

Fundamental Terms for Agreements with Rapid Housing Initiative Funding Recipients:

(1) Housing Agreements required between The City of Calgary and the organizations for projects 1 & 2 from the Investment Plan, subject to Canada Mortgage and Housing Company (CMHC) approval of projects and to the following high-level terms and conditions:

(a) PARTIES

City: THE CITY OF CALGARY
 Owners: HOMESPACE SOCIETY (Project 1)
 HORIZON HOUSING SOCIETY (Project 2)

(b) FUNDAMENTAL TERMS AND CONDITIONS

- (i) The Owners must develop an affordable housing project in compliance with CMHC's requirements, the City's requirements and all other applicable government authorities.
- (ii) The affordable housing projects must contain a combined total of a minimum of 57 units.
- (iii) The affordable housing units must conform to the affordability criteria set by CMHC for a term of a minimum of 20 years and not to exceed 40 years.
- (iv) All affordable housing units must be occupied by the vulnerable populations permitted by CMHC and units must only be leased to occupants meeting CMHC's eligibility criteria during the term.
- (v) The projects must meet or exceed the accessibility and energy requirements as defined by CMHC.
- (vi) During the Term, ensure that the projects exceed the energy efficiency standards, as required by CMHC.
- (vii) The Owners are required to meet CMHC required timelines, including, project start date, project completion date, and date of 25% occupancy.
- (viii) The Owners are required to submit statutory declarations or other documentation proving compliance with CMHC's and the City's requirements.
- (ix) The rent for each affordable housing unit shall not include utilities except for heat, water and sewer costs.
- (x) All lease terms for each affordable housing unit must not exceed 12 months and the Owners are responsible to recertify the income of occupants, to ensure they meet eligibility criteria, once every calendar year.
- (xi) The Owners shall not dispose of any interest in the projects without the City's consent, except for leasing units to eligible occupants.

- (xii) The Owners must obtain the written consent of the City prior to entering into any additional agreements with third parties, governmental authorities or other lenders, where funding is provided in relation to the project and repayment is required.
- (xiii) Any breach, default, non-observance or non-performance of any of the terms of the housing agreement may result in a major or minor breach of the agreement, which may result in a daily charge if not cured within a reasonable period of time.

(2) Options to Purchase (Housing Agreement) required between The City of Calgary and the organizations for projects 1 & 2 from the Investment Plan, subject to CMHC approval of projects and to the following high-level terms and conditions:

(a) PARTIES

City: THE CITY OF CALGARY
Optionors: HOMESPACE SOCIETY (Project 1)
HORIZON HOUSING SOCIETY (Project 2)

(b) FUNDAMENTAL TERMS AND CONDITIONS

- (i) The parties will enter into an option to purchase agreement (housing agreement) that secures the satisfaction of the terms and conditions of the housing agreement.
- (ii) The effective date of the option is from the first occupancy of the affordable housing project and shall be in effect until the expiry of the City Rapid Housing Initiative (RHI) Funding Agreement.
- (iii) The City may exercise the option to purchase (housing agreement) in the event that a notice of default has been issued by the City to an Optionor for a major breach.
- (iv) A major breach is defined as:
 - 1. breach, default, non-observance or non-performance of any of the terms of the Funding Agreement to be observed or performed by the Owner;
 - 2. the Optionor becomes insolvent or bankrupt or voluntarily subject as debtor to the provisions of the Winding Up Act (Canada), the Companies' Creditors Arrangement Act (Canada), the Bankruptcy and Insolvency Act (Canada), or any similar or replacement legislation;
 - 3. if a liquidator, receiver, monitor or trustee in bankruptcy is appointed for the Owner and such appointment is not vacated or terminated within THIRTY (30) days or stayed on appeal;
 - 4. the Optionor is in default of any other funding agreements or any other agreements pertaining to loans, grants, or funding relating to the Project and such default is not cured within the

time period designated for cure by the counterparty to such agreement;

