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## FINANCIAL ASSISTANCE AGREEMENT

This financial assistance agreement, under the Rental and Co-operative Housing Program, dated for reference July 22, 2016

### **BETWEEN:**

**THE MANITOBA HOUSING AND RENEWAL CORPORATION**

**("MHRC")**

**- and -**

**OLD GRACE NOT-FOR-PROFIT HOUSING CO-OPERATIVE LTD.**

**(the "Recipient")**

### **WHEREAS,**

- A. With the approval of the Lieutenant Governor in Council, MHRC may make grants and loans to:
  - ensure that there is an adequate supply of affordable and accessible housing stock in Manitoba; and
  - stimulate and influence the activities of the housing market to the benefit of Manitobans as a whole.
- B. MHRC has established the Rental and Co-operative Housing Program (the "Program") to support the creation and operation of affordable rental and co-operative housing.
- C. The Recipient has applied for and MHRC has been authorized to provide a forgivable loan under the Program to assist in funding the construction of residential housing units in Winnipeg, in Manitoba (later defined as the "Housing Complex").
- D. MHRC has released and the Recipient has responded to a Request for Proposals for the Development and Operations Management of Housing at the Old Grace Hospital Site which includes construction of up to 60 residential units, upon lands owned or to be owned by the MHRC, commonly known as 189 Evanson Street (new civic address to be determined) and 905 Preston Avenue, in the Wolseley neighbourhood of Winnipeg, Manitoba.
- E. MHRC wishes that the Housing Complex include up to 60 residential units developed as mixed market and affordable intergenerational cooperative housing, to be known as "The Old Grace Housing Cooperative".
- F. On completion of construction, the Recipient intends to operate the Housing Complex as a co-operative and rental property on the terms and conditions set out in this Agreement, whereby 30 residential units (later defined as "Assisted Units") must be rented to Eligible Tenants and according to terms contained within a long term land lease contemplated by and between the MHRC as landlord and the Recipient as tenant.

NOW, THEREFORE, the parties agree as follows:

### **PART I – INTERPRETATION**

#### **SECTION 1.00 - DEFINITIONS, INTERPRETATION AND APPENDICES**

1.01 Unless the context requires otherwise, in this Agreement:

- (a) **"Actual Project Costs"** means costs of the kind or type itemized and approved by MHRC as set out in Appendix "A", Part 2 and actually incurred by the Recipient;
- (b) **"Affordable Rent"** means rents which fall under the Manitoba Housing Affordable Housing Rental Program. This program is for lower-moderate income households whose total household income is below the posted Program Income Limit. The household will pay an affordable rent based on median rents in the private market. Affordable Rents are established annually by Manitoba Housing and are effective January 1 of each year.

- (c) **“Approved Lender”** means a lender designated as an approved lender at the relevant time by Canada Housing and Mortgage Corporation under the *National Housing Act* (Canada) for all types of lending in Manitoba or such other lender as MHRC may, in writing, approve;
- (d) **“Assisted Units”** means the thirty (30) Units in the Housing Complex that must be rented to Eligible Tenants;
- (e) **“Construction Contract”** means the contract referenced in clause 2.01(g) that the Recipient has entered into or will enter into to construct, rehabilitate or convert the Housing Complex as described in Appendix “A”, Part 1;
- (f) **“Design Services Contract”** means the contract for services relating to the Project entered into by the Recipient and an architect or an architectural firm;
- (g) **“Eligible Tenant”** means a tenant of the Housing Complex, being resident in an Assisted Unit, whose total annual gross household income at the time the tenant enters into the lease does not exceed the income limit specified by MHRC. The initial income limit to be used is set out in subsection 8.05 and as changed by the MHRC for time to time;
- (h) **“Estimated Project Costs”** means the estimated costs of the Project approved by MHRC as set out in Appendix “A”, Part 2, Column A;
- (i) **“Final Holdback Release”** means either the date MHRC releases the holdback pursuant to subsection 6.14 or 6.15, or the date MHRC provides written notice under subsection 6.16;
- (j) **“Fiscal Year”** means the period beginning on April 1 of any year and ending on March 31 of the immediately following year;
- (k) **“Housing Complex”** means the sixty (60) unit residential apartment building and related structures to be constructed or rehabilitated on the Land in accordance with this Agreement, or once it has been so constructed or rehabilitated, as the context may require;
- (l) **“Land”** means the land located at 189 Evanson Street and 905 Preston Avenue (new civic address to be determined), Winnipeg in Manitoba, and legally described in Appendix “A”, Part 1;
- (m) **“MHRC Loan”** means the financial assistance, in the form of a forgivable loan, to be advanced by MHRC to the Recipient;
- (n) **“Loan Forgiveness Period”** means the total period of repayment or retirement of the MHRC Loan, and being 20 years as contemplated in section 9.01 hereof;
- (o) **“MHRC Mortgage”** means the demand mortgage referred to in subsection 5.01;
- (p) **“Program Income Limit”** The Program Income Limits are established annually by Manitoba Housing and are effective January 1 each year.
- (q) **“Project”** means the design, financing, development and construction, rehabilitation or conversion of the Housing Complex, and acquisition of land or buildings for this purpose if applicable, all as more particularly described in Appendix “A”;
- (r) **“Tenant”** means an Eligible Tenant and all other tenants of the Housing Complex, and, for the purposes of this Agreement, shall also include members of the Recipient housing co-operative;
- (s) **“Term”** has the meaning given to it in section 21.00;
- (t) **“Third Party”** means any person, corporation, organization or entity other than MHRC or the Recipient;

- (u) **“this Agreement”** means this document and the Appendices listed in subsection 1.02 of this Agreement;
- (v) **“Total Completion”** means the later of the date on which MHRC verifies that construction or rehabilitation of the Housing Complex has been completed to MHRC’s satisfaction and the date on which an occupancy permit for the completed Housing Complex has been issued or the date of a letter from the relevant municipal authority confirming that it does not issue occupancy permits;
- (w) **“Unavoidable Delay”** means any condition or cause beyond the control of the Recipient which prevents the Recipient from performing its obligations that is not caused by its default or act of commission or omission and not avoidable by the exercise of reasonable effort or foresight by the Recipient, and which delay is not due to financial inability;
- (x) **“Unit”** means apartments or other separate living quarters within the Housing Complex.

Words in the singular include the plural and words in the plural include the singular, as required by the context. The neuter gender includes the masculine and feminine genders as may be required. The headings in this Agreement are for convenience of reference only and may not be used to interpret any provision of this Agreement.

1.02 The following appendices form a part of this Agreement:

- (a) Appendix “A” Part 1: Project Description;  
Part 2: Estimated Project Costs;  
Part 3: Estimated Operating Expenses and Revenues;  
Part 4: Sources of Funding;  
Part 5: Project Timeline and Estimated Cash Flow;
- (b) Appendix “B” Form of Audited Statement of Actual Costs;
- (c) Appendix “C” MHRC’s Conflict of Interest Policy and Guidelines;
- (d) Appendix “D” MHRC Land Lease
- (e) Appendix “E” Manitoba Housing Affordable Housing Rental Program Income Limits (2016)

1.03 There are no undertakings, representations, or promises, expressed or implied, other than those contained in this Agreement. This document and the attached Appendices contain the entire agreement between the parties, and supersede all prior agreements, arrangements and understandings between the parties.

## **PART II – THE PROJECT**

### **SECTION 2.00 - OBLIGATIONS AND UNDERTAKINGS OF THE RECIPIENT RELATING TO THE PROJECT**

2.01 The Recipient agrees and undertakes:

- (a) to complete the Project as contemplated in Appendix “A”;
- (b) to ensure, subject to Unavoidable Delay, that Total Completion occurs no later than January 1, 2018 or such later date as MHRC may, in its sole discretion, agree to in writing;
- (c) to use the MHRC Loan funds solely to pay for Actual Project Costs;
- (d) to use reasonable efforts to ensure that the Actual Project Costs are kept to a minimum;
- (e) to carry out, manage and complete the Project in a professional, safe and prudent manner and in accordance with good business practices;

- (f) not to substantially change any aspect or component of the Project, except with the prior written consent of MHRC;
- (g) to enter into a stipulated price contract with a Third Party for the construction or rehabilitation of the Housing Complex;
- (h) to carry out, manage and complete the Project in accordance with *The Builders' Liens Act* (Manitoba) and all other applicable laws and regulatory requirements, whether federal, provincial or municipal;
- (i) to ensure that all statutory liens, builders' liens and other liens or trust claims relating to the Project are promptly paid, satisfied, released or otherwise discharged; and
- (j) to obtain such professional advice and services, inspection, certificates and reports as may be necessary to ensure the Project is completed in accordance with this Agreement, and acceptable engineering and construction standards.

### **SECTION 3.00 - COSTS AND FUNDING SOURCES FOR THE PROJECT**

- 3.01 As of the date of this Agreement, the Estimated Project Costs are as set out in Appendix "A", Part 2.
- 3.02 The sources for financing the Actual Project Costs and responsibility for paying them are as set out in Appendix "A", Part 4.
- 3.03 The Recipient's estimated cash flow requirements for the Project are as set out in Appendix "A", Part 5.
- 3.04 The parties acknowledge that the Estimated Project Costs may change after the date of this Agreement. If the total Estimated Project Costs change, the Recipient must, as soon as possible, advise MHRC of the change.
- 3.05 The Recipient shall be solely responsible for any cost over-runs it may experience in the course of undertaking the Project.
- 3.06 The Recipient must obtain MHRC's written consent before borrowing funds that exceed the total amount being financed as set out in Appendix "A", Part 4, items 2 and 3.
- 3.07 The Recipient agrees to provide MHRC with updated Appendix "A" Part 2, Part 4 and Part 5 acceptable to MHRC, that reflect changes in the total Estimated Project Costs, and the corresponding changes in the amounts being financed and estimated cash flow requirements, promptly after they change.

### **SECTION 4.00 - MHRC LOAN**

- 4.01 MHRC agrees to make a forgivable loan to the Recipient of up to the amount set out in Appendix "A", Part 4, item 4 for the purpose paying Actual Project Costs.
- 4.02 Notwithstanding any other provision of this Agreement, the Recipient must use the entire amount of the Recipient's own contribution in the amount set out in Appendix "A", Part 4, item 1 before making any requests for advance of the MHRC Loan.
- 4.03 Nothing in this Agreement creates any undertaking, commitment or obligation on the part of MHRC to provide additional funding to the Recipient for the Project.
- 4.04 Notwithstanding any other provision of this Agreement, the parties acknowledge and agree that in the event the Recipient realizes actual funding for the Project from sources other than the MHRC in excess of the amounts set out in Appendix "A", the amount of the MHRC Loan shall be adjusted and reduced by the amount of such excess.

