

Attachment 1



Roberto Rossini
Deputy City Manager and
Chief Financial Officer

Office of the Deputy City Manager
and Chief Financial Officer
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June ____, 2014

Jason F. Gorel
Chief Financial Officer
Toronto Community Housing Corporation
931 Yonge Street
Toronto, ON
M4W 2H2

Dear Mr. Gorel:

We are pleased to offer Toronto Community Housing Corporation (the "**Borrower**") the following credit facilities, subject to the terms and conditions set forth below and in the attached Schedules and Appendices attached hereto (collectively, the "**Agreement**"). This Agreement is effective as of the date first above written (the "**Effective Date**"). Unless stated otherwise, all dollar amounts are in Canadian currency.

Borrower:	Toronto Community Housing Corporation (the " Borrower ")
Lender:	City of Toronto (the " Lender ")
Aggregate Committed Amount:	\$52,410,835.07 (the " Committed Amount ")
Type of Credit Facilities:	Non-revolving fixed interest 30 year Term Loan in the amount of the Committed Amount
Purpose:	<p>The advance of funds from this Loan will be used in the following order:</p> <ol style="list-style-type: none"> 1. Prepayment of the existing City loans described in the attached Schedule A (the "Existing City Loans"); 2. The balance of the funds from this loan will be deposited to a new special reserve other than the State of Good Repair Fund dedicated to the repair or replacement of multi-residential housing portfolio building components (including any commercial components forming part of the residential complex) with a useful life of at least 30 years; <p>The prepayment amounts for the Existing City Loans will be equal to the outstanding principal balance plus the interest (based on the interest rate in the existing loan agreement) that has accrued between the most recent</p>

	repayment made for each of the Existing City Loans and the closing date for this refinancing transaction.
Maturity Dates:	30 years from the date of closing
Interest Rates and Repayment:	<ul style="list-style-type: none"> • 4.5% compounded annually based upon a 30 year amortization period. • Annual equal blended payments of principal and interest
5. Drawdown:	Loan advances shall be made to Borrower as follows: upon a mutually agreed upon closing date, no later than 120 days after City of Toronto Council approval, the full Committed Amount less the amount required to repay the Existing City Loans will be advanced, provided that repayment of the Existing City Loans has been made and Lender Security delivered
Lender Security:	<p>The following security shall be provided to support the indebtedness and liability of the Borrower on the Lender's standard form:</p> <p>a) Promissory Note;</p> <p>b) A single Charge/Mortgage over all of the Properties described in Schedule A, registered with the same priority as to registration as the existing Charge/Mortgages to be discharged following prepayment of the Existing City Loans described in Schedule A. In the event that there is no existing charge/mortgage securing an Existing City Loan, then the Charge/Mortgage will be registered with a priority as to registration that is subject only to any existing registered charge/mortgage in favour of a prior third party lender.</p> <p>c) General Security Agreement specific to the assets used solely in connection with the Properties as detailed in Schedule A;</p> <p>Assignment of Rents and Leases registered site specific over the Properties on title and under the PPSA for the duration of the Term Loans;</p> <p>The above documents and security shall be referred to collectively in this Agreement as the "Lender Security".</p>
Expenses:	The Borrower agrees to remit directly or by way of deduction from initial and subsequent advances, all fees and charges associated with the financing provided under this Agreement. This includes but is not limited to: registration costs, legal fees and disbursement charges, as agreed to by the Borrower and the Lender.
Positive Covenants:	The Borrower and its subsidiaries shall observe the following: The Borrower shall maintain the Properties, where applicable

	in accordance with the <i>Residential Tenancies Act</i> (Ontario).
Security Substitution and Early Repayment:	<p>The following conditions may require the Borrower to replace specific Lender Security in substitution of an existing secured Property at the Lender's reasonable discretion. The Lender will consider at its reasonable discretion the partial discharge any of Lender Security with respect to a specific Property on the basis that the Borrower pledges replacement security of same or similar age, characteristics and market value so as to provide equal or greater value in substitution as a result of any of the following:</p> <p>Property Sale – in the event the Borrower enters into an agreement to sell a Property held as Lender Security; and</p> <p>Property Redevelopment – in the event the Borrower enters into an agreement to redevelop a Property held as Lender Security.</p> <p>For purposes of determining the value of Property to be substituted as contemplated herein and assisting the Lender in the valuation of such property in the Lender's reasonable discretion, the Borrower agrees to supply the Lender with additional information on both the Property being considered or requested by the Lender for discharge of the mortgage to discharge the relevant Property along with information on the proposed replacement property.</p> <p>Notwithstanding the above, the Lender reserves the right to require early repayment of all or any portion of the Term Loan in its sole and unfettered discretion upon such terms and conditions to be provided to the Borrower at the time such early repayment is requested. The Borrower recognizes that such early repayment will need to be made in such a manner so as to cover any and all reasonable costs of the Lender.</p>

We trust you will find these credit facilities helpful in meeting your ongoing financial requirements. We ask that if you wish to accept this Agreement, please do so by signing the signature page below and returning the attached duplicate copy of the signature page to the undersigned. This offer will expire if not accepted in writing and received by the Lender on or before June ___, 2014.

