

Bill No. 214
2023

By-law No. A.- _____ - ____

A by-law to approve a Contribution Agreement between The Corporation of the City of London and Vision SoHo Alliance members, to authorize the Deputy City Manager, Planning and Economic Development to approve amendments to the Contribution Agreement, the Tenant Placement Agreement and execute the Contribution Agreement and Tenant Placement Agreement.

WHEREAS subsection 5(3) of the *Municipal Act, 2001*, S.O. 2001, c. 25, as amended, provides that a municipal power shall be exercised by by-law;

AND WHEREAS section 8 of the *Municipal Act, 2001* provides that powers of a municipality shall be interpreted broadly so as to confer broad authority on a municipality to govern its affairs as it considers appropriate and to enhance the municipality's ability to respond to issues;

AND WHEREAS section 9 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 subsection 107(1) of the *Municipal Act, 2001* authorizes a municipality to make a grant on such terms as to security and otherwise as the council considers appropriate to any person, group or body for any purpose that the council considers to be in the interests of the municipality;

AND WHEREAS subsection 107(2) of the *Municipal Act, 2001* provides that the power to make a grant includes the power to make a grant by way of loan and to charge interest on the loan;

AND WHEREAS the Municipal Council of The Corporation of the City of London approved a conditional grant of \$13,876,000 to provide up to 400 affordable housing units in a proposed development with Vision SoHo Alliance members;

AND WHEREAS Civic Administration was directed to develop a Contribution Agreement with Vision SoHo Alliance members, subject to submission of additional financial and project information from Vision SoHo Alliance;

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

1. The Contribution Agreement to be entered into between The Corporation of the City of London and each member of the Vision SOHO Alliance attached as Schedule "I" to this bylaw is hereby authorized and approved.
2. The Deputy City Manager, Planning and Economic Development is hereby authorized to approve amendments to the Contribution Agreement authorized and approved pursuant to section 1 of this bylaw.
3. The Deputy City Manager, Planning and Economic Development is hereby authorized to approve and execute the Tenant Placement Agreement prior to first occupancy of each building developed by the members of the Vision SOHO Alliance.

4. The Deputy City Manager, Planning and Economic Development is authorized to execute the Contribution Agreement authorized and approve under section 1 of this bylaw, as may be amended by the Deputy City Manager, Planning and Economic Development pursuant to their authority under section 2 of this bylaw.

5. This by-law comes into force and effect on the day it is passed subject to the provisions of PART VI.1 of the *Municipal Act*, 2001.

PASSED in Open Council on July 25, 2023, subject to the provisions of Part VI.1 of the *Municipal Act*, 2001.

Josh Morgan
Mayor

Michael Schulthess
City Clerk

First Reading – July 25, 2023
Second Reading – July 25, 2023
Third Reading – July 25, 2023

CONTRIBUTION AGREEMENT

This Agreement made the day of _____ 2023.

BETWEEN:

THE CORPORATION OF THE CITY OF LONDON

(hereinafter called the "City")

-and-

(hereinafter called the "Proponent")

WHEREAS:

- A. The City of London tendered the lands described as Old Victoria Hospital Lands Phase II in January 2021 for Sale and Redevelopment as set out in Schedule G.
- B. Vision SoHo Alliance consisting of six non-profit affordable housing providers was formed to respond to the tender. See Schedule L for the listing of the members of the Alliance.
- C. The six organizations collectively were successful in being awarded the tender and have entered into an Agreement of Purchase and Sale with the City of London for the property.
- D. Five of the member organizations have created a vacant land condominium and will each have title to a unit within the condominium. See Schedule "M".
- E. The Proponent is a member organization of the Alliance and the owner of Unit [INSERT NUMBER] of the condominium.
- F. Municipal Council of The Corporation of the City of London conditionally approved on December 7, 2021 a Request for Funding from Vision SoHo Alliance for the Housing Development Project at the Old Victoria Hospital Lands and provided a conditional grant for \$11,200,000 to provide up to 400 affordable housing units in the proposed development.
- G. Council further conditionally approved a Request for Additional Funding on August 2, 2022 for \$2,676,000 to increase the total municipal contribution to \$13,876,000.
- H. The City and the Proponent have entered into this Contribution Agreement for the purpose of establishing the Proponent's obligations with respect to the Loan;

NOW THEREFORE, in consideration of the sum of TWO DOLLARS (\$2.00) now paid by the Proponent to the City; 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,

- "Accessible Units" means a unit located in a fully accessible building that provides items such as grab bars, roll-in shower, counter-top stove, and lower cabinets as well as provisions for

persons with hearing and vision impairments;

- “Affordability Period” means the period during which the rent for the Affordable Rental Housing Units in the Project is required to be maintained at an affordable level, as determined in accordance with this Contribution Agreement;
- “Affordable Rent” means the monthly rent for a unit that does not exceed 80% of the MMR for that Unit. The Affordable Rent must include at least the unit heat, water, fridge, and stove;
- “Affordable Rental Housing Unit” means a new, purpose-built, rental housing accommodation Unit in a building on the Subject Lands which is modest in terms of floor area and amenities, based on household needs and community norms which is rented in accordance with the Contribution Agreement, but does not include residential premises used as a nursing home, retirement home, shelter, crisis care facility or any other type of similar facility;
- “Business Day” means each Monday, Tuesday, Wednesday, Thursday and Friday except when any such day occurs on a statutory holiday observed in Ontario;
- “CMHC” means the Canada Mortgage and Housing Corporation;
- “Contribution Agreement” or “Agreement” means this agreement entered into between The Corporation of the City of London and the Proponent.;
- “Development Activities” means the development, construction, repair, renovation, rehabilitation or conversion of building(s) for the Project in accordance with the Plans and Specifications approved by the City of London ;
- “First Occupancy” means the first day of the month immediately following the month in which the Affordable Rental Housing Units are rented for the first rental period following Substantial Completion
- “Force Majeure” means a delay arising from strike, lockout, riot, insurrection, terrorism, war, fire, tempest, act of God, pandemic, 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 Contribution 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 setting out progress payments for the type of Project attached as Schedule A.
- “Funds” means the Loan
- “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 (IAD)” means the the date which is one year following First Occupancy;
- “Improvements” means the improvements to be made on the Subject Lands required for the Project, 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 funds to be advanced to the Proponent, in accordance with the Funding Schedule and subject to the terms of the Contribution Agreement;
- “Minister” means the Minister of Municipal Affairs and Housing;
- “Median Market Rent” or “MMR” means the median monthly market rent for a rental housing unit,

by unit type, as published by CMHC for the London CMA

- “National Housing Act Approved Lenders” means the National Housing Act Approved Lenders designated by CMHC under the *National Housing Act*, R.S.C. 1985, c. N-11
- “Occupancy Date” means the date on which initial occupancy of an Affordable Rental Housing Unit in the Project is permitted by the City;
- “Parties” means the Proponent, 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 D, together with such renewals or replacement financing that may be approved by the City, acting reasonably, during the term of this Contribution Agreement;
- “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;
- “Project” means the development, construction, repair, renovation, rehabilitation, conversion of the Building(s) on the Subject Lands, which shall have the minimum number of Affordable Rental Housing Units required under the Contribution Agreement and facilities ancillary thereto provided and operated in accordance with the terms of this Contribution Agreement.
- “Security Documents” means the security documents attached to and forming part of the Contribution Agreement;
- “Service Manager” means The Corporation of the City of London;
- “Subject Lands” means the property and the buildings as the context may require on lands described in Schedule G.
- “Substantial Completion” means the substantial performance, within the meaning of the Construction Act, of all contracts which the Proponent has entered into for Development Activities in connection with the Project under this Contribution Agreement;
- “Supportive Housing Units” means units that are occupied by households receiving formal support services from support service agencies. Supportive Housing Units may be either integrated into projects or dedicated to a single Project;
- “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 specified aspect of the Development Activities;
- “Unit” means a self-contained residential dwelling

1.2 All references in this Contribution 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”	Funding Schedule
Schedule “B”	Rental Protocol

Schedule "C-1"	City Charge/Mortgage of Land
Schedule "C-2"	Assignment of Rents
Schedule "C-3"	Security Agreement
Schedule "D"	Permitted Encumbrances
Schedule "E"	Initial Occupancy Report
Schedule "F"	Annual Occupancy Report
Schedule "G"	Legal Description of Property
Schedule "H"	Project Information Form
Schedule "I"	Development Schedule
Schedule "J"	Occupancy Standards
Schedule "K"	Old Victoria Hospital Lands Phase II
Schedule "L"	Vision SoHo Alliance Members
Schedule "M"	Vacant Land Condominium Reference Plan
Schedule "N"	Annual Loan Balance

- 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

- 2.1 Subject to the terms and conditions of this Contribution Agreement, the City will provide the Proponent a Loan in an amount up to [LOAN AMOUNT] to be applied to the Project.
- 2.2 The City shall have the option of withholding from the amount to be disbursed under section 2.1 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 Act and provided that the Construction Act is complied with.
- 2.3 The Proponent shall use the amount of the Loan solely for the purpose of its Development Activities in connection with the Project.
- 2.4 Subject to the terms and conditions of the Contribution Agreement, the City shall disburse the Loan in accordance with the Funding Schedule attached as Schedule A.

3. SPECIAL CONDITIONS

- 3.1 The Proponent shall provide the City with a revised construction schedule and construction budget for its review and approval four (4) weeks prior to the start of construction. The construction budget shall include soft costs, and the cost of each item of the Project. The Proponent will obtain the City's prior written approval to any material amendment to the construction schedule or construction budget. A material amendment means any single amendment that increases the cost of construction of the Project by an amount exceeding \$20,000 or any series of amendments that, in the aggregate, increase the cost of constructing the Project by an amount exceeding \$50,000.
- 3.2 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 the Plans and Specifications.

