

Toronto Community
Housing Corporation
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November 4, 2016

BY PDF & REGULAR MAIL

Mr. Rob Cressman
Shelter, Support & Housing Administration
City of Toronto
55 John St. 6th Floor
Toronto, Ontario M5V 3C6

Dear Mr. Cressman:

Re: 2016 CMHC Mortgage Flexibility Refinancing Program

Please find attached the above-noted secretary's certificate which I confirm that the Board of Directors of Toronto Community Housing Corporation passed on October 14, 2016 approving and authorizing the above-noted transaction.

Please see the attached copy of the resolution, which despite it being passed in a closed meeting of the Board, can be made public together with this letter.

If you have any further questions or concerns, please do not hesitate to contact me by email at mark.johnson@torontohousing.ca or by phone at (416) 981-4106.

Sincerely,



Mark Johnson
General Counsel and Corporate Secretary
MGJ/cz



Board of Directors

931 Yonge Street
Toronto M4W 2H2

SECRETARY'S CERTIFICATE

I HEREBY CERTIFY that the foregoing is a true copy of a Resolution passed by the Board of Directors of the Toronto Community Housing Corporation during its *closed* meeting held on the 14th day of October, 2016, which Resolution was duly enacted in the manner authorized by law and in conformity with the constating documents of the Corporation and that this Resolution has not been amended and continues to be in full force and effect.

REPORT: 2016 CMHC Mortgage Flexibility Refinancing Program
TCHC:C2016-36

It is recommended that the Board of Directors:

- 1) Approve a transaction totaling a maximum of \$62.2 Million with Infrastructure Ontario (IO) in connection with the prepayment of 10 mortgages with CMHC, substantially upon the terms particularized in Attachment 1 (the "Term Sheet"). Of the \$62.2 Million, \$23.1 Million will be used to prepay mortgage principal balance and the remaining amount will be allocated to a Capital Expenditure Reserve Fund towards capital repairs and maintenance work for the Properties.
- 2) Authorize the President and Chief Executive Officer (Interim) and/or the Chief Financial Officer (Interim) of TCHC to take necessary actions, including substituting of Properties secured by IO, negotiating and executing such documents as may be necessary, to give effect to the above recommendation.

DATED at the City of Toronto this 14th day of October, 2016.


Mark Johnson
General Counsel & Corporate Secretary
Toronto Community Housing Corporation



Disclaimer: The proposed terms contained herein are for discussion purposes only and shall not be enforceable against any party and shall have no force and effect. This Term Sheet is not a commitment of Ontario Infrastructure and Land Corporation. This document is confidential and must not be distributed to any person not involved in the proposed transaction without the consent of Ontario Infrastructure and Lands Corporation. Ontario Infrastructure and Lands Corporation does not accept any liability whatsoever for any direct, indirect or consequential loss arising from any actions undertaken in reliance on anything contained in this confidential Term Sheet. This confidential Term Sheet is provided on the basis that you have the capability to make your own independent evaluation of the financial, market, legal, regulatory, credit, tax and accounting risks and consequences involved in the described transaction and its suitability for your purposes.

September 7th, 2016

Rose-Ann Lee, Chief Financial Officer & Treasurer (Interim)

Toronto Community Housing Corporation
 931 Yonge Street
 Toronto, ON
 M4W 2H2

Dear Ms. Lee,

We are pleased to consider providing Toronto Community Housing Corporation with the following credit facilities. Unless stated otherwise, all dollar amounts are in Canadian currency. All capitalized terms not defined herein shall have the meaning attributed thereto in the Lender’s standard terms and conditions (the "**Standard Terms**")

1. Borrower:	Toronto Community Housing Corporation (the " Borrower ")
2. Lender:	Ontario Infrastructure and Lands Corporation (the " Lender ")
3. Committed Amount:	\$62,161,000 (the " Committed Amount ")
4. Credit Facilities:	Term Loan: Non-revolving fixed interest rate loan in the aggregate maximum principal amount of the Committed Amount.
5. Purpose:	a) Term Loan: The advance of funds from the Term Loan will be used as follows: <ul style="list-style-type: none"> i. Existing Loans on Title– Provide financing in repayment of the existing CMHC mortgages of approximately \$23.026 million, against the subject properties (collectively, the "Properties" and individually as "Property") as detailed in Appendix 1; ii. Capital Expenditure Reserve Funds – Provide funds of approximately \$39.135 million for capital repairs and maintenance work at the Properties.

<p>6. Maturity Dates of the Credit Facilities:</p>	<p>Term Loan: a) Thirty (30) year term amortized over thirty (30) years, subject to acceleration by the Lender in accordance with the Standard Terms (the “Term Loan Maturity Date”). Any and all amounts owing under the Term Loan must be repaid in full no later than the Term Loan Maturity Date.</p>
<p>7. Interest Rates and Repayment:</p>	<p>Term Loan:</p> <ul style="list-style-type: none"> i. Interest on the Advance shall be calculated at a fixed interest rate per annum based on the indicative fixed interest rate as posted on the Lender’s website (www.infrastructureontario.ca) under “Lending Rates: Municipalities Amortizer” as confirmed by the Lender to the Borrower under the Term Loan. Such fixed interest rate shall be based on the Lender’s cost of funds plus the Lender’s prevailing spread assigned to the Borrower’s sector for program delivery costs and risks. ii. Blended payments of principal and interest to be paid monthly over a 30 year amortization period. iii. The Term Loan is a non-revolving facility and no amounts repaid under the Term Loan may be re-borrowed.
<p>8. Drawdown:</p>	<p>a) Term Loan: Total Lender Advances shall be made for all Credit Facilities and for each Property pursuant to Appendix 1 in a single Advance to the Lender’s solicitor in trust, as set forth below, subject to the discharge of existing prior encumbrance(s) in order to provide the Lender with a 1st charge/mortgage over all of the Properties, subject only to Permitted Liens. A Promissory Note shall be required to be executed by the Borrower at the time of the Advance to evidence the terms for repayment of the Term Loan.</p> <ul style="list-style-type: none"> i. Existing Loans – Pursuant to direction of funds in repayment of matured Borrower loans on specific Properties as detailed and upon maturity dates as noted in Appendix 1. Should the Borrower provide evidence to the Lender of repayment in full of existing loans as detailed in Appendix 1 from its own resources (excluding any of the Credit Facilities), the Lender will advance the relevant funds directly to the account of the Borrower; ii. Capital Expenditure Reserve Funds – Funds to be held in trust by the Lender invested for the Borrower within two separate accounts (together, called the “Capital Expenditure Investment Accounts”), <ul style="list-style-type: none"> a) \$39.135 million for release to pay costs of major repairs and maintenance on the Properties as allocated by the Lender in Appendices 2 and 3, (the “Cap-Ex Reserve Funds”) and b) annual contribution based on the gross income (including all subsidies) realized on the subject Properties, a 4.0% allocation will be added to the monthly payment obligation of the Borrower (the (“Gross Income Capex Funds”). The Capital Expenditure Investment Accounts shall be under the control and direction of the Lender pursuant to a Capital Expenditure Investment Account Agreement dated the date of the Advance hereunder. With respect to the Cap-

	<p>Ex Reserve Funds, upon completion of the agreed upon work at the specific subject Property as evidenced by a Borrower declaration of completion and subject to the requirements of the Capital Expenditure Investment Account Agreement, the funds in relation to the subject Property shall be released from the Cap-Ex Reserve Funds to the Borrower in accordance with the Capital Expenditure Investment Account Agreements; and</p> <p>iii. A Borrower internal project management cost equivalent to 5.0% of the funds drawdown from the Cap-Ex Reserve Funds per Section 8 (a) (ii) will be considered eligible additional drawdown under the Financing Agreement. Periodic drawdown requests and reporting will include the internal project management costs in addition to the actual drawdown of funds per Section 8 (a) (ii).</p>
<p>9. Security:</p>	<p>The following security shall be provided to support all present and future indebtedness and liability of the Borrower under the Credit Facilities, and shall be registered in first position unless otherwise noted below, and shall be on the Lender's standard form:</p> <ul style="list-style-type: none"> a) Promissory Note; b) 1st Charge/Mortgage registered at closing in the amount of \$62,161,000 as a blanket charge/mortgage over the Properties together with all supportive collateral security in favour of the Lender; c) 1st Assignment of Rents and Leases registered site specific over the Properties on title and under the PPSA for the duration of the Term Loan; d) 1st General Security Agreement specific to the assets used solely in connection with the Properties for the duration of the Term Loan; e) Triparty Agreement in form and substance acceptable to the Lender executed by the Shareholder (the City of Toronto), the Lender and the Borrower, amending the existing Triparty Agreement dated November 6th, 2015, to include inter alia the subject Term Loan et al., relating to the Shareholder Guarantee and the Indebtedness under the Credit Facilities; f) Creditor Acknowledgement Agreement for the term loan be executed by all creditors identified within the Master Covenant Agreement made as of May 11, 2007 (the "Master Covenant Agreement"), in substantially the same form as the agreed upon acknowledgment agreement provided in connection with the Prior OILC Loan Agreement; g) Shareholder's Agreement as amended and restated, executed by the Borrower, Shareholder (City of Toronto) and the Lender, in substantially the same form as the agreed upon shareholder's agreement provided in connection with the Prior OILC Loan Agreement with the Borrower with the inclusion of a Shareholder loan guarantee including monthly principal and interest payments; h) Assignment of Specific Account(s) and Set-off Agreement in respect of the Capital Expenditure Investment Accounts;

