



Notice of Meeting and Meeting Agenda Hospitals and Housing Committee

Wednesday, March 4, 2026

1:30 PM

6th Floor Boardroom
625 Fisgard St.
Victoria, BC V8W 1R7

K. Murdoch (Chair), J. Caradonna (Vice Chair), M. Alto, P. Brent, S. Brice, Z. de Vries,
S. Goodmanson, G. Holman, P. Jones, C. McNeil-Smith (Board Chair, ex officio)

The Capital Regional District strives to be a place where inclusion is paramount and all people are treated with dignity. We pledge to make our meetings a place where all feel welcome and respected.

1. Territorial Acknowledgement

2. Approval of Agenda

3. Adoption of Minutes

3.1. [26-0243](#) Minutes of the Hospitals and Housing Committee Meeting of December 3, 2025

Recommendation: That the minutes of the Hospitals and Housing Committee meeting of December 3, 2025 be adopted as circulated.

Attachments: [Minutes: December 3, 2025](#)

4. Chair's Remarks

5. Presentations/Delegations

The public are welcome to attend CRD meetings in-person.

Delegations will have the option to participate electronically. Please complete the online application at www.crd.ca/address no later than 4:30 pm two days before the meeting and staff will respond with details.

Alternatively, you may email your comments on an agenda item to the CRD Board at crdboard@crd.bc.ca.

6. Committee Business

- 6.1. [26-0106](#) 2026 Hospitals and Housing Committee Terms of Reference
- Recommendation:** There is no recommendation. This report is for information only.
- Attachments:** [Staff Report: 2026 Hospitals and Housing Committee ToR](#)
[Appendix A: 2026 Hospitals and Housing Committee ToR \(Approved\)](#)
[Appendix B: 2026 Hospitals and Housing Committee ToR \(Redlined\)](#)
- 6.2. [26-0090](#) Capital Regional Hospital District Investment Portfolio Holdings and Performance Annual Update
- Recommendation:** There is no recommendation. This report is for information only.
- Attachments:** [Staff Report: CRHD Investment Portfolio Annual Update](#)
[Appendix A: Investment Policy](#)
[Appendix B: Market Analysis](#)
[Appendix C: Investment Holdings and Performance](#)
- 6.3. [26-0089](#) Capital Region Housing Corporation Investment Portfolio Holdings and Performance Annual Update
- Recommendation:** There is no recommendation. This report is for information only.
- Attachments:** [Staff Report: CRHC Investment Portfolio Annual Update](#)
[Appendix A: Investment Policy](#)
[Appendix B: Market Analysis](#)
[Appendix C: Investment Holdings and Performance](#)
- 6.4. [26-0230](#) Options for Immediate Actions to Advance Supportive Housing and Sheltering
- Recommendation:** The Hospitals and Housing Committee recommends to the Capital Regional District Board (CRD):
1. That the CRD Chair, on behalf of the CRD Board, sends a letter to member municipalities (Appendix A) requesting that they identify potential sites for supportive housing and sheltering and report this information to the Province; and
 2. That the CRD Chair, on behalf of the CRD Board, sends a letter to the Minister of Housing (Appendix B) requesting continued provincial support and direction to advance the Mount Tolmie Project, including clarification of next steps and timelines.
- Attachments:** [Staff Report: Opts-Immediate Actions to Adv Supportive Housing & Sheltering](#)
[Appendix A: Draft CRD Request for Muni Supportive Housing Site Ident'n](#)
[Appendix B: Draft Letter-Hon Christine Boyle, Minister Housing & Muni Affairs](#)
[Appendix C: Reaching Home Program Funded Sub-Projects: 2024-2026](#)

6.5. [26-0231](#) Cedar Hill Library and Affordable Housing Development - Mortgage Registration and Final Project Approval

Recommendation: The Hospitals and Housing Committee recommends to the Capital Region Housing Corporation Board:

1. That the Resolution of Directors for the Repayable Mortgage in the form required by BC Housing Management Commission for authorizing the execution of the Loan and Mortgage documents for the project on the Lands commonly known as 3950 Cedar Hill Road (PID: 032-758-146), substantially in the form attached hereto as Appendix A, be approved;
2. That the Resolution of Directors for the Forgivable Mortgage in the form required by BC Housing Management Commission for authorizing the execution of the Loan and Mortgage documents for the project on the Lands commonly known as 3950 Cedar Hill Road (PID: 032-758-146), substantially in the form attached hereto as Appendix B, be approved; and
3. That Edward Robbins, Chief Administrative Officer or Nelson Chan, Chief Financial Officer, or their respective duly authorized delegates be hereby authorized to do all things necessary to affect the project and take such steps as required to conclude the financing, lease, construction, and operation of the project located at 3950 Cedar Hill Road.

Attachments: [Staff Report: Cedar Hill Library & Afford Hous Dvl't-Mtge Reg'n & Final Proj App](#)
[Appendix A: Draft Cert'd Resolution of Dirs - Repayable Mortgage](#)
[Appendix B: Draft Cert'd Resolution of Dirs - Forgivable Mortgage](#)
[Appendix C: Provisional Rent Levels](#)
[Appendix D: Loan Commitment Letter - Repayable Mortgage](#)
[Appendix E: Loan Commitment Letter - Forgivable Mortgage](#)

6.6. [26-0233](#) Oak Bay Lodge Redevelopment Update

Recommendation: The Hospitals and Housing Committee recommends to the Capital Regional Hospital District Board:
That the Capital Regional Hospital District Board authorize staff to allocate up to \$200,000 to undertake a request for expressions of interest from a third party to participate in the redevelopment of the Oak Bay lodge site.

Attachments: [Staff Report: Oak Bay Lodge Redevelopment Update](#)
[Appendix A: Letters of Support, Kiwanis and Hospice](#)
[Appendix B: Letter of Support, Island Health](#)
[Appendix C: CRHD Letter to Ministries of Health & Infrastructure](#)
[Appendix D: District of Oak Bay Letter to Ministries & Island Health](#)

6.7. [26-0229](#) Funding Partnership for Seniors Care Facility at Lady Minto Hospital

Recommendation: The Hospitals and Housing Committee recommends to the Capital Regional Hospital District Board:
That no additional funding be provided for needs assessment and facility planning of long-term care at Lady Minto Hospital in the Capital Regional Hospital District 2026-2030 financial plan.

Attachments: [Staff Report: Funding Ptnrshp-Srs Care Facility at Lady Minto Hospital](#)

7. Notice(s) of Motion

8. New Business

9. Adjournment

The next meeting is April 1, 2026.

Meeting Minutes

Hospitals and Housing Committee

Wednesday, December 3, 2025

1:30 PM

6th Floor Boardroom
625 Fisgard St.
Victoria, BC V8W 1R7

PRESENT

Directors: J. Caradonna (Vice Chair), M. Alto, P. Brent, S. Brice, Z. de Vries, S. Goodmanson (EP), G. Holman, P. Jones, C. McNeil-Smith (Board Chair, ex officio)

Staff: T. Robbins, Chief Administrative Officer; S. Henderson, General Manager, Electoral Area Services; K. Lorette, General Manager, Housing, Planning and Protective Services; M. Barnes, Senior Manager, Health and Capital Planning Strategies; D. Elliott, Senior Manager, Regional Housing; R. Fowles, Manager, Planning & Capital Projects, Regional Housing; J. Proctor, Manager, Planning, Policy & Programs, Regional Housing; M. Lagoa, Deputy Corporate Officer; T. Pillipow, Senior Committee Clerk (Recorder)

EP - Electronic Participation

Regrets: Director K. Murdoch

The meeting was called to order at 1:30 pm.

1. Territorial Acknowledgement

Director de Vries provided a Territorial Acknowledgement.

2. Approval of Agenda

**MOVED by Director de Vries, SECONDED by Director Brent,
That the agenda for the Hospitals and Housing Committee meeting of December 3, 2025 be approved.
CARRIED**

3. Adoption of Minutes

3.1. [25-1299](#) Minutes of the Hospitals and Housing Committee Meeting of October 1, 2025

**MOVED by Director de Vries, SECONDED by Director Brent,
That the minutes of the Hospitals and Housing Committee meeting of October 1, 2025 be adopted as circulated.
CARRIED**

4. Chair's Remarks

Acting Chair Caradonna noted the large agenda and requested members be mindful of time.

5. Presentations/Delegations

There were no presentations or delegations.

6. Committee Business

6.1. [25-1256](#) Victoria General Hospital Electrical Energy Centre - Approval of Capital Bylaw No. 431

K. Lorette spoke to Item 6.1.

MOVED by Director de Vries, **SECONDED** by Director Brent,
The Hospitals and Housing Committee recommends to the Capital Regional Hospital District Board:

- 1) That Capital Regional Hospital District (CRHD) funding in the amount of \$15,000,000 be approved for Victoria General Hospital Electrical Energy Centre;
- 2) That CRHD Bylaw No. 431, "Capital Regional Hospital District Capital Bylaw No.199, 2025" be introduced and read a first, second, and third time; and
- 3) That CRHD Bylaw No. 431 be adopted.

CARRIED

6.2. [25-1280](#) Regional Engagement on Supportive Housing and Sheltering

K. Lorette spoke to Item 6.2.

Discussion ensued regarding:

- engagement with organizations in electoral areas
- the consultant report to be presented at a future meeting of this committee
- the role of the Community Health Service
- funding source commitments

MOVED by Director Alto, **SECONDED** by Director de Vries,
The Hospitals and Housing Committee recommends to the Capital Regional District Board:

That staff be directed to incorporate the key roles identified in the What We Heard report (Appendix A, Table 1. Summary of Main Roles and Associated Actions) into the ongoing development of the Regional Housing Affordability Strategy, which is anticipated to come before the CRD Board in 2026.

CARRIED

Opposed: Jones

6.3. [25-1275](#) Regional Housing First Program Funding Increase and Land Lease:
Verdier Affordable Housing Development

K. Lorette spoke to Item 6.3.

MOVED by Director Holman, **SECONDED** by Director Alto,
That the Hospitals and Housing Committee recommends to the Capital Regional
District Board:

- 1) That \$325,000 in grant funding from the Regional Housing First Program be allocated towards the Verdier development, bringing the total contribution to \$5,400,000; and
 - 2) That Edward Robbins, Chief Administrative Officer, and Nelson Chan, Chief Financial Officer, or their duly authorized delegates, or any two directors or officers of the Corporation, be authorized to do all things necessary to affect the project and take such steps as required to conclude the financing, lease, construction, and operation of the project located at 1183 Verdier Avenue.
- CARRIED**

6.4. [25-1277](#) Verdier Project - Mortgage Registration and Final Project Approval

K. Lorette spoke to Item 6.4.

Discussion ensued regarding clarification of the pre-development funding.

MOVED by Director Holman, **SECONDED** by Director Alto,
The Hospitals and Housing Committee recommends to the Capital Region
Housing Corporation Board:

1. That the Resolution of Directors for the Repayable Mortgage in the form required by BC Housing Management Commission for authorizing the execution of the Loan and Mortgage documents for the project at 1183 Verdier Avenue (PID: 032-163-321), substantially in the form attached hereto as Appendix A, be approved;
 2. That the Resolution of Directors for the Forgivable Mortgage in the form required by BC Housing Management Commission for authorizing the execution of the Loan and Mortgage documents for the project at 1183 Verdier Avenue (PID: 032-163-321), substantially in the form attached hereto as Appendix B, be approved; and
 3. That Edward Robbins, Chief Administrative Officer or Nelson Chan, Chief Financial Officer, or their respective duly authorized delegates be hereby authorized to do all things necessary to affect the project and take such steps as required to conclude the financing, lease, construction, and operation of the project located at 1183 Verdier Avenue.
- CARRIED**

6.5. [25-1279](#) 1800 McKenzie Redevelopment - Tri-Partite Agreement and Landlord Estoppel Certificate

K. Lorette spoke to Item 6.5.

MOVED by Director de Vries, **SECONDED** by Director Brent,
The Hospitals and Housing Committee recommends to the Capital Regional District Board:

1. That the Tri-Partite Agreement and Landlord Estoppel Certificate in the form required by BC Housing Management Commission for the purposes of authorizing the execution of the Loan and Mortgage documents for the 1800 McKenzie Redevelopment project (1821 McKenzie Avenue PID 006-415-369), be approved; and
2. That Edward Robbins, Chief Administrative Officer, and Nelson Chan, Chief Financial Officer, or their duly authorized delegates, or any two directors or officers of the Corporation be authorized to do all things necessary to affect the project and take such steps as are required to conclude the financing, construction, and operation of the 1800 McKenzie Redevelopment project, conditional on Final Project Approval.

CARRIED

6.6. [25-1278](#) 1800 McKenzie Redevelopment - Preliminary Development Funding Loan

K. Lorette spoke to Item 6.6.

MOVED by Director de Vries, **SECONDED** by Director Brent,
The Hospitals and Housing Committee recommends to the Capital Region Housing Corporation Board:

1. That the Resolution of Directors for the Repayable Mortgage in the form required by BC Housing Management Commission for the purposes of authorizing the execution of the Loan and Mortgage documents for the 1800 McKenzie Redevelopment project (1821 McKenzie Avenue PID 006-415-369), substantially in the form as attached hereto as Appendix A, be approved; and
2. That Edward Robbins, Chief Administrative Officer, and Nelson Chan, Chief Financial Officer, or their duly authorized delegates, or any two directors or officers of the Corporation be authorized to do all things necessary to affect the project and take such steps as are required to conclude the financing, construction, and operation of the 1800 McKenzie Redevelopment project, conditional on Final Project Approval.

CARRIED

6.7. [25-1276](#) Swanlea Redevelopment - Preliminary Development Funding Loan

K. Lorette spoke to Item 6.7.

Discussion ensued regarding the status of current residents and the relocation process.

**MOVED by Director de Vries, SECONDED by Director Brent,
The Hospitals and Housing Committee recommends to the Capital Region
Housing Corporation Board:**

- 1. That the Resolution of Directors for the Repayable Mortgage in the form required by BC Housing Management Commission for the purposes of authorizing the execution of the Loan and Mortgage documents for the Swanlea Redevelopment project (PID 002-154-536), substantially in the form as attached hereto as Appendix A, be approved; and**
- 2. That Edward Robbins, Chief Administrative Officer, and Nelson Chan, Chief Financial Officer, or their duly authorized delegates, or any two directors or officers of the Corporation be authorized to do all things necessary to affect the project and take such steps as are required to conclude the financing, construction, and operation of the Swanlea Redevelopment project, conditional on Final Project Approval.**

CARRIED

7. Notice(s) of Motion

- 7.1. [25-0945](#) Motion with Notice: 2026 CRD Capital Plan and Gulf Islands Seniors Residents Association Kings Lane Housing Project (Director Holman)
- MOVED** by Director Holman, **SECONDED** by Director Brent,
The Hospitals and Housing Committee recommends to the Capital Regional District Board:
That CRD staff provide a report to the Hospital and Housing Committee on the inclusion of funding in the 2026 Capital Regional District Housing 5 year capital plan, under the Land Assembly, Housing and Land Banking Service, to help address any equity gap that may remain for the Gulf Islands Seniors Residents Association Kings Lane project, depending on the outcome of their BC Builds and Community Housing Fund application.
- Discussion ensued regarding:
- the timeline for staff to provide the report
 - that the report includes implications of the CRD acquiring the property
- Director Goodmanson left the meeting at 2:47 pm.**
Director Goodmanson rejoined the meeting electronically at 2:51 pm.
- Postponement Motion:
MOVED by Director de Vries, **SECONDED** by Director Brice,
That this motion be postponed until a positive outcome from either BC Builds or BC Housing has been made on the Kings Lane application.
- Discussion ensued regarding whether BC Builds or BC Housing applications require/request information on other financing for their consideration when awarding a grant.
- The question was called on the motion to postpone.
That this motion be postponed until a positive outcome from either BC Builds or BC Housing has been made on the Kings Lane application.
CARRIED
Opposed: Alto, Brent, Goodmanson, Holman

7.2. [25-1089](#) Motion with Notice: Regional Equity in Investment Priorities (Director Holman)

MOVED by Director Holman, **SECONDED** by Director Brent,
The Hospitals and Housing Committee recommends to the Capital Regional District, Capital Regional Hospital District, and Capital Region Housing Corporation:
That the Capital Regional District, Capital Regional Hospital District, and Capital Region Housing Corporation include regional equity in considering their investment priorities.

Discussion ensued regarding staff's interpretation of this motion.

Amending Motion:

MOVED by Director Holman, **SECONDED** by Director Brent,
That the main motion be amended by adding the wording "with respect to housing and health facilities" after the wording "investment priorities".
CARRIED

Main motion as amended:

The Hospitals and Housing Committee recommends to the Capital Regional District, Capital Regional Hospital District, and Capital Region Housing Corporation:
That the Capital Regional District, Capital Regional Hospital District, and Capital Region Housing Corporation include regional equity in considering their investment priorities with respect to housing and health facilities.

Discussion ensued regarding referring this item to the next CRD Board term.

Referral Motion:

MOVED by Director Caradonna, **SECONDED** by Director Brent,
That the motion with notice be referred to staff for an information report on regional service investments and that the report be returned in Q1 2026 to the Hospitals and Housing Committee.
CARRIED

8. New Business

There was no new business.

9. Adjournment

MOVED by Director Alto, **SECONDED** by Director Brice,
That the Hospitals and Housing Committee meeting of December 3, 2025 be adjourned at 3:37 pm.
CARRIED

CHAIR

RECORDER



Making a difference...together

**REPORT TO HOSPITALS AND HOUSING COMMITTEE
MEETING OF WEDNESDAY, MARCH 4, 2026**

SUBJECT 2026 Hospitals and Housing Committee Terms of Reference

ISSUE SUMMARY

To provide the 2026 Hospitals and Housing Committee Terms of Reference for information.

BACKGROUND

Under the *Local Government Act* and the CRD Board Procedures Bylaw, the CRD Board Chair has the authority to establish standing committees and appoint members to provide advice and recommendations to the Board.

On January 14, 2026, the CRD Board approved the 2026 Terms of Reference for standing committees. Terms of Reference (TOR) serve to clarify the mandate, responsibilities and procedures of standing committees and provide a point of reference and guidance for the committees and members.

For 2026, all standing committees TOR were revised under section 3.0 Composition to include additional details on First Nation members voting rights on standing committees.

The approved 2026 Hospitals and Housing Committee TOR is attached as Appendix A, and a redlined copy is attached as Appendix B.

The TOR are being provided for information to the Committee. Any proposed revisions to the TOR will require ratification by the Board.

CONCLUSION

Terms of Reference serve to clarify the mandate, responsibilities and procedures of committees and provide a point of reference and guidance for the committee and its members. Any future revisions to the TOR will require ratification by the Board.

RECOMMENDATION

There is no recommendation. This report is for information only.

Submitted by:	Marlene Lagoa, MPA, Manager, Legislative Services & Deputy Corporate Officer
Concurrence:	Kevin Lorette, P. Eng., MBA, General Manager, Housing, Planning and Protective Services
Concurrence:	Kristen Morley, J.D., Corporate Officer & General Manager, Corporate Services
Concurrence:	Ted Robbins, B. Sc., C. Tech., Chief Administrative Officer

ATTACHMENT(S)

Appendix A: 2026 Hospitals and Housing Committee Terms of Reference - Approved
Appendix B: 2026 Hospitals and Housing Committee Terms of Reference - Redlined

Terms of Reference



HOSPITALS AND HOUSING COMMITTEE

PREAMBLE

The Capital Regional District (CRD) Hospitals and Housing Committee is a Standing Committee established by the CRD Board and will oversee and make recommendations to the CRD, Capital Regional Hospital District (CRHD) and Capital Region Housing Corporation (CRHC) boards on matters relating to hospitals and housing, and community health.

The Committee's official name is to be:

Hospitals and Housing Committee

1.0 PURPOSE

- a) The mandate of the Committee includes providing advice or making recommendations, or both, to the CRD, CRHD, and CRHC Boards regarding the following region-wide functions:
 - i. Land Banking and Housing
 - ii. CRHC
 - iii. CRHD
 - iv. Community health planning, regulations and enforcement
 - v. Implementation of various housing affordability models, the potential formation of strategic partnerships and the creation of alternative corporate entities
 - vi. Options for the procurement of health care facilities and housing developments and
 - vii. Real estate matters relating to health care facilities and housing
- b) The following committees will report through the Hospitals and Housing Committee:
 - i. Regional Housing Advisory Committee
 - ii. Tenant Advisory Committee
 - iii. Any other advisory body established by the Committee.

2.0 ESTABLISHMENT AND AUTHORITY

- a) The Committee will make recommendations to the CRD Board, the CRHD Board, and the CRHC Board, as applicable, for consideration; and
- b) The CRD Board Chair will appoint the Committee Chair, Vice Chair and Committee members annually.

3.0 COMPOSITION

- a) Committee members will be appointed CRD Board Members and should include the Chair of the CRHC and the Chair of the CRHD Board.
- b) All Board members are permitted to participate in standing committee meetings, but not vote, in accordance with the CRD Procedures Bylaw; and
- c) First Nation members are permitted to participate in standing committee meetings at their pleasure, where the Nation has an interest in matters being considered by the committee, in accordance with the CRD Procedures Bylaw section 33:
 - i. First Nations Members are permitted to abstain from voting on an item, provided that they declare their abstention prior to the vote being called on the item.
 - ii. When an abstention from voting on an item is declared by a First Nation Member, it shall be noted in the meeting minutes and the total number of votes on the item shall not include those First Nation Members who have abstained from voting.

4.0 PROCEDURES

- a) The Committee shall meet on a monthly basis and have special meetings as required;
- b) The agenda will be finalized in consultation between staff and the Committee Chair and any Committee member may make a request to the Chair to place a matter on the agenda through the Notice of Motion process;
- c) With the approval of the Committee Chair and the CRD Board Chair (or CRHC Board Chair, or CRHD Board Chair, as applicable), Committee matters of an urgent or time sensitive nature may be forwarded directly to the appropriate Board for consideration; and
- d) A quorum is a majority of the Committee membership and is required to conduct Committee business.

5.0 RESOURCES AND SUPPORT

- a) The General Manager of Housing, Planning and Protective Services will act as liaison to the Committee;
- b) Minutes and agendas are prepared and distributed by the Corporate Services Department.

Approved by CRD Board January 14, 2026

Terms of Reference

CRD

HOSPITALS AND HOUSING COMMITTEE

PREAMBLE

The Capital Regional District (CRD) Hospitals and Housing Committee is a Standing Committee established by the CRD Board and will oversee and make recommendations to the CRD, Capital Regional Hospital District (CRHD) and Capital Region Housing Corporation (CRHC) boards on matters relating to hospitals and housing, and community health.

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- c) First Nation members are permitted to participate in standing committee meetings at their pleasure, in accordance with the CRD Procedures Bylaw, where the Nation has an interest in matters being considered by the committee, in accordance with the CRD Procedures Bylaw section 33:
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4.0 PROCEDURES

- a) The Committee shall meet on a monthly basis and have special meetings as required;
- b) The agenda will be finalized in consultation between staff and the Committee Chair and any Committee member may make a request to the Chair to place a matter on the agenda through the Notice of Motion process;
- c) With the approval of the Committee Chair and the CRD Board Chair (or CRHC Board Chair, or CRHD Board Chair, as applicable), Committee matters of an urgent or time sensitive nature may be forwarded directly to the appropriate Board for consideration; and
- d) A quorum is a majority of the Committee membership and is required to conduct Committee business.

5.0 RESOURCES AND SUPPORT

- a) The General Manager of Housing, Planning and Protective Services will act as liaison to the Committee;

- b) Minutes and agendas are prepared and distributed by the Corporate Services Department.

Approved by CRD Board _____



Capital Regional Hospital District

REPORT TO THE HOSPITALS AND HOUSING COMMITTEE MEETING OF WEDNESDAY, MARCH 04, 2026

SUBJECT **Capital Regional Hospital District Investment Portfolio Holdings and Performance Annual Update**

ISSUE SUMMARY

To provide an annual update on Capital Regional Hospital District (CRHD) investment holdings and performance for the period ended December 31, 2025.

BACKGROUND

The Capital Regional District (CRD) invests its operating, capital and reserve funds in accordance with the *Local Government Act, Community Charter* and Board approved Investment Policy (Appendix A). The Investment Policy governs the investment activities of all funds held by the CRD, the Capital Region Housing Corporation (CRHC) and the CRHD. Investment decisions are guided by four fundamental objectives: preservation of principal, liquidity, responsible investing, and optimizing return on investment, consistent with policy requirements.

The policy also establishes minimum credit rating thresholds for eligible investments. Currently, investments with chartered banks or savings institutions must carry a minimum rating of R-1 for short-term and A- for long-term investments, as published by major credit rating agencies. These ratings are generally regarded as reflecting strong credit quality and a high degree of safety on investments.

Investment holdings are actively monitored to ensure alignment with the appropriate strategy and evolving economic conditions. The CRHD investments may include high-interest savings accounts (HISA), fixed term guaranteed investment certificates (GICs) and Municipal Finance Authority (MFA) pooled funds. As of December 31, 2025, CRHD holdings were limited to HISAs and GICs, with no MFA pooled fund holdings. Investment placements and divestures are aligned with forecasted cashflow requirements.

Investments through 2025 have been made in alignment with the Board approved Investment Policy. Although economic and market conditions drove fluctuations and uncertainty in the portfolio, performance exceeded the benchmark rate as detailed in the report.

IMPLICATIONS

Financial Implications

Portfolio Holdings

As of December 31, 2025, the CRHD investment portfolio totaled \$38.0 million, as outlined in Table 1.

Table 1: CRHD Investment Holdings – as of December 31, 2025

Investments	Balance (\$millions)	% Share
Investments Short-Term (less than 2 years)	38.0	100.0%
Investments Long-Term (more than 2 years)	0.0	0.0%
Total Investments:	\$38.0	100.0%

As noted in Table 1, the CRHD investment portfolio on December 31, 2025, was distributed 100% to short-term investments. As detailed in the Board approved Investment Policy, products with maturities less than two years are classified as short-term while those greater than two years are classified as long-term.

Performance

The total effective return on investments during 2025 was \$1.3 million, representing a return of 4.3%. Performance was primarily driven by higher interest rates in the first half of the year, positively impacting the returns on HISAs and GICs.

Table 2 summarizes investment income by driver for the last three years.

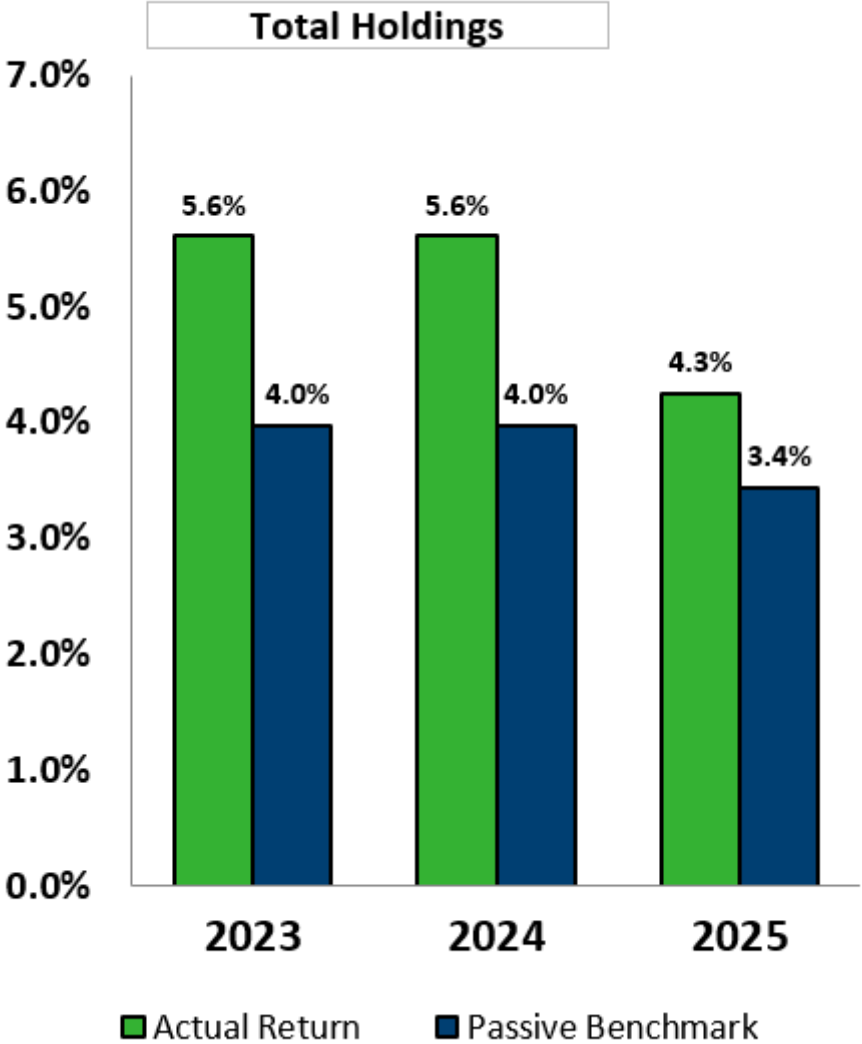
Table 2: CRHD Investment Income Three-Year Trend (\$ Millions)

	2023		2024		2025	
Passive Income	3.9%	\$1.0	4.0%	\$1.3	3.5%	\$1.0
Active Management	1.8%	\$0.4	1.6%	\$0.5	0.8%	\$0.3
Total	5.7%	\$1.4	5.6%	\$1.8	4.3%	\$1.3

As shown in Table 2, the passive benchmark approach reflects investment returns that would be achieved without active management. The benchmark is calculated using the weighted average of holdings across investment categories including GICs, HISAs and MFA pooled funds. This methodology provides a more accurate representation of portfolio holdings, accounting for differences in passive investment returns based on their respective category.

Graph 1 provides a summary report on investment returns in 2025.

Graph 1: CRHD Investment Results - 2025:



In 2025, the Bank of Canada reduced the overnight interest rate four times, lowering the policy rate from 3.25% at the start of the year to 2.25% by October, where it remained through year-end. Additional information can be found in Appendix B.

During 2025, the CRHD recorded average monthly cash outflows of \$2.2 million for operating, capital and financing activities. Significant capital contributions supported a new long-term care facility at Royal Bay, continued redevelopment of the Lady Minto Hospital Emergency Department, expansion of the Medical Device Reprocessing Department at Victoria General Hospital, updates to the Building Automation Systems at Victoria General and Royal Jubilee hospitals and funding for minor equipment purchases and capital grants.

Strong cash flow forecasting supported active liquidity management throughout the year. Funds were strategically shifted between HISAs and GIC placements as cash requirements evolved, maximizing interest income while maintaining liquidity and compliance with the Investment Policy. Further details are provided in Appendix C.

CONCLUSION

Overall, the CRHD portfolio of investments reflects the four fundamental objectives of safety of principal, liquidity, responsible investment and return on investment. Investments have been made in keeping with requirements under the Investment Policy and investment performance generally exceeded expectations for the year ending December 31, 2025.

RECOMMENDATION

There is no recommendation. This report is for information only.

Submitted by:	Andrew Hoge, CFA, CPA, CGA, Mgr., Corporate Finance & Treasury
Concurrence:	Varinia Somosan, CPA, CGA, Acting Chief Financial Officer & General Manager, Finance & Technology
Concurrence:	Ted Robbins, B. Sc., C. Tech., Chief Administrative Officer

ATTACHMENTS

- Appendix A: Investment Policy
- Appendix B: Market Analysis
- Appendix C: Investment Holdings and Performance



CAPITAL REGIONAL DISTRICT

Making a difference...together

INVESTMENT POLICY

Policy Type	Board [Corporate]		
Title	INVESTMENT POLICY		
Adopted Date	September 22, 2013	Policy Number	BRD07
Amendment #1	May 10, 2017		
Amendment #2	March 10, 2021 (Approved)		
Amendment #3	March 9, 2022 (Approved)		
Policy Owner	Financial Services		

1. PURPOSE

This investment policy provides the framework for investment portfolio management for the Capital Regional District (CRD), Capital Regional Hospital District (CRHD) and Capital Region Housing Corporation (CRHC).

It is the policy of the CRD, CRHD and CRHC to invest funds in a manner that provides the optimal blend of investment security and return while meeting the short and long term cash flow requirements in support of the corporate plan priorities while maintaining compliance with statutory requirements.

2. SCOPE

The investment policy applies to all cash operating funds, capital funds and reserve funds. It does not apply to funds held in trust or which have a specific legal or statutory requirement for cash management, disbursement, or investment.

3. PRINCIPLES

The investment of funds must reflect a management philosophy based on the fundamental objectives of

3.1 Safety of Principal

Investments shall be made to ensure preservation of principal within the portfolio. Preservation of principal is accomplished through placement of funds with creditworthy institutions and through portfolio diversification. Diversification is required to minimize potential losses on financial products.

3.2 Liquidity

The investment portfolio shall remain sufficiently liquid to meet all reasonably anticipated cash flow requirements.

3.3 Responsible Investing

The investment program will consider socially responsible investment products that adhere to statutory requirements and meet the objectives laid out in this policy.

Organizations that adopt a socially responsible investment platform in alignment with the published MFA ESG framework are preferred

3.4 Return on Investment

The investment portfolio shall be designed with the objective of maximizing market rate of return subject to the investment risk constraints, liquidity requirements and responsible investing objectives.

4. INVESTMENT PARAMETERS

4.1 Safety of Principal

The program will diversify cash reserve investments by security type and institution, taking into consideration the impact on return on investment. Section 5.4 outlines the authorized and suitable investments permissible to ensure optimal portfolio diversification.

4.2 Liquidity

To the extent possible, portfolio management will align investments with anticipated cash flow requirements. However, a portion of the portfolio shall be continuously invested in fully-liquid investments to meet ongoing obligations.

A long-term financial plan will be established for major capital reserves. The long-term financial plan will inform the term decision when placing timed investments in order to meet liquidity requirements.

4.3 Responsible Investing

Where responsible investment options provide comparable risk, return and liquidity, these facilities will be a priority. Investments are considered in alignment with responsible investing objectives when identified as meeting criteria as defined by MFA within the published MFA ESG Framework.

4.4 Return on Investment

The investment program will seek to maximize the total return on all funds under management after considering protection of principal, liquidity and responsible investing. Return will be monitored through performance benchmarks to ensure program activities are providing benefits in excess of costs and with the goal to preserve capital against inflation over time. Due to the nature of the CRHC business activities, delivering affordable housing within the social service sector, CRHC will be excluded from holding lower return products.

4.5 Authorized and Suitable Investments

Money held may be invested or reinvested according to section 183 of the *Community Charter* subject to the following conditions:

1. Investments in marketable securities of a chartered bank or savings institution or any province must have a DBRS risk rating of R-1 (low) or higher for short-term debt and a rating of A (low) for long-term debt or comparable ratings of another rating organization, indicating equal or superior credit quality (see Appendix A of this policy).

2. Investment placements will conform to the portfolio diversification constraints listed in Appendix B. Exceptions to constraints listed in Appendix A require Chief Financial Officer approval and shall be reported to the Board through Standing Committee at the next available meeting.
3. Internal projects under CRD service authority are considered allowable investment options when capital reserves are not immediately required and can be accessed through inter-service borrowing. Inter-service borrowing will be in compliance with legislation and the CRD Inter-Service Borrowing Guidelines.

5. STANDARD OF CARE

5.1 Prudence

Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion, and intelligence exercise in the management of their own affairs. Investments will not be made for speculation. Foremost will be consideration for the safety of capital. Staff must be aware of reasonably foreseeable risks, trends and fluctuations in the market, and be able to recognize unreasonable risks whilst ensuring the liquidity of the investment portfolio.

5.2 Ethics and Conflict of Interest

Staff responsible for investing activities shall comply with the CRD Conflict of Interest Policy and shall refrain from personal business activity that could conflict with proper execution of the investment program, or which could impair the ability to make impartial investment decisions.

5.3 Delegation of Authority

Authority to manage the investment program ("the Program") is granted to the Chief Financial Officer and is derived from section 237 of the *Local Government Act*.

5.4 Credit Risk Monitoring

To meet the objectives of this policy and ensure suitability of offerings, credit risk monitoring must be conducted by CRD Staff independent of vendor representations. The following due-diligence shall be performed:

1. In-house credit analysis shall be conducted on all financial institutions and investment counter-parties.
2. Credit reports and analysis, published by DBRS, S&P, Fitch or Moody's, will be obtained from financial institutions, investment dealers and rating institutions and reviewed.
3. Credit reports and analysis are recognized as opinions and not a guarantee for safety of principal.
4. When placing investments in individual marketable securities and more than one credit rating is available, the average of two or more available credit ratings shall be used.

5.5 Consolidated Basis

All funds covered by this policy will be managed on a consolidated basis to ensure the best possible return by providing economies of scale.

5.6 Program Requirements

The Program shall abide by the following reporting requirements:

1. The Chief Financial Officer must report to the Finance Committee annually. The report must identify investment holdings and any deviations from this policy; and
2. An appropriate portfolio performance benchmark will be set and reported in the annual investment performance report.

6. POLICY REVIEW

Review Date	Description:
March 2026, unless legislative change or new MFA finance product	To ensure ongoing relevance, this policy shall be reviewed the earlier of: <ol style="list-style-type: none"> 1. If a change in the relevant legislation governing the investment activities of local governments occurs; 2. If the Municipal Finance Authority of British Columbia establishes a new pooled fund investment product; or 3. Every five calendar years.

7. RELATED POLICY, PROCEDURE AND GUIDELINES

- Conflict of Interest Policy

**Appendix A
 Dominion Bond Rating Service (DBRS) Credit Quality Ratings**

Commercial Paper & Short-Term Debt	Bond & Long-term Debt	Bond & Long-term Debt	Description	CRD/CRHD/CRHC Investment Policy
R-1 (high)	AAA	Investment Grade ↑	Superior	Permissible
R-1 (high)	AA (high)			
R-1 (middle)	AA			
R-1 (middle)	AA (low)			
R-1 (low)	A (high)			
R-1 (low)	A			
R-1 (low)	A (low)			
R-2 (high)	BBB (high)	Speculative Grade	Adequate	Not Permissible
R-2 (middle)	BBB			
R-2 (low) / R-3	BBB (low)			
R-4	BB (high)			
R-4	BB			
R-4	BB (low)			
R-4	B (high)			
R-5	B			
R-5	B (low)			
R-5	CCC			
R-5	CCC			
R-5	CCC			
R-5	CC			
R-5	C			
D	D			

Appendix B Portfolio Diversification Constraints

Exposure constraints target protection of principal and return and set a maximum allowable share of the total portfolio that can be invested.

Due to market fluctuations and / or the timing of investment deposit transfers, maximum percentages in Appendix C may be exceeded at a point in time. Securities need not be liquidated to rebalance the portfolio; however, consideration should be given to this matter when future purchases are made to ensure that appropriate diversification is maintained.

The portfolio diversification constraints are found in Table 1 below:

Table 1: **Portfolio Diversification Constraints**

Investment Type	MAXIMUM of Total Reserves	MAXIMUM by Institution/product/ pooled fund
<u>Short-Term (< 2 year holding period)</u>		
Canadian Banks (Schedule 1) Deposits and/or GIC's	65%	35%
MFA Pooled Fund Products	50%	50%
Credit Unions (Rated/Insured) Deposits and/or GIC's	35%	20%
<u>Long-Term (> 2 year holding period)</u>		
Canadian Banks (Schedule 1) Deposits and/or GIC's	65%	35%
MFA Pooled Fund Products	60%	30%
Credit Unions (Rated/Insured) Deposits and/or GIC's	35%	20%
Internal Projects (5+ years)	30%	-
Federal Bonds	20%	10%
Municipal Finance Authority of BC Bonds	20%	20%
Provincial Bonds	15%	15%
Municipal, Regional District or Greater Board Bonds	15%	15%

Market Analysis

Applicable to the Capital Regional District (CRD), the Capital Regional Hospital District (CRHD), and the Capital Region Housing Corporation (CRHC)

As part of overall portfolio management, staff regularly monitor market trends and key metrics such as the Bank of Canada overnight interest rate, the Government of Canada bond rates and other market commentary issued by banks and investment brokers. Additionally, the Municipal Finance Authority (MFA) provides regular market commentary on new product developments and based on outlook reports provided by Phillips, Hager & North Investment Management (PH&N).

The 2025 economic landscape in Canada was characterized by a gradual shift toward lower interest rates alongside elevated trade-related uncertainty. The Bank of Canada reduced its overnight policy rate early in the year, paused through the mid-year as it assessed inflation dynamics, and then eased again in the fall, ending 2025 at 2.25%.

Inflation remained close to target overall, while measures of core inflation were modestly above target, and the Bank assessed underlying inflation around the mid-2% range. Economic growth in 2025 was impacted by volatility in trade, and ongoing tariff and trade-policy uncertainty remained a key risk to the outlook.

Table 1 below presents key economic indicator rates as of December 31, 2023-2025.

Table 1: Indicative Market Rates 2023 to 2025

Rate	2023	2024	2025
Bank of Canada - Overnight Rate	4.25% - 5.00%	3.25% - 5.00%	2.25% - 3.25%
High Interest Savings Account (HISA)	4.80% - 5.75%	3.75% - 5.50%	2.55% - 4.00%
RBC - Bank Rate	4.70% - 5.55%	3.80% - 5.55%	2.80% - 3.80%
Fixed Guaranteed Investment Certificate (GIC) - 180 Day / 1 Year (Indicative quotes received)	5.30% - 5.60%	5.40% - 5.50%	3.30% - 3.60%

Note: Fixed GIC rates reflect the range of rates observed from CRD's internal GIC rate database (quotes received and/or executed investments) during the year and are provided for context only.