- 3.3 The Proponent shall, subject to Force Majeure, achieve substantial completion of the Development Activities by [CITY TO INSERT DATE]. The City may, acting reasonably, extend this date.
- 3.4 Without limiting the condition set out in section 6, 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.
- 3.5 The Proponent shall not at any time during the term of this Contribution Agreement breach any Contribution Agreement respecting the Project, 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 Contribution Agreement. 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

- 4.1 The Proponent agrees to provide [____] of Affordable Rental Housing Units at 80% of Median Market Rent during the Affordability Period of 20 years.
- 4.2 The Proponent shall provide [____] of Affordable Rental Housing units for singles, couples, seniors, working poor, recent immigrants, persons with disabilities, and Indigenous people during the Affordability Period of 20 years
- 4.3 Of the [____] Affordable Rental Housing Units, the Proponent agrees to provide [____] of Supportive Housing Units during the Affordability Period of 20 years.
- 4.4 Of the [____] Affordable Rental Housing Units, the Proponent agrees to provide [____] of Accessible Units during the Affordability Period of 20 years.
- 4.5 The Proponent agrees to operate the Affordable Rental Housing Units in accordance with the rules set out in Schedule B of this Agreement.
- 4.6 The Proponent acknowledges and agrees that the Rental Protocol set out in Schedule B 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*.
- 4.7 Prior to occupancy of a Unit, the tenant eligibility may be subject to review and approval of the City. If review and approval are required by the City, the Proponent shall provide written notice to each prospective first tenant regarding the review by the City.
- 4.8 The Affordable Rent for the Project shall include a fridge, stove, water and heat.
- 4.9 The Proponent shall contribute a minimum of 4% of rental income annually to a designated reserve fund account and provide account information to the City annually, if requested.

5. TENANT SELECTION

- 5.1 The Proponent shall work with supportive housing agencies to provide designated housing units within its Project.
- 5.2 The Proponent shall enter into a Tenant Placement Agreement with the City of London prior to First Occupancy of the Project under which the Proponent will fill a portion of the Affordable Rental Housing Units from referrals from the City of London's Central Waiting List. The Proponent shall register the Tenant Placement Agreement on title 30 days prior to First Occupancy and the Proponent's solicitor shall provide written confirmation of the aforementioned registration to the City. The Proponent will comply with the terms of the Tenant Placement Agreement, which shall be incorporated by reference into this Agreement. For the Affordable Rental Housing Units which are filled from referrals from the City of London's Central Waiting List, the City will verify the maximum household income, the maximum household assets and refer only households that comply with the occupancy standards for the vacant unit(s).
- 5.3 The Proponent shall also:
- a) Establish and maintain a fair and open process for tenant selection through any rental property management considerations that include, but are not limited to the Proponent being prohibited from renting Affordable Rental Housing Units to themselves, their shareholders or directors, family members or any other individual that is not at arm's length from the Proponent or its shareholders and/or directors;
 - b) Work with the City of London designated housing lead related to the fair and open process associated with the coordination of tenant selection in accordance with the priority populations identified in section 4;
 - c) Work with the City to establish a fair and open process inclusive of the coordination of tenant selection for identified Supportive Housing Units designated through an executed Tenant Placement Agreement;
 - d) Work with the City on any amended or new policies, criteria, or business practices related to tenant selection that may be established by the City for the Affordable Rental Housing Units during the Affordability Period. These include but are not limited to the centralization and/or standardization of policies, criteria, or business practices for tenant rental applications, and associated tenant assessments, and/or recommendations of prospective tenants to the Proponent, noting that these shall not substantively alter or impact the program or financial considerations within this Agreement and its Schedules;
 - e) Maintain final tenant selection and regular tenant services in accordance with the fair and open process, unless otherwise established through a separate agreement; and
 - f) Act expediently to remedy and correct any tenant policies or practices that are deemed not to be fair and open or that are in contravention of any part of this Agreement or its Schedules, noting that any required actions are subject to the remedies identified in section 10 of this Agreement.

6. CONDITIONS

- 6.1 The provision of the Loan by the City pursuant to section 2 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 s. 3.5 remaining in force and the Proponent being in good standing thereunder;

- (b) the Proponent is the registered owner in fee simple of the lands described in Schedule "G";
- (c) the Proponent providing the City with a capital budget and operating budget satisfactory to it;
- (d) the Contribution Agreement remaining in force and the Proponent being in good standing thereunder;
- (e) there being no Claim for Lien under the *Construction Act* registered against the Project;
- (f) there being in existence no unregistered lien or statutory claim having priority against the Project;
- (g) the Proponent's title to the Project being free from any encumbrances other than Permitted Encumbrances;
- (h) the Proponent having provided the City with the security documents required in section 8 and in accordance with the said section.
- (i) the Proponent being in good standing under all the Permitted Encumbrances;
- (j) there being no work orders issued against the Project by any governmental entity, agency or official.

6.2 If any of the conditions contained in section 6.1 have not been fulfilled on the date for the disbursement of the Loan by the City pursuant to section 2 and are not waived by the City pursuant to section 6.1, 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.

7. TERMS OF THE FUNDING

7.1 The Loan shall have an Affordability Period of twenty (20) years, commencing as of the date of First Occupancy for the Project.

The balance of the Loan will be reduced by the amount that is equal to the original principal amount of the Loan set out in section 2.1 multiplied by five percent (5%) on each anniversary of First Occupancy, until the sixteenth anniversary of First Occupancy if the Proponent is in good standing under the terms and conditions of the Agreement. For clarity, this timing is based on the twenty (20) year affordability period. On the last day of the month at the end of the term of the Affordability Period of twenty years, the remainder of the Loan amount will be forgiven provided the Proponent has fulfilled all the requirements of the Contribution Agreement.

7.2 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 percent (8%) per annum. The interest so calculated shall compound annually, not in advance, until the Interest Adjustment Date.

7.3 On the Interest Adjustment Date, the amount of interest accrued on the Loan as calculated in section 7.2 shall be forgiven, provided that the Proponent has satisfied all requirements of the

Contribution Agreement.

- 7.4 Following 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 annually, not in advance.
- 7.5 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 this section, 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 Contribution Agreement, the amount of the interest so owing shall automatically be forgiven.
- 7.6 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.

8. SECURITY

- 8.1 Prior to the City disbursing the Loan proceeds to the Proponent pursuant to section 2.1, the Proponent shall provide the City with executed registerable security documents in the form attached hereto as Schedules "C-1", "C-2" and "C-3" (the "Security"), completed in accordance with this Agreement.
- 8.2 The Security shall be collateral to this Agreement. The amount of all contributions from the City shall be included in the Security documents.
- 8.3 Without limiting the Proponent's covenants and the remedies of the City under the 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.
- 8.4 The City acknowledge and agree that notwithstanding that the Security provides that the principal and interest secured thereunder are payable on demand, the City shall have no right to demand payment thereunder except in accordance with the provisions of this Contribution 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.
- 8.5 The Security shall rank immediately behind the registered security for the Proponent's Permitted Encumbrances obligations for the Project unless the City has determined that the Security shall have lesser priority or as provided for under this Contribution Agreement.
- 8.6 Provided:
- i. there is no event of default by the Proponent under this Contribution Agreement that is continuing; and
 - ii. the Proponent has provided the City with a professional appraisal from the current year and documentation to the City's sole satisfaction that the registered amount of the current balance outstanding on the registered encumbrances, together with the proposed encumbrance on the property do not exceed 90% of the equity of the professional appraised value of the Subject Lands,

the City shall consent to and subordinate and postpone the Security to a charges in favour of National Housing Act Approved Lenders and enter into a standstill agreement which the City shall approve at its sole discretion, which may be requested by the Proponent or the holder of a charge on the Subject Lands. The Proponent shall provide the City a minimum of 30 days to review a request for postponement. The Proponent shall not increase the balance outstanding on the registered encumbrances without the City's consent.

- 8.7 The City agrees to postpone the Security to a mortgage and/or security registered in favour of the Canada Mortgage Housing Corporation.
- 8.8 Upon the Proponent's request, the City shall provide a Status Certificate to the Proponent within 30 days, confirming whether to its knowledge there is an outstanding event of default and setting out the unforgiven balance of the Loan;
- 8.9 Upon the entirety of the Loan being forgiven and provided the Proponent has otherwise satisfied its obligations under this Contribution Agreement in favour of the City, the City will execute and deliver to the Proponent a full and final discharge of the Security together with such documentation that will permit the Proponent to register the discharge on title to the Lands within 30 days of receiving a written request from the Proponent.

9. ACCOUNTABILITY FRAMEWORK

- 9.1 In the event:
 - i. The City is advised that the Project will not proceed;
 - 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; or
 - iv. 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; or
 - v. the Proponent is not complying with the requirements as set out in section 4 and Schedule B during the Term of the Agreement;

the Proponent will be in default and shall return all disbursed amount of the Loan to the City, forthwith upon demand.

- 9.2 The Proponent shall submit to the City, an audited statement with respect to the expenditure of capital Funds provided to it pursuant to this Agreement, within one hundred and twenty (120) days following the date on which the City is advised that the Development Activities related to the Project have been fully completed or the Project will not proceed.
- 9.3 Following the full completion of the Development Activities related to the Project, the Proponent shall submit to the City a completed information report identifying the number of units, unit types, rents, tenant names, gross household income and move-in date for all the Affordable Rental Housing Units. The gross household income shall not be required for units that were filled from the City of London's Central Waitlist. The initial information report will be filled out by an officer of the corporation and the officer shall declare that the information provided to the City is true to the best of their knowledge and that no information has been withheld or omitted. Annually thereafter, the Proponent shall provide an annual information report identifying the number of units, unit types, rent, tenant names, gross household income and move-in date for all the Affordable Rental

Housing Units. The annual information report will be filled out by an officer of the corporation and the officer shall declare that the information provided to the City is true to the best of their knowledge and that no information has been withheld or omitted.

