BEING A BY-LAW TO AUTHORIZE THE EXECUTION OF AN AGREEMENT BETWEEN THE CORPORATION OF THE CITY OF PETERBOROUGH AND HER MAJESTY THE QUEEN IN RIGHT OF ONTARIO AS REPRESENTED BY THE MINISTER OF MUNICIPAL AFFAIRS AND HOUSING (Service Manager Funding Delivery)

NOW THEREFORE, THE CORPORATION OF THE CITY OF PETERBOROUGH, by the Council thereof hereby enacts as follows:

1. That the Mayor and Clerk be hereby authorized to execute an agreement with Her Majesty The Queen In Right Of Ontario as represented by the Minister of Municipal Affairs and Housing pursuant to the Service Manager Funding Delivery of the Homeownership Component of the Canada-Ontario New Affordable Housing Program (2003), hereby attached as Schedule “A”, and to affix the Seal of the Corporation thereto.

By-law read a first and second and third time this 2nd day of October, 2006

(Sgd.) Sylvia Sutherland, Mayor

(Sgd.) Nancy Wright-Laking, City Clerk
VERSION: Sept 14, 2006

SERVICE MANAGER ADMINISTRATION AGREEMENT

Canada - Ontario New Affordable Housing Program (2003)

Homeownership Component

Service Manager Funding Delivery

This Agreement made the [insert year].

BETWEEN:

HER MAJESTY THE QUEEN IN RIGHT OF ONTARIO

AS REPRESENTED BY

THE MINISTER OF MUNICIPAL AFFAIRS AND HOUSING

(hereinafter called the “Minister”)

- and -

[INSERT NAME OF SERVICE MANAGER]

(hereinafter called the “Service Manager”)

WHEREAS:

A. In order to create a supply of Affordable Housing, Canada Mortgage and Housing Corporation ("CMHC") and Her Majesty the Queen in Right of Ontario, as represented by the Minister of Public Infrastructure Renewal entered into a bi-lateral agreement, effective April 1, 2003 (the “CMHC - Ontario New Affordable Housing Program Agreement”).

B. The CMHC-Ontario New Affordable Housing Program Agreement provides funding for Affordable Housing.

C. The Minister of Municipal Affairs and Housing (the “Minister”) is responsible for the CMHC-Ontario New Affordable Housing Program Agreement.

D. The Minister established a Rental and Supportive Component, a Homeownership Component and a Northern Component, pursuant to which the Minister would provide CMHC funding and provincial funding for Affordable Housing.

E. The Service Manager wishes to participate in the Homeownership Component as set out in this Agreement.

F. The Minister and the Service Manager have entered into this Agreement for the purpose of establishing the Service Manager’s obligations with respect to the administration and
delivery of the Program and the Minister's obligation to provide funding to the Service Manager.

NOW THEREFORE, the Minister and the Service Manager agree with each other as follows:

1. INTERPRETATION

1.1 In this Agreement, unless the context requires otherwise, the following terms have the meanings set out in this Section.

- "Administration Fees" means the amount paid by the Minister to offset the Service Manager's cost of performing tasks under this Agreement;

- "Affordable Housing" means Housing that is affordable to individuals and households with an income at or below the fiftieth (50th) percentile of income for the Service Manager's area or Ontario, or whichever is lower;

- "Affordability Period", with respect to each Eligible Purchaser that receives an AHP Loan, means the twenty (20) year period commencing on the date of the AHP Loan advance to such Eligible Purchaser;

- "AHP Loan" has the meaning given to it in Section 4.1;

- "AHP Mortgage" has the meaning given to it in Section 5.1;

- "APS" has the meaning given to it in Section 3.1;

- "APS Funding" has the meaning given to it in Section 3.1;

- "Business Day" means each Monday, Tuesday, Wednesday, Thursday and Friday except when any such day occurs on a statutory holiday observed in Ontario;

- "Contributions by Others" means cash or in kind eligible contributions from municipalities, the private sector, the voluntary sector, charities and individuals donors used in accordance with the Program; but does not include contributions from any other Government of Canada source including the CMHC-Ontario Social Housing Agreement dated November 15, 1999, nor contributions which receive credit under any agreements with CMHC outside this Agreement;

- "CMHC" has the meaning given to it in the recitals;

- "CMHC-Ontario New Affordable Program Agreement" has the meaning given to it in the recitals;

- "Eligible Purchaser" means a Purchaser that satisfies the Purchaser Eligibility Criteria;

- "Eligible Unit" means a Unit that meets the Unit Eligibility Criteria;
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- "Federal Funds" means funding from CMHC with respect to an Eligible Unit;

- "Homeownership Component" means the Affordable Housing Program described in the Homeownership Component Program Guidelines;

- "Housing" means residential accommodation and facilities, common areas and services used directly with the residential accommodation. Housing does not include commercial or institutional premises, social or recreational services, and services or facilities related to mental or physical health care, education, corrections, food services, social support or public recreation;