Investment Marketplace

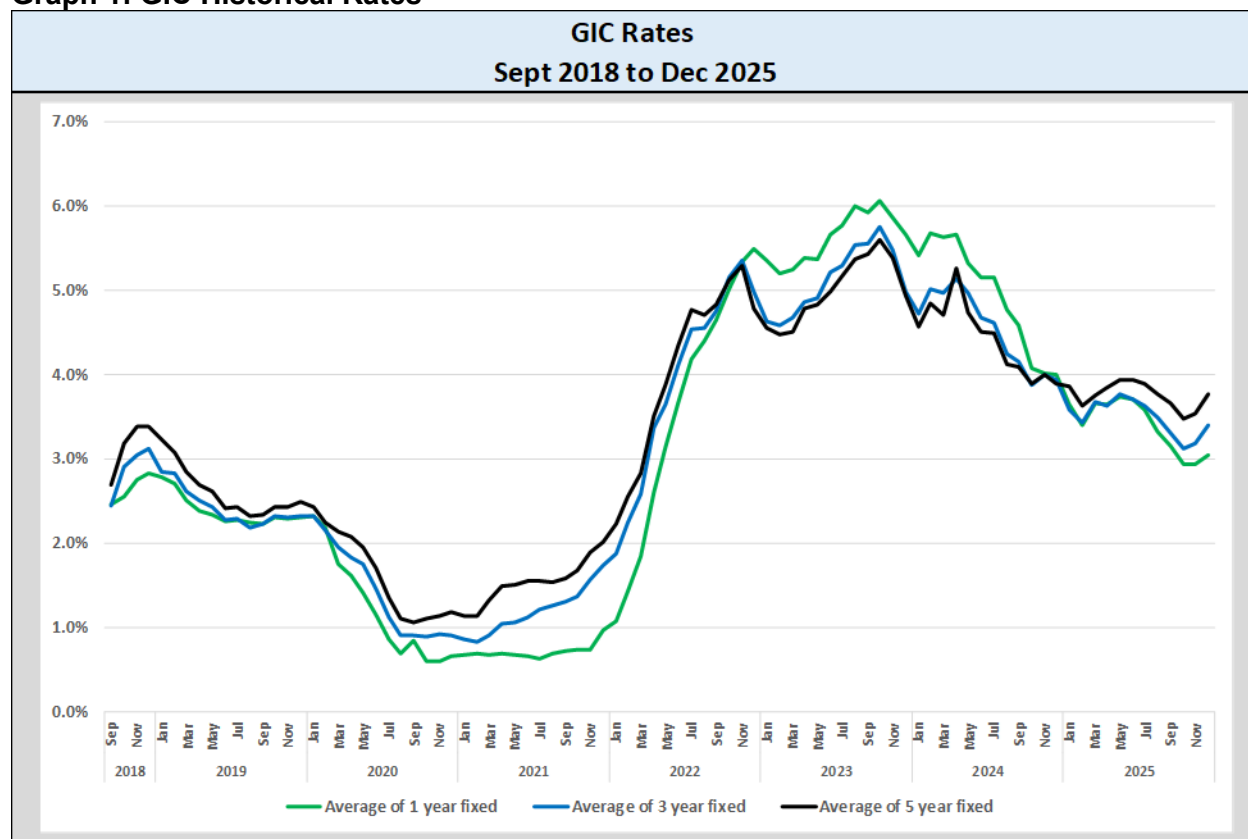
Fixed deposit rates moderated through 2025 as the Bank of Canada continued to ease monetary policy, with market yields adjusting lower across short- and mid-term maturities. Consistent with this environment, observed one- to five-year GIC rates declined versus 2024.

Despite lower yields, MFA pooled fund returns remained positive in 2025. Fixed income funds generated steady income-driven results. The Diversified Multi-Asset Class (DMAC) fund also delivered strong results, with the MFA DMAC Fund returning 13.60%, reflecting positive contributions from growth assets alongside the ongoing benefit of higher-than-pre-2022 starting yields in fixed income markets.

In 2025, HISA rates also decreased but remained competitive relative to GIC rates across most terms. As a result, year-end allocations to HISAs were increased where appropriate to optimize interest earnings while preserving liquidity and operational flexibility.

As shown in Graph 1, GIC rates were at their highest late in 2023 and have been moving lower ever since.

Graph 1: GIC Historical Rates



The CRD continues to hold units in the MFA Bond Fund, MFA Fossil Fuel-Free (FFF) Bond Fund, the MFA DMAC Fund and the MFA Mortgage Fund. The FFF Bond Fund invests in securities similar to the existing bond fund except that the FFF option excludes those holdings directly related to non-renewable energy extraction, processing and transportation. This additional screening is estimated to exclude approximately 4% of the population of investible securities compared to the existing bond fund.

In the calendar 2025 year, the FFF Bond Fund return closely matched the MFA Bond Fund (3.89% versus 3.90% respectively). While the FFF Fund typically allocates less to the energy sector and more to the real estate and financial sectors, these sector allocation differences had a limited

impact on performance over the year. Other MFA pooled funds delivered higher returns: the MFA Mortgage Fund returned 4.75% and the MFA DMAC returned 13.60% in 2025.

Staff will assess investment placements in existing and new MFA pooled funds in the future, for the CRD, the CRHD and the CRHC, as the need to place long-term funds arises.

Investment Holdings and Performance

Portfolio Holdings

On December 31, 2025, the Capital Regional Hospital District (CRHD) held \$38.0 million in short-term investments, as detailed in Table 1 below.

Table 1: CRHD Investment Holdings – December 31, 2025

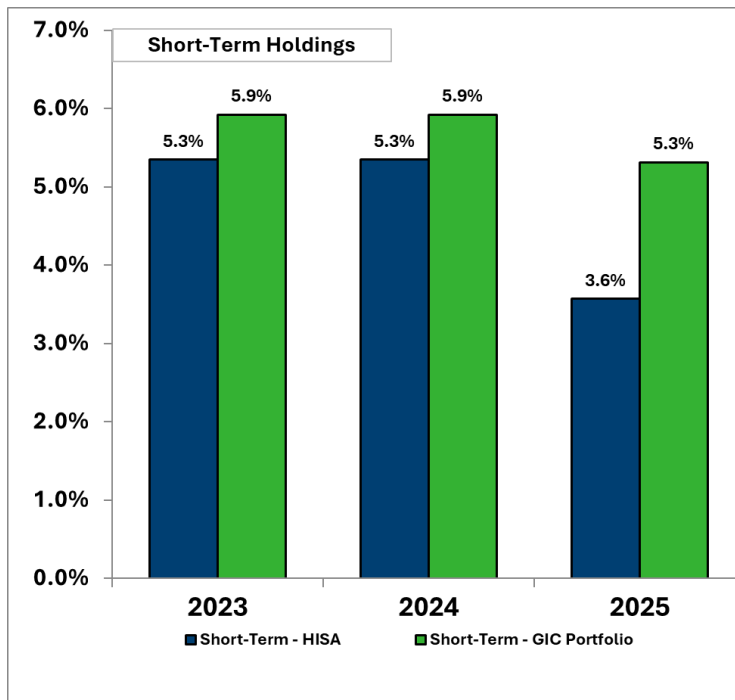
Investments	Balance (\$millions)	% Share
Investments Short-Term (less than 2 years)		
High Interest Savings Accounts (HISAs)	31.0	81.6%
Guaranteed Investment Certificates (GICs)	7.0	18.4%
Total Short-term:	38.0	100.0%
Total Investments:	\$38.0	100.0%

The portfolio was allocated between short-term and long-term investments in a 100%/0% split. Consistent with the Investment Policy, investments with maturities of less than two years are classified as short-term, while investments with maturities beyond two years are classified as long-term.

Performance

Graph 1 provides a detailed report on investment returns in 2025.

Graph 1: CRHD Investment Results



Short-Term Investments

Short-term investments are managed to preserve liquidity and support near-term operating and capital expenditures. These investments may include HISAs and GICs with varying terms, structured to align to forecast cash flow requirements.

In 2025, short-term GIC rates began the year above deposit yields but declined steadily through the year, ending slightly below deposit yields by year-end. Despite this trend, short-term investment performance remained strong.

For holdings with terms under two years, the short-term GIC portfolio generated a return of 5.3%, exceeding the benchmark of 3.6%. HISA accounts returned 3.6% compared to a benchmark of 3.2%. On a combined basis, the short-term portfolio (HISAs plus GICs with under two years remaining term) returned 4.2% versus a benchmark of 3.3%.

Long-Term Investments

In 2025, the CRHD did not hold long-term investments (holdings with terms exceeding two years). The portfolio was comprised exclusively of short-term instruments to meet liquidity and near-term funding requirements.

**REPORT TO HOSPITALS AND HOUSING COMMITTEE
MEETING OF WEDNESDAY, MARCH 04, 2026**

SUBJECT **Capital Region Housing Corporation Investment Portfolio Holdings and Performance Annual Update**

ISSUE SUMMARY

To provide an annual update on the Capital Region Housing Corporation (CRHC) investments held and performance for the period ended December 31, 2025.

BACKGROUND

The Capital Regional District (CRD) invests its operating, capital and reserve funds in accordance with the *Local Government Act, Community Charter* and Board approved Investment Policy (Appendix A). The Investment Policy governs the investment activities of all funds held by the CRD, the CRHC and the Capital Regional Hospital District (CRHD). All investment decisions are guided by four fundamental objectives: preservation of principal, liquidity, responsible investing and optimizing return on investment in alignment with policy requirements.

The policy also establishes minimum credit rating thresholds for eligible investments. Currently, investments with chartered banks or savings institutions must carry a minimum rating of R-1 for short-term and A- for long-term investments, as published by major credit rating agencies. These ratings are generally regarded as reflecting strong credit quality and a high degree of safety on investments.

Investment holdings are actively monitored to ensure alignment with the appropriate strategy and evolving economic conditions. The CRHC investments may include high-interest savings accounts (HISA), fixed term guaranteed investment certificates (GICs) and Municipal Finance Authority (MFA) pooled funds. As of December 31, 2025, CRHC holdings consisted of HISAs and the MFA Bond Fund, with no GIC holdings. Investment placements and divestitures are aligned with forecasted cashflow requirements.

Investments through 2025 have been made in alignment with the Board approved Investment Policy. Although economic and market conditions drove fluctuations and uncertainty in the portfolio, performance exceeded the benchmark rate, as detailed in the report.

IMPLICATIONS

Financial Implications

Portfolio Holdings

As of December 31, 2025, the CRHC investment portfolio totaled \$28.7 million, as outlined in Table 1.

Table 1: CRHC Investment Holdings – as of December 31, 2025

Investments	Balance (\$millions)	% Share
Investments Short-Term (less than 2 years)	18.8	65.6%
Investments Long-Term (more than 2 years)	9.9	34.4%
Total Investments:	\$28.7	100.0%

As shown in Table 1, the CRHC investment portfolio as of December 31, 2025, was allocated 66% to short-term investments and 34% to long-term investments. As detailed in the Board approved Investment Policy, products with maturities less than two years are classified as short-term while those greater than two years are classified as long-term.

Performance

The total effective return on investments during 2025 was \$0.7 Million, representing a return of 3.7%. Performance was primarily driven by higher interest rates in the first half of the year, positively impacting the returns on HISAs and the MFA Bond Fund.

Table 2 below shows the three-year trend on investment income.

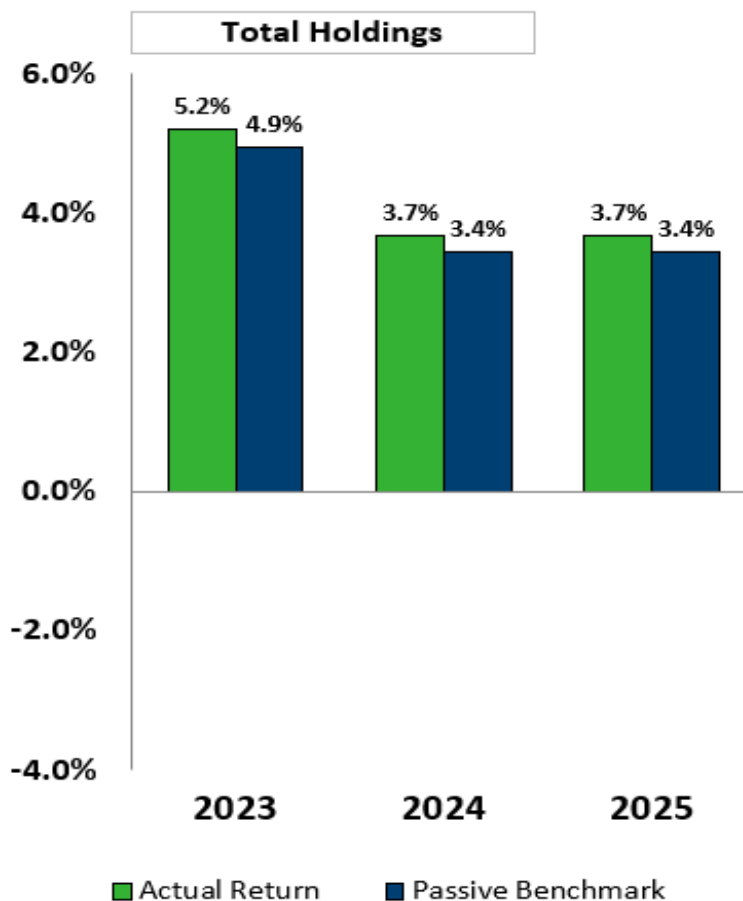
Table 2: CRHC Investment Income Three-Year Trend (\$ Millions)

	2023		2024		2025	
Passive Benchmark	4.5%	\$0.6	4.9%	\$0.6	3.5%	\$0.6
Active Management	1.0%	\$0.1	0.3%	\$0.1	0.2%	\$0.1
Total	5.5%	\$0.7	5.2%	\$0.7	3.7%	\$0.7

As shown in Table 2, the passive benchmark approach reflects investment returns that would be achieved without active management. The benchmark is calculated using the weighted average of holdings across investment categories including HISAs and MFA pooled funds. This methodology provides a more accurate representation of portfolio holdings, accounting for differences in passive investment returns based on their respective category.

Graph 1 provides a summary report on investment returns in 2025.

Graph 1: CRHC Investment Results - 2025:



In 2025, the Bank of Canada reduced the overnight interest rate four times, lowering the policy rate from 3.25% at the start of the year to 2.25% by October, where it remained through year-end. Additional information can be found in Appendix B.

During 2025, monthly expenditures for operating, capital and financing activities averaged \$5.4 million. Notable capital projects included the Michigan project, Caledonia, the Carey Lane Building Envelope Remediation project, the Verdier site acquisition and initial demolition and the Campus View and Village on Green redevelopments.

Strong cash flow forecasting and an active investment management strategy led to the rebalancing of the portfolio throughout the year to manage performance. Further details regarding investment holdings and performance can be found in Appendix C.

CONCLUSION

Overall, the CRHC portfolio of investments reflects the four fundamental objectives of safety of principal, liquidity, responsible investment and return on investment. Investments have been made in keeping with requirements under the Investment Policy and investment performance generally exceeded expectations for the year ending December 31, 2025.

RECOMMENDATION

There is no recommendation. This report is for information only.

Submitted by:	Andrew Hoge, CFA, CPA, CGA, Mgr., Corporate Finance & Treasury
Concurrence:	Varinia Somosan, CPA, CGA, Acting Chief Financial Officer & General Manager, Finance & Technology
Concurrence:	Ted Robbins, B. Sc., C. Tech., Chief Administrative Officer

ATTACHMENTS

- Appendix A: Investment Policy
- Appendix B: Market Analysis
- Appendix C: Investment Holdings and Performance



CAPITAL REGIONAL DISTRICT

Making a difference...together

INVESTMENT POLICY

Policy Type	Board [Corporate]		
Title	INVESTMENT POLICY		
Adopted Date	September 22, 2013	Policy Number	BRD07
Amendment #1	May 10, 2017		
Amendment #2	March 10, 2021 (Approved)		
Amendment #3	March 9, 2022 (Approved)		
Policy Owner	Financial Services		

1. PURPOSE

This investment policy provides the framework for investment portfolio management for the Capital Regional District (CRD), Capital Regional Hospital District (CRHD) and Capital Region Housing Corporation (CRHC).

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R-1 (low)	A (low)			
R-2 (high)	BBB (high)	Speculative Grade	Adequate	Not Permissible
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R-2 (low) / R-3	BBB (low)			
R-4	BB (high)		Speculative	
R-4	BB			
R-4	BB (low)		Highly Speculative	
R-4	B (high)			
R-5	B			
R-5	B (low)			
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R-5	CCC			
R-5	CCC			
R-5	CC			
R-5	C			
D	D		Default	

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Fixed Guaranteed Investment Certificate (GIC) - 180 Day / 1 Year (Indicative quotes received)	5.30% - 5.60%	5.40% - 5.50%	3.30% - 3.60%

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Investment Marketplace

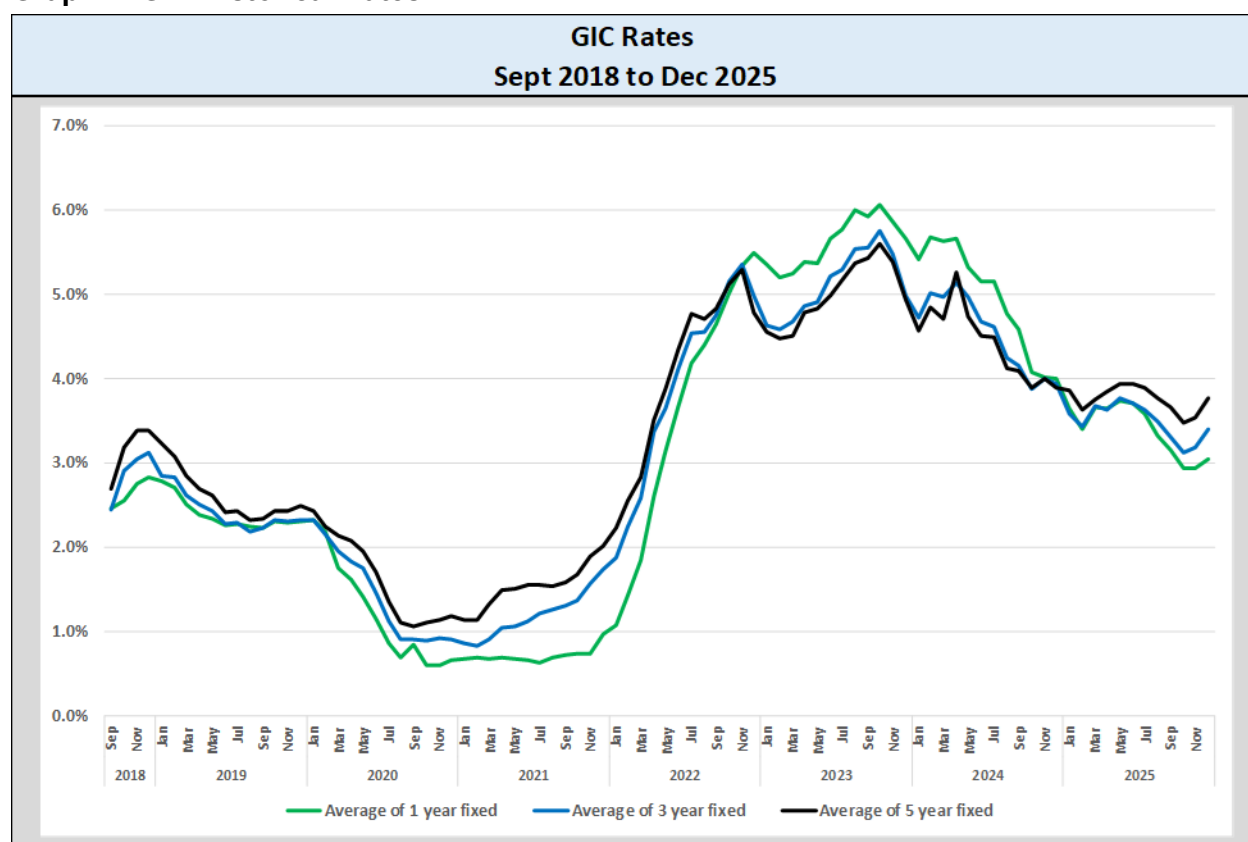
Fixed deposit rates moderated through 2025 as the Bank of Canada continued to ease monetary policy, with market yields adjusting lower across short- and mid-term maturities. Consistent with this environment, observed one- to five-year GIC rates declined versus 2024.

Despite lower yields, MFA pooled fund returns remained positive in 2025. Fixed income funds generated steady income-driven results. The Diversified Multi-Asset Class (DMAC) fund also delivered strong results, with the MFA DMAC Fund returning 13.60%, reflecting positive contributions from growth assets alongside the ongoing benefit of higher-than-pre-2022 starting yields in fixed income markets.

In 2025, HISA rates also decreased but remained competitive relative to GIC rates across most terms. As a result, year-end allocations to HISAs were increased where appropriate to optimize interest earnings while preserving liquidity and operational flexibility.

As shown in Graph 1, GIC rates were at their highest late in 2023 and have been moving lower ever since.

Graph 1: GIC Historical Rates



The CRD continues to hold units in the MFA Bond Fund, MFA Fossil Fuel-Free (FFF) Bond Fund, the MFA DMAC Fund and the MFA Mortgage Fund. The FFF Bond Fund invests in securities similar to the existing bond fund except that the FFF option excludes those holdings directly related to non-renewable energy extraction, processing and transportation. This additional screening is estimated to exclude approximately 4% of the population of investible securities compared to the existing bond fund.

In the calendar 2025 year, the FFF Bond Fund return closely matched the MFA Bond Fund (3.89% versus 3.90% respectively). While the FFF Fund typically allocates less to the energy sector and more to the real estate and financial sectors, these sector allocation differences had a limited

impact on performance over the year. Other MFA pooled funds delivered higher returns: the MFA Mortgage Fund returned 4.75% and the MFA DMAC returned 13.60% in 2025.

Staff will assess investment placements in existing and new MFA pooled funds in the future, for the CRD, the CRHD and the CRHC, as the need to place long-term funds arises.

Investment Holdings and Performance

Portfolio Holdings

On December 31, 2025, the Capital Region Housing Corporation (CRHC) held \$28.7 million in short- and long-term investments, as detailed in Table 1 below.

Table 1: CRHC Investment Holdings – December 31, 2025

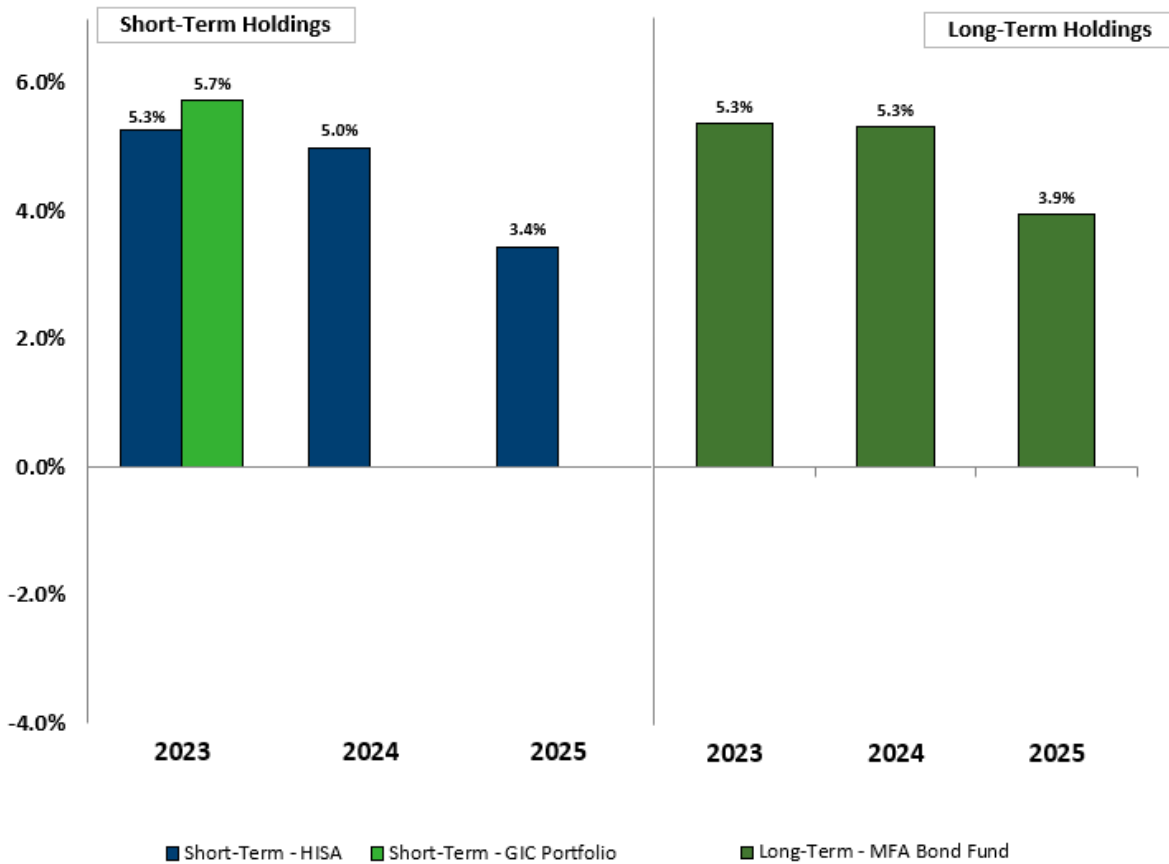
Investments	Balance (\$millions)	% Share
Investments Short-Term (less than 2 years)		
High Interest Savings Account	18.8	65.6%
Total Short-term:	18.8	65.6%
Investments Long-Term (more than 2 years)		
MFA Bond Fund	9.9	34.4%
Total Long-term:	9.9	34.4%
Total Investments:	\$28.7	100.0%

The portfolio was allocated between short-term and long-term investments in a 66%/34% split. Consistent with the Investment Policy, investments with maturities of less than two years are classified as short-term, while investments with maturities beyond two years are classified as long-term.

Performance

Graph 1 (page 2) provides a detailed report on investment returns in 2025.

Graph 1: CRHC Investment Results



Short-Term Investments

Short-term investments are managed to preserve liquidity and support near-term operating and capital expenditures. These investments may include high interest savings accounts (HISAs) and guaranteed investment certificates (GICs) with varying terms, structured to align to forecast cash flow requirements.

In 2025, short-term GIC rates began the year above deposit yields but declined steadily through the year, ending slightly below deposit yields by year-end. Despite this trend, short-term investment performance remained strong.

In the year, the portfolio held no GICs with under two years remaining term. HISA accounts returned 3.4% compared to a benchmark of 3.2%.

Long-Term Investments

Long-term investments consist primarily of long-term capital reserves invested in the Municipal Finance Authority (MFA) Bond Fund.

In 2025, the MFA Bond Fund returned 3.9% versus a benchmark of 3.7%.



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REPORT TO HOSPITALS AND HOUSING COMMITTEE MEETING OF WEDNESDAY, MARCH 4, 2026

SUBJECT **Options for Immediate Actions to Advance Supportive Housing and Sheltering**

ISSUE SUMMARY

This report outlines options for immediate actions to advance supportive housing and sheltering spaces in municipalities across the region. It also provides a high-level overview of the Capital Regional District's (CRD) relevant service and legislative authorities related to supportive housing and sheltering.

BACKGROUND

On December 10, 2025, the Honourable Christine Boyle, Minister of Housing and Municipal Affairs, presented to the CRD Board on a regional approach to homelessness and sheltering. The Minister called for more supportive housing and sheltering facilities outside the City of Victoria and emphasized the importance of a coordinated, region-wide response to homelessness. During a question-and-answer period, the Minister noted that communities have a role in identifying suitable land for supportive housing and sheltering. The Minister further indicated that where appropriate sites are identified, the Province would welcome engagement and that provincial resources may be available to support such projects.

At this same meeting, CRD staff presented a report summarizing recent regional engagement on the CRD's potential role in advancing supportive housing and sheltering objectives. The staff report provides an overview of the CRD's current role in regional homelessness and the actions that are being undertaken under the CRD's mandate and authority. The engagement involved a wide range of partners - including non-profit housing providers, social service organizations, community partners, municipal staff, and those with lived and living experience - to gather perspectives on service gaps, barriers, and opportunities to inform potential future actions for the CRD pertaining to homelessness. The engagement identified key roles that could be incorporated into an update of the Regional Housing Affordability Strategy (RHAS) to support a coordinated regional response to homelessness and housing affordability. Work is ongoing to update the RHAS, which is expected to be presented to the Board in September 2026.

Three key potential roles emerged from this engagement and were captured in the December 10 report:

- 1) **Regional alignment:** Aligning jurisdictions, partners, and strategies across the region is essential to effective coordination in addressing homelessness.
- 2) **Strengthened housing and service capacity:** A coordinated response must reflect the unique context of each jurisdiction and leverage local experience addressing complex health and social issues, coordination, while breaking down service silos, reducing redundancies, and using resources effectively.
- 3) **Improved regional data systems:** Accessible, real-time, and up-to-date data on housing and services supports a coordinated approach. It helps identify gaps, streamline access for people experiencing homelessness, and enables communities to track individuals, document needs, prioritize housing, and connect people to appropriate supports.

Following the presentation of the report, the CRD Board directed staff to incorporate these key roles into the ongoing development of the RHAS. The Board also approved the following motion:

“And that staff be further directed to report back to the Board at its March 2026 meeting on options for immediate actions to advance supportive housing and sheltering spaces in municipalities across the region.”

ALTERNATIVES

Alternative 1

The Hospitals and Housing Committee recommends to the Capital Regional District Board (CRD):

1. That the CRD Chair, on behalf of the CRD Board, sends a letter to member municipalities (Appendix A) requesting that they identify potential sites for supportive housing and sheltering and report this information to the Province; and
2. That the CRD Chair, on behalf of the CRD Board, sends a letter to the Minister of Housing (Appendix B) requesting continued provincial support and direction to advance the Mount Tolmie Project, including clarification of next steps and timelines.

Alternative 2

That this report be referred to staff for additional information based on the Hospitals and Housing Committee's direction.

IMPLICATIONS

Service Delivery Implications:

Since 2019, the CRD has served as the Community Entity (CE) for the federally funded Reaching Home Program (RHP) within the Victoria Census Metropolitan Area (CMA). The RHP is a community-based program that helps prevent and reduce homelessness across Canada by providing funding to urban, Indigenous, rural, and remote communities to address local homelessness needs. The RHP aligns with the goals of the National Housing Strategy to support the most vulnerable Canadians in maintaining safe, stable, and affordable housing and to reduce chronic homelessness nationally by 50% by 2028.

Between 2019 and 2028, the CRD will administer approximately \$27.9 million (M) in RHP funding. For the current 2025–2026 fiscal year, 18 projects in the Victoria CMA are supported through the program (see Appendix C for a full list of projects).

A call for proposals for the 2026–2028 funding period, providing over \$5.4M, was issued in December 2025. CRD staff have received 24 applications from community partners totalling over \$13.1M. Applications are currently under review, and funding agreements are being implemented with selected projects in accordance with RHP administrative requirements. The CRD team administering the RHP are currently at full capacity and would require additional staffing to implement any further initiatives advancing supportive housing and sheltering.

Intergovernmental Implications

Request to Member Municipalities:

An immediate proposed action to advance supportive housing and sheltering in municipalities across the region is to advance a letter (suggested wording attached as Appendix A) from the CRD Board Chair to member municipalities. The draft letter requests that municipalities work to identify publicly owned or otherwise viable lands or facilities within their jurisdictions that may be suitable for supportive housing or sheltering. Municipalities are encouraged to report any identified

sites directly to the Province, consistent with the Minister’s suggestion from the December 2025 presentation to the CRD Board.

Letter to the Honourable Christine Boyle, Minister of Housing and Municipal Affairs:

A second proposed immediate action to advance supportive housing and sheltering in municipalities across the region, is to advance a letter (suggested wording attached as Appendix B) from the CRD Board Chair to the Minister of Housing and Municipal Affairs. The letter thanks the Minister for her presentation and requests continued provincial support for the Mount Tolmie Project, located in the District of Saanich, including a request that the Province provide clarification on timelines and next steps to advance the project.

The Mount Tolmie Project, which is being developed in partnership between the Capital Regional Hospital District (CRHD), BC Housing and Canada Mortgage and Housing Corporation, will convert the former Mount Tolmie Hospital into approximately 50 units of BC Housing-funded deeply affordable rental housing with on-site support services. In December 2023, the CRHD approved a contribution of \$10M through the Regional Housing First Program (RHFP), enabling purchase of the land and development of units. Key milestones achieved to date include:

- May 2022: Letter of Intent between BC Housing and the CRD confirming the parties’ mutual intent to enter into a formal agreement to acquire the property through the RHFP.
- October 2022: CRHD Board authorized Chief Administrative Officer to purchase the property and enter a 20-year lease with BC Housing to renovate and operate the housing.
- December 2023: CRHD approved the \$10M necessary to acquire the lands under the RHFP.
- November 2024: CRHD acquired lands and improvements at 3690 Richmond Road, Saanich.
- December 2024: CRHD and BC Housing executed a 20-year lease at a nominal value where BC Housing agreed to undertake necessary renovations within two years and then operate the housing.

As of January 2026, BC Housing staff have shared that they are currently awaiting approval, but that the high cost of renovation and the 20-year timeframe are presenting challenges for their ministry partners. Therefore, BC Housing is unable to provide a timeline for project approval or for construction to commence on the renovations.

As the project’s progression depends on provincial action, the letter acknowledges the Minister’s commitment to collaboration, reiterates the CRD’s interest in advancing the project promptly, and requests clarification on the timelines and next steps to move the project forward.

Provincial Alignment Project:

Through the RHP, CRD staff are participating in the Alignment Project, a joint federal-provincial-community initiative launched in 2024 by BC Housing, Housing Infrastructure and Communities Canada, and Reaching Home CEs in British Columbia. This project is being implemented in phases across the province to make changes to existing Coordinated Access (CA) processes and expand the use of the Homeless Individuals and Families Information System (HIFIS).

The project intends to bring greater coordination to the many roles, responsibilities, technology, and tools across programs that support people experiencing or at risk of homelessness, ensuring they operate in a more integrated and effective way.

A key component of the Alignment Project is the creation of the Homelessness Response Leadership Table (HRLT). This table will support regional partners with planning, implementation, reporting, and aligning funding streams to prevent and reduce homelessness, helping to coordinate a regional approach to homelessness. A focus of the HRLT is to help guide changes to existing CA processes and the use of HIFIS across the region. Through its role as a CE, the CRD supports the work of the HRLT in accordance with the administration requirements set out in the RHP. The table is co-chaired by staff-level representatives from the CRD, BC Housing, and the Victoria Native Friendship Centre (VNFC), with additional members including municipal, provincial, and non-profit executives from the region.

Legal Implications

CRD staff engaged external counsel to conduct a legal review to clarify the CRD's authority related to supportive housing and sheltering.

In general, the opinion confirms staff's understanding of the relevant service authorities:

1. The Land Assembly, Housing and Land Banking Service authorizes long-term development of housing projects. This service could be used to purchase land, which then could be leased to an operator for direct delivery of support services or banking the land for future development. However, the service cannot fund the stand-alone construction of shelters or the immediate direct delivery of services to unhoused individuals.
2. The Capital Region Housing Corporation (CRHC) may participate in development of supportive housing projects but does not have authority to provide direct services to individuals experiencing homelessness under its Articles of Incorporation. It has no separate funding source, beyond rents or reliance on the Land Assembly, Housing and Land Banking Service funding.
3. The Regional Housing Trust Fund can provide capital funding for housing projects, which could include housing with support services. The current purposes of the service do not include the funding of emergency shelters.
4. The CRD's Community Health Service could support direct provision and administration of community health services to address health needs of the unhoused population but would require the authorization of the Minister of Health prior to service delivery.
5. The CRD's Emergency Management powers could be used, with agreement amongst all municipalities, to develop a regional strategy to support the unhoused in an emergency. Homelessness on its own, absent of a disaster, is not enough to declare a state of emergency.
6. The CRD's corporate power of assistance may be used to provide funds in the form of grants to community organizations or projects to support work with the unhoused population, which may provide funds to support individuals with supportive housing needs. A service would need to be identified (such as Community Health) which could tie the form of assistance to the purpose of the service.

The CRD and the CRHC have limited authority to take additional actions in the immediate to near term to advance supportive housing and sheltering spaces in the region. Any additional work in this area may require amending existing or establishing new service authorities as well as additional staffing capacity and resources to advance.

Financial Implications:

No new or additional resources are available to support actions beyond those identified in this report. CRD staff administering the RHP are at full capacity and would require additional staffing to support any further actions. Any initiative requiring additional funding would need to be considered through the CRD's future financial planning process.

CONCLUSION

This report outlines two immediate actions to advance supportive housing and sheltering in the region: engaging municipalities to identify potential sites and seeking continued provincial support for the Mount Tolmie Project. The CRD and CRHC have limited authority to advance initiatives in the immediate to near term specific to supportive housing and sheltering for households experiencing homelessness, and any further work in this area may require amending existing or establishing new service authority. Both of the actions identified in this report align with the approach outlined by the Minister on December 10 to increase housing options with on-site support services outside the region’s core. Any additional actions would likely require additional staffing capacity and resources to advance.

RECOMMENDATION

The Hospitals and Housing Committee recommends to the Capital Regional District Board (CRD):

1. That the CRD Chair, on behalf of the CRD Board, sends a letter to member municipalities (Appendix A) requesting that they identify potential sites for supportive housing and sheltering and report this information to the Province; and
2. That the CRD Chair, on behalf of the CRD Board, sends a letter to the Minister of Housing (Appendix B) requesting continued provincial support and direction to advance the Mount Tolmie Project, including clarification of next steps and timelines.

Submitted by:	Don Elliott, BA, MUP, Senior Manager, Regional Housing
Concurrence:	Kevin Lorette, P. Eng., MBA, General Manager, Housing, Planning and Protective Services
Concurrence:	Kristen Morley, J.D., Corporate Officer & General Manager, Corporate Services
Concurrence:	Ted Robbins, B. Sc., C. Tech., Chief Administrative Officer

ATTACHMENTS:

- Appendix A: Draft CRD Request for Municipal Supportive Housing and Shelter Site Identification
- Appendix B: Draft Letter to the Honourable Christine Boyle, Minister of Housing and Municipal Affairs
- Appendix C: Reaching Home Program Funded Sub-Projects: 2024-2026



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[Date]

File:

Mayor and Council
[Municipality Name]
[Address]
[City, Postal Code]

Dear Mayor and Council:

RE: POTENTIAL SITES FOR SUPPORTIVE HOUSING AND SHELTERING

At its December 10, 2025, meeting, the Capital Regional District (CRD) Board received a report on Regional Engagement on Supportive Housing and Sheltering (attached). At the December meeting, the Honourable Christine Boyle, Minister of Housing and Municipal Affairs, presented on a Regional Approach to Homelessness and Sheltering. The Board subsequently directed staff to report back in March 2026 on immediate actions to advance supportive housing and sheltering across municipalities in the region.

During her presentation, Minister Boyle emphasized the importance of locating supportive housing and sheltering facilities outside the City of Victoria and noted that there may be resources available to support such projects. She advised communities could identify potential sites within their jurisdictions suitable for the development of supportive housing and sheltering and report them to the Province.

As an immediate action, and to support the needs of individuals experiencing homelessness and housing precarity across the capital region, the CRD Board is requesting that member municipalities undertake an internal review to identify any publicly owned or otherwise viable lands or facilities that could be considered as suitable for supportive housing or sheltering. This may include surplus or underutilized municipal lands, or sites that align with local planning objectives and growth strategies. Municipalities are encouraged to report any identified sites directly to the Ministry of Housing and Municipal Affairs, through the Minister's office, and to BC Housing, through Development Strategies:

Hon. Christine Boyle
Minister of Housing and Municipal Affairs
Parliament Buildings
Victoria, BC V8V 1X4
HMA.Minister@gov.bc.ca

BC Housing Development Strategies
Suite 1701-4555 Kingsway
Burnaby, BC V5H 4V8
dev-strategies@bchousing.org

Reporting potential sites directly to the Province helps ensure local priorities are clearly communicated and enables provincial resources to be aligned effectively with regional needs and opportunities.

The CRD remains committed to supporting regional coordination and information sharing as this work advances. Should your staff require additional context or access to the regional data as may be available, we would be pleased to help facilitate those connections.

Thank you for your continued leadership and collaboration as we work together to expand housing options for residents across the region.

Sincerely,

Chair, Capital Regional District Board

cc: CRD Board
Ted Robbins, Chief Administrative Officer, CRD
Minister of Housing and Municipal Affairs
BC Housing Development Strategies

Attachment: What We Heard: A Report of the Findings from the Capital Regional District's Engagement on Sheltering and Supportive Housing

Draft for Consideration





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Minister of Housing and Municipal Affairs

[Address]

[City, Province Postal Code]

Dear :

RE: MOUNT TOLMIE PROJECT

On behalf of the Capital Regional District (CRD) Board, I would like to extend sincere appreciation for your presentation to the Board on December 10, 2025. Your willingness to engage directly with regional directors and outline provincial housing priorities was greatly valued. The dialogue that followed underscored the importance of continued collaboration between different orders of government as we work together to address the housing challenges throughout our region and across our province.