- 9.4 Without limiting the Proponent's obligations under section 9.3, 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 9.3 and any rent roll or verification of initial tenant eligibility or such other information as the City deems necessary, in addition to any such material that the Proponent may have previously submitted to the City.
- 9.5 If requested by the City, the Proponent shall submit to the City an audited financial statement within ninety (90) days following the fiscal year-end of the Project.
- 9.6 The Proponent represents that it has not provided any false or misleading information in relation to the Project and agrees that it shall not provide any false or misleading information to the City under this Agreement.
- 9.7 The Proponent shall, on forty-eight (48) hours 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.
- 9.8 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 of 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.
- 9.9 The provisions of section 9.1, 9.2, 9.3, 9.4 and 9.8 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.

10. COMMUNICATIONS PROTOCOL

- 10.1 The Proponent shall co-operate in organizing press conferences, announcements, and official ceremonies to be held at an appropriate location and time respecting the Project as may be required by the City.
- 10.2 During the period of the Development Activities related to the Project, the Proponent shall erect a sign that shall include the City as a contributor to the affordable housing project that shall remain in place throughout the construction period.
- 10.3 The City may provide and install, where appropriate, a plaque or permanent sign bearing an appropriate inscription. The design, wording and specification of such permanent sign or plaque shall be provided by the City.

11. REMEDIES

- 11.1 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 Contribution Agreement within ten (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) the Improvements have not been substantially completed in accordance with the Plans and Specifications and such substantial completion is not certified to the City by the Quantity Surveyor on or before six (6) months following the date for substantial completion set out in subsection 3.3;
- (d) 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;
- (e) the Proponent ceases to carry on business;
- (f) 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; 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;
- (g) any of:
 - (i) an involuntary petition seeking the adjudication of the Proponent as bankrupt or insolvent not removed within thirty (30) days; or
 - (ii) 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
 - (iii) 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 fifteen (15) days after its date;
- (f) 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
- (g) 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, are 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 remedies are cumulative and not mutually exclusive.

- 11.2 **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 eight per cent (8%) per annum. 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.
- 11.3 **Complete Construction:** If an Event of Default shall occur, 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 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.
- 11.4 **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.
- 11.5 All of the remedies in this Agreement and the Security 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.
- 11.6 Notwithstanding any of the terms of this Agreement, the City shall have the option of waiving any or all of its remedies under this Agreement and the Security, 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.

12. ENERGY EFFICIENCY AND BUILDING DESIGN

- 12.1 The Proponent agrees that traditional electric heating will not be used for the Project.

- 12.2 The Proponent confirms that the Project does not impose adverse impacts that cannot be mitigated.

13. REPRESENTATION AND WARRANTIES

The Proponent represents and warrants to the City that:

- 13.1 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.
- 13.2 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.
- 13.3 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.
- 13.4 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.
- 13.5 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.
- 13.6 The construction contract is in full force and effect and neither the Proponent nor any other party thereto is in default thereunder.
- 13.7 None of the information, financial or otherwise, provided by the Proponent to the City and 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.

14. COVENANTS OF THE PROPONENT

- 14.1 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 and workmanlike manner and in accordance with the Plans and Specifications and to complete such construction not later than the [CITY TO INSERT DATE], subject to Force Majeure;
- 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; and
- d) deliver to the City the statements and reports as required by the Contribution Agreement.

14.2 The Proponent covenants and agrees with the City that, so long as any obligation is outstanding by the Proponent 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 :
 - i. The Permitted Encumbrances listed in Schedule D
 - ii. Encumbrances created in favour of or assigned or pledged to the City;
 - iii. 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;
 - iv. 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 opinion realization by disposal or other alienation from the Proponent of its legal or beneficial title to or interest in any such property.
- (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) permit any change in the beneficial ownership of the Proponent;

- (d) make any material change to the number or type of residential dwelling units of the project without the prior written approval of the City.

15. INDEMNIFICATION

- 15.1 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.
- 15.2 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) 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.
- 15.3 The Proponent further agrees, upon Substantial Completion, to purchase and maintain insurance policies that a prudent manager of similar premises would maintain and, without limiting those types of policies, at least the following:
 - a) Broad form boiler and machinery insurance on a blanket repair and replacement basis with limits for each accident in an amount of at least the replacement cost of the Project and with a deductible of not more than one hundred thousand dollars (\$100,000);
 - b) All risks property insurance (including flood and earthquake) in an amount equal to the full replacement cost of the Project and with a deductible of not more than one hundred thousand dollars (\$100,000).
- 15.4 In addition, during the design and construction period of the contract the Proponent will obtain and maintain the following policies of insurance:
 - (a) 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) and remaining in effect until the completion of construction;
 - (b) 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 five million dollars (\$5,000,000) 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.

- 15.5 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.
- 15.6 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 herein 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.
- 15.7 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 dollars (\$2,000,000) and make reasonable efforts to verify such insurance is in force throughout the period of the work.
- 15.8 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.

16. NOTICE

- 16.1 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
sent by e-mail 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
300 Dufferin Ave
P.O. Box 5035
London, ON N6A 4L9

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

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

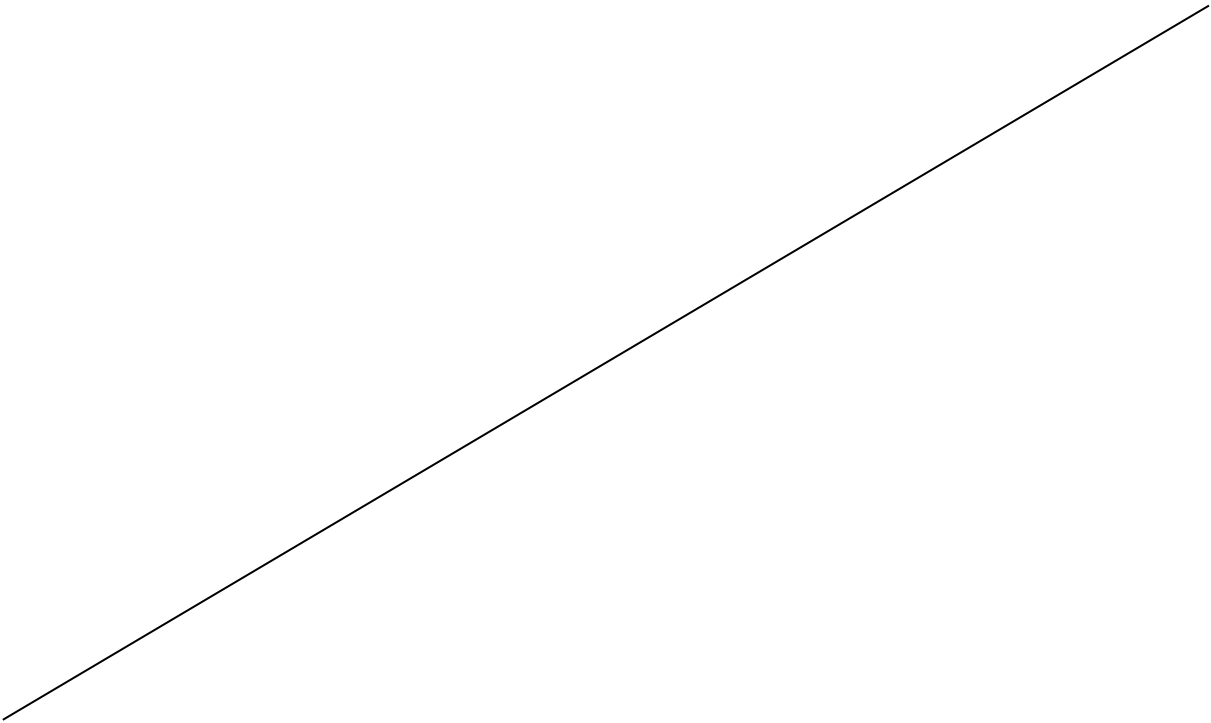
notice or other communication delivered personally or by prepaid courier service shall be deemed to have been given and received on the day it is so delivered at such address, provided that if such day is not a Business Day such notice or other communication shall be deemed to have been given and received 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.

17. GENERAL

- 17.1 Any power, right or function of the City, contemplated by this Agreement, may be exercised by any employee or agent of the City, who is specifically authorized.
- 17.2 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.
- 17.3 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.
- 17.4 The disbursement of Funds by the City to the Proponent pursuant to section 2 is subject to the necessary appropriations from the Municipal Council. The City shall have no liability in the event the respective appropriation is insufficient to meet the funding obligations.
- 17.5 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.
- 17.6 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.

- 17.7 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.
- 17.8 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.
- 17.9 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.
- 17.10 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.
- 17.11 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.
- 17.12 This Agreement shall be read with all changes of gender and number required by the context.
- 17.13 The Proponent shall not transfer or convey its interest in all or any part of the Project without, 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.
- 17.14 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;
- 17.15 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.
- 17.16 If more than one entity is a party to this Agreement as a Proponent, all references to the Proponent shall include all of the said entities and this Agreement shall be binding on each jointly and severally.
- 17.17 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 17.14 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

Josh Morgan
Mayor

Michael Schulthess
City Clerk

I/We have the authority to bind the Corporation.

SCHEDULE 'A'

FUNDING SCHEDULE

1. Loan Disbursement Milestones

Construction Milestones	Progress Payments
Construction Start with First Available Permit	60 per cent (less 10% holdback)
Structural Framing Completed	25 per cent (less 10% holdback)
Occupancy and Registration of the Tenant Placement Agreement	15 per cent (less 10% holdback)
Holdback	Released 60 days after lien publication

No funds shall flow if an order has been issued under subsection 12(2) of the *Building Code Act* and there has been no compliance with the order.