### **SECTION 5.00 - MHRC MORTGAGE**

- 5.01 As security for complying with its obligations under this Agreement, the Recipient agrees to grant a demand mortgage of the Leasehold title of Land to be created as contemplated hereunder to MHRC securing a principal sum in the maximum amount that MHRC will advance under the MHRC Loan as set out in Appendix "A", Part 4, item 4.

The demand mortgage shall be a second mortgage on the Leasehold title. The Recipient agrees to prepare or cause the MHRC Mortgage to be prepared in the form attached as Appendix "B" and register or cause the MHRC Mortgage to be registered in the appropriate Land Titles Office against the Leasehold title to the Land.

- 5.02 MHRC agrees to postpone the MHRC Mortgage in favour of the Approved Lender in the amount of financing committed by the Approved Lender as set out in Appendix "A", Part 4, item 2 and any increase in that amount consented to by MHRC under subsection 3.06.
- 5.03 MHRC may, but is not required or obligated to, agree to postpone the MHRC Loan for the following purposes:
- (a) to permit refinancing of a mortgage registered in priority to the MHRC Mortgage to obtain more favourable terms in respect of interest rate, monthly payment, or other reasons agreed to by MHRC;
  - (b) to finance, at rates no greater than current market rates, cost over-runs or the cost of repairs; or
  - (c) to facilitate the making of advances on a mortgage registered in priority to the MHRC Mortgage which was not fully advanced at the time of registration of the MHRC Mortgage, if the principal amount of such prior mortgage has not been increased.

The parties acknowledge and agree that as contemplated in Clause 18.01(f) hereof, default under any of the MHRC Mortgage, this Agreement and the Lease contemplated between the parties also constitutes default under all.

## **SECTION 6.00 - MHRC LOAN ADVANCES**

### ***Every Request***

- 6.01 Every request for MHRC to advance MHRC Loan funds must be in writing and include:
- (a) a written report detailing the status of the Project; and
  - (b) an itemized list of Actual Project Costs, incurred between the date of the last request and the current request, with supporting invoices and if applicable, the progress payment certificate issued by the payment certifier attached.

### ***First Request***

- 6.02 MHRC will not make the first advance until the Recipient provides MHRC with:
- (a) a copy of the signed commitment letter from the Approved Lender committing to finance the amount set out in Appendix "A", Part 4, item 2, and from any other lenders committing to finance an amount set out in Appendix "A", Part 4;
  - (b) a copy of the Design Services Contract;
  - (c) a copy of the Construction Contract;
  - (d) a copy of the performance bond issued by a corporation authorized to carry on a suretyship business in Manitoba, or of an irrevocable letter of credit in favour of the Recipient, securing the performance of the Construction Contract in an amount not less than 50% of the value of the Construction Contract;
  - (e) evidence that the MHRC Mortgage has been registered in the appropriate Land Titles Office and that it has the priority of registration called for in subsection 5.01; and,
  - (f) the certificate of insurance required under subsection 13.06.

### ***Every Request After First Request***

- 6.03 With every request for advance made after the first request, the Recipient must include a copy of a statutory declaration made by the contractor in form and content satisfactory to MHRC declaring:
- (a) that all sub-contractors, suppliers and other parties retained by the contractor and involved in the Project have been paid in full for work, materials or equipment performed or provided before the date on which the immediately preceding request for advance was made to MHRC by the Recipient except for lien holdback monies properly retained; and
  - (b) that the contractor is not aware of any liens that have been registered or advanced or trust claims made in relation to the Project pursuant to the Builder's Lien Act up to the date of the request, or that any liens registered or advanced or trust claims made in relation to the Project as of the date of the request have been discharged, withdrawn or satisfied or adequate provision for the discharge or satisfaction has been made.

### ***Request Made After Completion of Roof and Eaves***

- 6.04 With the first request for advance made after the roof and eaves of the Housing Complex have been constructed, the Recipient must also include:
- (a) a current building location certificate prepared by a qualified Manitoba land surveyor confirming that there are no encroachments by buildings or other structures from the Land onto adjoining properties nor by buildings or other structures from adjoining properties onto the Land; and
  - (b) either:
    - (i) a Zoning Memorandum or a letter issued by the relevant municipal authority confirming that, based upon the surveyor's building location certificate referred to above, the Land, Housing Complex and all other structures on the Land comply with all applicable zoning by-laws or regulations as to yards and alignments; or
    - (ii) a letter from the relevant municipal authority confirming that there are no current zoning by-laws or regulations in effect with respect to yards and alignments affecting the Land, the Housing Complex or any other structures on the Land.

### ***Final Request***

- 6.05 With the final request for advance, or in any event before the last advance is made, the Recipient must provide or have provided a copy of a valid, final unconditional occupancy permit for the Housing Complex issued by the municipal authority having jurisdiction, or a letter from the municipal authority having jurisdiction confirming that the municipality does not issue occupancy permits, as well as copies of all licences and permits (if any) required by the Recipient for it to operate the Housing Complex for the intended purposes.

### ***Inspections, Approvals and Advances***

- 6.06 Every time MHRC receives a request for advance that includes the requisite documentation, MHRC may inspect one or more of the Land, the Housing Complex and the Recipient's Project records to determine if the work completed is consistent with the status report and itemized listing of Actual Project Costs submitted with the request and otherwise complies with this Agreement. If MHRC is satisfied that the work is consistent with the request and is satisfied that the Recipient is not then in breach of or in default of this Agreement, MHRC will approve the request.
- 6.07 If MHRC is not prepared to approve a request for advance, MHRC will advise the Recipient of the deficiencies, concerns, breaches or defaults that the Recipient must correct or address, and will advise the Recipient of the amount of funds being withheld, if any, as permitted by subsection 6.13.

- 6.08 MHRC agrees to make advances as soon as reasonably possible after it approves a request.

***Inspections***

- 6.09 MHRC may inspect the Land, the Housing Complex or the Project records at any other times to determine whether or not to approve a request to advance MHRC Loan funds.
- 6.10 The Recipient agrees to cooperate in any inspections, and to grant MHRC and its representatives access at all reasonable times to the Land, the Housing Complex, the Project records, and to the Recipient's premises for these purposes if the premises are not situated on the Land.

***Unaudited and Audited Statements of Project Costs***

- 6.11 Thirty days before the date by when Total Completion is required to occur according to clause 2.01(b), the Recipient must provide MHRC with an unaudited statement of the Actual Project Costs incurred to that date, and the Estimated Project Costs still to be incurred, up to Total Completion.
- 6.12 Within 90 days after Total Completion, the Recipient must provide MHRC with an audited statement of the Actual Project Costs as compared to the Estimated Project Costs ("Audited Statement of Costs"), prepared by a chartered accountant (CA), certified general accountant (CGA) or certified management accountant (CMA) registered for practice in public accounting, who is a member in good standing of a Canadian organization authorized to regulate the profession, in the form attached as Appendix "C".

***Holdback and Excess Advances***

- 6.13 MHRC may withhold all or part of the MHRC Loan a Recipient requests MHRC to advance until the Recipient corrects deficiencies or addresses concerns identified in an inspection carried out under subsection 6.06 or subsection 6.09.
- 6.14 In addition to any funds held back under subsection 6.13, MHRC will not release the last \$210,000 until the Recipient has:
- (a) provided the Audited Statement of Costs referred to in subsection 6.12 in a form and content satisfactory to MHRC; and
  - (b) otherwise complied with all of the provisions of this Agreement.
- 6.15 If the Audited Statement of Costs indicates that the net Actual Project Costs are less than the total Estimated Project Costs, or the Recipient has realized additional sources of funding, or both, instead of releasing the last \$210,000, MHRC will only release an amount equal to the balance of the net Actual Project Costs then outstanding or the MHRC Loan as adjusted pursuant to subsection 4.04, whichever is the lesser amount. In no case shall MHRC be obligated to advance funds in excess of the MHRC Loan amount.
- 6.16 If, when the Audited Statement of Costs is received by MHRC,
- (a) MHRC has already advanced funds that together with all other sources of project funding, total an amount greater than the net Actual Project Costs, set out in the Audited Statement; or,
  - (b) MHRC has advanced an amount of funds greater than the MHRC Loan, as may be adjusted pursuant to subsection 4.04; then,
  - (c) the last \$210,000 will not be released, and
  - (d) the difference between the amount already advanced or contributed from all sources, including the MHRC Loan and the net Actual Project Costs together with any amounts in excess of the MHRC Loan, as may be adjusted, becomes a debt due immediately to MHRC, payable on demand, and may, in MHRC's sole discretion, be set off against any amounts payable by MHRC to the Recipient under this Agreement or any other contract agreement or arrangement.



If this is the case, MHRC will provide written notice to the Recipient of the amount due.

**General**

- 6.17 The Recipient may amend a request for advance, but all amendments must be in writing.
- 6.18 At any time during the Term, MHRC may in its sole discretion request any other documentation and information relating to the Project, the Land, the Housing Complex, the tenants of the Housing Complex or the Recipient, including (without limitation) an appraisal as to the value of the Housing Complex, evidence that real property taxes have been paid or that the requisite insurance is in force. The Recipient agrees to provide the requested documentation and information to MHRC.
- 6.19 MHRC may in its sole discretion waive the requirement, or extend the time, to provide one or more of the documents referred to in subsections 6.02, 6.03, 6.04, 6.05, 6.11 and 6.12.

**PART III – OPERATING AND MANAGING THE HOUSING COMPLEX**

**SECTION 7.00 - OBLIGATIONS AND UNDERTAKINGS OF THE RECIPIENT RELATING TO THE HOUSING COMPLEX**

- 7.01 The Recipient agrees and undertakes:
  - (a) to operate, manage, maintain and repair the Housing Complex in accordance with this Agreement, all applicable laws and regulations including, without limitation, *The Residential Tenancies Act* (Manitoba), *The Public Health Act* (Manitoba) and *The Human Rights Code* (Manitoba), and good business practices;
  - (b) to rent Assisted Units only to Eligible Tenants unless otherwise agreed to by MHRC in writing, at the rate determined in accordance with this Agreement, in each month of the Term.
- 7.02 The Recipient shall be solely responsible for funding any deficits that it may experience in the course of operating and managing the Housing Complex.
- 7.03 Nothing in this Agreement creates any undertaking, commitment or obligation on the part of MHRC to provide future or ongoing funding to the Recipient to operate or manage the Housing Complex.

**SECTION 8.00 - RENTAL OF UNITS**

- 8.01 For every lease entered into until the Housing Complex has been in operation for 12 months following Total Completion, each Assisted Unit rented to an Eligible Tenant shall be rented at the monthly rent as approved by MHRC and set out in Appendix "A", Part 3 unless MHRC agrees to another amount. Monthly rent includes the costs of heat, water and electricity to the Unit.
- 8.02 Subject to subsection 8.03, after the Housing Complex has been in operation for 12 months following Total Completion, notwithstanding that the rent regulation provisions in *The Residential Tenancies Act* (Manitoba) and its regulations (the "RTA") are or may not be applicable to the Units, the Recipient may only increase the rent for a Unit rented to an Eligible Tenant during the Term at the time and by the amount that would be permitted by the RTA, if the rent regulation provisions of the RTA applied.
- 8.03 In addition to any rent increase implemented in accordance with subsection 8.02, MHRC may in its sole discretion approve a further rent increase if:
  - (a) the Recipient applies to MHRC for an increase because of extraordinary increases in eligible operating expenses (as defined in the RTA); and
  - (b) the application includes, in respect of the Housing Complex:
    - (i) a description of the increases in eligible operating expenses;
    - (ii) the Recipient's two most recent annual financial statements;
    - (iii) a projected budget for operations; and

(iv) any additional information requested by MHRC.