Your presentation outlined the critical role of supportive housing in the Province's response to the housing crisis, and Board members welcomed the opportunity to discuss how provincial initiatives intersect with regional needs and ongoing CRD efforts. You also emphasized the importance of locating supportive housing facilities outside the City of Victoria and noted that the Province may have resources available to support the development of such projects.

As part of our ongoing partnership, the Board wishes to highlight the importance of continued provincial support for the Mount Tolmie Project, located in the District of Saanich. This project is to provide up to 50 deeply affordable rental homes with on-site support services in partnership with BC Housing. In December 2023, the Capital Regional Hospital District (CRHD) approved a \$10 million (M) investment through the Regional Housing First Program (RHFP) for the acquisition of Mount Tolmie Hospital, enabling the purchase of the land by the CRHD. The lands were then leased to BC Housing for a nominal amount to support the creation of 50 homes through a renovation undertaken by BC Housing. The RHFP is a partnership between the CRD, BC Housing and Canada Mortgage and Housing Corporation (CMHC) that required that construction be started by December 31, 2025.

The Mount Tolmie Project will directly support the approach you encouraged by locating much-needed housing with on-site support outside the region's core. In support of this project, significant milestones have been achieved, including:

- ❖ **May 2022** - A Letter of Intent between the CRD and BC Housing was executed, confirming the parties' mutual intention to enter into a formal agreement to acquire the property through the RHFP.
- ❖ **October 2022** - The CRHD Board authorized the Chief Administrative Officer to purchase 3690 Richmond Road and to execute a 20-year Lease and Operator Agreement, which obligates BC Housing to substantially complete renovations no later than two years following commencement of the lease.

- ❖ **December 2023** - The CRHD approved a \$10M funding contribution via the RHFP for the acquisition of the Mount Tolmie Hospital, enabling the purchase of the land under the terms of the RHFP.
- ❖ **November 2024** – CRHD acquired lands and improvements at 3960 Richmond Road, Saanich.
- ❖ **December 2024** - The CRHD entered a 20-year lease with BC Housing for a nominal amount, which requires construction to be substantially complete within two years to convert the existing structure into approximately 50 rental homes.

The project now awaits next steps from BC Housing and the Province. Throughout 2025, CRD staff sought confirmation from BC Housing regarding the anticipated construction start date. In November 2025, BC Housing staff advised that the Mount Tolmie Project would not meet the required construction start date of December 31, 2025.

Given the CRD's significant financial commitment, the acquisition of the property, and the project's alignment with provincial priorities, the CRD Board welcomes provincial support in clarifying next steps and establishing timelines to advance the project under the lease agreement that was entered into in December 2024. Timely provincial direction and coordination with BC Housing will be essential to avoid further delays and to maintain compliance with the RHFP funding agreements and associated program requirements.

Our Board values your commitment to working collaboratively with the CRD and remains eager to continue this project with the Ministry of Housing and Municipal Affairs. Should you or your staff wish to discuss the Mount Tolmie Project or broader regional housing priorities, CRD staff would be pleased to arrange a follow-up meeting.

Thank you again for your leadership and continued partnership with the CRD.

Sincerely,

Chair, Capital Regional District Board

Draft for Consideration



Reaching Home Program Funded Sub-Projects: 2024-2026

<i>Non-Profit Organization</i>	<i>Program</i>	<i>Program Description</i>
<i>Victoria Women's Transition House Society</i>	Homelessness Prevention Project	Supports women survivors of intimate partner violence by providing temporary financial assistance for housing-related costs.
<i>Sooke Shelter Society</i>	Outreach Team	Provides housing support, including prevention and housing setup services, to Sooke residents experiencing or at risk of homelessness.
<i>John Howard Society - Victoria</i>	Housing Access Team (HAT)	John Howard Society provides housing access, landlord liaison and support for individuals in moving to, and stabilizing in permanent independent housing.
<i>Pacifica Housing Advisory Association</i>	Streets to Homes	Funds housing outreach workers to help clients with chronic or episodic homelessness secure and maintain market housing.
<i>Beacon Community Association</i>	Homelessness Prevention Fund	Beacon Community Association provides a one-time emergency assistance subsidy for individuals and families who are in financial threat of losing their housing.
<i>Victoria Cool Aid Society</i>	Towards Health and Wellbeing Through Cultural Community	Funds two fulltime Indigenous Cultural Liaisons who connect Indigenous clients to a variety of cultural activities, Elders, clinical services, life skills education and supports.
<i>Threshold Housing</i>	Youth Engagement for Brighter Futures	Threshold Housing is funded to provide a youth transitional housing program, supporting at-risk youth between the ages of 16 to 24.
<i>PEERS Victoria Resources Society</i>	Housing Outreach & Support for Sex Workers and Connected Community	Supports clients in finding and maintaining affordable housing and administers 14 housing subsidies on behalf of BC Housing.
<i>Burnside Gorge Community Association</i>	Supporting Families Transitioning to Permanency	Provides supports to families who are at risk of or experiencing homelessness.
<i>Victoria Native Friendship Centre</i>	Properties, Homes & Living Supports	Operates housing and provides a variety of services to individuals at risk of or experiencing homelessness including application support, budgeting, and advocacy.

Reaching Home Program Funded Sub-Projects: 2024-2026

<i>Non-Profit Organization</i>	<i>Program</i>	<i>Program Description</i>
<i>Threshold Housing Society</i>	Scattered Housing for Youth (SHY)	Provides housing and supports to youth aged 16-25 in apartments across the capital region.
<i>Capital Regional District</i>	CAA Planner	Funds one fulltime Coordinated Access & Assessment Planner to support in administration and community liaison.
<i>Pacifica Housing Advisory Association</i>	Community Connections Program	A proactive, trauma-informed homeless prevention program within Pacifica Housing's subsidized independent-rental housing portfolio of 28 buildings/1,084 units in the CRD.
<i>Beacon Community Association</i>	Program Coordinator- Mirrors	Integration of a Program Coordinator to the Mirrors Supportive Housing Program for young adults between 19 and 27 years of age, will increase cultural connections, life-skill enhancement and increase the confidence and resilience of participants through group and individualized programming.
<i>Community Social Planning Council</i>	Point in Time (PiT) Count	In partnership with the CRD, the PiT Count includes an enumeration of people experiencing homelessness in the Greater Victoria region.
<i>Community Social Planning Council</i>	Youth ID Clinics	Provides monthly drop-in identification clinics for Indigenous youth and/or youth experiencing complex health issues who are under 25 years old, as well as cover ID fees.
<i>Victoria Brain Injury Society</i>	Housing Outreach Program (HOP)	Provides access to safe and affordable housing supports for individuals affected by brain injuries. Through financial aid, home resources, and training, HOP addresses housing challenges, empowering survivors with communication, confidence, and tenancy skills.
<i>Community Social Planning Council</i>	Eviction Prevention Grant	Provides grants to households at imminent risk of homelessness through the provision of emergency financial assistance for eligible households where a nominal one-time grant can prevent eviction (i.e., rental arrears) for the foreseeable future.

**REPORT TO HOSPITALS AND HOUSING COMMITTEE
MEETING OF WEDNESDAY, MARCH 4, 2026**

SUBJECT Cedar Hill Library and Affordable Housing Development – Mortgage Registration and Final Project Approval

ISSUE SUMMARY

BC Housing Management Commission (BCHMC) requires a Resolution of Directors from the Capital Region Housing Corporation (CRHC) Board to authorize the execution of the mortgage documents relating to the Cedar Hill Library and Affordable Housing Development (CHLAH) project, located on the Lands (Legal Description: Lot A, Sections 41 and 57, Victoria District, Plan EPP138867) commonly known as 3950 Cedar Hill Road in the District of Saanich (Saanich).

The Policy to Determine Delegation of Authority for the CRHC requires that any acquisition, retention, management or divestment of lands or improvements or any interest or right in or with respect to property of the CRHC that exceeds \$500 thousand (K) be considered by the Board.

BACKGROUND

In August 2020, the CRHC and Saanich entered a non-binding Letter of Intent (LOI) to explore the redevelopment of 3950 Cedar Hill Road. The project stems from Saanich's goal to deliver a new public library and affordable housing within the University Centre Transit Oriented Area, replacing the existing Nellie McClung Library with an 18-storey mixed-use building that includes a 2,727 m² library on the main level, and 210 affordable rental homes above.

Since the LOI was executed, the CRHC has served as development manager and advanced planning, design, development, and procurement activities with the support of Saanich staff. Although the project was not selected in the 2021 Building BC: Community Housing Fund (CHF) call, it provisionally secured grant funding and financing through the 2023 CHF intake.

On March 12, 2025, the CRHC Board approved the Master Development Agreement (MDA), replacing the LOI. The MDA formalizes the partnership between the CRHC and Saanich and establishes the roles, funding structure and the legal framework required to advance the project through final approvals, subdivision, leasing, construction, and operations.

Zoning approval was obtained in June 2024, and the Development Permit was secured in March 2025. The Demolition Permit was issued in September 2025 with demolition beginning in December 2025 and scheduled for completion in March 2026. Issuance of the Building Permit is anticipated in March 2026.

ALTERNATIVES

Alternative 1

The Hospitals and Housing Committee recommends to the Capital Region Housing Corporation Board:

1. That the Resolution of Directors for the Repayable Mortgage in the form required by BC Housing Management Commission for authorizing the execution of the Loan and Mortgage documents for the project on the Lands commonly known as 3950 Cedar Hill Road (PID: 032-758-146), substantially in the form attached hereto as Appendix A, be approved;

2. That the Resolution of Directors for the Forgivable Mortgage in the form required by BC Housing Management Commission for authorizing the execution of the Loan and Mortgage documents for the project on the Lands commonly known as 3950 Cedar Hill Road (PID: 032-758-146), substantially in the form attached hereto as Appendix B, be approved; and
3. That Edward Robbins, Chief Administrative Officer or Nelson Chan, Chief Financial Officer, or their respective duly authorized delegates be hereby authorized to do all things necessary to affect the project and take such steps as required to conclude the financing, lease, construction, and operation of the project located at 3950 Cedar Hill Road.

Alternative 2

That this report be referred to staff for additional information based on Hospitals and Housing Committee Direction.

IMPLICATIONS

Financial Implications

In January 2026, the competitive tender process concluded for all subcontracted work under the Construction Management – for Service and Construction delivery model. This procurement confirmed the final budget at \$157.8 million (M), inclusive of the library costs, but excluding furnishings. The final Class A budget is approximately \$13.1M lower than the \$170.9M Class B budget that informed the CRHC Major Capital Plan (2026-2030).

The cost savings are primarily attributed to a design contingency that had been conservatively inflated in the Class B budget to mitigate potential risks related to site conditions, unknown offsite servicing requirements, and the fast-tracked design and approval process. In addition, a softening construction market and strong competition among trade contractors contributed to favorable pricing outcomes.

Final Project Approval (FPA) through BCHMC was achieved in February 2026 and reflects a repayable mortgage of \$88.2M, a forgivable mortgage of \$34.6M through the CHF, a \$289K grant and equity contributions from Saanich, totalling \$34.7M. Saanich’s equity contributions reflect its proportional share of the library development and construction. Consistent with CHF program requirements, the CRHC’s repayable mortgage applies only to the housing component of the project.

Table 1: Project Equity Breakdown

Community Housing Fund (Housing)	\$34,571,460	21.9%
Saanich Affordable Housing Reserve Fund (Housing)	\$288,500	0.2%
Saanich Equity Contribution (Library)	\$31,079,547	19.7%
Saanich Land Equity In-kind (Library)	\$3,640,000	2.3%
Total Equity Deductions	\$69,579,507	44.1%
Mortgage Debt	\$88,249,106	55.9%
Total Project Costs	\$157,828,613	100.0%

Initially, the project will secure short-term construction financing at BCHMC's preferred rates, with interest accruing on the cumulative value of monthly construction draws. To minimize interest costs during the construction phase, grant funding will be fully expended before accessing short-term financing. On project completion, the construction financing and accrued interest will convert to take-out financing in the form of a repayable mortgage.

The current projections from BCHMC estimate a 4.59% interest rate for take-out financing at project completion in 2030. At that time, mortgage documents will be updated to reflect the final loan amount, interest rate and term. The repayable mortgage will be amortized over 35 years, while the forgivable mortgage will be forgiven in equal installments over 25 years, beginning in the 11th year of compliant operations. Both mortgages will be governed by the terms set out in the Loan Commitment Letters (Appendix D and Appendix E).

The CRHC will enter a long-term lease, with Saanich for a nominal value, at the onset of construction. Once construction is complete, a separate Air Space Parcel (ASP) lease will be finalized between Saanich and the Greater Victoria Public Library (GVPL) for GVPL to operate and maintain the new library space independently from the housing component of the building.

To mitigate project risk, the budget includes a contingency allowance of approximately \$16.3M, or 10.3% of the total project budget. This exceeds the average contingency value of 9.3% carried by CRHC at FPA and is generally in line with 5% to 10% range recommended by the Canadian Construction Association and the Royal Institute of Quantity Surveyors for Class A budgets. The contingency reflects key project-specific risks, including potential design coordination gaps that could cascade across a 210-unit building, cross-border supply chain constraints and interest-rate impacts on borrowing through 2030. These factors support the need for an elevated contingency to ensure project partners can respond to cost pressures without affecting project delivery or schedule.

Additionally, staff have incorporated targeted allowances within the final construction budget to manage elements of work where scope is known but cannot yet be fully defined, designed, or competitively priced. These allowances — totalling approximately \$2.4M within the \$122.4M construction budget — serve as controlled contingencies for anticipated scope, distinct from the broader project contingency reserved for unforeseen conditions. Identifying these items up front helps reduce risk of budget shortfalls by ensuring both the owner and contractor are protected while specialized design details are finalized. In line with current practices, the Board will continue to receive project and financial updates through the CRHC Quarterly Update reports.

Social Implications

The target populations for the affordable housing are low and moderate-income families, seniors, and people with disabilities capable of living independently without on-site supports. The funding program is structured to provide a mix of rent levels based on income thresholds including 20% (42 homes) at Shelter, 50% (105 homes) at rent geared-to-income (RGI), and 30% (63 homes) at Market rates. Five percent, or 11 homes, are designed to meet BC Housing's accessible design standards. With a notable emphasis on family-sized homes, the project offers 101 units (50%) with two bedrooms or more including 31 three-bedroom homes. See Appendix C for provisional rent structure.

Service Delivery Implications

The CHLAH leverages funding through the CHF to develop the property and maintain viable debt servicing levels once in operation. Operations and debt servicing will be paid through tenant rent revenue and an ongoing operating subsidy. BCHMC, through the CHF program, is committed to providing an ongoing operating subsidy to ensure the property maintains a Debt Coverage Ratio of 1:1 for the duration of the mortgage. In the first year of operation, the subsidy is estimated to total \$3.7M or \$1,475 per home per month. The value of the ongoing operating subsidy is based on an annual operating budget that is approved by BCHMC and will be provided directly to the CRHC as set out in the terms of the CHF Operating Agreement.

CONCLUSION

The Cedar Hill Library and Affordable Housing Development represents a significant step forward in advancing Capital Regional District and CRHC's shared commitment to increasing the supply of affordable, inclusive and adequate housing across the region. The project will provide 210 new affordable rental homes supported by a funding model that layers substantial contributions from Saanich with grant and financing commitments through the CHF, ensuring long-term financial sustainability.

With FPA secured through BCHMC, confirming all financing requirements, the project demonstrates strong intergovernmental collaboration and prudent fiscal management. Board approval of the Directors' Resolutions will authorize execution of the mortgage and loan documents, completing the final steps required to advance the project into construction while ensuring compliance with the CRHC Delegation of Authority Policy.

This partnership structure preserves public ownership, secures long-term affordability, and delivers both a new community library and 210 non-market homes, strengthening mixed-income, transit-oriented, and inclusive communities in Saanich.

RECOMMENDATION

The Hospitals and Housing Committee recommends to the Capital Region Housing Corporation Board:

1. That the Resolution of Directors for the Repayable Mortgage in the form required by BC Housing Management Commission for authorizing the execution of the Loan and Mortgage documents for the project on the Lands commonly known as 3950 Cedar Hill Road (PID: 032-758-146), substantially in the form attached hereto as Appendix A, be approved;
2. That the Resolution of Directors for the Forgivable Mortgage in the form required by BC Housing Management Commission for authorizing the execution of the Loan and Mortgage documents for the project on the Lands commonly known as 3950 Cedar Hill Road (PID: 032-758-146), substantially in the form attached hereto as Appendix B, be approved; and
3. That Edward Robbins, Chief Administrative Officer or Nelson Chan, Chief Financial Officer, or their respective duly authorized delegates be hereby authorized to do all things necessary to affect the project and take such steps as required to conclude the financing, lease, construction, and operation of the project located at 3950 Cedar Hill Road.

Hospitals and Housing Committee – March 4, 2026
Cedar Hill Library and Affordable Housing Development – Mortgage Registration and Final Project Approval

Submitted by:	Don Elliott, BA, MUP, Senior Manager, Regional Housing
Concurrence:	Kevin Lorette, P. Eng., MBA, General Manager, Housing, Planning and Protective Services
Concurrence:	Varinia Somosan, CPA, CGA, Acting Chief Financial Officer & General Manager, Finance & Technology
Concurrence:	Ted Robbins, B. Sc., C. Tech., Chief Administrative Officer

ATTACHMENTS:

- Appendix A: Draft Certified Resolution of Directors – Repayable Mortgage
- Appendix B: Draft Certified Resolution of Directors – Forgivable Mortgage
- Appendix C: Provisional Rent Levels
- Appendix D: Loan Commitment Letter – Repayable Mortgage
- Appendix E: Loan Commitment Letter – Forgivable Mortgage

CAPITAL REGION HOUSING CORPORATION
(the "Borrower")

RESOLUTION OF DIRECTORS

"WHEREAS the Borrower leases or intends to lease the property at 3950 Cedar Hill Road, Victoria, BC, legally described as:

PID: 032-758-146
LEGAL: LOT A SECTIONS 41 AND 57 VICTORIA DISTRICT PLAN EPP138867
(the "Property")

and proposes to construct and operate a housing project (the "Project") on a portion of the Property to be subdivided by air space parcel subdivision at a later date, to be legally described as:

PID: NO PID
LEGAL: LOT A SECTIONS 41 AND 57 VICTORIA DISTRICT PLAN
EPP138867EXCEPT AIR SPACE PLAN EPP _____
(the "Project Lands")

with the financial support of the British Columbia Housing Management Commission ("BCHMC") Community Housing Fund program; and

WHEREAS the Borrower needs to borrow money in order to facilitate the construction of the Project;

BE IT RESOLVED THAT:

1. The Borrower borrow up to a maximum amount of **\$88,249,106** by way of a repayable loan secured by a mortgage of its leasehold interest in the Property and the Project Lands, including authorization for the long term financing from a takeout lender, to facilitate the construction of the Project and grant to BCHMC a covenant restricting the use of the Property in accordance with the Loan Commitment Letter;
2. The Borrower execute and deliver all documents required by BCHMC, the Provincial Rental Housing Commission ("PRHC") or the lender of the monies, including any takeout lender, in such form and containing such terms, covenants, provisos and conditions as are satisfactory to or required by them, including without limitation a Section 219 covenant, an HPA Covenant, an option to purchase, a mortgage, an assignment of rents, a security agreement, or an assignment of project agreements (and any assignments, modifications and assumptions thereto as approved by BCHMC); and
3. That Edward Robbins, Chief Administrative Officer or Nelson Chan, Chief Financial Officer, or their respective duly authorized delegates, together or with any one officer or director of the Borrower, for and on behalf of the Borrower, be and are hereby to execute and deliver under the seal of the Borrower or otherwise, all such deeds, documents and other writings and to do such acts and things in connection with the Property and the Project as they, in their discretion, may consider to be necessary or desirable for giving effect to this resolution and for the purpose of fulfilling the requirements of the PRHC or BCHMC."

CAPITAL REGION HOUSING CORPORATION
(the "Borrower")

RESOLUTION OF DIRECTORS

"WHEREAS the Borrower leases or intends to lease the property at 3950 Cedar Hill Road, Victoria, BC, legally described as:

PID: 032-758-146
LEGAL: LOT A SECTIONS 41 AND 57 VICTORIA DISTRICT PLAN EPP138867
(the "Property")

and proposes to construct and operate a housing project (the "Project") on a portion of the Property to be subdivided by air space parcel subdivision at a later date, to be legally described as:

PID: NO PID
LEGAL: LOT A SECTIONS 41 AND 57 VICTORIA DISTRICT PLAN
EPP138867EXCEPT AIR SPACE PLAN EPP _____
(the "Project Lands")

with the financial support of the British Columbia Housing Management Commission ("BCHMC") Community Housing Fund program; and

WHEREAS the Borrower needs to borrow money in order to facilitate the construction of the Project;

BE IT RESOLVED THAT:

1. The Borrower borrow up to a maximum amount of **\$34,571,460** by way of a forgivable loan secured by a mortgage of its leasehold interest in the Property and the Project Lands to facilitate the construction of the Project and grant to BCHMC a covenant restricting the use of the Property in accordance with the Loan Commitment Letter;
2. The Borrower execute and deliver all documents required by BCHMC, the Provincial Rental Housing Commission ("PRHC") or the lender of the monies, in such form and containing such terms, covenants, provisos and conditions as are satisfactory to or required by them, including without limitation a Section 219 covenant, an HPA Covenant, a mortgage, a security agreement, or an assignment of project agreements (and any assignments, modifications and assumptions thereto as approved by BCHMC); and
3. That Edward Robbins, Chief Administrative Officer or Nelson Chan, Chief Financial Officer, or their respective duly authorized delegates, together or with any one officer or director of the Borrower, for and on behalf of the Borrower, be and are hereby to execute and deliver under the seal of the Borrower or otherwise, all such deeds, documents and other writings and to do such acts and things in connection with the Property and the Project as they, in their discretion, may consider to be necessary or desirable for giving effect to this resolution and for the purpose of fulfilling the requirements of the PRHC or BCHMC."

Unit Type	# of Units	Estimated Rent
20% of Homes: Deep Subsidy		
Studio	18	\$445
1 Bedroom	20	\$445
2 Bedroom	2	\$635
3 Bedroom	2	\$736
50% of Homes: RGI		
Studio	8	\$875
1 Bedroom	51	\$875
2 Bedroom	38	\$1,138
3 Bedroom	8	\$1,435
30% of Homes: Near Market (Affordable)		
1 Bedroom	12	\$1,850
2 Bedrooms	30	\$2,400
3 Bedrooms	21	\$3,000
TOTAL	210	



File: «File»/«PR»/«BU»

«LCL_DATE»

«Borrower_Name»

«Borrower_Address»

«Borrower_City», «Borrower_Province» «Borrower_Postal_Code»

Dear Sir or Madam:

Re: Loan Commitment Letter

Repayable mortgage charging the «tenure» interest of «Borrower_Name» in
«Property_Address», «Property_City», BC

British Columbia Housing Management Commission (“**BCHMC**”) is pleased to confirm that it will make available to «Borrower_Name» a «**mortgage_ranking**» priority repayable mortgage loan for the development and construction of a «Unit» («Unit») unit project (the “**Project**”) constructed on the following lands and premises, subject to the terms and conditions contained in this Loan Commitment Letter, and subject to all legal matters and documentation being to the complete satisfaction of BCHMC and its solicitors:

Civic Address:

«Property_Address»,
«Property_City»

Legal Description:

«PID_Legal_Description»

(the “**Property**”).1. Borrower«Borrower_Name» (the “**Borrower**”).2. Schedules

2.1. The capitalized terms used in this Loan Commitment Letter will have the meanings given to such terms either in the body of this Loan Commitment Letter or in the attached Schedule “D”, whichever is applicable.

2.2. Schedule “A” through “D” and any additional schedules and all provisions thereof are incorporated into and will form an integral part of this Loan Commitment Letter.

3. Loan and Take-Out Loan Amounts

- 3.1. Demand non-revolving construction loan of «**Loan_Amount**» (the “**Loan**”) is the maximum loan amount approved by BCHMC. Holdbacks for deficiencies, builders’ liens, or soft costs may be held by BCHMC until the appropriate time. The holdbacks will earn interest at the rate equivalent to the rate paid by the provincial offset interest program (presently the RBC Prime Rate minus 1.80%).
- 3.2. The Loan does not constitute a commitment by BCHMC for any additional capital, operating or support funding.
- 3.3. The final amount of the Take-Out Loan will be set on the Interest Adjustment Date and will be based on, among other things, the maximum amount that can be debt serviced from the available stabilized net operating income from the Project and the projected interest rate as of the Interest Adjustment Date.

4. Availability of Advances

- 4.1. So long as there are no Events of Default which are continuing and upon satisfaction of the conditions precedent to the availability of advances set out in Section 13 below, the Loan will be made available to the Borrower by way of direct advances from time to time but not more frequently than once per month and on a work in place and cost expended basis.
- 4.2. The First Advance must be made on or before «**First_Advance_Date**» and the Last Advance must be made on or before «**Final_Advance_Date**».
- 4.3. BCHMC previously authorized the advance of a PDF Loan in the amount of up to «**PDF_Loan_Approved**». The PDF Loan must be repaid from the First Advance. ***[NTD: remove if no PDF Loan previously advanced]***
- 4.4. Prior to the First Advance, the Borrower must complete and return to BCHMC the Order to Pay attached as Schedule “B” to this Loan Commitment Letter.

5. Repayment

- 5.1. All amounts outstanding under or in respect of the Loan will become due and be payable by the Borrower to BCHMC on demand.
- 5.2. Without limiting in any way BCHMC’s right to at any time make demand for payment of any or all of the Loan:
 - (a) prior to the Initial Take-Out Date, the Borrower shall pay interest on the portion of the Loan advanced, calculated monthly; and
 - (b) the Loan, and all amounts outstanding owed to BCHMC arising under or in connection with this Loan Commitment Letter and the Security Documents (as defined below), will in any event be repaid in full by the Initial Take-

Out Date from the proceeds of the Take-Out Loan provided by the Take-Out Lender on the Initial Take-Out Date.

- 5.3. Subject to Section 8.3 hereof, from and after the Initial Take-Out Date, the Borrower shall make payments of principal and interest in such amounts and manner as directed by the Take-Out Lender.
- 5.4. The Borrower acknowledges that the Loan amount set forth in Section 3.1 above includes a budgeted amount for interest payments and agrees that BCHMC may, and authorizes BCHMC to, deduct any interest payable under the Loan, when due, from the unadvanced principal of the Loan (if any). Notwithstanding the foregoing, interest payments for the Loan remain the responsibility of the Borrower.
- 5.5. All payments to be made by the Borrower under this Loan Commitment Letter will be made by the Borrower at the address of BCHMC set out on the first page of this Loan Commitment Letter or at such other place as BCHMC may direct from time to time.
- 5.6. The obligation of the Borrower to make all payments under this Loan Commitment Letter and the Security Documents will be absolute and unconditional and will not be limited or affected by any circumstance, including without limitation any set off, compensation or counter-claim the Borrower may have or assert against BCHMC or a Take-Out Lender or any insolvency, bankruptcy, reorganization or similar proceedings by or against the Borrower.

6. Prepayment

- 6.1. The Borrower is permitted to make full or partial repayment of the Loan at any time during the term of the Loan.
- 6.2. The Borrower is not permitted to make full or partial prepayment of the Take-Out Loan at any time during a term of the Take-Out Loan. For greater certainty, this prohibition will apply to all successive terms of the Take-Out Loan that may be entered into by the Borrower upon the renewal of the Take-Out Loan with a Take-Out Lender.

7. Interest Rate

- 7.1. Prior to the Initial Take-Out Date, interest is payable on the monthly balance of principal outstanding under the Loan from time to time at a rate equal to the Variable Rate until the Loan is repaid in full.
- 7.2. From and after the Initial Take-Out Date, interest is payable on the monthly balance of principal outstanding under the Take-Out Loan from time to time at a rate equal to the Fixed Rate until the Take-Out Loan is repaid in full.

- 7.3. Interest payable under the Loan at the Variable Rate will be calculated and compounded monthly, not in advance, from the date of advance, both before and after demand, default and judgment, until actual payment is made.
- 7.4. Interest payable under the Take-Out Loan at the Fixed Rate will be compounded semi-annually, not in advance, from the date of advance, both before and after demand, default and judgment, until actual payment is made.
- 7.5. The Variable Rate and the Fixed Rate are the highest rates that will be charged to the Borrower. If BCHMC is able to secure lower interest rates, the savings will be passed on to the Borrower. During construction of the Project, the actual fluctuating rate being charged under the Loan will be specified when the Borrower receives confirmation of each construction draw.

8. Take-Out Date

- 8.1. After the Last Advance, BCHMC will make arrangements with a Take-Out Lender to provide financing in the amount of the Take-Out Loan, commencing on the Initial Take-Out Date. The Borrower agrees that the Initial Take-Out Date will be determined and the Take-Out Lender will be selected by BCHMC in its sole discretion.
- 8.2. After the Initial Take-Out Date and prior to the expiry of each successive term of the Take-Out Loan, BCHMC will make arrangements with a Take-Out Lender to provide financing in the amount of the Take-Out Loan, commencing on the Take-Out Date. The Borrower agrees that in respect of the applicable renewal term of the Take-Out Loan, the Take-Out Date will be determined and the Take-Out Lender will be selected by BCHMC in its sole discretion.
- 8.3. The Borrower hereby irrevocably directs and authorizes BCHMC to arrange on its behalf long term financing with the Take-Out Lender on terms acceptable to BCHMC in its sole discretion for so long as the Loan or the Take-Out Loan, as applicable, remain outstanding. The Borrower agrees to abide by the terms and conditions for renewal of the Loan or the Take-Out Loan, as applicable, that may be contained in the Operating Agreement or are otherwise prescribed by BCHMC from time to time.
- 8.4. BCHMC will select the Take-Out Date and the Take-Out Lender to obtain the best interest rate as determined by BCHMC's economic forecasts and predictions of future interest rate changes. This may result in a loan term greater than one year but in no event will the term of the Take-Out Loan be less than one year.
- 8.5. Once BCHMC has selected the Take-Out Date and the Take-Out Lender, the Borrower will then be advised of the Fixed Rate and the Borrower agrees to complete, sign and return all documents required by BCHMC and the Take-Out Lender to complete the take out process, including but not limited to:

- (a) the Corporate/Entity Information Sheet, attached as Schedule “C”, and the Solicitor's Certificate of Client Identification, attached as Schedule “C-1”, or such other client identification documents as may be required by the Take-Out Lender, for the take-out process; and
- (b) a modification of mortgage to reflect the Take-Out Lender, Fixed Rate, term and Take-Out Loan amount, as applicable.

9. Forgivable Mortgage

If in conjunction with the Loan BCHMC authorizes grant funds (the “**Forgivable Loan**”) to be provided to the Borrower and to be secured by a forgivable mortgage (the “**Forgivable Mortgage**”) from the Borrower in favour of BCHMC charging the «tenure» interest of the Borrower to the Property, the Borrower hereby acknowledges and agrees as follows:

- 9.1. prior to the Initial Take-Out Date, the final amount of the Loan may be increased to account for a required corresponding decrease in the amount of the Forgivable Loan secured by the Forgivable Mortgage, all in consultation with the Borrower;
- 9.2. the Borrower agrees to complete, sign and return all documents required by BCHMC to increase the amount of the Loan and decrease the amount of the Forgivable Loan, including but not limited to:
 - (a) amendments to the Loan Commitment Letters previously issued by BCHMC in respect of each of the Loan and the Forgivable Loan;
 - (b) ation of the mortgage securing the Loan, as granted by the Borrower pursuant to Section 12.7 below, to increase the principal amount secured thereunder; and
 - (c) a modification of the Forgivable Mortgage to decrease the principal amount secured thereunder.

[NTD: Remove the above section “Forgivable Mortgage” in its entirety if there is no forgivable mortgage for this Project..]

10. Amortization

«Amortization» years.

11. Fees

- 11.1. The Borrower will pay to BCHMC a non-refundable commitment fee of «Loan Commitment Fee», being equal to 1.00% of the Loan amount (the “**Commitment Fee**”), which fee will be deemed to be earned upon issuance of this Loan Commitment Letter and will be paid by the Borrower to BCHMC on or before the Initial Take-Out Date. In the event that the aggregate amount outstanding in

respect of the Loan based on advances of the Loan made from time to time is less than the Loan amount set forth in Section 3.1 above, BCHMC may, in its sole and unfettered discretion, reduce the Commitment Fee accordingly. In the event that the aggregate amount outstanding in respect of the Loan based on advances of the Loan made from time to time and accrued interest remaining unpaid is more than the Loan amount set forth in Section 3.1 above, BCHMC may, in its sole and unfettered discretion, increase the Commitment Fee accordingly. The final amount of the Commitment Fee will be confirmed by BCHMC by e-mail to the Borrower upon request by the Borrower to BCHMC.

- 11.2. CMHC loan insurance fee in the amount of \$75.00 per residential unit to a maximum of \$5,000.00 will also be paid by the Borrower and included in the Approved Budget.
- 11.3. The Commitment Fee, or any portion thereof, collected by BCHMC in connection with the Loan will be retained by BCHMC as consideration for the time, effort and expense incurred by it in reviewing documents and setting up the Loan. The Borrower acknowledges and agrees the Commitment Fee, or any portion thereof, collected by BCHMC represents a fair and reasonable estimate of the costs incurred by BCHMC.

12. Security

The Loan and the obligations and liabilities of the Borrower under this Loan Commitment Letter will be evidenced and secured by the following documents (collectively, the “**Security Documents**”) completed and, where necessary, registered in a form and manner satisfactory to BCHMC and its solicitors in their sole discretion:

- 12.1. borrowing resolution from the directors of the Borrower, which shall include authorization for the long term financing from the Take-Out Lender;
- 12.2. special resolution of the members of the Borrower (if required by the Borrower’s Constitution or Bylaws), which shall include authorization for the long term financing from the Take-Out Lender; *[NTD: only include if a society or a co-operative.]*
- 12.3. an executed sixty (60) year *[NTD: amend lease term if applicable.]* land lease of the Property with the «Landlord_Name» as landlord and the Borrower as tenant, following the approval by BCHMC and its solicitors based on a standard form of ground lease pre-approved by CMHC, or the CMHC policy exceptions approval of the non-compliant lease;; *[NTD: amend as necessary; remove if not leasehold.]*
- 12.4. a section 219 covenant in favour of BCHMC (HPA) to restrict sales for ten (10) years; *[NTD: if already registered, insert “(registered on [Date] under number _____)”; remove if not applicable]*

- 12.5. a section 219 covenant in favour of BCHMC charging the «tenure» interest of the Borrower in the Property; *[NTD: if already registered, insert “(registered on [Date] under number _____)”*; *remove if not applicable]*
- 12.6. an option to purchase in favour of Provincial Rental Housing Corporation charging the «tenure» interest of the Borrower in the Property; *[NTD: if already registered, insert “(registered on [Date] under number _____)”*; *remove if not applicable]*
- 12.7. a «Loan_Amount» «mortgage_ranking» priority mortgage from the Borrower in favour of BCHMC charging the «tenure» interest of the Borrower in the Property;
- 12.8. a «mortgage_ranking» priority assignment of rents from the Borrower in favour of BCHMC charging the «tenure» interest of the Borrower in the Property;
- 12.9. a \$ _____ [ranking] priority mortgage from the Borrower in favour of BCHMC charging the «tenure» interest of the Borrower in the Property; *[NTD: insert if there is a forgivable mortgage for the Project. If already registered, add “(registered on [Date] under number _____)”*; *remove if not applicable.]*
- 12.10. a priority and standstill agreement with the holder of mortgage ♦ and assignment of rents ♦ (together, the “Prior Charge”); *[NTD: If more than one prior lenders, “priority and standstill agreements with the holders of mortgages _____ and _____ and assignments of rents _____ and _____ (together, the “Prior Charge”);” Remove if not requesting existing lenders to grant BCH mortgage priority over the existing mortgage(s).]*
- 12.11. the discharge of Mortgage _____, modified by _____ and _____, and Assignment of Rents _____ and related Personal Property Security Act (“PPSA”) security agreement registration *[NTD: if PPSA is to stay, remove the yellow highlighted text.]* (together, the “PDF Loan Security”) following the repayment to BCHMC, from the first advance of the Loan, of all amounts secured by the PDF Loan Security; *[NTD: Applicable if there is an existing PDF loan mortgage which will be paid from the first advance of this loan and discharged. Amend or remove as applicable.]*
- 12.12. a «mortgage_ranking» priority location specific security agreement from the Borrower creating a security interest by way of a fixed charge over the Borrower’s right, title and interest in any and all present and after-acquired personal property situate at, arising from or used in connection with the Property or the Project;
- 12.13. an assignment agreement from the Borrower in favour of BCHMC, which agreement will, among other things and on terms and conditions acceptable to BCHMC, assign to BCHMC all of the Borrower’s right, title and interest in, to and under:
- (a) the Construction Contracts;

- (b) all other service or material supply contracts, development agreements, plans, drawings, designs and specifications in respect of the Project; and
 - (c) all related benefits, warranties and guarantees with respect to the contracts, agreements and documents set out in Sections 12.13(a) and 12.13(b) above;
- 12.14. equitable mortgage and estoppel agreement from «Registered_Owner» and ♦; ***[NTD: to be included if there is a trust relationship between the registered owner and beneficial owner. Will need to amend security documents to clarify security from registered owner versus security from beneficial owner. Both should be borrowers] or***
- [a beneficial owner agreement executed by the Borrower; [NTD: to be included if there is a trust relationship.]***
- 12.15. assignment, postponement and subordination agreements from ♦, acknowledged by the Borrower ***[NTD: name of shareholders or limited partners applicable for corporate or partnership borrowers. On a project by project basis this can be required from all related corporate entities and principals to which the Borrower could have debt obligations. IF THIS SECURITY WAS NOT MENTIONED IN EXCOM, GET DM's WRITTEN CONSENT TO ADD THIS REQUIREMENT AS PART OF THE SECURITY SO THAT BCHMC SOLICITOR WILL PREPARE THESE AGREEMENTS.]***
- 12.16. if the Borrower's interest in the Property is leasehold, estoppel certificate from the landlord of the Property;
- 12.17. CMHC policy exception approval letter approving issuance of CMHC loan insurance certificate for non-compliant lease, fractional interest and use of Loan to Value Ratio; and ***[NTD: Amend as needed. Remove if not applicable.]***
- 12.18. all such other certificates, documents, opinions and priority agreements as BCHMC or its solicitors reasonably require.
13. Conditions Precedent to the Availability of Advances
- 13.1. On or before the date of the First Advance, BCHMC will have received in form and substance satisfactory to BCHMC, its payment certifier, quantity surveyor or its solicitors:
- (a) this Loan Commitment Letter (including Schedule "B" Order to Pay and Schedule "C" Corporate Entity Sheet and Schedule "C-1" Solicitor's Certificate of Client Identification), executed and delivered by the Borrower;
 - (b) the Security Documents completed and, where necessary, registered at all appropriate registration offices;

- (c) the discharge of Mortgage _____ and Assignment of Rents _____ and related Personal Property Security Act (“PPSA”) security agreement registration and the discharge of Mortgage _____ and Assignment of Rents _____ and related PPSA security agreement registration, by way of solicitor’s undertakings satisfactory to BCHMC’s solicitors, acting reasonably; ***[NTD: Applicable if there are existing mortgage and AOR in favour of a third party. Remove if not applicable]***
- (d) the Operating Agreement, executed and delivered by the Borrower;
- (e) confirmation of insurance arranged by the Borrower conforming to BCHMC’s requirements as specified in this Loan Commitment Letter under the heading “Insurance” below;
- (f) confirmation that CMHC mortgage insurance is in force;
- (g) a title review for the Property, including a satisfactory review of all legal notations, encumbrances, liens and charges noted on title and approval of all charges to be placed on title for the Property;
- (h) a title insurance (inclusive of survey, gap coverages and any objectionable title defects where applicable) in a form satisfactory to BCHMC and its solicitors, in respect of its leasehold interest in the Property and the interest of BCHMC as the mortgagee; ***[NTD: insert if there are any known objectionable defects. Remove if not applicable.]***
- (i) confirmation that the Borrower’s incorporation agreement and articles comply with the requirements of BCHMC; ***[NTD: only include if a company]***
- (j) confirmation that the Borrower’s constitution and bylaws comply with the requirements of BCHMC or if BCHMC determines that amendments are required to the Borrower’s constitution and bylaws, the Borrower must:
- i. amend its constitution and bylaws, as applicable, in accordance with BCHMC’s requirements and file the applicable amended constitution and bylaws with the BC Registrar of Companies and provide confirmation to BCHMC to its satisfaction that the applicable amended constitution and bylaws have been accepted for registration; and
 - ii. if the Borrower’s bylaws require that a special resolution approving the borrowing of the Loan and the Take-Out Loan by the members of the Borrower be passed and filed the Borrower must immediately:
 - A. file a transition application with the BC Registrar of Companies (if an application has not already been filed) and provide confirmation to BCHMC to its satisfaction that the transition application has been accepted for registration; and

- B. amend its bylaws to remove the filing requirement, file the amended bylaws with the BC Registrar of Companies and provide confirmation to BCHMC to its satisfaction that the amended bylaws have been accepted for registration;

[NTD: Remove 13.1(j) in its entirety if the Borrower is a Company. Remove 13.1(j)ii(A)& (B) if the Borrower is a Co-operative.]