2. Disbursement of the Contribution

2.1 Payment – City 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 in the Contribution Agreement, including this schedule and those set forth below have been satisfied:
- (i) an amount equal to 60% of the Loan at first available permit, which amount shall be paid to the Proponent's solicitor in trust for payment in its entirety only in respect of Development Activities provided the funds are, in the opinion of the City properly secured;
 - (ii) an amount equal to 25% of the Loan 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 Development Activities provided the funds are in the opinion of the City properly secured;
 - (iii) the balance of the Loan upon the City receiving confirmation that the Tenant Placement Agreement is registered on title as required under the Agreement and Occupancy (less 10% holdback) as evidenced by the Occupancy Certificate as provided by the City, which amount shall be paid to the Proponent's solicitor in trust for payment in its entirety only in respect of Development Activities provided the funds are in the opinion of the City properly secured;
 - (iv) the holdback of the Loan will be released 60 days after publication notice in the Daily Commercial News or as determined by the City, subject to the following conditions: If requested by the City, the Proponent agrees to provide a breakdown

of expenditures charged to the hard construction contingency prior to the release of the 10% holdback. If requested by the City, the Proponent agrees to provide a breakdown of expenditures for Accessible Units prior to releasing the 10% holdback.

- (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. 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:

(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 addressed to the City Solicitor's Office,

(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 has 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;
- 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 “B” RENTAL PROTOCOL

1. DEFINITIONS

1.1 In this Schedule “B”, unless the context requires otherwise,

- “Agreement” means the Agreement to which this Schedule “B” is attached; and

when used in this Schedule “B”, 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 “B”, 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. PROJECT RENTS

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 “B” nor increase any rent charged for a Unit except as permitted in this Schedule “B”.

3. RENTS

3.1 Initial rents are listed in Schedule “H” and will not be adjusted prior to occupancy.

3.2 Affordable Rent Units: [] Units for which Program Funds have been utilized shall not exceed eighty per cent (80%) of the CMHC Median Market Rent for the London CMA. Rent increases will follow the RTA rent increase guidelines and must not exceed 80% CMHC MMR for the term of the agreement. Rents include a fridge, stove, and water.

4. RENT INCREASES

4.1 The Proponent may increase the rent charged under section 3.2 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 No additional increase is permitted when a unit becomes vacant within 12 months of the annual rent increase.

4.3 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 "B".

5. MAXIMUM HOUSEHOLD INCOME

5.1 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 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 twenty-five (25) year period following the Project completion date. Proponents are not required or expected to check incomes of approved tenants once they have taken possession of their units.

5.2 Any maximum household income outlined in section 5.1 of this schedule may be altered in the absolute discretion of the City.

5.3 The Proponent shall obtain at the time of application, and retain on file, the current Canada Revenue Agency Notice of Assessment for all household members over the age of 18.

6. MAXIMUM HOUSEHOLD ASSETS

6.1 Proponents may be required to confirm assets of prospective tenants of 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 twenty (20) year period following the Project completion date. Proponents are not required or expected to confirm incomes for approved tenants once they have taken possession of their units.

6.2 Any maximum household assets outlined in section 6.1 of this schedule may be altered in the absolute discretion of the City.

6.3 The Proponent shall obtain at the time of application, and retain on file, any required asset verification and/or documentation as determined by the City, for all household members over the age of 18.

SCHEDULE “C-1”, “C-2”, “C-3”

SECURITY DOCUMENTS

Schedule C-1: City Charge/Mortgage of Land - register in land titles/land registry system

Schedule C-2: Assignment of Rents - register in land titles/land registry system and PPSA

Schedule C-3: Security Agreement (chattels) - register in PPSA

**SCHEDULE
C-1**

ADDITIONAL PROVISIONS: Continued from Page 1 - Box 10 (TERAVEIW)

1. Section 24 of the Standard Charge Terms filed as No. 200033 is deemed to be excluded.
2. This Charge/Mortgage of Land is collateral security for a Contribution Agreement made between the Chargor and the Corporation of the City of London ("Chargee"), dated the _____, (the "Contribution Agreement") under which the City contributed for a total [_____] towards the Project and is in addition to and not in substitution for any other security held by the Chargee for all or any part of the monies secured under this Charge/Mortgage of Land.
3. In the event of a breach of the terms of the Security Agreement or the Assignment of Leases and Rents being given by the Chargor to the Chargee simultaneously with this Charge, the principal balance then outstanding, together with any other amounts payable pursuant to the terms of this Charge, shall forthwith become due and payable at the option of the Chargee and all powers conferred by this Charge shall become exercisable by the Chargee.
4. With respect to the portion of the Principal Amount advanced by the Chargee:
 - (a) Prior to the Interest Adjustment Date, interest shall accrue on the total of the amount or amounts advanced by the City to the Chargor under the Contribution Agreement 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.
 - (b) On the Interest Adjustment Date, the amount of interest accrued shall be forgiven, provided that the Chargor has satisfied all requirements as set out in the Contribution Agreement.
 - (c) On each anniversary date of the Interest Adjustment Date, the Chargor shall pay the City the amount of interest, as calculated according to the interest rate stipulated in paragraph 4(a), so accrued during the previous year; provided, however, if the Chargor has satisfied, as of such anniversary date, the requirements of the Contribution Agreement, the amount of the interest so owing shall automatically be forgiven.
 - (d) 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 Chargor has fulfilled all the requirements of in the Contribution Agreement.
5. Upon the occurrence of any one or more of the Events of Default described in the Contribution Agreement, the City, at its option, may declare the outstanding principal amount of the Loan then advanced, together with all other moneys owing to the City under the Contribution Agreement, due and payable forthwith.

6. The Chargor covenants with the Chargee that upon request in writing from the Chargee, it will provide the Chargee, within thirty (30) days of receipt of such request, a schedule containing the names of all tenants in the building constructed on the Charged Premises, accompanied by a certificate of an officer of the Chargor confirming the terms of all existing leases, that the same are in full force and effect, that the Chargor has complied with all terms thereof, and that the Chargor will not amend, modify or cancel any lease or receive any prepayment of rent other than the current and last month's rent without the prior written consent of the Chargee, that there are no outstanding set-offs or equities disclosed or undisclosed as between the Chargor and the tenant, that no money other than a maximum of two (2) months rent has been prepaid by the tenant to the Chargor, and that the tenant is aware of the assignment by the Chargor of all rents and leases affecting the Charged Premises.
7. The Chargor covenants with the Chargee that if the Chargee make any payment, in connection with the determination, establishment or preservation of its priority, whether such payment is made to a lien claimant or other person claiming an interest in the Charged Premises or is paid into court, then the amount or amounts so paid and all costs, charges and expenses incurred in connection therewith shall be forthwith payable to the Chargee by the Chargor and shall be a charge on the Charged Premises and shall be added to the debt hereby secured and shall bear interest at the said rate, and in default of payment, the power of sale and other remedies hereunder may be exercised. It is further agreed that the Chargee shall not become a mortgagee in possession by reason only of exercising any of the rights given to them under this paragraph or in making any payment to preserve, protect or secure the Charged Premises.
8. The Chargor covenants with the Chargee that in the event of the Chargor selling, conveying, transferring or entering into an agreement for the sale or transfer of title of the Charged Premises to a purchaser or transferee not approved in writing by the Chargee, which approval shall not unreasonably be withheld, all monies hereby secured with accrued interest thereon, at the option of the Chargee, shall forthwith become due and payable.
9. Subject to the renewals, replacements and consolidations permitted in paragraph 15 below, the Chargor shall not further mortgage or encumber the Charged Premises without the prior written approval of the Chargee.
10. The Chargor shall take out and maintain throughout the term of the Charge the following insurance, all in a form and with insurers acceptable to the Chargee:
 - (a) all policies shall include thirty (30) days written notice to the Chargees of material alternation or cancellation and must be signed by the insurer(s) or their authorized representative(s). Brokers signing on behalf of the insurer(s) must provide the Chargee with a letter of authority from the insurer(s);
 - (b) the policies shall include the Chargee as loss payees, as their interest may appear, and shall contain the Insurance Bureau of Canada approved standard mortgage clause endorsement;

- (c) all risks, including extended coverage and flood, to full one hundred per cent (100%) replacement cost, and boiler and pressure vessel and machinery insurance;
- (d) comprehensive or commercial general liability insurance to a limit of not less than five million dollars (\$5,000,000.00) per occurrence;
- (e) general liability coverage for non-owned automobile to a limit of not less than two million dollars (\$2,000,000.00); and
- (f) co-insurance shall not be acceptable.

11.

- (a) To the best of the Chargor's knowledge and belief, the Charged Premises contain no asbestos, urea formaldehyde insulation, polychlorinated biphenyls (PCB's), radioactive substances or other materials deemed to be hazardous under any applicable environmental legislation, there are no outstanding orders or notices and any required permits or licences are in good standing.
- (b) The Chargor, at its sole cost and expense, shall comply, or cause its tenants, agents, and invitees, at their sole cost and expense, to comply with all federal, provincial and municipal laws, rules, regulations and orders, with respect to the discharge and removal of hazardous or toxic wastes, and with respect to the discharge of contaminants into the natural environment. The Chargor shall pay immediately when due the cost of removal of any such wastes and the cost of any improvements necessary to deal with such contaminants and keep the Charged Premises free and clear of any lien imposed pursuant to such laws, rules and regulations. In the event the Chargor fails to do so, after notice to the Chargor and the expiration of the earlier of (i) any applicable cure period under the Charge or (ii) the cure period under the applicable law, rule, regulation or order, the Chargee at their sole option may declare the Charge to be in default.
- (c) The Chargor shall indemnify and hold the Chargee harmless from and against all losses, costs, damages or expenses (including, without limitation, legal fees and costs incurred in the investigation, defence and settlement of any claims) relating to the presence of any hazardous waste or contaminant referred to herein.