- 8.04 The Recipient agrees to verify and record a prospective tenant's name, household size and composition, and total annual gross household income before permitting the individual to occupy an Assisted Unit. The Recipient must determine whether a prospective tenant is an Eligible Tenant or not and must designate this determination in the record of the Eligible Tenant. The Recipient must retain the records of an Eligible Tenant and any documentation used to verify a prospective tenant's eligibility, for at least three (3) years following the end of the Term or any extension thereof.
- 8.05 The Recipient agrees that Assisted Units will be made available to low to moderate-income persons, and that all households selected to occupy an Assisted Unit in the project must have a total income within the established Manitoba Housing Affordable Housing Rental Program Income Limits set out in Appendix "E" and which are updated annually by MHRC.

#### **SECTION 9.00 - REPAYMENT AND CONDITIONS OF FORGIVENESS**

- 9.01 The MHRC Loan shall be repayable by the Recipient to MHRC in 240 equal consecutive monthly instalments commencing on the first day of the month following Final Holdback Release.
- 9.02 In each month of the Term following Final Holdback Release in which Eligible Tenants rent Assisted Units, and if the Recipient is not then in default under this Agreement, MHRC agrees to forgive the entire MHRC Loan instalment payable for that month.
- 9.03 If in any month of the Term following Final Holdback Release the Recipient fails to lease all Assisted Units to Eligible Tenants and in MHRC's opinion, the Recipient has not made reasonable efforts to rent Assisted Units to Eligible Tenants, the Recipient is in default under this Agreement and MHRC may exercise the remedies set out in clauses 19.01 (c) or 19.01 (d).
- 9.04 If, prior to the expiration of the Term, the Recipient leases, sells, conveys or transfers, or agrees to lease, sell, convey or transfer any interest in the Land or the Housing Complex, in whole or in part, or any of the Recipient's interest in the Land or the Housing Complex, to anyone without obtaining prior written approval from MHRC, the full amount of the MHRC Loan then outstanding and unpaid becomes immediately payable. MHRC agrees not to unreasonably withhold its approval but may impose such conditions on its approval as MHRC, in its sole discretion, considers appropriate. This subsection does not require the Recipient to obtain MHRC's prior written consent to rent or agree to rent Units to tenants, including Eligible Tenants, as contemplated in this Agreement.
- 9.05 For the purposes of subsection 9.04, the Recipient will be deemed to have sold, conveyed or transferred an interest in the Land or Housing Complex if:
- (a) ownership of or interest in the Land or Housing Complex changes by operation of law (for example, if the Recipient's corporate existence ceases or if the Recipient amalgamates with one or more other corporations); or
  - (b) the Recipient is a share corporation and there is a change in the ownership of the issued shares of the Recipient such that voting control changes hands (voting control meaning the right to exercise more than 50% of all of the voting rights attached to the issued share capital of the Recipient).

#### **SECTION 10.00 - INSPECTION OF THE HOUSING COMPLEX**

- 10.01 MHRC may inspect the Housing Complex at any reasonable times to satisfy itself that the Housing Complex is being operated, maintained and repaired in accordance with this Agreement. The Recipient agrees to cooperate in any such inspections, and to grant MHRC and its representatives access at all reasonable times to the Housing Complex and the Land, to records relating to the Housing Complex, and to the Recipient's premises for these purposes if they are not situated on the Land.

#### **PART IV - GENERAL**

## **SECTION 11.00 - RECORDS, REPORTS, MONITORING AND AUDITS**

11.01 Throughout the Term and for at least three (3) years following the end of the Term, the Recipient agrees to keep:

- (a) the records necessary to properly manage the Project and operate the Housing Complex, including accurate and complete financial and accounting records, prepared in accordance with generally accepted accounting principles; and
- (b) records of Eligible Tenants including the tenant's name, household size and composition, rent charged, length of tenancy, total annual gross household income, and any documents used to verify a tenant's eligibility.

The Recipient agrees to provide these records to MHRC on MHRC's request.

11.02 The Recipient agrees that MHRC and its representatives may inspect and audit all records relating to the Project, Eligible Tenants and the Housing Complex, or this Agreement at all reasonable times. The Recipient agrees to provide reasonable facilities for such inspections and audits, and provide copies of or extracts from any records that MHRC or its representative may reasonably request.

11.03 Throughout the Term and for at least three (3) years following the end of the Term, the Recipient agrees to prepare such reports and maintain such statistics relating to the Housing Complex and tenants of the Units as may be requested by MHRC from time to time to evaluate the Program.

## **SECTION 12.00 - CONFLICT OF INTEREST POLICY**

12.01 The Recipient agrees to have a conflict of interest policy in place at all times while this Agreement is in effect, and to ensure that its conflict of interest policy meets or exceeds the standards and requirements set out in MHRC's Conflict of Interest Policy and Guidelines attached as Appendix "D". The Recipient agrees to abide by its policy and to require all of its officers, employees and agents to abide by such policy as a condition of employment or engagement by the Recipient. The Recipient agrees to provide a copy of its Conflict of Interest Policy on request of MHRC.

## **SECTION 13.00 - INSURANCE**

13.01 The Recipient agrees to purchase and maintain throughout the Term:

- (a) commercial general liability insurance against claims for personal and bodily injury, death, or damage to property of others, arising out of all operations of the Recipient, its officers, employees, contractors or agents that are funded by this Agreement;
- (b) prior to commencement of the construction phase of the Project and until construction is completed, "builder's risk" insurance covering the Housing Complex for the full replacement value in an amount not less than the Estimated Project Costs, and
- (c) from and after completion of the construction phase of the Project, "all risks" property insurance covering the Housing Complex for the full replacement cost.

13.02 Without limiting or restricting the generality of subsection 13.01 above, such insurance must:

- (a) name MHRC, its officers, employees, and agents as Additional Insureds with respect to the commercial general liability insurance coverage relating to the operations performed under this Agreement;
- (b) indicate MHRC's financial interest in the "builder's risks" and "all risks" property insurance coverage as a mortgagee, which insurance coverage shall be subject to the standard mortgage clause approved by the Insurance Bureau of Canada;
- (c) if the Recipient is a non-profit organization, provide \$2,000,000.00 aggregate non-profit organization directors' and officers' liability insurance;

- (d) provide \$2,000,000.00 per occurrence minimum limits of third party liability coverage; and
  - (e) contain a clause which states that the insurer will not cancel the policy without giving thirty (30) days' prior notice in writing to MHRC.
  - (f) Provide that no claim shall be subrogated.
- 13.03 The Recipient agrees that it will not cancel, materially alter, cause or allow the insurance coverage required under this Agreement to lapse without giving 30 days' prior written notice to MHRC.
- 13.04 The Recipient agrees to waive any rights of subrogation it may have in respect of the insurance coverage referred to in this section, in favour of MHRC.
- 13.05 It is the responsibility of the Recipient to determine the appropriate amount and terms of the insurance coverage required under clauses 13.01(a), (b) and (c), and whether errors and omissions or professional liability insurance or any other insurance is necessary or advisable but the amounts and terms must be no less beneficial to the MHRC as with the requirements of subsections 13.01 and 13.02.
- 13.06 Prior to making the first request for advance of the MHRC Loan, and thereafter on each anniversary of the policy renewal date during the Term, the Recipient must submit a certificate of insurance to MHRC, evidencing the required insurance.
- 13.07 The Recipient must ensure that all of its employees and all contractors, subcontractors and their employees:
- (a) involved in the construction, rehabilitation or conversion are covered by workers' compensation insurance as required under *The Workers Compensation Act* (Manitoba); and
  - (b) working in the Housing Complex or on the Land are covered by workers' compensation insurance as may be required under *The Workers Compensation Act* (Manitoba)
- 13.08 The Recipient must not do or omit to do anything or permit anything to be done or not to be done which will in any way impair or invalidate its insurance coverage.

**SECTION 14.00 - NON-LIABILITY OF MHRC**

- 14.01 MHRC's responsibility with respect to the Land, the Project and the Housing Complex is limited to providing financial assistance to the Recipient in accordance with the terms and conditions set out in this Agreement.
- 14.02 MHRC shall not be liable for any injury to or loss or damage suffered by the Recipient, or the Recipient's officers, employees, agents or contractors, including (without limitation) death or economic loss, caused by or in any way related to the performance of this Agreement, the carrying out of the Project or the operation of the Housing Complex.

**SECTION 15.00 - INDEMNIFICATION BY RECIPIENT**

- 15.01 The Recipient shall use due care in carrying out the Project, in the performance of its obligations under this Agreement, and in the operation of the Housing Complex to ensure that no person is injured, no property is damaged or lost and no rights are infringed.
- 15.02 The Recipient shall be solely responsible for and shall save harmless and indemnify MHRC, The Government of Manitoba and its Ministers, and their respective officers, employees and agents from and against all claims, liabilities and demands with respect to any injury to persons (including, without limitation, death), damage or loss to or destruction of property, economic loss or infringement of rights caused by, or related to:
- (a) the Project;
  - (b) the performance of this Agreement or the breach of any term or condition of this Agreement by the Recipient, or its officers, employees, agents or contractors;

- (c) the on-going operation, maintenance or repair of the Housing Complex or any activities related to the operation of the Housing Complex; and
- (d) any omission or wrongful or negligent act of the Recipient, or its officers, employees, agents or contractors;

together with all costs, expenses and fees associated therewith including, without limitation, legal costs on a solicitor and own client basis, except to the extent that such claims arise, directly from any negligent act or omission of MHRC or its officers, employees or agents while acting within the scope of their employment with or engagement by MHRC. This indemnification shall survive the termination or expiration of this Agreement.