- (k) if a trust relationship exists in respect of the Borrower's ownership of the Property, copies of all instruments and documents relating to the trust relationship between the Borrower and any other party, such instruments and documents to be in form and substance satisfactory to BCHMC and its solicitors, together with any additional security documents as BCHMC and its solicitors reasonably require;
- (l) if the Borrower's interest in the Property is leasehold, a copy of the fully executed lease;
- (m) an appraisal (the "**Appraisal**") prepared by an accredited appraiser in accordance with the Canadian Uniform Standards of Professional Appraisal Practice, and in the event that the Appraisal has not been prepared for BCHMC and CMHC and is not addressed to BCHMC and CMHC, a transmittal/reliance letter, in a form acceptable to BCHMC, from the appraiser, confirming that the Appraisal is valid and can be relied upon by BCHMC and CMHC for the purposes of the insured loan, and that the Appraisal is suitable for mortgaging purposes;
- (n) a geotechnical investigation and report (soil test) in respect of the Property;
- (o) for Property with more than six (6) units, an environmental site assessment audit (the "**ESA Report**") of the Property prepared by an environmental consultant and confirming results satisfactory to BCHMC and CMHC for the purposes of the insured loan, must be provided to BCHMC, which audit will include, among other things:
- i. an ESA Report that conforms to the relevant Canadian Standards Association (CSA) standard. The report must be performed by an experienced assessor with qualifications established by the CSA and the relevant laws. For insured loan purposes, CMHC requires the assessor to carry errors and omissions insurance (or professional liability insurance) which covers liabilities associated with environmental site assessment activities;
 - ii. a Phase I environmental assessment of the Property carried out in accordance with CSA standard or, if required by BCHMC, a Phase II environmental assessment of the Property;
 - iii. if a Phase II environmental assessment of the Property is required, the environmental consultant must conclude that there is no

- evidence of soil or water contamination in connection with the Property. The environmental consultant must provide a clear opinion that the soil and ground water samples do not contain contaminants in concentrations which exceed the applicable environmental quality criteria for residential use;
- iv. details of any remediation required to permit the Property to be used for the purposes referred to under this Loan Commitment Letter;
 - v. estimates of the costs associated with and time to complete such remediation referred to above, including the obtaining of any necessary certificates of compliance from the Ministry of the Environment or other applicable government authority;
 - vi. for contaminated site that has been remediated, the ESA report must include a professional opinion confirming that the site has been remediated in compliance with the standards and policies of the applicable authorities having jurisdiction, and the soil and water no longer have contaminants, in levels or amounts which exceed the residential criteria of the applicable authorities having jurisdiction. If remediation is ordered by the provincial or territorial environmental authority, CMHC will require confirmation by that authority that their requirements have been complied with, and that there are no outstanding concerns;
 - vii. for remediated sites or sites which requires a risk management plan, a copy of the ESA Report is to be submitted to CMHC along with confirmation of compliance;
 - viii. Site Registry search to be performed by the environmental consultant; and
 - ix. environmental consultant to provide written confirmation that environmental issues noted in the Site Registry have been resolved, cleaned up or remediated to government requirements.
- (p) in the event that the ESA Report has not been prepared for BCHMC and CMHC and is not addressed to BCHMC and CMHC, a transmittal/reliance letter is required. The transmittal/reliance letter must be in a form acceptable to BCHMC and CMHC from the applicable environmental consultant, confirming that the ESA Report is valid and expressly state that it can be relied upon by BCHMC and CMHC for the purposes of the insured loan and mortgage;
 - (q) a sketch of survey and surveyor's certificate or a building location certificate prepared by a registered land surveyor approved by BCHMC in respect of the Property confirming the Property boundaries, location of any buildings and other improvements on the Property (including foundations and overhangs) located within five (5) metres of the Property boundaries, location of all easements, statutory rights of ways and covenant areas and

that any adjacent buildings or other improvements do not encroach upon the Property;

- (r) copies of all final plans and specifications for the construction of the Project;
- (s) copies of all municipal building permits, development agreements and all other approvals by regulatory authorities required for the construction of the Project
- (t) detailed cost and construction budget and timetable, which will, among other things, confirm the capital costs for the Project for the estimated «Construction_Period» («Construction_Period») month construction period is not greater than «Capital_Costs»;
- (u) waste management plan worksheet and waste diversion target;
- (v) written confirmation supported by such documentary evidence as required by BCHMC of cash equity having been or to be injected in the Project by the Borrower of a value equal to not less than «Borrower_Equity» (exclusive of the attributed value of the Property); *[NTD: remove if not applicable]*
- (w) save and except for cash equity reported pursuant to Section 13.1(v) and fee waivers and reimbursements, written confirmation, supported by such documentary evidence as required by BCHMC, including but not limited to, contribution agreements, loan agreements, and all registered and unregistered security, *[NTD: amend wording as appropriately. Highlight for DM to confirm if in doubt.]* of all equity funding in writing, including, but not limited to the following Project grants and contributions:
 - i) CMHC Co-Investment Fund (renamed to “CMHC Affordable Housing Fund” in 2023) Grant of \$_____.00;
 - ii) CMHC Seed Funding Grant of \$_____.00;*[NTD: List grants and contributions and amend wording as appropriately. If only one grant or contribution, amend wording from plural to singular.]*
- (x) evidence that all property taxes with respect to the Property have been paid in full;
- (y) copies of the filed *Empty Homes Tax* (vacancy tax) property status declarations for the last and current reporting periods with respect to the Property and evidence that any vacancy taxes have been paid in full; *[NTD: only applicable in the City of Vancouver.]*

- (z) copies of all of the Construction Contracts and a review of all of the Contractors to determine their level of experience, reputation, financial capacity and ability to complete their applicable Construction Contract;
- (aa) an original copy, or a notarized copy, of a performance bond in the amount of 50% of the value of the improvements to be constructed on the Property and in the form “CCDC Document 221 (2002) Performance Bond”, as the form may be amended or replaced from time to time;
- (bb) an original copy, or a notarized copy, of a labour and material payment bond in the amount of 50% of the value of the improvements to be constructed on the Property and in the form “CCDC Document 222 (2002) Labour and Material Payment Bond”, as the form may be amended or replaced from time to time;
- (cc) confirmation that the prime Contractor for the Project is registered with the Licensing & Consumer Services Office as a licensed residential builder, such confirmation to include such contractor’s residential building license number and expiry date;
- (dd) evidence of construction and building warranty for the Project pursuant to the New Home Warranty Program, or if the Project is exempt from the requirement to provide home warranty, proof of exemption; ***[NTD: delete if the Project is not a new built]***
- (ee) confirmation of satisfaction of and compliance with requirements of the *Homeowner Protection Act* (British Columbia) and any regulations thereto; ***[NTD: delete if the Project is not a new built]***
- (ff) confirmation from CRA if the Borrower is registered as a charitable organization for the purposes of tax and other rebates;
- (gg) unless otherwise agreed to by BCHMC, audited financial statements for the Borrower for the three years preceding the date hereof, or for such other period as required by BCHMC;
- (hh) Purchase and Sale Agreement must be to the satisfaction of BCHMC and its solicitors. ***[NTD: Remove if not applicable.]***
- (ii) a report from a BCHMC representative that a satisfactory visual site inspection of the Project and the Property has been completed;

13.2. It will be a further condition precedent to the availability of advances under the Loan (being the First Advance and all subsequent advances) that in addition to the satisfaction of the conditions precedent set forth in Section 13.1 above, BCHMC will have received at least five (5) business days prior to the date on which the Borrower wishes funds to be advanced, in form and substance satisfactory to BCHMC, its payment certifier, quantity surveyor or solicitors, as applicable:

- (a) copies of invoices relating to each direct advance that is requested which correspond to the requested amount of the advance;
- (b) evidence that work in place or costs have been expended upon or in respect of the Property equivalent in value to the advances requested;
- (c) confirmation that the work to construct or repair, as applicable, the improvements comprising the Project is being done in a good and workmanlike manner and meets all acceptable standards and municipal requirements; and
- (d) such other information, material and/or documents as BCHMC, its payment certifier or quantity surveyor may require.

14. Conditions of Loan

The Borrower agrees that so long as the Loan or the Take-Out Loan remains outstanding:

14.1. the Borrower will not without the prior written consent of BCHMC or the Take-Out Lender, as applicable:

- (a) take or refrain from taking any action that would cause any of the representations and warranties of the Borrower under this Loan Commitment Letter to be incorrect, false or misleading;
- (b) permit any property or other taxes in respect of the Property to remain unpaid when due;
- (c) use, store or permit to exist on the Property any Hazardous Substance;
- (d) permit any changes to the Approved Budget or the Approved Plans;
- (e) permit any changes to the Construction Contracts or Contractors or any other subtrade and/or supplier contracts;
- (f) grant or allow any security interest, lien, charge or other encumbrance to be registered against or exist on any of the Borrower's assets, any part of the Property or the Project or any present or after-acquired personal property of the Borrower located on the Property or used for the Project;
- (g) sell, assign, transfer or otherwise dispose of its interest or any part thereof in the Property or the Project nor enter into any trust deed in respect of the Property or the Project; and
- (h) if a corporation or partnership, amalgamate with or permit all or substantially all of its assets to be acquired by any other person, firm or corporation or permit any reorganization or change of control of the Borrower;

- 14.2. the Borrower agrees that so long as the Loan or the Take-Out Loan remains outstanding, the Borrower will not sell, assign, transfer or otherwise dispose of its interest of any individual units of the Property or the Project. Without BCHMC's prior consent, any attempts to sell, assign, transfer or dispose of any individual units will constitute a breach of the terms or conditions of this Loan Commitment Letter or the Security Documents, and all amounts outstanding under or in respect of the Loan, including principal and interest, shall immediately become due and payable;
- 14.3. following the completion of the Project, the Borrower will provide a survey and surveyor's certificate prepared by a registered land surveyor approved by BCHMC in respect of the Property, confirming the location of any buildings and other improvements and the location of all registered easements, statutory rights of way or restrictive covenant areas, and confirming that the location of such buildings and other improvements, including foundation and overhangs, comply with all rules, regulations and by-laws of the appropriate municipal or other governmental authorities having jurisdiction in connection therewith including, without limitation, all set-back, easement, zoning, and height restrictions;
- 14.4. at milestones predetermined by BCHMC, the Borrower will provide BCHMC with a report confirming that a satisfactory visual site inspection of the Project has been completed and the current state of the construction of the Project;
- 14.5. the Borrower will perform and do all things necessary to ensure completion of the Project in its entirety in accordance with the Approved Budget and the Approved Plans;
- 14.6. the Borrower agrees and consents to any and all consultants retained by the Borrower fully disclosing all information and matters relating to the Property and the Project to BCHMC;
- 14.7. the Borrower will provide BCHMC, promptly upon receipt of the same, at predetermined milestones, as required by BCHMC, copies of all plans, permits, design and working drawings, surveys, studies, specifications, budgets, reports, contracts, appraisals and other information and materials as applicable regarding the Project and the Property, including but not limited to:
 - (a) development cash flow noting the projected timing of capital project costs;
 - (b) completed waste management tracking spreadsheets or monthly update tracking sheets totaling all waste for the Project;
 - (c) revised Approved Budget and Approved Plans at milestones predetermined by BCHMC; and
 - (d) preliminary and, subject to the approval of BCHMC, in its sole discretion, revised and updated Project schedules, including a construction project management schedule on a monthly basis;

- 14.8. the Borrower acknowledges that all documents and deliverables pursuant to Section 14.7 must be satisfactory to BCHMC, in its sole discretion, and the Borrower agrees to make reasonable changes to any of the documents provided by the Borrower to BCHMC pursuant to Section 14.7 upon request by BCHMC;
- 14.9. the Loan is available exclusively to the Borrower for the development and construction of the Project at the Property;
- 14.10. the Borrower will comply with all applicable laws of local, provincial or federal authorities including all applicable WorkSafeBC provisions, and prior to commencement of work by any Contractor, the Borrower will obtain and provide BCHMC with WorkSafeBC clearance letters for such Contractor;
- 14.11. the Borrower will notify BCHMC immediately of any material delay or interruption in the construction of the Project, or if any builders liens are filed or registered against any part of the Property;
- 14.12. the Borrower will provide BCHMC with copies of the disclosure statement and all disclosure statement amendments for the Project, such documents to be in form and substance satisfactory to BCHMC and its solicitors;
- 14.13. the Borrower will provide BCHMC with a description of all present and after-acquired personal property situate at, arising from or used in connection with the Property or the Project, including the make, model and serial number, as applicable, and the Borrower will provide evidence to the satisfaction of BCHMC that all such personal property has been paid for in full;
- 14.14. the Borrower will provide BCHMC monthly written progress reports, with such supporting documentary evidence and correspondence as required by BCHMC, concerning municipal approvals for the Project, including, but not limited to, the negotiation of documents required by the «Municipality» to be registered on title to the Property, and the approval of all subdivision, strata title, airspace parcel or other title creation plans;
- 14.15. the Borrower will, prior to finalization and submission to the «Municipality», submit to BCHMC for approval any and all subdivision, strata title, airspace parcel or other title creation plans, which documents will be in form and substance satisfactory to BCHMC and its solicitors;
- 14.16. the Borrower will comply with all zoning, development permit and building permit requirements, and will submit to the «Municipality» all subdivision, strata title, airspace parcel or other title creation plans within such times as are required to adhere to the Project schedule;
- 14.17. the Borrower will provide to BCHMC, promptly upon receipt, copies of any and all documents that are proposed to be or are registered on title to the Property and any priority agreements proposed to be granted by BCHMC, which documents will be in form and substance satisfactory to BCHMC and its solicitors, and the

Borrower will finalize the terms of such documents with the «Municipality» as required to adhere to the Project schedule;

- 14.18. prior to the final advance under the Loan, the Borrower will provide BCHMC with a final claim form with the certificate of completion and deficiency list and the deficiency holdback amount to be retained;
 - 14.19. written confirmation from BCHMC that a satisfactory visual site inspection and walk through by BCHMC of the Project have been completed following Project Completion;
 - 14.20. the Borrower agrees to complete any and all deficiencies identified through the building inspection required pursuant to Section 14.19 within a reasonable amount of time after Project Completion to the satisfaction of BCHMC in its sole discretion;
 - 14.21. upon Project Completion, the Borrower will provide BCHMC with an unconditional occupancy permit issued by the appropriate municipal authority and upon request by BCHMC, a letter from the appropriate municipal authority confirming that the Project complies with all zoning and other bylaws, including set-back requirements; and
 - 14.22. the Borrower will make payment of the following to BCHMC:
 - a) the Commitment Fee;
 - b) interest (at cost);
 - c) legal fees (on an indemnity basis); and
 - d) all other expenses of BCHMC (at cost).
15. GST Rebates and Input Tax Credits
- 15.1. New construction or renovation of social housing is considered a taxable activity. The Borrower will be entitled to claim input tax credits for the GST paid on construction, allowing the Borrower to claim 100% of the GST paid. Accordingly, the Borrower agrees to diligently pursue any GST input tax credits or rebates to which it is entitled with respect to expenditures from the Approved Budget. In replacement of funds advanced by BCHMC during the construction of the Project, the Borrower will remit to BCHMC on demand the proceeds recovered from input tax credits and/or rebates from CRA on any portion of the Loan advanced for the purposes of GST.
 - 15.2. The Borrower will apply to CRA for designation as a municipality, if not already designated, for the purpose of claiming the GST rebate that may be available to organizations that provide subsidized housing on a rent-geared-to-income (RGI) basis, such GST rebate being equal to 100% on operating expenditures.

15.3. The Borrower will file quarterly GST returns with CRA during the construction of the Project, and agrees to consider filing monthly GST returns to expedite the recovery of cash. Upon completion of the Project, the Borrower will self-assess under the “self-supply rules” and will remit any GST owing on the residential portion of the Project. A GST tax guide is available on BCHMC’s website.

16. Representations and Warranties

The Borrower represents and warrants to and will be deemed to continuously represent and warrant to BCHMC, that:

- 16.1. if a society or corporation, it has been duly incorporated and organized and/or formed as the case may be, validly exists, is in good standing, is authorized to conduct its business in all jurisdictions in which it carries on business or has assets and has all requisite power and capacity to own its assets, carry on the business presently carried on by it, to execute and deliver this Loan Commitment Letter and the Security Documents, as may be applicable, and to observe and perform the provisions thereof;
- 16.2. if a society or corporation, this Loan Commitment Letter and the Security Documents, as may be applicable, have been or will be duly authorized, executed and delivered by it;
- 16.3. this Loan Commitment Letter and the Security Documents, as may be applicable, constitute or will constitute, upon execution and delivery by the Borrower, valid and binding obligations and are or will be enforceable against them in accordance with their respective terms;
- 16.4. the execution of this Loan Commitment Letter and the Security Documents, as may be applicable, and the incurring of liability and indebtedness to BCHMC in accordance with this Loan Commitment Letter does not and will not contravene:
 - (a) any Legal Requirements of a government authority;
 - (b) any provision contained in any other loan or credit agreement or borrowing instrument or contract to which it is a party; or
 - (c) the constating documents or bylaw documents, as applicable, of the Borrower;
- 16.5. all necessary Legal Requirements have been met and all other authorizations, approvals, consents and orders have been obtained with respect to the Loan and the execution and delivery of the Security Documents;
- 16.6. all financial and other information, budgets, timetables, certificates, plans, specifications and other material provided to BCHMC in connection with the Loan are true and accurate, and the Borrower acknowledges that the Loan is made by

BCHMC in reliance on the truth and accuracy of such information and the representations and warranties contained therein;

- 16.7. at Project Completion, all utilities and services necessary for the development and construction of the Project and the operation and use thereof for its intended purpose (including, without limitation, water supply, storm and sanitary sewer, gas, electricity, and telephone facilities) will be installed, connected and available to the Property, and there will be no legal or physical impediments to pedestrian and vehicular access and egress to the Property; and
- 16.8. no Event of Default has occurred and is continuing.

17. Hazardous Substances

- 17.1. To the best of the knowledge of the Borrower, having made due and diligent inquiry, no Hazardous Substance is located on any part of the Property, nor, so far as the Borrower is aware, due and diligent inquiry having been made, have any such substances been stored or used on the Property prior to the Borrower's ownership, possession or control of the Property. The Borrower agrees to provide written notice to BCHMC immediately upon the Borrower becoming aware that the Property is being or has been contaminated with any Hazardous Substance. The Borrower will not permit any activities on the Property which directly or indirectly could result in the Property or any other property being contaminated with any Hazardous Substance.
- 17.2. The Borrower will promptly comply with all Legal Requirements relating to the use, collection, storage, treatment, control, removal or cleanup of any Hazardous Substance in, on, or under the Property as a result of construction, operations or other activities on the Property, or incorporated in any improvements thereon. BCHMC may, but will not be obligated to, enter upon the Property and take such actions and incur such costs and expenses to effect such compliance as it deems advisable and the Borrower will reimburse BCHMC on demand for the full amount of all costs and expenses incurred by BCHMC in connection with such compliance activities. The assets of the Borrower which are now or in the future encumbered by the Security Documents are hereby further mortgaged and charged to BCHMC, and BCHMC will have a security interest in such assets, as security for the repayment of such costs and expenses and interest thereon, as if such costs and expenses had originally formed part of the Loan.

18. Events of Default

Without in any way limiting the right of BCHMC to demand payment in full of the Loan, the Loan shall, at the option of BCHMC, immediately become due and payable upon the occurrence and during the continuance of any one or more of the following events (collectively, "**Events of Default**"):

- 18.1. the Borrower fails to pay the Loan or any portion thereof or other monies payable by the Borrower in accordance with this Loan Commitment Letter within two (2) business days of any such amount being due;
- 18.2. the Borrower is in breach of any of the provisions of this Loan Commitment Letter (other than the obligations to pay the Loan or other moneys payable when due) and has not cured such breach within fourteen (14) days from the date the Borrower obtains actual knowledge of the breach or is provided with notice of the breach from BCHMC, whichever is earlier, except that if the breach, by its nature, requires more than fourteen (14) days to cure, the Borrower may have such further time to rectify the default as BCHMC considers reasonable so long as the Borrower begins to rectify promptly and thereafter proceeds with all due diligence to cure the default;
- 18.3. the Borrower, any one of its subsidiaries, makes a general assignment for the benefit of creditors, files or presents a petition, makes a proposal or commits any act of bankruptcy, or if any action is taken for the winding up, liquidation, or appointment of a liquidator, trustee in bankruptcy, custodian, curator, sequestrator, administrator or a receiver (or the equivalent in any jurisdiction) or any other officer or party with similar powers or if a judgement or order shall be entered by any court approving a petition for reorganization, arrangement or composition of the Borrower, any of its subsidiaries, or any of its assets, or it enters into a liquidation of its assets;
- 18.4. the Borrower is deemed to be insolvent or ceases to exist or is declared bankrupt;
- 18.5. without the prior written consent of BCHMC:
- (a) there occurs a change of ownership (beneficial or otherwise) or control of the Borrower;
 - (b) the Borrower sells, conveys, transfers or enters into an arrangement for sale or transfer of title of the Property or any part thereof; or
- 18.6. there is a breach or non-performance or non-observance of any term or condition of this Loan Commitment Letter, the Operating Agreement, or the Security Documents.

19. Taxes

Unless the Borrower is advised otherwise by BCHMC, the Borrower will make payments directly to the local government of all taxes and rates when due and provide proof of payment to BCHMC within thirty days of the due date.

20. Insurance

The Borrower will maintain insurance in the form and content acceptable to BCHMC. Without limiting the generality of the foregoing the insurance must include the minimum

requirements set out in the Insurance Memo attached as Schedule “A” where applicable - please ensure that your insurance agent receives a copy of Schedule “A”. The policy of insurance is to be forwarded to BCHMC and will be reviewed by BCHMC’s insurance advisor. The cost of the review will be borne by the Borrower.

21. Builders Liens

21.1. The Borrower will comply with all the provisions of the *Builders Lien Act* (including any provision requiring or enabling the retention of portions of any sums payable by way of holdbacks).

21.2. If any builders lien or other lien for work, labour, services, or materials supplied to the Project or for the cost of which the Borrower may be in any way liable are filed, the Borrower will within 15 days after receipt of notice thereof procure the discharge thereof, including any certificate of pending litigation registered in respect of any lien, by payment or giving security into court or otherwise or in such other manner as may be required or permitted by law.

22. Assignment

22.1. The Borrower will not be entitled to assign any of the rights and benefits conferred by this Loan Commitment Letter.

22.2. This Loan Commitment Letter and the Security Documents may be freely assigned by BCHMC, in whole or in part, without the consent of the Borrower. The Borrower agrees that BCHMC may arrange, on behalf of the Borrower, long term financing with the Take-Out Lender on terms acceptable to BCHMC, such long term financing to commence on the Take-Out Date and will provide for a Fixed Rate of interest.

23. Authorization to Invest

The Borrower hereby irrevocably directs and authorizes BCHMC to invest (in accordance with BCHMC’s investment policy) on behalf of the Borrower excess funds, if any, borrowed under the Loan which were not utilized for the purposes approved by BCHMC and to use the principal and interest earned from such investment to reduce the outstanding balance of the Loan on maturity.

24. Equity Contribution by BCHMC

Any equity contribution made by BCHMC toward the Project, whether in the form of units purchased or a cash contribution, may be re-evaluated if there is variation in the initial projected interest rate applicable to the long term financing from the Take-Out Lender included in the Approved Budget and the Fixed Rate as of the Initial Take-Out Date. Any re-evaluation of equity contribution by BCHMC will be undertaken in consultation with the Borrower. ***[NTD: this is only applicable if PRHC is buying units or if BCHMC is providing a grant to the project. Remove if not applicable]***

25. Communications and Event Protocols

BCHMC and the Borrower will work together on a number of communication activities that may take place over the course of the Project. The Borrower should contact Corporate Communications at BCHMC with questions regarding such communication activities. The Borrower agrees that the communication activities will be governed by the following terms:

- 25.1. **Coordination** – BCHMC will lead the coordination of official announcements, groundbreaking and opening events unless otherwise agreed upon by BCHMC corporate communications, and will ensure the Borrower is involved in the planning process and acknowledged in all materials and at all events. All public-facing materials (including, but not limited to, press releases, media pitches, media responses, interviews, social media posts, and social media campaign materials) must be approved by BCHMC.
- 25.2. **Media Inquiries & Confidentiality** – As information regarding government-funded developments is generally only shared with the media during official announcements or events, BCHMC and the Borrower will work together to develop standard key messages that will be used to respond to media inquiries with respect to the Project.
- 25.3. **Event Date Selection** – BCHMC will work with government partners and the Borrower to schedule official event dates to coincide with the timeline of construction and/or completion of the Project. Event dates are impacted by the availability of provincial and/or federal and municipal representatives. The Borrower acknowledges that, where appropriate due to funding, BCHMC has a commitment to include and acknowledge the Government of Canada for its contribution to projects. BCHMC must follow Canada-British Columbia event protocols when scheduling events under this initiative. The Canada-British Columbia event protocols include proposing event dates twenty (20) business days in advance in order to confirm a government representative for the proposed announcement or event. In addition, federal quotes, logos, and boilerplates will be included in the news release. The Borrower agrees that it will not inform its staff or stakeholders regarding announcements or events without confirming the dates for such announcements or events with BCHMC, as dates may shift during the scheduling phase.
- 25.4. **Event Location** – The location of the event is negotiable; however, it is ideal to hold the event on the Property in order for attendees, including the media, to see the Project site firsthand.
- 25.5. **News Release/Backgrounder** – BCHMC will prepare and distribute media materials, including news releases/backgrounders and media advisories, for official announcements. The Borrower will be offered a quote in the news release, as well as an opportunity to include a brief background or boilerplate. BCHMC will work

with the Borrower to invite media to official events and will provide copies of final media materials on the day of the announcement.

- 25.6. **Representation and Agenda** - BCHMC will prepare and confirm the final agenda for official events following government protocols. A representative of the Borrower will be offered a speaking role on the agenda.
- 25.7. **Invitations** – BCHMC will draft an electronic invitation to official events and will include the Borrower’s logo on the invitation. The Borrower will be responsible for the email distribution of the invitation. The Borrower may provide the names, titles, organizations and email addresses of additional invitees.
- 25.8. **Logistics/Staging** – BCHMC works with outside agencies to provide event logistics (tents, audio-visual, and staging) and a photographer to document the event. The Borrower may suggest local vendors to use for regional events. BCHMC staff will attend the event and provide events-related support. BCHMC will share event photographs with the Borrower following the event.
- 25.9. **Project Signs** – During the construction of the Project, the Borrower will permit BCHMC to display on the Property one or more signs of a size and content selected by BCHMC. BCHMC will provide the Borrower with such Project signs, to be installed in a prominent location on the Property, at the beginning of the construction. These signs may be removed at the time of landscaping.
- 25.10. **Opening Ceremony** – The Borrower and BCHMC will work together to coordinate an official opening ceremony for the Project which should take place within a few months of the occupancy date. Event dates are impacted by the availability of provincial and/or federal and municipal representatives. The final approval of event dates is at the discretion of BCHMC. In order to allow enough time to confirm the attendance of provincial representatives, please contact BCHMC Corporate Communications regarding the proposed ceremony date at least eight weeks in advance.
26. General Provisions

The following terms and conditions apply to this Loan Commitment Letter:

- 26.1. **Site Visits** – Representatives of BCHMC and its payment certifier or quantity surveyor will be entitled to attend at and view the Project and all personal property thereon and all financial records of the Borrower at any time, on reasonable notice.
- 26.2. **Confidentiality** – This Loan Commitment Letter is delivered to the Borrower on the understanding that neither this Loan Commitment Letter nor its substance is to be disclosed without BCHMC’s prior written consent except to counsel, accountants, employees and agents of the Borrower who are specifically involved in the transaction contemplated in this Loan Commitment Letter.
- 26.3. **Time of Essence** – Time will be of the essence of this Loan Commitment Letter.

- 26.4. **Notice** – Any notice required to be given under this Loan Commitment Letter is to be provided in writing and may effectively be given by a party by delivery of such notice to the other party at the address set out on the first page of this Loan Commitment Letter or at such other address as either party may in writing notify the other party, or by electronic or facsimile transmission to the fax number or email address as either party may in writing provide to the other party. Any notice so mailed will be deemed to have been delivered on the fifth (5th) day after the date of mailing. Any notice sent by facsimile or electronic transmission will be deemed to have been delivered upon receipt by the receiving party.
- 26.5. **Credit Investigations** – The Borrower hereby authorizes and consents to such credit investigations as BCHMC may deem necessary from time to time throughout the time the Loan is outstanding.
- 26.6. **BCHMC Records** – The Borrower acknowledges that the recording of the amount of any advance or repayment under the Loan, and interest, fees and other amounts due in connection with the Loan, made by BCHMC in its records will constitute prima facie evidence of the Borrower's indebtedness and liability from time to time under the Loan, and the obligation of the Borrower to repay any indebtedness and liability in accordance with the terms and conditions of the Loan will not be affected by the failure of BCHMC to make such recording. The Borrower also acknowledges being indebted to BCHMC for principal amounts shown as outstanding from time to time in BCHMC's records, and all accrued and unpaid interest in respect of such amounts, in accordance with the terms and conditions of this Loan Commitment Letter.
- 26.7. **Legal and Other Expenses** – The Borrower will pay all legal fees and disbursements in respect of the Loan, the preparation and issuance of this Loan Commitment Letter and the Security Documents, the enforcement and preservation of BCHMC's rights and remedies, all appraisals, insurance consultation, and similar fees and all other fees and disbursements of BCHMC, whether or not the documentation is completed or any funds are advanced under the Loan.
- 26.8. **Waiver** – Failure by BCHMC to insist upon strict performance by the Borrower of any obligation or covenant, option or right under this Loan Commitment Letter or any of the Security Documents will not be a waiver or relinquishment in the future of such obligation or covenant, option or right, but the same will remain in full force and effect and BCHMC will have the right to insist upon the strict performance by the Borrower of any and all of the terms and provisions of this Loan Commitment Letter and the Security Documents.
- 26.9. **Variation** – No term or requirement of this Loan Commitment Letter or any of the Security Documents may be waived or varied orally or by any course of conduct, of any officer, employee, or agent of BCHMC. Any amendment to this Loan Commitment Letter or any of the Security Documents must be in writing and signed by an authorized officer of BCHMC.

- 26.10. **Right and Remedies Cumulative** – The remedies, rights and powers of BCHMC under this Loan Commitment Letter, the Security Documents and at law and in equity are cumulative and not alternative and are not in substitution for any other remedies, rights or powers of BCHMC and no delay or omission in the exercise of any such remedy, right, or power will exhaust such remedy, right, or power or be construed as a waiver of any of them.
- 26.11. **Governing Law** – This Loan Commitment Letter will be governed by and construed in accordance with the laws of the Province of British Columbia and the laws of Canada applicable therein.
- 26.12. **BCHMC's Solicitor** – BCHMC's legal work and documentation is to be performed at the Borrower's expense by a solicitor of BCHMC's choice. All legal costs (including those of BCHMC's solicitor) and other reasonable costs and expenses incurred by BCHMC in establishing or operating the Loan are for the account of the Borrower whether or not funds are advanced.

BCHMC has appointed the following law firm to act on its behalf on this transaction:

«BCH Solicitor Firm»

Attention: «BCH Solicitor»

27. Lapse and Cancellation

This Loan Commitment Letter will lapse and all obligations of BCHMC set forth in this Loan Commitment Letter and in respect of the Loan will cease, all at the option of BCHMC, if there has been, in the opinion of BCHMC, a material adverse change in the financial condition of the Borrower. The availability of the Loan and the terms and conditions of the offer of credit contained in this Loan Commitment Letter will be subject to periodic review by BCHMC in BCHMC's sole discretion, however BCHMC will be under no obligation to conduct any such review or to provide a renewal letter or extension letter or other notification of such review if such review is conducted. BCHMC will have the option to conduct corporate, personal property registry and land registry searches in respect of the Borrower at the Borrower's sole cost. Upon demand being made by BCHMC for repayment of the amount outstanding under the Loan, any unadvanced portion of the Loan will be immediately cancelled.

[Remainder of this page has been intentionally left blank]

This offer of credit may be accepted by the Borrower by dating and returning to BCHMC two copies of this Loan Commitment Letter duly executed by the Borrower. The Borrower acknowledges and agrees that execution and delivery of this Loan Commitment Letter does not impose an obligation on BCHMC to advance any portion of the Loan.

Yours very truly,

British Columbia Housing Management Commission

Pooi Ching Siew
Director, Lending Services

THESE TERMS AND CONDITIONS ARE HEREBY ACCEPTED THIS ___ DAY
OF _____, 20__.

THE BORROWER:

«BORROWER_NAME», by its authorized
signatory(ies):

Name:
Title:

Name:
Title:

\«initial»

c «Development_Manager», «Dept», BCHMC

Schedule "A"

A. Operating Insurance Requirements (please carefully read the notes at the bottom of the page):

British Columbia Housing Management Commission ("BCHMC") requires that the Borrower/Owner of the housing project (the "Project") obtain a quote from Marsh Canada ("Marsh"), who have set up a Group Insurance Program for non-profit housing societies. Even if you do not get your insurance coverage through the Group Insurance Program, BCHMC requires a copy of the quote to be included with your financial statements and will only subsidize your society for insurance up to the quoted amount from Marsh.

1. Insurance must be carried for the full 100% replacement cost of the building. Co-insurance is not acceptable. Coverage shall be written on an "all risks" form, including flood and earthquake.
2. Loss payable is to be in favour of BCHMC, or the lender of monies, as mortgagee. A standard mortgage endorsement clause (IBC 3000) is to form part of the policy.
3. BCHMC must continue to be named as an additional insured even when BCHMC is not the lender of the funds for the Project.
4. Rental Income Insurance for a full 100% of rentals lost during a minimum term of 6 months is required, or for an indemnity period equal to the estimated full reconstruction period.
5. The correct civic description of the Property must be specified.
6. Commercial General Liability Insurance including personal injury and non-owned auto insurance coverage (for a minimum of \$10,000,000 for each occurrence). This policy must include a cross liability clause.
7. Where applicable, boiler, vessel, and air-conditioning insurance in comprehensive form, against breakdown of boilers, engines, machinery and electrical apparatus for a minimum of the loan amount. Insurance is to be written on a Replacement Cost wording with a waiver of co-insurance requirement. Rental Income Insurance is required as stipulated under Clause A.4.
8. All fixtures, furnishings and equipment must be insured for the full replacement value and must cover all risks.
9. By-law coverage clause for both the building and tenant improvements including:
 - a. loss occasioned by enforcement of any laws or ordinances regulating the construction or repair of the buildings or structures enforced at the time that a loss occurs, which requires the demolition of any portion of the insured buildings or structures which have not suffered damages; and
 - b. the cost incurred in actually rebuilding both the damaged and demolished portions of the insured buildings or structures with materials and in a manner to fully satisfy such ordinances or laws.

A BCHMC signed government Certificate of Insurance (form as enclosed) is required if Operating Insurance is not purchased through the Group Insurance Program with Marsh. Please ensure that all the requirements as specified in the above "**Section A – Operating Insurance Requirements – items 1-9(b)**" are in compliant and detailed in the attached Certificate of Insurance form. Please provide completed Certificate of Insurance to BCHMC at #1701 - 4555 Kingsway, Burnaby, B.C. V5H 4V8 (Attention: Kirsten Khera, Development Strategies), within 30 days of the date of the issuance of the insurance binders. **60 days notice of cancellation or material change in the policy must be given to BCHMC.**

NOTE:

***Where the borrower has entered into a ground lease (for example, if the owner of the land is Provincial Rental Housing Corporation or any municipal government), then all insurance referred to in A shall include the owner as a named insured and, with respect to property insurance, as a loss payee, as its interests may appear. Proof of insurance should be forwarded to the owner.**

****Without limiting the generality of the foregoing, BCHMC must continue to be named as an additional insured even when BCHMC is not the lender of the funds for the Project. In addition, where the City of Vancouver is the landlord, the relevant notices and proof of insurance must be forwarded to: Director of Risk Management, City of Vancouver, 453 West 12th Avenue Vancouver, B.C. V5Y 1V4, and the rental income insurance in A.4. must be for 12 months minimum.**



CERTIFICATE OF INSURANCE

Freedom of Information and Protection of Privacy Act
 BC Housing adheres to the Freedom of Information and Protection of Privacy Act when collecting and using personal information. Direct any questions to the Manager, Records and Information Privacy at #1701 – 4555 Kingsway, Burnaby, BC V5H 4V8. Please refer all other questions to the contact named in Part 1.

Part 1 To be completed by BC Housing

THIS CERTIFICATE IS REQUESTED BY and ISSUED TO (<i>BC Housing</i>) BRITISH COLUMBIA HOUSING MANAGEMENT COMMISSION	CONTRACT/PERMIT/LICENCE/IDENTIFICATION NO.	
BC HOUSING CONTRACT ADMINISTRATOR NAME & TITLE Kirsten Khara, Development Strategies	PHONE NO:	
	FAX NO:	
ADDRESS 1701 - 4555 Kingsway Avenue, Burnaby, BC	POSTAL CODE V5H 4V8	
CONTRACTOR/SOCIETY NAME		
CONTRACTOR/SOCIETY ADDRESS	POSTAL CODE	

Contractor/Society Information

Please provide this form and a copy of the Contract Terms and Conditions to your Insurance Broker for completion and then return the completed form to BC Housing. **No substitutions of this form will be accepted. Commencement of any work cannot begin until BC Housing has the Certificate of Insurance in hand.**

Part 2 To be completed by the Society/Contractor/Consultant's Agent or Broker (please provide all details as specified under "Operating Insurance Requirements item 1-9 (b)" in the above attached Schedule "A")

INSURED	NAME		
	ADDRESS	POSTAL CODE	
OPERATIONS INSURED	PROVIDE DETAILS		
TYPE OF INSURANCE <i>List each separately</i>	COMPANY NAME, POLICY NO. & BRIEF DESCRIPTION	EXPIRY DATE YYYY/MM/DD	LIMIT OF LIABILITY/AMOUNT
	SAMPLE		
LOSS PAYABLE:	BCHMC, 1701 -4555 Kingsway, Burnaby, BC V5H 4V8		

This certificate certifies that policies of insurance as herein described have been issued to the insured(s) named above, are in full force and effective as of the effective date of the contract/permit/licence, and comply with the insurance requirements of the contract/permit/licence except as follows:

AGENT OR BROKER COMMENTS:		
SIGNED BY THE AGENT OR BROKER ON BEHALF OF THE ABOVE INSURER(S)	AGENT or BROKER NAME	DATE SIGNED
AGENT or BROKER's Phone Number: _____	AGENT or BROKER's Email Address: _____	

Part 1 To be completed by BC Housing

THIS CERTIFICATE IS REQUESTED BY and ISSUED TO (<i>BC Housing</i>)		CONTRACT/PERMIT/LICENCE/IDENTIFICATION NO.	
BRITISH COLUMBIA HOUSING MANAGEMENT COMMISSION		PHONE NO:	
BC HOUSING CONTRACT ADMINISTRATOR		FAX NO:	
NAME & TITLE Kirsten Khera, Development Strategies			
ADDRESS 1701 - 4555 Kingsway Avenue, Burnaby, BC		POSTAL CODE V5H 4V8	
CONTRACTOR/SOCIETY NAME			
CONTRACTOR/SOCIETY ADDRESS		POSTAL CODE	

Contractor/Society Information

Please provide this form and a copy of the Contract Terms and Conditions to your Insurance Broker for completion and then return the completed form to BC Housing. No substitutions of this form will be accepted. Commencement of any work cannot begin until BC Housing has the Certificate of Insurance in hand.

Part 2 To be completed by the Contractor/Society/Consultant's Agent or Broker (please provide all details as specified under "Operating Insurance Requirements item 1-9 (b)" in the above attached Schedule "A")

INSURED	NAME <i>ABC Housing Society</i>		POSTAL CODE <i>V1V2B2</i>
	ADDRESS <i>123 Broadway Street, Vancouver, BC</i>		
OPERATIONS INSURED	PROVIDE DETAILS <i>ABC Court – 123 Broadway Street, Vancouver BC V1V2B2</i>		
TYPE OF INSURANCE <i>List each separately</i>	COMPANY NAME, POLICY NO. & BRIEF DESCRIPTION	EXPIRY DATE YYYY/MM/DD	LIMIT OF LIABILITY/AMOUNT
<i>BLANKET ALL PROPERTY – As per Locations Declared ALL RISKS</i> • Replacement Cost Basis • Flood • Earthquake • By-Laws Included <i>BOILER AND MACHINERY INSURANCE - COMPREHENSIVE FORM</i> • Repair or Replacement Cost • By-Laws Included <i>GENERAL LIABILITY INSURANCE</i> • Occurrence Form • Bodily Injury and Property Damage • Personal Injury • Tenants' Legal Liability • Cross Liability Clause • Non-Owned Automobile	<i>ABC Insurance Company Master Policy No. 1234567</i>	<i>2015/12/31</i>	<i>Property of Every Description \$15,000,000 Rental Income \$1,000,000 Indemnity Period 24 months</i>
	<i>ABC Insurance Company Master Policy No. 1234567</i>	<i>2015/12/31</i>	<i>\$15,000,000</i>
	<i>ABC Insurance Company Master Policy No. 1234567</i>	<i>2015/12/31</i>	<i>Per Occurrence \$10,000,000</i>
LOSS PAYABLE:	<i>1st Loss Payee – BCHMC, 1701 -4555 Kingsway, Burnaby, BC V5H 4V8</i>		

This certificate certifies that policies of insurance as herein described have been issued to the insured(s) named above, are in full force and effective as of the effective date of the contract/permit/licence, and comply with the insurance requirements of the contract/permit/licence except as follows:

AGENT OR BROKER COMMENTS: <i>British Columbia Housing Management Commission and Provincial Rental Housing Corporation are added as Additional Insureds but only with respect to liability arising out of the operations of the Named Insured as noted above.</i>		
SIGNED BY THE AGENT OR BROKER ON BEHALF OF THE ABOVE INSURER(S)	AGENT OR BROKER NAME	DATE SIGNED
	<i>John Smith, XYZ Insurance Co.</i>	
AGENT OR BROKER'S Phone Number: <u>(604) 777-7777</u>	AGENT OR BROKER'S Email Address: <u>JSmith@xyzInsurance.com</u>	

Schedule "B"
Order To Pay

TO: **British Columbia Housing Management Commission** ("BCHMC")

FROM: «**Borrower_Name**» (the "Borrower")

RE: Mortgage (the "Mortgage") in favour of BCHMC which charges the «tenure» interest of the Borrower in the following lands and premises: «**Property_Address**», «**Property_City**», BC, legally described as:
«**PID_Legal_Description**» (the "Property").