11. The Chargee or its agents may, at any time, before and after default, and for any purpose deemed necessary by the Chargee, enter upon the Charged Premises to inspect the lands and buildings thereon. Without limiting the generality of the foregoing, the Chargee or its agents may enter upon the Charged Premises to conduct any environmental testing, site assessment, investigation or study deemed necessary by the Chargee and the reasonable cost of such testing, assessment, investigation or study, as the case may be, shall be payable by the Chargor forthwith and shall be a charge upon the said

Charged Premises. The exercise of any of the powers enumerated in this paragraph shall not deem the Chargee or its agents to be in possession, management or control of the said lands and buildings.

12. At any time after the security hereby constituted becomes enforceable, or the moneys hereby secured shall have become payable, the Chargee may appoint in writing a receiver or receiver-manager (the "Receiver") of the Charged Premises, with or without bond, and may from time to time remove the Receiver and appoint another in its stead, and any such Receiver appointed hereunder shall have the following powers:
 - (a) To take possession of the Charged Premises and to collect the rents and such property, undertaking and assets of the Chargor assigned and/or charged to the Chargee herein and for such purpose to enter into and upon any lands, buildings and premises and for such purpose to do any act and take any proceedings in the name of the Chargor or otherwise as it shall deem necessary, specifically including, but not limited to managing, operating, repairing, altering or extending the Charged Premises or any part thereof;
 - (b) To employ and discharge agents, workmen, accountants and others upon such terms and with such salaries, wages or remuneration as it shall think proper, to repair and keep in repair the Charged Premises and to do all necessary acts and things for the protection of the said Charged Premises;
 - (c) To sell or lease or concur in selling or leasing any or all of the Charged Premises, or any part thereof; and to carry any such sale or lease into effect by conveying in the name of or on behalf of the Chargor or otherwise; and any such sale may be made either at public auction or private sale as seen fit by the Receiver; and any such sale may be made from time to time as to the whole or any part or parts of the Charged Premises; and the Receiver may make any stipulations as to title or conveyance or commencement of title or otherwise which it shall deem proper; and it may buy or rescind or vary any contracts for the sale of any part of the Charged Premises and may resell the same, and it may sell any of the same on such terms as to credit or part cash and part credit or otherwise as shall appear in its sole opinion to be most advantageous and at such prices as can reasonably be obtained thereof; and in the event of a sale on credit, neither the Receiver nor the Chargee shall be accountable for or charged with any moneys until actually received;
 - (d) To make any arrangement or compromise which the Receiver may think expedient in the interest of the Chargee and to consent to any modification or change in or omission from the provisions of this Charge and to exchange any part or parts of the Charged Premises for any other property suitable for the purposes of the Chargee and upon such terms as may seem expedient and either with or without payment or exchange of money or regard to the equality of the exchange or otherwise;
 - (e) To borrow money to carry on the operations of the Chargor at the Charged Premises and to charge the whole or any part of the Charged Premises in such amounts as the Receiver may from time to time deem necessary, and in so doing the Receiver may issue certificates that may be payable when the Receiver thinks expedient and shall bear interest as stated therein and the amounts from time to time payable under such certificates shall constitute a Charge against the Charged Premises in priority to this Charge;
 - (f) To execute and prosecute all suits, proceedings and actions which the Receiver, in its opinion, considers necessary for the proper protection of the Charged Premises, and to defend all suits, proceedings and actions against the Chargor or the Receiver, to appear in

and conduct the prosecution and defence of any suit, proceeding or action then pending or thereafter instituted and to appeal any suit, proceeding or action;

- (g) To execute and deliver to the purchaser of any part or parts of the Charged Premises, good and sufficient deeds for the same, the Receiver hereby being constituted the irrevocable attorney of the Chargor for the purpose of making such sale and executing such deed, and any such sale made as aforesaid shall be a perpetual bar both in law and equity against the Chargor, and all other persons claiming the said property or any part or parcels thereof by, from, through or under the Chargor, and the proceeds of any such sale shall be distributed in the manner hereinafter provided;
- (h) The net profits of the operations of the Chargor at the Charged Premises and the net proceeds of any sale of the Charged Premises or part thereof shall be applied by the Receiver, subject to the claims of any creditor ranking in priority to this Charge:
 - (i) Firstly, in payment of all costs, charges and expenses of and incidental to the appointment of the Receiver and the exercise by it of all or any of the powers aforesaid, including the reasonable remuneration of the Receiver and all amounts properly payable by it;
 - (ii) Secondly, in payment of all costs, charges and expenses payable hereunder;
 - (iii) Thirdly, in payment to the Chargee of the principal sum owing hereunder;
 - (iv) Fourthly, in payment to the Chargee of all interest and arrears of interest, if any, and any other monies remaining unpaid hereunder; and
 - (v) Fifthly, any surplus shall be paid to the Chargee, provided that in the event any party claims a Charge against all or a portion of the surplus, the Receiver shall make such disposition of all or a portion of the surplus as the Receiver deems appropriate in the circumstances.
- (i) During any period wherein the Chargee or any receiver or receiver and manager appointed by it shall manage the Charged Premises or any part thereof, upon or after entry, as provided herein, the Chargee shall not, nor shall any receiver or receiver and manager, be responsible or liable for any debts contracted by it, for damages to any other property or person, or for salaries or non-fulfilment of any contract, save and except as to claims at law or in equity to an accounting; and the Chargee shall not be bound to do, observe, or perform or to see the observance or performance by the Chargor of any of the obligations herein imposed upon the Chargor nor in any other way supervise or interfere with the conduct of the Chargor's operations of the Charged Premises;
- (j) The Chargee shall not be liable to the Receiver for his remuneration, costs, charges or expenses, and the Receiver shall not be liable for any loss howsoever arising, unless the same shall be caused by his own gross negligence or wilful default; and he shall, when so appointed, by notice in writing pursuant hereto, be deemed to be the agent of the Chargor, and the Chargor shall be solely responsible for his acts and defaults and for his remuneration;
- (k) Save as to claims for an accounting contained in this paragraph, the Chargor hereby releases and discharges any such Receiver from every claim of every nature, whether sounding in damages or not, which may arise or be caused to the Chargor or any person claiming through or under it by reason or as a result of anything done by such Receiver, unless such claim be in direct and proximate result of dishonesty or fraud;
- (l) The Chargee may, at any time and from time to time, terminate any Receiver by notice in

writing to the Chargor and to the Receiver;

- (m) The statutory declaration of an employee or agent of the Chargee as to default under the provisions of this Charge and as to the due appointment of the Receiver pursuant to the terms hereof shall be sufficient proof thereof for the purposes of any person dealing with the Receiver through its ostensibly exercising powers herein provided for and such dealing shall be deemed, as regards such person, to be valid and effectual;
 - (n) The rights and powers conferred herein in respect of the Receiver are supplemental to and not in substitution of any other rights and powers which the Chargee may have.
13. The Charge is hereby postponed to all mortgages registered against the Charged Premises as of the date of registration of this Charge and shall be continued to be postponed to any renewal or replacement or consolidation of such mortgages, with or without an increased rate of interest, provided the Chargor maintains sufficient equity in the Charged Premises as determined by the Chargee acting reasonably.

SCHEDULE C-2

THIS ASSIGNMENT made this day of August, 2022

BETWEEN:

[INSERT PROPONENT NAME]

(hereinafter called the "Assignor")

- a-d -

THE CORPORATION OF THE CITY OF LONDON

(hereinafter called the "Assignee")

WHEREAS:

- A. The Assignor is the owner of the lands and premises hereof (the "Premises"), subject to a charge to the Assignee of even date (the "Charge");
- B. The Assignor has leased or granted a right of use, occupation or license with respect to parts of the Premises and will from time to time lease or grant a right of use, occupation or license with respect to parts of the Premise

NOW THEREFORE, the Assignor and the Assignee agree with each other as follows:

- 1. In consideration of Two Dollars (\$2.00) and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by the Assignee, the Assignor hereby assigns, transfers and sets over unto the Assignee, its successors and assigns, as security for payment of the principal and interest and other moneys secured by the Charge and for performance of the obligations of the Assignor thereunder, all rents, charges and other moneys (the "Rents") now due and payable or hereafter to become due and payable,
 - (a) under every existing and future lease of and agreement to lease the whole or any portion of the Premises,
 - (b) under every existing and future tenancy, use, occupation or license granted by the Assignor, its successors and assigns, in respect of the whole or any portion of the Premises, whether or not pursuant to a lease, agreement to lease or license, a
 - (c) under every existing and future guarantee of all or any of the obligations of existing or future tenants, users, occupiers or licensees of the whole or any portion of the Premises