Yours Truly,

CITY OF TORONTO

by: _____
 Name:
 Title:

SCHEDULE A – PROPERTY LISTING

	Project Address	Project Name	Existing Interest Rate	Existing Maturity Year	Current Principal Balance
CITY PERMANENT MORTGAGES					
1	5-11 Wakunda Place	Centennial	5.250%	2017/12	72,261.24
2	91 Augusta Ave.	Alexandra Park	6.250%	2018/12	80,097.59
3	101 Humber Blvd.	Mount Dennis	6.875%	2019/12	72,826.20
4	35 Shoreham Dr.	Edgeley Apts	6.875%	2019/12	186,190.54
5	10 Glen Everest Rd.	McClain Apts.	6.875%	2020/12	137,130.33
6	175 Cummer Ave.	Willowdale	6.875%	2020/12	138,297.02
7	140 Adanac Ave.	Adanac Apts.	6.875%	2020/12	134,458.65
8	3680 Keele St.	Northwood Apts	6.875%	2020/12	110,158.95
9	423 Yonge St.	Collegeview	6.875%	2020/12	136,447.81
10	50 Tuxedo Court	Village Apts.	8.250%	2021/12	156,344.15
11	6250 Bathurst St.	West Don Apts	8.250%	2022/12	239,154.72
12	7-11 Arleta Ave.	Arleta Manor	8.250%	2022/12	219,976.79
13	340 Royal York Rd.	Edwards Manor	7.875%	2022/12	175,928.55
14	859 Dundas St. E.	May Birchard	7.500%	2023/12	27,680.14
15	1901 Weston Rd.	Eagle Manor	7.000%	2023/12	176,765.44
16	4175 Lawrence Ave. E.	West Hill	7.625%	2024/12	227,686.78
17	4025 Lawrence Ave. E.	Morningside	7.625%	2024/12	238,338.33
18	35 Park Home Ave.	Beecroft Manor	7.625%	2024/12	113,045.37
19	145 Strathmore Blvd.	Greenwood	7.000%	2024/12	250,992.82
20	3825 Sheppard Ave. E.	Tam O'Shanter	7.625%	2025/12	209,834.55
21	2008 Pharmacy Ave.	Wishing Well	7.875%	2025/12	260,848.88
22	130 Vaughan Rd.	Louise Towers	9.750%	2027/12	182,459.24
23	100 Cavell Ave.	Griggs Manor	9.750%	2027/12	483,051.27
24	1420 Victoria Park Ave.	Sunrise Towers	9.750%	2027/12	577,293.79
25	65 Greencrest Circuit	Cedarbrae	9.750%	2027/12	655,789.25
26	80 Danforth Ave.	Broadview	10.375%	2028/12	279,959.70
27	3330 Danforth Ave.	Byng Towers	10.500%	2028/12	367,407.17
28	55 Outlook Ave.	Outlook Manor	10.000%	2029/12	506,465.98
29	17 Brimley Rd.	St. Georges	10.000%	2028/12	620,691.87
30	18 Davenport Rd.	McMurrich	9.625%	2030/12	281,037.53
31	34 Oxford St.	Kensington	10.500%	2029/12	420,255.27
32	1700 Finch Ave. E.	Seneca Towers	10.000%	2029/12	565,683.96
33	4455 Bathurst St.	Sheppard Place	9.625%	2029/12	581,022.11
34	168 John St.	Beverly Manor	9.875%	2028/12	356,794.92
35	55 Bleecker St.	Winchester	10.250%	2030/12	567,000.86
36	41 Mabelle Ave.	Islington	9.625%	2029/12	693,185.80
37	2835 Lakeshore Blvd W	Woods Manor	9.500%	2029/12	308,870.28
38	71 Merton Ave.	Janet Magee	9.500%	2030/12	358,630.56
39	310 Dundas St. E.	Wm. Dennison	9.500%	2029/12	361,950.03
40	369 Pape Ave.	Frances Beavis	10.250%	2030/12	330,886.45
41	130 Eglinton Ave. E.	Montgomery	11.000%	2030/12	641,253.69
42	1775 Eglinton Ave. E.	Doug Saunders	11.000%	2031/12	775,183.88
					13,279,338.46
CITY RENOVATION MORTGAGES					
1	20,25 West Lodge Ave.	May Robinson	5.500%	2018/12	2,070,898.28
2	133 Merrill Ave.	Woodbine Acres	5.500%	2017/12	210,357.78
3	2950 Lawrence Ave. E.	Brimley Acres	5.500%	2018/12	333,183.84
4	9 Haldon Ave.	East York	5.500%	2018/12	478,759.64
5	1 Scarletwood Court	Humber Acres	5.500%	2018/12	166,607.33
6	828 Kingston Rd.	Glen Stewart	5.500%	2018/12	218,062.97
7	682 Warden Ave.	Woodlands	5.500%	2018/12	152,606.59
8	2195 Jane St.	Downsview	5.500%	2018/12	363,220.70
9	2287 Gerrard St. E.	Kinsmen Manor	5.500%	2018/12	382,728.41
10	682 Warden Ave.	Woodlands Acres	5.500%	2018/12	67,192.52
11	5-11 Wakunda Place	Centennial	5.500%	2018/12	235,072.94
12	10 Glen Everest Rd.	McClain Apts.	5.500%	2018/12	314,939.95
13	6250 Bathurst St.	West Don Apts	5.500%	2018/12	98,628.35
					5,092,259.30