- "Housing Delivery Plan" means the statement of the Service Manager’s affordable housing strategy that pertains to the Program;

- "Northern Component" means the Affordable Housing Program described in the Northern Component Program Guidelines;

- "Parties" means the Minister and the Service Manager and "Party" means either of them, as the context may require;

- "Permitted Encumbrances" means (i) a mortgage securing primary financing solely for the acquisition of the relevant Eligible Unit, (ii) a declaration and description under the Condominium Act where the Eligible Unit is a condominium, (iii) any minor easements for the supply of domestic utility or telephone services to the Eligible Unit or adjacent properties, (iv) any minor easements for drainage, storm or sanitary sewers, public utility lines, telephone lines, cable television lines or other services which do not materially affect the use of the property as a residential dwelling; (v) any registered municipal agreements and registered agreements with publicly regulated utilities providing such have been complied with; and (vi) any registered restrictions that run with the land provided such have been complied with;

- "PIPEDA" means the Personal Information Protection and Electronic Documents Act, S.C. 2000, c. 5, including any amendments thereto;

- "PIPEDA Protected Information" means any "Personal Information" or "Personal Health Information", as defined under PIPEDA;

- "Program" means the Homeownership Component of the Affordable Housing Program as set out in the Program Guidelines;

- "Program Guidelines" means the Program Guidelines issued by the Minister in respect of the Homeownership Component of the Affordable Housing Program and attached to this Agreement as Schedule "A";

- "Project" means a development of multiple Units;

- "Provincial Funds" means funding from Ontario with respect to an Eligible Unit;

- "Purchaser" means a person that has entered into an agreement of purchase and sale for the purchase of an Eligible Unit;
• “Purchaser Eligibility Criteria” means the criteria set out in Schedule “B”;

• “Rental and Supportive Component” means the Affordable Housing Program described in the Rental and Supportive Component Program Guidelines;

• “Revolving Loan Fund” means a fund established by the Service Manager for the sole purpose of providing moderate and low-income individuals and households with down payment assistance to purchase Affordable Housing on the same terms and conditions as are set out in Sections 4 and 5 of this Agreement but at such level of assistance as is determined by the Service Manager;

• “Service Manager’s Contribution” means, with respect to an Eligible Unit, the amount that the Service Manager contributes to the financing of the acquisition of the Eligible Unit and includes all Contributions by Others;

• “Unit” means a self-contained residential dwelling;

• “Unit Eligibility Criteria” means the criteria set out in Schedule “C”;

1.2 The following Schedules are attached to and form part of this Agreement:

Schedule “A” - Homeownership Component Program Guidelines
Schedule “B” - Purchaser Eligibility Criteria
Schedule “C” - Unit Eligibility Criteria
Schedule “D” - Communications Protocol
Schedule “E” - Flow of APS Funding Request
Schedule “F” - Cumulative Report on AHP Loans
Schedule “G” - Annual Report on Resale, Repayment, Defaults and Revolving Loan Activity

1.3 In the event of a conflict or inconsistency between the provisions of this Agreement and the provisions of a Schedule, the provisions of this Agreement shall prevail.

1.4 All references in this Agreement to section numbers are references to sections of this Agreement unless stated otherwise.

2. REQUIREMENTS FOR SIGNING THIS AGREEMENT

2.1 Prior to the Service Manager signing this Agreement:

(a) the Service Manager shall have established the Revolving Loan Fund;

(b) the Service Manager shall have entered into an Administration Agreement for the Rental and Supportive Component or the Northern Component; and
(c) the Service Manager shall have submitted, and the Minister shall have approved, the Service Manager’s Housing Delivery Plan.

3. **PROVISION OF FUNDS BY THE MINISTER**

3.1 Subject to Sections 3.3, 3.5, 3.6 and 3.7, upon receipt by the Minister from the Service Manager of a copy of a fully executed agreement of purchase and sale for the purchase of an Eligible Unit by an Eligible Purchaser (an “APS”), together with a written report in the form of Schedule “E”, the Minister will transfer to the Service Manager in trust five percent (5%) of the purchase price of the Eligible Unit (the “APS Funding”). The Service Manager agrees to, wherever possible, aggregate APS’s and submit them for APS Funding as a group.

3.2 The transfer of all APS Funding will be made by electronic funds transfer.

3.3 If the Eligible Purchaser of an Eligible Unit is also eligible for a land transfer tax rebate, the Service Manager may, by notice in writing to the Minister, elect to receive in respect of the Eligible Unit, APS Funding equal to five percent (5%) of the purchase price of the Eligible Unit less the amount of the land transfer tax rebate.

3.4 The APS Funding provided by the Minister in respect of each Eligible Unit shall be comprised of one half Federal Funds and one half Provincial Funds, provided that any adjustment that is made to the APS Funding under Section 3.3 to take into account a land transfer tax rebate shall affect only the amount of the Provincial Funds provided in respect of the Eligible Unit.

3.5 In no event shall the APS Funding transferred by the Minister to the Service Manager in respect of a particular Eligible Unit exceed the maximum Unit contribution set out in Appendix B to the Program Guidelines.