We hereby irrevocably authorize and direct you or your solicitors, to make advances secured by the Mortgage in the following manner:

1. To deduct any accrued interest (if applicable);
2. To pay to BCHMC any money owing under any proposal development funding loan, administration, legal, inspection and other fees or amounts payable to it;
3. To holdback or pay amounts required to satisfy statutory or contractual holdbacks directly to BCHMC's solicitors to be used to satisfy lien claims and otherwise to be paid out at BCHMC's direction;
4. To holdback or pay to BCHMC's solicitors, on or before the final advance, an amount estimated to be required to fund remaining project costs, such funds to be paid out at BCHMC's direction in respect of such costs as they are incurred;
5. To pay to the landlord of the Property rent required to be paid under a lease, if any;
6. To pay brokerage fees (if applicable);
7. At BCHMC's discretion:
 - a) to pay any taxing authority, any taxes, levies, or rates due and accruing due;
 - b) to pay to the holder of any prior encumbrance the amount required to pay out and discharge the prior encumbrance;
 - c) to pay to any appraiser, contractor, engineer, subcontractor, surveyor, or supplier of material in respect of the Property;
 - d) if any advance or draw is to be made subject to a BCHMC condition, to pay to our solicitors, _____, in trust, any such advance; and
 - e) deposit the advances or any of them into the following bank account (**Voided blank cheque attached**):

Bank Account in the name of: _____

Name of banking Institution: _____

Address (include postal code) of banking Institution: _____

Account Number: _____

Dated at _____, the ____ day of _____, 20 ____.

«BORROWER_NAME»,
by its authorized signatory(ies):

Name:
Title:

Name:
Title:

SAMPLE

SCHEDULE C - CORPORATE / ENTITY

Loan No. _____

In order to satisfy government legislation, the following information is required as a condition for the successful Take-Out Lender to process the long term fixed rate mortgage. Please refer to Appendix A for assistance in completing the form. Where insufficient space, please attach a separate page.

A. Type of Relationship and Entity

Borrower _____ Beneficial Owner _____ Guarantor/Covenantor _____

Corporation _____ Partnership _____ Not-for-Profit _____ Trust _____ Other (Specify) _____

B. Corporate/Entity/Not-for-Profit Information

Legal Name of Entity _____

Business Address _____

Principal Contact _____ Email Address _____

Phone Number _____ Fax Number _____

Business Type _____

C. Directors of Corporation/Entity/Not-for-Profit

List all principal of the Entity, including Directors, Partners, Trustees, as the case may be:

Name of Director/Partner/Trustee	Description of Occupation and Nature of Business

D. Not-for-Profit Organization

If the entity is a not-for-profit organization, is the entity registered with Canada Revenue Agency?

If yes, please insert Business/Registration No. _____

If the entity is an unregistered not-for-profit organization, does it solicit donations from the public? _____

E. Declaration

By signing this Information Form, the undersigned declares that the information provided herein is true and correct.

Authorized Signatory:

Signature

Date

Print Name

Title

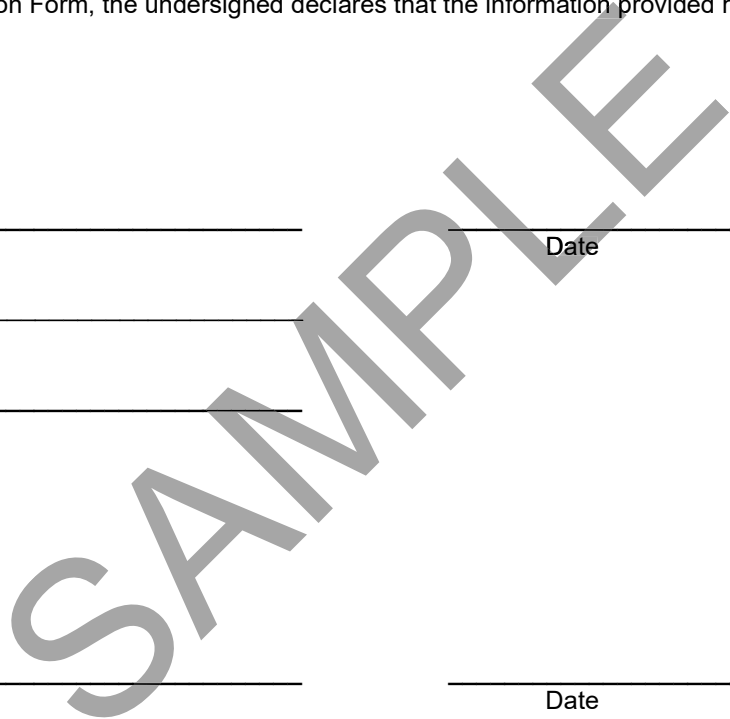
Authorized Signatory:

Signature

Date

Print Name

Title



APPENDIX A

INSTRUCTIONS TO COMPLETE INFORMATION FORM

PART A

Place a checkmark to indicate if the entity is the borrower, beneficial owner of the borrower, guarantor or covenantor.

Place a checkmark next to the business form the entity takes.

PART B

Please complete the full legal name of the entity, its business address, principal contact name, email address, phone number during business hours and facsimile number and the nature of the entity's principal business.

PART C

Please list all of the Directors, Trustees or Limited and/or General Partners, as well as a description of each individual's occupation.

PART D

If the entity is a not-for-profit organization, indicate if it is registered with the Canada Revenue Agency and their Business/Registration number. If the entity is a not-for-profit organization and not registered with the Canada Revenue Agency, indicate whether the entity solicits donations from the public.

PART E

Corporate / Entity Borrower / Not-for-Profit

An authorized signatory of the corporate/entity borrower must sign where indicated, clearly print his or her name, title, and insert the date of execution.

SAMPLE

SCHEDULE C-1 - SOLICITOR'S CERTIFICATE OF CLIENT IDENTIFICATION
("Certificate")

Loan No. _____ Property Address _____

Prior to disbursing funds, we require that you ascertain the identity of each mortgagor, covenantor/guarantor and signing officer in accordance with our instructions to Solicitor, and send this fully completed and signed Certificate to us. Each mortgagor, covenantor/guarantor and signing officer is required to be physically present at the time you ascertain his or her identity. If required by the Mortgage Commitment, funds may not be disbursed until we have received the Certificate. Attach a separate page if insufficient space.

(A) Individuals and corporate/other entity signing officers. Particulars of identification produced by each mortgagor, covenantor/guarantor, and, where applicable, signing officer.

i. _____
Full Legal Name _____ Date of Birth _____
Identification Viewed from Appendix "A": Acceptable Forms of Identification

1. Type _____ No. _____
Place of Issue _____ Expiry Date. _____

2. Type _____ No. _____
Place of Issue _____ Expiry Date. _____

ii. _____
Full Legal Name _____ Date of Birth _____
Identification Viewed from Appendix "A": Acceptable Forms of Identification

1. Type _____ No. _____
Place of Issue _____ Expiry Date. _____

2. Type _____ No. _____
Place of Issue _____ Expiry Date. _____

iii. _____
Full Legal Name _____ Date of Birth _____
Identification Viewed from Appendix "A": Acceptable Forms of Identification

1. Type _____ No. _____
Place of Issue _____ Expiry Date. _____

2. Type _____ No. _____
Place of Issue _____ Expiry Date. _____

(B) Corporations, Not-for-Profit and other entities; Particulars of information ascertained for each mortgagor, covenantor/guarantor, beneficial owner, which is a corporation, not-for-profit or other entity.

Legal Name of Corporation, Not-for-Profit or Other Entity

Type of Entity _____ Reg. No. _____

Type of Record _____

Source of the electronic version of the record, if applicable (must be a source which is accessible to the public):

Legal Name of Corporation, Not-for-Profit or Other Entity

Type of Entity _____ Reg. No. _____

Type of Record _____

Source of the electronic version of the record, if applicable (must be a source which is accessible to the public):

Legal Name of Corporation, Not-for-Profit or Other Entity

Type of Entity _____ Reg. No. _____

Type of Record _____

Source of the electronic version of the record, if applicable (must be a source which is accessible to the public):

Certificate of Solicitor

I have complied with your instructions set out above and in the section of the Solicitor's Instructions entitled "Identification Verification Requirements".

Certified at _____ this _____ day of _____, 20_____.

Signature

Print Name

Identification Verification Requirements

Prior to disbursement of funds, we require you to ascertain the identity of each mortgagor, covenantor/guarantor, and where applicable, signing officer. Each mortgagor, covenantor/guarantor, and where applicable, signing officer (those who sign the security documentation) and beneficial owner must present to you for examination:

Two pieces of identification from the list of Acceptable Forms of Identification below

One of the ID documents must be photo identification. EXCEPTION: Customers over the age of 65 who do not have Photo ID may substitute it with another form of ID from the Acceptable Forms of Identification.

Where a corporation or other entity has more than three signing officers, you are required to ascertain the identity of only three of the signing officers.

No other form of identification is acceptable. All identification must be original, valid, legible, and not substantially damaged. Every mortgagor, covenantor/guarantor, signing officer, and beneficial owner is required to be physically present when you ascertain their identity. You must be satisfied that all parties who have attended before you to execute the mortgage documents are the same parties set out in our Commitment Letter. **Please provide photocopies of the identification.**

Our office must be immediately notified if you are unable to comply with these instructions and the reasons why.

Solicitors and Notaries Public outside of Canada hereby accept the appointment as agent for BC Housing Management Commission for the purpose of ascertaining the identity of the signatories of the security documentation.

Acceptable Forms of Identification

Any piece of identification issued by a **Canadian Government Body (Federal, Provincial or Municipal)** including but not limited to:

- a valid Driver's License
- Current Canadian Passport
- Certificate of Canadian Citizenship
- Certificate of Naturalization
- Permanent Resident Card
- Birth Certificate issued in Canada
- Old Age Security Card Issued by the Government of Canada
- Social Insurance Number
- Health Cards Issued by:
 - o BC (Signature Only)
 - o Alberta (No Picture of Signature)
 - o Saskatchewan (No Picture of Signature)
 - o Quebec (can be used only if client offers as ID)
 - o New Brunswick (Signature Only)
 - o Nova Scotia (Signature Only)
 - o Newfoundland & Labrador (No Picture of Signature)

Valid foreign identification, if equivalent to an acceptable type of Canadian identification document, is also allowed (ie. a valid foreign passport).

Note: Health Cards issued by the Provinces of Ontario, Manitoba and Prince Edward Island are not acceptable forms of identification.

In addition, if the borrower is a corporation or other entity, please provide the following:

ID for Corporations

Copy of most recent annual report filed with the Registrar of Companies or current Corporate Search confirming the Borrower's existence and containing the names of the directors.

ID for Partnerships

- Copy of Certificate of Partnership and Partnership Agreement

Formal Trust

- Copy of Trust Deed, including all revisions

Not for Profit- (Unincorporated Bodies)

Copy of Charter or Articles of Association

Schedule “D”

Definitions

The following terms used in the Loan Commitment Letter shall have the following meanings:

“**Approved Budget**” means the finalized cost and construction and operating budgets and timetable detailing all hard and soft costs associated with the development and construction of the Project in accordance with the Approved Plans, as approved by BCHMC and its payment certifier or quantity surveyor, as applicable;

“**Approved Plans**” means the finalized plans, specifications, drawings, timetables, reports, and recommendations for the Project which have been approved by BCHMC and its payment certifier or quantity surveyor, as applicable;

“**CMHC**” means Canada Mortgage and Housing Corporation;

“**Contractors**” means all contractors engaged for the Project pursuant to the Construction Contracts;

“**Construction Contracts**” means the construction contracts in respect of the Project entered into between the Borrower and the Contractors, which construction contracts will be in the form of CCDC standard contracts, as amended from time to time, with BCHMC’s Supplementary General Conditions;

“**CRA**” means Canada Revenue Agency;

“**First Advance**” means the first advance of the principal amount under the Loan made by BCHMC;

“**Fixed Rate**” means the rate of interest that BCHMC obtains through a competitive bidding and selection process conducted and approved by BCHMC for a Take-Out Lender or, in the absence of such selection, such other rate as BCHMC shall advise the Borrower from time to time;

“**GST**” means goods and services tax;

“**Hazardous Substance**” means any substance defined or designated as hazardous or toxic waste, hazardous or toxic material, a hazardous, toxic or radioactive substance or other similar term, by any applicable federal, provincial or local statute, regulation or ordinance now or in the future in effect, or any substance or materials, the use or disposition of which is regulated by any such statute, regulation or ordinance;

“**Initial Take-Out Date**” means the first Take-Out Date following the Last Advance;

“**Interest Adjustment Date**” means the first day of the month following the month in which the Last Advance is made by BCHMC, or the date of the Last Advance if that date is the first day of the month;

“**Last Advance**” means the last advance of the principal amount under the Loan made by BCHMC;

“**Legal Requirements**” means any law, statute, code, ordinance, order, award, judgment, decree, injunction, rule, regulation, authorization, consent, approval, order, permit, licence, direction or requirement of any government authority;

“**Loan**” means the authorized amount set forth in Section 3.1;

“**Loan Commitment Letter**” means the Loan Commitment Letter to which this Schedule “D” is attached and all other schedules attached thereto, as they may be amended, supplemented or replaced from time to time;

“**Operating Agreement**” means the agreement entered into by the Borrower with CMHC and/or BCHMC which provides, amongst other things, for the roles and responsibilities of the Borrower with reference to the operation of the Property;

“**PDF Loan**” means a predevelopment funding loan;

“**Project Completion**” means the issuance of a full, final and unconditional occupancy permit;

“**RBC Prime Rate**” means the floating annual rate of interest established and recorded by Royal Bank of Canada from time to time as a reference rate for purposes of determining rates of interest it shall charge on loans denominated in Canadian dollars made in Canada;

“**Take-Out Date**” means the date to be determined by BCHMC, in its sole discretion, as the date the Take-Out Lender commences long term financing of the Loan and includes the Initial Take-Out Date;

“**Take-Out Lender**” means one or more third party lenders with whom BCHMC will arrange financing on behalf of the Borrower for the Loan once construction of the Project is complete and until the Loan is repaid in full;

“**Take-Out Loan**” means the Loan in an amount approved by BCHMC that will be subject to long term financing with a Take-Out Lender; and

“**Variable Rate**” means, for each calendar month from and including the calendar month in which the First Advance is made until the Loan is repaid in full, an interest rate calculated as a weighted average of the interest charged by the Ministry of Finance of the Government of British Columbia to BCHMC plus administration spread of up to 0.5625% and, in any event, not more than the RBC Prime Rate plus 1.00%.

SAMPLE



Home Office
1701 – 4555 Kingsway
Burnaby, BC V5H 4V8

Phone 604-433-1711
Fax 604-439-4722
www.bchousing.org

File: «File»/«PR»/«BU»

«LCL_DATE»

«Borrower_Name»

«Borrower_Address»

«Borrower_City», «Borrower_Province» «Borrower_Postal_Code»

Dear Sir or Madam:

Re: Loan Commitment Letter

Forgivable mortgage charging the «tenure» interest of «Borrower_Name» in
«Property_Address», «Property_City», BC

British Columbia Housing Management Commission (“**BCHMC**”) is pleased to confirm that it will make available to «Borrower_Name» a «**mortgage_ranking**» priority forgivable mortgage loan for development and construction of a «Unit» («Unit») unit project (the “**Project**”) to be constructed on the following lands and premises, subject to the terms and conditions contained in this Loan Commitment Letter, and subject to all legal matters and documentation being to the complete satisfaction of BCHMC and its solicitors:

Civic Address:

«Property_Address»,
«Property_City»

Legal Description:

«PID_Legal_Description»

(the “**Property**”).

1. Borrower

«Borrower_Name» (the “**Borrower**”).

2. Schedules

2.1. The capitalized terms used in this Loan Commitment Letter will have the meanings given to such terms either in the body of this Loan Commitment Letter or in the attached Schedule “C”, whichever is applicable.

2.2. Schedules “A” through “C” and any additional schedules and all provisions thereof are incorporated into and will form an integral part of this Loan Commitment Letter.

3. Loan Amount

- 3.1. Demand non-revolving construction loan of «**Loan_Amount**» (the “**Loan**”) is the maximum loan amount approved by BCHMC. Holdbacks for deficiencies, builders’ liens, or soft costs may be held by BCHMC until the appropriate time.
- 3.2. The Loan does not constitute a commitment by BCHMC for any additional capital, operating or support funding.
- 3.3. In the event that the cost to complete the Project does not require that the Loan be fully advanced, the Loan will be reduced so that it is equal to the amounts advanced by BCHMC to complete the Project.

4. Term

«Term» years from the Commencement Date. *[NTD: if a term expiry date is inserted, remove “years from the Commencement Date”.]*

5. Availability of Advances

- 5.1. So long as there are no Events of Default which are continuing and upon satisfaction of the conditions precedent to the availability of advances set out in Section 11 below, the Loan will be made available to the Borrower by way of direct advances from time to time but not more frequently than once per month and on a work in place and cost expended basis.
- 5.2. The First Advance must be made on or before «**First_Advance_Date**».
- 5.3. BCHMC previously authorized the advance of a PDF Loan in the amount of up to «**PDF_Loan_Approved**». The PDF Loan must be repaid from the First Advance. *[NTD: remove if no PDF Loan previously advanced].*
- 5.4. Prior to the First Advance, the Borrower must complete and return to BCHMC the Order to Pay attached as Schedule “B” to this Loan Commitment Letter.

6. Repayment

- 6.1. All amounts outstanding under or in respect of the Loan will become due and payable by the Borrower to BCHMC on demand.
- 6.2. Without limiting in any way BCHMC's right to at any time make demand for payment of any or all of the outstanding amount of the Loan:
- (a) payments on account of principal and interest under the Loan will be forgiven, provided the Property is continuously used for the Specific Purpose and an Event of Default does not occur; and

- (b) if an Event of Default occurs, the Borrower shall pay the outstanding amount of the Loan as at the date of the Event of Default plus interest, as directed by BCHMC.
- 6.3. All payments to be made by the Borrower under this Loan Commitment Letter will be made by the Borrower at the address of BCHMC set out on the first page of this Loan Commitment Letter or at such other place as BCHMC may direct from time to time.
- 6.4. The obligation of the Borrower to make all payments under this Loan Commitment Letter and the Security Documents will be absolute and unconditional and will not be limited or affected by any circumstance, including without limitation any set off, compensation or counter-claim the Borrower may have or assert against BCHMC or any insolvency, bankruptcy, reorganization or similar proceedings by or against the Borrower.
7. Interest Rate
- 7.1. If an Event of Default occurs, interest is payable on the balance of principal outstanding under the Loan as at the date of the Event of Default at a rate equal to the RBC Prime Rate plus 2.00% per annum, until the Loan is repaid in full. As of the date of this Loan Commitment Letter, RBC Prime Rate is «Current_Prime_Rate»% per annum.
- 7.2. Interest payable under the Loan will be calculated and compounded semi-annually, not in advance, from the date of the Event of Default, both before and after demand, default and judgment, until actual payment is made.
- 7.3. The Borrower agrees that BCHMC may deduct any interest payable under the Loan, when due, from the unadvanced principal of the Loan (if any). Notwithstanding the foregoing, interest payments for the Loan remain the responsibility of the Borrower. *[NTD: If there is no repayable mortgage in conjunction with this forgivable mortgage, remove this section.]*

8. Loan Forgiveness Conditions

The financial assistance is available exclusively to the Borrower for the development of affordable housing units for low and moderate income households. If the Borrower uses the Property for the Specific Purpose during the term of the Loan and an Event of Default does not occur, the Loan will be forgiven 1/«Forgiveness_Period» *[NTD: e.g. 1/25]* each year, commencing on the «Anniversary_Forgiveness_Start» *[NTD: e.g. 11th]* anniversary of the Commencement Date, until the Loan is completely forgiven.

9. Repayable Mortgage

If in conjunction with the Loan BCHMC authorizes a demand non-revolving interim construction loan (the “**Repayable Loan**”) to be provided to the Borrower and to be secured by a repayable mortgage (the “**Repayable Mortgage**”) from the Borrower in

DAS Forgivable Mortgage with construction «File»/«PR»/«BU»

favour of BCHMC charging the «tenure» interest of the Borrower to the Property, the Borrower hereby acknowledges and agrees as follows:

- 9.1. prior to the date that long term financing with a third party lender for the Repayable Loan occurs, the final amount of the Loan may be decreased to account for a required corresponding increase in the amount of the Repayable Loan secured by the Repayable Mortgage, all in consultation with the Borrower;
- 9.2. the Borrower acknowledges that the Repayable Loan amount includes a budgeted amount for interest payments and agrees that BCHMC may, and authorizes BCHMC to, deduct any interest payable under the Repayable Loan, when due, from the unadvanced principal of the Repayable Loan (if any). Notwithstanding the foregoing, the interest payments for the Repayable Loan remain the responsibility of the Borrower;
- 9.3. the Borrower agrees to complete, sign and return all documents required by BCHMC to decrease the amount of the Loan and increase the amount of the Repayable Loan, including but not limited to:
 - (a) amendments to the Loan Commitment Letters previously issued by BCHMC in respect of each of the Loan and the Repayable Loan;
 - (b) a modification of the Forgivable Mortgage to decrease the principal amount secured thereunder; and
 - (c) a modification of the Repayable Mortgage to increase the principal amount secured thereunder.

[NTD: Remove the above section “Repayable Mortgage” in its entirety if there is no repayable mortgage for this Project.]

10. Security

The Loan and the obligations and liabilities of the Borrower under this Loan Commitment Letter will be evidenced and secured by the following documents (collectively, the “**Security Documents**”) completed and, where necessary, registered in a form and manner satisfactory to BCHMC and its solicitors in their sole discretion:

- 10.1. borrowing resolution from the directors of the Borrower;
- 10.2. special resolution of the members of the Borrower (if required by the Borrower’s Constitution or Bylaws); ***[NTD: only include if a society or a co-operative.]***
- 10.3. an executed sixty (60) year land lease of the Property with the «Landlord Name» as landlord and the Borrower as tenant, following the approval by BCHMC and its solicitors based on a standard form of ground lease pre-approved by CMHC, or the CMHC policy exceptions approval of the non-compliant lease; ***[NTD: Remove this***

provision in its entirety if not leasehold. Remove highlighted wording if no repayable mortgage for takeout.]

- 10.4. a section 219 covenant in favour of BCHMC (HPA) to restrict sales for ten (10) years; *[NTD: if already registered, insert “(registered on [Date] under number _____)”; remove if not applicable]*
- 10.5. a section 219 covenant in favour of BCHMC charging the «tenure» interest of the Borrower in the Property; *[NTD: if already registered, insert “(registered on [Date] under number _____)”; remove if not applicable]*
- 10.6. an option to purchase in favour of Provincial Rental Housing Corporation charging the «tenure» interest of the Borrower in the Property; *[NTD: if already registered, insert “(registered on [Date] under number _____)”; remove if not applicable]*
- 10.7. a \$ _____ [ranking] priority mortgage from the Borrower in favour of BCHMC charging the «tenure» interest of the Borrower in the Property; *[NTD: insert if there is a repayable mortgage for the Project. If already registered, add “(registered on [Date] under number _____)”; remove if not applicable.]*
- 10.8. a [ranking] priority assignment of rents from the Borrower in favour of BCHMC charging the «tenure» interest of the Borrower in the Property; *[NTD: insert if there is a repayable mortgage for the Project. If already registered, add “(registered on [Date] under number _____)”; remove if not applicable.]*
- 10.9. a «Loan_Amount» «mortgage_ranking» priority mortgage from the Borrower in favour of BCHMC charging the «tenure» interest of the Borrower in the Property;
- 10.10. a priority and standstill agreement with the holder of mortgage ♦ and assignment of rents ♦ (together, the “Prior Charge”); *[NTD: If more than one prior lenders, “priority and standstill agreements with the holders of mortgages _____ and _____ and assignments of rents _____ and _____ (together, the “Prior Charge”);” Remove if not requesting existing lenders to grant BCH mortgage priority over the existing mortgage(s).]*
- 10.11. the discharge of Mortgage _____, modified by _____ and _____, and Assignment of Rents _____ and related Personal Property Security Act (“PPSA”) security agreement registration *[NTD: if PPSA is to stay, remove the yellow highlighted text.]* (together, the “PDF Loan Security”) following the repayment to BCHMC, from the first advance of the Loan, of all amounts secured by the PDF Loan Security; *[NTD: Applicable if there is an existing PDF loan mortgage which will be paid from the first advance of this loan and discharged. Amend or remove as applicable.]*
- 10.12. assignment agreement from the Borrower in favour of BCHMC, which agreement will, among other things and on terms and conditions acceptable to BCHMC, assign to BCHMC all of the Borrower’s right, title and interest in, to and under:

- (a) the Construction Contracts;
 - (b) all other service or material supply contracts, development agreements, plans, drawings, designs and specifications in respect of the Project; and
 - (c) all related benefits, warranties and guarantees with respect to the contracts, agreements and documents set out in Sections 10.12(a) and 10.12(b) above;
- 10.13. equitable mortgage and estoppel agreement from «Registered_Owner» and ♦ [Beneficial Owner]; *[NTD: to be included if there is a trust relationship between the registered owner and the beneficial owner. Will need to amend security documents to clarify security from registered owner versus security from beneficial owner. Both should be borrowers] or*
- [a beneficial owner agreement executed by the Borrower; **[NTD: to be included if there is a trust relationship.]**]*
- 10.14. assignment, postponement and subordination agreements from ♦, acknowledged by the Borrower *[NTD: **name of shareholders or limited partners applicable for corporate or partnership borrowers. On a project by project basis this can be required from all related corporate entities and principals to which the Borrower could have debt obligations. IF THIS SECURITY WAS NOT MENTIONED IN EXCOM, GET DM's WRITTEN CONSENT TO ADD THIS REQUIREMENT AS PART OF THE SECURITY SO THAT BCHMC SOLICITOR WILL PREPARE THESE AGREEMENTS.]**];*
- 10.15. if the Borrower's interest in the Property is leasehold, estoppel certificate from the landlord of the Property;
- 10.16. CMHC policy exception approval letter approving issuance of CMHC loan insurance certificate for non-compliant lease, fractional interest and use of Loan to Value Ratio; and *[NTD: **Amend as needed. Insert this provision if there is a repayable mortgage for takeout that requires CMHC Policy Exception approval. Mirror repayable interim mortgage term.**]*
- 10.17. all such other certificates, documents, opinions, priority agreements and consents as BCHMC or its solicitors reasonably require.
11. Conditions Precedent to the Availability of Advances
- 11.1. On or before the date of the First Advance, BCHMC will have received in form and substance satisfactory to BCHMC, its payment certifier, quantity surveyor or its solicitors:
- (a) this Loan Commitment Letter, (including Schedule "B" Order to Pay) executed and delivered by the Borrower;

- (b) the Security Documents completed and, where necessary, registered at all appropriate registration offices;
- (c) the discharge of Mortgage _____ and Assignment of Rents _____ and related Personal Property Security Act (“PPSA”) security agreement registration and the discharge of Mortgage _____ and Assignment of Rents _____ and related PPSA security agreement registration, by way of solicitor’s undertakings satisfactory to BCHMC’s solicitors, acting reasonably; ***[NTD: Applicable if there are existing mortgage and AOR in favour of a third party. Remove if not applicable]***
- (d) the Operating Agreement, executed and delivered by the Borrower;
- (e) confirmation of insurance arranged by the Borrower conforming to BCHMC’s requirements as specified in this Loan Commitment Letter under the heading “Insurance” below;
- (f) a title review for the Property, including a satisfactory review of all legal notations, encumbrances, liens and charges noted on title and approval of all charges to be placed on title for the Property;
- (g) a title insurance (inclusive of survey, gap coverages and any objectionable title defects where applicable) in a form satisfactory to BCHMC and its solicitors, in respect of its leasehold interest in the Property and the interest of BCHMC as the mortgagee; ***[NTD: insert if there are any known objectionable defects. Check title review to see if project counsel has identified any objectionable title defects with respect to legal notations and charges on title. Remove if not applicable.]***
- (h) confirmation that the Borrower’s incorporation agreement and articles comply with the requirements of BCHMC; ***[NTD: only include if a company]***
- (i) confirmation that the Borrower’s constitution and bylaws comply with the requirements of BCHMC or if BCHMC determines that amendments are required to the Borrower’s constitution and bylaws, the Borrower must:
 - i. amend its constitution and bylaws, as applicable, in accordance with BCHMC’s requirements and file the applicable amended constitution and bylaws with the BC Registrar of Companies and provide confirmation to BCHMC to its satisfaction that the applicable amended constitution and bylaws have been accepted for registration; and
 - ii. if the Borrower’s bylaws require that a special resolution approving the borrowing of the Loan by the members of the Borrower be passed and filed the Borrower must immediately:

- A. file a transition application with the BC Registrar of Companies (if an application has not already been filed) and provide confirmation to BCHMC to its satisfaction that the transition application has been accepted for registration; and
- B. amend its bylaws to remove the filing requirement, file the amended bylaws with the BC Registrar of Companies and provide confirmation to BCHMC to its satisfaction that the amended bylaws have been accepted for registration;

[NTD: Remove 11.1(i) in its entirety if the Borrower is a Company. Remove 11.1(i) ii (A) and (B) (if the Borrower is a Co-operative.)

- (j) if a trust relationship exists in respect of the Borrower's ownership of the Property, copies of all instruments and documents relating to the trust relationship between the Borrower and any other party, such instruments and documents to be in form and substance satisfactory to BCHMC and its solicitors, together with any additional security documents as BCHMC and its solicitors reasonably require;
- (k) if the Borrower's interest in the Property is leasehold, a copy of the fully executed lease;
- (l) an appraisal (the "**Appraisal**") prepared by an accredited appraiser in accordance with the Canadian Uniform Standards of Professional Appraisal Practice, and in the event that the Appraisal has not been prepared for BCHMC and CMHC and is not addressed to BCHMC and CMHC, a transmittal/reliance letter, in a form acceptable to BCHMC, from the appraiser, confirming that the Appraisal is valid and can be relied upon by BCHMC and CMHC for the purposes of the insured loan, and that the Appraisal is suitable for mortgaging purposes;
- (m) a geotechnical investigation and report (soil test) in respect of the Property;
- (n) copies of all final plans and specifications for the construction of the Project;
- (o) copies of all municipal building permits, development agreements and all other approvals by regulatory authorities required for the construction of the Project;
- (p) detailed cost and construction budget and timetable, which will, among other things, confirm the capital costs for the Project for the estimated «Construction_Period» («Construction_Period») month construction period is not greater than «Capital_Costs»;

- (q) waste management plan worksheet and waste diversion target; ***[NTD: If construction is fully completed, insert “(On hand)” subject to DM’s confirmation.]***
- (r) written confirmation supported by such documentary evidence as required by BCHMC of cash equity having been or to be injected in the Project by the Borrower of a value equal to not less than «Borrower_Equity» (exclusive of the attributed value of the Property); ***[NTD: remove if not applicable]***
- (s) save and except for cash equity reported pursuant to Section 11.1(r) and fee waivers and reimbursements, written confirmation, supported by such documentary evidence as required by BCHMC, including but not limited to, contribution agreements, loan agreements, and all registered and unregistered security, ***[NTD: amend wording as appropriately. Highlight for DM to confirm if in doubt.]*** of all equity funding in writing, including, but not limited to the following Project grants and contributions:
- i) CMHC Co-Investment Fund (renamed to “CMHC Affordable Housing Fund” in 2023) Grant of \$_____.00;
 - ii) CMHC Seed Funding Grant of \$_____.00;
- [NTD: List grants and contributions and amend wording as appropriately. If only one grant or contribution, amend wording from plural to singular.]***
- (t) evidence that all property taxes with respect to the Property have been paid in full;
- (u) copies of the filed *Empty Homes Tax* (vacancy tax) property status declarations for the last and current reporting periods with respect to the Property and evidence that any vacancy taxes have been paid in full; ***[NTD: only applicable in the City of Vancouver.]***
- (v) copies of all of the Construction Contracts and a review of all of the Contractors to determine their level of experience, reputation, financial capacity and ability to complete their applicable Construction Contract;
- (w) an original copy, or a notarized copy, of a performance bond in the amount of 50% of the value of the improvements to be constructed on the Property and in the form “CCDC Document 221 (2002) Performance Bond”, as the form may be amended or replaced from time to time;
- (x) an original copy, or a notarized copy, of a labour and material payment bond in the amount of 50% of the value of the improvements to be constructed on the Property and in the form “CCDC Document 222 (2002) Labour and Material Payment Bond”, as the form may be amended or replaced from time to time;

- (y) confirmation that the general contractor or building envelope renovator for the Project is registered with the Licensing & Consumer Services Office as a licensed residential builder, such confirmation to include such contractor's residential building license number and expiry date
 - (z) evidence of construction and building warranty for the Project pursuant to the New Home Warranty Program, or if the Project is exempt from the requirement to provide home warranty, proof of exemption; [**NTD: delete if the Project is not a new built**]
 - (aa) confirmation of satisfaction of and compliance with requirements of the *Homeowner Protection Act* (British Columbia) and any regulations thereto; [**NTD: delete if the Project is not a new built**]
 - (bb) confirmation from CRA if the Borrower is registered as a charitable organization for the purposes of tax and other rebates;
 - (cc) unless otherwise agreed to by BCHMC, audited financial statements for the Borrower for the three (3) years preceding the date hereof, or for such other period as required by BCHMC;
 - (dd) Purchase and Sale Agreement must be to the satisfaction of BCHMC and its solicitors; [**NTD: Remove if not applicable.**]
 - (ee) a report from a BCHMC representative that a satisfactory visual site inspection of the Project and the Property has been completed;
- 11.2. It will be a further condition precedent to the availability of advances under the Loan (being the First Advance and all subsequent advances) that in addition to the satisfaction of the conditions precedent set forth in Section 11.1 above, BCHMC will have received at least five (5) business days prior to the date on which the Borrower wishes funds to be advanced, in form and substance satisfactory to BCHMC, its payment certifier, quantity surveyor or solicitors:
- (a) copies of invoices relating to each direct advance that is requested which correspond to the requested amount of the advance;
 - (b) evidence that work in place or costs have been expended upon or in respect of the Property equivalent in value to the advances requested;
 - (c) confirmation that the work to construct or repair, as applicable, the improvements comprising the Project is being done in a good and workmanlike manner and meets all acceptable standards and municipal requirements; and

- (d) such other information, material and/or documents as BCHMC, its payment certifier or quantity surveyor may require.

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12. Conditions of Loan

The Borrower agrees that so long as the Loan remains outstanding:

12.1. the Borrower will not without the prior written consent of BCHMC:

- (a) take or refrain from taking any action that would cause any of the representations and warranties of the Borrower under this Loan Commitment Letter to be incorrect, false or misleading;
- (b) permit any property or other taxes in respect of the Property to remain unpaid when due;
- (c) use, store or permit to exist on the Property any Hazardous Substance;
- (d) permit any changes to the Approved Budget or the Approved Plans;
- (e) permit any changes to the Construction Contracts or Contractors or any other subtrade and/or supplier contracts;
- (f) grant or allow any security interest, lien, charge or other encumbrance to be registered against or exist on any of the Borrower's assets, any part of the Property or the Project or any present or after-acquired personal property of the Borrower located on the Property or used for the Project;
- (g) sell, assign, transfer or otherwise dispose of its interest or any part thereof in the Property or the Project nor enter into any trust deed in respect of the Property or the Project; and
- (h) if a corporation or partnership, amalgamate with or permit all or substantially all of its assets to be acquired by any other person, firm or corporation or permit any reorganization or change of control of the Borrower;

12.2. at milestones predetermined by BCHMC, the Borrower will provide BCHMC with a report confirming that a satisfactory visual site inspection of the Project has been completed and the current state of the construction of the Project;

12.3. the Borrower will perform and do all things necessary to ensure completion of the Project in its entirety in accordance with the Approved Budget and the Approved Plans

- 12.4. the Borrower agrees and consents to any and all consultants retained by the Borrower fully disclosing all information and matters relating to the Property and the Project to BCHMC;
- 12.5. the Borrower will provide BCHMC, promptly upon receipt of the same, at pre-determined milestones, as required by BCHMC, copies of all plans, permits, design and working drawings, surveys, studies, specifications, budgets, reports, contracts, appraisals and other information and materials regarding the Project and the Property, including but not limited to:
 - (a) development cash flow noting the projected timing of capital project costs;
 - (b) completed waste management tracking spreadsheets or monthly update tracking sheets totaling all waste for the Project;
 - (c) revised Approved Budget at milestones predetermined by BCHMC; and
 - (d) preliminary and, subject to the approval of BCHMC, in its sole discretion, revised and updated Project schedules, including a construction project management schedule on a monthly basis;
- 12.6. the Borrower acknowledges that all documents and deliverables pursuant to Section 12.5 must be satisfactory to BCHMC, in its sole discretion, and the Borrower agrees to make reasonable changes to any of the documents provided by the Borrower to BCHMC pursuant to Section 12.5 upon request by BCHMC;
- 12.7. the Loan is available exclusively to the Borrower for the development and construction of the Project at the Property;
- 12.8. the Borrower will comply with all applicable laws of local, provincial or federal authorities including all applicable WorkSafeBC provisions, and prior to commencement of work by any Contractor, the Borrower will obtain and provide BCHMC with WorkSafeBC clearance letters for such Contractor;
- 12.9. the Borrower will notify BCHMC immediately of any material delay or interruption in the construction of the Project or if any builders liens are filed or registered against any part of the Property;
- 12.10. the Borrower will provide BCHMC with copies of the disclosure statement and all disclosure statement amendments for the Project, such documents to be in form and substance satisfactory to BCHMC and its solicitors;
- 12.11. the Borrower will provide BCHMC monthly written progress reports, with such supporting documentary evidence and correspondence as required by BCHMC, concerning municipal approvals for the Project, including, but not limited to, the negotiation of documents required by the «Municipality» to be registered on title to the Property, and the approval of all subdivision, strata title, airspace parcel or other title creation plans;

- 12.12. the Borrower will, prior to finalization and submission to the «Municipality», submit to BCHMC for approval any and all subdivision, strata title, airspace parcel or other title creation plans, which documents will be in form and substance satisfactory to BCHMC and its solicitors;
- 12.13. the Borrower will comply with all zoning, development permit and building permit requirements, and will submit to the «Municipality» all subdivision, strata title, airspace parcel or other title creation plans within such times as are required to adhere to the Project schedule;
- 12.14. the Borrower will provide to BCHMC, promptly upon receipt, copies of any and all documents that are proposed to be or are registered on title to the Property and any priority agreements proposed to be granted by BCHMC, which documents will be in form and substance satisfactory to BCHMC and its solicitors, and the Borrower will finalize the terms of such documents with the «Municipality» as required to adhere to the Project schedule;
- 12.15. prior to the final advance under the Loan, the Borrower will provide BCHMC with a final claim form with the certificate of completion and deficiency list and the deficiency holdback amount to be retained;
- 12.16. written confirmation from BCHMC that a satisfactory visual site inspection and walk through by BCHMC of the Project have been completed following Project Completion;
- 12.17. the Borrower agrees to complete any and all deficiencies identified through the building inspection required pursuant to Section 12.16 within a reasonable amount of time after Project Completion to the satisfaction of BCHMC in its sole discretion;
- 12.18. upon Project Completion, the Borrower will provide BCHMC with an unconditional occupancy permit issued by the appropriate municipal authority and upon request by BCHMC, a letter from the appropriate municipal authority confirming that the Project complies with all zoning and other bylaws, including set-back requirements; and
- 12.19. the Borrower will make payment of the following to BCHMC:
 - a) legal fees (on an indemnity basis); and
 - b) all other expenses of BCHMC (at cost).

13. GST Rebates and Input Tax Credits

- 13.1. New construction or renovation of social housing is considered a taxable activity. The Borrower will be entitled to claim input tax credits for the GST paid on construction or substantial renovation, which generally refers to 90% of the interior of an existing of residential building being renovated or altered, allowing the

Borrower to claim 100% of the GST paid. While a Borrower may not claim input tax credits for minor renovation, the Borrower may still be eligible for rebates on GST paid during such minor renovation. Accordingly, the Borrower agrees to diligently pursue any GST input tax credits or rebates to which it is entitled with respect to expenditures from the Approved Budget. If BCHMC advances funds to the Borrower for the purposes of GST during construction or renovation of the Project (whether substantial or minor), as applicable, the Borrower will remit to BCHMC on demand the proceeds recovered from input tax credits and/or rebates from CRA on any portion of the Loan advanced for such GST purposes.