- (d) including all rents and other moneys under every lease, agreement to lease, use, occupancy, license and guarantee (the "Leases"), with full power and authority to demand, collect, sue for, recover, receive and give receipts for the Rents, and to enforce payment of the same in the name of the Assignor, its successors and assigns, or otherwise.
2. The Assignor shall be permitted to collect and receive the Rents as and when the same shall become due and payable according to the terms of the Leases, unless and until the Assignor is in default under any of the provisions of the Charge and thereafter, the Assignee shall give notice to the tenant, user, occupier, licensee or guarantor, requiring the same to pay the Rents to the Assignee, which notice shall be binding upon the Assignor and may not be contested by it.
 3. The Assignor represents, warrants, covenants and agrees that, subject to the provisions of paragraph
 - (a) none of the Leases or the Assignor's rights thereunder, including the right to receive the Rents, have been or will be amended (except in the ordinary course of business), assigned, encumbered, discounted (save and except in connection with any settlement with a defaulting tenant in the ordinary course of business) or anticipated in priority to this Assignment, without the prior written consent of the Assignee;
 - (b) it has not and will not do or omit to do any act having the effect of terminating, canceling or accepting surrender of any of the Leases or of waiving, releasing, reducing or abating any rights or remedies of the Assignor or obligations of any other party thereunder or in connection therewith
 - (c) none of the rights, remedies and obligations are or will be affected by any reduction, abatement, defense, set-off or counterclaim;
 - (d) none of the Rents under any of the Leases has been or will be paid in advance, except rent for the ensuing month and rent for the last month of the term of the lease;
 - (e) none of the Rents under any of the Leases has been paid prior to the due date for payment thereof
 - (f) there has been no default under any of the Leases;
 - (g) there is no outstanding dispute under any of the Leases between the Assignor and any other party thereto;
 - (h) each of the Leases is valid, enforceable and in full force and effect;
 - (i) the Assignor shall observe and perform all of its obligations under the Leases.
 4. Nothing herein contained shall have the effect of making the Assignee, its successors or assigns, responsible for the collection of the Rents or any of them or for the performance of any obligations or provisions under or in respect of the Leases or any of them to be observed and performed by the Assignor; and the Assignee shall not, by virtue of this

Assignment or their receipt of the Rents or any of them, become or be deemed to be a mortgagee in possession; and the Assignee shall not be under any obligation to take any action or exercise any remedy in the collection or recovery of the Rents or any of them, or to see to or enforce the performance of the obligations and liabilities of any person under or in respect of the Leases or any of them or to see to or enforce the performance of the obligations and liabilities of any person under or in respect of the Leases or any of them; and the Assignee shall be liable to account only for such moneys as shall actually come into its hands, less proper collection charges and such moneys may be applied on account of any indebtedness of the Assignor to the Assignee.

5. In the event the Assignee shall have exercised its rights under paragraph 2 and shall have received any of the Rents and if the Assignor shall cure the default under the Charge which gave rise to such exercise and shall have resumed collection of the Rents, the Assignee shall provide the Assignor with details of all Rents received by them prior to such resumption.
6. The Assignor covenants and agrees to execute such further assurances as may be reasonably required by the Assignee from time to time to perfect this Assignment and without limiting the generality of the foregoing, upon the request of the Assignee made at any time, it shall assign, transfer and set over unto the Assignee the Leases or such of them so requested by a valid assignment thereof and shall give any other parties thereto a notice of such assignment and shall obtain from them acknowledgements of such notice, and the Assignor hereby irrevocably appoints the Assignee its attorney to effect and execute such assignment.
7. A full and complete Discharge of the Charge shall operate as a full and complete release and re-assignment of all of the Assignee's rights and interest hereunder, and after the Charge has been fully discharged, this instrument shall be void and of no further effect. In the event further documentation is required for such release and re-assignment, the Assignees shall execute the same promptly, upon request by the Assignor.
8. This Assignment is given in addition to and not in substitution for any other security held by the Assignee for all or any part of the monies secured under the Charge. It is understood and agreed that the Assignee may pursue its remedies under the Charge or hereunder or under any other security, concurrently or successively, at its option. Any judgment or recovery hereunder or under any other security held by the Assignee for the monies secured under the Charge shall not affect the right of the Assignee to realize upon this or any other security.
9. This Assignment is hereby postponed to the Assignment of Rents registered against the Premises as of the date of registration of this Assignment and any extension or renewal thereof and any specific assignment of Rents made thereunder from time to time.
10. This Assignment shall enure to the benefit of and be binding upon the parties hereto and their respective successors and assigns.

IN WITNESS WHEREOF this Assignment has been executed on behalf of the Assignor by its authorized officers.

I/We have the authority to bind the Corporation.

3. REPRESENTATIONS, WARRANTIES AND COVENANTS

3.1 The Assignor hereby represents, warrants and covenants to or with the Assignee, as the case may be, that:

- (a) the Assignor shall reimburse the Assignee for all costs and expenses, (including legal fees on a solicitor and his own client basis), incurred by them in the filing of this Agreement and the taking, recovering or possessing the Collateral, and in any other proceedings taken for the purpose of protecting or enforcing the remedies provided herein, or otherwise in relation to the Collateral or by reason of non-payment of the Obligations, and all such costs and expenses shall be payable on demand;
- (b) at the time of execution and delivery of this Security Agreement, the Assignor is and stands solely, rightfully and lawfully seized of a good, sure, perfect, absolute and indefeasible title to the Collateral, free of any charge, lien, charge, security interest or encumbrance, except for any held by the currently registered first mortgagee of the lands and premises described in Schedule "A";
- (c) the Assignor shall not remove any of the Collateral from the lands and premises described in paragraph 2, without the Assignee's prior written consent, unless such Collateral is worn out or obsolete and provided that prior to such removal such Collateral is replaced with other Collateral of comparable quality, which shall be free of any mortgage, lien, charge, security interest or encumbrance, except for any held by any registered first mortgagee, from time to time, of the said lands and premises;
- (d) the Assignor shall care for, protect and preserve the Collateral and shall not permit its value to be impaired, and shall not sell, transfer, assign, mortgage, charge, pledge, hypothecate or deliver or otherwise dispose of any such property or any interest therein, except to any registered first mortgagee, from time to time, of the lands and premises described in Schedule A, without the prior written consent of the Assignee;
- (e) the Assignor shall keep the Collateral insured under the policies provided for in the Charge;
- (f) the Assignee shall be entitled, from time to time and at any time, to inspect the Collateral wherever located and to make enquiries and tests concerning the Collateral, and the Assignor shall defray all expenses in connection therewith; and
- (g) this Agreement has been properly authorized and constitutes a legally valid and binding obligation of the Assignor in accordance with its terms.

4. USE OF SPECIFICALLY CHARGED PROPERTY

4.1 Until the occurrence of an event of default, as hereinafter provided, the Assignor may use the Collateral specifically charged in any lawful manner not inconsistent with this Agreement.

5. EVENTS OF DEFAULT

5.1 Obligations not payable on demand shall immediately become payable upon the

occurrence of one (1) or more of the following events of default:

- (a) the Assignor fails to pay when due any of the Obligations, or to perform or rectify a breach of any of the representations, warranties or covenants of this Agreement or of the Charge;
- (b) the Assignor ceases or threatens to cease to carry on business, becomes insolvent or the subject of bankruptcy or insolvency proceedings;
- (c) an encumbrancer takes possession of any of the Collateral or any process of execution is levied or enforced upon or against any of the Collateral;
- (d) indebtedness or liability of the Assignor, other than to the Assignee, becomes due and payable, or capable of being declared due and payable, before the stated maturity thereof, or any such indebtedness or liability shall not be paid at the maturity thereof or upon the expiration of any stated applicable grace period thereof, or any guarantee given by the Assignor is not honoured when due and called upon;

and the Assignee shall have all rights and remedies under the applicable laws, as well as any other rights and remedies provided by this Agreement.

6. ADDITIONAL POWERS UPON DEFAULT

- 6.1 In addition to the rights and powers provided in paragraphs 5 and 8 and under the *Personal Property Security Act*, the Assignees and the Receiver, as defined in paragraph 8, shall have the following rights and powers, if the security hereby constituted becomes enforceable:

to dispose of any of the Collateral in the condition in which it was at the date possession of it was taken, or after any commercially reasonable repair, processing or preparation thereof for disposition; and the Assignor shall from time to time forthwith on the Assignee's request, execute, do and make all such agreements, statements, further assignments, acts, matters and things which may, from time to time, in the opinion of the Assignee, be necessary or expedient for the purpose of carrying into effect any of the provisions hereof and of perfecting the title of the Assignee in the collateral; and the Assignee and any of its managers or acting managers are by the Assignor hereby irrevocably constituted and appointed the true and lawful attorney of the Assignor, with full power of substitution for the Assignee, at its option, whenever and wherever it may deem necessary or expedient to do, make and execute all such statements, assignments, documents, acts, matters or things, with the right to use the name of the Assignor.

7. WAIVER BY THE ASSIGNEE

- 7.1 Any breach by the Assignor of any of the provisions contained in this Agreement or any default by the Assignor in the observance or performance of any covenant or condition required to be observed or performed by the Assignor hereunder may only be waived by the Assignee in writing, provided that no such waiver by the Assignee shall extend to or be taken in any manner to affect any subsequent breach or default or the rights resulting therefrom.

8. APPOINTMENT OF RECEIVER AND MANAGER

8.1 The Assignee may appoint in writing any person, whether an employee or employees of the Assignee or not, to be a receiver or a receiver and manager (the "Receiver") of the Collateral or any part of parts thereof.

8.2 A receiver so appointed shall have power:

- (i) to take possession of, collect and get in the Collateral or any part thereof, and for that purpose to take any proceedings in the name of the Assignor or otherwise; and
- (j) to sell or concur in selling any of the Collateral.

8.3 Any Receiver so appointed shall be deemed to be the agent of the Assignor. The Assignor shall be solely responsible for the Receiver's acts or defaults and for the Receiver's remuneration and expenses. The Assignees shall not, in any way, be responsible for any misconduct or negligence on the part of the Receiver.

8.4 All moneys received by the Receiver after providing for payment of all costs, charges and expenses of or incidental to the exercise of any of the powers of the Receiver shall be applied in or towards satisfaction of the Security Interest.

8.5 The rights and powers conferred by this paragraph are in supplement of and not in substitution for any rights the Assignees may have from time to time.

9. NOTICE

9.1 The Assignor shall be entitled to not less than fifteen (15) days notice in writing of the date, time and place of any intended disposition of the Collateral, such notice to be sent by registered mail to the last known post office address of the Assignor.