## **SECTION 16.00 - THIRD PARTY CONTRACTS**

16.01 The Recipient shall ensure that any contracts entered into with any Third Party in respect of the Project or the Housing Complex shall:

- (a) be in accordance with good business practices and any requirements which may be reasonably stipulated by MHRC;
- (b) be consistent with the terms and conditions of this Agreement;
- (c) provide that the Third Party shall comply with all applicable legislation and standards, whether federal, provincial or municipal, including, without limitation, labour, environmental, human rights and workers' compensation legislation;
- (d) provide that the Third Party shall be solely responsible for and shall save harmless and indemnify MHRC, The Government of Manitoba and its Ministers, and their respective officers, employees and agents from and against all claims, liabilities, and demands of any kind with respect to any injury to persons (including, without limitation, death) damage or loss to or destruction of property, economic loss or infringement of rights caused by, or related to:
  - (i) the performance of the contract, or the breach of any term or condition of the contract by the Third Party or its officers, employees or agents; and
  - (ii) any omission or wrongful or negligent act or omission of the Third Party, or its officers, employees, agents or subcontractors;

together with all costs, expenses and fees associated therewith including, without limitation, legal costs on a solicitor and own client basis, except to the extent that such claims arise directly from any wrongful or negligent act or omission of MHRC, or its officers, employees or agents while acting within the scope of their employment with or engagement by MHRC; and

- (e) provide that the Third Party shall maintain all of its records relating to the contract between the Recipient and the Third Party and that, on MHRC's request the Third Party shall provide MHRC with invoices and any other supporting documentation required by MHRC relating to the contract including, if applicable, verification of the Actual Project Costs itemized in a request for advance made in relation to the Project.

16.02 Upon the request of MHRC, the Recipient shall provide a copy of any contract entered into with a Third Party respecting the Project or the Housing Complex.

16.03 Any Third Party with which the Recipient enters into a contract in relation to the Project or the Housing Complex that is a corporation shall be registered and in good standing under the laws of Manitoba.

## **SECTION 17.00 - REPRESENTATIONS AND WARRANTIES**

17.01 The Recipient represents and warrants that, as of the date of this Agreement:

- (a) it is the registered owner, or is entitled to be the registered owner, of a Leasehold interest in the Land;

- (b) it possesses all rights, interests, powers and expertise necessary to:
  - (i) properly undertake the Project;
  - (ii) properly operate and manage the Housing Complex; and
  - (iii) perform its other obligations under this Agreement;
- (c) to the best of the Recipient's knowledge, the Recipient has funds available from its own sources or through financing arranged by the Recipient, free of any pre-conditions other than as disclosed by the Recipient to MHRC, which, together with the MHRC Loan funds, will be sufficient to cover the cost to complete the Project;
- (d) there are no actions, suits or any legal proceedings pending or, to the knowledge of the Recipient, threatened against or adversely affecting the Recipient which might materially affect the financial condition of the Recipient or its ability to complete the Project; and
- (e) if the Recipient is a corporation:
  - (i) it is a valid and existing corporation, duly registered under *The Corporations Act (Manitoba)* to carry on business in Manitoba;
  - (ii) it has the corporate power and authority to enter into and deliver, and perform the obligations of the Recipient under, this Agreement and the MHRC Mortgage; and
  - (iii) all necessary corporate actions or other proceedings have been taken to authorize the Recipient to enter into and deliver, and perform the obligations of the Recipient under, this Agreement and the MHRC Mortgage.

17.02 The Recipient acknowledges that MHRC has entered into this Agreement relying on the above representations and warranties. The Recipient agrees to advise MHRC of any event, condition or circumstance occurring during the Term that would make a representation or warranty made in subsection 17.01 untrue or misleading if the Recipient were required to make it at the time of the occurrence.

## **SECTION 18.00 - EVENTS OF DEFAULT**

18.01 The Recipient is in breach of and in default under this Agreement if at any time:

- (a) the Recipient becomes, or is about to become, bankrupt or insolvent, goes into receivership or takes the benefit of any statute from time to time in force relating to bankrupt or insolvent debtors;
- (b) an order is made or resolution is passed for the dissolution or winding-up of the Recipient or it is otherwise likely to lose its corporate status;
- (c) the Recipient ceases to carry out, manage or complete the Project;
- (d) the Recipient ceases to operate or manage the Housing Complex;
- (e) the Recipient knowingly makes false statements or entries in any invoices, documents or records required to be presented, kept, maintained or provided under this Agreement;
- (f) the Recipient is in default under, or has breached, this Agreement or the MHRC Mortgage;
- (g) the Recipient is in default under any other agreements, present or future, relating to the Project, the Housing Complex or the Land which could adversely affect MHRC's security;
- (h) any creditor of the Recipient attaches or garnishes any Project funds, or seizes or encumbers the Housing Complex, or the Land or any substantial asset used in connection with the Housing Complex, or the Land, or the Project;

- (i) any representation or warranty made by the Recipient is false or misleading in any material respect;
- (j) in the opinion of MHRC, the Recipient has failed to proceed diligently with the Project, including, but not limited to, failure to meet deadlines or milestones stipulated in this Agreement except where such failure is due to Unavoidable Delay;
- (k) in the opinion of MHRC, there is a material adverse change in risk in the Recipient's ability to carry out, manage or complete the Project or to operate or manage the Housing Complex; or
- (l) MHRC is reasonably of the opinion that:
  - (i) the Recipient is not carrying out, managing or completing the Project or managing or operating the Housing Complex, in accordance with the terms and conditions of this Agreement; or
  - (ii) the Recipient has failed to comply with, or is about to fail to comply with, any of its obligations or undertakings under this Agreement.

18.02 The Recipient agrees and undertakes to give MHRC prompt written notice of the occurrence of any event which constitutes or may, with the passage of time, constitute a breach or default under this Agreement.

#### **SECTION 19.00 - CONSEQUENCES OF DEFAULT**

19.01 If the Recipient is in breach of or in default under this Agreement, MHRC may do or require one or more of the following:

- (a) withhold all or part of any advance under this Agreement until the Recipient has remedied the breach, default or failure to the satisfaction of MHRC;
- (b) set off against any advance under this Agreement by MHRC any amount payable by the Recipient to MHRC under this Agreement or under any other contract, agreement or arrangement;
- (c) issue demand in writing that the Recipient promptly pay any amount due and payable under this Agreement, which demand the Recipient will promptly pay; and,
- (d) immediately terminate this Agreement by notice in writing to the Recipient, effective on receipt.

19.02 Upon MHRC providing notice of termination of this Agreement:

- (a) the portion of the MHRC Loan that has not been forgiven shall become immediately due and payable and such amount shall constitute a debt due and owing to MHRC; and
- (b) MHRC shall be under no obligation to make further advances to the Recipient.

#### **SECTION 20.00 - PUBLIC ANNOUNCEMENTS**

20.01 The Recipient shall ensure that any and all communications, publications, advertising and news releases referring to the Project include appropriate acknowledgement, in terms satisfactory to MHRC, of MHRC's contribution. The Recipient shall notify MHRC in advance of any and all such communication activities, publications, advertising and news releases.

20.02 MHRC may make public announcements and hold official ceremonies and special events respecting the Project where such announcements, ceremonies or events are indicated and appropriate, and shall arrange such announcements, ceremonies or events jointly with the Recipient.

20.03 Where directed to do so by MHRC, the Recipient shall erect such signs, including a permanent interior sign or plaque, which signs or plaque shall be maintained by the Recipient until permission for its removal is given by MHRC.

## **SECTION 21.00 - TERM OF AGREEMENT**

21.01 This Agreement comes into effect on the date it is executed by both parties and shall remain in force for Twenty (20) years following Final Holdback Release in accordance with this Agreement, unless terminated earlier in accordance with this Agreement, or unless the leasehold interest in the Land contemplated between the MHRC and the Recipient shall end or terminate for any cause or purpose, in which case this Agreement shall then be terminated and the balance due under this Agreement, if any, calculated as if the Recipient is in default as contemplated in Section 9 hereof shall become then immediately due and payable.

## **SECTION 22.00 - GENERAL**

22.01 This Agreement shall enure to the benefit of MHRC, its successors and assigns, and be binding upon the heirs, executors, administrators, successors and permitted assigns of the Recipient.

22.02 No amendment or change to, or modification of, this Agreement shall be valid unless it is in writing and signed by both parties.

22.03 Any waiver by MHRC of any failure, default or breach under this Agreement by the Recipient shall not be effective unless given in writing by an authorized person and shall not constitute a subsequent waiver of a similar or any other failure, default or breach.

22.04 If any provision of this Agreement is for any reason held to be invalid or unenforceable, that provision shall be considered separate and severable from this Agreement, and the other provisions of this Agreement shall remain in force and continue to be binding upon the parties as though the invalid or unenforceable provision had never been included in this Agreement.

22.05 If the Recipient is more than one entity, person or individual, the obligations of the Recipient in this Agreement are joint and several obligations of each of them. Liability for a single Recipient's breach can be enforced against all of the Recipients or any one or more of them.

22.06 The Recipient shall not assign or transfer this Agreement or any of its rights or obligations under this Agreement without the prior written consent of MHRC, which consent shall not unreasonably be withheld. No assignment or transfer of this Agreement shall relieve the Recipient of any obligations under this Agreement, except to the extent that they are properly performed by the Recipient's permitted assigns or transferees.

22.07 Those sections containing obligations and indemnifications that by their very nature are intended to survive the termination or expiration of this Agreement shall survive the expiration or termination of this Agreement.

22.08 This Agreement shall be interpreted, performed and enforced in accordance with the laws of Manitoba and of Canada as may be applicable. Any disputes in relation to this Agreement that MHRC and the Recipient seek to resolve through the courts shall be brought exclusively in a court of applicable jurisdiction located in Manitoba.

22.09 Time is of the essence of this Agreement.

22.10 This Agreement contains the entire agreement among the parties in respect of its subject matter and supersedes all earlier agreements. There are no verbal representations or agreements of any kind relating to the subject matter hereof not set out in this Agreement.

22.11 In the event that any provision of this Agreement is invalid, illegal or unenforceable, it shall not affect the validity, legality or enforceability of any other provision of this Agreement.

22.12 The headings and division of this Lease into articles, sections, subsections and clauses are for convenience only and shall not affect the construction or interpretation of this Lease.



22.13 Reference to gender shall include either or the neuter, and the singular shall include the plural, as the context shall require.

**SECTION 23.00 - NOTICES**

23.01 Any notice or other communication under this Agreement shall be in writing and shall be addressed and personally delivered, sent by prepaid registered mail, or sent by facsimile transmission to the parties as follows:

- (a) To MHRC: The Manitoba Housing and Renewal Corporation  
200 - 352 Donald Street  
Winnipeg MB R3B 2H8  
Attention: Director, Financial Services  
Facsimile Number: (204) 945-4710
  
- (b) To Recipient: Old Grace Not-For-Profit Housing Co-operative Ltd.  
c/o 303-93 Lombard Avenue  
Winnipeg MB R3B 3B1  
Attention: Sandra Hardy, President  
Facsimile Number: (204) (774-5833)

23.02 Any notice or communication that is:

- (a) delivered, shall be deemed to have been received on the date of the delivery; or
- (b) sent by registered mail, shall be deemed to have been received on the third business day of MHRC following the date of mailing; or
- (c) sent by facsimile transmission, shall be deemed to have been received on the next business day of MHRC following the date of transmission.

23.03 If mail service is disrupted by labour controversy on or within three (3) business days from the date of mailing, the notice or communication shall be delivered or sent by facsimile transmission.