- 13.2. The Borrower will apply to CRA for designation as a municipality, if not already designated, for the purpose of claiming the GST rebate that may be available to organizations that provide subsidized housing on a rent-geared-to-income (RGI) basis, such GST rebate being equal to 100% on operating expenditures.
- 13.3. The Borrower will file quarterly GST returns with CRA during construction or renovation of the Project, and agrees to consider filing monthly GST returns to expedite the recovery of cash. Upon completion of the Project, the Borrower will self-assess under the “self-supply rules” and will remit any GST owing on the residential portion of the Project. A GST tax guide is available on BCHMC’s website.
- 13.4. In addition to the terms and conditions contained in this Section 13, the Borrower may elect one of the following three methods to finance and recover GST on the construction costs incurred during the renovation of the Project where the renovation is of a minor nature:
 - (a) BCHMC finances and advances the GST under a promissory note;
 - (b) the Borrower pays the portion of GST that it is entitled to claim under an input tax credit or rebate, BCHMC finances and advances as part of the Approved Budget that portion of GST that the Borrower is not entitled to claim under the GST rebate and the Borrower will not be required to pay BCHMC any proceeds recovered from GST input tax credits or rebates recovered from CRA; or
 - (c) the Borrower pays the GST applicable to the Project and the Borrower will not be required to pay to BCHMC any proceeds from GST input tax credits or rebates recovered from CRA.

[NTD: remove section 13.4 in its entirety if the project is not a renovation.]

14. Representations and Warranties

The Borrower represents and warrants to and will be deemed to continuously represent and warrant to BCHMC, that:

- 14.1. if a society or corporation, it has been duly incorporated and organized and/or formed as the case may be, validly exists, is in good standing, is authorized to conduct its business in all jurisdictions in which it carries on business or has assets and has all requisite power and capacity to own its assets, carry on the business presently carried on by it, to execute and deliver this Loan Commitment Letter and the Security Documents, as may be applicable, and to observe and perform the provisions thereof;
- 14.2. if a society or corporation, this Loan Commitment Letter and the Security Documents, as may be applicable, have been or will be duly authorized, executed and delivered by it;
- 14.3. this Loan Commitment Letter and the Security Documents, as may be applicable, constitute or will constitute, upon execution and delivery by the Borrower, valid and binding obligations and are or will be enforceable against the Borrower in accordance with their respective terms;
- 14.4. the execution of this Loan Commitment Letter and the Security Documents, as may be applicable, and the incurring of liability and indebtedness to BCHMC in accordance with this Loan Commitment Letter does not and will not contravene:
 - (a) any Legal Requirements of a government authority;
 - (b) any provision contained in any other loan or credit agreement or borrowing instrument or contract to which it is a party; or
 - (c) the constating documents or bylaw documents, as applicable, of the Borrower;
- 14.5. all necessary Legal Requirements have been met and all other authorizations, approvals, consents and orders have been obtained with respect to the Loan and the execution and delivery of the Security Documents;
- 14.6. all financial and other information, budgets, timetables, certificates, plans, specifications and other material provided to BCHMC in connection with the Loan are true and accurate, and the Borrower acknowledges that the Loan is made by BCHMC in reliance on the truth and accuracy of such information and the representations and warranties contained therein;
- 14.7. at Project Completion, all utilities and services necessary for the development and construction of the Project and the operation and use thereof for its intended purpose (including, without limitation, water supply, storm and sanitary sewer, gas, electricity, and telephone facilities) will be installed, connected and available to the Property, and there will be no legal or physical impediments to pedestrian and vehicular access and egress to the Property; and
- 14.8. no Event of Default has occurred and is continuing.

15. Hazardous Substances

- 15.1. To the best of the knowledge of the Borrower, having made due and diligent inquiry, no Hazardous Substance is located on any part of the Property, nor, so far as any of them is aware, due and diligent inquiry having been made, have any such substances been stored or used on the Property prior to the Borrower's ownership, possession or control of the Property. The Borrower agrees to provide written notice to BCHMC immediately upon the Borrower becoming aware that the Property is being or has been contaminated with any Hazardous Substance. The Borrower will not permit any activities on the Property which directly or indirectly could result in the Property or any other property being contaminated with any Hazardous Substance.
- 15.2. The Borrower will promptly comply with all Legal Requirements relating to the use, collection, storage, treatment, control, removal or cleanup of any Hazardous Substance in, on, or under the Property as a result of the construction, operations or other activities on the Property, or incorporated in any improvements thereon. BCHMC may, but will not be obligated to, enter upon the Property and take such actions and incur such costs and expenses to effect such compliance as it deems advisable and the Borrower will reimburse BCHMC on demand for the full amount of all costs and expenses incurred by BCHMC in connection with such compliance activities. The assets of the Borrower which are now or in the future encumbered by the Security Documents are hereby further mortgaged and charged to BCHMC, and BCHMC will have a security interest in such assets, as security for the repayment of such costs and expenses and interest thereon, as if such costs and expenses had originally formed part of the Loan.

16. Events of Default

Without in any way limiting the right of BCHMC to demand payment in full of the Loan, the Loan shall, at the option of BCHMC, immediately become due and payable upon the occurrence and during the continuance of any one or more of the following events (collectively, "**Events of Default**"):

- 16.1. the Borrower is in breach of any of the provisions of this Loan Commitment Letter and has not cured such breach within fourteen (14) days from the date the Borrower obtains actual knowledge of the breach or is provided with notice of the breach from BCHMC, whichever is earlier, except that if the breach, by its nature, requires more than fourteen (14) days to cure, the Borrower may have such further time to rectify the default as BCHMC considers reasonable so long as the Borrower begins to rectify promptly and thereafter proceeds with all due diligence to cure the default;
- 16.2. the Borrower, any one of its subsidiaries, makes a general assignment for the benefit of creditors, files or presents a petition, makes a proposal or commits any act of bankruptcy, or if any action is taken for the winding up, liquidation, or appointment of a liquidator, trustee in bankruptcy, custodian, curator, sequestrator,

administrator or a receiver (or the equivalent in any jurisdiction) or any other officer or party with similar powers or if a judgement or order shall be entered by any court approving a petition for reorganization, arrangement or composition of the Borrower, any of its subsidiaries, or any of its assets, or it enters into a liquidation of its assets;

16.3. the Borrower is deemed to be insolvent or ceases to exist or is declared bankrupt;

16.4. without the prior written consent of BCHMC:

(a) there occurs a change of ownership (beneficial or otherwise) or control of the Borrower;

(b) the Borrower sells, conveys, transfers or enters into an arrangement for sale or transfer of title of the Property or any part thereof; or

16.5. there is a breach or non-performance or non-observance of any term or condition of this Loan Commitment Letter, the Operating Agreement, or the Security Documents.

17. Taxes

Unless the Borrower is advised otherwise by BCHMC, the Borrower will make payments directly to the local government of all taxes and rates when due and provide proof of payment to BCHMC within thirty days of the due date.

18. Insurance

The Borrower will maintain insurance in the form and content acceptable to BCHMC. Without limiting the generality of the foregoing the insurance must include the minimum requirements set out in the Insurance Memo attached as Schedule "A" where applicable - please ensure that your insurance agent receives a copy of Schedule "A". The policy of insurance is to be forwarded to BCHMC and will be reviewed by BCHMC's insurance advisor. The cost of the review will be borne by the Borrower.

19. Builders Liens

19.1. The Borrower will comply with all the provisions of the *Builders Lien Act* (including any provision requiring or enabling the retention of portions of any sums payable by way of holdbacks).

19.2. If any builders lien or other lien for work, labour, services, or materials supplied to the Project or for the cost of which the Borrower may be in any way liable are filed, the Borrower will within 15 days after receipt of notice thereof procure the discharge thereof, including any certificate of pending litigation registered in respect of any lien, by payment or giving security into court or otherwise or in such other manner as may be required or permitted by law.

20. Assignment

- 20.1. The Borrower will not be entitled to assign any of the rights and benefits conferred by this Loan Commitment Letter.
- 20.2. This Loan Commitment Letter and the Security Documents may be freely assigned by BCHMC, in whole or in part, without the consent of the Borrower.

21. Authorization to Invest

The Borrower hereby irrevocably directs and authorizes BCHMC to invest (in accordance with BCHMC's investment policy) on behalf of the Borrower excess funds, if any, borrowed under the Loan which were not utilized for the purposes approved by BCHMC and to use the principal and interest earned from such investment to reduce the outstanding balance of the Loan on maturity.

22. Equity Contribution by BCHMC

Any equity contribution made by BCHMC toward the Project, whether in the form of units purchased or a cash contribution, may be re-evaluated. Any re-evaluation of equity contribution by BCHMC will be undertaken in consultation with the Borrower.

23. Communications and Event Protocols

BCHMC and the Borrower will work together on a number of communication activities that may take place over the course of the Project. The Borrower should contact Corporate Communications at BCHMC with questions regarding such communication activities. The Borrower agrees that the communication activities will be governed by the following terms:

- 23.1. **Coordination** – BCHMC will lead the coordination of official announcements, groundbreaking and opening events unless otherwise agreed upon by BCHMC corporate communications, and will ensure the Borrower is involved in the planning process and acknowledged in all materials and at all events. All public-facing materials (including, but not limited to, press releases, media pitches, media responses, interviews, social media posts, and social media campaign materials) must be approved by BCHMC.
- 23.2. **Media Inquiries & Confidentiality** – As information regarding government-funded developments is generally only shared with the media during official announcements or events, BCHMC and the Borrower will work together to develop standard key messages that will be used to respond to media inquiries with respect to the Project.
- 23.3. **Event Date Selection** – BCHMC will work with government partners and the Borrower to schedule official event dates to coincide with the timeline of construction and/or completion of the Project. Event dates are impacted by the availability of provincial and/or federal and municipal representatives. The

Borrower acknowledges that, where appropriate due to funding, BCHMC has a commitment to include and acknowledge the Government of Canada for its contribution to projects. BCHMC must follow Canada-British Columbia event protocols when scheduling events under this initiative. The Canada-British Columbia event protocols include proposing event dates twenty (20) business days in advance in order to confirm a government representative for the proposed announcement or event. In addition, federal quotes, logos, and boilerplates will be included in the news release. The Borrower agrees that it will not inform its staff or stakeholders regarding announcements or events without confirming the dates for such announcements or events with BCHMC, as dates may shift during the scheduling phase.

- 23.4. **Event Location** – The location of the event is negotiable; however, it is ideal to hold the event on the Property in order for attendees, including the media, to see the Project site firsthand.
- 23.5. **News Release/Backgrounder** – BCHMC will prepare and distribute media materials, including news releases/backgrounders and media advisories, for official announcements. The Borrower will be offered a quote in the news release, as well as an opportunity to include a brief background or boilerplate. BCHMC will work with the Borrower to invite media to official events and will provide copies of final media materials on the day of the announcement.
- 23.6. **Representation and Agenda** - BCHMC will prepare and confirm the final agenda for official events following government protocols. A representative of the Borrower will be offered a speaking role on the agenda.
- 23.7. **Invitations** – BCHMC will draft an electronic invitation to official events and will include the Borrower’s logo on the invitation. The Borrower will be responsible for the email distribution of the invitation. The Borrower may provide the names, titles, organizations and email addresses of additional invitees.
- 23.8. **Logistics/Staging** – BCHMC works with outside agencies to provide event logistics (tents, audio-visual, and staging) and a photographer to document the event. The Borrower may suggest local vendors to use for regional events. BCHMC staff will attend the event and provide events-related support. BCHMC will share event photographs with the Borrower following the event.
- 23.9. **Project Signs** – During the construction of the Project, the Borrower will permit BCHMC to display on the Property one or more signs of a size and content selected by BCHMC. BCHMC will provide the Borrower with such Project signs, to be installed in a prominent location on the Property, at the beginning of the construction. These signs may be removed at the time of landscaping.
- 23.10. **Opening Ceremony** – The Borrower and BCHMC will work together to coordinate an official opening ceremony for the Project which should take place within a few months of the occupancy date. Event dates are impacted by the

availability of provincial and/or federal and municipal representatives. The final approval of event dates is at the discretion of BCHMC. In order to allow enough time to confirm the attendance of provincial representatives, please contact BCHMC Corporate Communications regarding the proposed ceremony date at least eight weeks in advance.

24. General Provisions

The following terms and conditions apply to this Loan Commitment Letter:

- 24.1. **Site Visits** – Representatives of BCHMC and its payment certifier or quantity surveyor will be entitled to attend at and view the Project and all personal property thereon and all financial records of the Borrower at any time, on reasonable notice.
- 24.2. **Confidentiality** – This Loan Commitment Letter is delivered to the Borrower on the understanding that neither this Loan Commitment Letter nor its substance is to be disclosed without BCHMC's prior written consent except to counsel, accountants, employees and agents of the Borrower who are specifically involved in the transaction contemplated in this Loan Commitment Letter.
- 24.3. **Time of Essence** – Time will be of the essence of this Loan Commitment Letter.
- 24.4. **Notice** – Any notice required to be given under this Loan Commitment Letter is to be provided in writing and may effectively be given by a party by delivery of such notice to the other party at the address set out on the first page of this Loan Commitment Letter or at such other address as either party may in writing notify the other party, or by electronic or facsimile transmission to the fax number or email address as either party may in writing provide to the other party. Any notice so mailed will be deemed to have been delivered on the fifth (5th) day after the date of mailing. Any notice sent by facsimile or electronic transmission will be deemed to have been delivered upon receipt by the receiving party.
- 24.5. **Credit Investigations** –The Borrower hereby authorizes and consents to such credit investigations as BCHMC may deem necessary from time to time throughout the time the Loan is outstanding.
- 24.6. **BCHMC Records** – The Borrower acknowledges that the recording of the amount of any advance or repayment under the Loan, and interest, fees and other amounts due in connection with the Loan, made by BCHMC in its records will constitute prima facie evidence of the Borrower's indebtedness and liability from time to time under the Loan, and the obligation of the Borrower to repay any indebtedness and liability in accordance with the terms and conditions of the Loan will not be affected by the failure of BCHMC to make such recording. The Borrower also acknowledges being indebted to BCHMC for principal amounts shown as outstanding from time to time in BCHMC's records, and all accrued and unpaid interest in respect of such amounts, in accordance with the terms and conditions of this Loan Commitment Letter.

- 24.7. **Legal and Other Expenses** – The Borrower will pay all legal fees and disbursements in respect of the Loan, the preparation and issuance of this Loan Commitment Letter and the Security Documents, the enforcement and preservation of BCHMC’s rights and remedies, all appraisals, insurance consultation, and similar fees and all other fees and disbursements of BCHMC, whether or not the documentation is completed or any funds are advanced under the Loan.
- 24.8. **Waiver** – Failure by BCHMC to insist upon strict performance by the Borrower of any obligation or covenant, option or right under this Loan Commitment Letter or any of the Security Documents will not be a waiver or relinquishment in the future of such obligation or covenant, option or right, but the same will remain in full force and effect and BCHMC will have the right to insist upon the strict performance by the Borrower of any and all of the terms and provisions of this Loan Commitment Letter and the Security Documents.
- 24.9. **Variation** – No term or requirement of this Loan Commitment Letter or any of the Security Documents may be waived or varied orally or by any course of conduct, of any officer, employee, or agent of BCHMC. Any amendment to this Loan Commitment Letter or any of the Security Documents must be in writing and signed by an authorized officer of BCHMC.
- 24.10. **Right and Remedies Cumulative** – The remedies, rights and powers of BCHMC under this Loan Commitment Letter, the Security Documents and at law and in equity are cumulative and not alternative and are not in substitution for any other remedies, rights or powers of BCHMC and no delay or omission in the exercise of any such remedy, right, or power will exhaust such remedy, right, or power or be construed as a waiver of any of them.
- 24.11. **Governing Law** – This Loan Commitment Letter will be governed by and construed in accordance with the laws of the Province of British Columbia and the laws of Canada applicable therein.
- 24.12. **BCHMC’s Solicitor** – BCHMC’s legal work and documentation is to be performed at the Borrower’s expense by a solicitor of BCHMC’s choice. All legal costs (including those of BCHMC’s solicitor) and other reasonable costs and expenses incurred by BCHMC in establishing or operating the Loan are for the account of the Borrower whether or not funds are advanced.

BCHMC has appointed the following law firm to act on its behalf on this transaction:

«BCH_Solicitor_Firm»
Attention: «BCH Solicitor»

25. Lapse and Cancellation

This Loan Commitment Letter will lapse and all obligations of BCHMC set forth in this Loan Commitment Letter and in respect of the Loan will cease, all at the option of

BCHMC, if there has been, in the opinion of BCHMC, a material adverse change in the financial condition of the Borrower. The availability of the Loan and the terms and conditions of the offer of credit contained in this Loan Commitment Letter will be subject to periodic review by BCHMC in BCHMC's sole discretion, however BCHMC will be under no obligation to conduct any such review or to provide a renewal letter or extension letter or other notification of such review if such review is conducted. BCHMC will have the option to conduct corporate, personal property registry and land registry searches in respect of the Borrower at the Borrower's sole cost. Upon demand being made by BCHMC for repayment of the amount outstanding under the Loan, any unadvanced portion of the Loan will be immediately cancelled.

[Remainder of this page has been intentionally left blank]

This offer of credit may be accepted by the Borrower by dating and returning to BCHMC two copies of this Loan Commitment Letter duly executed by the Borrower. The Borrower acknowledges and agrees that execution and delivery of this Loan Commitment Letter does not impose an obligation on BCHMC to advance any portion of the Loan.

Yours very truly,

British Columbia Housing Management Commission

Pooi Ching Siew
Director, Lending Services

THESE TERMS AND CONDITIONS ARE HEREBY ACCEPTED THIS ___ DAY
OF _____, 20__.

THE BORROWER:

«BORROWER_NAME», by its authorized
signatory(ies):

Name:
Title:

Name:
Title:

\«initial»

c «Development_Manager», «Dept», BCHMC

Schedule "A"

A. Construction Insurance Requirements (please carefully read the notes at the bottom of the page):

Whilst British Columbia Housing Management Commission ("BCHMC") is providing interim financing to the Borrower of the housing project (the "Project"), BCHMC requires the Borrower/Owner of the Project to obtain and maintain through the BCHMC Owner-Controlled Insurance Program insurance of the property to be insured (the "Property"). Without limiting the generality of the foregoing, the insurance must cover the following:

1. **"All Risks" Builders' Risk Policy:**

This policy shall cover "all risks" of direct physical loss or damage to the Project, including the perils of earthquake, flood, sewer back-up and subject to the terms, conditions, limitations and exclusions, and further, the policy shall:

- a. be written in the joint names of BCHMC, the Borrower/Owner, the Project Manager, the Construction Manager, the Contractor, the Subcontractors, the Consultant(s), architects, engineers, other consultants and sub-consultants engaged on the Project;
 - b. provide for a limit of coverage not less than the estimated final completed value of the Project, with a sublimit on transit of \$1,000,000.00, off-site storage of \$1,000,000.00, extend to include soft costs, by-Laws (not sublimit), landscaping (no sublimit), no requirement to replace or repair on same or adjacent site, \$1,000,000.00 Extra Expense, Off-site Services, testing and commissioning cover with no exclusion for equipment breakdown, pollution and contamination clean-up of \$250,000.00, debris removal 10% (minimum \$250,000), watchman/video surveillance for any projects \$10,000,000.00 with wording and security/video surveillance companies acceptable to BCHMC ;
 - c. contain a waiver of the insurer's subrogation rights against all insureds and their officers, employees and servants, and provide that, in the event of loss or damage, payment shall be made to BCHMC and the Borrower/Owner on their own behalf and as trustees for the benefit of any and all Insureds.
2. Loss payable is to be in favour of BCHMC as mortgagee. A standard mortgage endorsement clause (IBC 3000) is to form part of the policy.

3. **"Wrap-Up" Commercial General Liability Insurance:**

This policy shall cover the risks of liability for bodily injury and property damage arising from the activities at the Place of the Work, and further the policy shall:

- a. be written in the joint names of BCHMC, the Borrower/Owner, the fee simple owner of the Place of the Work, the Project Manager, the Construction Manager, the Contractor, the Subcontractors, the Consultant(s), architects, engineers, other consultants and sub-consultants engaged on the Property;
- b. provide for a limit of liability not less than \$10,000,000.00 inclusive per occurrence for bodily injury, death, and damage to property including loss of use thereof;
- c. include Sudden & Accidental Pollution for \$10,000,000.00 and Non-Owned Auto and include 24 months completed operations once project completed, off-site services.

(See GC11.1 Insurance Clause of the Supplementary General Conditions of the Stipulated Price Contract for additional details and requirements.)

B. Operating Insurance Requirements (please carefully read the notes at the bottom of the page):

British Columbia Housing Management Commission ("BCHMC") requires that the Borrower/Owner of the Project obtain a quote from Marsh Canada ("Marsh"), who have set up a Group Insurance Program for non-profit housing societies. Even if you do not get your insurance coverage through the Group Insurance Program, BCHMC requires a copy of the quote to be included with your financial statements and will only subsidize your society for insurance up to the quoted amount from Marsh.

Insurance must be carried for the full 100% replacement cost of the building. Co-insurance is not acceptable. Coverage shall be written on an "all risks" form, including flood and earthquake.

Loss payable is to be in favour of BCHMC, or the lender of monies, as mortgagee. A standard mortgage endorsement clause (IBC 3000) is to form part of the policy.

1. BCHMC must continue to be named as an additional insured even when BCHMC is not the lender of the funds for the Project.
2. Rental Income Insurance for a full 100% of rentals lost during a minimum term of 6 months is required, or for an indemnity period equal to the estimated full reconstruction period.
3. The correct civic description of the Property must be specified.
4. Commercial General Liability Insurance including personal injury and non-owned auto insurance coverage (for a minimum of \$10,000,000 for each occurrence). This policy must include a cross liability clause.
5. Where applicable, boiler, vessel, and air-conditioning insurance in comprehensive form, against breakdown of boilers, engines, machinery and electrical apparatus for a minimum of the loan amount. Insurance is to be written on a Replacement Cost wording with a waiver of co-insurance requirement. Rental Income Insurance is required as stipulated under Clause B.4.
6. All fixtures, furnishings and equipment must be insured for the full replacement value and must cover all risks.
7. 9. By-law coverage clause for both the building and tenant improvements including:
8. a. loss occasioned by enforcement of any laws or ordinances regulating the construction or repair of the buildings or structures enforced at the time that a loss occurs, which requires the demolition of any portion of the insured buildings or structures which have not suffered damages; and
9. b. the cost incurred in actually rebuilding both the damaged and demolished portions of the insured buildings or structures with materials and in a manner to fully satisfy such ordinances or laws.
10. A BCHMC signed government Certificate of Insurance (form as enclosed) is required if Operating Insurance is not purchased through the Group Insurance Program with Marsh. Please ensure that all the requirements as specified in the above "**Section B – Operating Insurance Requirements – items 1-9(b)**" are in compliance and detailed in the attached Certificate of Insurance form. Please provide completed Certificate of Insurance to BCHMC at #1701 - 4555 Kingsway, Burnaby, B.C. V5H 4V8 (Attention: Amy Wong, Development Strategies), within 30 days of the date of the issuance of the insurance binders. **60 days notice of cancellation or material change in the policy must be given to BCHMC.**
11. NOTE:
12. *Where the borrower has entered into a ground lease (for example, if the owner of the land is Provincial Rental Housing Corporation or any municipal government), then all insurance referred to in A and B shall include the owner as a named insured and, with respect to property insurance, as a loss payee, as its interests may appear. **Proof of insurance should be forwarded to the owner.**
13. **Without limiting the generality of the foregoing, BCHMC must continue to be named as an additional insured even **when BCHMC is not the lender of the funds for the Project. In addition, where the City of Vancouver is the landlord, the relevant notices and proof of insurance must be forwarded to: Director of Risk Management, City of Vancouver, 453 West 12th Avenue Vancouver, B.C. V5Y 1V4, and the rental income insurance in B.4. must be for 12 months minimum.**



CERTIFICATE OF INSURANCE

Freedom of Information and Protection of Privacy Act
 BC Housing adheres to the Freedom of Information and Protection of Privacy Act when collecting and using personal information. Direct any questions to the Manager, Records and Information Privacy at #1701 – 4555 Kingsway, Burnaby, BC V5H 4V8. Please refer all other questions to the contact named in Part 1.

Part 1 To be completed by BC Housing

THIS CERTIFICATE IS REQUESTED BY and ISSUED TO (<i>BC Housing</i>) BRITISH COLUMBIA HOUSING MANAGEMENT COMMISSION	CONTRACT/PERMIT/LICENCE/IDENTIFICATION NO.
BC HOUSING CONTRACT ADMINISTRATOR <small>NAME & TITLE</small> Amy Wong, Development Strategies	PHONE NO:
<small>ADDRESS</small> 1701 - 4555 Kingsway Avenue, Burnaby, BC	<small>POSTAL CODE</small> V5H 4V8
<small>CONTRACTOR/SOCIETY NAME</small>	
<small>CONTRACTOR/SOCIETY ADDRESS</small>	<small>POSTAL CODE</small>

Contractor/Society Information

Please provide this form and a copy of the Contract Terms and Conditions to your Insurance Broker for completion and then return the completed form to BC Housing. **No substitutions of this form will be accepted. Commencement of any work cannot begin until BC Housing has the Certificate of Insurance in hand.**

Part 2 To be completed by the Society/Contractor/Consultant's Agent or Broker (please provide all details as specified under "Operating Insurance Requirements item 1-9 (b)" in the above attached Schedule "A")

INSURED	<small>NAME</small> <hr/> <small>ADDRESS</small>			<small>POSTAL CODE</small>
OPERATIONS INSURED	<small>PROVIDE DETAILS</small>			
<small>TYPE OF INSURANCE</small> <i>List each separately</i>	<small>COMPANY NAME, POLICY NO. & BRIEF DESCRIPTION</small>	<small>EXPIRY DATE</small> YYYY/MM/DD	<small>LIMIT OF LIABILITY/AMOUNT</small>	
<small>LOSS PAYABLE:</small>	BCHMC, 1701 -4555 Kingsway, Burnaby, BC V5H 4V8			

This certificate certifies that policies of insurance as herein described have been issued to the insured(s) named above, are in full force and effective as of the effective date of the contract/permit/licence, and comply with the insurance requirements of the contract/permit/licence except as follows:

<small>AGENT OR BROKER COMMENTS:</small>		
<small>SIGNED BY THE AGENT OR BROKER ON BEHALF OF THE ABOVE INSURER(S)</small>	<small>AGENT or BROKER NAME</small>	<small>DATE SIGNED</small>
<small>AGENT or BROKER's Phone Number:</small> _____	<small>AGENT or BROKER's Email Address:</small> _____	

Part 1 To be completed by BC Housing

THIS CERTIFICATE IS REQUESTED BY and ISSUED TO (<i>BC Housing</i>)		CONTRACT/PERMIT/LICENCE/IDENTIFICATION NO.	
BRITISH COLUMBIA HOUSING MANAGEMENT COMMISSION		PHONE NO:	
BC HOUSING CONTRACT ADMINISTRATOR		FAX NO:	
NAME & TITLE Amy Wong, Development Strategies			
ADDRESS 1701 - 4555 Kingsway Avenue, Burnaby, BC		POSTAL CODE V5H 4V8	
CONTRACTOR/SOCIETY NAME			
CONTRACTOR/SOCIETY ADDRESS		POSTAL CODE	

Contractor/Society Information

Please provide this form and a copy of the Contract Terms and Conditions to your Insurance Broker for completion and then return the completed form to BC Housing. No substitutions of this form will be accepted. Commencement of any work cannot begin until BC Housing has the Certificate of Insurance in hand.

Part 2 To be completed by the Contractor/Society/Consultant's Agent or Broker (please provide all details as specified under "Operating Insurance Requirements item 1-9 (b)" in the above attached Schedule "A")

INSURED	NAME <i>ABC Housing Society</i>		POSTAL CODE <i>V1V2B2</i>
	ADDRESS <i>123 Broadway Street, Vancouver, BC</i>		
OPERATIONS INSURED	PROVIDE DETAILS <i>ABC Court – 123 Broadway Street, Vancouver BC V1V2B2</i>		
TYPE OF INSURANCE <i>List each separately</i>	COMPANY NAME, POLICY NO. & BRIEF DESCRIPTION	EXPIRY DATE YYYY/MM/DD	LIMIT OF LIABILITY/AMOUNT
<i>BLANKET ALL PROPERTY – As per Locations Declared ALL RISKS</i> • Replacement Cost Basis • Flood • Earthquake • By-Laws Included	<i>ABC Insurance Company Master Policy No. 1234567</i>	<i>2015/12/31</i>	<i>Property of Every Description \$15,000,000 Rental Income \$1,000,000 Indemnity Period 24 months</i>
<i>BOILER AND MACHINERY INSURANCE - COMPREHENSIVE FORM</i> • Repair or Replacement Cost • By-Laws Included	<i>ABC Insurance Company Master Policy No. 1234567</i>	<i>2015/12/31</i>	<i>\$15,000,000</i>
<i>GENERAL LIABILITY INSURANCE</i> • Occurrence Form • Bodily Injury and Property Damage • Personal Injury • Tenants' Legal Liability • Cross Liability Clause • Non-Owned Automobile	<i>ABC Insurance Company Master Policy No. 1234567</i>	<i>2015/12/31</i>	<i>Per Occurrence \$10,000,000</i>
LOSS PAYABLE:	<i>1st Loss Payee – BCHMC, 1701 -4555 Kingsway, Burnaby, BC V5H 4V8</i>		

This certificate certifies that policies of insurance as herein described have been issued to the insured(s) named above, are in full force and effective as of the effective date of the contract/permit/licence, and comply with the insurance requirements of the contract/permit/licence except as follows:

AGENT OR BROKER COMMENTS: <i>British Columbia Housing Management Commission and Provincial Rental Housing Corporation are added as Additional Insureds but only with respect to liability arising out of the operations of the Named Insured as noted above.</i>		
SIGNED BY THE AGENT OR BROKER ON BEHALF OF THE ABOVE INSURER(S)	AGENT OR BROKER NAME	DATE SIGNED
	<i>John Smith, XYZ Insurance Co.</i>	
AGENT OR BROKER'S Phone Number: <u> (604) 777-7777 </u>	AGENT OR BROKER'S Email Address: <u> JSmith@xyzInsurance.com </u>	

Schedule "B"
Order To Pay

TO: **British Columbia Housing Management Commission** ("BCHMC")
FROM: «**Borrower_Name**» (the "Borrower")
RE: Mortgage (the "Mortgage") in favour of BCHMC which charges the «tenure» interest of the Borrower in the following lands and premises: «**Property_Address**», «**Property_City**», BC, legally described as:
«**PID_Legal_Description**» (the "Property").

We hereby irrevocably authorize and direct you or your solicitors, to make advances secured by the Mortgage in the following manner:

1. To deduct any accrued interest (if applicable);
2. To pay to BCHMC any money owing under any proposal development funding loan, administration, legal, inspection and other fees or amounts payable to it;
3. To holdback or pay amounts required to satisfy statutory or contractual holdbacks directly to BCHMC's solicitors to be used to satisfy lien claims and otherwise to be paid out at BCHMC's direction;
4. To holdback or pay to BCHMC's solicitors, on or before the final advance, an amount estimated to be required to fund remaining project costs, such funds to be paid out at BCHMC's direction in respect of such costs as they are incurred;
5. To pay to the landlord of the Property rent required to be paid under a lease, if any;
6. To pay brokerage fees (if applicable);
7. At BCHMC's discretion:
 - a) to pay any taxing authority, any taxes, levies, or rates due and accruing due;
 - b) to pay to the holder of any prior encumbrance the amount required to pay out and discharge the prior encumbrance;
 - c) to pay to any appraiser, contractor, engineer, subcontractor, surveyor, or supplier of material in respect of the Property;
 - d) if any advance or draw is to be made subject to a BCHMC condition, to pay to our solicitors, _____, in trust, any such advance; and
 - e) deposit the advances or any of them into the following bank account (**Voided blank cheque attached**):

Bank Account in the name of: _____

Name of banking Institution: _____

Address (include postal code) of banking Institution: _____

Account Number: _____

Dated at _____, the ____ day of _____, 20 ____.

«BORROWER_NAME»,
by its authorized signatory(ies):

Name:
Title:

Name:
Title:

Schedule “C”

Definitions

The following terms used in the Loan Commitment Letter shall have the following meanings:

“**Approved Budget**” means the finalized cost and construction and operating budgets and timetable detailing all hard and soft costs associated with the development and construction of the Project in accordance with the Approved Plans, as approved by BCHMC and its payment certifier or quantity surveyor, as applicable;

“**Approved Plans**” means the finalized plans, specifications, drawings, timetables, reports, and recommendations for the Project which have been approved by BCHMC and its payment certifier or quantity surveyor, as applicable;

“**CMHC**” means Canada Mortgage and Housing Corporation;

“**Commencement Date**” means the first day of the calendar month next following the registration date of the Forgivable Mortgage;

“**Contractors**” means all contractors engaged for the Project pursuant to the Construction Contracts;

“**Construction Contracts**” means the construction contracts in respect of the Project entered into between the Borrower and the Contractors, which construction contracts will be in the form of standard contracts, as amended from time to time, with BCHMC’s Supplementary General Conditions;

“**CRA**” means Canada Revenue Agency;

“**First Advance**” means the first advance of the principal amount under the Loan made by BCHMC;

“**Forgivable Mortgage**” means the mortgage set forth in Section 10.7 to be granted by the Borrower in favour of BCHMC;

“**GST**” means goods and services tax;

“**Hazardous Substance**” means any substance defined or designated as hazardous or toxic waste, hazardous or toxic material, a hazardous, toxic or radioactive substance or other similar term, by any applicable federal, provincial or local statute, regulation or ordinance now or in the future in effect, or any substance or materials, the use or disposition of which is regulated by any such statute, regulation or ordinance;

“**Legal Requirements**” means any law, statute, code, ordinance, order, award, judgment, decree, injunction, rule, regulation, authorization, consent, approval, order, permit, licence, direction or requirement of any government authority;

“**Loan**” means the authorized amount set forth in Section 3.1;

“**Loan Commitment Letter**” means the Loan Commitment Letter to which this Schedule “C” is attached and all other schedules attached thereto, as they may be amended, supplemented or replaced from time to time;

“**Operating Agreement**” means the agreement entered into by the Borrower with CMHC and/or BCHMC which provides, amongst other things, for the roles and responsibilities of the Borrower with reference to the operation of the Property;

“**PDF Loan**” means a predevelopment funding loan;

“**Project Completion**” means the issuance of a full, final and unconditional occupancy permit;

“**RBC Prime Rate**” means the floating annual rate of interest established and recorded by Royal Bank of Canada from time to time as a reference rate for purposes of determining rates of interest it shall charge on loans denominated in Canadian dollars made in Canada; and

“**Specific Purpose**” means the intended use of the Property as described in Appendix “A” which is attached to the Forgivable Mortgage.

APPENDIX "I"

ASSIGNMENT OF PROJECT AGREEMENTS

THIS ASSIGNMENT is dated for reference _____, 20_____

BETWEEN:

«**BORROWER_NAME**»

(Inc. No. «Inc»), of «Borrower_Address», «Borrower_City», B.C.

«Borrower_Postal_Code»

(the "**Borrower**")

OF THE FIRST PART

AND:

BRITISH COLUMBIA HOUSING MANAGEMENT COMMISSION,

of Suite 1701 — 4555 Kingsway, Burnaby, B.C. V5H 4V8

(the "**Lender**")

OF THE SECOND PART

WHEREAS:

A. Pursuant to a forgivable loan commitment letter issued to the Borrower by the Lender dated «LCL_Date», as the same may be amended, modified, extended or restated from time to time (collectively, the "**Loan Commitment Letter**"), the Lender has agreed to make available to the Borrower certain forgivable loans and advances in the amount of «**Loan Amount**» (the "**Loan Amount**") for the purpose of financing the development and construction of a project (the "**Project**") on the lands and premises located at «**Property_Address**», «**Property_City**» and legally described as:

«PID_Legal_Description» (the "**Lands**").

B. As security for the Loan Amount, interest thereon, commitment fees, and all other fees, costs, expenses, charges and other amounts due by the Borrower which are described in the Loan Commitment Letter, the Borrower has granted a mortgage to the Lender (the "**Mortgage**") which charges the Lands.

C. As a condition precedent to advances of the Loan Amount, the Borrower has agreed to assign to the Lender as additional collateral security, the benefits of any applicable development, zoning, land use and building permissions, exemptions and authorizations and all designs, diagrams, engineering certificates, surveys, drawings, plans and specifications, performance bonds and labour and material payment bonds relating to the Project, if applicable *[NTD: If the standard bonding requirements are to be modified or other sub-trade payment bond is to be added per Excom, mirror the wording as provided by DM/counsel for the LCL. If in doubt, include a remark when sending mortgage package to Legal to request the counsel to review wording in this document.]* (collectively the "**Collateral**") and all contracts and agreements, including, without limitation, service or material supply contracts, relating to the development and construction of the Project (collectively the "**Contracts**" and the parties thereto, are collectively the "**Contractors**").

NOW, THEREFORE, THIS ASSIGNMENT WITNESSES that in consideration of the mutual covenants herein contained and other good and valuable consideration (the receipt and sufficiency of which is hereby acknowledged) the Borrower covenants, declares and agrees with the Lender as follows:

1. The Borrower hereby assigns, transfers and sets over unto the Lender and grants a security interest to the Lender in all of its right, title and interest in and to the Collateral and the Contracts including, without limitation, the benefit of all representations, warranties, conditions, terms and covenants made or contained in the Collateral and the Contracts or implied or expressed by law in relation thereto; and irrevocably appoints the Lender as its attorney and agent with full power and authority to execute all necessary documents in connection with the Collateral and the Contracts and to enforce performance of such conditions, terms and covenants and to demand, sue for and collect damages in connection with any misrepresentation, failure of warranty, or breach of any such condition, term or covenant in the name of and as agent for the Borrower, or in the name of the Lender; to have and to hold unto the Lender until all monies owing and all obligations of the Borrower under the Mortgage have been fully paid and fulfilled.
2. Although it is intended by the Borrower and the Lender that this shall be a present assignment the Lender shall not be entitled, until there shall be default under the Mortgage or under the terms hereof, to exercise the rights assigned to it hereunder or to enforce or sue in respect of any representation, warranty, condition, term or covenant under the Collateral or the Contracts and the other parties thereto shall be entitled to deal with the Borrower until receipt of written notice from the Lender stating that they should no longer deal with the Borrower.
3. Notwithstanding any variation of the terms of the Mortgage or any agreement or arrangement with the Borrower or any extension of time for payment or any release of any security this Assignment shall continue as collateral security until the whole of the monies secured by the Mortgage shall be fully paid and all obligations of the Borrower under the Mortgage have been satisfied.
4. The Borrower shall be permitted to enjoy the benefits of the Collateral and the Contracts unless and until default shall be made in the payment of any monies secured by the Mortgage or in the keeping or observance or performance of any covenant, proviso or condition contained herein or in the Mortgage and in the case of such default the Lender or its agent may but shall not be bound to give written notice to the other parties to the Collateral and the Contracts requiring them to deal directly with the Lender, and the Borrower covenants and agrees, at the request of the Lender, to join with the Lender in such notice and hereby irrevocably appoints the Lender as its attorney to join the Borrower in such notice.
5. The Lender may waive any default or breach of covenant and shall not be bound to exercise its rights hereunder or to serve any notice upon any other party hereto upon the happening of any default or breach of covenant but any such waiver shall not extend to any subsequent default or breach of covenant.

6. Nothing herein contained shall be deemed to have the effect of making the Lender responsible for the performance of any of the covenants, provisions, stipulations, terms or conditions under the Collateral or the Contracts or oblige it to exercise the rights assigned to it hereunder and that the Lender shall not by virtue of these presents be deemed to be a mortgagee in possession of the Lands and the Lender shall not be under any obligation to take any action or exercise any remedy to enforce the performance of the obligations and liabilities under or in respect of the Collateral or the Contracts of the other parties thereto.
7. The Borrower shall not, without the consent in writing of the Lender:
 - (a) assign, pledge, or hypothecate the Collateral or the Contracts other than to the Lender and shall not do or omit to do or permit any act to be done which either directly or indirectly has the effect of waiving, releasing, reducing or abating any rights, remedies or obligations of any party thereunder or in connection therewith; and
 - (b) terminate, accept a surrender of, or agree to any modification or amendment to any of the Collateral or any of the Contracts which would materially adversely change the obligations of the Borrower thereunder.
8. The Borrower hereby agrees to execute such further assurances as may be reasonably required by the Lender from time to time to perfect this Assignment.
9. This Assignment is taken by way of additional security only, and neither the taking of this Assignment nor anything done in pursuance hereof shall in any way prejudice or limit the rights of the Lender or the obligations of the Borrower under the Mortgage or any security collateral thereto.
10. The rights and remedies given to the Lender hereunder shall be in addition to and not in substitution for and shall not in any way derogate from or delay or prejudice any rights or remedies to which the Lender may be entitled under the Mortgage or any security collateral thereto or by law.
11. Such of the Collateral and the Contracts as are now in existence are in full force and effect.
12. To the best of the Borrower's knowledge, there is currently no default by any party to the Collateral or the Contracts under any term, condition or covenant required to be performed by it under such of the Collateral and the Contracts as are now in existence.
13. The Borrower has to date observed and performed all of its obligations under such of the Collateral and the Contracts as are now in existence and will continue hereafter to observe and perform all of its obligations under the Collateral and the Contracts.
14. The Borrower now has a good right, full power and absolute authority to assign the Collateral and the Contracts and the benefits thereof in the manner aforesaid according to the true intent and meaning of this Assignment.