10. APPROPRIATION

10.1 The Assignee shall have the right, at any time, to appropriate any payment made to any portion of the Obligations and to revoke or alter any such appropriation.

11. TERM

11.1 This Agreement shall be a continuing agreement, in every respect, for the payment of the Obligations and it shall remain in full force until all of the Obligations shall be paid in full. In the event any provisions of this Agreement shall be deemed invalid or void by any court of competent jurisdiction, the remaining terms and provisions of this Agreement shall remain in full force and effect.

12. NON-SUBSTITUTION

12.1 The Security Interest is in addition to and not in substitution for any other security now or hereafter held by the Assignee.

13. ACKNOWLEDGEMENT

13.1 The Assignor acknowledges receipt of a copy of this Agreement.

IN WITNESS WHEREOF this Assignment has been executed on behalf of the Assignor by its authorized officers.

I/We have the authority to bind the Corporation.

SCHEDULE "A"

Location of the Collateral

Property Address:

PIN:

Description:

SCHEDULE "B"

Property Comprising the Collateral

All refrigerators, stoves, washers, dryers and all other items of personal property owned by the Assignor and located on or used in connection with the operation of the lands and premises described in Schedule "A".

SCHEDULE “D”

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. Mortgages and security registered in favour of CMHC.
2. Such easements and restrictive covenants as do not prevent the Project from being constructed or used as Affordable Rental Housing.
3. Municipal agreements relating to the Development Activities in connection with the Project.
4. Mortgages and security registered in favour of London Community Foundation which provide interim funding to the Proponent and which by its terms must be repaid in full from the 2nd advance on the CMHC mortgage on the Proponent's Project.

SCHEDULE “E”

ONTARIO INITIAL OCCUPANCY REPORT – PART 1

The Initial Occupancy Report (IOR) is a two-part report. The IOR will be signed by the Proponent and City.

The following information will be required for the IOR form: Section A – Project Information

Section B – Units and Rent Information Section C – Depth of Affordability Section D – Milestones

Section E – Financial

Section F – Project Certification

NOTE: The IOR is required to be submitted by the Proponent to City/HDC, for approval, before receiving final payment. The "permitted rents" must be consistent with the formula for determining the initial rents, set out in Schedule “C” Rental Protocol.

SCHEDULE “E”

INITIAL OCCUPANCY REPORT – PART 2

A. Project Information

Initial Occupancy	
Contribution Agreement Expiry Date	
Project Name	
Project Address	
Proponent	
Contact	
Mailing Address	

B. Household Income of All Tenants

Unit Number	Unit Type	Tenant Name(s) and Dependent(s)	Total Gross Household Income	Tenant Move-In Date

C. Project Certification, Consent and Solemn Declaration

I hereby declare and certify the following statements to be true and correct:

1. To the best of my knowledge, all information provided in Section B of this report is true and correct and matches financial statements and rent rolls.
2. All new tenants have been appropriately screened for program eligibility and unit occupancy standards in accordance with the Contribution Agreement and Residential Tenancies Act prior to signing of leases.
3. No additional fees, charges, or lease costs are required of tenants outside of the requirements of the Contribution Agreement.
4. Any increases in rental rates have been done so, no more than one time annually in accordance with the practices and limitations as set out in the Contribution Agreement.
5. I am aware of the controls and remedies outlined within the Contribution Agreement related to compliance with the agreement and affordable housing program.

Consent:

I understand that, in accordance with the Contribution Agreement, the City or its agents may review the rent roll, financial statements, and verification of initial tenant eligibility which has been retained and will be made available for review purposes.

Solemn Declaration:

I declare that all the information on these forms is true to the best of my knowledge and that no information has been withheld or omitted. I make this declaration knowing that it is of the same force and effect as if made under oath by virtue of the *Canada Evidence Act*.

Proponent Name
Position
Company/Organization

Date: _____

NOTE: This Schedule is required to be submitted by the Proponent to the City for approval, before receiving the final City payment. The “permitted rents” must be consistent with the formula for determining the initial rents, set out in Schedule "B" Rental Protocol. This form is subject to change without notice.

Proponents are required to attach current income verification documentation for each new tenant to this report. Income verification documentation will include the most recent Notice of Assessment or other such documentation acceptable to the City. Proponents are not required or expected to check incomes for approved tenants once they have taken possession of their units.

SCHEDULE “F”
ANNUAL OCCUPANCY REPORT – PART 1

The Annual Occupancy Report (AOR) is a two-part report. The AOR will be generated on an annual basis for the term of the Contribution Agreement. The AOR Ontario will be signed by the Proponent and the City.

The following information will be required for the AOR Ontario form: Section A – Project Information

Section B – Units and Rent Information Section C – Depth of Affordability Section D – Project

Certification

Section E – Service Manager/Aboriginal Program Administrator

SCHEDULE "F"

CITY ANNUAL OCCUPANCY REPORT – PART 2

A. Project Information

Reporting Period	
Initial Occupancy	
Contribution Agreement Expiry Date	
Project Name	
Project Address	
Proponent	
Contact	
Mailing Address	

B. Household Income of New Tenants

Unit Number	Unit Type	Tenant Name(s) and Dependent(s)	Total Gross Household Income	Tenant Move-In Date

C. Project Certification, Consent and Solemn Declaration

I hereby declare and certify the following statements to be true and correct:

1. To the best of my knowledge, all information provided in Section B of this report is true and correct and matches financial statements and rent rolls.
2. All new tenants have been appropriately screened for program eligibility and unit occupancy standards in accordance with the Contribution Agreement and Residential Tenancies Act prior to signing of leases.
3. No additional fees, charges, or lease costs are required of tenants outside of the requirements of the Contribution Agreement.
4. Any increases in rental rates have been done so, no more than one time annually in accordance with the practices and limitations as set out in the Contribution Agreement.
5. I am aware of the controls and remedies outlined within the Contribution Agreement related to compliance with the agreement and affordable housing program.

Consent:

I understand that, in accordance with the Contribution Agreement, the City or its agents may review the rent roll, financial statements, and verification of initial tenant eligibility which has been retained and will be made available for review purposes.

Solemn Declaration:

I declare that all the information on these forms is true to the best of my knowledge and that no information has been withheld or omitted. I make this declaration knowing that it is of the same force and effect as if made under oath by virtue of the *Canada Evidence Act*.

Date: _____

Proponent
Name Position
Company/Organ
ization

NOTE: The “permitted rents” must be consistent with the formula for determining the initial rents, set out in Schedule "B" Rental Protocol. This form is subject to change without notice.

Proponents are required to attach current income verification documentation for each new tenant to this report. Income verification documentation will include the most recent Notice of Assessment or other such documentation acceptable to the City. Proponents are not required or expected to check incomes for approved tenants once they have taken possession of their units.

SCHEDULE "G"

LEGAL DESCRIPTION OF PROPERTY

Number of Units: [_____] Affordable Rental Housing Units

Property Address: PIN:

Description:

SCHEDULE "H"

PROJECT INFORMATION FORM

Service Manager – City of London

Project Name:

Proponent Information

Proponent Type: private/ non-profit/ charitable corporation

Project Information

Number of affordable units created: Number of market units created: Total number of units created:

Building Type: Apartment

Included in Rent: Fridge, stove, water

Anticipated First Occupancy Date:

Unit Type	Number of Units	Unit Sizes	Monthly Rents
One bedroom Affordable			
One bedroom Affordable			
Two bedroom Affordable			
Total			

Approvals

Date of City Approval:

SCHEDULE "I"

DEVELOPMENT SCHEDULE

Purchase Property Site Plan Approval Building Permit Construction Start Foundation Completed

Structural Framing Completed Substantial Completion

Lien Publication First Occupancy Full Rent-up

Capital Audit Report – Must be submitted within one hundred and twenty (120) days of construction completion

SCHEDULE "J"

OCCUPANCY STANDARDS

These standards determine the type of unit in respect to which a household is eligible to rent under this Agreement.

Largest unit that a household may occupy:

The largest unit a household is eligible for is a unit that has:

- (a) One bedroom for any two members of the household who are spouses of each other or romantic partners of each other;
- (b) One bedroom for each additional member of the household; and
- (c) An additional bedroom may be provided, if requested by the household under the following specific circumstances:
 - i. If a member of the household requires a separate bedroom due to a disability or medical condition (Written verification: a doctor's note describing the nature of the disability or medical condition clearly specifying why an extra room is required);
 - ii. Store equipment required by a member of the household due to a disability or medical condition (Written verification: a doctor's note describing the equipment required clearly specifying why an extra room is needed);
 - iii. Accommodate an individual who is not a member of the household and who provides a member of the household with support services that are required due to the member's disability or medical condition (Written verification: a letter from the support service agency or person providing support services, describing the nature of the service and hours of service);
 - iv. If a member of the household is pregnant (Written verification: a doctor's note specifying why an extra room is needed);
 - v. If a member of the household has joint custody over a child who is not a member of the household, however, the member is required to provide accommodation for the child where a bedroom is required (Written verification: court order, custody arrangement, or other applicable documentation); and
 - vi. If a member of the household has overnight access to a child who is not a member of the household, the member provide accommodation for the child where a bedroom is required (Written verification: court order, custody arrangement, or other applicable documentation).

Written verification, as described, is required to validate any request for an additional bedroom that is acceptable to the Service Manager.

Smallest Unit that a household may occupy:

The smallest unit a household is eligible for is a unit that has:

- (a) One bedroom for every two members of the household;
- (b) An additional bedroom is required if there is an odd number of members in the household;
- (c) Despite section a), a child and a single adult shall not share a bedroom;
- (d) Despite section a), children of the opposite sex shall not share a bedroom unless both are under the age of five; and

- (e) Despite section a), if the household consists of one individual or two individuals who are spouses or each other or romantic partners of each other, the smallest unit the household is eligible for is a bachelor unit.

