA
SCHEDULE "F"

ALTERNATE SECURITY

[Relevant Documents to be Attached]

Schedule "F" is not registerable and is used to replace Schedules "E-1", "E-2" and "E-3".
SCHEDULE "G"

PERMITTED ENCUMBRANCES

(This schedule in the executed Charge/Mortgage will contain the registration details of all registered documents which fit into the categories listed below.)

1. All mortgages and security collateral thereto-totaling principal amounts which do not exceed the total costs of the Development Activities incurred in connection with the Project.

2. Such easements and restrictive covenants as do not prevent the Project from being constructed or used as Affordable Housing.

3. Municipal agreements relating to the Development Activities in connection with the Project.
SCHEDULE "H"
PROPONENT'S INITIAL OCCUPANCY REPORT
Convert-To-Rent / Rehabilitation Assistance Program

Occupancy Date: ____________________________

A. Project Information

<table>
<thead>
<tr>
<th>Contribution Agreement Number</th>
<th>NNNNNNNNNN</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contribution Agreement Expiry Date</td>
<td>DD/MM/YYYY</td>
</tr>
</tbody>
</table>

| Project Name: |
| Project Address: |
| Project Details (check all that apply): | apartment, townhouse, heat included, electricity included |

B. Number of Units in Project

<table>
<thead>
<tr>
<th>Unit Type</th>
<th>City Funded Rental Units (#)</th>
<th>Units Not Receiving City Funding (#)</th>
<th>Total Number of Units (#)</th>
</tr>
</thead>
<tbody>
<tr>
<td>One Bedroom</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>One Bedroom</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Large</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Number of Units</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

C. Depth of Affordability: Rents at Occupancy (AHP Funded Units)

Establishes "permitted rents" which are used in Schedule "I"

<table>
<thead>
<tr>
<th>Unit Type</th>
<th>Average Unit Rent (City Funded Units) (A)</th>
<th>CMHC Average Market Rent ($) (B)</th>
<th>Percentage of CMHC Average Market Rent (A+B) x 100</th>
</tr>
</thead>
<tbody>
<tr>
<td>One Bedroom</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>One Bedroom</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Large</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Dept of Affordability: Percentage of CMHC Average Market Rent Achieved for Overall Project

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>Note: This figure cannot be greater than 80% of CMHC Average Market Rent, without the approval of the City</td>
</tr>
</tbody>
</table>

D. Household Income (Note: increase rows depending on number of units)

<table>
<thead>
<tr>
<th>Unit Number</th>
<th>Unit Type</th>
<th>Tenant Name</th>
<th>Total Gross Household Income</th>
<th>Tenant Move-In Date</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

E. Project Certification

I certify, to the best of my knowledge, that the information provided in Sections B, C and D in this report are true and correct. I hereby authorize the City of London to review the rent roll from appropriate source(s) if deemed necessary.

Signed by [please print name]

Date: ______________________

I am [please check on the appropriate line below]

_____ the owner of the Project

_____ the Chairperson of the Board of Directors of the Project

NOTE: The "permitted rents" must be consistent with the formula for determining the initial rents, set out in Schedule "D" Rental Protocol.
SCHEDULE "I"

PROPOSER'S ANNUAL OCCUPANCY REPORT

Convert-To-Rent / Rehabilitation Assistance Program

Reporting Period: ___________________ to ___________________

A. Project Information

<table>
<thead>
<tr>
<th>Contribution Agreement Number</th>
<th>NNNNNNNNNN</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contribution Agreement Expiry Date</td>
<td>DDMMYYYY</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Project Name</th>
<th></th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Project Address</th>
<th></th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Project Details (check all that apply)</th>
<th>apartment</th>
<th>townhouse</th>
</tr>
</thead>
<tbody>
<tr>
<td>heat included</td>
<td></td>
<td>electricity included</td>
</tr>
</tbody>
</table>

B. Average Rents at Year End

<table>
<thead>
<tr>
<th>Unit Type</th>
<th>Total # of Units</th>
<th>City Funded Rental Units (#)</th>
<th>Permitted Rent (insert last reporting year) ($)</th>
<th>RTA Permitted Increase ($)</th>
<th>Permitted Rent per Unit per Month ($)</th>
<th>Average Rent per Unit per Month ($)</th>
<th>Rationale</th>
</tr>
</thead>
<tbody>
<tr>
<td>One bdrm</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>One bdrm</td>
<td></td>
<td></td>
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<td></td>
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<td>Other</td>
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</table>
C. Affordability

<table>
<thead>
<tr>
<th>Year</th>
<th>Average Rent in Relation to AMR</th>
<th>Variance Between Current and Last Year's Average Rent</th>
<th>RTA Permitted Increase</th>
<th>Rationale for Amount Above RTA Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>First Year Occupied</td>
<td>( \leq 80% )</td>
<td>n/a</td>
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<tr>
<td>Annually Thereafter</td>
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*This figure cannot be greater than 80% of the CMHC Average Market Rent, without the approval of the City of London*

D. Household Income New Tenants - Since Last Report
(Note: increase rows depending on project size)

<table>
<thead>
<tr>
<th>Unit Number</th>
<th>Unit Type</th>
<th>Tenant Name</th>
<th>Total Gross Household Income</th>
<th>Tenant Move-In Date</th>
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E. Project Certification

I certify, to the best of my knowledge, that the information provided in Sections B and D in this report are true and correct. I hereby authorize the City of London to review the rent roll from appropriate source(s) if deemed necessary.