15. Any notice, request, demand, consent, approval or other communication (“**Notice**”) which a party is required or may desire to give to another party hereunder shall be in writing and shall be given by personal delivery or transmitted by facsimile, telex or other telegraphic or electronic communication which results in a written or printed notice being given to the intended recipient at its address first written above, and if to the Borrower to the attention of the President and if to the Lender to the attention of the Senior Manager, or to such other address or person as may from time to time be designated by notice in writing.

Any Notice given in connection with this Assignment, if delivered, shall be deemed to have been given on the day of delivery. Any Notice sent by facsimile, telex or other telegraphic or electronic communication shall be deemed to have been given on the business day next following the date of transmission.

16. The expressions the “Borrower” and the “Lender” wherever used in these presents shall include and this Assignment shall be binding upon and enure to the benefit of the successors and assigns of the Borrower and the Lender respectively. Wherever the singular or masculine is used throughout this Assignment the same shall be construed as meaning the plural or the feminine or body corporate or politic wherever the context or the parties hereto so require.
17. This Assignment shall be governed by and constructed in accordance with the laws of the Province of British Columbia.
18. **Joint and Several - The word "Borrower", as used herein, shall include the plural as well as the singular, and reference herein to a person shall include reference to a corporation or any other legal entity. Words used in the neuter shall include the masculine and feminine genders, and words used in the singular include the plural and vice versa. If there is more than one Borrower, the obligations hereunder imposed upon each party comprising the Borrower shall be joint and several. [NTD: remove if Borrower is one entity only]**

[Remainder of this page has been intentionally left blank]

19. This Assignment may be executed in counterparts and when each party has executed a counterpart each of such counterparts shall be deemed to be an original and all of such counterparts when taken together shall constitute one and the same agreement.

IN WITNESS WHEREOF this Assignment has been executed the day and year first above written.

«BORROWER_NAME», by its authorized signatory(ies):

Name:

Title:

Name:

Title:

**BRITISH COLUMBIA HOUSING
MANAGEMENT COMMISSION,**
by its authorized signatory(ies):

Pooi Ching Siew

Director, Lending Services

EXPLANATION NOTE OF

NOTICE & ACKNOWLEDGEMENT RE. ASSIGNMENT OF PROJECT AGREEMENTS

This Notice and Acknowledgement form (APPENDIX “II”) is to be signed by persons such as a prime or general contractor/or a consultant (as “Contractor”) {NTD : DELETE “or a consultant” if the Notice & Acknowledgement Form is to be executed only by the prime or general contractor} who has a contract or agreement in place with the Borrower to provide, including without limitation, services or materials relating to the development and construction of the Project on the Land (the “Contract”). The key purpose of the Notice & Acknowledgement is for the Contractor to acknowledge to BCHMC that, as security for the funds being advanced from BCHMC to the Borrower for the development and construction of the Project, the Borrower has assigned its rights and interest in the Contract by way of the Assignment of Project Agreements attached as Appendix “I”, but also to agree that the Contractor is free to deal with the Borrower under the Contract until they receive notice from BCHMC otherwise – after which they will deal with BCHMC or as BCHMC directs.

APPENDIX "II"

NOTICE AND ACKNOWLEDGEMENT

Re: ASSIGNMENT OF PROJECT AGREEMENTS

THIS ACKNOWLEDGEMENT AGREEMENT is dated for reference the ____ day of _____, 20____.

BY _____, having a registered and records office and postal address at _____, BC,

("the Contractor")

AND **BRITISH COLUMBIA HOUSING MANAGEMENT COMMISSION**, having an office and postal address at 1701 - 4555 Kingsway, Burnaby, British Columbia, V5H 4V8 ("BCHMC")

BACKGROUND:

BCHMC has agreed to make a forgivable construction mortgage loan (the "Loan") to «BORROWER_NAME» (the "Borrower") securing the Borrower's interest in certain lands located at «Property_Address», «Property_City», legally described as:

«PID_Legal_Description» (the "Land");

The Borrower intends to construct the improvements (the "Project") on the Land and has entered into an agreement with the Contractor, dated the ____ day of _____, 20____ (the "Construction Contract"), whereby the Contractor will perform the activities set forth in the Construction Contract relating to the construction of the Project on the Land;

The Borrower has pursuant to an Assignment of Project Agreements (the "Assignment") dated for reference the ____ day of _____, 20____ a copy of which is attached as Appendix "I" assigned to BCHMC as collateral security to the Loan among other things all of the Borrowers' interest and right in and to the Construction Contract.

AGREEMENTS:

For the sum of One Dollar (\$1.00) and other good and valuable consideration, the receipt and sufficiency of which the Contractor acknowledges, the Contractor acknowledges, confirms and agrees as follows:

The Contractor confirms that the Construction Contract is assignable and acknowledges notice of and that it is aware of the terms of the Assignment and that it may continue to deal with Borrower under the terms of the Construction Contract until notified otherwise by BCHMC after which it will deal with BCHMC or as otherwise directed by BCHMC. The Contractor further agrees that it will not agree to amend the Construction Contract in a material respect without the written consent of BCHMC.

The **Contractor** acknowledges and confirms that BCHMC has incurred no obligations nor liabilities whatsoever to the **Contractor** by virtue of the Assignment.

IN WITNESS WHEREOF the **Contractor** has executed this Acknowledgment Agreement as of the day and year first above written.

_____)
(Insert Name of Contractor))
by its authorized signatory:)
)
)
_____)
Authorized Signatory)



1. Application

«BCH_Solicitor»
«BCH_Solicitor_Firm»

File No.: _____
 BCHMC No.: «File»/«PR»/«BU» «Initial»

2. Description of Land

PID/Plan Number Legal Description
 «PID_Legal_Description»

3. Borrower(s) (Mortgagor(s))

«Borrower_Name»	Inc.# «Inc»
«Borrower_Address»	
«Borrower_City», «Borrower_Province» «Borrower_Postal_Code»	

4. Lender(s) (Mortgagee(s))

BRITISH COLUMBIA HOUSING MANAGEMENT COMMISSION SUITE 1701 - 4555 KINGSWAY BURNABY BC V5H 4V8

5. Payment Provisions

Principal Amount «Loan Amount»	Interest Rate SEE SCHEDULE	Interest Adjustment Date N/A
Interest Calculation Period SEMI-ANNUALLY	Payment Dates N/A	First Payment Date ON DEMAND
Amount of each periodic payment N/A	Interest Act (Canada) Statement. The equivalent rate of interest calculated half yearly not in advance is N/A % per annum	Last Payment Date ON DEMAND
Assignment of Rents which the applicant wants registered? No	Place of payment SAME AS LENDER ADDRESS IN #4 ABOVE	Balance Due Date ON DEMAND

6. Mortgage contains floating charge on land?

No

7. Mortgage secures a current or running account?

No

8. Interest Mortgaged

Other: of Lease with ___ registration numbers lower than this mortgage

9. Mortgage Terms:

Part 2 of this mortgage consists of:

(c) Express Mortgage Terms (annexed to this mortgage as Part 2)

A selection of (a) or (b) includes any additional or modified terms.



10. Additional or Modified Terms

N/A

11. Prior Encumbrances Permitted by Lender

SEE SCHEDULE

12. Execution(s)

This mortgage charges the Borrower's interest in the land mortgaged as security for payment of all money due and performance of all obligations in accordance with the mortgage terms referred to in item 9 and the Borrower(s) and every other signatory agree(s) to be bound by, and acknowledge(s) receipt of a true copy of those terms.

Witnessing Officer Signautre

Execution Date

Borrower / Party Signature(s)

YYYY-MM-DD
--

«Borrower_Name»

By their Authorized Signatory

Print Name:

Print Name:

Officer Certificate

Your signature constitutes a representation that you are a solicitor, notary public or other person authorized by the *Evidence Act*, R.S.B.C. 1996, c.124, to take affidavits for use in British Columbia and certifies the matters set out in Part 5 of the *Land Title Act* as they pertain to the execution of this instrument.

Electronic Signature

Your electronic signature is a representation that you are a designate authorized to Certify this document under section 168.4 of the *Land Title Act*, RSBC 1996 c 250, that you certify this document under section 168.41(4) of the act, and that an execution copy, or a true copy of that execution copy, is in your possession.

--

**FORM E
SCHEDULE**

ENTER THE REQUIRED INFORMATION IN THE SAME ORDER AS THE INFORMATION MUST APPEAR ON THE FREEHOLD TRANSFER FORM, MORTGAGE FORM OR GENERAL DOCUMENT FORM.

5. PAYMENT PROVISIONS:**

Interest Rate:

If an Event of Default occurs, interest is payable on the balance of the Principal Amount outstanding under the Loan as at the date of the Event of Default at a rate equal to the Prime Rate plus Two Percent (2.00%) per annum (the "Interest Rate"), compounded semi-annually, not in advance, until the Principal Amount and any other money owed by the Borrower under the Mortgage have been paid in full. "Prime Rate" means the floating annual rate of interest established and recorded by Royal Bank of Canada from time to time as a reference rate for purposes of determining rates of interest it will charge on loans denominated in Canadian dollars made in Canada.

11. PRIOR ENCUMBRANCES PERMITTED BY LENDER:*

LEASE IN FAVOUR OF THE BORROWER FILED IN THE LAND TITLE OFFICE ON THE SAME DAY PRECEDING THIS MORTGAGE.

COVENANT IN FAVOUR OF THE COMMISSION FILED IN THE LAND TITLE OFFICE ON THE SAME DAY PRECEDING THIS MORTGAGE.

COVENANT IN FAVOUR OF THE COMMISSION FILED IN THE LAND TITLE OFFICE ON THE SAME DAY PRECEDING THIS MORTGAGE.

OPTION TO PURCHASE IN FAVOUR OF THE PROVINCIAL RENTAL HOUSING CORPORATION FILED IN THE LAND TITLE OFFICE ON THE SAME DAY PRECEDING THIS MORTGAGE.

MORTGAGE IN FAVOUR OF THE COMMISSION FILED IN THE LAND TITLE OFFICE ON THE SAME DAY PRECEDING THIS MORTGAGE

ASSIGNMENT OF RENTS IN FAVOUR OF THE COMMISSION FILED IN THE LAND TITLE OFFICE ON THE SAME DAY PRECEDING THIS MORTGAGE

[NTD: remove any item not applicable. Remove section 11 in its entirety if no prior encumbrance is permitted. In this case, also update P.2 of Form B under section 11 from "SEE SCHEDULE" to "N/A".]

MORTGAGE TERMS – PART 2

This Mortgage made pursuant to the Land Transfer Form Act and any amendment thereto.

1. Interpretation

(1) In these mortgage terms

“Borrower” means the person or persons named in the Mortgage Form as a Borrower;

“Borrower Mailing Address” means the postal address of the Borrower set out in the Mortgage Form or the most recent postal address provided in a written notice given by the Borrower to the Lender under these mortgage terms;

“Borrower’s Promises and Agreements” means any one or more of the Borrower’s obligations, promises and agreements contained in the Mortgage, the Operating Agreement (if applicable) and in the Loan Commitment Letter;

“Commencement Date” means the first day of the calendar month next following the registration date of the mortgage;

“Commission” means British Columbia Housing Management Commission or its successors in function;

“Court” means a court or judge having jurisdiction in any matter arising out of the Mortgage;

“Event of Default” includes each of the events of default listed in section 9(1);

“First Advance” means the first advance of the Principal Amount made by the Lender;

“First Mortgage” means the mortgage in favour of **◆**; *[NTD: remove if not applicable]*

“Interest” means interest at the interest rate shown on the Mortgage Form;

“Interest Calculation Period” means the period or periods for the calculation of Interest shown on the Mortgage Form;

“Interest Rate” means the interest rate shown on the Mortgage Form;

“Land” means all the Borrower’s present and future interest in the land described in the Mortgage Form including every incidental right, benefit or privilege attaching to that land or running with it and all buildings and improvements that are now or later constructed on or made to that land;

“Landlord” means the landlord named in the Lease if the Borrower’s interest in the Land is a leasehold interest;

“Lease” means the lease of the Land granted to the Borrower by the Landlord if the Borrower’s interest in the Land is a leasehold interest;

“Lender” means the person or persons named in the Mortgage Form as a mortgagee and includes any person to whom the mortgagee transfers the Mortgage;

“Lender Mailing Address” means the postal address shown on the Mortgage Form or the most recent postal address provided in a written notice given by the Lender to the Borrower under these mortgage terms;

MORTGAGE TERMS – PART 2

“**Loan Commitment Letter**” means the Loan Commitment Letter dated «LCL_Date» between the Borrower and the Lender, as may be further amended, supplemented or replaced from time to time;

“**Maturity Date**” means the balance due date shown on the Mortgage Form and is the date on which all unpaid Mortgage Money becomes due and payable, or such earlier date on which the Lender can lawfully require payment of the Mortgage Money;

“**Mortgage**” means the combination of the Mortgage Form and these mortgage terms;

“**Mortgage Form**” means Form B under the Land Title (Transfer Forms) Regulation and all schedules and addenda to the Form B;

“**Mortgage Money**” means the Principal Amount, Interest and any other money owed by the Borrower under the Mortgage, the payment of which is secured by the Mortgage;

“**Operating Agreement**” means the agreement entered into by the Borrower, the Commission and Canada Mortgage and Housing Corporation (if applicable);

“**Place of Payment**” means the place of payment shown on the Mortgage Form or any other place specified in a written notice given by the Lender to the Borrower under these mortgage terms;

“**Principal Amount**” means the Principal Amount shown on the Mortgage Form. In the event that the cost to complete the Project does not require that the Principal Amount be fully advanced, then the Principal Amount will be reduced so that it is equal to the amounts advanced by BCHMC to complete the Project;

“**Prior Charge**” means a charge registered against title to the Land in priority to the Mortgage, **[including but not limited to the First Mortgage and the Second Mortgage];** **[NTD: remove reference to First Mortgage and/or Second Mortgage if not applicable]**

“**Project**” means the construction and development or renovation of housing units located on the Land;

“**Receiver**” means a receiver or receiver manager appointed by the Lender under the Mortgage;

“**Second Mortgage**” means the mortgage in favour of ♦; **[NTD: remove reference to Second Mortgage if not applicable]**

“**Taxes**” means all taxes, rates and assessments of every kind which are payable by any person in connection with the Mortgage, the Land or its use and occupation, or arising out of any transaction between the Borrower and the Lender, but does not include the Lender’s income tax; and

“**Term**” means «Term» years from the Commencement Date. **[NTD: if a term expiry date is inserted, remove “years from the Commencement Date”.]**

(2) In the Mortgage, the singular includes the plural and vice versa.

2. What the Mortgage Does

(1) In return for the Lender agreeing to lend the Principal Amount to the Borrower, the Borrower grants and mortgages the Land to the Lender as security for repayment of the Mortgage Money and for performance of all the Borrower’s Promises and Agreements.

MORTGAGE TERMS – PART 2

- (2) If the Borrower's interest in the Land, and the Mortgage is of, a leasehold interest, the grant in subsection (1) shall be construed as a charge of the unexpired term of the Lease less one day.
- (3) The Mortgage shall be a charge on the Land and the Borrower releases to the Lender all the Borrower's claim to the Land until the Principal Amount has been forgiven in its entirety or the Borrower has paid the Mortgage Money to the Lender, in accordance with these mortgage terms and whichever may be applicable, and has performed all of the Borrower's Promises and Agreements.
- (4) The Borrower may continue to remain in possession of the Land as long as the Borrower performs all of the Borrower's Promises and Agreements.
- (5) When the Principal Amount has been forgiven in its entirety or the Borrower has paid the Mortgage Money and performed all the Borrower's Promises and Agreements under the Mortgage and the Lender has no obligation to make any further advances or readvances, the Lender will no longer be entitled to enforce any rights under the Mortgage and the Borrower will be entitled, at the Borrower's cost, to receive a discharge of the Mortgage. The discharge must be signed by the Lender and must be registered by the Borrower in the Land Title Office to cancel the registration of the Mortgage against the Land.

3. Payment of the Mortgage Money

- (1) If an Event of Default occurs:
 - (a) the balance of the Principal Amount outstanding plus Interest as set out in subsection 5 of the Mortgage Form shall forthwith become due and payable to the Lender; and
 - (b) the Borrower promises to pay the full amount of the Mortgage Money to the Lender at the Place of Payment in accordance with the payment provisions set out in the Mortgage Form, or at such other place as the Lender may designate.

4. Loan Forgiveness Conditions

- (1) If the Borrower uses the Land only for the specific purpose as set out in Appendix "A" and an Event of Default does not occur, 1/«Forgiveness_Period»th of the Principal Amount will be forgiven each year, commencing on the «Anniversary_Forgiveness_Start» anniversary of the Commencement Date, until the Principal Amount is completely forgiven.

5. Loan Commitment Letter

The Borrower covenants and agrees with the Lender to faithfully observe and perform all of the Borrower's covenants, provisions, terms, and conditions of the Loan Commitment Letter, and that the Loan Commitment Letter shall be read with and form part of this Mortgage as if embodied herein; provided further that any breach or default of the Loan Commitment Letter by the Borrower shall constitute a default under this Mortgage. To the extent that any provisions of the Loan Commitment Letter conflict with any provisions of this Mortgage, the Lender shall in its sole discretion determine which provisions prevail.

6. Payment of Taxes

- (1) The Borrower will pay when and as the same shall fall due taxes, rates, liens, charges, encumbrances or claims which are or may be or become charges or claims against the Land or on the Mortgage or on the Lender in respect of the

MORTGAGE TERMS – PART 2

Mortgage and shall submit to the Lender tax receipts evidencing the payment of the said taxes within 30 days after they become due.

- (2) The Lender may pay the amount of any encumbrance, lien or charge now or to arise or to be claimed upon the Land, including any taxes or other rates on the Land, and may pay all costs, charges and expenses which may be incurred in taking, recovering and keeping possession of the Land, and all solicitor's charges for or in respect of the collection of any overdue installments or any other monies, whether any action or other judicial proceedings to enforce such payment has been taken or not.
- (3) The amount so paid by the Lender may, at the option of the Lender, be added to the Principal Amount hereby secured and bear interest at the rate as set out in subsection 5 of the Mortgage Form from the date that the money was so spent.

7. Promises of the Borrower

- (1) The Borrower promises:
 - (a) to perform all of the Borrower's Promises and Agreements;
 - (b) to pay all Taxes when they are due and, if required by the Lender to do so, to send to the Lender at the Place of Payment, or at any other place the Lender requires, all notices of Taxes received by the Borrower;
 - (c) to apply for all government grants, assistance and rebates in respect of Taxes;
 - (d) to comply with all terms and conditions of any Prior Charge;
 - (e) to keep all buildings and improvements which form part of the Land in good condition and to repair them as the Lender reasonably requires;
 - (f) to sign any other document that the Lender reasonably requires to ensure that payment of the Mortgage Money is secured by the Mortgage or by any other document the Borrower has agreed to give as security;
 - (g) not to do anything that has the effect of reducing the value of the Land;
 - (h) not to tear down any building or part of a building which forms part of the Land without the written consent of the Lender;
 - (i) not to make any alteration or improvement to any building which forms part of the Land without the written consent of the Lender;
 - (j) if the Borrower has leased or subleased the Land to a tenant or subtenant, as applicable, to keep, if required by the Lender, records of all rents received and of all expenses paid by the Borrower in connection with the Land and, at least annually, have a statement of revenue and expenses for the Land prepared by a professional accountant if the Lender requires and to give a copy of the statement to the Lender if the Lender requires the Borrower to do so;
 - (k) to take out and maintain builders' risk insurance for the full cost of construction, and insure against all additional risks and perils as the Lender may from time to time consider advisable and to insure and keep insured against the risk of fire and other risks and losses that the Lender asks the Borrower to insure against, with an insurance company licensed to do business in British Columbia, all buildings and improvements on the Land

MORTGAGE TERMS – PART 2

- to their full insurable value on a replacement cost basis and to pay all insurance premiums when due;
- (l) if the Lender requires the Borrower to do so, to assign, transfer and deliver over unto the Lender the policies of insurance or to deliver such policies and receipts or to produce to the Lender at least thirty days before the termination of any insurance, evidence of renewals;
 - (m) to pay all of the Lender's costs, including legal fees on a solicitor and client basis, to:
 - (i) prepare and register the Mortgage, including all necessary steps to advance and secure the Mortgage Money and to report to the Lender;
 - (ii) collect the Mortgage Money;
 - (iii) enforce the terms of the Mortgage, including efforts to compel the Borrower to perform the Borrower's Promises and Agreements;
 - (iv) do anything which the Borrower has promised to do but has not done;
 - (v) prepare and give the Borrower a discharge of the Mortgage;
 - (vi) to pay any money which, if not paid, would result in an event of default under any charge or encumbrance having priority over the Mortgage or which might result in the sale of the Land if not paid, and
 - (vii) to pay and cause to be discharged any charges or encumbrances described in subsection 7(2)(b) which are not prior encumbrances permitted by the Lender under the Mortgage.
 - (n) to develop, use and operate the Land only for the specific purpose as set out in Appendix "A"; and
 - (o) to observe and perform all of its obligations under any Operating Agreement in force from time to time during the Term.
- (2) The Borrower represents to the Lender that:
- (a) the Borrower has good and marketable title to the Land and has the right to mortgage the Borrower's interest in the Land to the Lender;
 - (b) the Borrower's title to the Land is subject only to:
 - (i) those charges and encumbrances that are registered in the Land Title Office at the time the Borrower signed the Mortgage Form;
 - (ii) any unregistered charges and encumbrances that the Lender has agreed to in writing; and
 - (c) subject to subsection 7(2)(b), the Borrower:
 - (i) has not given any other charge or encumbrance against the Land, and
 - (ii) has no knowledge of any other claim against the Land.

MORTGAGE TERMS – PART 2

- (3) The Borrower represents to the Lender that no default has occurred under any Prior Charge, and that the Borrower has paid all money now due and owing under any Prior Charge.
- (4) The insurance policy or policies required by subsection 7(1)(k) shall contain a mortgage clause approved by the Lender that states that payment of any loss shall be made to the Lender at the Place of Payment or any other place the Lender requires and, if the Mortgage is not a first mortgage, the amount of any payment made by the insurance company shall be paid to the Borrower's lenders in the order of their priorities.
- (5) The Borrower gives up any statutory right to require the insurance proceeds to be applied in any particular manner.

8. Agreements between the Borrower and the Lender

- (1) By the Mortgage the Borrower grants and mortgages any additional or greater interest in the Land that the Borrower may later acquire.
- (2) Any money paid to the Lender under the Mortgage shall:
 - (a) before an Event of Default, be applied first in payment of the Principal Amount and secondly in payment of all other money owed by the Borrower under the Mortgage, and
 - (b) after an Event of Default, be applied in any manner the Lender determines.
- (3) The Lender may at any reasonable time inspect the Land and any buildings and improvements which form part of it.
- (4) If the Lender takes possession of the Land the Lender shall not be responsible for maintaining and preserving the Land and need only account to the Borrower for any money which the Lender actually receives in connection with the Mortgage of the Land.
- (5) The Lender may spend money to perform any of the Borrower's Promises and Agreements including, but not limited to, any of the Borrower's promises and agreements under a Prior Charge, which the Borrower has not performed and any money so spent shall be added to the Principal Amount and bear Interest as set out in subsection 5 of the Mortgage Form from the date that the money was so spent, and be immediately due and payable to the Lender.
- (6) Any notice provided by the Borrower to the Lender must be delivered to the Lender personally or sent by registered or certified mail to the Lender Mailing Address or to any other address specified in writing by the Lender to the Borrower from time to time.
- (7) Any notice provided by the Lender to the Borrower must be delivered to the Borrower personally or sent by registered or certified mail to the Borrower Mailing Address or to any other address specified in writing by the Borrower to the Lender from time to time.
- (8) Any notice sent by mail is considered to have been received by the recipient 5 days after the date of such mailing.
- (9) In the event of a mail strike or disruption, any notice to be given by the Borrower to the Lender or vice versa must be delivered.

MORTGAGE TERMS – PART 2

- (10) A sale of the Lands does not release the Borrower from the Borrower's Promises and Agreements.
- (11) If the Borrower has mortgaged other property to the Lender to better to secure payment of the Mortgage Money, the Lender may take all lawful proceedings under any of the mortgages granted in favour of the Lender by the Borrower in any order that the Lender determines.
- (12) The Lender is under no obligation to advance all or any portion of the Principal Amount to the Borrower notwithstanding that:
 - (a) the Borrower has signed the Mortgage;
 - (b) the Mortgage is registered in the Land Title Office, or
 - (c) the Lender has previously advanced to the Borrower part of the Principal Amount.
- (13) The Lender may deduct from any advance of the Principal Amount:
 - (a) any Taxes that are due;
 - (b) any Interest that is due and payable to the date of the advance;
 - (c) the legal fees and disbursements to prepare and register the Mortgage including other necessary steps to advance and secure the Mortgage Money and to report to the Lender, and
 - (d) any insurance premium.
- (14) The Lender's right of consolidation applies to the Mortgage and to any other mortgages given by the Borrower to the Lender. If the Borrower has mortgaged other property to the Lender the Borrower will not have the right, after an Event of Default, to pay off the Mortgage or any mortgage of other property unless the Borrower pays the Lender all money owed by the Borrower under the Mortgage and all of the mortgages of other property.

9. Events of Default

- (1) An event of default occurs under the Mortgage if:
 - (a) the Borrower breaches any of the Borrower's Promises and Agreements;
 - (b) the Borrower breaches any promise or agreement which the Borrower has made to the Lender in a mortgage of any other land or other property or in any other agreement the Borrower has made with the Lender notwithstanding that the Borrower may not have breached any of the Borrower's Promises and Agreements;
 - (c) the Borrower has an administrator or a receiver (or the equivalent in any jurisdiction) appointed in respect of it, or any of its assets, or it enters into a liquidation of its assets;
 - (d) the Borrower is deemed to be insolvent or ceases to exist;
 - (e) the Land is abandoned or is left unoccupied for 30 or more consecutive days without the prior written consent of the Lender;
 - (f) the Land or any part of it is expropriated;

MORTGAGE TERMS – PART 2

- (g) without the written consent of the Lender the Borrower transfers, sells, or agrees to transfer or sell, or otherwise changes or agrees to change, the legal or beneficial ownership of the Land or any part of the Land;
 - (h) the Borrower gives another mortgage of the Land to someone other than the Lender without the prior written consent of the Lender;
 - (i) the Borrower does not discharge any judgment registered in the Land Title Office against the Land within 30 days after receiving notice of its registration,
 - (j) the Borrower allows any claim of builders lien to remain undischarged on title to the Land for more than 30 days unless the Borrower:
 - (i) diligently disputes the validity of the claim by taking all necessary legal steps to do so;
 - (ii) gives reasonable security to the Lender to pay the claim in full if it is found to be valid; and
 - (iii) authorizes the Lender to use the security to pay the lien in full;
 - (k) the Borrower fails to comply with the provisions of Appendix "A";
 - (l) the Borrower defaults in observing or performing any of its obligations under any Operating Agreement in force from time to time during the Term or any event occurs which would entitle the Commission to terminate the Operating Agreement, and the Borrower fails to rectify such default or cure such event within the time limits set out in the Operating Agreement or as otherwise directed by the Lender;
 - (m) if the Borrower's interest in the Land is a leasehold interest, and the Borrower defaults in observing or performing any of its obligations under the Lease, or any event occurs which would entitle the Landlord under the Lease to terminate the Lease, and the Borrower fails to rectify such default or cure such event within the time limited therefore under the Lease; or
 - (n) the Borrower defaults in observing and performing any covenant or payment to be made in respect of a Prior Charge registered against the Land.
- (2) If an Event of Default occurs under the Mortgage, an event of default will be deemed to have occurred under any other mortgage or agreement between the Borrower and the Lender.
 - (3) If the Borrower is a corporation, a change in control of the Borrower will be considered to have occurred if there is a change of legal or beneficial ownership of the Land.

10. Consequences of an Event of Default

- (1) If an Event of Default occurs, all the Mortgage Money then owing to the Lender will, at the option of the Lender, immediately become due and payable.
- (2) If an Event of Default occurs, the Lender may, in any order that the Lender determines, do any one or more of the following:
 - (a) demand payment of all the Mortgage Money;
 - (b) sue the Borrower for the amount of money due;

MORTGAGE TERMS – PART 2

- (c) take proceedings and any other legal steps to compel the Borrower to keep the Borrower's Promises and Agreements;
 - (d) enter upon and take possession of the Land;
 - (e) sell the Land and other property by public auction or private sale, or lease the Land on terms decided by the Lender:
 - (i) on 30 days notice to the Borrower if the Event of Default has continued for 30 days, or
 - (ii) without notice to the Borrower if the Event of Default has continued for 60 days or more;
 - (f) apply to the Court for an order that the Land be sold on terms approved by the Court;
 - (g) apply to the Court to foreclose the Borrower's interest in the Land so that when the Court makes its final order of foreclosure the Borrower's interest in the Land will be absolutely vested in and belong to the Lender;
 - (h) appoint a Receiver of the Land;
 - (i) enter upon and take possession of the Land without permission of anyone and make any arrangements the Lender considers necessary to
 - (i) inspect, lease, collect rents or manage the Land;
 - (ii) complete the construction of any building on the Land, or
 - (iii) repair any building on the Land;
 - (j) take whatever action is necessary to take, recover and keep possession of the Land.
- (3) Nothing in subsection 10(2) affects the jurisdiction of the Court.
- (4) If the Lender sells the Land by public auction or by private sale the Lender will use the amount received from the sale to pay:
- (a) any real estate agent's commission;
 - (b) all adjustments usually made on the sale of Land;
 - (c) all of the Lender's expenses and costs described in subsection 10(6); and
 - (d) the Mortgage Money;
- and will pay any surplus:
- (e) according to an order of the Court if the Land is sold by an order of the Court, or
 - (f) to the Borrower if the Land is sold other than by an order of the Court.
- (5) If the money available to pay the Mortgage Money after payment of the commission, adjustments and expenses referred to in subsections 10(4)(a) to (c) is not sufficient to pay all the Mortgage Money, the Borrower will pay to the Lender on demand the amount of the deficiency.
- (6) The Borrower will pay to the Lender on demand all expenses and costs incurred by the Lender in enforcing the Mortgage. These expenses and costs include the Lender's cost of taking and keeping possession of the Land, the cost of the time

MORTGAGE TERMS – PART 2

and services of the Lender or the Lender's employees for so doing, the Lender's legal fees and disbursements on a solicitor and client basis, unless the Court allows legal fees and disbursements be paid on a different basis, and all other costs and expenses incurred by the Lender to protect the Lender's interest under the Mortgage. These expenses and costs may, at the Lender's discretion, be added to the Principal Amount, be payable on demand and bear Interest until they are fully paid.

- (7) If the Lender obtains judgment against the Borrower as a result of an Event of Default, the remedies described in subsection 10(2) may continue to be used by the Lender to compel the Borrower to perform the Borrower's Promises and Agreements. The Lender will continue to be entitled to receive Interest on the Mortgage Money until the judgment is paid in full.
- (8) If the Lender does not exercise any of the Lender's rights on the happening of an Event of Default or does not ask the Borrower to cure it, the Lender is not prevented from later compelling the Borrower to cure an Event of Default or exercising any of those rights in connection with that Event of Default or any later Event of Default of the same or any other kind.

11. Construction of buildings or improvements

- (1) The Borrower will not construct, alter or add to any buildings or improvements on the Land without the prior written consent of the Lender, and then only in accordance with accepted construction standards, building codes and municipal or government requirements and plans and specifications approved by the Lender, and the Borrower will not allow any improvements to remain unfinished without work being done on them for more than 10 days.
- (2) If the Mortgage is intended to finance any construction, alteration or addition, the Lender may make advances of the Principal Amount to the Borrower based on the progress of construction. Whether any advances will be made and the amount and timing of such advances will be determined by the Lender in its sole discretion.

12. Construction Loan Provision

If the Principal Amount advanced and secured under this Mortgage is to be used in the course and for the purpose of demolishing, repairing, improving and/or constructing improvements upon the Land:

- (1) The Borrower shall construct all buildings and other improvements on the Land in accordance with the applicable building and air space parcel plans and to the satisfaction of all governmental and regulatory authorities having jurisdiction and carry on diligently to completion the buildings and other improvements. All buildings and other improvements now or later on the Land shall form part of the security for the full amount of the money secured by this Mortgage.
- (2) All construction on the Land shall be carried out by reputable contractors having experience which is commensurate to the nature and size of the Project, and such contractors must be prior approved by the Lender in writing, such approval not to be unreasonably withheld.
- (3) Provided that should construction on the Project cease for any reason whatsoever (strikes, material shortages and weather conditions beyond the

MORTGAGE TERMS – PART 2

control of the Borrower excepted), for a period of fifteen (15) consecutive business days, then, at the sole option of the Lender, this Mortgage shall, immediately become due and payable. In the event that construction does cease, then the Lender shall have the right, at its sole option but under no circumstance shall the Lender be obliged, to assume some part or complete control of the construction of the Project in such manner and on such terms as it deems available. The cost and expenses of completion of the Project by the Lender and all expenses incidental thereto together with a management fee of fifteen percent (15%) of the costs and expenses of the construction completed by the Lender will be secured under this Mortgage and bear interest.

- (4) At all times there shall be sufficient funds unadvanced under this Mortgage and retained by the Lender to complete the construction.
- (5) This Mortgage will be advanced in stages as construction upon the Land proceeds or as the conditions as enumerated by the Loan Commitment Letter are complied with.
- (6) All advances which are made from time to time hereunder shall be based on certificates of a duly qualified architect, engineer, quantity surveyor, cost consultant or other consultant(s) retained for the purpose of reviewing and advising the Lender with respect to the Project and the progress thereof, whose fees and costs shall be for the account of the Borrower regardless of by whom such person has been retained. All such certificates shall without limitation certify the value of the work completed and the estimated costs of any uncompleted work and such certificates shall further certify that such completed construction to the date of such certificate shall be in accordance with the applicable building plans and in accordance with all municipal and other governmental requirements of all authorities having jurisdiction pertaining to such construction and that there shall be no outstanding work orders or other requirements pertaining to construction on the Land. Such certificates with respect to any values shall not include materials on the site which are not incorporated into the buildings.
- (7) The Borrower shall pay to the Lender on each occasion when an inspection of the Land is required to confirm construction costs to date and compliance with conditions for further advances, an inspection fee in such reasonable amount as the Lender may charge from time to time for each such inspection and the Lender's solicitors shall be paid their reasonable fees and disbursements for each subsearch and work done prior to each such advance and all such monies shall be deemed to be secured hereunder and the Lender shall be entitled to all right and remedies with respect to collection of same in the same manner as it would have with respect to collection of principal and interest hereunder or at law.
- (8) The Lender shall be entitled to erect at the Lender's expense, a reasonable number of signs at reasonable locations and of reasonable size, and to otherwise publicize the source of the financing during the construction period.
- (9) The Lender may at its sole option, withhold from any advances for which the Borrower may have qualified, such amounts as the Lender, in its sole discretion, considers advisable to protect its position under the provisions of the Builders Lien

MORTGAGE TERMS – PART 2

Act (British Columbia) as amended, so as to secure its priority over all liens, until the Lender is fully satisfied that all lien periods have expired and that there are no liens outstanding. Nothing in this clause shall be construed to make the Lender an “owner” as defined under the Builders Lien Act (British Columbia) as amended, nor shall there be, or be deemed to be, any obligation by the Lender to retain any holdback which may be required to be made by the owner which shall remain solely the Borrower’s obligation. The Borrower hereby covenants and agrees to comply in all respects with the provisions of the Builders Lien Act (British Columbia) as amended.

13. Damage and Destruction

- (1) If and whenever the buildings or improvements on the Land are damaged or destroyed, the Borrower will provide the Lender with immediate notice thereof.
- (2) If, in the opinion of a professional engineer or architect appointed by the Lender, who is at arm’s-length from the Lender, the buildings or improvements are damaged or destroyed in excess of 25% of their insurable value, the Lender may deliver to the Borrower written notice not to repair or replace the improvements. In such case, the Borrower, will apply, or permit to be applied, the proceeds of the insurance referred to in subsection 7(1)(k) to pay:
 - (a) firstly, to the Lender the balance of the Mortgage Money;
 - (b) secondly, to pay the cost of demolishing the buildings or improvements and removing from the Land all debris and waste, and of restoring the Land to an safe, neat, and level condition; and
 - (c) thirdly, to pay the balance, if any, to the Borrower.

14. Leasehold Mortgage

- (1) This section applies if the Borrower’s interest in the Land, and the Mortgage is of, a leasehold interest.
- (2) The Borrower represents to the Lender that:
 - (a) the Borrower’s interest in the Lease is subject only to those charges and encumbrances that are registered in the Land Title Office at the time the Borrower signed the Mortgage Form;
 - (b) the Lease is in good standing;
 - (c) the Borrower has complied with all the Borrower’s promises and agreements contained in the Lease;
 - (d) the Borrower has paid all rent that is due and payable under the Lease;
 - (e) the Lease is not in default, and
 - (f) the Borrower has the right to mortgage the Lease to the Lender.
- (3) The Borrower will:
 - (a) comply with the Lease and not do anything that would cause the Lease to be terminated;
 - (b) immediately give to the Lender a copy of any notice or request received from the Landlord;

MORTGAGE TERMS – PART 2

- (c) immediately notify the Lender if the Landlord advises the Borrower of the Landlord's intention to terminate the Lease before the term expires;
 - (d) immediately give a copy of this Mortgage to the Landlord; and
 - (e) sign any other document the Lender requires to ensure that any greater interest in the Land that is acquired by the Borrower is charged by the Mortgage.
- (4) Any default under the Lease is a default under the Mortgage.
 - (5) The Borrower promises to the Lender that the Borrower will not, without first obtaining the written consent of the Lender:
 - (a) surrender or terminate the Lease, or
 - (b) agree to change the terms of the Lease.
 - (6) No dealing by the Lender with the Landlord or with the owner of the equity of redemption of the Land will in any way limit or otherwise prejudice the rights of the Lender against the Borrower or any other person liable for the payment of monies secured hereby.
 - (7) The Lender may perform any promise or agreement of the Borrower under the Lease.
 - (8) Nothing done by the Lender under this section or under sections 10 or 14 (other than the Lender taking actual possession of the Land) will make the Lender a mortgagee in possession.

15. Receiver

- (1) The Borrower appoints both the Lender and any agent of the Lender as the Borrower's attorney to appoint a Receiver of the Land.
- (2) The Lender or the Lender's agent may, if any Event of Default occurs, appoint a Receiver of the Land and the Receiver:
 - (a) will be the Borrower's agent and the Borrower will be solely responsible for the Receiver's acts or omissions;
 - (b) has power, either in the name of the Borrower or the Lender, to demand, recover and receive income from the Land and commence and maintain any action or Court proceeding to collect such income;
 - (c) may provide receipts for income that the Receiver receives;
 - (d) may carry on any business that the Borrower conducted on the Land;
 - (e) may lease or sublease the Land or any part of it on terms and conditions that the Receiver determines;
 - (f) may complete the construction of or repair any building or improvement on the Land;
 - (g) may take possession of all or part of the Land;
 - (h) may manage the Land and maintain it in good condition;
 - (i) has the power to perform, in whole or in part, the Borrower's Promises and Agreements, and

MORTGAGE TERMS – PART 2

- (j) has the power to do anything that, in the Receiver's opinion, will maintain and preserve the Land or will increase or preserve the value or income potential of the Land or the Borrower's business on the Land.
- (3) From income received the Receiver may do any of the following in any order the Receiver determines:
- (a) retain a commission of 5% of the gross income or any higher commission approved by the Court;
 - (b) retain enough money to pay or recover the cost to collect the income and to cover other disbursements;
 - (c) pay all Taxes and the cost of maintaining the Land in good repair, completing the construction of any building or improvement on the Land, supplying goods, utilities and services to the Land and taking steps to preserve the Land from damage by weather, vandalism or any other cause;
 - (d) pay any money that might, if not paid, result in a default under any charge or encumbrance having priority over the Mortgage or that might result in the sale of the Land if not paid;
 - (e) pay Taxes in connection with anything the Receiver is entitled to do under the Mortgage;
 - (f) pay Interest to the Lender that is due and payable;
 - (g) pay all or part of the Principal Amount to the Lender whether or not it is due and payable;
 - (h) pay any other money owed by the Borrower under the Mortgage; and
 - (i) pay insurance premiums.
- (4) The Receiver may borrow money for the purpose of doing anything the Receiver is authorized to do.
- (5) Any money borrowed by the Receiver, and any Interest charged on that money and all the costs of borrowing, will be added to and be part of the Mortgage Money.
- (6) A Receiver appointed by the Lender may be removed by the Lender and the Lender may appoint another in the Receiver's place.
- (7) The commission and disbursements of the Receiver will be a charge on the Land and will bear Interest at the Interest Rate.
- (8) Nothing done by the Receiver under this section will make the Lender a mortgagee in possession.