3.6 In no event shall the aggregate of all APS Funding provided to the Service Manager under this Agreement exceed the amount allocated to the Service Manager in accordance with Appendix A of the Program Guidelines.

3.7 In no event may any APS be submitted for funding under this Agreement on or after March 31, 2009 or such earlier date as may be determined by the Minister and communicated by the Minister to the Service Manager by notice in writing. The Minister may reallocate funds allocated to the Service Manager in accordance with Appendix A of the Program Guidelines if the funds have not been transferred to the Service Manager as of March 31, 2009 or such earlier date.

3.8 The Service Manager shall use the APS Funding transferred to it by the Minister in respect of an Eligible Unit solely (i) for the purpose of providing an AHP Loan to an Eligible Purchaser of the Eligible Unit in accordance with this Agreement, or (ii) as the Minister may in writing direct.

3.9 All interest that accrues on APS Funding while held by the Service Manager may be used by the Service Manager for the purpose of administering and delivering Affordable Housing.
4. **PROVISION OF AHP LOANS BY SERVICE MANAGER**

4.1 Subject to Section 4.4, on the closing of the purchase of an Eligible Unit in respect of which APS Funding was transferred to the Service Manager, the Service Manager shall loan such transferred APS Funding to the relevant Eligible Purchaser for the sole purpose of financing the acquisition of the Eligible Unit (an "AHP Loan").

4.2 The following terms shall be set out in the loan agreement between the Service Manager and the Eligible Purchaser with respect to each AHP Loan:

(a) Each AHP Loan shall be for a term equal to the Affordability Period and shall not bear interest;

(b) On the twentieth anniversary date of the date of the AHP Loan advance, provided the debtor is not in default under the terms of the loan, the principal under the AHP Loan shall automatically be forgiven;

(c) Upon an event of default under the AHP Loan, being the insolvency of the debtor, the death of the debtor, a lease of the AHP Unit, the debtor ceasing to occupy the Eligible Unit as the debtor's sole and principal residence, a misrepresentation by the debtor relating to his or her eligibility, or the use of the proceeds of the AHP Loan for a purpose other than the acquisition of the Eligible Unit, the principal shall be repayable;

(d) If, during the period in which the AHP Loan is outstanding, the Eligible Unit is resold for more than the price at which it was acquired by the debtor, the principal shall be repayable. If, during the same period, the Eligible Unit is resold for less than the price at which it was acquired by the debtor and either the sale of the Unit was an arm's length transaction or the Service Manager is satisfied that the sale was at fair market value, the principal shall be forgiven;

(e) If, during the period in which the AHP Loan is outstanding, the Eligible Unit is resold for more than the price at which it was acquired by the debtor, the debtor shall pay to the Service Manager an amount that is equal to the percentage that the AHP Loan is of the original purchase price of the Eligible Unit as applied to the differential between the current fair market value of the Eligible Unit and the original purchase price of the Eligible Unit. The fair market value of the Eligible Unit shall be determined by the Service Manager based on (i) the price at which the Eligible Unit was resold, if such transaction was an arm's length transaction, (ii) an independent appraisal commissioned by the Service Manager at the Service Manager's expense, or (iii) the current municipally assessed value of the Eligible Unit.

(f) If, during the period in which the AHP Loan is outstanding, the debtor ceases to occupy the Eligible Unit as the debtor's sole and principal residence, the debtor shall pay to the Service Manager an amount that is equal to the percentage that the AHP Loan is of the original purchase price of the Eligible Unit as applied to any positive differential between the current fair market value of the Eligible Unit and the original purchase price of the Eligible Unit. The fair market value of the Eligible Unit shall be determined by the Service Manager based on either an independent appraisal commissioned by the Service Manager at the Service Manager's
expense or the current municipally assessed value of the Eligible Unit.

(g) The debtor may repay all of the AHP Loan upon payment of an amount that is equal to the percentage that the AHP Loan is of the original purchase price of the Eligible Unit as applied to any positive differential between the current fair market value of the Eligible Unit and the original purchase price of the Eligible Unit. The fair market value of the Eligible Unit shall be determined by the Service Manager based on either an independent appraisal commissioned by the Service Manager at the Service Manager's expense or the current municipally assessed value of the Eligible Unit. The debtor shall not be permitted to prepay only part of the AHP Loan.

(h) Notwithstanding anything to the contrary contained in the AHP Loan agreement, amounts payable under the AHP Loan agreement with respect to capital appreciation shall not exceed the maximum amount of interest that does not violate applicable laws.

(i) The debtor shall be responsible for any processing charges associated with the discharge of an AHP Mortgage.

4.3 If the Service Manager's Contribution with respect to an Eligible Unit is equal to or greater than the amount of the Federal Funds provided by the Minister to the Service Manager in respect of the Eligible Unit, the Service Manager may require the debtor to provide it with a right of first refusal to acquire the Eligible Unit in the event that the owner of the Eligible Unit receives a bona fide offer to purchase the Eligible Unit from a third party. Any such right to acquire shall be for the fair market value of the Eligible Unit. Fair market value in this case shall be determined by an independent appraisal commissioned by the Service Manager at the Service Manager's expense.