Signed by [please print name]

Date: ______________________

I am [please check on the appropriate line below]

_____ the Owner of the Project

_____ the Chairperson of the Board of Directors of the Project
SCHEDULES “J”, “K” and “L”

Purposely Omitted
SCHEDULE "M"

PROJECT INFORMATION FORM

Service Manager – City of London

Project Name:

Official Name of Proponent:
Proponent Address and Contact Information:
Email:

Proponent Type:
✓ private sector  [ ] municipal non-profit  [ ] co-operative  [ ] partnership
[ ] private non-profit, charitable corporation  [ ] other

Project Information

Number of Affordable Units Created: New Supply:

Type of Construction: Apartment ✓  Row [ ]

Total Number of Units in Project: 5

Client Type: Family [ ] Seniors ✓ Single ✓ Other [ ]

Anticipated First Occupancy Date:

<table>
<thead>
<tr>
<th>Number of Affordable Units</th>
<th>Unit Size (square feet)</th>
<th>Affordable Rents</th>
</tr>
</thead>
<tbody>
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</tbody>
</table>

Approvals

Date of Council Approval of Project:
Project Funding

1. Municipal Funding
   a) Development charges  waived
   b) CTR/Rehab
   c) AHCRF
   d) Building Code Loan Program
   e) Façade Improvement Loan Program

2. Contributions from other sources
   Owner Equity

3. Mortgage

TOTAL FUNDING AND FINANCING

Total Capital Costs of Project

Soft Costs (legal, architecture, engineering, insurance, taxes, fees, etc.)  $

Land Costs

Construction or Hard Costs (labour, construction materials, equipment)

TOTAL CAPITAL COSTS
SCHEDULE "N"
DEVELOPMENT SCHEDULE

Completed ESA
Re-zoning Approval
Minor Variance
Closing of Land Purchase
Construction Contract
Mortgage Commitment
Building Permit
Construction Start
Structural Framing
Substantial Completion
Occupancy
Commercial Completion
TO:        CHAIR AND MEMBERS  
COUNCIL HOUSING LEADERSHIP COMMITTEE  
MEETING ON  
February 9, 2010  

FROM:  
R.W. PANZER  
GENERAL MANAGER OF PLANNING AND DEVELOPMENT  

SUBJECT:  
CONVERT-TO-RENT/REHABILITATION PROGRAM AT  
343 RICHMOND STREET  

RECOMMENDATION  

1. That, on the recommendation of the General Manager of Planning and Development, the following actions with respect to the Convert-to-Rent/Rehabilitation Program BE APPROVED:  

   a. Conditional upon approval by the Ontario Aboriginal Housing Support Services Corporation (OAHSSC) under the Ontario First Nation, Inuit, Métis and Urban and Rural (FIMUR) Housing Program, the At'holsa Native Family Healing Services receive a municipal allocation of $10,000 per unit for sixteen (16) affordable housing units at 343 Richmond Street; and  

   b. The recommendation be forwarded to the Community & Protective Services Committee on March 1, 2010 along with a Sources of Financing Report for the municipal allocation of $160,000.  

2. That, on the recommendation of the General Manager of Planning and Development, and in accordance with Municipal Housing Facilities By-Law No A-5814-11, the attached by-law BE INTRODUCED at the Municipal Council being held on March 8, 2010 to approve the Municipal Contribution Agreement pertaining to the above-noted proposal substantially in the form of agreement appended to the aforementioned by-law and to the satisfaction of the City Solicitor, and to authorize the Mayor and the City Clerk to execute the said Agreement.  

PREVIOUS REPORTS PERTINENT TO THIS MATTER  

COMMUNITY AND PROTECTIVE SERVICES COMMITTEE  

November 25, 2002 – Affordable Housing $2M Capital Reserve Fund Conditional Allocation  
September 9, 2003 – Convert-to-Rent Operating Agreement, Authorization for Mayor and Clerk to Execute  
March 29, 2004 – Convert-to-Rent Pilot Program and Old East Village BIA  

COUNCIL HOUSING LEADERSHIP COMMITTEE  

September 13, 2005 – Convert-to-Rent Pilot Program Evaluation  
March 7, 2006 – Convert-to-Rent Program Evaluation  
April 3, 2007 – Convert-to-Rent/Rehab Proposal  

BACKGROUND  

The Convert-To-Rent / Rehabilitation Assistance Program (CTR/Rehab) includes the conversion of vacant space or unused commercial space as well as the rehabilitation of existing rental units and special needs modifications. The rents for units approved under the CTR/Rehab Program are set at or below 70% of the Canada Mortgage & Housing Corporation (CMHC) Average Market Rents established annually in October.  