16. Strata lot provisions

- (1) This section applies if the Land described in the Mortgage Form, or any part of it, is or becomes a strata lot created under the *Strata Property Act*.
- (2) The Borrower will fulfil all of the Borrower's obligations as a strata lot owner under the *Strata Property Act* and the bylaws, rules and regulations of the strata corporation and will pay all money owed by the Borrower to the strata corporation.
- (3) The Borrower gives to the Lender the right to vote for the Borrower under the bylaws of the strata corporation, but the Lender is not required to do so or to attend or vote at any meeting or to protect the Borrower's Interest.

MORTGAGE TERMS – PART 2

- (4) At the request of the Lender, the Borrower will give the Lender copies of all notices, financial statements and other documents given by the strata corporation to the Borrower.
- (5) The Borrower appoints the Lender to be the Borrower's agent to inspect or obtain copies of any records or other documents of the strata corporation that the Borrower is entitled to inspect or obtain.
- (6) If the strata corporation transfers, charges or adds to the common property, or amends its bylaws without the consent of the Lender, and if, in the Lender's opinion, the value of the Land is reduced, the Mortgage Money shall, at the Lender's option, immediately become due and payable to the Lender on demand.
- (7) Nothing done by the Lender under this section will make the Lender a mortgagee in possession.

17. Subdivision

- (1) If the Land is subdivided:
 - (a) the Mortgage will charge each subdivided lot as security for payment of all the Mortgage Money, and
 - (b) the Lender is not required to discharge the Mortgage as a charge on any of the subdivided lots unless all the Mortgage Money is paid.
- (2) Notwithstanding that the Lender is not required to discharge any subdivided lot from the Mortgage, the Lender may agree to do so in return for payment of all or a part of the Mortgage Money. If the Lender discharges a subdivided lot, the Mortgage will continue to charge the remaining subdivided lot or lots that have not been discharged.

18. General

- (1) The Mortgage binds the Borrower and its successors, executors, administrators and assigns, if applicable.
- (2) Each person who signs the Mortgage as a Borrower is jointly and severally liable for all of the Borrower's Promises and Agreements as though each such Borrower had been the only Borrower to sign.
- (3) If any part of the Mortgage is not enforceable all other parts will remain in effect and be enforceable against the Borrower.
- (4) All Mortgage Money shall be paid by the Borrower to the Lender without any offset, set-off, or deduction whatsoever.

MORTGAGE TERMS – PART 2

Appendix “A”

For the Term of this Mortgage, the Land shall be used for the provision of a minimum of «Unit» affordable housing units to the Eligible Occupants. An “Eligible Occupant” means an individual who meets the eligibility criteria prescribed in the Operating Agreement, whether or not the Operating Agreement is in force, or as the Commission may otherwise prescribe.

END OF DOCUMENT

«BORROWER_NAME»

(the "Borrower")

CERTIFIED COPY OF

RESOLUTION OF DIRECTORS

"WHEREAS the Borrower has leased or will be leasing the property at «Property_Address», «Property_City», BC legally described as:

«PID_Legal_Description» (the "Property") and will be constructing and operating a housing project on the Property (the "Project") under the British Columbia Housing Management Commission ("BCHMC") «Program»; and

WHEREAS the Borrower needs to borrow money in order to facilitate the leasing and construction of the Project;

BE IT RESOLVED THAT:

1. The Borrower borrow up to a maximum amount of «Loan_Amount», or such other amount as may be approved by the directors, by way of a forgivable loan secured by a mortgage as required to facilitate the leasing and construction of the Project and grant to BCHMC a covenant restricting the use of the Property and Provincial Rental Housing Corporation ("PRHC") an option to purchase the lease in accordance with the Loan Commitment Letter;
2. The Borrower execute and deliver all documents required by PRHC, BCHMC or the lender of the monies, in such form and containing such terms, covenants, provisos and conditions as are satisfactory to or required by them, including without limitation a lease, section 219 covenant, option to purchase, HPA covenant, a mortgage, assignment of project agreements (and any assignments, modifications and assumptions thereto as approved by BCHMC), affordable housing agreement (if applicable) and operating agreement or operator agreement; and
3. Any two officers or directors of the Borrower for and on behalf of the Borrower be and are hereby authorized to execute and deliver under the seal of the Borrower or otherwise, all such deeds, documents and other writings and to do such acts and things in connection with the Property and the Project as they, in their discretion, may consider to be necessary or desirable for giving effect to this resolution and for the purpose of fulfilling the requirements of PRHC, BCHMC or the lender of the monies."

I, _____, THE UNDERSIGNED, _____ of «Borrower_Name» hereby certify the above to be a true copy of a resolution duly passed by the Directors of the Borrower at a meeting held on the ___ day of _____, 20__ (and sanctioned by a special resolution of the Borrower if such sanction is required), and that such resolution has not been rescinded, amended or modified and is now in full force and effect.

WITNESS my hand this ___ day of _____, 20__.

Witness

(Secretary or President)

STATUTORY DECLARATION
CANADA
PROVINCE OF BRITISH COLUMBIA
IN THE MATTER OF

Representations made by «Borrower_Name» (the "Borrower") to British Columbia Housing Management Commission (the "Lender") relating to advances of money by the Lender in connection with those lands described as: «PID_Legal_Description»

I, (Name) _____, (Position) _____ of «Borrower_Name», DO SOLEMNLY DECLARE that:

1. The Borrower was duly incorporated on «Inc_Date», under Certificate of Incorporation No. «Inc» and is in good standing with the Office of BC Registry Services.
2. Neither the incorporation documents of the Borrower nor any agreement that the Borrower has entered into impose any restrictions on the power and capacity of the Borrower to borrow funds from the Lender and to grant a section 219 covenant, option to purchase, HPA covenant, mortgage and assignment of project agreements (collectively, the "Documents") to the Lender.
3. The Borrower is or will be as of the date of registration of the applicable Documents, the legal and beneficial owner of the leasehold interest in the real property described above and any personal property located thereon.
4. There is no action, suit or proceeding pending or threatened against the Borrower before any Court or administrative agency which, if determined against the Borrower, would result in a material adverse change in the property, assets, conditions (financial or otherwise), activities or operations of the Borrower or which would materially adversely affect the Borrower's ability to carry on its activities, or the ability of the Borrower to meet its obligations as contemplated by the loan commitment with the Lender.
5. The Borrower is not in default in the payment of any taxes, rates or assessments having priority over the Documents, and without limiting the generality of the foregoing, all wages, salaries, fees, workers' compensation dues, income tax deductions, holiday pay, Federal and Provincial taxes for which the Borrower is liable have been fully paid.
6. All the persons named hereunder are duly elected or appointed officers and directors of the Borrower holding the respective offices set out opposite their names, and the signatures appearing opposite their respective names are the genuine signatures of such respective persons:

Note: Only those directors and officers that are signing the security documents need to sign below.

NAME & SIGNATURE & TITLE(S)

NAME & SIGNATURE & TITLE(S)

and that each of these persons has been duly elected or appointed and was duly qualified for such office at the time of his or her election or appointment and that since the time of his or her election or appointment each of such persons has continued to be duly qualified for and to hold and now holds such office.

7. The granting of the Documents, and the borrowing of monies in connection therewith, is in pursuance of a purpose of the Borrower as stated in the Constitution of the Borrower.

AND I make this solemn declaration, conscientiously believing it to be true and knowing that it is of the same force and effect as if made under oath and by virtue of the Canada Evidence Act.

DECLARED before me at the _____ of _____
in the Province of British
Columbia, this ____ day of
_____, 20 ____.

Signature
Print Name: _____

A Commissioner for taking
Affidavits for British Columbia

[To be printed on the Borrower's Solicitor's letterhead]

TO: British Columbia Housing Management Commission (the "**Lender**")

AND TO: The Lender's Solicitors

Dear Sir or Madam:

RE: «Borrower_Name» (the "Borrower")
«Property_Address», «Property_City», BC legally described as
«PID_Legal_Description» (the "Property")

We have acted as counsel for the Borrower in connection with the authorization, execution and delivery by the Borrower of the Security Documents (as defined below) with respect to a forgivable loan to the Borrower from the Lender in the principal amount of «**Loan_Amount**» (the "**Loan**") which has, or will be, secured by, among other things, a mortgage in favour of the Lender which has, or will be, registered against title to the Property.

1. **REVIEW**

1.1. We have examined the following documentation executed by the Borrower in favour of the Lender each of which is dated ♦, 20♦, unless otherwise indicated:

- (a) a loan commitment letter;
- (b) Form B mortgage;
- (c) Assignment of Project Agreements dated for reference ♦;
- (d) section 219 covenant;
- (e) option to purchase;
- (f) HPA covenant
- (g)
- (h) any and all such further and other security required by the Lender,
(collectively, the "**Security Documents**").

1.2. We have also examined the statutes, public records, corporate records, certificates and other documents and made such other searches and examinations that we have considered

necessary in order to give the opinions hereinafter expressed. Such examinations have included, without limitation:

- (a) the ◆ constitution and bylaws/articles and notice of articles/memorandum and rules/incorporation agreement/letters patent of the Borrower (the “**Constating Documents**”); and *[NTD: counsel, please indicate the appropriate constating documentation]*
- (b) a certified copy of the resolution of the directors of the Borrower dated ◆ *[date of certification]* and executed by ◆ *[name of person certifying true copy]*, as ◆ *[Director, President or Secretary]* of the Borrower, authorizing the execution and delivery of the Security Documents.

2. OPINIONS

Based and relying on and subject to the foregoing, we are of the opinion that:

Existence

- 2.1. The Borrower has been duly incorporated and validly exists as a ◆ society/corporation/cooperative/not-for-profit corporation/board of trade *[NTD: counsel, please indicate the appropriate form of corporate entity]* under the laws of the Province of British Columbia and the Government of Canada, as applicable, and according to the records of the ◆ BC Registrar of Companies/Corporations Canada *[NTD: counsel, please indicate the appropriate entity]*, is in good standing with respect to the filing of annual reports under the ◆ *Societies Act, Business Corporations Act (British Columbia)/Business Corporations Act (Canada)/Canada Corporations Act/Not-for-profit Corporations Act (Canada)/Cooperatives Act (Canada)*. *[NTD: counsel, please indicate the appropriate Act]*

Power and Capacity

- 2.2. The Borrower has full power and capacity to borrow money and grant security therefore, and, in particular, to borrow funds representing the Loan and secure the Loan by the Security Documents, and has the power and capacity to observe and perform the covenants set out in the Security Documents.

Authorization, Execution and Delivery

- 2.3. All necessary action has been taken to authorize the execution and delivery by the Borrower of each of the Security Documents and the performance by the Borrower of its obligations under each of the Security Documents.
- 2.4. A special resolution approving the borrowing from the Lender by the Borrower and the granting of security therefor has been duly authorized by the members of the Borrower in accordance with the Constating Documents of the Borrower.

[NTD: counsel, please include section 2.4 only if the Borrower is a society and is required to pass a special resolution pursuant to its Constatng Documents or replace 2.4 with the following:

“There is no requirement for the Borrower to pass a special resolution pursuant to the Constatng Documents of the Borrower in order to validate the authorization, execution and delivery of the Security Documents.”]

<@>[NTD: Alternate section 2.4 to be inserted only if: (a) the Borrower is not a society; or (b) counsel can confirm a special resolution approving the borrowing and the granting of the security therefor is not required upon counsel’s review of the Borrower’s Constatng Documents:

2.4. A special resolution approving the borrowing from the Lender by the Borrower and the granting of security therefor is not required pursuant to the Borrower’s constitution or bylaws.]

- 2.5. Each of the Security Documents has been duly executed and delivered by the Borrower.
- 2.6. The authorization, execution and delivery of the Security Documents by the Borrower does not breach or result in a default under:
- (a) the Constatng Documents of the Borrower;
 - (b) any law, statute, rule or regulation to which the Borrower is subject; or
 - (c) to the best of our knowledge, any judgment, decree, ruling or order to which the Borrower is subject or any agreement to which it is party or by which it is bound.

Transition Application

- 2.7. The Borrower has filed a transition application with the Registrar in accordance with *the Societies Act*, which transition application has been accepted for registration by the Registrar. *[NTD: to be inserted only if the Borrower is a Society and has filed its transition application with the Registrar]*

Yours truly,

LANDLORD ESTOPPEL CERTIFICATE AND ACKNOWLEDGEMENT OF NOTICE

To: **British Columbia Housing Management Commission** (the "Lender")

Re: **«Borrower_Name»** (the "Lessee")

PID 123-123-123 Block B Range 6 LMP 65478

(the "Property")

This certificate is given to you in connection with your mortgage from the Lessee. **«Landlord»** (the "Lessor") confirms, acknowledges and certifies to you as follows:

1. The Lessee holds a lease (the "Lease") of the Property from the Lessor.
2. The rent due under the Lease will be paid in full the earlier of the interest adjustment date or occupancy of the Property.
3. The Lease is in full force and effect, has not been cancelled or surrendered, and has not been modified or amended since its execution except as follows:
4. To the best information and belief of the maker of the statements contained in this document, the Lessee and the Lessor are not in default under any provision of this Lease except as follows:
5. The Lessor consents to the Lessee granting a mortgage of the Lease to the Lender and acknowledges that in accordance with the Lease the Lessor has received from the Lender a copy of the mortgage of Lease and notice of the Lender's address for notice under the Lease. For greater certainty, the notices, demands and requests which may or are required to be given to the Lender pursuant to the Lease shall be in writing and shall be sufficiently given if served personally upon the Lender or an executive officer of the Lender or mailed prepaid and double registered and addressed to: British Columbia Housing Management Commission, #1701 - 4555 Kingsway, Burnaby, BC V5H 4V8, or such other address as the Lender may from time to time advise by notice in writing.

DATED at _____, British Columbia, this ____ day of _____, 20__.

«LANDLORD»

Per:

BY COURIER

File: «File»/«PR»/«BU»

British Columbia Housing Management Commission
1701 - 4555 Kingsway
Burnaby, BC
V5H 4V8

Attention: Legal Services

Dear Officers:

**Re: «Borrower_Name» (the "Borrower");
leasehold interest in «Property_Address», «Property_City», BC (the "Property");
Mortgage in Favour of British Columbia Housing Management Commission
("BCHMC")**

In connection with the above-described Borrower, we advise as follows:

1. The Mortgage

The Borrower has executed a mortgage (the "Mortgage") in your favour in the form required by you to secure the principal sum and interest. The Mortgage charges the «tenure» interest of the Borrower in those lands and premises described below (the "Lands and Premises").

2. Mortgage Particulars

The Mortgage contains the following particulars:

Principal Amount: Not exceeding «Loan_Amount»

Interest Rate: As set out in the Mortgage.

Date of Mortgage: _____

Legal Description of the Lands and Premises:

«PID_Legal_Description»

3. Registration at the Land Title Office

The lease in favour of the Borrower (the "Lease") was tendered for registration in the Vancouver Land Title Office on _____ under No. _____.

The Section 219 and HPA Covenants (collectively the "Covenant") were tendered for registration in the Vancouver Land Title Office on _____ under No. _____ and _____ respectively.

The Option to Purchase in favour of Provincial Rental Housing Corporation ("PRHC") was tendered for registration in the Vancouver Land Title Office on _____ under No. _____.

The Mortgage was tendered for registration in the «LTO» Land Title Office on _____ (the "Registration Date") under No. _____.

Based on our agent's searches conducted at the Land Title Office on the Registration Date, the Lands and Premises were subject to the following **list of notations, charges and encumbrances (in chronological order)**:

We expect that the Mortgage will be registered in the ordinary course of Land Title Office routine effective as of the Registration Date, and we are of the opinion that upon such registration, the Mortgage will constitute a valid «mortgage_ranking» registered charge of the Borrower's leasehold interest in the Lands and Premises, subject to the prior registered charges and encumbrances described above (none of which constitute a defect in title in accordance with guidelines from Canada Mortgage and Housing Corporation).

*** We have made arrangements to discharge the Existing Mortgage, if any. When we receive discharge particulars of the Existing Mortgage from the solicitors of the Borrower, we will request a State of Title Certificate.

This title opinion is to be read subject to:

- a. all statutory limitations or provisions relating to the ownership of and title to lands in the Province of British Columbia generally, including the provisions of the Land Title Act, the Land Act, the Agricultural Land Commission Act and the Strata Property Act;
- b. any statutory liens or charges having priority; and,
- c. all applicable taxation, bankruptcy and insolvency legislation and laws affecting the rights of creditors generally.

4. Taxes

Based on information received from _____, we advise that real property taxes for the Lands and Premises have been paid for the period ending _____.

5. Reliance Upon Borrower's Solicitors

The Borrower's solicitor has provided us with an opinion in a form which is satisfactory to us with respect to the Borrower's corporate status, its capacity to execute the Mortgage, the authority of its signing officers and the valid authorization, execution and delivery of the Mortgage.

6. Enclosures

We enclose copies of the following for your records:

- Covenant bearing registration particulars and an originally signed copy;
- Option to Purchase bearing registration particulars and an originally signed copy;
- Mortgage bearing registration particulars and an originally signed copy;
- Title Insurance Policy _____ (inclusive of survey, gap coverages and any objectionable title defects); *[NTD: Remove if not applicable.]*
- Loan Commitment Letter with completed Schedule "B" (Order to Pay) and void cheque;
- Assignment of Project Agreements;
- Notice and Acknowledgement re. Assignment of Project Agreements;
- Certified Copy of Resolution of the Directors of the Borrower;
- Statutory Declaration;
- Operating Agreement
- Opinion Letter of the solicitor for the Borrower;
- Property tax information;
- Insurance binder and Certificate of Insurance;
- Copy of the Lease (if applicable);
- Copy of the Landlord Estoppel Certificate *[NTD: Remove if not applicable].*

7. State of Title Certificate

On the Registration Date ******OR** After discharge of the Existing Mortgage we [will] order(ed) a State of Title Certificate confirming registration of the Mortgage and we will forward it to you upon receipt by us.

We trust you will find the foregoing in order.

Yours truly,

Per:

Encl.

c: «Author», BCHMC

**REPORT TO HOSPITALS AND HOUSING COMMITTEE
MEETING OF WEDNESDAY, MARCH 04, 2026**

SUBJECT Oak Bay Lodge Redevelopment Update

ISSUE SUMMARY

Oak Bay Lodge redevelopment request to undertake an expression of interest process for a third party.

BACKGROUND

On August 14, 2020, the Capital Regional Hospital District (CRHD) officially took ownership of the Oak Bay Lodge site from Island Health. The sale agreement included a covenant which requires the land to be used for the public good. Any change of use from public good would require the consent of Island Health.

In 2021, the CRHD completed two rounds of community consultation to determine interest and support for a health facility on the site. The CRHD also approached Island Health’s Board in December 2021, seeking support to develop the Oak Bay Lodge property. Island Health determined that such a project was not a priority to pursue given the multiple higher priority projects across the Island at that time. In July 2022, CRHD completed the demolition of the former Oak Bay Lodge leaving the land vacant for future development. In late 2023, a joint meeting was held with the Island Health Board Chair and senior leadership, the Oak Bay Municipal Council, representatives from the CRHD, and the MLA for Oak Bay-Gordon Head. At this meeting it was agreed that Island Health and the CRHD would jointly sponsor an economic feasibility study of the site and evaluate options to source public and/or private capital funds to create a viable project that met the requirements of the covenant and the health needs of the community.

In June 2024, Island Health and CRHD signed a Memorandum of Understanding and engaged Colliers to lead an Economic Feasibility Study. The Study undertook the review of previous studies including a detailed functional program; identification of public and private stakeholders; interviews with key stakeholders; and evaluation of financial options. The Study identified a publicly owned scenario as the best option to proceed.

Meetings were held with the Honorable Minister Diana Gibson (MLA Oak Bay-Gordon Head) and Oak Bay Mayor and Council to discuss the draft study findings in December 2024 and January 2025. On March 26, 2025, Island Health’s Board recommended:

“That the Board of Directors accept the Oak Bay Lodge Site Economic Feasibility Study and submit it to the Ministries of Health and Infrastructure for information and request commitment to increase Island Health’s annual operating funding to enable one of the Capital Regional Hospital District (CRHD) debt-financed publicly funded scenarios to move forward.

That the Island Health Board request a letter of support from the Capital Regional Hospital District (CRHD) regarding their commitment to contribute funding to the project as set out in the Feasibility Study.”

There is significant interest from public entities to participate in a project. The site has capacity to develop a campus of care concept, encompassing long term care, hospice, adult day care, restorative care services, and other ambulatory clinics. This is the best solution to meet population needs and community preferences. Two organizations with the most potential for partnerships were the Kiwanis Pavilion and Victoria Hospice. Both these organizations are in aging infrastructure beyond its useful life and have expressed interest in relocating to the former Oak Bay Lodge site. They both receive operating funding from Island Health, both have some capital they can bring to the project, and both would qualify for health facility designation. Letters of support from the Kiwanis Pavilion and Victoria Hospice are attached as Appendix A. A letter of support from Island Health is also attached as Appendix B, which outlines their support for transferring existing operating funds from these organizations to a redevelopment at the Oak Bay site.

On April 09, 2025, staff received direction from the CRHD Board to send a letter of support to Island Health and the Ministries of Health and Infrastructure (Appendix C) outlining the Hospital District's commitment to redevelop the Oak Bay Lodge site. Staff subsequently met with senior leadership within the Ministry of Health on January 09, 2026, to provide this information and request incremental operating funding to redevelop the former Oak Bay Lodge. Staff were informed that the Ministry of Health does not have any additional resources for operating or capital for this site at this time.

On February 02, 2026, Oak Bay council sent a letter, attached as Appendix D, to the Ministers of Health and Infrastructure requesting a collaborative campus of care model and pledging support for the redevelopment of the site. Staff would like to explore the possibility of a third party joining the project in hopes of bridging the incremental operating funding gap and achieving some economies of scale to reduce the overall cost of construction. To do this staff are recommending a request for expression of interest process, which will allow the CRHD to understand the market, identify interested third parties, and potential innovative approaches to advance a project.

ALTERNATIVES

Alternative 1

The Hospitals and Housing Committee recommends to the Capital Regional Hospital District Board:

That the Capital Regional Hospital District Board authorize staff to allocate up to \$200,000 to undertake a request for expressions of interest from a third party to participate in the redevelopment of the Oak Bay lodge site.

Alternative 2

That this report be referred back to staff for additional information base on Hospitals and Housing Committee direction.

IMPLICATIONS

First Nations Implications

There are no anticipated implications for First Nations associated with this report. The report does not introduce new policy, land use changes, or operational impacts that would affect First Nations interests at this time. First Nations will be consulted as part of any future rezoning application process.

Intergovernmental Implications

A health facility designation is a requirement for any project requiring capital investment by the Hospital District. As such it is essential that CRHD partner with Island Health, which has provided a letter of support.

Financial Implications

The proposed request requires up to \$200,000 of funding. There currently exists \$300,000 in funds for feasibility study expenses in the 2026 financial plan. The \$200,000 required would draw from this balance and therefore have no impact on the current 2026 budget. The funding will be utilized to assess market interest, identify a procurement model, and develop a Request for Expression of Interest (RFEI) package. Deliverable will include a project charter, market sounding summary, RFEI document, evaluation matrix, results and a summary report.

CONCLUSION

The Hospital District has received support from Island Health, Kiwanis Pavilion, Victoria Hospice, and Oak Bay Council to pursue a publicly funded campus of care on the Oak Bay site. Undertaking a request for expression of interest from a third party is the recommended next step to identify options for redevelopment at the Oak Bay Lodge site.

RECOMMENDATION

The Hospitals and Housing Committee recommends to the Capital Regional Hospital District Board:

That the Capital Regional Hospital District Board authorize staff to allocate up to \$200,000 to undertake a request for expressions of interest from a third party to participate in the redevelopment of the Oak Bay lodge site.

Submitted by:	Michael Barnes, MPP, Senior Manager, Health and Capital Planning Strategies
Concurrence:	Kevin Lorette, P. Eng., MBA, General Manager, Housing, Planning and Protective Services
Concurrence:	Varinia Somosan, CPA, CGA, Acting Chief Financial Officer & General Manager, Finance & Technology
Concurrence:	Ted Robbins, B. Sc., C. Tech., Chief Administrative Officer

APPENDICES

Appendix A: Letters of Support, Kiwanis and Hospice

Appendix B: Letter of Support, Island Health

Appendix C: CRHD Letter to Ministries of Health and Infrastructure

Appendix D: District of Oak Bay Letter to Ministries of Health and Infrastructure and Island Health



3034 Cedar Hill Road,
Victoria, B.C. V8T 3J3
Telephone (250) 598-2022
Fax (250) 598-0023

March 25, 2025

Capital Regional Hospital District
625 Fisgard Street,
PO Box 1000,
Victoria BC, V8W 2S6

Re: Letter of Support for the Redevelopment of the Former Oak Bay Lodge

Dear Capital Regional Hospital District Board,

On behalf of the Kiwanis Pavilion, I am pleased to express our strong support for the Capital Regional Hospital District's efforts toward the redevelopment of the former Oak Bay Lodge site. We believe this initiative presents an invaluable opportunity to enhance long-term care services in our region and strengthen our collective commitment to providing high-quality, compassionate care for seniors and individuals living with dementia.

The Kiwanis Pavilion has been a leader in dementia care in the region since 1982, offering specialized support and services to residents and their families. The redevelopment of the Oak Bay Lodge site aligns closely with our mission to ensure accessible, high-quality long-term care. Its central location, accessibility, and proximity to existing healthcare infrastructure make it an ideal site for a dedicated facility, allowing us to expand our services and improve care within a collaborative healthcare setting.

By partnering with the Capital Regional Hospital District, we envision a future where seniors and individuals with complex care needs receive the comprehensive support they deserve. This partnership would not only enhance the Kiwanis Pavilion's ability to provide specialized dementia care but also contribute to a broader, integrated approach to senior care in our community.

We fully support this initiative and look forward to collaborating on the successful transformation of this site to better serve the residents of the Capital Region.

Thank you for your leadership and commitment to advancing healthcare in our community. Please do not hesitate to reach out should you require any further support or discussion on this matter.

Sincerely,

Dave Cockle
President, Oak Bay Kiwanis Pavilion Board
Kiwanis Pavilion Board Chair

VICTORIA HOSPICE

March 28th, 2025

Capital Regional Hospital District
625 Fisgard Street
P0 Box 1000
Victoria BC, V8W 2S6

Re: Letter of Support for the Redevelopment of the Former Oak Bay Lodge

Dear Capital Regional Hospital District Board:

On behalf of Victoria Hospice, I am pleased to express our strong support for the Capital Regional Hospital District's efforts toward the redevelopment of the former Oak Bay Lodge site to include facilities for the Victoria Hospice Society. We believe this initiative presents an invaluable opportunity to enhance end-of-life care services in our region and strengthen our collective commitment to compassionate, high-quality hospice care.

Victoria Hospice has been a cornerstone of palliative and hospice care in the region for over 45 years, providing essential services to patients and their families during some of life's most challenging moments. The redevelopment of the Oak Bay Lodge site aligns closely with our mission to ensure accessible, specialized end-of-life care for all those in need. Its central location, accessibility, and proximity to existing healthcare infrastructure make it an ideal site for a dedicated hospice facility, allowing us to expand our services and improve patient care within a collaborative healthcare setting.

By partnering with the Capital Regional Hospital District, we envision a future where individuals facing life-limiting illnesses receive the comprehensive, dignified care they deserve. This partnership would not only enhance Victoria Hospice's ability to provide comfort and support but also contribute to a broader, integrated approach to palliative care in our community.

We fully support this initiative and look forward to collaborating on the successful transformation of this site to better serve the residents of the Capital Region.

Thank you for your leadership and commitment to advancing healthcare in our community. Please do not hesitate to reach out should you require any further support or discussion on this matter.

Sincerely,



Trudi Brown,

Board Chair, Victoria Hospice Society

OUR VISION:



December 12, 2025

Capital Regional Hospital District Board
PO Box 1000
Victoria, BC V8W 2S3

Sent via email: crdboard@crd.bc.ca

Subject: Redevelopment of Oak Bay Lodge

Dear Board Members.

Island Health is pleased to participate in discussions with the Capital Regional Hospital District (CRHD) to explore opportunities for Island Health involvement in the redevelopment of the Oak Bay Lodge.

CRHD's leadership of this project—as landowner, developer, and project financier—is an essential step forward in addressing the growing needs for health-related services in the region. Island Health recognizes that this redevelopment scenario anticipates formal partnerships with Kiwanis and Victoria Hospice as the designated health service components on the site and these entities would port existing operating revenue funded by Island Health. We are supportive of this model. We are also supportive of a collaborative approach amongst all parties regarding the redevelopment costs and financing options plus understanding incremental operating costs.

We are looking forward to continuing to work collaboratively with CRHD, Kiwanis, and Hospice as this project advances. As a next step, Island Health supports convening a joint meeting of all four organizations to further define roles, confirm project assumptions, and begin development of the necessary Memorandums of Understanding (MOUs).

Executive Office

Located at: 2101 Richmond Road | Victoria BC V8R 4R7

Mailing address: 1952 Bay Street | Victoria BC V8R 1J8

Tel: 250-370-8699

islandhealth.ca

Thank you for your continued leadership in supporting health services within the region. Island Health looks forward to the next steps in advancing this important project.

Sincerely,

A handwritten signature in blue ink that reads "Kim Kerrone". The signature is written in a cursive style with a large initial "K".

Kim Kerrone

Vice President, Chief Financial Officer



PO Box 1000
625 Fisgard Street
Victoria, BC, V8W 2S6

T: 250.360.3221
F: 250.360.3300
www.crd.bc.ca

April 16, 2025

File: 0400-20

The Honourable Josie Osborne
Minister of Health
PO Box 9050, Stn Prov Govt
Victoria, BC V8W 9E2
By email: HLTH.Minister@gov.bc.ca

The Honourable Bowinn Ma
Minister of Infrastructure
PO Box 9021, Stn Prov Govt
Victoria, BC V8W 9E2
By email: INF.Minister@gov.bc.ca

Dear Ministers Osborne and Ma:

RE: LETTER OF SUPPORT FOR THE REDEVELOPMENT OF OAK BAY LODGE

On behalf of the Capital Regional Hospital District (CRHD) Board, I am pleased to provide this letter of support for Island Health's submission regarding the redevelopment of the former Oak Bay Lodge site. We recognize the importance of this project in addressing critical health service needs within our community.

The Oak Bay Lodge site presents a unique and timely opportunity to establish a modern, comprehensive health facility that aligns with the evolving needs of the capital region. Following community consultation and collaboration with Island Health, the CRHD, and key partners—including the Kiwanis Pavilion and Victoria Hospice— an economic feasibility study has identified viable pathways for redevelopment that would enhance long-term care, hospice, restorative care services, adult day programs, and other essential health services.

The CRHD acknowledges that a publicly funded redevelopment scenario would be beneficial to the region, ensuring accessibility and sustainability of care services. The CRHD is committed to contribute funding as identified in the feasibility study and to partner with Island Health to secure the necessary funding and operational commitments to bring this vision to fruition. Specifically, the CRHD has allocated a placeholder of \$300 million in its [2025 Ten-Year Capital Plan](#), contributing 30 percent of the required project capital for the redevelopment of Oak Bay Lodge. The CRHD is also prepared to consider financing options for the entire cost of the project that align with our mandate and financial capacity.

The CRHD Board respectfully urges the Ministry of Health and the Ministry of Infrastructure to prioritize this project and provide the necessary funding and approvals to enable its progression. The successful redevelopment of Oak Bay Lodge will not only address current healthcare needs but also support the long-term resilience of our region's health infrastructure.

Thank you for your consideration. We look forward to continued collaboration to ensure the success of this critical initiative.

Sincerely,

A handwritten signature in blue ink, appearing to read "Kevin Murdoch".

Kevin Murdoch, Chair
Capital Regional Hospital District Board

cc: Leah Hollins, Board Chair, Island Health
Kathy MacNeil, President and Chief Executive Officer, Island Health
CRD Board
Ted Robbins, Chief Administrative Officer, CRD
Kevin Lorette, General Manager, Housing, Planning & Protective Services, CRD



THE CORPORATION OF THE DISTRICT OF OAK BAY
MUNICIPAL HALL – 2167 OAK BAY AVENUE – VICTORIA, BC V8R 1G2
PHONE 250-598-3311 FAX 250-598-9108 WEBSITE www.oakbay.ca

OFFICE OF THE MAYOR

Via email: HLTH.Minister@gov.bc.ca
INF.Minister@gov.bc.ca
leah.hollins@islandhealth.ca
diana.gibson.mla@leg.bc.ca

February 2, 2026

Hon. Josie Osborne, Minister of Health
Hon. Bowinn Ma, Minister of Infrastructure
Chair Hollins and Board of Directors, Island Health
Chair Murdoch and Board of Directors, Capital Regional Hospital District (CRHD)
Hon. Diana Gibson, MLA for Oak Bay-Gordon Head

Dear Ministers, Board Members and MLA Gibson:

RE: Requesting a Collaborative Campus of Care for the former Oak Bay Lodge Site

On behalf of Oak Bay Council, I am writing to express our urgent and continued support for the redevelopment of the former Oak Bay Lodge site. This four-acre publicly-owned and fully-serviced parcel just blocks from a major medical center has sat vacant for seven years. Amid a provincial long-term care crisis and with willing partners standing by and ready to act, this opportunity demands immediate action.

The BC Seniors' Advocate's 2025 report, *From Shortfall to Crisis*, highlights a staggering 200% increase in long-term care waitlists since 2016, with average wait times now reaching 290 days. In Oak Bay, where over a third of our residents are seniors, and for the entire Greater Victoria region, these figures are not abstract, they represent the measurable realities of families in distress.

Council has taken decisive action to remove historical barriers. Last year we adopted a new Official Community Plan, which specifically designates this site for up to six storeys for seniors care services. Through these changes, we have signaled to the Province and the Capital Regional Hospital District (CRHD) that we are ready for a high-impact facility that serves not just Oak Bay, but the entire region.

Our community is demanding action. Grassroots organizations have provided educational talks, panels, marches, and proliferating lawn signs – all demanding action on Oak Bay Lodge. I have heard from many residents and organizations that they are not just asking for this project but are also willing to fundraise to support it. As you know there is active interest from non-profit partners able to provide a wide range of needed services, and they too may be able to bring capital to the project – but only if there is commitment to advance the redevelopment.

Council acknowledges we have no direct input into the project planning; however, we would still like to strongly express our support for the priorities our community has clearly voiced. As noted in the extensive survey undertaken by the CRHD in 2021, there is strong public support across the region for a "Campus of Care" at this site. These services can include and integrate complex care, long-term care, dementia and respite care, end-of-life (hospice) care, primary/longitudinal care with multi-disciplinary practices, intergeneration space, and supportive and independent living. This model aligns closely with Provincial goals and supports those aging in place (and the loved ones who are supporting them).

We recognize that the "math" of the project - specifically the incremental operating costs - remains the primary hurdle between the feasibility studies and commitment to the project. We also recognize that there is an opportunity here that should not be missed, particularly when looking at the advantages of partners willing to help and potential cost savings.

If the Province designates the site as a health facility, the CRHD brings a unique ability to fund 30% of the capital costs, finance through reduced Municipal Finance Authority rates, and directly construct the project to remove most of the risk. The Hospital District Act also allows the CRHD to build a facility that meets current needs but can also expand to meet future or changing demands. The partnership with well-known and high-quality non-profit service providers with existing Island Health operating agreements ensures there are quality operators who also have the potential to subsidize capital costs. Add in Council's support and the community's willingness to contribute, and we feel the opportunity is here to bridge any operating gap together. Importantly, the commitment will not result in any increased operational costs to the Province or Island Health until the building is occupied, which is several years away.

We strongly encourage you to find solutions for this site, advance the project, and take advantage of the opportunity in front of you. As the project progresses, we also invite and encourage you to communicate the details to both Council and the public. Council, our residents, and the region look forward excitedly to seeing a renewed vision and advancement for the new Oak Bay Lodge Campus of Care.

Sincerely,

A handwritten signature in blue ink, appearing to read "Kevin Murdoch".

Kevin Murdoch, Mayor
District of Oak Bay

C. Oak Bay Council

Addendum: Fact Sheet & Research Summary (January 2026)

I. Provincial LTC Crisis Data (Seniors' Advocate 2025)

- Waitlist Growth: From 2,381 (2016) to over 7,200 (2025)—a 200% increase.
- Wait Times: Average wait for a bed is now 290 days (nearly 10 months).
- Economic Burden: "Bed blocking" in acute care hospitals costs the province approx. \$2,000/day per senior, compared to \$300/day for a long-term care bed.

II. Site & Regulatory Status

- Vacancy Timeline: The original 235-bed facility was closed in 2019 and demolished in 2022. It has been vacant for 7 years.
- OCP Bylaw 4942 (Dec 2025): Officially increased height allowance to six storeys specifically for 2251 Cadboro Bay Rd to support seniors and health solutions
- Financial Placeholder: The CRHD 2025–2026 Capital Plan includes the site as a priority project with estimated capital costs exceeding \$300 million.

III. Key Stakeholder Quotes

- NDP MLA Candidate Diana Gibson (October 10, 2024): "We will redevelop Oak Bay Lodge, with a priority on health services for seniors, including primary care."
- Minister Josie Osborne (December 1, 2025): Has been a consistent supporter of seniors care and campus of care models since her time as Mayor of Tofino & Acting Chair Alberni-Clayoquot Regional Hospital District. "Seniors advocate reports have consistently shown that improved staffing, stability and the delivery of relational care are paramount to helping residents age successfully and with dignity."
- "Action Oak Bay" Citizens' Group (Dec 2025): "It's been empty for seven years and the tsunami of old people—that's us—is coming... we want to help [fundraise] and are willing to help."

IV. Campus of Care Definition

Under current BC health policy, a "Campus of Care" is a multi-level site that allows residents to transition from Independent Living to Assisted Living and Complex Care without leaving the site. Modern versions (like the one proposed for Oak Bay) often include a Seniors' Wellness Centre and Primary Care Clinics to serve the broader neighbourhood.

**REPORT TO HOSPITALS AND HOUSING COMMITTEE
MEETING OF WEDNESDAY, MARCH 04, 2026**

SUBJECT **Funding Partnership for Seniors Care Facility at Lady Minto Hospital**

ISSUE SUMMARY

To determine if the Capital Regional Hospital District (CRHD) can provide funding for needs assessment and facility planning of long-term care at Lady Minto Hospital.

BACKGROUND

At the October 08, 2025 CRHD Board meeting, the following motion was passed:

“That CRD staff meet with Island Health and report on the possibility of a funding partnership between Island Health and Capital Regional Hospital District to provide \$100,000 in year 2026 to help fund the initial needs assessment, site and facility planning, and potential funding partnerships, and a further \$400,000 in year 2027 for conceptual design and Class D cost estimates for a co-located seniors care facility at Lady Minto Hospital, 135 Crofton Road, Salt Spring Island.”

Staff have met with Island Health and have been informed that health authorities require prior approval from the Ministry prior to developing concept plans or business plans for Priority Investment projects. As long-term care at Lady Minto has recently been removed from the Ten-Year Capital Plan, Island Health would not seek Ministry approval to proceed with planning for this project. We have also been advised that Treasury Board submissions developed by ministries without explicit direction from the Minister of Finance will not be reviewed and submissions on Priority Investment Projects that do not have notional funding in the Capital Plan will also not be reviewed. Staff have followed up with the Executive Director of the Lady Minto Foundation to inform them that without support from Island Health the CRHD is unable to cost share on facility planning.

ALTERNATIVES

Alternative 1

The Hospitals and Housing Committee recommends to the Capital Regional Hospital District Board:

That no additional funding be provided for needs assessment and facility planning of long-term care at Lady Minto Hospital in the Capital Regional Hospital District 2026-2030 financial plan.

Alternative 2

That this report be referred back to staff for additional information based on Hospitals and Housing Committee direction.

IMPLICATIONS

Financial Implications

The recommended course of action will have no impact on the minor capital spending plan for the year as it advises against a change to the minor capital project list. No additional funding and no budgetary changes are required to the 2026-2030 financial plan.

First Nations Implications

There are no anticipated implications for First Nations associated with this report. The recommendation maintains the status quo and does not introduce new policy, land use changes, or operational impacts that would affect First Nations interests.

Intergovernmental Implications

A health facility designation is a requirement for any project requiring capital investment by the Hospital District. As such, it is essential that CRHD partner with or have the support of Island Health and the Province on any feasibility work. There are no anticipated intergovernmental implications associated with this report. The recommendation maintains the status quo and does not affect relationships, agreements, or coordination with other levels of government or external agencies.

CONCLUSION

Staff continue to collaborate with Island Health to refine capital plans that best meet the region's needs. Each project undergoes review in its designated year and is subject to prioritization and Board approval. As a result of this process, it is recommended that no additional funding be provided for needs assessment and facility planning of long-term care at Lady Minto Hospital at this time.

RECOMMENDATION

The Hospitals and Housing Committee recommends to the Capital Regional Hospital District Board:

That no additional funding be provided for needs assessment and facility planning of long-term care at Lady Minto Hospital in the Capital Regional Hospital District 2026-2030 financial plan.

Submitted by:	Michael Barnes, MPP, Senior Manager, Health and Capital Planning Strategies
Concurrence:	Kevin Lorette, P. Eng., MBA, General Manager, Housing, Planning and Protective Services
Concurrence:	Stephen Henderson, MBA, P.G.Dip.Eng, BSc, General Manager, Electoral Area Services
Concurrence:	Ted Robbins, B. Sc., C. Tech., Chief Administrative Officer