

2020 Toronto Community Housing Corporation Infrastructure Ontario Mortgage Capex Release

Date: September 9, 2020

To: Executive Committee

From: Chief Financial Officer and Treasurer

Wards: All Wards

SUMMARY

This report recommends that City Council provide its consent to amend existing financing agreements (FA) between Ontario Infrastructure and Lands Corporation (IO) and Toronto Community Housing Corporation (TCHC), for which the City is guarantor. The amendments will provide that the capital expenditure (Capex) reserve funds applicable to the specific properties secured under the FAs can be utilized on TCHC's general portfolio to satisfy TCHC's capital repair co-investment obligations under its National Housing Co-investment (NHCI) Program Credit Agreement with Canada Mortgage and Housing (CMHC) and achieve the goals of its Ten Year (2019 – 2028) Capital Financing Plan.

Between 2013 and 2019 TCHC and IO entered into 9 separate FA's providing over \$1.1 billion in loans in total to TCHC for the purposes of general debt refinancing and for capital repairs for over 100 of its properties. The City as the sole shareholder of TCHC guarantees the repayment of all of these loans.

Pursuant to the FAs, a portion of the advance was required to be deposited in a separate fund administered by IO for capital repairs to the properties mortgaged under each specific FA (the "Secured Properties Capex"). In addition, TCHC was required to provide 4% of the gross income from the mortgaged properties into another reserve held by IO for the purpose of funding capital repairs on those properties (the 4% Capex Reserve, together with the Secured Properties Capex, the Capex Amounts).

Accordingly, there are limitations on TCHC's ability to access Capex Amounts as they cannot be used for capital repairs on TCHC's general portfolio. Existing IO FA's need to be amended to release the funds for capital work on the overall TCHC portfolio instead of only the IO mortgaged properties.

The FAs also included an equity withdrawal component which could be used for capital repairs on all of its buildings. TCHC has expended all of such equity withdrawal amounts. However, there still remains needed capital work to be completed for 2020 and beyond and a funding source is needed to satisfy the TCHC contributions under the NHCI Credit Agreement with CMHC.

IO has agreed to release the Capex Amounts and to permit TCHC to apply such funds to its general portfolio state of good repair fund. The amount of the Capex Accounts held by IO in favour of TCHC currently exceeds \$137 million.

Once the Capex Amounts are released by IO, these funds will be placed in a TCHC segregated account for Capex expenditures on the general portfolio. The released funds will supplement the City's 10 year funding and be utilized for capital expenditures on the general portfolio.

The City and TCHC intend to use these released funds for repairs consistent with the co-investment under the CMHC National Housing Co-investment credit agreement recently executed at the end of 2019.

This report has been prepared in consultation with staff from the Shelter, Support and Housing Administration and TCHC.

RECOMMENDATIONS

The Chief Financial Officer and Treasurer recommends that:

1. City Council consent to the amendment of the terms and conditions to the nine Financing Agreements substantially in the manner described in Attachment #1 to the report of the Chief Financial Officer and Treasurer together with such changes thereto or other terms and conditions that are satisfactory to the Chief Financial Officer and Treasurer.
2. City Council direct that funding released from the Secured Properties Capex and the 4% Capex Reserve be used to satisfy TCHC's capital repair co-investment obligations under its National Housing Co-investment Program Credit Agreement with Canada Mortgage and Housing and to achieve the goals of its Ten Year (2019 – 2028) Capital Financing Plan as it may be amended from time to time.
3. City Council authorize the Chief Financial Officer and Treasurer or designate to execute on behalf of the City as shareholder and guarantor:
 - (a).City consent to the amended terms and conditions of the Financing Agreements (Amending Agreements) described in in Attachment #1 to the report from the Chief Financial Officer and Treasurer; and

(b) confirmation that the City acknowledges, ratifies, confirms and agrees that the Guarantees continue in full force and effect and that the City continues to be bound by all of the provisions of the Guarantees notwithstanding the amending terms and conditions on terms and conditions satisfactory to the Chief Financial Officer and Treasurer or delegate and in a form approved by the City Solicitor;

4. City Council deem the guarantees to be in the interests of the City.

5. City Council authorize the Chief Financial Officer and Treasurer or delegate to execute and deliver such other notices, consents, authorizations, approvals and agreements or amendments to existing agreements on behalf of the City as service manager, shareholder or guarantor in order to facilitate the foregoing recommendations.

6 .City Council, authorize the General Manager, Shelter, Support, and Housing Administration to:

(a) provide such Service Manager consents under the Housing Services Act, 2011 as are necessary to authorize any required amendments to the mortgage security provided to Infrastructure Ontario to secure all of the foregoing loans;

(b) request all necessary third party waivers, consents or other authorizations which the Service Manager is required to seek in connection with the transactions as described in Attachment #1 to the report from the Chief Financial Officer and Treasurer; and

(c) provide the necessary notice to the Minister of Municipal Affairs and Housing pursuant to Section 163 of the Housing Services Act, 2011.

FINANCIAL IMPACT

The recommendations in this report will have no immediate financial impact on the City's operating or capital budgets as no additional funding from the City is required by TCHC to meet their short term funding obligations related to these properties.

The proposed amendments to the loan agreements by IO, subject to this report, will release the restricted funds held by IO to TCHC for deposit into its own dedicated reserve account for capital repairs to the general TCHC portfolio of properties. No City funding is involved in this transaction.

A summary of available Capex funds as of April 30, 2020 is shown below:

FA #	FA	Secured Properties Capex	4% Capex Reserve [Gross Income Capex Funds]	Total Available Capex Funds
	Year	\$ Available	As at April 30, 2020	
623	2013	1,327,543	6,414,127	7,741,670
819	2014	33874.2	1,406,374	1,440,248
914	2015	1,403,223	5,029,379	6,432,602
1095	2016	23,005,190	2,011,848	25,017,037
1015	2017	-	159,197	159,197
1140	2017	57,030,288	4,790,795	61,821,083
1179	2017	23,160,587	2,050,707	25,211,294
1354	2019	9,562,078	562,360	10,124,439
1374	2019	N/A – construction financing		
	Total	\$115,522,784	\$22,424,787	\$137,947,571

Furthermore, accessing these reserve balances will assist TCHC and the City in funding remaining obligations under the National Housing Strategy Co-Investment Fund program as outlined in the following table.

In order to qualify for that program and access the \$1.341 billion in CMHC funding, the City and TCHC had to identify its own sources of funding for the co-investment terms.

The co-investment terms were satisfied through the implementation of a permanent funding model for TCHC, which was adopted by City Council in December 2019. The permanent funding model will provide TCHC with City funding of \$160 million per year for ten years, subject to the City's annual budget process. In addition, the proposed TCHC/IO funding, subject to this report, are included as part of the co-investment. The table below outlines the co-investment funding model that TCHC provided to CMHC to qualify for funding.

Funding Sources for TCHC 10 Year Capital Financing Plan (submitted to CMHC to qualify for the National Housing Strategy Co-Investment Fund in December 2019)

(\$ millions)	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	Total
CMHC – National Housing Strategy											
Loan	58	59	75	104	104	104	104	104	104		814
Grant	58	59	75	36	55	62	63	61	58		528
Total	116	118	150	139	159	166	166	165	162	-	1,342
City Funding											
City Funding	160	160	160	160	160	160	160	160	160	160	1,600
TCHC/IO Funding	37	72	40	51	31	(1)	(1)	(25)	(75)	-	129
Total	197	232	200	211	191	159	159	135	85	160	1,729
Total Capital Spend	313	350	350	350	350	325	325	300	247	160	3,070

*TCHC/IO Funding in the 10 Year Capital Financing Plan is primarily from TCHC's line of credit, with negative balances in 2024 and beyond indicating the repayment of the line of credit. The IO funds are meant to replace TCHC's use of line of credit to fund capital repairs.

The capital plan includes committed annual funding over a 10 year period from the City, the Canada Mortgage and Housing Corporation (CMHC) loans and TCHC contributions. At the end of 2019, a proposed permanent funding model for TCHC was approved at City Council and in addition, TCHC finalized its loan agreement with CMHC under the National Housing Strategy Co-Investment Fund program. In order to access the \$1.341 billion CMHC Co-Investment funding, the City and TCHC are required to inject \$1.729 billion into TCHC's 10 year \$3.07 billion Capital Plan. Effective, January 1, 2020, TCHC has secured funding source from the City (\$1.6 billion in total) for its 10 year Capital Plan.

TCHC expects the funding gap of approximately \$129 million to be sourced from the existing IO Capex reserve funds release.

DECISION HISTORY

At its meeting of April 3 & 4, 2013, Council adopted the proposed terms negotiated with IO for the refinancing by IO of mortgages on TCHC properties, totalling \$154,703,882, in order to address the renewal of 18 Toronto Community Housing (TCHC) mortgages totalling \$60,447,135, as well as obtaining incremental financing of \$94,256,747; and approved the extension of TCHC's mortgage subsidy for 13 identified properties, based on the current monthly mortgage payment, until the end of 2043; both on condition that the net amount of incremental financing be deposited to a new special reserve other than the State of Good Repair Fund dedicated to the repair or replacement of building components with a useful life of at least 30 years.
<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2013.EX29.2>

At its November 13, 14, 15 and 18, 2013 meeting, City Council approved the TCHC Ten-Year Capital Financing Plan. As part of that approval, Council directed that TCHC initiate negotiations with potential lenders for the refinancing of other TCHC mortgages maturing in 2014 and 2015.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2013.EX35.4>

At its meeting of July 8, 9, 10 and 11, 2014, Council adopted the proposed terms negotiated with IO for the refinancing totalling \$49.7 million in order to address the renewal of 15 Toronto Community Housing Corporation mortgages totalling \$19.0 million, as well as obtaining incremental financing of \$30.7 million, the net amount of incremental financing be deposited to a new special reserve other than the State of Good Repair Fund dedicated to the repair or replacement of building components with a useful life of at least 30 years.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2014.EX43.10>

At its meeting of September 30, October 1 and 2, 2015, Council adopted the proposed terms negotiated with IO for the refinancing totalling \$232 million in order to address the renewal of 12 Toronto Community Housing Corporation mortgages totalling \$32 million, as well as obtaining incremental financing of \$200 million on condition that: the net amount of incremental financing be deposited to a new special reserve other than the State of Good Repair Fund dedicated to the repair or replacement of building components with a useful life of at least 30 years.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2015.EX8.4>

At its meeting of November 8 and 9, 2016, Council adopted the proposed terms negotiated with IO for the refinancing totalling \$62.1 million in order to address the renewal of 10 TCHC mortgages totalling \$23.0 million; the net amount of incremental financing held in trust by the Lender invested for the Borrower within a separate account (the "Capital Expenditure Investment Account") for release to pay costs of major repairs and maintenance on the Mortgaged Properties.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2016.EX17.13>

At its meeting of December 13, 14 and 15, 2016, Council adopted the proposed terms of the Proposed Toronto Community Housing Corporation Debt Management Policy and 2016 Infrastructure Ontario Mortgage Refinancing term sheets:

i. for refinancing totalling \$310 million in order to address the renewal of 32 Toronto Community Housing Corporation mortgages totalling \$93.6 million, as well as obtaining incremental financing of \$216 million (less transaction costs and legal fees) on the terms and conditions contained in; and

ii. financing a \$10 million loan on a property located at 180 Sackville St. on the terms and conditions contained in the report; and;

iii. the net amount of incremental financing be deposited to a new special reserve other than the State of Good Repair Fund dedicated to the repair or replacement of building components with a useful life of at least 30 years.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2016.EX20.15>

At its meeting of February 15 and 16, 2017, Council approved Recommendation 175 pursuant to subsection 7.4.1(a) of its Shareholder Direction, Toronto Community Housing Corporation incurring additional indebtedness of up to \$101.7 million to fund

the construction of rental blocks 16 North and 17 North as well as the costs associated with servicing and site works for Phase 3 of the Regent Park Revitalization.
<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2017.EX22.2>

At its meeting of April 26, 27 and 28, 2017, Council authorized TCHC to refinance 460 Jarvis Street, Toronto (the "460 Jarvis Lands") with Ontario Infrastructure and Lands Corporation, without registering a first ranking charge/mortgage on title.
<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2017.CC28.2>

At its meeting of May 24, 25 and 26, 2017, Council adopted the proposed terms negotiated with IO for the refinancing totalling \$64.8 million in order to address the renewal of 22 TCHC mortgages; and authorize the net amount of incremental financing be held in trust by the Lender invested for the Borrower within a separate account (the "Capital Expenditure Investment Account") for release to pay costs of major repairs and maintenance on the Mortgaged Properties as allocated by the Lender in Appendices 2 and 3 (the "Cap-Ex Reserve Funds") to the Term Sheet in the report (April 26, 2017) from the Deputy City Manager and Chief Financial Officer and the General Manager, Shelter, Support and Housing Administration;
<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2017.EX25.5>

At its meeting of July 23, 24, 25, 26, 27 and 30, 2018, Council adopted the proposed terms negotiated with IO for the refinancing totalling \$76.5 million in order to address the renewal of seven (7) TCHC mortgages and the mortgaging of a further property ("Mortgaged Properties") totalling \$19.3 million, as well as obtaining incremental financing of \$57.2 million; authorize the net amount of incremental financing be held in trust by the Lender invested for the Borrower within a separate account (the "Capital Expenditure Investment Account") for release to pay costs of major repairs and maintenance on the Mortgaged Properties as well as capital repair and maintenance work in Toronto Community Housing Corporation's portfolio of residential properties as allocated by the Lender in Appendices 2 and 3 (the "Cap-Ex Reserve Funds") of the Term Sheet in Attachment 2 to the report (July 3, 2018) from the Interim Chief Financial Officer.
<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2018.EX36.15>

At its meeting of October 2 and 3, 2019, Council approved the terms for the renewal of Term Loan 1 effective November 1, 2019 as described in the Ontario Infrastructure Loan letter dated September 6, 2018 addressed to Toronto Community Housing Corporation attached as Attachment 1 to the report (September 4, 2019) from the Chief Financial Officer and Treasurer (the Loan Extension) between Toronto Community Housing Corporation as "Borrower" and Infrastructure Ontario as "Lender" for a remaining term of 24 years; and approve the extension of Toronto Community Housing Corporation's mortgage subsidy for the 679 Queen's Quay West property, based on the current monthly mortgage payment, until November 1, 2043.
<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2019.EX8.4>

Also at its meeting of October 2 and 3, 2019, Council approved the term sheet and City guarantee of \$1.34 billion in funding to TCHC for capital repairs from CMHC under the National Housing Co-Investment Fund.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2019.EX8.8>

At its November 26 and 27, 2019 meeting, City Council approved a new funding model for TCHC.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2019.EX10.2>

COMMENTS

IO Capex Reserve Fund Overview

TCHC currently has nine Financing Agreements (FA) with IO. All of TCHC's loans with IO are guaranteed by the City and have been adopted by City Council. Loan advances under seven of the nine FA's were allocated for three specific purposes: (1) refinance existing 3rd party mortgages on IO secured properties; (2) fund IO secured properties accounts to ensure adequate funding to complete necessary scheduled Capex on IO secured properties. These Capex funds can only be utilized for Capex work on IO secured properties; and (3) fund TCHC general portfolio Capex reserve accounts with the residual loan proceeds. TCHC exhausted the general portfolio equity withdrawal reserve account in 2019. The remaining two FA's were for single property specific construction and takeout financing.

Pursuant to the Capital Expenditure Investment Account Agreement under each IO FA, TCHC is required to establish an account into which TCHC contributes 4% based on the gross income on IO mortgaged properties which shall be paid monthly by TCHC into separate Capital Expenditure Investment Accounts (the "Gross Income Capex Funds"). (In some of the Capex Agreements with IO these are called "Rental Accounts" in other they are called "Gross income Accounts"). The Gross Income Capex Funds can only be allowed for use on IO mortgaged properties.

The aggregate amount of these reserves held by IO available for release to TCHC is \$137.9 million as of April 30, 2020.

Under current IO FA's, TCHC cannot access the Capex reserve funds as there are limitations that these funds are restricted for use only on the properties that were secured against the corresponding mortgage. Existing IO FA's need to be amended to release the funds on the overall TCHC portfolio for Capex work.

Once the Capex reserve funds are released, these funds will be placed in a TCHC segregated account for Capex expenditures on the general portfolio. The released funds will supplement the City's 10 year funding and be utilized for Capex expenditures on the general portfolio.

Reasons for Release of Capex Reserve Funds for Use on General Portfolio:

In 2013, it was highlighted that TCHC had a large Building Repair Capital Backlog with insufficient funding sources to address the backlog. The plan at the time was to refinance properties to obtain funding from IO which started in 2013 and continued until 2017. In 2018, the City of Toronto approved 2 year Capital funding to TCHC for the first time in TCHC's history.

At the end of 2019, a proposed permanent funding model for TCHC was approved at City Council and in addition, TCHC finalized its loan agreement with CMHC under the National Housing Strategy Co-Investment ("NHCI") Fund program. In order to access the \$1.341 billion NHCI funding, the City and TCHC are required to inject \$1.729 billion into TCHC's 10 year \$3.07 billion Capital Plan.

Effective, January 1, 2020, TCHC has secured a funding source from the City (\$1.6 billion) for its 10 year Capital Plan. The funding gap of approximately \$129 million as at December 31, 2019 is to be sourced from existing IO Capex reserve funds.

All current Capex reserve funds, including IO secured properties Capex funds and Gross Income Capex funds, are restricted to investment vehicles that are designed to preserve principal, liquidity and returns.

Proposed Amendments to Existing IO Lending Covenants/Terms:

IO proposes amendments to existing lending covenants/terms that will require formal acknowledgement by the City as guarantor, including confirmation of guarantee and an updated shareholders' agreement, which may require City Council involvement.

Primary amendments include the following:

Release of the Capex reserve funds for use on TCHC general portfolio instead of just the mortgaged ones. The released Capex reserve funds will be managed by TCHC on its own.

IO will no longer require that 4% of Effective Gross Income generated on IO secured properties be set aside into the Capex reserve account. TCHC shall report annually on the total amounts spent in its total capital plan to the extent required to be provided to CMHC and the City as well as a report on the use of CMHC loans, City committed funding and IO capex loan proceeds for capital expenditures at the end of each fiscal year.

Annually, TCHC shall provide a signed attestation from its authorized officers confirming that TCHC has undertaken the required capital expenditures on IO secured properties to ensure they are maintained in a satisfactory manner.

All individual Debt Service Covenant (DSC) requirements on the various properties are to be realigned into one DSC requirement of 1.10x and tested at the TCHC corporate level only.

Deletion of the Assignments of Capital Expenditure Reserve Account and the related Capital Expenditure Investment Account Agreements.

IO will no longer require TCHC to retain an external auditor to review the previous year's capital projects funded by IO loans and provide a letter to IO confirming the loan funds were spent as per the report.

City Guarantee

At each of its meetings described above Council adopted recommendations authorizing an agreement among the City, TCHC, and IO which provided a City guarantee for the repayment of the principal and interest on the various loans.

Consents

In order to make any necessary amendments to the mortgages with IO, the consent of the City of Toronto, as Service Manager under the Housing Services Act, is required.

CONTACT

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SIGNATURE

Heather Taylor
Chief Financial Officer and Treasurer

ATTACHMENTS

Attachment #1 - Infrastructure Ontario Loan Amendments

ATTACHMENT #1

TCHC – IO Financing Agreements Summary of Changes Required in Legal Documentation as a Result of the Release and Deletion of Property Specific Capex Funds and Gross Income Funds from the Following Financing Agreements:

FA #

- 23 2013 Financing Agreement
- 819 2014 Financing Agreement
- 914 2015 Financing Agreement
- 1095 2016 Financing Agreement
- 1140 2017 Financing Agreement
- 1179 2017 Financing Agreement
- 1354 2019 Financing Agreement
- 1015 2017 Financing Agreement
- 2019 Regent Park 17N construction loan agreement

Loan Number	Date	Principal Amount
623	10/18/13	\$154,703,000
819	10/27/14	\$49,710,000
914	11/02/15	\$232,000,000
1015	02/10/17	\$10,000,000
1095	11/25/16	\$62,161,000
1140	02/10/17	\$310,000,000
1179	10/20/17	\$64,829,473
1354	02/07/19	\$76,500,000
1374	06/04/19	\$41,348,247

Existing Covenants	Changes
<p>Financial</p> <p>Secured Properties debt service coverage ('DSC') of minimum 1.10x computed using in-house financials</p> <p>Gross Income Capex Funds: Annual contribution of 4% based on the gross income (including all subsidies) realized on the Secured Properties, which shall be added to the monthly payment obligation of TCHC</p>	<p>Replace with: Corporate DSC of minimum 1.10x tested on consolidated audited financials</p> <p>DSC defined as: "Debt Service Coverage (DSC)" means as of the date of determination, the ratio of: (i) the gross earnings of TCHC determined on a consolidated basis including, without limitation, rent, subsidies, parking, laundry and commercial income, less vacancy and bad debt, less all expenses including utilities, repairs & maintenance, corporate level expenses, facilities and services, excluding extraordinary items and nonrecurring items, divided by (ii) the sum of the principal and interest payments made on all loans including the loans by IO to TCHC during the applicable fiscal year of TCHC. For the avoidance of doubt, the Debt Service Coverage" will be calculated using a methodology consistent with the illustrative example attached as Exhibit A.</p> <p>Gross Income Funds no longer required to be deposited by TCHC.</p> <p>Release to TCHC of all currently held Gross Income Funds and funds held in any specific property reserve to TCHC for application to repairs to properties held or leased by TCHC</p>

<p>Capex Funds Specific Reporting Requirements</p> <p>Secured Properties income and expense rent rolls General Portfolio Capex report within 60 days of FYE confirming use of funds in accordance with procurement directives, and in support of annual draw on the General Portfolio reserve account. General Portfolio Capex budget for next FY External Audit Review confirming loan funds spent as per aforementioned Capex report</p>	<p>Capex Reporting Requirements</p> <p>TCHC shall report annually on the total amounts spent in its total capital plan, including, to the extent required to be provided to CMHC, the total amount of “Repair Program Costs” as defined in TCHC’s agreement with CMHC dated December 20, 2019 (the “CMHC Agreement”). Such costs shall include costs that TCHC has expended or which have been invoiced to TCHC in respect of completed work in the applicable fiscal year and cumulatively since the date of the amended Financing Agreements, as well as a report on the use of CMHC (loans & forgivable loans), City (committed funding), and IO loans (capex loan proceeds) for capital expenditures at the end of each fiscal year. In the event the reporting requirements under the CMHC Agreement are amended or no longer required, TCHC and IO will work together to develop alternative reporting to the extent required.</p> <p>TCHC to provide copies of City Reports including the “Annual Repair Program Budget” and the “Repair Program Project List” as defined in and to the extent required to be provided under the CMHC Agreement and provided to the City of Toronto. In the event the reporting requirements under the CMHC Agreement are amended or no longer required, TCHC and IO will work together to develop alternative reporting to the extent required.</p> <p>TCHC to provide Income and expense statements relating to the Properties mortgaged to IO only in the case of property substitutions for comparison purposes. All Capex Funds and Gross Income Funds related reporting to cease once these funds are released from the Secured Properties Capex reserve and the Gross Income Funds account.</p> <p>TCHC shall provide a signed attestation from an authorized officer on an annual basis confirming that it has undertaken the required capital expenditures on properties</p>
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Existing Covenants	Changes
	mortgaged to IO to ensure they are maintained in compliance with the Residential Tenancies Act (Ontario) and all other applicable laws in all material respects. All other reporting requirements from the applicable financing agreements shall remain in place.
Conditions Precedent ('CP') Standard IO CPs to remain i.e. Search Reports, Drawdown Notice, and Officer's Certificate.	Amendments to remove the withdrawal requirements from the released Capex reserve funds as these will now be managed directly by TCHC.
Capex Investment Account Agreement: The primary purpose of which is to document the purposes of the various Capex accounts including TCHC's obligation to deposit Gross Income Capex Funds, reporting requirements for these various accounts, and the requirements to withdraw from these accounts.	These agreements will no longer be required and will be released.
Security: Assignment of Capital Expenditure Reserve Account	These agreements will no longer be required and will be released.