The CTR/Rehab Program boundaries cover a designated area to include the Old East Village Community Improvement Plan area, the downtown Community Improvement Plan area and the properties fronting on Dundas Street between these two areas.  

The City of London funding under the CTR/Rehab Program is a maximum of $24,000 per unit. A Municipal Contribution Agreement was created and approved by Council in 2003.  

All work must be completed within 18 months of receiving notice of funding approval. The Convert-To-Rent Municipal Contribution Agreement with successful proponents must be registered on title.
Proposals Approved Under Convert-to-Rent To-Date

Under the Convert-to-Rent/Rehabilitation Assistance program, with the added assistance of the Canada Mortgage & Housing Corporation RRAP Program, 23 units to-date were approved by the City of London:

- 225 Dundas Street, 5 apartment units
- 614 Dundas Street East, 2 apartment units
- 658 Dundas Street East, 2 apartment units
- 874 Dundas Street East, 2 apartment units
- 773 Dundas Street East, 1 apartment unit
- 610 Dundas Street East, 1 apartment unit
- 572 Dundas Street East, 10 apartment units

Proposal from At'lohsa Native Family Healing Services at 343 Richmond Street

The proposal is to create an integrated housing and support service centre in a secure environment. The proposed At'lohsa Aboriginal Centre involves the purchase of 343 Richmond Street, an existing four storey building in downtown London, and the rehabilitation of sixteen (16) housing units on the upper floor for aboriginal families. There will be ten (10) two bedroom units and six (6) three bedroom units. The ground floor will be office space for community support services and counselling. The target population for this building is aboriginal women and their families that have been victims of abuse and have been resident in the Zhaawanong Native Women's Shelter operated by At'lohsa.

This request for funding is for the residential units only. The funding will facilitate the replacement of windows, the installation of additional insulation to the exterior walls, washroom retrofits and where required, upgrades to kitchen and washroom cabinets. Funding in the amount of $2.1M for the purchase of the building is being requested through the Ontario Aboriginal Housing Support Services Corporation (OAHSSC) under the Ontario First Nation, Inuit, Métis and Urban and Rural (FIMUR) Housing Program. The ground floor office space is being separately funded through a donation of $1.3M from the current owner of the building.

The rents for the above-noted units will be set at the Ontario Works (OW) rate for 2 and 3 bedroom households which is less than 70% of the 2008 CMHC Average Market Rent.

Recommendation

It is recommended that, conditional upon approval by the Ontario Aboriginal Housing Support Services Corporation (OAHSSC) under the Ontario First Nation, Inuit, Métis and Urban and Rural (FIMUR) Housing Program, the proposal from At'lohsa Native Family Healing Services for the property at 343 Richmond Street with respect to the Convert-to-Rent/Rehabilitation Program be approved and that a Municipal Contribution Agreement be entered into with Vernon Martin for its property at 343 Richmond Street for a total of $160,000.

Prepared by: Louise Stevens
Director of Municipal Housing

Recommended by: R.W. Panzer
General Manager of Planning and Development

Cc: N. Watson, Housing Development Consultant
    D. Mounteer, Solicitor
    M. Hayward, Director, Financial Planning & Policy & Acting Deputy Treasurer
January 27, 2010

City of London
Housing Division
3rd Floor
267 Dundas Street
P.O. Box 5035
London, Ontario
N6A 1H2

Attention: Louise Stevens
Director of Municipal Housing

Re: Renovation-Rehabilitation Funding
343 Richmond Street, London

Dear Ms. Stevens,

At^lohsa Native Family Healing Services has submitted a proposal to Ontario Aboriginal Housing for funding under the First Nation, Inuit, Métis, Urban & Rural (FIMUR) rental housing program to purchase 343 Richmond Street in downtown London to create family housing units in a supportive setting close to services and programs.

The goal of the purchase is to create 16 family housing units on the upper three floors and to utilize the main floor for programs and services for the urban aboriginal population. At^lohsa has been a tenant at 343 Richmond Street for 15 years and will be partnering with the Southwestern Ontario Aboriginal Health Centre and the Sexual Assault Centre to expand services on the main floor of the building.

Affordable family housing has always been a missing key element to complement the essential services provided at the women's emergency shelter operated by At^lohsa.

The upper floor units are in varying condition and will require some refurbishing to make them suitable for family occupancy. These renovations include rehabilitation of some of the washrooms, kitchens and the replacement of windows and the addition of insulation to the exterior walls for greater energy efficiency.
An announcement of the successful proponents is expected to be made in February 2010. On behalf of the Board of Directors of At’lohsa Native Family Healing Services, subject to a positive response from the FIMUR application, this is a request to be considered for a $10,000 per unit grant for the refurbishing of the 16 units. The funds would be used exclusively for the rehabilitation and refurbishment of the residential units. The agencies occupying the main floor will be responsible for their own leasehold improvements, if required, for the delivery of services.

Attached is a copy of the capital and operating budget for the project. Please do not hesitate to contact me if you have any questions.

Thank you for your consideration.

Yours truly,

Malcolm Ross
Project Manager

c.c. Darlene Ritchie, Executive Director