5. the Optionor abandons the Project for a period of THIRTY (30) consecutive days or longer;
 6. the Optionor makes a disposition which is not cured within THIRTY (30) days of the Owner's receipt of written notice from the City to the Owner, other than in compliance with the terms of the housing agreement; or
 7. if the Optionor receives FIVE (5) or more notices of default for minor breaches within a FIVE (5) year period.
- (v) The closing date/possession/adjustment date is to be sixty days following exercise of the option to purchase.
- (vi) The City shall be entitled to register a caveat re: option to purchase (housing agreement) against title to the Property and this agreement shall be registered in priority to any financing and all other encumbrances registered by the Options, unless otherwise agreed to by the City.
- (vii) The City may subordinate its interest, at the City's sole and unfettered discretion.

(3) Options to Purchase (Building Commitment) required between The City of Calgary and the organizations for projects 1 & 2 from the Investment Plan, subject to CMHC approval of projects and to the following high-level terms and conditions:

(a) PARTIES

City: THE CITY OF CALGARY
Optionors: HOMESPACE SOCIETY (Project 1)
HORIZON HOUSING SOCIETY (Project 2)

(b) FUNDAMENTAL TERMS AND CONDITIONS

- (i) The Optionors must complete the projects and obtain an occupancy permit for the affordable housing units on or before the completion date required by CMHC.
- (ii) The option commences on the execution of all relevant RHI agreements and continues for a period of 24 months.
- (iii) The City shall only exercise the option to purchase (building commitment) in the event of:
 1. failure of the Optionor to develop the project in compliance with all applicable municipal permits and approvals, and in accordance with CMHC requirements;
 2. the occurrence of any assignment or disposition by the Optionor without written consent of the City;

3. the Optionor becomes insolvent or bankrupt before the completion of the project;
 4. the Optionor provides notice that it is not proceeding with the construction of the Project;
 5. the Project has not commenced development by project start date specified by CMHC;
 6. the Project has not been completed by project completion date specified by CMHC;
 7. the Optionor fails to reach 25% occupancy by the occupancy date specified by CMHC; and/or
 8. the Optionor fails to comply with the terms and conditions of the Cities Stream Funding Agreement.
- (iv) The closing date/possession/adjustment date is to be sixty days following exercise of the option to purchase.
- (v) The City shall be entitled to register a caveat re: option to purchase (building commitment) against title to the Property and this agreement shall be registered in priority to any financing and all other encumbrances registered by the Owner, unless otherwise agreed to by the City.
- (vi) The City may subordinate its interest, at the City's sole and unfettered discretion.

(4) Cities Stream Funding Agreements required between The City of Calgary and the organizations for projects 1 & 2 from the Investment Plan, subject to CMHC approval of projects and to the following high-level terms and conditions:

(a) PARTIES

City: THE CITY OF CALGARY
Owners: HOMESPACE SOCIETY (Project 1)
HORIZON HOUSING SOCIETY (Project 2)

(b) FUNDAMENTAL TERMS AND CONDITIONS

- (i) The terms and conditions of the agreement must substantially conform to the terms and conditions (e.g., term length, unit count, affordability criteria, population served, and timelines, etc.) of the RHI Contribution Agreement between The City and CMHC.
- (ii) The total Cities stream funding for Project 1 is to be \$7,367,025 and for Project 2 is to be \$8,354,690 (total of \$15,721,715).
- (iii) Owners will request funding from The City in instalments for eligible costs. Funding requests will include:

1. a completed funding request form signed by an officer of the Owner with signing authority;
 2. proof of payment or written evidence of eligible costs paid by the Owner (such as copies of all invoices paid to third parties); and
 3. any other supporting documentation as may be requested or required by The City.
- (iv) Eligible costs under the Cities funding are defined by CMHC, and include:
1. property acquisition costs;
 2. pre-development costs;
 3. pre-construction costs (e.g. environmental site assessments, cost consultant reports, architectural or engineering reports, legal/closing costs related to acquisition of the Lands), and
 4. actual construction costs.
- (v) With the first request for funding, and periodically throughout the construction, the Owner will submit Quantity Surveyor Reports to The City for review, as well as any other supporting documentation The City requests that demonstrates progress and confirms the expenditure of Cities stream funds.
- (vi) The Owner is solely responsible for any cost overruns.
- (vii) Any change in scope to the Project will require prior written consent of The City.
- (viii) No dispositions, conversions, or encumbrances of the units of the land is permitted without prior consent from The City.
- (ix) The Owners are required to submit statutory declarations or other documentation proving compliance with CMHC's and the City's requirements.
- (x) During the Term the Owner must ensure its Project is constructed, used, occupied, operated and managed as affordable housing in accordance with the terms and conditions as set out by CMHC.
- (xi) The Owner must comply with the terms of the Housing Agreement.

(5) City Supported RHI Funding Agreements required between The City of Calgary and the organizations for projects 1, 2 & 3 from the Investment Plan, subject to CMHC approval of projects and to the following high-level terms and conditions:

(a) PARTIES

City: THE CITY OF CALGARY
Owners: HOMESPACE SOCIETY (Project 1)
HORIZON HOUSING SOCIETY (Project 2)
CLOSER TO HOME COMMUNITY SERVICES SOCIETY
(Project 3)

(b) FUNDAMENTAL TERMS AND CONDITIONS

- (i) The intention of the Agreements is to support Owners with The City's capital funding in order to ensure that the projects are developed and occupied within a timely manner, meeting the completion and occupancy dates required by CMHC.
- (ii) The City RHI funding for Project 1 is to be up to \$872,976 for Project 2 is to be up to \$1,150,926, and for Project 3 is to be up to \$2,306,092 (total of up to \$4,329,994).
- (iii) The term of the agreements will conform to the length of the RHI Contribution Agreement between The City and CMHC for Projects 1 & 2, and the length of a similar agreement entered into by the Owner of Project 3 and CMHC directly.
- (iv) During the Term, The City may terminate the agreement and require that the Owner repay all funding disbursed under this agreement if The City is satisfied that the Owner:
 - 1. is in breach, default, non-observance or non-performance of any terms or any conditions of the agreement and does not commence to cure such breach within ten days;
 - 2. is in breach, default, non-observance or non-performance of any of the terms or any conditions of any Funding Agreements or any other agreements pertaining to the Projects and such default is not cured within the time period allowed for cure under such agreement;
 - 3. has made to The City any representation or warranty which proves to be untrue or misleading in any material respect as of the date on which it was made;
 - 4. has become bankrupt or insolvent, or is otherwise unable to meet its financial obligations;
 - 5. cancels the Project;
 - 6. stops the construction of the Project for a period of thirty (30) consecutive days or longer; or

7. commits fraud or misconduct, including but not limited to misuse or misstatement of funds or illegal activities.
- (v) In advance of any fund dispersal under this agreement, confirmation is required that the Owner has signed either a Cities stream Funding Agreement with The City (Project 1 & 2) or a similar RHI funding agreement directly with CMHC (Project 3).
- (vi) Owners will request funding from The City in instalments for eligible costs. Funding requests will include:
1. a completed funding request form signed by an officer of the Owner with signing authority;
 2. proof of payment or written evidence of eligible costs paid by the Owner (such as copies of all invoices paid to third parties); and
 3. any other supporting documentation as may be requested or required by The City.
- (vii) Eligible costs under the City RHI funding include:
1. property acquisition costs;
 2. pre-development costs;
 3. pre-construction costs (e.g. environmental site assessments, cost consultant reports, architectural or engineering reports, legal/closing costs related to acquisition of the Lands);
 4. actual construction costs; and
 5. any other costs deemed suitable by The City.
- (viii) With the first request for funding, and periodically throughout the construction, the Owner will submit Quantity Surveyor Reports to The City for review, as well as any other supporting documentation The City requests that demonstrates progress and confirms the expenditure of Cities stream funds.
- (ix) The Owner is not entitled to reimbursement of any eligible cost that has or will be covered by another source of funding.
- (x) During the Term the Owner must ensure the Project is constructed, used, occupied, operated and managed as affordable housing in accordance with the terms and conditions as set out by CMHC.