23.04 MHRC or the Recipient may change its own address and other information set out in subsection 23.01 by giving notice in writing to the other party.

THIS AGREEMENT has been executed on behalf of The Manitoba Housing and Renewal Corporation, by its duly authorized representatives, and on behalf of Old Grace Not-For-Profit Housing Co-operative Ltd., by its duly authorized representatives, on the dates noted below.

**THE MANITOBA HOUSING AND RENEWAL CORPORATION**

Per: D. T. Rewniak

DWAYNE REWNIAK  
EXECUTIVE DIRECTOR, HOUSING DELIVERY


Per: Kerry Foster

KERRY FOSTER  
A/DIRECTOR, FINANCIAL SERVICES

DATE: July 22, 2016

SIGNED IN THE PRESENCE OF:

**OLD GRACE NOT-FOR-PROFIT HOUSING  
CO-OPERATIVE LTD.**

  
\_\_\_\_\_  
Witness

Per: Sandra Hardy Signature  
PRESIDENT Position

  
\_\_\_\_\_  
Witness

Per: W. Schuk Signature  
VICE President Position

I/we have authority to bind the Recipient.

DATE: July 20, 2016

## **PART V - DESCRIPTION OF APPENDICES**

### **APPENDIX "A"**

|   |         |
|---|---------|
| PART 1: PROJECT DESCRIPTION                       | 2 pages |
| PART 2: ESTIMATED PROJECT COSTS                   | 1 page  |
| PART 3: ESTIMATED OPERATING EXPENSES AND REVENUES | 1 page  |
| PART 4: SOURCES OF FUNDING                        | 1 page  |
| PART 5: PROJECT TIMELINE AND ESTIMATED CASHFLOW   | 1 page  |

|                     |   |        |
|---------------------|---|--------|
| <b>APPENDIX "B"</b> | FORM OF AUDITED STATEMENT OF ACTUAL COSTS | 1 page |
|---------------------|---|--------|

|                     |   |         |
|---------------------|---|---------|
| <b>APPENDIX "C"</b> | MHRC'S CONFLICT OF INTEREST POLICY AND GUIDELINES | 3 pages |
|---------------------|---|---------|

|                     |                 |          |
|---------------------|-----------------|----------|
| <b>APPENDIX "D"</b> | MHRC LAND LEASE | 20 pages |
|---------------------|-----------------|----------|

|                     |   |         |
|---------------------|---|---------|
| <b>APPENDIX "E"</b> | MANITOBA HOUSING AFFORDABLE HOUSING RENTAL PROGRAM INCOME LIMITS (2016) | 2 pages |
|---------------------|---|---------|



Appendix "A" - Part 1: Project Description (continued)

| Function                                 | Description of units/spaces | sq.ft./unit or room | # of units | # of Fully Accessible units | # of units Below Grade | Total sq.ft.  | Total M2     |
|--|-----------------------------|---------------------|------------|-----------------------------|------------------------|---------------|--------------|
| a - Residential Units                    | Studio                      |                     |            |                             |                        |               | 0            |
|  | 1 Bedroom                   | 586                 | 16         |                             |                        | 9,376         | 871          |
|  | 2 Bedroom                   | 779                 | 24         |                             |                        | 18,696        | 1,737        |
|  | 3 Bedroom                   | 960                 | 16         |                             |                        | 15,360        | 1,427        |
|  | 4 Bedroom                   | 1,130               | 4          |                             |                        | 4,520         | 420          |
| <b>Total Residential Units</b>           |                             |                     | <b>60</b>  | <b>0</b>                    | <b>0</b>               | <b>47,952</b> | <b>4,455</b> |
| b - Residents Amenity                    | Lounge                      | 1,114               |            |                             |                        | 1,114         | 103          |
|  | Multi-Purpose Room          | 1,339               |            |                             |                        | 1,339         | 124          |
|  | Resident Laundry            | 188                 |            |                             |                        | 188           | 17           |
|  | Common Dining Room          |                     |            |                             |                        | 0             | 0            |
|  | Common Kitchen              | 399                 |            |                             |                        | 399           | 37           |
|  | Common Washrooms            | 288                 |            |                             |                        | 288           | 27           |
|  | Other: Guest Rooms (2)      | 370                 |            |                             |                        | 370           | 34           |
| <b>Total Amenity</b>                     |                             |                     | <b>0</b>   | <b>0</b>                    | <b>0</b>               | <b>3,698</b>  | <b>344</b>   |
| c - Administration/ Program Support      | Offices                     | 119                 |            |                             |                        | 119           | 11           |
|  | Staff Washrooms             |                     |            |                             |                        | 0             | 0            |
|  | Other:                      | 315                 |            |                             |                        | 315           | 29           |
|  | Other:                      | 2,190               |            |                             |                        | 2,190         | 203          |
|  | Other:                      |                     |            |                             |                        | 0             | 0            |
| <b>Total Admin/Support</b>               |                             |                     | <b>0</b>   | <b>0</b>                    | <b>0</b>               | <b>2,624</b>  | <b>244</b>   |
| d - Circulation                          | Corridors and Lobby         | 6,596               |            |                             |                        | 6,596         | 613          |
|  | Stairs                      | 1,965               |            |                             |                        | 1,965         | 183          |
|  | Elevators                   | 531                 |            |                             |                        | 531           | 49           |
| <b>Total Circulation</b>                 |                             |                     | <b>0</b>   | <b>0</b>                    | <b>0</b>               | <b>9,092</b>  | <b>845</b>   |
| e - Service Rooms                        | Janitor's Room              | 250                 |            |                             |                        | 250           | 23           |
|  | Staff Laundry               |                     |            |                             |                        | 0             | 0            |
|  | Electrical/Mechanical       | 1,134               |            |                             |                        | 1,134         | 105          |
|  | Refuse                      |                     |            |                             |                        | 0             | 0            |
|  | General Storage             | 1,466               |            |                             |                        | 1,466         | 136          |
|  | Bike Storage                | 1,110               |            |                             |                        | 1,110         | 103          |
| <b>Total Service</b>                     |                             |                     | <b>0</b>   | <b>0</b>                    | <b>0</b>               | <b>3,960</b>  | <b>368</b>   |
| <b>SUMMARY</b>                           |                             |                     |            |                             |                        |               |              |
| <b>a - Total Residential Area</b>        |                             |                     | <b>60</b>  | <b>0</b>                    | <b>0</b>               | <b>47,952</b> | <b>4,455</b> |
| <b>b - Total Residents Amenity</b>       |                             |                     | <b>0</b>   | <b>0</b>                    | <b>0</b>               | <b>3,698</b>  | <b>344</b>   |
| <b>c - Total Admin/Support</b>           |                             |                     | <b>0</b>   | <b>0</b>                    | <b>0</b>               | <b>2,624</b>  | <b>244</b>   |
| <b>d - Circulation</b>                   |                             |                     | <b>0</b>   | <b>0</b>                    | <b>0</b>               | <b>9,092</b>  | <b>845</b>   |
| <b>e - Service Rooms (above grade)</b>   |                             |                     | <b>0</b>   | <b>0</b>                    | <b>0</b>               | <b>3,960</b>  | <b>368</b>   |
| <b>f - Gross Living Area (a+b+c+d+e)</b> |                             |                     |            |                             |                        | <b>67,326</b> | <b>6,255</b> |
| <b>Overall Building Efficiency (a/f)</b> |                             |                     |            |                             |                        | <b>71%</b>    | <b>71%</b>   |
| <b>Land Area</b>                         |                             |                     |            |                             |                        |               |              |

| Contact Information             | Address                    | Contact Person & Title        | Phone #      |
|---------------------------------|----------------------------|-------------------------------|--------------|
| Recipient                       | 42 Home Sreet R3G 1W6      | President                     | 204-774-5833 |
| Sandra Hardy                    | Winnipeg, MB               |                               |              |
| Development Consultant          | 303 - 93 Lombard Avenue    | Karl Falk,                    | 204-989-5921 |
| DSI Tandem Co-op Resources Ltd. | Winnipeg, MB R3B 3B1       | Manager, Operations & Finance |              |
| Architectural Firm              | 300-41 Bannatyne Avenue    | Dudley Thompson               | 204-956-0938 |
| Prarie Architects Inc.          | Winnipeg, MB R3B 0R3       |                               |              |
| Contractor                      | 200-1277 Henderson Highway | Nolan Ploeman                 | 204-339-1651 |
| Concord Projects                | Winnipeg, MB R2G 1M3       |                               |              |
| Law Firm                        | 363 10th Street            | Paul Roy                      | 204-727-0761 |
| Roy Johnson TDS                 | Brandon, MB R1A 4E9        |                               |              |
| Landscape Architect             | 500-115 Bannatyne Avenue   | Principal                     | 204-944-9907 |
| HTFC Planning and Design        | Winnipeg, MB R3B0R3        | Jeff Frank                    |              |

**GST REGISTRATION NUMBER:** [enter GST Registration Number]

**PROJECTED TIMELINE:**

| Property Possession Date: | Construction Start Date | Occupancy Date |
|---------------------------|-------------------------|----------------|
| YY/MM/DD                  | YY/MM/DD                | YY/MM/DD       |
| 01-Apr-16                 | 01-Aug-16               | 01-Jan-18      |

I certify that this is a true description of the Project as of the date set out below:

Initials of Authorized Officer of the Recipient: *SH W*

Date: *July 20, 2016*

**APPENDIX "A"**

**PART 2: ESTIMATED PROJECT COSTS**

| <b>Project Costs</b>   | <b>Recipient's Estimate of Costs (exclusive of GST)</b> | <b>Estimated GST (if any)</b> | <b>Approved by MHRC (exclusive of GST)</b> | <b>GST (if any)</b> |
|--|---|-------------------------------|--|---------------------|
|  |   |                               | Column A                                   | Column B            |
| <b>Acquisition of Land or Buildings</b>  |   |                               |  |                     |
| 1. Purchase Price of Land (and existing structures, if any)                              |   |                               |  |                     |
| 2. Off-site Servicing (specify)  |   |                               |  |                     |
| 3. Legal Services and Disbursements, Land Titles Registration fees and Land Transfer Tax |   |                               |  |                     |
| 4. Surveyor's Fees, Environmental Site Assessment (incl. Soil Tests and Report)          |   |                               |  |                     |
| 5. Zoning Variance Fees  |   |                               |  |                     |
| 6. Appraisal Fees  |   |                               |  |                     |
| 7. Other (specify): Soil testing, survey, municipal approvals                            | 25,000.00   | 1,250.00                      | 25,000.00                                  | 1,250.00            |
| <b>Sub-total Acquisition of Land or Buildings</b>  | 25,000.00   | 1,250.00                      | 25,000.00                                  | 1,250.00            |
| <b>Design, Financing and Development</b>   |   |                               |  |                     |
| 8. Architect/Engineering/other Consulting Fees   | 1,059,718.00  | 52,986.00                     | 1,059,718.00                               | 52,986.00           |
| 9. Legal Fees  | 45,000.00   | 2,250.00                      | 45,000.00                                  | 2,250.00            |
| 10. Development/Project Management Fees  | 290,235.00  | 13,786.00                     | 290,235.00                                 | 13,786.00           |
| 11. Insurance  |   |                               |  |                     |
| 12. Property Taxes   |   |                               |  |                     |
| 13. Utilities  |   |                               |  |                     |
| 14. Interest   | 254,467.00  |                               | 254,467.00                                 |                     |
| 15. Rent up (e.g. marketing) (specify): Organization                                     | 16,542.00   | 827.00                        | 16,542.00                                  | 827.00              |
| 16. Share Redemption Fund (Escrow fund), financing fees                                  | 220,000.00  | 500.00                        | 220,000.00                                 | 500.00              |
| <b>Sub-total Design, Financing and Development Costs</b>                                 | 1,885,962.00  | 70,349.00                     | 1,885,962.00                               | 70,349.00           |
| <b>Construction Costs</b>  |   |                               |  |                     |
| 17. Construction   | 12,673,719.00   | 633,686.00                    | 12,673,719.00                              | 633,686.00          |
| 18. Rehabilitation/Conversion/Demolition   |   |                               |  |                     |
| 19. Onsite Servicing   |   |                               |  |                     |
| 20. Landscaping  | 123,430.00  | 6,172.00                      | 123,430.00                                 | 6,172.00            |
| 21. Stoves, refrigerators and laundry equipment  |   |                               |  |                     |
| 22. Hard Furnishings: common areas   | 6,000.00  | 300.00                        | 6,000.00                                   | 300.00              |
| 23. Maintenance Equipment (specify)  |   |                               |  |                     |
| 24. Contingency:   | 452,398.00  |                               | 452,398.00                                 |                     |
| 25. Other: Car Co-op, other fees   | 70,000.00   | 3,500.00                      | 70,000.00                                  | 3,500.00            |
| <b>Sub-total Construction Costs</b>  | 13,325,547.00   | 643,658.00                    | 13,325,547.00                              | 643,658.00          |
| <b>On Completion</b>   |   |                               |  |                     |
| 26. Appraisal of Completed Housing Complex   | 5,000.00  | 250.00                        | 5,000.00                                   | 250.00              |
| 27. Auditor's Fees   | 6,000.00  | 300.00                        | 6,000.00                                   | 300.00              |
| 28. Other (specify):   |   |                               |  |                     |
| <b>Sub-total On Completion Costs</b>   | 11,000.00   | 550.00                        | 11,000.00                                  | 550.00              |
| <b>TOTAL</b>   | 15,247,509.00   | 715,807.00                    | 15,247,509.00                              | 715,807.00          |
| Total Column A + Column B  | 15,963,316.00   |                               | 15,963,316.00                              |                     |
| Less Applicable GST Rebate (60%)   | 429,484.00  |                               | 429,484.00                                 |                     |
| Less Other Rebates - Hydro   | 93,840.00   |                               | 93,840.00                                  |                     |
| <b>TOTAL APPROVED ESTIMATED PROJECT COSTS</b>  | 15,439,992.00   |                               | 15,439,992.00                              |                     |

I certify that this is a true description of the Project as of the date set out below:

Initials of Authorized Officer of the Recipient: SH W  
 Date: July 20/2016

**APPENDIX "A"**

**PART 3: ESTIMATED OPERATING EXPENSES AND REVENUES**

| <b>Estimated Operating Expenses</b>                       | <b>Recipient's Estimate</b> | <b>Approved Estimate</b> |
|---|-----------------------------|--------------------------|
| <b>Maintenance</b>  |                             |                          |
| 1. Maintenance and Repairs                                | \$ 67,030.00                | \$ 67,030.00             |
| 2. Elevator   | \$ 3,000.00                 | \$ 3,000.00              |
| 3. Snow and Waste Removal                                 |                             |                          |
| 4. Grounds Maintenance                                    |                             |                          |
| 5. Other (specify):                                       |                             |                          |
| 6. Sub-total Maintenance (add lines 1 to 5)               | \$ 70,030.00                | \$ 70,030.00             |
| <b>Utilities</b>  |                             |                          |
| 7. Heating  |                             |                          |
| 8. Light and Power  |                             |                          |
| 9. Water, Sewer Rate or Tax                               | \$ 32,000.00                | \$ 32,001.00             |
| 10. Janitorial (payroll/supplies)                         |                             |                          |
| 11. Security  |                             |                          |
| 12. Other (specify): Energy                               | \$ 55,500.00                | \$ 55,499.00             |
| 13. Sub-total Utilities (add lines 7 to 12)               | \$ 87,500.00                | \$ 87,500.00             |
| <b>Administration</b>                                     |                             |                          |
| 14. Management (fees/salaries/supplies)                   | \$ 33,515.00                | \$ 33,515.00             |
| 15. Audit   |                             |                          |
| 16. Property Taxes (excluding water and sewer)            | \$ 118,800.00               | \$ 118,800.00            |
| 17. Insurance   | \$ 13,200.00                | \$ 13,200.00             |
| 18. Contingency for Vacancies and Bad Debts               | \$ 17,259.00                | \$ 17,259.00             |
| 19. Replacement Reserve                                   | \$ 23,461.00                | \$ 23,461.00             |
| 20. Other Expenses - organization                         | \$ 10,055.00                | \$ 10,055.00             |
| 21. Sub-total Administration (add lines 14 to 20)         | \$ 216,290.00               | \$ 216,290.00            |
| 22. Total Operating Expenses (add lines 6, 13 and 21)     | \$ 373,820.00               | \$ 373,820.00            |
| 23. Plus: Annual Loan Repayment ( from Appendix A Part 4) | \$ 447,061.00               | \$ 447,062.00            |
| 24. Total Annual Expenses (add lines 22+23)               | \$ 820,881.00               | \$ 820,882.00            |

| <b>Residential Revenue/Rent</b>                   | <b>Recipient's Estimate</b> | <b>MHRC Approved</b>      |
|---|-----------------------------|---------------------------|
| 1. Base Shelter Monthly (Projected Rents)         |                             | Rent per unit (projected) |
| 1 BR 16 @ 889                                     | \$ 14,224.00                | \$ 889.00                 |
| 2 BR 23 @ 1135 & 1 @1021                          | \$ 27,126.00                | \$ 1,135.00               |
| 3 BR 16 @ 1254                                    | \$ 20,064.00                | \$ 1,254.00               |
| 4 BR 4 @ 1526                                     | \$ 6,104.00                 | \$ 1,526.00               |
| <b>Additional Revenue:</b>                        |                             |                           |
| 2. Laundry (monthly) 40 @ 20                      | \$ 800.00                   | \$ 800.00                 |
| 3. Parking # Stalls 40 x \$ 85/\$100 =            | \$ 3,595.00                 | \$ 3,595.00               |
| 4. Other Guest room (532); storage lockers (1500) | \$ 2,032.00                 | \$ 2,032.00               |
| 5. TOTAL MONTHLY REVENUE POTENTIAL                | \$ 73,945.00                | \$ 11,231.00              |
| 6. TOTAL ANNUAL REVENUE POTENTIAL                 | \$ 887,340.00               | \$ 134,772.00             |

I certify that this is a true description of the Project as of the date set out below:

Initials of Authorized Officer of the Recipient: *SIF V*

Date: *July 20, 2016*







**APPENDIX "B"**  
**Audited Statement of Actual Costs**

|   |  |                           |           |
|---|--|---------------------------|-----------|
| Recipient:  | Old Grace Not For Profit Housing Co-operative Ltd. | MHRC Reference Number:    | PA15-2002 |
| Project Address:  |  | Date of Total Completion: |           |
| This form is to be completed and returned to Manitoba Housing within 90 days of Total Completion under the terms of the Financial Assistance Agreement.                               |  |                           |           |
| Attach separately any further explanations required, as well as a listing of all unpaid accounts as at the date of the auditor's examination, which are included in the capital cost. |  |                           |           |

| PROJECT COSTS  | Approved by MHRC<br>(exclusive of GST) | Actual        |
|--|--|---------------|
| <b>Acquisition of Land or Buildings</b>  |  |               |
| 1. Purchase Price of Land (and existing structures, if any)                              |  |               |
| 2. Off-site Servicing (specify)  |  |               |
| 3. Legal Services and Disbursements, Land Titles Registration fees and Land Transfer Tax |  |               |
| 4. Surveyor's Fees, Environmental Site Assessment (incl. Soil Tests and Report)          |  |               |
| 5. Zoning variance fees  |  |               |
| 6. Appraisal Fees  |  |               |
| 7. Other: (specify)  |  |               |
| <b>Sub-total Acquisition of Land or Buildings</b>  | 0.00                                   | 0.00          |
| <b>Design, Financing and Development</b>   |  |               |
| 8. Architect/Engineering/other Consulting Fees (specify)                                 |  |               |
| 9. Legal Fees  |  |               |
| 10. Development Consultant/Project Management Fees                                       |  |               |
| 11. Insurance During Construction  |  |               |
| 12. Interest During Construction   |  |               |
| 13. Property Taxes During Construction   |  |               |
| 14. Utilities During Construction  |  |               |
| 15. Geothermal Feasibility Study   |  |               |
| 16. Permits/Other Development Fees (specify)   |  |               |
| 17. Rent up (eg. marketing) (specify)  |  |               |
| 18. Other: (specify)   |  |               |
| 19. Other: (specify)   |  |               |
| <b>Sub-total Design, Financing and Development Costs</b>                                 | 0.00                                   | 0.00          |
| <b>Construction Costs</b>  |  |               |
| 20. Construction   |  |               |
| 21. Rehabilitation/Conversion/Demolition   |  |               |
| 22. Onsite Servicing   |  |               |
| 23. Landscaping  |  |               |
| 24. Stoves, refrigerators and laundry equipment  |  |               |
| 25. Hard Furnishings (specify)   |  |               |
| 26. Maintenance Equipment (specify)  |  |               |
| 27. Contingency  |  |               |
| 28. Other (specify)  |  |               |
| <b>Sub-total Construction Costs</b>  | 0.00                                   | 0.00          |
| <b>On Completion</b>   |  |               |
| 29. Appraisal Fee (of Completed Housing Complex)   |  |               |
| 30. Auditor's Fees   |  |               |
| 31. Other (specify)  |  |               |
| <b>Sub-total On Completion Costs</b>   | 0.00                                   | 0.00          |
| <b>GST on above Project Costs</b>  |  |               |
| <b>TOTAL APPROVED ESTIMATED PROJECT COSTS</b>  | 0.00                                   |               |
| <b>RECOVERIES</b>  | <b>Approved Estimate</b>               | <b>Actual</b> |
| 1. GST <sup>1</sup>  |  |               |
| 2. Other (specify)   |  |               |
| <b>Sub-total Recoveries</b>  | 0.00                                   | 0.00          |
| <b>NET ACTUAL PROJECT COSTS (Actual Project Costs less Recoveries)</b>                   |  | 0.00          |

| PROJECT FUNDING / FINANCING              | Approved Estimate | Actual |
|--|-------------------|--------|
| 1. MHRC Loan <sup>2</sup>                |                   |        |
| 2. Approved Lender                       |                   |        |
| 3. Recipient Contribution                |                   |        |
| 4. Other Funding Source (specify)        |                   |        |
| 5. Other Funding Source (specify)        |                   |        |
| 6. Other Funding Source (specify)        |                   |        |
| 7. Other Funding Source (specify)        |                   |        |
| <b>TOTAL PROJECT FUNDING / FINANCING</b> | 0.00              | 0.00   |

<sup>1</sup> If this is a Manitoba Housing owned project, include 100% of the GST paid on the above expenses. If it is Recipient owned, include any rebates or credits on account of GST which the recipient has received or is entitled to receive on account of the project.