4.4 The provision of each AHP Loan shall be subject to the conditions precedent that:

(a) title to the relevant Eligible Unit is encumbered by no registered restrictions, charges, liens and encumbrances other than Permitted Encumbrances,

(b) the relevant Eligible Purchaser has entered into a loan agreement with the Service Manager and provided the Service Manager with the registered mortgage documents contemplated by Section 5.1; and

(c) each representation, statement, declaration and all information provided to the Service Manager by the Eligible Purchaser regarding his or her eligibility and the eligibility of the relevant Unit is true and accurate as at the time it was given or made.

If any of these conditions precedent have not been fulfilled on the date the AHP Loan is to be advanced, the Service Manager shall not make the AHP Loan.

4.5 Before the Service Manager advances the proceeds of an AHP Loan, the Service Manager shall have a title search conducted against the relevant Eligible Unit and obtain a legal opinion as to whether all conditions precedent to the advance of the AHP Loan have been satisfied.
4.6 The Service Manager shall ensure that each Unit in respect of which an AHP Loan is made is an Eligible Unit, and that each Purchaser to whom an AHP Loan is made is an Eligible Purchaser at the time the Service Manager enters into the loan agreement with the Purchaser.

5. SECURITY FOR AHP LOANS

5.1 Each AHP Loan shall be secured by a mortgage registered against title to the relevant Eligible Unit. Prior to the advance of the AHP Loan by the Service Manager, the Eligible Purchaser will be required to provide the Service Manager with an executed registrable mortgage document in a form acceptable to the Service Manager and the Minister (an “AHP Mortgage”). Each AHP Mortgage shall incorporate the terms of the AHP Loan as stated in Section 4.2, shall include a clause that provides that all monies that the Service Manager spends in recovering mortgage monies shall be added to the amount secured, and shall be registered against title to the relevant Eligible Unit immediately after registration of any mortgage securing the primary financing for the acquisition of the Eligible Unit.

5.2 The Service Manager shall, at its own expense, use commercially reasonable efforts to recover all monies owing to it under each AHP Mortgage. The Service Manager shall co-operate with the Minister with respect to pursuing the remedies available to the Service Manager under AHP Mortgages.

5.3 The Service Manager shall be responsible for any charges associated with the registration of an AHP Mortgage.

6. REVOLVING LOAN FUND

6.1 The Service Manager agrees to maintain a Revolving Loan Fund for the period of fifteen years from the date of this Agreement. All monies received by the Service Manager as a result of (i) a resale of an Eligible Unit prior to the end of the term of the AHP Loan, (ii) a default under the AHP Loan or AHP Mortgage, or (iii) the repayment of the principal of an AHP Loan prior to the end of its term, shall be transferred to the Revolving Loan Fund and used in accordance with the purposes of the Revolving Loan Fund.

6.2 All interest accrued on amounts held in the Revolving Loan Fund shall be used by the Service Manager for the purposes of administering and delivering Affordable Housing.

6.3 If the Service Manager wishes to terminate the Revolving Loan Fund after the fifteenth annual anniversary of the date of this Agreement, the Service Manager shall submit to the Minister a plan pertaining to the phasing out of the Revolving Loan Fund. The Revolving Loan Fund shall be terminated only in accordance with a phase out plan that has been approved by the Minister.

6.4 At the end of the phase out period, all amounts in the Revolving Loan Fund shall be paid to the Minister or, upon agreement by the Minister, allocated by the Service Manager to financing acquisitions of Affordable Housing.
7. **REPORTING REQUIREMENTS**

7.1 For the twenty year period following the date of this Agreement or for the period in which any AHP Loans are still outstanding, which ever is longer, the Service Manager shall, on each annual anniversary date of the date of this Agreement, provide the Minister with the following:

(a) a written report in the form of Schedule “F” confirming how the APS Funding was used,

(b) copies of any AHP Loan agreements and AHP Mortgages relating to loans referred to in the above report, and

(c) a written report in the form of Schedule “G” on (i) any resale of an Eligible Unit funded pursuant to this Agreement, (ii) any default under an AHP Loan or AHP Mortgage, (iii) any repayment of an AHP Loan prior to the end of its term, and (iv) all contributions and withdrawals from the Revolving Loan Fund.

8. **ADMINISTRATION FEE**

8.1 Upon signing this Agreement, the Minister shall pay to the Service Manager an Administration Fee in the amount of Twenty-five Thousand Dollars ($25,000.00) for participation in the Homeownership Component.

8.2 The Parties acknowledge that the Administration Agreement between the Minister and the Service Manager relating to the Rental and Supportive Component or to the Northern Component, as applicable, contains provisions dealing with the payment of additional Administration Fees relating to the Homeownership Component.