Students living away from the household:

A child of a member of the household is a member of the household if the child:

- (a) Is in regular full-time attendance at a recognized educational institution* and, while in attendance, does not live with the household;
- (b) Lives with the household while not attending that educational institution; and
- (c) Is dependent, in whole or in part, on the household for financial support.

Exceptions:

Where extenuating or unusual circumstances exist, a Proponent may request in writing to the Housing Coordinator that a household be excluded from the provisions of these Occupancy Standards. The Housing Coordinator, in consultation with the Manager, Housing Services, may provide written approval to the Housing Provider to exempt certain households from the provisions of the Occupancy Standards.

* “*recognized educational institute*” means any of the following or a similar institution outside Canada:

1. A school, as defined in the Education Act;
2. A university;
3. A college of applied arts and technology established under the Ontario Colleges of Applied Arts and Technology Act, 2002
4. A private career college, as defined in the Private Career Colleges Act, 2005
5. A private school, as defined in the Education Act, for which a notice of intention to operate has been submitted to the Ministry of Education in accordance with the Act.

SCHEDULE “K”

OLD VICTORIA HOSPITAL LANDS PHASE II

REAL PROPERTY:

<u>Address</u>	PARCEL 1 - 124 Colborne Street. PARCEL 2 - 346, 370, 392 South Street and others not assigned.
<u>Location</u>	The Subject Site includes 124 Colborne Street, as well as the lands bounded by Waterloo Street, South Street, Colborne Street and Hill Street, excluding lands reserved for the future construction of a public square and retained by the City. This future public square will be located at the corner of South Street and Colborne Street.
<u>Measurements</u>	PARCEL 1 - 124 Colborne Street (0.80 acres); PARCEL 2 - the lands bounded by Waterloo Street, South Street, Colborne Street and Hill Street (5.45 acres), excluding lands reserved for the future construction of a public square and retained by the City.
<u>Legal Description:</u>	PARCEL 1 - Part of Lot 27 and all of Lots 26, 34 and 35, Registered Plan 172(E), designated as Part 1 on Plan 33R-17941, BEING ALL OF PIN 08315-0080 in the City of London and County of Middlesex, as shown highlighted in red on Schedule “A”; PARCEL 2 - Lots 6, 7 and 8 South of Hill Street East and Lots 6, 7 and 8 North of South Street East on Crown Plan 30, Lots 21, 22, 23, 24, 25, 37, 40 and Part of Lots 36, 38 and 39 on Registered Plan 172(E), designated as Parts 1 and 2 on Plan 33R-17942 Save and Except Parts 1, 2, 3 and 4 on Plan 33R-20703, BEING ALL OF PIN 08329-0197 and PART OF PIN 08329-0198, in the City of London and County of Middlesex, as shown on Schedule “B” and Schedule “C”. (collectively the “Property”)

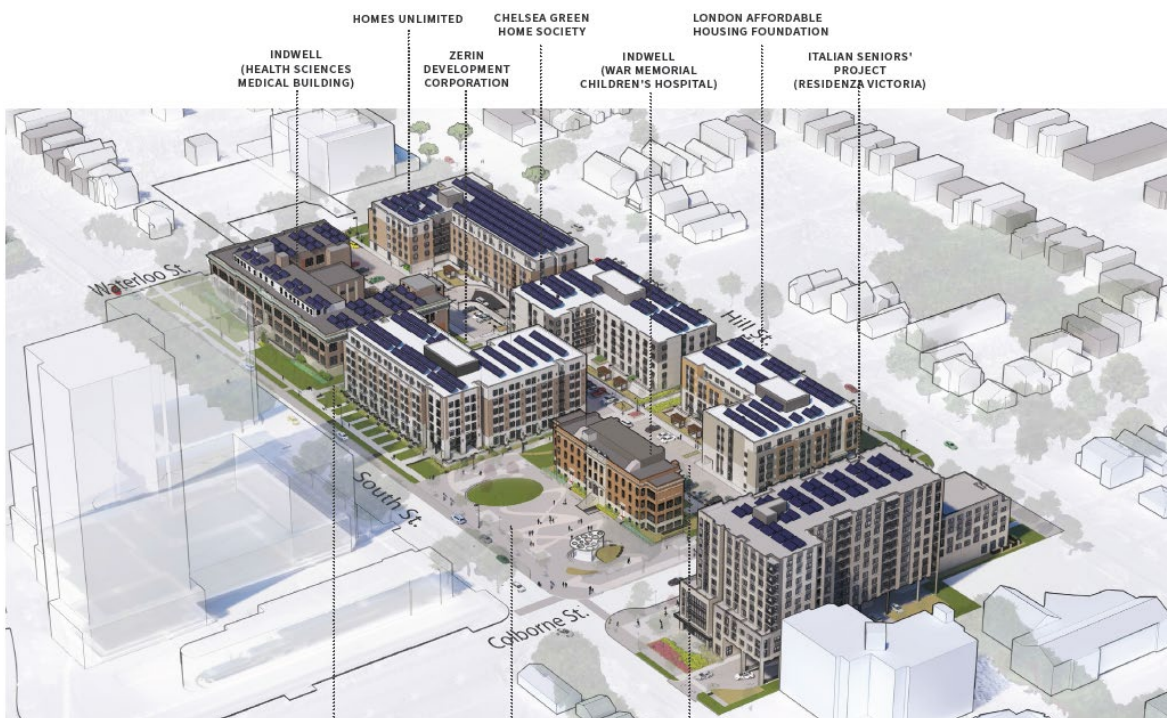
SCHEDULE "L"

VISION SOHO ALLIANCE MEMBERS

VISION SOHO ALLIANCE

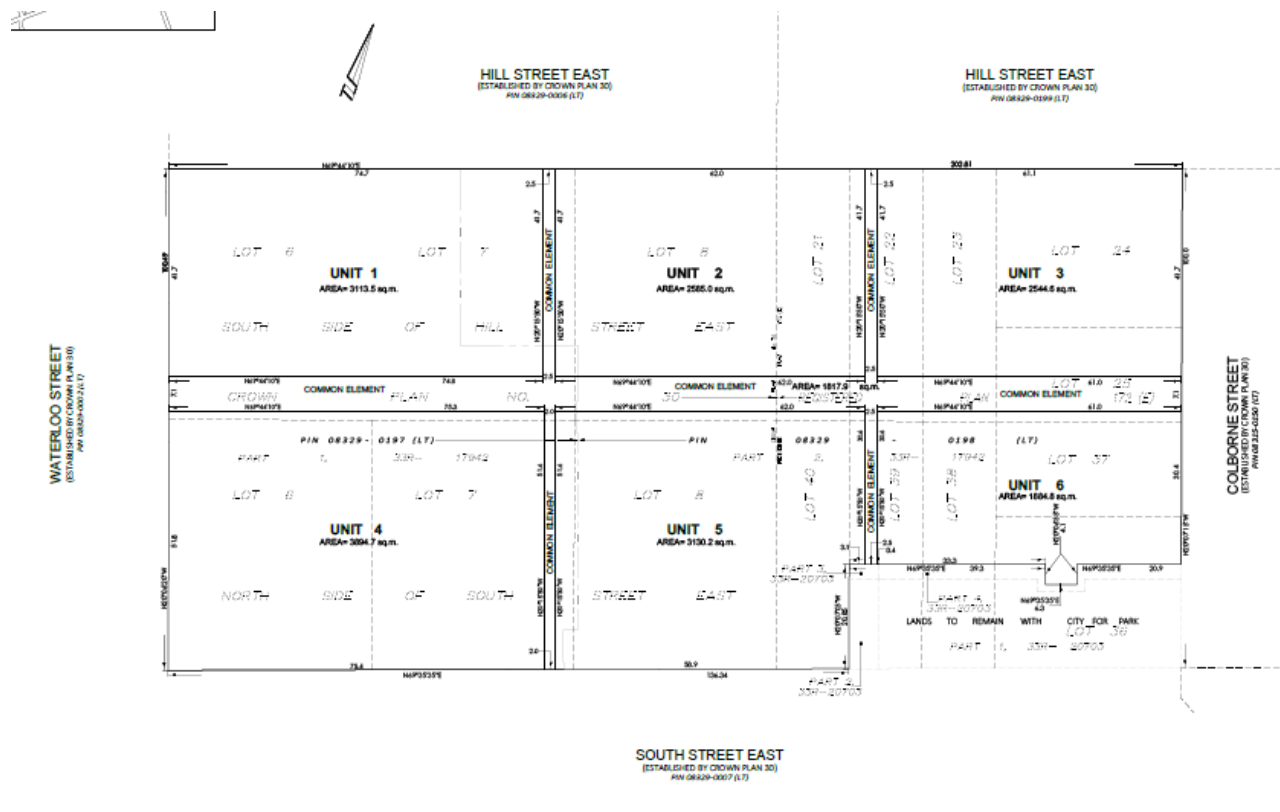
Consisting of:

- Indwell Community Homes
- Zerin Development Corporation
- Homes Unlimited (London) Inc.
- Chelsea Green Home Society
- London Affordable Housing Foundation
- Residenza Affordable Housing (ISP)



SCHEDULE "M"

VACANT LAND CONDOMINIUM REFERENCE PLAN



SCHEDULE "N"

ANNUAL LOAN BALANCE

INITIAL GRANT/LOAN AMOUNT		\$	
End of Year	BALANCE	Annual Reduction	\$
	1		
	2		
	3		
	4		
	5		
	6		
	7		
	8		
	9		
	10		
	11		
	12		
	13		
	14		
	15		