<sup>2</sup> Actual = total amount received for projects costs to the date of this audited statement.

Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, this statement presents fairly the Actual Costs of the Project as of the date set out below.

\_\_\_\_\_  
Auditor's Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Please Choose

\_\_\_\_\_  
Date

## APPENDIX "C"

### MHRC'S CONFLICT OF INTEREST POLICY AND GUIDELINES

#### INTRODUCTION

The Manitoba Housing and Renewal Corporation (MHRC) in coordination with the Province of Manitoba is charged with the responsibility of protecting the public interest, particularly in regards to accountability for the spending of tax dollars. External agencies are perceived by the public as extensions of government. As such, boards of directors and employees of external agencies delivering services on behalf of government are accountable to the public and are particularly vulnerable to charges of conflict of interest. As a funder of many external agencies, the Province of Manitoba expects agencies to adopt the following conflict of interest policy and guidelines for their boards of directors and employees.

By stating clearly the standards of conduct expected of board members and employees, the guidelines serve as a preventative measure so board members and employees do not inadvertently place themselves in a position of perceived, potential or actual conflict of interest. Furthermore, the sections dealing with disclosure and appeals provide for avenues to clarify and resolve issues before they become a problem.

The aim of the conflict of interest guidelines is to strike a balance between legitimate protection of public interest and the protection of the board members' and employees' personal and professional interests.

It is the responsibility of the board of directors to ensure that these guidelines are communicated to all board members and employees of the individual external agencies and to establish procedures for ensuring compliance with the standards set out in the policy and guidelines.

#### POLICY STATEMENT

The Province of Manitoba expects boards of directors and employees of external agencies which it funds to maintain high standards of integrity, impartiality and ethical conduct. Board members and employees must be constantly aware of the need to avoid situations which might result either in actual, potential or perceived misconduct, or conflicts of interest and to conduct themselves in a manner which commands the respect and confidence of their fellow citizens.

This policy, including disclosure requirements, applies to all members of the boards of directors and all employees of external agencies. The policy and guidelines contained herein should complement rather than replace the provisions of relevant legislation, or any other statute, collective agreement, rule or statement which applies to boards of directors or employees of external agencies, and in the event of a conflict, relevant legislation shall govern and supersede this policy.

#### DEFINITION

**A conflict of interest is any situation in which a board member or employee of an external agency has an employment, business or personal interest which results or appears to result in:**

- (a) an improper material interest or an advantage by virtue of the person's position;
- (b) an interference with the objective exercise of the person's duties.

A material interest includes any matter or situations where a board member or employee has a direct or indirect financial or other interest beyond the interest of an ordinary citizen.

**REQUIREMENTS FOR DISCLOSURE**

**Members of the boards of directors and employees of external agencies are responsible for disclosure of any situation or matter where they have an actual or perceived conflict of interest or the potential for a conflict of interest.**

**Conflict of interest declarations should be filed annually at a minimum or updated immediately where:**

- (a) an actual, potential or perceived conflict situation arises where none existed previously;
- (b) change occurs which alters the nature or degree of the conflict, subsequent to a declaration being made.

Where a conflict of interest has been found to exist, the board member or employee, if necessary, will be required to take steps to avoid the conflict of interest. As well, where a perceived or potential conflict situation may exist, the board member or employee will be provided with advice on what steps need to be taken to remove the perception of or other potential for a conflict of interest.

Where a board member is unsure whether any conflict of interest may exist, it is his/her responsibility to seek clarification from the board of directors.

A board member shall disclose in writing to the board of directors, or request to have entered in the minutes of meetings of the board of directors, the nature and extent of his/her interest.

The board of directors shall decide by majority vote of other members at the meeting whether a perceived or actual conflict of interest exists in the case of a board member.

No board member shall be present during any discussions of the board or vote on any matter where it has been decided that a material interest exists. The minutes of the board meeting shall in each case record the member's disclosure of interest and the fact he/she took no part in the discussion or decision. In addition, the board member must refrain from attempting, directly or indirectly, to influence the decision of the board.

The board of directors may choose to delegate to an executive committee of the board, the authority to decide whether a material interest exists for board members.

If the executive committee of the board cannot decide, the matter shall be referred to the full board for decision.

Where an employee is unsure whether any conflict of interest may exist, it is his/her responsibility to seek clarification from the board of directors or the board's delegate.

An agency employee shall disclose in writing to the board of directors, or the board's delegate, the nature and extent of his/her interest.

The board of directors shall decide by majority vote whether a perceived, potential or actual conflict of interest exists in the case of an employee.

The board of directors may choose to delegate to the executive director or executive management committee, the authority to decide whether a material interest exists for employees, subject to a quarterly review and ratification of those decisions by the board.

If the board's delegate cannot decide, the matter shall be referred to the board of directors for decision.

No employee shall participate in negotiations, decision-making or activities where it has been decided that a material interest exists.

## Appendix "C" – MHRC's Conflict of Interest Policy and Guidelines (continued)

### GUIDELINES

The range, complexity and unique nature of individual external agencies' activities are such that it is not possible to outline all conflict of interest situations.

- 1) Board members and employees shall not engage directly or indirectly in any personal business transaction or private arrangement for personal profit which accrues from or is based upon their official position or authority or upon confidential or non-public information which they gain by reason of such position or authority.
- 2) Board members and employees shall not divulge confidential or restricted information to any unauthorized person or release such information in advance of authorization for its release.
- 3) Board members and employees shall not act in any official matter where there is a personal interest which is incompatible with an unbiased exercise of official judgement.
- 4) Board members and employees must declare where they have direct or indirect personal business or financial activities which conflict with their official duties and responsibilities.
- 5) Board members and employees shall not place themselves in a position where they are under obligation to any persons who might benefit from special considerations or favours on their part.

### APPEALS

A board member who disputes the manner of application of these guidelines within his/her agency may appeal such application to an independent arbitrator agreed to by both parties.

An employee who disputes the manner of application of these guidelines may appeal such application to the board of directors.

A board member or employee, at his/her option, may have a representative present at the appeal.

### DISCIPLINARY ACTION

Departure from any of these rules by board members, without the specific prior approval of the majority of board members, may be cause for dismissal from the board.

Departure from any of these rules by employees, without the specific prior approval of a board of directors, or board's delegate, may be cause for disciplinary action.

### SPECIFIC PROVISIONS FOR AGENCIES

While the guidelines mentioned above should be sufficient to protect against conflict of interest in a vast majority of cases, individual agencies may wish to develop additional more specific conflict of interest guidelines. In certain cases, the Minister may request more specific conflict of interest guidelines. These additional guidelines may also be necessary in response to particular statutory requirements, specific operational requirements, problems unique to a particular agency or at the request of Government.

On request, any additional guidelines developed for an organization should be made available to Government for approval prior to distribution and implementation.

# RENTAL HOUSING PROGRAM ELIGIBILITY

Manitoba Housing has two programs that provide rental housing assistance to individuals, seniors and families:



- Social Housing Rental Program
- Affordable Housing Rental Program

If at any time you have questions about eligibility you can contact us by calling **204 945-4663** or toll-free if outside of Winnipeg at **1-800-661-4663**. You can also use the convenient form on our [Contact Us page](#) or email us directly at [housing@gov.mb.ca](mailto:housing@gov.mb.ca).

To be eligible, applicants must have incomes below the Program Income Limits (PILs) for each program. The Program Income Limits are established annually by Manitoba Housing and are effective January 1 each year. To be eligible for these programs you must:

- Be a Canadian citizen, landed immigrant or refugee.
- Be a person 18 years of age or older.
- Be able to live independently in a self contained unit.
- Have a good rental history including past and present landlord reference checks.
- Meet the program income limits outlined below.

## Social Housing Rental Program:

This program provides long-term housing for low-income households whose total household income is below the posted Social Housing Program Income Limit.

| <b>2016 Social Housing Rental Program Income Limits</b> |  |                  |                  |                  |                   |
|---|--|------------------|------------------|------------------|-------------------|
| <b>Community</b>  | <b>Studio</b>  | <b>1 Bedroom</b> | <b>2 Bedroom</b> | <b>3 Bedroom</b> | <b>4+ Bedroom</b> |
|   | <u>How are the number of bedrooms I may be eligible for determined?*</u> |                  |                  |                  |                   |
| <b>Winnipeg</b>   | \$23,000   | \$33,500         | \$43,000         | \$47,500         | \$57,000          |

## 2016 Social Housing Rental Program Rents:

The rent is calculated as a percentage (less than 30%) of total household before-tax income. (See examples below)

When calculating the total before-tax income the following income sources will be **excluded**:

- Child Tax benefit
- income tax refund
- GST refund
- living-out or traveling allowances of any household member
- monies received from insurance settlements, inheritance, disability awards, sale of effects or capital gains
- income, in whatever form received, of children or of dependants if such children or dependants are attending school full time
- a deduction of up to \$1,000.00 per year for employment earnings of a single parent or single income couple with children in full time attendance at school. For a couple with children in full time attendance at school where both parents are working only one parent can claim the deduction

### Examples of what your monthly rent may be under the Social Housing Rental Program:

Example #1:

- If you are a family with two (2) dependent children (one (1) boy & one (1) girl)
  - Your location is in Winnipeg
  - Your total yearly combined household income is \$30,000.00 before taxes
  - Your total yearly combined household income after the above mentioned exclusions and the \$1,000.00 work related deduction is \$25,000.00
- You would be eligible for three (3) bedrooms\* and your monthly rent geared to income (RGI) rent would be \$562.50 per month not including utilities (27% of the total yearly household income after exclusions and deductions)

Example #2:

- If you are an individual senior who is 55 years of age or over living in Winnipeg
  - Your location is in Winnipeg
  - Your total yearly income is \$20,000.00 before taxes
  - Your total yearly combined household income after the above mentioned exclusions is \$19,500.00

- You would be eligible for a studio\* and your monthly rent geared to income (RGI) rent would be \$406.25 per month not including utilities (25% of the total yearly income after exclusions and deductions)

**\* How are the number bedrooms I may be eligible for determined?**

The National Occupancy Standards are our guidelines. These standards set the following requirements:

- Not less than one and not more than two persons may occupy a single bedroom.
- Parents and children do not use the same bedroom.
- Single persons 18 and over have a separate bedroom.
- Children five and over do not share a bedroom with another person of the opposite sex.