	<ul style="list-style-type: none"> i) Title Insurance: Title insurance acceptable to the Lender site specific to the subject Properties and for the full amount of the Loan noted on each Property; j) Certificate of Property Insurance with Lender shown as 1st loss payee to the satisfaction of the Lender site specific to the Properties; k) Capital Expenditure Investment Account Agreement between the Borrower and the Lender. l) all other security documentation as may be required from time to time in the reasonable discretion of the Lender to protect the interests of the Lender. <p>All of the above documents and security shall be referred to collectively in this Agreement as the "Lender Security".</p>
<p>10. Conditions Precedent:</p>	<p>In addition to the Lender's standard conditions precedent , the Borrower shall provide to the satisfaction of the Lender prior to Term Loan advance with respect to each Property as applicable, the following:</p> <ul style="list-style-type: none"> a) Building Condition Reports: for the Properties to the Lender's satisfaction; b) Current Deferred Maintenance Update: on the deferred maintenance costs of the Borrower's portfolio of properties; c) Financial Statements: Borrower's audited FYE December 31, 2015 financial statements to the Lender's satisfaction; d) Commercial Leases: copies of all leases at the Properties to the Lender's satisfaction; e) Discharge Statements: The Borrower shall provide discharge statements of existing financing no less than 7 days prior to the date (or such later date as may be agreed to by the Lender) on which funds are requested from the Lender; f) Building and Zoning By-laws: The Borrower shall have provided to the satisfaction of the Lender evidence that the Properties comply and will comply in all respects with all municipal and provincial by-laws and statutes; such evidence may consist of evidence that the interests of the Lender are to be protected through title insurance; g) Property Taxes: The Borrower shall have provided to the satisfaction of the Lender evidence of payment in full of all property taxes due and payable on the Properties; h) Partial and Full Property Taxes Exemptions: The Borrower shall have provided to the satisfaction of the Lender evidence of all property tax exemptions for the Properties; i) Fire Inspection Report: The Borrower shall have provided a report by the municipal fire department confirming that all pre-existing units at the Properties have met all necessary fire code standards and such report shall be to the satisfaction of the Lender; j) Court Ordered Judgments: Any and all court ordered judgments greater than \$100,000 outstanding against the Borrower shall be shown to be satisfied from the Borrower's own financial resources (other than relating

	<p>to the Credit Facilities and other than those where the Borrower is appealing such judgment in good faith) to the satisfaction of the Lender; and</p> <p>k) Title Insurance: The Borrower shall obtain title insurance in favour of the Lender.</p>
11. 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, title insurance costs, municipal fire code inspection fees, specific Property reports as agreed to by the Borrower and the Lender.
12. Evidence of Indebtedness:	The Lender shall record the principal amount of any advance, the payment of principal and interest on account of the advance, and all other amounts becoming due to the Lender under this Agreement. The Lender's accounts and records shall constitute, in absence of manifest error, <i>prima facie</i> evidence of the indebtedness of the Borrower under the Credit Facilities. For the Term Loan advance, the Borrower shall provide a promissory note in favour of the Lender which shall include the scheduled dates for principal repayment and interest payments.
13. Representations and Warranties :	The Borrower shall and is deemed to make the Lender's standard Representations and Warranties.
14. Events of Default:	The Lender may accelerate the payment of principal and interest under any committed credit facility hereunder and/or terminate any undrawn portion of any committed credit facility hereunder, at any time after the occurrence of any Event of Default.
15. Positive Covenants:	<p>The Borrower shall observe the Lender's standard Positive Covenants set out in Schedule A and those set out below:</p> <ul style="list-style-type: none"> a) The Borrower shall maintain each of the Properties, where applicable, in accordance with the <i>Residential Tenancies Act</i> (Ontario); b) The Lender may require that a Building Condition Assessment ("BCA") be completed for any Property at the cost of the Borrower, seven (7) years after the Advance Date or at any other time (not more frequently than annually) if Lender is of the opinion following completion of its Annual Review assessments of the Property that a BCA is desirable; c) The Borrower shall comply with its procurement directives and policies in the matter of capital expenditures from Equity Withdrawal and the Cap-Ex Reserve Accounts; d) By no later than twelve (12) months after the date of the Advance, the Borrower shall have completed the following major repair and maintenance work in respect of the Properties: (i) the work identified as the "Urgent" items in the aggregate amount of \$1,153,398 and (ii) the work identified as the "High" priority items in the aggregate amount of \$5,232,867, in each case as set out in the Summary Report by Urgency of Needs (the "Summary Report") attached hereto as Appendix 3, and shall have provided the Lender with evidence of such completion by delivering to the Lender a Borrower

	<p>declaration of completion as contemplated by, and otherwise in accordance with, the requirements of the Capital Expenditure Investment Account Agreement.</p>
<p>16. Negative Covenants:</p>	<p>The Borrower shall observe the Lender's standard Negative Covenants set out in Schedule A and shall not:</p> <ul style="list-style-type: none"> a) make any payment to any creditor that may have any past, present or future financial claims against any of the Properties if the Borrower is in breach of the Financial Covenants set out in paragraph 19 below and remains indebted to the Lender under the terms of this Agreement; b) permit any cross default provisions to be included with any other loan documentation related to the Properties; and c) issue further corporate debt instruments that could reasonably be expected to reduce the Borrower's ability to maintain its Financial Covenants set out in paragraph 19 below without the Lender's prior written consent.
<p>17. Security Substitution:</p>	<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 of the blanket mortgage to discharge a specific Property on the basis that the Borrower pledges replacement security of same or similar age and characteristics so as to provide equal or greater value in substitution as a result of any of the following:</p> <ul style="list-style-type: none"> a) Property Sale – in the event the Borrower enters into an agreement to sell a Property held as Lender Security; b) Environmental Concern – in the event a Property within the Lender Security is determined, at the sole discretion of the Lender, to contain an environmental concern; c) Property Condition – in the event a Property within the Lender Security is determined, at the sole discretion of the Lender, not to be maintained in an acceptable condition to the Lender where there is a reasonable expectation that such condition will negatively affect the generation of rental income that ultimately services the debt allocated on that Property; and d) Property Redevelopment – in the event the Borrower enters into an agreement to redevelop a Property held as Lender Security. <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,</p> <ul style="list-style-type: none"> i. The Borrower agrees to supply the Lender with additional information on both the Property being considered or requested by the Lender for partial discharge of the blanket mortgage to discharge the relevant Property along with information on the proposed replacement property. ii. The Borrower may provide the Lender with a then current AACI Property valuation report(s) acceptable to the Lender, should the Borrower request reconsideration of Lender assessed Property

	<p>valuation. The final assessment of value shall be determined by the Lender.</p> <p>iii. The Borrower will be permitted a 90-day curing period to address the Lender’s concerns in correcting identified deficiencies to propose another replacement property. Should the Borrower not address such concerns to the satisfaction of the Lender, the subject Property will be discharged from the Lender’s security with a proportionate principal reduction to the loan(s) determined by the Lender with applicable loan breakage fees required.</p>
<p>18. Capital Expenditures and Reserve Funds:</p>	<p>The Capital Expenditure Investment Account Agreement is an extension of the Financing Agreement. Such agreement serves as supplementary security that details the manner in which funds reserved in the Capital Expenditure Investment Accounts are (i) in the case of the Cap-Ex Reserve Funds allocated as “Cap-Ex Funds” (i.e., approximately \$39.135 million) in Appendices 2 and 3, allocated for capital improvements and repairs for the secured Properties, (ii) Gross Income Capex Funds (see Section 18 b) below). The deposits in the Capital Expenditure Investment Accounts are to be utilized only for the respective purposes set out in Section 5 above. The funds in the Capital Expenditure Investment Accounts (“Capex Funds”) will be invested by the Lender or such investment management firm as the Lender may select with the approval of the Borrower in accordance with the Capital Expenditure Investment Account Agreement, it being agreed that Phillips, Hager & North Investment Funds Ltd. is an approved investment management firm. The Capex funds shall be accumulated in the following manner:</p> <p>a) Capital Expenditure Fund Holdback – based on the Borrower supplied BCA reports, the Lender will allocate as detailed within Appendix 3, specific holdbacks for capital expenditure purposes from the Lender advances (a portion of which is comprised of holdbacks in the aggregate amount of \$1,153,398 for work identified as “Urgent” items in the Summary Report attached hereto as Appendix 3, and a portion of which is comprised of holdbacks in the aggregate amount of \$5,232,867 for work identified as “High” priority items in the Summary Report attached hereto as Appendix 3;</p> <p>b) Gross Income Capex Funds – based on the gross income (including all subsidies) realized on the subject Property, a 4.0% allocation will be added to the monthly payment obligation of the Borrower.</p> <p>The Capital Expenditure Investment Account Agreement will detail the manner in which the Capex Funds are accessible to the Borrower including reporting requirements. Capex funds will be released to the Borrower for deposit into a separate bank account of the Borrower upon satisfaction of the terms of the Capital Expenditure Investment Account Agreement.</p>

<p>19. Financial Covenants:</p>	<p>a) Debt Service Coverage Ratio: The Borrower shall maintain a minimum Debt Service Coverage Ratio (DSCR) of not less than 1.10 to 1.00 on the secured Properties listed in Appendix 1, such ratio to be tested and calculated for the Properties as a whole as of the end of each Fiscal Year.</p> <p>Debt Service Coverage Ratio” means gross earnings from the Properties (rent, subsidies, parking, laundry, commercial income, etc.) less vacancy and bad debt, less all Properties specific expenses excluding extraordinary items and capital reserve funds divided by the sum of the principal and interest payments made on the Term Loan during the applicable fiscal year of the Borrower.</p> <p>b) Permitted Distributions: Distributions to Shareholder will only be allowed if all the covenants are satisfied before and immediately after giving effect to such distribution.</p>
<p>20. Reporting:</p>	<p>The Borrower shall have the following reporting obligations to the Lender:</p> <p>a) The Borrower shall provide to the Lender audited financial statements of the Borrower within 120 days of the Fiscal Year end of the Borrower;</p> <p>b) The Borrower as part of its year-end audit, shall request its external auditor to review the previous year’s capital projects funded by Lender loans as documented in the quarterly equity withdrawal reports and provide a letter to the Lender confirming the loan funds were spent as per the reports;</p> <p>c) The Borrower shall provide evidence to the Lender within 30 days of the end of each Fiscal Year of the Borrower that any and all annual property taxes due and payable for each Property have been paid;</p> <p>d) The Borrower shall within 120 days of each Fiscal Year end of the Borrower provide Property Income and Expense Rent Rolls as requested by the Lender for its annual review;</p> <p>e) The Borrower shall provide copies of insurance policies maintained for the Properties to the Lender as requested by the Lender; and</p> <p>f) The Borrower shall furnish to the Lender as soon as practicable with any other Borrower reporting information related to the Properties to assist in the completion of the Lender's annual review.</p>
<p>21. Permitted Liens:</p>	<p>Permitted Liens are listed in Schedule A and also include:</p> <p>a) Any Liens in connection with existing lines of credit of the Borrower not to exceed \$200,000,000 in the aggregate;</p> <p>b) Multiple loan facilities site specific as arranged in the normal course of business by the Borrower; and</p> <p>c) Liens permitted under the Master Covenant Agreement entered into by the Borrower.</p>

APPENDIX 1

Toronto Community Housing Corporation Property Listing, Anticipated Lender Advances and Allocation of Funds

Re-payment - All interest rates are subject to change without notice, please review www.infrastructureontario.ca for interest rate updates.

The table below is based on information provided by the Borrower for mortgages maturing/matured in 2016 and potential Lender Advances:

Dev. ID	Property Address	No. of Res. Units	Previous Lenders	Mortgage Renewal Date	Existing Borrower Loan Amt.
172	49 Mabelle Ave.	128	CMHC - Monthly	1-Nov-16	3,267,945.73
306	96-98A, 72-74, 76-78A, 80-82A, 84-90, 92-94A, 60-70, 97-99, 100-102, 104-114 Cavell Ave. / 39 Harcourt Ave.	53	CMHC - Monthly	1-Nov-16	922,047.39
313	29-35 Pembroke Mews	25	CMHC - Monthly	1-Nov-16	3,181,243.46
316	11 1/2 /26/30/33/39-39A Aberdeen Ave. / 220 /222/230/232 Carlton St. / 502 /504-504B /506/508/536-5361/2 / 544 Parliament St. /9/ 13/15/17/19/37/39/41 Winchester St.	177	CMHC - Monthly	1-Nov-16	1,827,908.97
336	26/28/30/32/34/36/38 Prospect St. / 37-39/41/43/45/47/56 Rose Ave. / 245/255/257/265/269/271/273/275-275B/277/279/281/283 Wellesley St. E.	142	CMHC - Monthly	1-Nov-16	1,943,517.28
362	101-111 Stephenson Ave.	50	CMHC - Monthly	1-Nov-16	1,468,017.59
380	440-522 Queen St. E.	36	CMHC - Monthly	1-Nov-16	1,426,773.52
384	257 Dundas St. E.	36	CMHC - Monthly	1-Nov-16	373,822.33
450	40 & 42 Baldwin St./181 / 183 /185 / 187 /189 /191/193/195/197/199/201/203 Beverley St./9/11/15/5A -7D Cecil St./ 6-28 Henry St.	152	CMHC - Monthly	1-Nov-16	3,242,370.25
470	512-600 Symington Ave.	17	CMHC - Monthly	1-Nov-16	5,372,311.93
Total Units		816		Total Amount	23,025,958.45

APPENDIX 2

CapEx Funds by Property

Toronto Community Housing Corporation ("Borrower")

Asset Name	Dev. ID	Address	# of Units	Amount (in Millions)
Mabelle Place	172	49 Mabelle Ave.	128	5,409,628.300
Cavell / Harcourt	306	96-98A, 72-74, 76-78A, 80-82A, 84-90, 92-94A, 60-70, 97-99, 100-102, 104-114 Cavell Ave. / 39 Harcourt Ave.	53	1,423,066.640
Pembroke Mews	313	29-35 Pembroke Mews	25	5,194,087.210
South St. Jamestown I	316	11 1/2 /26/30/33/39-39A Aberdeen Ave. / 220 /222/230/232 Carlton St. / 502 /504-504B /506/508/536-5361/2 / 544 Parliament St. /9/	177	3,018,039.165
South St. Jamestown II	336	26/28/30/32/34/36/38 Prospect St. / 37-39/41/43/45/47/56 Rose Ave. / 245/255/257/265/269/271/273/275-	142	3,618,962.170
Stephenson Ave. (111)	362	101-111 Stephenson Ave.	50	2,593,401.390
Trefann Court	380	440-522 Queen St. E.	36	2,904,646.400
Dundas St. E. (257)	384	257 Dundas St. E.	36	582,534.390
Hydro Block	450	40 & 42 Baldwin St./181 / 183 /185 / 187 /189 /191/193/195/197/199/201/203 Beverley St./9/11/15/5A -7D Cecil St./ 6-28 Henry St.	152	4,689,204.320
Symington Place	470	512-600 Symington Ave.	17	9,937,340.450
Total			816	39,370,910.44

APPENDIX 3

Summary Report by Urgency of Needs (With Description)

Address	Urgent	High	Medium	Low	Grand Total
49 Mabelle Ave.	\$250,000	\$232,347	\$828,166	\$4,099,115	\$5,409,628
96-98A, 72-74, 76-78A, 80-82A, 84-90, 92-94A, 60-70, 97-99, 100-102, 104-114 Cavell Ave. / 39 Harcourt Ave.	\$46,125	\$828,211	\$305,895	\$242,835	\$1,423,067
29-35 Pembroke Mews		\$497,000	\$343,517	\$4,353,570	\$5,194,087
11 1/2 /26/30/33/39-39A Aberdeen Ave. / 220 /222/230/232 Carlton St. / 502 /504-504B /506/508/536-5361/2 / 544 Parliament St. /9/ 13/15/17/19/37/39/41 Winchester St.	\$77,869	\$941,500	\$20,000	\$1,978,670	\$3,018,039
26/28/30/32/34/36/38 Prospect St. / 37- 39/41/43/45/47/56 Rose Ave. / 245/255/257/265/269/271/273/275- 275B/277/279/281/283 Wellesley St. E.		\$4,400		\$3,614,562	\$3,618,962
101-111 Stephenson Ave.		\$169,294	\$1,031,019	\$1,393,089	\$2,593,401
440-522 Queen St. E.		\$270,000	\$88,997	\$2,545,650	\$2,904,646
257 Dundas St. E.	\$4,600	\$354,344	\$93,000	\$130,590	\$582,534
40 & 42 Baldwin St./181 / 183 /185 / 187 /189 /191/193/195/197/199/201/203 Beverley St./9/11/15/5A -7D Cecil St/ 6- 28 Henry St.	\$56,000	\$191,800	\$109,000	\$4,332,404	\$4,689,204
512-600 Symington Ave.	\$718,804	\$1,743,971	\$926,011	\$6,548,554	\$9,937,340
Grand Total	\$1,153,398	\$5,232,867	\$3,745,605	\$29,239,040	\$39,370,910
	Urgent jobs that could affect building operation, tenant quality of life and safety - Should be done as soon as possible	High Urgency jobs that could moderately affect building operation, tenant quality of life and safety - Should be considered within 2 years of the Capital Program	Medium Urgency jobs that could - if unattended in the long term could affect building operation, tenant quality of life and safety - Should be considered within the 5 year Capital Program	Low Urgency jobs that currently do not seriously affect building operation, tenant quality of life and safety - Should be considered if sufficient funding is available	

SCHEDULE A

STANDARD TERMS AND CONDITIONS

INTEREST CALCULATION AND PAYMENT

Interest

The interest rate for each Advance made or deemed to be made under the Term Loan shall be fixed by the Lender at the time of such Advance based on the Lender's cost of funds plus the Lender's prevailing spread assigned to the borrower sector (Municipalities) for program delivery costs and risks. A rate confirmation letter will be sent to the Borrower by the Lender confirming the interest rate for such Advance under the Term Loan.

Payments of principal and interest due on each Advance under the Term Loan, and any other payments due under this Agreement, shall be made by pre-authorized debit from an account of the Borrower maintained with a deposit-taking institution, such account to be designated by notice in writing to the Lender by the execution and delivery of a pre-authorized debit agreement in the Lender's form, together with such authorizations, voided cheques and other documentation as the deposit-taking institution and the rules of the Canadian Payments Association may require for such pre-authorized debit, and the Borrower undertakes to notify the Lender immediately in writing of any changes in its designated account for the purposes of pre-authorized debits.

For purposes of disclosure pursuant to the *Interest Act* (Canada), the yearly rate of interest which is equivalent to a rate of interest payable in respect of the principal amount of any Advance for any period of less than a year may be determined by multiplying the rate of interest for such period by a fraction, the numerator of which is the actual number of days in a year commencing on and including the first day in such period and ending on but excluding the corresponding day in the next calendar year and the denominator of which is the actual number of days in such period.

Repayment of the Term Loan

Payments of principal under the Term Loan shall be made in accordance with the amortization schedule of blended monthly payments of principal and interest set forth in a schedule to the Promissory Note(s) to be delivered by the Borrower to the Lender at the time of each Advance in accordance with Section 12 of these Standard Terms and Conditions. The outstanding principal amount of the Term Loan together with all interest, fees and other amounts payable under this Agreement in connection with the Term Loan, shall be due and payable on the earlier of:

demand by the Lender following the occurrence of an Event of Default which is continuing; and

the Term Loan Maturity Date.

No Prepayment

The Borrower shall not have any right to pre-pay its Obligations without the Lender's written consent, which may be subject to conditions as determined by the Lender in its sole discretion.

DRAWDOWN PROVISIONS

The Borrower may request a Term Loan Advance to be made on either the 1st or the 15th day of any calendar month or the first Business Day following such date if such date is not a Business Day (either of which is defined as the "**Advance Date**"). For each Term Loan Advance, the Borrower shall deliver a Drawdown Notice no later than 20 days prior to the requested Advance Date, or such later date prior to the requested Advance Date as may be agreed to by the Lender.

The principal amount of all Advances will be tendered to the Borrower by electronic transfer of funds to an account of the Borrower maintained with a deposit-taking institution, such account to be designated by notice in writing to the Lender by the execution and delivery of a pre-authorized debit agreement in the Lender's form, and the Borrower undertakes to notify the Lender immediately in writing of any changes in its designated account for the purposes of such deposit.

SECURITY

As continuing collateral security for the payment by the Borrower to the Lender under the terms of this Agreement and for performance by the Borrower of its obligations hereunder, the Borrower acknowledges and agrees that the Lender shall have the benefit of the Lender Security.

The Borrower shall arrange to deliver to the Lender certified copy of the Borrower's constating documents, borrowing by-laws, resolutions authorizing the entering into of the Financing Documents (as defined in Section 5(b)(iii) hereof) with the Lender, incumbency and signing authority of officers and a certificate of status, good standing or equivalent certificate in respect of the Borrower along with any other documents or instruments to be provided to the Lender pursuant to the provisions hereof.

The Borrower shall arrange to deliver to the Lender certified copy of Shareholder's applicable by-laws, resolutions and minutes of meetings of Shareholder's City Council, Executive Committee and/or other governing bodies authorizing the granting of the Credit Facilities to the Borrower, the entering into of the Financing Documents with the Lender (including the Shareholder Guarantee, Shareholder's Agreement and Tri-party Agreement with Shareholder), and incumbency and signing authority of officers of Shareholder signing any Financing Documents on behalf of Shareholder, along with any other documents or instruments to be provided to the Lender pursuant to the provisions hereof.

DISBURSEMENT CONDITIONS

Unless waived by the Lender or previously delivered or satisfied to the Lender's sole discretion, the following are the conditions precedent to the Lender's obligation to make any Term Loan Advances:

Prior Liens: The Borrower shall have paid in full (or the proceeds of such Loan Advance shall be used to pay in full) and discharged all principal balances and all other

sums due and owing pursuant to any liens (including any liens arising under the CLA), charges, assessments, levies or other encumbrances of any nature affecting the Property which is the subject of such Term Loan Advance as described in Appendix 1 except for Permitted Liens;

Audit: At the Lender's discretion, if any issues were raised in any audit conducted under Section 19(a) below, such issues have been resolved to the Lender's satisfaction and/or the Lender has neither required an audit under Section 19(a) nor is such an audit ongoing;

Survey: The Borrower shall have provided to the Lender an up to date plan of survey of each of the Properties as further described in Appendix 1 in form and content acceptable to the Lender prepared by a licensed land surveyor, including evidence in a form reasonably satisfactory to the Lender of the size of the site (acres), the total area of the building (sf), and the unit sizes of the units (sf) or the Lender shall have been provided with a commitment to insure issued by the title insurer which includes survey coverage with respect to the relevant Properties;

Building and Zoning By-laws: Borrower shall have provided to the Lender evidence in form reasonably satisfactory to the Lender that each of the Properties complies and will comply in all respects with all municipal and provincial by-laws, statutes and regulations and is not in contravention of any such by-laws, statutes and regulations;

Taxes: Borrower shall have provided to the Lender, in a form satisfactory to the Lender, evidence that all realty taxes, local improvement rates and other taxes which may give rise to lien against each of the Properties have been paid in full. The Borrower shall have provided evidence to the Lender that all Taxes and development charges related to each of the Properties have been paid in full;

Insurance: Borrower shall have provided the Lender and/or its insurance consultants with evidence satisfactory to the Lender that all insurance required to be placed pursuant to the terms of this Agreement is in place. The Lender shall have received an acceptable insurance binder or certificate of insurance, to be followed, within sixty (60) days of the issuance of the binder or certificate, with a certified copy of the Borrower's policy or policies of insurance, as well as a report from the Insurance Consultant certifying that the Borrower's insurance is satisfactory and complies with this Agreement;

Security: Borrower shall have executed and delivered or caused to be executed and delivered in favour of the Lender the Lender Security, all in form and substance satisfactory to the Lender, in its sole discretion;

Title Insurance: Borrower shall have provided to the Lender evidence of acceptable title insurance from an acceptable title insurer, in each case satisfactory to the Lender, issued in favour of the Lender with respect to each of the Properties listed in Appendix 1 insuring the full Committed Amount.

Status: The Lender shall be satisfied in its sole discretion that no event or circumstance has occurred or is likely to occur which may affect the basis upon which the Committed Amount was approved or which results or would result in a material

adverse change in the Borrower's financial condition or ownership of the Properties since the date of this Agreement;

Officer's Certificate: The Borrower shall provide the Lender with an Officer's Certificate dated as of the date of each Advance, certifying:

that all representations and warranties set forth in this Agreement and the Lender Security are true and correct on the date of the Advance;

that all covenants and conditions in this Agreement to be observed or performed by the Borrower have been complied with, that no Event of Default exists and as to such other matters as the Lender may require; and

that all conditions precedent to the Advance have been fulfilled or complied with;

Opinion of Borrower's Counsel: The Borrower shall deliver to the Lender an opinion of Borrower's external counsel dated as of the date of the Advance(s) and addressed to the Lender, in form and substance acceptable to the Lender; and

Opinion of Shareholder's Counsel: The Borrower shall arrange to deliver to the Lender an opinion of the City Solicitor of the Shareholder as internal counsel with respect to the enforceability of the Shareholder Guarantee, the Shareholder's Agreement and the Triparty Agreement dated as of the date of the Advance(s) and addressed to the Lender, in form and substance acceptable to the Lender.

REPRESENTATIONS AND WARRANTIES

The Borrower represents and warrants to the Lender that:

the information contained in the Application, to the extent that it relates to the Borrower or the Properties, is true and correct in all material respects as of the date of this Agreement;

the Borrower has been duly incorporated pursuant to the Act and the Borrower has the corporate power and capacity to:

own, lease and operate its properties and assets and to carry on its activities as presently carried on;

to borrow money and grant security on its properties and assets; and

to execute and deliver this Agreement and each of the security documents as contemplated in paragraph 10 above of this Agreement (collectively, the "**Financing Documents**") and to perform its obligations hereunder and thereunder;

the Borrower has taken all necessary corporate action to authorize the execution, delivery and performance of the Financing Documents;

each of the Financing Documents has been duly authorized, executed and delivered by the Borrower and constitutes a valid and legally binding obligation, enforceable against the Borrower, as applicable, in accordance with its respective terms, subject to applicable

bankruptcy, insolvency and other laws affecting the enforcement of creditors' rights generally;

the proceeds of all Advances under the Term Loan shall only be used for the purposes and applied in such amounts as disclosed by the Borrower as contemplated in this Agreement;

the execution and delivery by the Borrower of the Financing Documents and the performance by the Borrower of its obligations thereunder do not violate, result in a breach of, or constitute a default under:

any of the terms, conditions or provisions of its constating documents or by laws of the Borrower;

any resolution of the board of directors of the Borrower; or

any statute, regulation or other law applicable to the Borrower;

the Borrower is not currently in default under: (a) any Indebtedness; (b) any loan documentation related to the Properties, the properties under the Prior OILC Loan Agreement or the properties under the 2013 Loan Agreement or (c) any material agreements related to the Properties, or relating to the properties under the Prior OILC Loan Agreement or relating to the properties under the 2013 Loan Agreement, and the Borrower undertakes to immediately inform the Lender if it is in default under any of these instruments or agreements at any time;

all ancillary loan documentation has been executed and is in full force and effect;

subject only to minor title defects not individually or in the aggregate material nor materially and adversely affecting the use thereof and subject to any security granted to the Lender pursuant to the provisions hereof, the Borrower has good and marketable title to the Properties and the personal property related thereto, in each case free and clear of any encumbrances or security interests other than Permitted Liens; and

there is no litigation or judicial or administrative proceeding of any kind now existing, pending or threatened that in any way would substantially impair the Borrower's ability to meet its debt obligations under this Agreement as they generally come due.

ADDITIONAL POSITIVE COVENANTS

The Borrower covenants and agrees with the Lender that:

the proceeds of all Advances provided by the Lender to the Borrower shall be applied only as provided for on page 1 under the heading "Purpose" and not for any other purpose;

the Borrower shall duly and punctually pay or cause to be paid when due and payable the principal of and interest on all Advances and all other amounts owing in respect of all Advances, in conformity with the terms of this Agreement, and it shall faithfully observe and perform all the conditions, covenants and requirements of this Agreement;

the Borrower shall as soon as practicable following the approval thereof by the Borrower and, in any event, within one-hundred and twenty (120) days after the end of each Fiscal Year of

the Borrower, furnish the Lender with such number of copies as the Lender may reasonably request of an annual balance sheet, statement of revenue and expense, statement of changes in net assets, statement of cash flows, prepared in accordance with GAAP as applied to the presentation of financial information of the Borrower and reported on by an independent accountant and independent auditor;

the Borrower shall furnish the Lender as soon as practicable with any other financial reporting information that the Lender may reasonably require and at any time prepared in accordance with GAAP;

the Borrower shall at all times maintain its existence as a body corporate with all necessary approvals to carry on its operations as at such time are being carried on under Applicable Law and conduct its operations in a proper and efficient manner, and shall keep or cause to be kept proper books of account and will take all necessary steps to ensure that its Material Related Entities conduct their operations in a proper and efficient manner and keep or cause to be kept proper books of account;

the Borrower shall maintain insurance on the Properties whereby each such insurance policy shall (i) be written by insurers approved by the Lender, acting reasonably, and (ii) provide for thirty (30) days written notice to the Lender of a proposed cancellation or non-renewal from the insurer of any such policy or deletion or material change of any coverages thereunder or of any property covered thereby. The Lender shall be entitled to retain an Insurance Consultant to review the existing insurance coverage to ascertain whether such insurance is adequate under the circumstances and the Borrower shall pay all amounts incurred by the Lender for such review. The Borrower agrees to make such changes to their insurance policies as such Insurance Consultant may reasonably require and to the extent changes can reasonably be effected in accordance with market standards; the Borrower shall pay all amounts incurred by the Lender to review the adequacy of the property insurance;

the Borrower shall permit a Lender representative or any other individual authorized by the Lender to access the Properties for the purposes of conducting an environmental assessment;

the Borrower shall notify the Lender as soon as practicable after becoming aware of the occurrence of any Event of Default or of the occurrence of any event or circumstance which, after notice or lapse of time, could become an Event of Default; and

the Borrower shall at all times comply in all material respects with Applicable Law.

NEGATIVE COVENANTS

So long as any amounts remain outstanding and unpaid under this Agreement or so long as any commitment under this Agreement remains in effect, the Borrower will not:

create, incur, assume, or suffer to exist, any mortgage, deed of trust, pledge, lien, security interest, assignment, charge, or encumbrance (including without limitation, any conditional sale, or other title retention agreement, or finance lease) of any nature, upon or with respect to any of the Properties or the revenues therefrom except for Permitted Liens;

merge or consolidate with any other Person, or acquire all or substantially all of the shares, assets or business of any other Person except as permitted under Sections 10(a) and 10(b) below; or

cease to be a housing provider.

ENVIRONMENTAL

The Borrower shall at all times comply with all applicable Environmental Laws and occupational health and safety laws, regulations and orders which affect any of the Properties.

The Borrower shall inform the Lender in writing of each:

environmental problem or condition which materially adversely affects any of the Properties upon becoming aware of such problem; and

legal action or proceeding commenced against the Borrower with respect to any environmental matter which may materially adversely affect the Borrower or any of the Properties, promptly upon the Borrower becoming aware of the commencement of such action or other proceeding.

The Borrower shall specifically establish and maintain procedures for monitoring its continued compliance with applicable Environmental Laws in respect of the Properties, which procedures shall include periodic reviews of such compliance.

If the Borrower (i) receives written notice that any material violation of any Environmental Law may have been committed or is about to be committed by it in respect of the Properties, (ii) receives written notice that any administrative or judicial complaint or order has been filed or is about to be filed against it alleging material violations of any Environmental Laws or requiring it to take any action of a material nature in connection with the release of Hazardous Materials into the environment, in each case with respect to the Properties, or (iii) receives any written notice from a governmental authority or other Person alleging that it may be liable or responsible for costs in a material amount associated with a response to or clean-up of a release of a Hazardous Material into the environment or any damages caused thereby in respect of the Properties, the Borrower shall provide to the Lender with a copy of such notice within 10 Business Days of the Borrower's receipt thereof. The Borrower shall also provide to the Lender, as soon as practicable after it becomes available, a copy of an environmental site assessment or audit report, if any, required to be submitted to any governmental authority in respect of the Properties. If any such assessment or report estimates the cost of any clean-up or remedial action required by such governmental authority, the Borrower shall provide evidence satisfactory to the Lender of disbursements made from time to time to effect such clean-up or remedial action within such time as may be prescribed by such governmental authority.

The Borrower shall indemnify the Lender and its respective officers, directors, employees, agents, representatives, assignees, and the officers, directors, employees of each of them (each, an "**Indemnified Person**") and shall hold each of them harmless from and against any and all losses, liabilities, damage, costs, expenses and claims (including legal fees on a substantial indemnity basis) relating to this Agreement or any other document delivered in connection with this Agreement and/or arising in respect of (i) any violation of an Environmental Law by it or any of its subsidiaries including the assertion of any Lien

thereunder, in each case in respect of the Properties, (ii) the presence of any Hazardous Material affecting any real or personal property owned by it resulting in any way from the Borrower's use of the Properties, or (iii) the release by it or its subsidiaries of any Hazardous Material into the environment in respect of the Properties; provided that the Borrower shall not be obliged to indemnify any Indemnified Person for any losses, liabilities, damages, costs, expenses and claims which have arisen as a result of gross negligence or wilful misconduct of such Indemnified Person. The Borrower's obligations and indemnification under this section shall survive the payment and satisfaction of all obligations hereunder and the termination of this Agreement. The Lender shall hold the benefit of this indemnity in trust for those other Indemnified Persons who are not parties to this Agreement.

TERM, TERMINATION AND DEFAULT

This Agreement shall terminate on the date on which the last Obligations outstanding hereunder are paid in full unless earlier terminated in accordance with paragraphs (b) or (c) below; provided that the indemnities of the Borrower in favour of the Lender and the provisions of Sections 17(c) and 19(a) and 19(c) shall continue for the benefit of the Lender and the provisions of Section 17(d) shall continue for the benefit of the Borrower following such termination.

The Lender may terminate its obligations under this Agreement on thirty (30) days prior notice in writing to the Borrower if in the reasonable opinion of the Lender the Borrower is in material default under this Agreement, other than for any cause enumerated in Section 9(c) below.

The Lender may terminate any or all of its obligations under this Agreement immediately, subject to Section 9(e) below, upon the occurrence of any of the following (each, an "**Event of Default**"):

if the Borrower fails to make one or more payments of principal or interest in respect of the Term Loan within five (5) Business Days after the same becomes due and payable;

if the Borrower reaches or exceeds its updated debt and financial obligation limit imposed by its by-laws or any resolution of its Board of Directors;

if the Borrower uses any Advance or the proceeds of the Term Loan for any purpose other than as permitted hereunder;

if the Borrower takes any action to authorize the termination of the existence of the Borrower or a resolution is passed authorizing the termination of the existence of the Borrower, unless such action or resolution is being pursued by the Borrower on the basis that it has made provision for payment of all of its Indebtedness including all of the Advances issued under this Agreement, that no court proceedings are pending against it and that it has obtained the approval of its creditors to a plan for the rateable distribution of all of its property;

if the Borrower shall admit in writing its inability to pay its debts generally as they become due or shall make a general assignment for the benefit of creditors; or if the Borrower is subject to any proceeding whereby such proceeding shall be instituted against the Borrower or applying to a substantial part of its property or assets

seeking to adjudicate it a bankrupt or insolvent, or seeking liquidation, dissolution, winding-up, reorganization, arrangement, adjustment, protection, relief or composition of it or any substantial part of its property or debt under any law relating to bankruptcy, insolvency or reorganization or relief of debts, or seeking an order for relief or the appointment of a receiver, trustee or other similar official for it or for any substantial part of its property and such proceeding shall have continued undismissed or unstayed for 60 days, or a creditor or creditors of the Borrower shall privately appoint a receiver, trustee or similar official for any of the Properties or any substantial part of the property of the Borrower and, if the Borrower shall be contesting such appointment in good faith, such appointment shall continue for 90 days; or any such action or proceeding shall have been consented to or not expeditiously opposed by the Borrower;

if the Borrower shall fail to observe or perform any covenant or condition contained herein (other than a covenant or condition whose breach or default in performance is elsewhere in this Section 9(c) specifically dealt with) and the Borrower shall not make good such default within a period of thirty (30) days after written notice has been given to the Borrower by the Lender;

if the representations and warranties made by the Borrower in this Agreement or the Application, or in any certificate or other document delivered hereunder shall be incorrect in any material respect when made and, if such incorrect representation or warranty is curable, the Borrower shall fail to make good such default within a period of thirty (30) days after notice in writing has been given to the Borrower by the Lender;

if the report of the auditors on any annual financial statements delivered pursuant to Section 6(c) hereof or any other financial information requested by the Lender delivered pursuant to Section 6(d) hereof shall be qualified in any way which the Lender acting reasonably deems to be materially adverse or if the Borrower should fail to supply any documents requested pursuant to Sections 6(c), 6(d) and 6(e);

if (i) any judgment or order or series of judgments or orders (whether or not related) for the payment of money in an aggregate amount in excess of \$25 million shall be rendered against the Borrower and such judgment or order or series of judgments and/or orders are final with no further right of appeal and such judgments or order or series of judgments and/or orders would reasonably be expected to materially adversely affect the ability of the Borrower to satisfy its obligations to the Lender under the Financing Documents; or (ii) any judgment or order or series of judgments or orders (whether or not related) for the payment of money shall be rendered against the Borrower and enforcement proceedings shall have been commenced by any creditor upon such judgment or order or series of judgments and/or orders, as the case may be, which affect, or could reasonably be expected to affect, any of the Properties have not been stayed or there shall be any period of thirty (30) consecutive days during which a stay of enforcement of such judgment or order or series of judgments and/or orders, as the case may be, by reason of a pending appeal or otherwise, which affect, or could reasonably be expected to affect, any of the Properties shall not be in effect;

if the Borrower shall permit any encumbrance or lien to exist against any of the Properties other than a Permitted Lien, and such encumbrance or lien is not discharged within ten (10) days of notice thereof by the Lender to the Borrower;

if the Borrower is no longer an Eligible Borrower;

if any of the Properties ceases to be occupied by persons utilizing the accommodation for the purposes of a principal residence;

if the Borrower fails to pay any amount of principal, interest, fees or other amounts owing when due, under any loan or credit agreement or other agreement evidencing indebtedness for borrowed money which exceeds on an aggregate basis \$25 million, unless such failure to pay has been remedied within the applicable cure period under such loan, credit or other agreement or waived by the applicable creditor thereunder;

if there is a change of control of the Borrower, other than a change of control permitted under the *Housing Services Act* (Ontario); or

if the Shareholder Guarantee shall be determined to be invalid or shall be revoked or cancelled in whole or in part.

If the Lender elects to terminate its obligations under this Agreement in accordance with Sections 9(b) or 9(c) above, the Borrower shall pay to the Lender the Make-Whole Amount on account of the losses that it will incur as a result of the full repayment or early termination.

If the Lender elects to terminate its obligations under this Agreement pursuant to Section 9(c) hereof, it shall give notice in writing of such termination to the Borrower, specifying the reason for such termination. Upon delivery of such notice the Lender shall have no further obligation to make any Advances hereunder. In such notice the Lender may also declare all Obligations outstanding hereunder to be immediately due and payable, whereupon such Obligations shall become immediately due and payable; and the Lender may exercise any rights or remedies it may have at law or in equity to enforce such Obligations.

No delay on the part of the Lender in exercising any remedy and no waiver by the Lender of any of its rights against the Borrower shall operate as a waiver of any other rights nor shall any single or partial exercise of any remedy against the Borrower restrict other or further exercises of such remedy, all remedies being cumulative and not exclusive.

RESTRICTION ON MERGER OR SALE

The Borrower shall not, without the prior written consent of the Lender:

amalgamate, merge, consolidate or otherwise combine pursuant to statute or by private agreement with any other Person, or

sell, lease or otherwise dispose of all or substantially all of its assets, rights and properties, whether in a single transaction or a series of related transactions, to any other Person.

NON-WAIVER

Any failure of the Lender to object to or take action with respect to a breach of this Agreement or any the Lender Security or upon the occurrence of an Event of Default shall not constitute a waiver of the Lender's right to take action at a later date with respect to such breach. No course of conduct by the Lender will give rise to any reasonable expectation which is in any way inconsistent with the terms and conditions of this Agreement and the Lender Security and the Lender's rights thereunder.

EVIDENCE OF INDEBTEDNESS

The Lender shall open and maintain in accordance with its usual practice books of account evidencing all Advances and all other amounts owing by the Borrower to the Lender. The Lender shall enter in the foregoing accounts details of each Advance and of all amounts from time to time owing or paid by the Borrower to the Lender hereunder, the amounts of principal, interest and fees payable from time to time hereunder. The information entered in the foregoing accounts shall constitute, in the absence of manifest error, *prima facie* evidence of the obligations of the Borrower to the Lender hereunder, the date the Lender made each Advance available to the Borrower and the amounts the Borrower has paid from time to time on account of the principal of, interest on and fees related to the Advances. For each Advance, the Borrower shall provide a Promissory Note in favour of the Lender which shall include the scheduled dates for principal repayment and interest payments.

ENTIRE AGREEMENT

This Agreement, together with the Schedules, the Appendices, the Drawdown Certificate, the Officer's Certificate(s) delivered hereunder, the mortgage/charge and the general security agreement, any other Lender Security, the Promissory Note(s) and their respective terms and conditions delivered hereunder constitute the entire agreement between the parties with respect to the subject matter referenced in those documents and supersedes all prior agreements, negotiations, discussions, undertakings, representations, warranties and understandings, whether written or oral.

ASSIGNMENT

The Borrower may not assign its rights or transfer its obligations under this Agreement without the Lender's prior written consent. The Lender may assign its rights or transfer its obligations under this Agreement without the prior written consent of the Borrower by giving thirty (30) days notice of such assignment or transfer to the Borrower. This Agreement enures to the benefit of and binds the parties and their respective successors and permitted assigns.

INDEMNITY

To the fullest extent permitted by law, the Borrower shall indemnify and hold harmless the Lender, its officers, directors, employees and agents (the "**Indemnified Parties**") from and against all (a) claims and causes of action, pending or threatened, of any kind (whether based in contract, tort or otherwise) by third parties or by whomever made related to or arising out of or in any way related to this Agreement or any of the Financing Documents or the advance of loans hereunder and (b) liabilities, losses, damages, costs and expenses (including, without limitation, legal fees and disbursements) suffered or incurred by any of the Indemnified Parties in connection with any

claims or causes of action described in subsection (a) of this Section. The obligations contained in this Section shall survive the termination or expiry of this Agreement.

COMMUNICATIONS REQUIREMENTS

The Lender and the Borrower will work together to ensure that the Lender financing of the Properties receives recognition and prominence through agreed upon communications activities.

All joint communications activities between the Borrower and the Lender must comply with the Government of Ontario's Visual Identity Directive and guidelines.

CONFIDENTIALITY AND RELEASE OF INFORMATION

The Borrower agrees that the Lender may provide any assignee with any information concerning the financial condition of the Borrower.

Subject to Section 17(c) below, the Lender acknowledges the confidential nature of the financial, operational and other information and data provided and to be provided to it by the Borrower pursuant to this Agreement (the "**Information**") and agrees to use all reasonable efforts to prevent its disclosure provided, however, that:

it may disclose all or any part of the Information if, in its reasonable opinion, such disclosure is required in connection with any actual or threatened judicial, administrative or governmental proceeding; and

it shall incur no liability in respect of any disclosure of Information to any, or pursuant to the requirements of any, judicial authority, law enforcement agency or taxation authority.

The Borrower acknowledges that the Lender is an institution to which the *Freedom of Information and Protection of Privacy Act* (Ontario) ("**FIPPA**") applies and in the event of an access request under FIPPA for records in the control of the Lender that may be in the possession of the Borrower, the Borrower will co-operate in identifying, copying and returning such records to the Lender. The Borrower agrees that if it collects or receives Personal Information (as such term is defined in FIPPA) it will only do so, and it will only use, disclose or destroy such information, in accordance with the provisions of FIPPA relating to Personal Information in the custody or control of the Lender to which FIPPA applies.

The Lender acknowledges that the Borrower is an institution to which the *Municipal Freedom of Information and Protection of Privacy Act* (Ontario) ("**MFIPPA**") applies and in the event of an access request under MFIPPA for records in the control of the Borrower that may be in the possession of the Lender, the Lender will co-operate in identifying, copying and returning such records to the Borrower. The Lender agrees that if it collects or receives Personal Information (as such term is defined in MFIPPA) it will only do so, and it will only use, disclose or destroy such information, in accordance with the provisions of MFIPPA relating to Personal Information in the custody or control of the Borrower to which MFIPPA applies.

FURTHER ASSURANCES

The Borrower shall from time to time and at all times hereafter, upon every reasonable request of the Lender, make, do, execute, and deliver or cause to be made, done, executed and delivered all such further acts, deeds, assurances and things as may be necessary in the opinion of the Lender acting reasonably for more effectually implementing and carrying out the true intent and meaning of this Agreement.

MISCELLANEOUS

The Lender reserves the right to audit compliance with this Agreement at any time for a period of seven (7) years following termination of this Agreement. The cost of any such audit will be at the Lender's or the Borrower's expense at the Lender's discretion. The Borrower is required to keep any supporting documents required for any such audit for a minimum of seven (7) years.

No amendment, supplement, restatement or termination of any provision of this Agreement is binding unless it is in writing and signed by each party.

This Agreement is governed by, and is to be construed and interpreted in accordance with, the laws of the Province of Ontario and the federal laws of Canada applicable in the Province of Ontario.

This Agreement and any amendment, supplement, restatement or termination of any provision of this Agreement may be executed and delivered in any number of counterparts, each of which when executed and delivered is an original but all of which taken together constitute one and the same instrument.

Either party may deliver an executed copy of this Agreement by fax or e-mail but that party shall immediately deliver to the other party an original executed copy of this Agreement.

Unless otherwise specified, each notice to a party must be given in writing and delivered personally or by courier, sent by prepaid registered mail or transmitted by fax or e-mail to the address, fax number or e-mail address set out below:

Ontario Infrastructure and Lands Corporation
777 Bay Street, 9th Floor
Toronto, Ontario M5G 2C8

Attn: Vice-President, Legal Services, Corporate
Tel.: 416-314-0057
Fax: 416-325-4646
e-mail: navin.katyal@infrastructureontario.ca

Toronto Community Housing Corporation
931 Yonge Street
Toronto, ON M4W 2H2

Attn: Chief Financial Officer
Tel.: Rose-Ann Lee

Fax: 416-981-4808
e-mail: Rose-Ann.Lee@torontohousing.ca

Any notice so mailed shall be deemed to have been received on the fifth Business Day next following the registered mailing of such notice, provided that postal service is in normal operation during such time. Any notice delivered by courier, e-mail or personal delivery shall be deemed to have been received on the Business Day that it was delivered. Any facsimile notice shall be deemed to have been received on transmission (and receipt of confirmation of transmission) if sent by any party to this Agreement before 4:00 p.m. Toronto time on a Business Day and, if not, on the next Business Day following transmission.

If any provision of this Agreement is or becomes illegal, invalid or unenforceable in any jurisdiction, the illegality, invalidity or unenforceability of that provision will not affect:

the legality, validity or enforceability of the remaining provisions of this Agreement; or

the legality, validity or enforceability of that provision in any other jurisdiction.

All covenants, agreements, representations and warranties made herein or in any document delivered pursuant to the provisions hereof are material, shall be deemed to have been relied upon by each party hereto and, notwithstanding any investigation heretofore or hereafter made by such party shall survive the execution and delivery of this Agreement until all amounts owing pursuant to the provisions hereof have been paid in full.

Words importing the singular include the plural and vice versa.

DEFINITIONS

Capitalized terms defined in the body of this Agreement shall have the meanings ascribed to them therein. In addition, the following capitalized terms used in this Agreement shall have the following meanings and grammatical variations of each such term shall have the corresponding meaning:

“Acquired Assets” means any assets, rights or properties, of any nature or kind, acquired, constructed or improved by the Borrower or any Related Entity after the date of this Agreement and, for greater certainty, shall include any buildings or other fixtures, acquired, constructed or improved by the Borrower after the date of this Agreement.

“Act” means the *Business Corporations Act* (Ontario), as amended, supplemented or replaced from time to time.

“Advance” means a Term Loan Advance under the Term Loan.

“Agreement” means the agreement constituted by this financing agreement including all attached schedules and referenced security documents including but not limited to the general security agreement, charge/mortgage, assignment of rents and leases, shareholder’s agreement, shareholder guarantee, tri-party agreement, creditor acknowledgment agreement, capital expenditure investment account agreement, assignment of specific accounts and set-off and the respective terms and conditions thereunder, as the same may be amended, restated, modified or replaced from time to time. Terms such as “hereof”, “herein” and “hereto” refer to this Agreement.

“Applicable Law” means, in respect of any Person, property, transaction or event, all present or future applicable laws, statutes, regulations, treaties, judgments and decrees and all present or future applicable published directives, rules, policy statements, construction building codes, instruments and orders of any Public Authority and all applicable orders and decrees of courts and arbitrators of like application.

“Application” means the Lender loan application number 14099.

“Authorized Officer” means with respect to the Borrower, the Chief Executive Officer, Chief Financial Officer, Secretary-Treasurer, Chairperson, Vice-Chairperson or any other officer or Person designated from time to time by a resolution of the Board of Directors of the Borrower.

“Business Day” means a day on which banking institutions in Toronto, Ontario, Canada are not authorized or obligated by law or executive order to be closed, other than Saturday or Sunday.

“Capital Lease Obligations” of any Person means the obligations of such Person to pay rent or other amounts under any lease of (or other arrangement conveying the right to use) real or personal property, or a combination thereof, which obligations are required to be classified and accounted for as capital leases on a balance sheet of such Person under GAAP and the amount of such obligations shall be the capitalized amount thereof determined in accordance with GAAP.

“CLA” means the *Construction Lien Act*, R.S.O. 1990, c.30, as amended, supplemented or replaced from time to time.

“Committed Amount” means the aggregate principal amount of \$268,300,000 committed by the Lender to be made available to the Borrower subject to the terms and conditions of the Agreement.

“Contaminants” means any solid, liquid, gas, odour, heat, sound, vibration, radiation or combination of any of them resulting directly or indirectly from human activities that may cause: (i) impairment of the quality of the natural environment for any use that can be made of it, (ii) injury or damage to property or to plant or animal life, (iii) harm or material discomfort to any person, (iv) an adverse effect on the health or any person, (v) impairment of the safety of any person, (vi) the rendering of any property or plant or animal life unfit for use by individuals, (vii) loss of enjoyment of normal use of property, or (viii) interference with the normal conduct of business, and includes any noxious, toxic, dangerous or potentially dangerous substance and any biological, chemical or physical agent which is regulated, prohibited, restricted or controlled under Environmental Laws.

“Credit Facilities” means the credit facilities made available under the Term Loan;

“Debt Service Coverage Ratio” means gross earnings from the Properties (rent, subsidies, parking, laundry, commercial income, etc.) less vacancy and bad debt, less all Properties specific expenses excluding extraordinary items and capital reserve funds divided by the sum of the principal and interest payments made on the Term Loan during the applicable fiscal year of the Borrower.

“Drawdown Certificate” means a certificate substantially in the form as provided by the Lender to the Borrower.

“Drawdown Notice” means a notice substantially in the form as provided by the Lender to the Borrower.

“Eligible Borrower” means a Borrower that is eligible to borrow from the Lender pursuant to the *Ontario Infrastructure and Lands Corporation Act, 2011* (Ontario).

“Environmental Laws” means all applicable federal, provincial, local, municipal, governmental or quasi-governmental laws, rules, regulations, licenses, orders, permits, decisions, policies, guidelines or requirements concerning Contaminants, occupational or public health and safety or the environment and any other injunction, judgment, declaration, notice or demand issued thereunder.

“Event of Default” means any of the events described in Section 9(c).

“Financial Instrument Obligations” means all obligations and liabilities of the Borrower or a Related Entity under or in respect of any interest or currency rate swap, forward agreement or other instrument which is a financial derivative.

“Fiscal Quarter” means the fiscal quarter of the Borrower ending on March 31, June 30, September 30 and December 31, as applicable, in each calendar year.

“Fiscal Year” means the fiscal year of the Borrower ending on December 31st in each calendar year.

“GAAP” means those generally accepted accounting principles consistently applied in Canada and, following the adoption of IFRS by the Borrower, means IFRS.

“Hazardous Materials” means any substance, material or waste regulated, listed or prohibited by Environmental Laws including, without limitation: (i) any substance, material or waste that is (a) petroleum, (b) asbestos, (c) polychlorinated biphenyls, (d) flammable explosives or (e) radioactive materials.

“Holdback Amount” means an amount equal to the amount of the holdback or holdbacks required by the CLA (which is currently an amount equal to 10% of the price of all services or materials as they are actually supplied under the construction agreements under which a lien may arise) which the Borrower, at the time of determination:

was required under the CLA to have retained from previous payments made pursuant to any provisions of any construction agreement or other agreement pursuant to which a lien under the CLA could arise against the Property; and

will be required under the CLA to retain from any payment currently due or about to become due pursuant to any construction agreement or other agreement whether or not such payment is made from funds loaned by the Lender to the Borrower.

“IFRS” means the International Financial Reporting Standards.

“Indebtedness” means, at any time and in respect of any Person, without duplication:

- (i) all obligations of such Person for money borrowed including:

obligations with respect to bankers' acceptances;

contingent reimbursement obligations with respect to letters of credit and other financial instruments; and

all Purchase Money Obligations which would be indebtedness under GAAP but excluding, for greater certainty, trade indebtedness accounted for as accounts payable, accrued expenses and other similar current liabilities incurred in the ordinary course of operations determined in accordance with GAAP;

any Capital Lease Obligation of such Person; and

all undertakings of such Person in respect of obligations of any Person of the type described in (i) which such Person has guaranteed, directly or indirectly, or the holder of which such Person has otherwise assured against loss thereon.

"Independent Insurance Consultant" or **"Insurance Consultant"** means such insurance consultant appointed by the Lender.

"IO Yield" represents the yield to which the Lender is entitled when exercising its right to terminate the Term Loan to the Borrower. The IO Yield on any prepayment date is calculated as follows: (i) the prevailing lending rate of the Lender on the date of prepayment the Borrower would obtain for a similar loan with the same terms and conditions and remaining future cash flows as the loan which is going to be prepaid, (ii) minus an adjustment of up to 65 basis points, at the Lender's sole discretion, to allow the Lender to recover its costs and close out the Term Loan.

"Liens" means mortgages, pledges, liens, hypothecs, charges, security agreements or other encumbrances or other arrangements that in substance secure payment or performance of an obligation, statutory and other non-consensual liens or encumbrances and includes the interest of a vendor or lessor under any conditional sale agreement, capital lease or other title retention agreement.

"Limited Recourse Debt" means Indebtedness, under which recourse in respect of a default in the repayment of such Indebtedness is limited to the asset or assets acquired with such Indebtedness by the Borrower or any Related Entity.

"Make-Whole Amount" means the amount, if any, to recover the Lender's Treasury and Administration Costs to close out the Term Loan, being the amount by which (i) the amount calculated by the Lender, as of the date of prepayment, by which the present value of the remaining future payments until maturity of the Term Loan with respect to the principal amount repaid discounted at the IO Yield exceeds (ii) the principal amount being repaid; provided that the Make-Whole Amount shall never be less than zero.

"Material Related Entity" means, at any relevant time, any Related Entity, the book value of whose assets, rights and properties constitutes in excess of 10% of the book value of the assets, rights and properties of the Borrower and all its Related Entities, considered as a whole.

"Obligations" means the amount of all Advances provided to the Borrower pursuant to this Agreement and any unpaid interest thereon, and, where applicable, the Make-Whole Amount.

“Officer’s Certificate” means a certificate of the Borrower that has been signed by an Authorized Officer.

“OILC Act” means the *Ontario Infrastructure and Lands Corporation Act, 2011*.

“Permitted Liens” means and refers to:

- (i) Liens to which any Acquired Assets are subject at the time such Acquired Assets are acquired by the Borrower or any Related Entity provided that such Lien is limited to the Acquired Assets and such Lien has not been created or incurred in anticipation of such acquisition;

any Lien on or against cash or marketable debt securities to secure Financial Instrument Obligations incurred by the Borrower or any Related Entity in the course of its operations and not for speculative purposes;

any Lien in respect of a Purchase Money Obligation, Capital Lease Obligation or Limited Recourse Debt incurred in connection with or within 180 days of the acquisition, construction or improvement of any Acquired Assets and which secures the purchase price of such asset or the cost of acquiring, constructing or improving such asset provided that the amount secured by such Lien does not exceed the purchase price or cost of acquiring, constructing or improving such asset (including any applicable interest and/or lease payments to be paid);

any Liens to which assets acquired or which are deemed to have been acquired by the Borrower or any Related Entity pursuant to a merger, amalgamation or other combination with any other entity are subject at the time of such merger, amalgamation or other combination;

Liens for Taxes, utility charges, levies, assessments or governmental charges:

not at such time past due; or

the validity of which are being contested in good faith and diligently by appropriate proceedings and for which appropriate reserves have been established in connection therewith, in each case, to the satisfaction of the Lender;

the Lien of any judgment rendered, or claim filed, which is being contested in good faith and diligently by appropriate proceedings and for which appropriate reserves have been established in connection therewith, in each case, to the satisfaction of the Lender;

Liens (other than Liens against any of the Properties) securing appeal bonds and other similar Liens arising in connection with court proceedings including, without limitation, surety bonds, security for costs where required by law and letters of credit serving a similar purpose;

provided that the Borrower has maintained all required Holdback Amounts in accordance with the CLA, undetermined or inchoate Liens and charges incidental to, purchases of goods, construction, maintenance or current operations which have not at such time been filed or registered pursuant to law, which relate to obligations

which are at such time not past due or which, if filed or registered, are being contested in good faith and diligently by appropriate proceedings and for which appropriate reserves have been established in connection therewith, in each case, to the satisfaction of the Lender;

servicing agreements, development agreements, site plan agreements and other agreements with any municipality or governmental or other public authorities pertaining to the use or development of the Properties;

easements, rights-of-way, servitudes or other similar rights in property (including rights-of-way and servitudes for railways, sewers, drains, gas and oil pipe lines, gas and water mains, electric light and power and telephone or telegraph or cable television conduits, poles, wires and cables) granted to or reserved or taken by other Persons provided that the foregoing, individually or in the aggregate, do not materially adversely affect the value or normal operations of any subject Properties;

title defects or irregularities which are of a similar nature and which do not adversely affect the use of the Properties and which do not materially reduce the value of the Properties;

security given to a public utility or any municipality or governmental or other public authority when and to the extent required by such utility or municipality or other authority in the ordinary course of operations of the Borrower or any Related Entity and not in connection with the borrowing of money or obtaining of credit by the Borrower or any Related Entity;

the right reserved to or vested in any municipality or governmental or other public authority by the terms of any lease, license, franchise, grant or permit, or by any statutory provision, to terminate any such lease, license, franchise, grant or permit, or to require annual or other periodic payments as a condition of the continuance thereof;

the reservation in any original grant from the Crown of any land or interests therein and statutory exceptions to title;

Liens created or assumed by the Borrower or any Related Entity if an Authorized Officer has certified to the Lender that such Liens (i) secure amounts which are not material having regard to the then current market value of the assets, rights and properties of the Borrower and its Related Entities, considered as a whole and (ii) do not, individually or in the aggregate, materially adversely affect the value or normal operation of any subject Property;

any renewal, replacement or temporal extension (or successive renewals, replacements or extensions) in whole or in part of any Permitted Lien so long as the principal amount secured by such Permitted Lien does not exceed the principal amount secured by the Permitted Lien immediately prior to such extension; and

any and all Liens, whether direct or indirect, contingent or otherwise, to which any of the assets, rights and properties of the Borrower and its Related Entities are subject on the date of this Agreement and which have been specifically approved by the

Lender in writing (or insured over by a title insurance policy acceptable to the Lender).

“Person” means an individual, company, partnership (whether or not having separate legal personality), corporation (including a business trust), joint stock company, trust, unincorporated association, joint venture, income fund or other entity, or a government, state or political subdivision thereof or any agency of such government, state or political subdivision.

“Prime Rate” means, on any day, the annual rate of interest which is the arithmetic mean of the prime rates announced from time to time by the Reference Banks as their reference rates in effect on such day for Canadian dollar commercial loans made in Canada. If fewer than five of the Reference Banks quote a prime rate on such days, the “Prime Rate” shall be the arithmetic mean of the rates quoted by the remaining Reference Banks.

“Property” means the premises and properties as further described in Appendix 1.

“Public Authority” means any governmental, regional, municipal or local body having authority over either of the Lender or the Borrower.

“Purchase Money Obligation” means any unpaid part of, or indebtedness incurred or assumed for the purpose of acquiring, a particular asset, right or property, the repayment of which is secured by recourse against such asset, right or property.

“Reference Banks” means, collectively, The Toronto-Dominion Bank, Bank of Nova Scotia, Bank of Montreal, Royal Bank of Canada and Canadian Imperial Bank of Commerce.

“Related Entity” means any company, corporation, partnership or other entity which is controlled by the Borrower either through the ownership of voting securities, by contract or otherwise.

“Shareholder” means the City of Toronto.

“Taxes” means any present or future income, excise, stamp, capital, goods and services, property or other taxes, levies or withholding imposed by any taxing authority.

“Term Loan Advance” means a long-term loan under the Term Loan made or deemed to be made by the Lender to the Borrower in Canadian dollars pursuant to the terms and conditions of th