9. **MARKETING**

9.1 Subject to Section 10, the Service Manager shall promote and advertise the Program in the Service Manager’s area.
10. **COMMUNICATIONS PROTOCOL**

10.1 The Service Manager acknowledges that, under the terms of the CMHC–Ontario New Affordable Housing Program Agreement, all publicity, including written materials and signs, respecting the Eligible Units financed in accordance with this Agreement must recognize the contributions of the Minister and CMHC. The Service Manager further acknowledges that the CMHC–Ontario Affordable Housing Agreement requires the Minister to co-ordinate with CMHC and/or obtain CMHC’s approval with respect to communications, signage and advertising matters. A copy of these requirements is attached as Schedule “C”. The Service Manager agrees that it shall not do or omit to do any act, which will cause the Minister to be in breach of these terms of the CMHC–Ontario New Affordable Housing Program Agreement. The Service Manager shall ensure that all communications materials, advertising material and application forms that refer to the Program and are used in connection with the Service Manager’s implementation of the Program shall be approved by the Minister before they are so used.

11. **INDEMNITY**

11.1 The Service Manager agrees to indemnify the Minister and save it harmless from:

(a) one hundred percent (100%) of any third party claims against the Minister relating to the implementation of this Agreement (including all losses, costs and expenses incurred as a result of such claims), other than claims mentioned in (c) below;

(b) one hundred percent (100%) of the portion of any third party claims against CMHC relating to the implementation of this Agreement (including all losses, costs and expenses incurred as a result of such claims), other than claims mentioned in (c) below, that the Minister indemnifies CMHC for under the CMHC-Ontario Affordable Housing Program Agreement;

(c) fifty percent (50%) of all damages, losses, costs and expenses incurred by the Minister that relate to environmental or pollution claims (including claims against CMHC); and

(d) one hundred percent (100%) of all damages, losses, costs and expenses incurred by the Minister as a result of the negligence or wilful misconduct of the Service Manager and/or any third party (including a law firm) retained by the Service Manager to assist it in connection with the performance of this Agreement.

Notwithstanding the foregoing, this indemnity shall not apply to claims that are covered by CMHC or other insurance or to claims to the extent that they are attributable to the negligence, bad faith or wilful misconduct of the Minister. The Service Manager’s liability under this Section shall not exceed the total amount of funding advanced to the Service Manager under all Administration Agreements between the Minister and the Service Manager relating to programs under the CMHC-Ontario Affordable Housing Program Agreement.
12. **REMEDIES**

12.1 If the Service Manager breaches any one or more of the provisions of this Agreement, and the breach is not corrected within a reasonable period of time after notice has been given to the Service Manager by the Minister, the Minister may, by written notice to the Service Manager,

(a) terminate this Agreement and demand immediate repayment of all or any portion of the Administration Fees paid by the Minister to the Service Manager under this Agreement, together with any APS Funding in the possession or control of the Service Manager which have not been advanced to an Eligible Purchaser; or

(b) demand immediate repayment of all amounts paid by the Minister to the Service Manager under this Agreement that relate to the Eligible Unit in respect of which the breach occurred.

The Service Manager shall comply with any such demand irrespective of whether it has loaned any of the relevant amounts to an Eligible Purchaser.

12.2 All of the remedies available to the Minister under this Agreement, at equity and/or at law are cumulative and are not alternative and the Minister shall not be precluded from availing himself simultaneously of some or all of the said remedies.

12.3 Notwithstanding any of the terms of this Agreement, the Minister shall have the option of waiving any or all of his remedies under this Agreement, but no waiver of a provision shall be deemed to constitute a waiver of any other provision (whether or not similar) nor shall any waiver constitute a continuing waiver unless otherwise provided.

13. **NOTICE**

13.1 Any notice or other communication required, desired or permitted to be given by this Agreement shall be in writing and shall be effectively given if:

(a) delivered personally;

(b) sent by prepaid courier service; or

(c) sent by facsimile communication, and confirmed by mailing the original documents so sent by prepaid mail on the same or following day, addressed as follows:

(i) in the case of notice to the Minister:

    Ministry of Municipal Affairs and Housing  
    Attention: Director, Delivery Branch  
    777 Bay Street, 2nd Floor  
    Toronto, ON  
    M5G 2E5

    Fax: (416) 585-6588
in the case of notice to the Service Manager:

[insert relevant information]

or at such other address as the party to whom such notice or other communication is to be given shall have advised the party giving same in the manner provided in this section. Any notice or other communication delivered personally or by prepaid courier service shall be deemed to have been given and received on the day it is so delivered at such address, provided that if such day is not a Business Day such notice or other communication shall be deemed to have been given and received on the next following Business Day. Any notice or other communication transmitted by facsimile communication shall be deemed to have been given and received on the day of its transmission, provided that such day is a Business Day and such transmission is completed before 4:30 p.m. on such day, failing which such notice or other communication shall be deemed to have been given and received on the first (1st) Business Day after its transmission. If there has been a mail stoppage and if a party sends a notice or other communication by facsimile communication, such party shall be relieved from the obligation to mail the original document in accordance with this paragraph.

14. GENERAL

14.1 The Service Manager may engage a third party subcontractor to assist it in the performance of this Agreement. Such assistance shall be limited to but may include the provision of the AHP Loans to Eligible Purchasers, the taking of AHP Mortgages and the establishment of the Revolving Loan Fund, in each case, by the third party subcontractor but otherwise in accordance with this Agreement. Notwithstanding any such arrangement, the Service Manager shall remain the trustee of all APS Funding until such funds are advanced to or on behalf of an Eligible Purchaser in connection with the purchase of an Eligible Unit, and shall remain directly responsible to the Minister under and for the performance of this Agreement. The Service Manager shall also ensure that any third party subcontractor is bound by the same terms and conditions relating to the assistance to be provided by it as are set out in this Agreement. The procurement of any such third party subcontractor shall be done in accordance with a procurement process that meets the requirements of the Municipal Act, 2001, or any successor legislation.

14.2 The Service Manager shall, on forty-eight (48) hours prior written notice, give the Minister free access to such staff, documents, books, records and accounts as may be determined by the Minister, for the purpose of verifying compliance with this Agreement. The Service Manager shall ensure that the same obligation is imposed on any subcontractor engaged to assist the Service Manager in the performance of this Agreement. This section shall survive any expiry or termination of this Agreement.

14.3 The Service Manager may enter into an agreement with a developer pursuant to which (i) the developer agrees to make a certain number of Units in a development owned by the developer available to the public as Eligible Units and to market such Units as Units available under the Program, subject to the requirements of Section 10 of this Agreement, and (ii) the Service Manager agrees to make AHP Loans available to Eligible Purchasers of such Eligible Units.
14.4 The Service Manager represents that it has not knowingly provided the Minister with any false or misleading information respecting the subject matter of this Agreement and agrees that it shall not knowingly provide any false or misleading information to the Minister in the performance of its obligations under this Agreement.

14.5 Any power, right or function of the Minister, contemplated by this Agreement, may be exercised by any employee or agent of the Ministry of Municipal Affairs and Housing.

14.6 It is understood that the Freedom of Information and Protection of Privacy Act shall apply to all records submitted to or created by the Minister pursuant to this Agreement.

14.7 The Service Manager represents and warrants that:

(a) it shall preserve the PIPEDA compliance of all PIPEDA Protected Information transferred to it by the Minister;

(b) it shall ensure the PIPEDA compliance of all PIPEDA Protected Information that it collects in the course of performing its contractual obligations; and

(c) it shall ensure the PIPEDA compliance of all PIPEDA Protected Information that it transfers to the Minister.

14.8 The disbursement of APS Funding by the Minister to the Service Manager under Section 3.1 is subject to the necessary appropriations from the Federal Parliament and the Provincial Legislature. Neither the Minister nor CMHC shall have any liability in the event the respective appropriations are insufficient to meet the funding obligations of the Minister.

14.9 Nothing in this Agreement is to be construed as authorizing one Party to contract for or incur any obligation on behalf of the other or to act as agent for the other and nothing in this Agreement shall be construed to constitute the Minister and the Service Manager as partners of each other.

14.10 The Service Manager acknowledges that CMHC is not a party to this Agreement.

14.11 No member of:

(a) the House of Commons or Senate of Canada; or

(b) the Legislative Assembly of Ontario; or

(c) the Municipal Council constituting the Service Manager herein or the Municipal Council of any local municipality of such Service Manager or the governing body of any Municipal Agency, Board or Commission of any of such municipalities;

shall be admitted to any share or part of any contract, agreement or commission made pursuant to this Agreement or to any benefit arising therefrom, including, without limitation, any contract, agreement or commission arising from or related to the Program.
14.12 Time shall in all respects be of the essence in this Agreement, provided that the time for doing or completing any matter provided for under this Agreement may be extended or abridged by agreement in writing signed by the Minister and the Service Manager or their respective solicitors on their behalf, who are hereby expressly appointed in this regard.

14.13 This Agreement is made pursuant to and shall be governed by and construed in accordance with the laws of the Province of Ontario.

14.14 Any reference to a statute in this Agreement includes a reference to all regulations made pursuant to such statute, all amendments made to such statute and regulations in force from time to time and to any statute or regulation which may be passed and which has the effect of supplementing or superseding such statute or regulations.

14.15 The headings and subheadings contained in this Agreement are inserted for convenience and for reference only and in no way define, limit or describe the scope or intent of this Agreement or form part of this Agreement.

14.16 The parties agree that there are no representations, warranties, covenants, agreements, collateral agreements or conditions affecting this Agreement other than as expressed in writing in this Agreement.

14.17 This Agreement shall be read with all changes of gender and number required by the context.

14.18 Each of the Parties shall, at any time and from time to time, upon not less than twenty (20) Business Days prior written notice by the other Party, execute and deliver to the other Party a statement in writing confirming that this Agreement is in good standing, unmodified and in full force and effect, or if there have been modifications that the same are in good standing and in full force and effect, as modified, and stating the modifications. Where applicable, the statement shall state the defaults, if any, known to the Party to whom such request has been made and the action taken or proposed to be taken by such requested Party with respect to same.

14.19 The Service Manager shall not assign this Agreement without the prior written consent of the Minister, which consent may be withheld, acting in his sole discretion.
14.20 This Agreement shall enure to the benefit of and be binding upon the Parties hereto and their respective successors and assigns, provided that this paragraph shall in no way derogate from the provisions of section 14.19 restricting the Service Manager's ability to assign this Agreement.

IN WITNESS THEREOF this Agreement has been executed by the Parties.

HER MAJESTY THE QUEEN IN RIGHT OF ONTARIO AS REPRESENTED BY THE MINISTER OF MUNICIPAL AFFAIRS AND HOUSING

________________________________________
The Honourable John Gerretsen
Minister of Municipal Affairs and Housing

[Insert name of SERVICE MANAGER]

Per: ___________________________________
Name: ___________________________________
Title: ___________________________________

Per: ___________________________________
Name: ___________________________________
Title: ___________________________________

c/s

I/We have the authority to bind the Service Manager
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SCHEDULE "A"

HOMEOWNERSHIP COMPONENT PROGRAM GUIDELINES
SCHEDULE "B"

PURCHASER ELIGIBILITY CRITERIA

Each person seeking to be approved as an Eligible Purchaser must meet each of the following criteria at the time he or she applies for such approval:

(a) The individual must be at least 18 years old;

(b) The individual can neither own a home nor have an ownership interest in a home other than a contingent interest;

(c) The individual cannot be living in a spousal relationship (including a same-sex spousal relationship) with a person who owns a home or who has an ownership interest in a home other than a contingent interest;

(d) The individual must be vacating a residential tenancy and must agree not to lease the Eligible Unit for the duration of the AHP Mortgage.

(e) Subject to clause f below, the total income of all members of the individual’s household can not exceed the 50th percentile of income for the Service Manager area (as set out in Appendix B of the Program Guidelines) or for Ontario, whichever is lower. For the purposes of this Agreement, the household of an individual shall be deemed to include and be limited to (i) the individual; (ii) any person with whom the individual is living in a spousal relationship (including a same-sex spousal relationship); and (iii) any person over the age of eighteen expected to be normally resident with the individual at the time of first occupancy of the Unit.

(f) The income limits set out in clause e. may be adjusted annually by the Minister based on census data indexed on the Consumer Price Index as published by Statistics Canada from time to time or for other reasons as the Minister may determine but in any event shall not exceed the fiftieth (50th) income percentile for all households in Ontario.

(g) The individual’s application for financial assistance must be supported by (i) original photo identification, (ii) an original notice of income tax assessment and other equally reliable evidence of income and (iii) a declaration that all information provided in the application is true and correct.

(h) Such other criteria as the Service Manager may establish
SCHEDULE “C”

ELIGIBILITY OF UNITS

To be an Eligible Unit (within the meaning of this Agreement and the CMHC-Ontario New Affordable Housing Program Agreement) a Unit must satisfy each of the following requirements:

(a) It must be a Unit that has not been previously occupied and to which the Ontario New Home Warranties Plan Act applies including a Unit that has been converted from non-residential Use, or a Unit that is offered for resale provided a home inspection is undertaken at the Purchaser’s expense. It must be located in a neighbourhood revitalization area designated by the Service Manager;

(b) The selling price of the Unit must be at or below the maximum price affordable to households at the fiftieth (50th) percentile of income for the Service Manager area (as set out in Appendix B of the Program Guidelines) or for Ontario, whichever is lower, or at levels affordable to target groups who are on, or are eligible to be on, social housing waiting lists.

(c) The Unit may be detached, semi-detached, town (condominium and freehold), a stacked home, a row house or an apartment. The Unit must be modest in size, relative to community norms, in terms of floor area and amenities, as determined by the Service Manager.

(d) Such other requirements as the Service Manager may establish.
SCHEDULE “D”

COMMUNICATIONS PROTOCOL

D.1 GENERAL

D.1.1 CMHC and Ontario agree to undertake joint communications activities and products that will enhance opportunities for open, transparent, effective and pro-active communications with citizens through appropriate, continuous and consistent public information activities that recognize the contributions of the Parties and the applicant. This protocol applies to communications on Projects receiving CMHC Funding or Contributions by Others under the Program.

D.1.1 All public information material in relation to the CMHC - Ontario New Affordable Housing Program Agreement shall be prepared jointly and shall equitably reflect the contributions of the Parties.

D.2. JOINT COMMITTEE

D.2.1 The Joint Committee is a forum for sharing information on Affordable Housing Program Projects, planning and approving communications plans, materials and activities, but may elect to address other Program issues by mutual agreement.

D.2.2 The Joint Committee will continue to exist and operate for as long as is necessary to meet the requirements of the CMHC - Ontario New Affordable Housing Program Agreement.

D.2.3 The Joint Committee will consist of two (2) members appointed by the CMHC Minister and two (2) members appointed by the Minister of Public Infrastructure Renewal.

D.2.4 The Joint Committee will be headed by two Co-chairs. The CMHC Minister will appoint one (1) of his or her two (2) members as the CMHC Co-chair and the Minister of Public Infrastructure Renewal will appoint one (1) of his or her two (2) members as the Ontario Co-chair.

D.2.5 The Joint Committee will meet at least twice each year.

D.2.6 The Joint Committee shall approve an annual communications plan and budget.

D.3 COMMUNICATING WITH APPLICANTS

D.3.1 The Ontario Co-chair will ensure that the CMHC Co-chair is provided with information on each Project application which has been approved five (5) business days before any communication of the approval to the applicant.

D.3.2 Project approval notifications in a form acceptable to both Parties shall identify the CMHC - Ontario New Affordable Housing Program Agreement as a source of funding.

D.3.3 All public information material related to calls for tendering shall clearly and prominently indicate that the Project is funded pursuant to the CMHC-Ontario New Affordable Housing Program Agreement.
D.4. COMMUNICATING WITH THE PUBLIC

Public Information Products

D.4.1 The Parties may develop information kits, brochures, public reports, and web site material to inform potential applicants and the public about the Affordable Housing Programs.

News Releases

D.4.2 A joint news release shall be issued when the CMHC - Ontario New Affordable Housing Program Agreement is signed. Unless the Parties decide otherwise, there shall be a joint news release for each approved Project or group of Projects, in which each Party will have equal importance. A news release may include quotations from a federal, provincial and municipal elected official and the applicant. The Parties must agree on these quotations. The Parties shall agree on the timing of the news release.

Press conferences, Public Announcements and other Joint Events

D.4.3 The Parties shall co-operate in organizing press conferences, announcements and official ceremonies. The Parties should also agree on the messages and public statements at such events. The Parties may agree that special ceremonies and events be held at an appropriate location and time. Neither Party nor any municipality, applicant or contributor, shall make any public announcement for a Project under the CMHC - Ontario New Affordable Housing Program Agreement unless the other Party has been informed of it at least seven (7) days in advance.

D.4.4 Either Party may organize a joint press conference. The requester shall give the other Party at least seven (7) days notice of such a press conference, public announcement or joint event. The federal and Ontario Ministers, or the designated representative for each Party, may participate in these press conferences, which shall be held on a date and at a location that are agreed upon.

D.4.5 The signing of the CMHC - Ontario New Affordable Housing Program Agreement shall be the subject of an official ceremony.

D.4.6 The Parties shall work together to organize such announcements or official ceremonies, and shall follow a mutually agreed upon order of precedence. The Parties should jointly agree on the messages and public statements at such events.

Signage

D.4.7 Where applicable, the Joint Committee shall ensure that the applicant provides and installs temporary signage at a prominent location where there is visible activity related to an approved Project. The signage shall indicate that it is a CMHC - Ontario - Municipal (as applicable) New Affordable Housing Program Project, bear a message approved by the Joint Committee, and remain in place throughout the construction period.
D.4.8 Design, wording and specifications of joint signs shall reflect the participation of CMHC and Ontario and must be approved by both Parties. Signs shall have appropriate spaces indicating participation by the municipality and the applicant, if requested.

D.4.9 The Parties shall issue specifications for signs and time frames for their installation. Temporary signs must be removed within ninety (90) days of Project completion.

D.4.10 CMHC and Ontario may provide and install, where appropriate, a plaque or permanent sign bearing an appropriate inscription. The design, wording and specifications of such permanent signs shall be in accordance with this Schedule and must be approved by both Parties.

Advertising

D.4.11 Either Party may organize an advertising or public information campaign related to the Affordable Housing Programs. However, it must inform the other Party of the contents of the campaign's messages at least thirty (30) days before it is launched.

Payments

D.4.12 Payments to approved applicants under the Affordable Housing Programs will identify the Government of Canada as a source of funding.

D.5. **COST SHARING**

D.5.1 Unless otherwise agreed by the Joint Committee, CMHC and Ontario will determine equitable cost-sharing arrangements for the costs associated with the development and delivery of communications products and activities in the approved communications plan and budget. This would apply to literature, media distribution, organization of joint special events, as established by both Parties.

D.5.2 Costs associated with any public announcement and official ceremony shall be eligible costs. Other costs of the Parties to organize such events would be borne by the Parties using an equitable cost-sharing formula.

D.5.3 Costs associated with any temporary or permanent signage incurred shall be eligible costs. Such costs of the Parties would be borne by the Parties using an equitable cost-sharing formula.

D.5.4 "Municipal" and "municipality" include public bodies designated by Ontario as the local functionary for Programs.

[excerpt from CMHC-Ontario New Affordable Housing Program Agreement]