## Affordable Housing Rental Program:

This program is for lower-moderate income households whose total household income is below the posted Program Income Limit. The household will pay an affordable rent based on median rents in the private market. Affordable Rents are established annually by Manitoba Housing and are effective January 1 of each year. (See examples below)

| <b>2016 Affordable Housing Rental Program Income Limits</b>  |  |           |           |           |                 |
|--|--|-----------|-----------|-----------|-----------------|
| Household without children   |  |           |           |           | <b>\$52,253</b> |
| Family Household (families with children or dependants)  |  |           |           |           | <b>\$69,671</b> |
| <b>2016 Affordable Housing Rental Program Rents - Includes Essential Utilities (heat, water and sewer)</b> |  |           |           |           |                 |
| Community  | Studio   | 1 Bedroom | 2 Bedroom | 3 Bedroom | 4+ Bedroom      |
|  | <u>How are the number of bedrooms I may be eligible for determined?*</u> |           |           |           |                 |
| <b><u>Winnipeg and Catchment</u></b>   | \$579  | \$842     | \$1,074   | \$1,182   | \$1,425         |

<http://www.gov.mb.ca/housing/mh/progs/pil.html#affordable>



**MORTGAGE** Form 11.4

**(APPENDIX "F" to the Financial Assistance Agreement)**

District of **[Insert district name]**  Mortgage  Encumbrance  Mortgage of Mortgage/Encumbrance  
 ESTATE AFFECTED  Freehold  Leasehold

1. **MORTGAGOR/GRANTOR OF ENCUMBRANCE (Encumbrancee)** include address and postal code  
**[Insert name and address of Mortgagor]**

COVENANTOR (if any) include address and postal code

see schedule

2. **LAND DESCRIPTION**

**[Insert legal description(s) of the property or properties]**

TITLE NUMBER(S) **[Insert title number(s)]**

MORTGAGE/ENCUMBRANCE NUMBER(S)

see schedule

3. **MORTGAGEE/ENCUMBRANCER** include address and postal code

THE MANITOBA HOUSING AND RENEWAL CORPORATION,  
 202 - 280 Broadway, Winnipeg, Manitoba, R3C 0R8

see schedule

4. **NAME AND ADDRESS OF MORTGAGEE/ENCUMBRANCER FOR SERVICE** include postal code

SAME AS ABOVE.

see schedule

5. **TERMS**

The following terms are incorporated herein:

(a) Standard Charge Mortgage Terms filed as Number 1028245

CANADA MORTGAGE AND  
 name HOUSING CORPORATION

(b) The terms attached hereto as schedule(s)

In this instrument, unless otherwise specified, "herein" means this instrument, all schedules to this instrument and the terms referred to in Box 5.

Where there is insufficient space in this form for all signatures, one or more Mortgagors may sign the schedule identified in Box 7 and attached hereto and/or one or more Covenantors may sign the schedule identified in Box 9 and attached hereto, and such signature or signatures shall bind and obligate the person or persons so signing to the terms herein in the same manner as if such person or persons had signed this form.

6. **PAYMENT PROVISIONS**

see schedule

|   |                                  |   |                        |                   |  |
|---|----------------------------------|---|------------------------|-------------------|--|
| (a) Principal Amount \$ <b>[Insert amount.]</b> | (b) Interest Rate XXX% per annum | (c) Calculation Period XXX                  |                        |                   |  |
| (d) Interest Adjustment Date                    | Y M D<br>XX XX XX                | (e) Payment Date and ON DEMAND Period       | (f) First Payment Date | Y M D<br>XX XX XX |  |
| (g) Last Payment Date                           | Y M D<br>XX XX XX                | (h) Amount of Each Payment Dollars \$ XXX   |                        |                   |  |
| (i) Balance Due Date                            | Y M D<br>XX XX XX                | Guarantee Mortgage <input type="checkbox"/> |                        |                   |  |

Additional Provisions

see schedule  A

**LTO USE ONLY**

| FEES CHECKED  | REFUND AMOUNT   |
|---|-----------------|
| Certificate of Registration<br>Registered this date _____<br>as No. _____<br>I certify that the within instrument was registered in the _____ Land Titles Office and entered on Title No. _____<br>_____ For District Registrar | <b>MORTGAGE</b> |

IMPORTANT NOTICE: The Mortgage Act provides that the Mortgagor can obtain free of charge, from the mortgagee, a statement of the debts secured by this mortgage once every twelve months, or as needed for pay off or sale.

**7. SIGNATURE OF MORTGAGOR/ENCUMBRANCEE**

see schedule

*Strike out inappropriate statement(s) and initial*

1. I am/entitled to be an/the owner of the Land/Mortgage/Encumbrance of the land.
2. As security for performance of all my obligations herein, I hereby mortgage/encumber to the Mortgagee/Encumbrancer my interest in the Land/Mortgage/Encumbrance of the land.
3. I promise to pay the principal amount and interest and all other charges and money hereby secured and to be bound by all the terms herein.
4. I acknowledge receipt of a copy of this instrument and all of the terms herein.
5. I am of the full age of majority.
6. The registration of this instrument does not contravene the provisions of The Farm Lands Ownership Act because:
  - a) the within land is not farm land as defined in The Farm Lands Ownership Act.
  - b) the interest in the farm land is being mortgaged/encumbered pursuant to a bona fide debt obligation.
  - c) other (specify section of The Farm Lands Ownership Act)
7. My co-mortgagor is my spouse or common-law partner and has Homestead rights in the within land.
8. The person consenting to this disposition is my spouse or common-law partner and has Homestead rights in the within land.

9.  
10.

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| DATE  |
| Y M D |
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|       |

|                |             |                  |
|----------------|-------------|------------------|
| <b>Witness</b> | <b>Name</b> | <b>Signature</b> |
|                |             |                  |
| <b>Witness</b> | <b>Name</b> | <b>Signature</b> |
|                |             |                  |
| <b>Witness</b> | <b>Name</b> | <b>Signature</b> |
|                |             |                  |

Attach affidavit of subscribing witness if the witness is other than an officer as defined in subsection 72(4) of The Real Property Act.

**8. TYPE OF PROPERTY**     Residential     Farm     Commercial

**9. SIGNATURE OF COVENANTOR**

see schedule

I acknowledge receipt of a copy of this instrument and all of the terms herein and I agree to perform my obligations herein.

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| DATE  |
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|----------------|-------------|------------------|
| <b>Witness</b> | <b>Name</b> | <b>Signature</b> |
|                |             |                  |
| <b>Witness</b> | <b>Name</b> | <b>Signature</b> |
|                |             |                  |

**10/11. HOMESTEADS ACT CONSENT TO DISPOSITION AND ACKNOWLEDGEMENT**

Note: For consent by widow(er) or surviving common-law partner, see section 22 of The Homesteads Act.

I, the spouse or common-law partner of the Mortgagor/Encumbrancee, consent to the disposition of the homestead effected by this instrument and acknowledge that:

1.  I am the first spouse or common-law partner to acquire homestead rights in the property; or  
 A previous spouse or common-law partner of the Mortgagor/Encumbrancee acquired homestead rights in the property but those rights have been released or terminated in accordance with The Homesteads Act.
2. I am aware that The Homesteads Act gives me a life estate in the homestead and that I have the right to prevent this disposition of the homestead by withholding my consent.
3. I am aware that the effect of this consent is to give up my life estate in the homestead to the extent necessary to give effect to this disposition.
4. I execute this consent apart from my spouse or common-law partner freely and voluntarily without any compulsion on the part of my spouse or common-law partner.

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| DATE  |
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|   |  |
|---|--|
| <b>Name of Spouse or Common-Law Partner</b> | <b>Signature of Spouse or Common-Law Partner</b> |
|   |  |
| <b>Name of Witness</b>                      | <b>Signature of Witness</b>                      |
|   |  |

A Notary Public in and for the Province of Manitoba  
 A Commissioner for Oaths in and for the Province of Manitoba  
 My commission expires: \_\_\_\_\_  
 Or other person authorized to take affidavits under The Manitoba Evidence Act (Specify)

**12. INSTRUMENT PREPARED BY** *include address and postal code*

**13. ENCUMBRANCES, LIENS AND INTERESTS** - The within document is subject to instrument number(s)

**14. INSTRUMENT PRESENTED FOR REGISTRATION BY** *include address, postal code, contact person and phone number*

IMPORTANT NOTICE: By virtue of Section 194 of The Real Property Act, any statement set out in this document and signed by the party making the statement has the same effect and validity as an oath, affidavit, affirmation or statutory declaration given pursuant to The Manitoba Evidence Act.  
  
 NOTE: SINGULAR INCLUDES PLURAL AND VICE VERSA WHERE APPLICABLE.  
 \*IT TO BE READ AS INCLUDING ALL Mortgagor(s) whether individual or corporates.

## SCHEDULE

Additional Information

Page 1 of 1 Pages

### SCHEDULE   A

(insert letter)

The Mortgagor acknowledges that the Mortgagee agreed to lend monies to the Mortgagor up to the principal amount set out in this Mortgage, on the terms set out in a certain Financial Assistance Agreement between the Mortgagor, as Recipient, and the Mortgagee dated \_\_\_\_\_, 20\_\_ (the "FAA").

In consideration for making the loan, and as security for repayment of the loan according to the terms of the FAA, the Mortgagor hereby mortgages the land to the Mortgagee.

The following are additional terms of this Mortgage:

1. The Mortgagor agrees that "The Manitoba Housing and Renewal Corporation" replaces "Canada Mortgage and Housing Corporation" wherever it appears in the Standard Charge Mortgage Terms registered as Number 1028245, which are incorporated into and form part of this Mortgage.
2. The Mortgagor agrees that default under, or a breach of, the FAA by the Mortgagor constitutes default under, or a breach of, this Mortgage by the Mortgagor.
3. The Mortgagor agrees that a demand for payment made by the Mortgagee in accordance with the FAA constitutes a demand for payment under this Mortgage.
4. The Mortgagor agrees that it is not entitled to a discharge of this Mortgage until all amounts due and payable to the Mortgagee under the FAA have been fully paid.

This Schedule forms part of \_\_\_\_\_ a Mortgage \_\_\_\_\_, from  
(Instrument Type)

**THE MANITOBA HOUSING AND**  
**[Insert name of Mortgagor]** to **RENEWAL CORPORATION**, dated

this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_.

**[Insert name of Mortgagor]**

Per: \_\_\_\_\_  
Name:  
Title:

Per: \_\_\_\_\_  
Name:  
Title: