

LL 17 M41-79

Title Nos. L 19030-L
19031-L
19032-L
19033-L

MAR 26 2 27 PM '84
LAND TITLE OFFICE
VANCOUVER B.C.

M 34243
M 34243

M 11030-L
11031-L
11032-L
11033-L

Space above for Land Title Office Use

NATURE OF CHARGE MODIFICATION OF LEASE		Form 17 Section 152(1) Land Title Act
Address of person entitled to be registered as owner if different than shown on instrument:		Full name, postal address and telephone of person presenting instrument for registration: LAW DEPARTMENT, CITY OF VANCOUVER 453 West 12th Avenue, Vancouver, B.C. V5Y 1V4 Telephone: 873-7514
True Value:	Herewith Fees	<i>G. P. Reader</i> Solicitor or Agent
	\$ 10.50	

For Land Title Office Use

THIS AGREEMENT made this 25th day of April, in the year of Our Lord one thousand nine hundred and eighty-four.

BETWEEN:

CITY OF VANCOUVER

(hereinafter called the "LESSOR")

OF THE FIRST PART

LAND TITLE ACT
SECTION 361
MEMORANDUM OF REGISTRATION
REGISTERED

on application received on the day and at the time above stated by D. H. ELLIS, REGISTRAR VANCOUVER LAND TITLE OFFICE

PACIFIC HEIGHTS HOUSING CO-OPERATIVE,
Incorporation No. CP1382) a company
duly incorporated under the laws of the
Province of British Columbia, having
its registered office at 1439 Kingsway,
City of Vancouver, Province of
British Columbia,

(hereinafter called the "LESSEE")

OF THE SECOND PART

WHEREAS the LESSOR is the registered owner of all and singular that certain parcel or tract of land and premises situate in the City of Vancouver, in the Province of British Columbia, legally described as:

8
LIS 18

- 2 -

The East 1/2 of Lot 12;
The East 1/2 of Lot 13;
The West 1/2 of Lot 13;
The East 1/2 of Lot 14;
The West 1/2 of Lot 14;
✓ The East 1/2 of Lot 15;
✓ The West 1/2 of Lot 15;
✓ The East 1/2 of Lot 16 except part in
Explanatory Plan 16920 established as road,
filing M148;
✓ The West 1/2 of Lot 16 except part in
Explanatory Plan 16920 established as road,
filing M148;
all of Block 13,
District Lot 185
Plan 92

(hereinafter called the "SAID LANDS");

AND WHEREAS the LESSOR demised the SAID LANDS unto the LESSEE under that certain Indenture of Lease made between the parties on the 31st day of January, 1984, and registered in the Vancouver Land Title Office on the 31st day of January, 1984 under No. M8748 and modified by that certain Modification of Lease dated the 8th day of March, 1984, and registered in the Vancouver Land Title Office on the 8th day of March, 1984, under No. M18860 (hereinafter called "the Lease");

AND WHEREAS the LESSOR and LESSEE are desirous of further modifying the Lease upon the terms and conditions set out hereunder;

NOW THEREFORE THIS INDENTURE WITNESSES that the LESSOR and LESSEE hereby covenant, promise and agree each with the other as follows:

1. Schedule "A" of the Lease is hereby expunged.
2. The agreement dated the 15th day of February, 1984, and made between Canada Mortgage & Housing Corporation and the LESSEE, a copy of which is appended to this Modification of Lease, is hereby made Schedule "A" to the lease in substitution of the Schedule expunged by paragraph 1 of this Modification of Lease.
3. Save as aforesaid, the parties hereby reaffirm the terms of the Lease.

Words herein importing the singular number or the masculine gender only shall include more persons, parties or things of the same kind than one, and females as well as males,

es. *JK*

and the converse whenever the context requires; also these presents shall enure to the benefit of and be binding upon the heirs, executors, administrators, successors and assigns of the respective parties hereto and the owners from time to time of the SAID LANDS.

IN WITNESS WHEREOF the parties hereto have hereunto set their hands and seals as of the day and year first above written.

The Common Seal of the CITY OF VANCOUVER was hereunto affixed in the presence of:

[Handwritten signature]
Authorized Signatory

The Common Seal of PACIFIC HEIGHTS HOUSING CO-OPERATIVE was hereunto affixed in the presence of:

[Handwritten signature]
Authorized Signatory
[Handwritten signature]
Authorized Signatory

Approved by Vancouver City Council on August 9, 1983.

This is the signatory page of a further Modification of Lease between the City of Vancouver as LESSOR and Pacific Heights Housing Co-operative as LESSEE concerning The East 1/2 of Lot 12; The East 1/2 of Lot 13; The West 1/2 of Lot 13; The East 1/2 of Lot 14; The West 1/2 of Lot 14; The East 1/2 of Lot 15; The West 1/2 of Lot 15; The East 1/2 of Lot 16 except part in Explanatory Plan 16920 established as road, filing M148; The West 1/2 of Lot 16 except part in Explanatory Plan 16920 established as road, filing M148; all of Block 13, District Lot 185, Plan 92.

[Handwritten initials]
[Handwritten initials]

SECTION 56.1 AGREEMENT
ASSISTANCE TO NON-PROFIT COOPERATIVE ASSOCIATIONS

THIS AGREEMENT dated the 15th day of February, 1984

BETWEEN:

CANADA MORTGAGE AND HOUSING CORPORATION

(hereinafter called "the Corporation")

OF THE FIRST PART

- and -

PACIFIC HEIGHTS HOUSING CO-OPERATIVE

(hereinafter called "the Cooperative")

OF THE SECOND PART

WHEREAS the Cooperative will own and operate a 91 unit/~~bed~~ (new/~~city~~) housing project providing accommodation for low and moderate income families and individuals, the majority of whom are members of the Cooperative, in the municipality of Vancouver situated on the lands described in Schedule "A".

WHEREAS the Cooperative has/will arrange(d) for the following capital financing for the project:

C.M.H.C. R.R.A.P. Loan	\$80,000.00	
Source	\$ Amount	
Victoria & Grey Trust Company	\$7,568,829.00	Sec. 6 Loan
C/O Bancorp Financial Ltd.	\$ 95,807.97	M.I.F.
Box 11509, 650 W. Georgia St	\$7,664,636.97	
Vancouver, B.C. V6B 4N7		

WHEREAS, pursuant to Section 56.1 of the National Housing Act, hereinafter referred to as "the Act", the Corporation may make a contribution for the purpose of enabling an eligible contribution recipient as described in Sub-section 15.1(2) of the Act to meet the costs of rental housing and to reduce the rentals thereof;

WHEREAS the Cooperative is an eligible contribution recipient as defined in Section 56.1 of the Act;

AND WHEREAS the approved capital costs of the shelter component of the project that are eligible for Federal assistance are \$ 7,744,636.97

THE CORPORATION hereby agrees to provide Section 56.1 assistance on the following terms and conditions to the Cooperative, and the Cooperative agrees to accept the said assistance and to observe the terms and conditions hereinafter provided.



I. DEFINITIONS

For the purpose of this agreement, the following definitions shall apply:

- (1) "Annual Project Data Report" means the form CMHC 2374 to be attached to, and forming part of, this agreement or such revised or amended form as may be designated by the Corporation from time to time.
- (2) "Economic Occupancy Charge" means the "break-even" occupancy charge established for each unit in the project being the pro rata share of the full amortization of the capital costs and the operating expenses of the shelter component of the project including reserves and before any assistance. Reserves do not include the Subsidy Surplus Fund referred to in paragraph 2(8).

M 34243

- (3) "Family" means a minimum of two people who are related by blood or marriage (including common-law spouses) or, if unrelated, one of whom is dependent on the other on a continuing basis and includes dependents.
- (4) "Federal Assistance" means a contribution made by the Corporation under Section 56.1 of the Act.
- (5) "Fully Serviced Accommodation" for the purpose of the graduated occupancy charge schedule means accommodation for which heat, water, hot water, stove and refrigerator are provided. Domestic electricity is excluded except for the provision of hot water. Adjustments to the Graduated Occupancy Charge Schedule are to be made where any of the above services are not provided or where additional services are provided.
- (6) "Graduated Occupancy Charge Schedule" means the schedule of occupancy charges charged in accordance with the income of the occupant set forth in Schedule "B" of this agreement or such revised or amended schedule of occupancy charges as may be prescribed by the Corporation from time to time, provided that Schedule "B" shall be applied only to income tested occupants.
- (7) "Income" means the gross family income or income of an individual as defined in Schedule "B" attached, or such revised definition as may be provided from time to time by the Corporation.
- (8) "Income Tested Occupants" means those occupants paying at least the occupancy charge determined by the Graduated Occupancy Charge scale, but less than the Regular Occupancy Charge and whose incomes are subject to an annual review.
- (9) "Lower End of Market Occupancy Charge" means the occupancy charge equivalent to the lower end of the range of market rents charged on the private market for similar accommodation in the same area as determined by the Corporation.
- (10) "Non-Shelter Component" means space such as commercial or non-residential community space, personal services and care facilities and other space or facilities not explicitly included in the definition of shelter and Section 56.1 assistance shall not be applied thereto.
- (11) "Non-Income Tested Occupants" means those occupants paying at least the regular occupancy charge and whose incomes are not subject to an annual review.
- (12) "Predetermined Assistance" means the amount of Section 56.1 assistance required to bridge the gap between the reduced principal and interest payment and the full principal and interest payment.
- (13) "Reduced Principal and Interest payment" means:
- (a) for the first three years of operation, the full amount of principal and interest required to amortize the loan, less the difference between:
- (i) the total of the approved economic occupancy charge, as established for the first year of operation, and
- (ii) the total of the approved lower end of market charge, as established for the first year of operation,
- and
- (b) for the fourth and subsequent years of operation, an amount equal to the payment established in accordance with paragraph (a), plus 5% of the said amount for the fourth year and plus 5% annually thereafter, compounded, until such time as the payment equals the full amount of principal and interest required to amortize the loan.
- (14) "Regular Occupancy Charge" means the occupancy charge established for each unit in the project and paid by non-income tested occupants. In year one, the charge will be the lower end of market occupancy charge. In subsequent years, the charge per unit will be at least the pro rata share of the sum of project operating costs including replacement reserve and the reduced amount of principal and interest.
- (15) "Shelter Component" means the components of residential accommodation related to living, sleeping, eating and food preparation, sanitary facilities, either shared or otherwise, amenity space approved by the Corporation which may be shared with other occupants of the housing project, and the land or proportionate amount thereof on which the residential accommodation is situated. Amenity space includes appropriate meeting and/or office space for the use of the Cooperative and its members and Section 56.1 assistance may be applied thereto.

- (16) "Subsidy Pool" means in any year the difference between the maximum Section 56.1 assistance available and the predetermined assistance.
- (17) "Subsidy Surplus Fund" means the amount of Federal assistance that may be set aside after meeting the requirements of "predetermined assistance" and "subsidy pool" assistance for income tested occupants.
- (18) "Year of Operation" means the twelve month period from the Interest Adjustment Date or, if there is no NHA loan, a date determined by the Corporation for the purpose of the step-out of the Section 56.1 contributions and each twelve month period thereafter.

2. CONTRIBUTION TO REDUCE COSTS AND RENTALS

- (1) The maximum Federal assistance will be based on 100% of the approved capital costs of the shelter component of the project only and will be equal to the difference between:
- (a) the amount determined by the Corporation required to amortize the cost of construction, acquisition, repair, rehabilitation, conversion or improvement of the shelter component of the housing project at an interest rate approved by the Corporation over thirty-five years or the life of the project, whichever is less, and
 - (b) the amount required to amortize the cost of the project if the interest rate charged on such cost were two percent per annum calculated semi-annually and not in advance.
- (2) The maximum annual Federal assistance is calculated in accordance with Schedule "E" attached, and is currently estimated at \$ 606,370.00 . This amount may be adjusted upon receipt of the audited statement of final capital costs.
- (3) The Federal assistance will be paid over the actual amortization period of the loan up to a maximum of 35 years. If there is no loan, the assistance will be calculated on the basis of a 35 year period, or on the basis of the useful life of the project if less than 35 years.
- (4) The Cooperative is required to submit an audited statement of final capital costs within six months of the Interest Adjustment Date of the loan. Any necessary adjustment to the level of federal assistance will be made upon receipt of this audited statement.
- (5) The actual Federal assistance shall be the lesser of the maximum federal assistance or the sum of:
- (a) the predetermined assistance, and
 - (b) the assistance required to bridge the gap between the total of the actual occupancy charges derived from the graduated occupancy charge scale and the total of the regular occupancy charges, for the units occupied by income tested occupants.
- (6) The Federal assistance will be paid by cheque directly to the Cooperative to coincide with the repayment dates of the mortgages. The assistance will be calculated from the Interest Adjustment Date of the loan, with the first assistance payment being made to coincide with the first payment due under the loans. If there is no loan, the Federal assistance will be calculated from a date to be established by the Corporation and will be paid monthly. The Federal assistance will be paid automatically throughout the second and subsequent years, providing the Annual Project Data Report, CMHC 2374, and audited financial statements for the previous fiscal year shall have been received by the Corporation within four months after the fiscal year-end. Should the Annual Project Data Report, CMHC 2374, and financial statements not be received within four months after the fiscal year-end the Corporation may defer payment of the Federal assistance for the fifth and subsequent months pending receipt of such reports.
- (7) Should the Federal assistance paid in any fiscal year exceed the actual assistance required as established by the Annual Project Data Report, CMHC 2374, and financial statements of the Cooperative, the excess will be refunded by the Cooperative to the Corporation at the time the Annual Project Data Report, CMHC 2374, is submitted, subject to the provisions of paragraph (8) of this section. If not paid at that time the Corporation reserves the right to defer future assistance payments, or to reduce future payments until the excess has been recovered.



M 34243

- (8) The Cooperative may establish a Subsidy Surplus Fund up to a maximum of \$500 per unit plus interest thereon for each unit in the project where:
- (1) the Cooperative is not in receipt of provincial or municipal shelter assistance, other than an outright capital grant towards the capital cost of the project, and where the maximum Federal assistance is not required in specific years for the purposes set forth in clause 2(5) above, or
 - (2) if the Cooperative is in receipt of provincial or municipal assistance, either on a short-term or long-term basis, the donor agrees that a Subsidy Surplus Fund may be established.
- (9) In instances where contributions from a province or municipality have been received equivalent to the maximum Federal assistance and further assistance is being provided by the province and the Corporation under Section 44 of the Act, the Subsidy Surplus Fund will not be provided.
- (10) The Subsidy Surplus Fund is to be comprised of monies deposited in a special bank account identified for its intended purpose and/or invested in Government bonds or such other securities as may be acceptable to the Corporation.
- (11) The Subsidy Surplus Fund shall only be used to meet future subsidy requirements of income tested occupants over and above the maximum Federal assistance. The interest earned in the Fund is to accrue to and be maintained in the Fund.
- (12) The level of Federal assistance will not be reduced because of capital grants received by the cooperative from any source.
- (13) The level of Federal assistance will increase or decrease according to changes in the interest rate resulting from mortgage roll-over.
- (14) The Cooperative may seek other shelter assistance, over and above the Federal assistance, in order to house lower income occupants. The Corporation shall be advised immediately by the Cooperative of arrangements for such assistance.
- (15) Receipt of such other shelter assistance will not affect the level of Federal assistance but shall be used to house occupants with lower incomes.

3. OCCUPANCY

- (1) A majority of the units in the project must be occupied by members of the Cooperative.
- (2) A Minimum of 15% of the units are to be allocated to income tested occupants provided there are sufficient funds in the subsidy pool to permit the Cooperative to do so.
- (3) In the event that fewer than 15% of the units in the project are occupied by income tested occupants, and there are sufficient funds in the subsidy pool, the Cooperative shall endeavour to fill each vacancy with an income tested occupant. Should the Cooperative consistently fail to provide an average of 15% of the units to low income families, notwithstanding the availability of units, eligible occupants and the necessary subsidy funds, the Cooperative will be considered to be in default and at the discretion of the Corporation the NHA Section 56.1 assistance may be discontinued or the Cooperative may be required to seek the prior approval of the Corporation for the allocation of a vacant unit to a non-income tested occupant. Nothing in this paragraph shall be construed, interpreted or applied to jeopardize the tenure of any member of the Cooperative.
- (4) The operating expenses and the regular occupancy charges for the first year of operation are contained in Schedule "C" and "E" attached. The difference between the two sums will represent the predetermined assistance for the first three years of operation.
- (5) The reduced principal and interest payment established for year number one of operation will remain constant for the first three years of operation. Commencing in year number four of operation the reduced principal and interest payment will increase at the rate of 5% compounded annually until such time as the full principal and interest payment is being made on all units from the Cooperative's income and without need of federal assistance.
- (6)
 - (a) Non-income tested members will pay at least the regular project occupancy charge.
 - (b) Non-income tested tenants will pay not more than the lower end of the range of market rents for similar accommodation in the area as established by the Corporation in each year, unless the regular project occupancy charges exceed such lower end of market rents in which case the rents charged may equal the said regular occupancy charges.
 - (c) Income tested members and tenants will pay the occupancy charges and rents determined in accordance with sub-section 3(8).

- (7) In the year one of operation, the regular occupancy charge shall be equivalent to the lower end of the range of market rents for similar accommodation in the area as established by the Corporation. In subsequent years of operation, the total of the regular occupancy charges shall be the sum of project operating costs including replacement reserve and the reduced amount of principal and interest. The latter will remain constant for the first three years of operation and will then increase at the rate of 5% compounded annually until such time as the full principal and interest payment is being made from the Cooperative's income and without need of federal assistance.
- (8) Any occupancy by-law or occupancy agreement which includes leases to tenants, for use with income tested households shall include provisions that:
- (a) the units are to be allocated at occupancy charges in accordance with the incomes of the occupants, but not less than those set forth in the Graduated Occupancy Charge scale, up to the regular occupancy charge, and to be occupied only by the individuals or families named in the occupancy agreement or the lease;
 - (b) the Cooperative is to obtain evidence of the income of income tested occupants at the time of initial occupancy and on the annual anniversary date as established by the Cooperative thereafter, and that the Cooperative will adjust the amount of occupancy charge to be paid by the occupant in accordance with the change in income;
 - (c) when the occupant's income increases to the point where the schedule of Graduated Occupancy Charge indicates that the occupant should pay the regular occupancy charge, the occupant need not be considered as an income tested occupant and the annual verification need not be carried out;
 - (d) the occupancy charge to be paid by income tested occupants need not be increased more frequently than annually; and
 - (e) the Cooperative may reduce the occupancy charge of an income tested occupant who provides satisfactory evidence that the income of the occupant has decreased since the last annual income review, provided there is sufficient funds in the subsidy pool to do so. The charge shall be reinstated when the income of the occupant increases to its original amount.
- (9) The Cooperative shall take such action as may be prudent and necessary to verify the incomes of income tested occupants.
- (10) Where fully serviced accommodation is not provided to an income tested occupant, the occupancy charge may be reduced by an amount, approved by the Corporation, which represents the cost of services that are described in Schedule "B" attached and that are not provided. Where additional services are provided, the occupancy charge is to be increased by an amount approved by the Corporation.
- (11) Applications for occupancy and occupancy/lease agreements entered into by a prospective income tested occupant shall be signed by at least one of the spouses of a family or by all occupants (except dependants) if the occupants are not a family.

4. SALE

The project or any part thereof shall not be sold or otherwise disposed of during the term of this agreement except with the prior written approval of the Corporation and on such terms and conditions as the Corporation may have approved. The sale of individual units within the project to the occupants thereof is contrary to the principles and objectives of continuing Cooperatives and would only be approved in exceptional circumstances.

5. PROJECT MANAGEMENT

The Cooperative shall ensure efficient management of the project and maintain the project in a satisfactory state of repair. The Corporation shall, upon reasonable notice to the Cooperative, be entitled to inspect the properties and records of the Cooperative, at the Corporation's own expense. Schedule "D" is the preliminary management plan of the Cooperative as submitted to the Corporation as part of the application for Section 56.1 assistance. The Cooperative agrees that it will not, except for the employment of its own staff, enter into a contract for management without first informing the Corporation.

6. COMMERCIAL AND NON-RESIDENTIAL FACILITIES

The Federal assistance is limited to the shelter component of the project only, notwithstanding that the financing may have included non-shelter components such as commercial and/or non-residential space. Where non-shelter components are included, the Cooperative shall lease the space at market rental rates

as established by the Cooperative with the concurrence of the Corporation, or at rates equivalent to the economic rent if it is not reasonable to determine a market rent. No deficit charges in respect of non-residential components are to accrue to the residential space supported by Federal assistance, and any surplus revenue is to be used to reduce the operating costs of the shelter component. In the case of non-profit groups leasing non-shelter components, the space is to operate on a break-even basis. The financial statements are to include a statement of revenue and expenses for shelter and a separate statement for commercial and/or non-residential space.

7. PROHIBITION AGAINST ENCUMBRANCES AND LENDING

- (1) The project, or any part thereof, shall not be mortgaged, charged or otherwise encumbered, without the prior written approval of the Corporation so long as this agreement is in force.
- (2) The Cooperative shall not lend or give away any project funds or guarantee or underwrite the repayment of any obligation by a third party without the prior written approval of the Corporation. The control of members' shares and loans from members shall be the responsibility of the Cooperative in accordance with Cooperative principles and applicable Provincial legislation.

8. CHANGES IN THE ARTICLES OF INCORPORATION

The Cooperative shall not change or alter the instrument of its incorporation previously reviewed and accepted by the Corporation in any way that would alter its non-profit status as defined in Sub-section 15.1(2) of the Act without the prior written approval of the Corporation.

9. BOOKS, ACCOUNTS, AUDIT AND ANNUAL REPORTING

- (1) The Cooperative shall maintain books, records and accounts in a form satisfactory to the Corporation, and shall permit the Corporation to have access to the project and to have a representative of the Corporation inspect such books, records and accounts at any reasonable time.
- (2) The selection of auditors other than those which have a recognized accreditation must be approved by the Corporation.
- (3) The duties of the Cooperative's auditor shall include:
 - (a) verification of the statements of revenue and expenses including details of all revenue broken-down by income tested and non-income tested occupants; and where applicable separate statements of revenues and expenses of the shelter and non-shelter components of the project;
 - (b) verification of a balance sheet;
 - (c) confirmation that the Cooperative:
 - (i) has requested and obtained verification of the incomes of income tested occupants in accordance with sub-paragraph 3(8)(b) and paragraph 3(9) above;
 - (ii) has applied an occupancy charge-to-income ratio for income tested occupants in accordance with sub-paragraph 3(8)(a) above;
 - (iii) has adjusted the occupancy charges for income tested occupants in accordance with paragraph 3(8) above;

(Provided that the foregoing confirmation may be undertaken on a sample basis.)
 - (d) the provision of a statement to the effect that the Replacement Reserve Fund and the Subsidy Surplus Fund have been properly funded and maintained and that all interest accruing to the Subsidy Surplus Fund has been recorded and forms part of the Fund; and
 - (e) the provision of an auditor's report.
- (4) The Cooperative will submit to the Corporation the audited financial statement and supporting data referred to in (3) above, along with proof that a majority of occupants are members of the Cooperative and a list of the names and addresses of the current officers of the Cooperative, within four months after the end of each fiscal year.
- (5) The Cooperative will, for statistical purposes, provide explanations of information contained in the Annual Project Data Report, CMHC 2374, as required by the Corporation.

10. LOAN REPAYMENT

The Cooperative shall make to the lender promptly on the due dates the payments that are required to be made in order to pay the interest and to amortize each loan during the amortization period. Failure of the Cooperative to make the said payments on the due dates shall constitute a breach of this agreement.

11. REPLACEMENT RESERVE

A replacement reserve fund shall be established for the purposes outlined by Schedule "F". The said reserve fund shall be comprised of monies deposited in a special bank account identified for its intended purposes and/or invested in Government bonds or such other securities as may be acceptable to the Corporation. The annual contribution to, and the maximum level of the fund will be determined by the Corporation in consultation with the Cooperative.

12. DISCRIMINATION

The Cooperative agrees that it will not in the provision of accommodation discriminate against an applicant for occupancy or for lease by reason of race, national or ethnic origin, colour, religion, age, sex, marital status, conviction for which pardon has been granted or by reason of children forming part of the family.

13. DEFAULT

The Corporation shall have the right, in the event of the Cooperative committing a breach of this agreement, to discontinue Federal assistance and to demand repayment to the Corporation of all funds in the Subsidy Surplus Fund.

14. RESIDENTIAL REHABILITATION ASSISTANCE

If the Cooperative has received or at any time during the term of this agreement receives RRAP assistance under Section 34.1 of the Act, and if the Cooperative commits a breach of this agreement, the Corporation shall have the right to declare the unearned balance of the forgivable loan due and payable forthwith together with interest accruing from the date of such default until paid.

15. PREPAYMENT - LOANS

The Cooperative agrees to notify the Corporation immediately of any change in the mortgage payments applicable to a loan and to advise the Corporation of prepayment of all or any part of such loan.

16. MORTGAGE RENEWALS

The Cooperative agrees to notify the Corporation immediately of revised terms and conditions of each mortgage resulting from renewal thereof.

17. AMENDMENTS TO AGREEMENT AND SCHEDULES

With the exception of Schedule "B" and the attached CMHC 2374, this agreement or any of the schedules attached hereto and forming part of this agreement may be amended by the parties. Any such amendment shall not be effective unless it is in writing and signed by the parties. Schedule "B" and the attached CMHC 2374 may be amended by the Corporation alone and notice thereof shall be given to the Cooperative.

18. NON-DISCRIMINATION

Except as provided in 3(6)(a) and (b) above, the Cooperative shall not differentiate between members and non-members in matters relating to prices, including rents and occupancy charges for accommodation or other things, facilities or services provided in respect of or incidental to any housing project or its occupancy, or in relation to the allocation, crediting or payment by the Cooperative of surplus, if any.


19. SOLE AGREEMENT


THIS AGREEMENT, with its Schedules and attached CMHC 2374, contains the whole agreement between the Corporation and the Cooperative pertaining to any and all contributions to be made by the Corporation pursuant to Section 56.1 of the National Housing Act and there are no warranties, representations, conditions or collateral agreements except as set forth in this agreement.

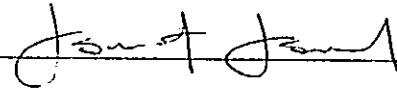
M 34243 CMHC 2378
Agreement
Page 8 of 8

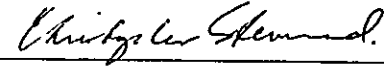
IN WITNESS WHEREOF this agreement has been signed by the proper signing officer of the Corporation and executed by the Cooperative under its corporate seal in the presence of its duly authorized signing officers.

CANADA MORTGAGE AND HOUSING CORPORATION









PACIFIC HEIGHTS HOUSING CO-OPERATIVE




110

LEGAL DESCRIPTION

East Half of Lot 12
East and West Half of Lots 13 - 16
Block 13
D.L. 185
Group 1
Plan 92
N.W.D.

ALSO KNOWN AS:

1019 - 1053 Pacific Street
Vancouver, B.C.



M 34243

INITIAL OPERATING BUDGET

Name of Project Pacific Heights Housing Co-operative		Civic Address 1019 - 1053 Pacific Street Vancouver, B.C.		
Fiscal Year-end	Number of Units 91 Units	Loan Amount 7,568,829 Sec 6	Interest Rate 11 7/8%	Amortization Period 35 Years
		95,807.97 NIP		
		7,664,636.97		

ESTIMATED EXPENSES

Taxes	\$ 52,000
Insurance	7,310
Maintenance	13,600
Heating	7,510
Hydro	6,000
Water	3,000
Janitor	12,000
Operating (Other)	
Administration	15,000
Replacement Reserve	20,000
Mortgage Payment (Before Assistance)	904,397
Other	19,360
Education	3,000

TOTAL EXPENSES

\$ 1,063,177

ESTIMATED INCOME

Occupancy Charges	\$ 645,180
Garage/Parking	
Non-Shelter (Net)	
Other (Excluding Assistance)	

TOTAL INCOME

\$ 645,180

ESTIMATED ECONOMIC OCCUPANCY CHARGE BY TYPE OF UNIT

Woodframe Town Houses	Units	\$	Per Month
1 BDRM H/C	1 Unit	\$ 712	712
2 BDRM	7 Unit	\$ 998	7,984
3 BDRM	8 Unit	\$1,167	8,169
Mansory Apt.			
1 BDRM H/C	4 Unit	\$ 725	2,900
1 BDRM	7 Unit	\$ 697	4,879
2 BDRM	48 Unit	\$ 966	46,368
3 BDRM	16	\$1,099	17,584
TOTAL ECONOMIC OCCUPANCY CHARGE			\$ 88,596 /mo

1,063,177/Actual

DEFINITION OF INCOME

For the purposes of this agreement, "income" means the aggregate gross income, in whatever form received, of all members of the family, or of an individual where applicable, EXCLUDING:

1. earnings of children in regular attendance at recognized institutions of learning; funds for tuition, such as scholarships, bursaries and contributions from non-resident family members;
2. living out or travelling allowances of a family head;
3. earnings of a working spouse up to \$900 per annum;
4. income from any source other than social assistance payments of a one-parent family, up to \$900 per annum;
5. earnings in excess of \$75 per month of all members of the family, other than of the family head or spouse. (This will include persons related by blood, marriage or adoption, or other persons who may reasonably be assumed to form part of the family.);
6. capital gains, such as insurance settlements, inheritances, disability awards, sales of effects; and
7. family allowance.

OCCUPANCY CHARGE REDUCTIONS FOR CHILDREN

The above scale provides the occupancy charge of a family or individual with no children. A reduction in this charge of \$2 per month is allowable for each child, with a minimum service charge of \$28 a month regardless of the number of children.

SOCIAL ASSISTANCE RECIPIENTS

Occupants receiving welfare assistance or family benefits shall pay the shelter component of the welfare or family benefit payment or the amount required by application of the total payment to the graduated occupancy charge scale, whichever is the greater.

110

COOPERATIVE PRELIMINARY MANAGEMENT PLAN

To Be Determined by Co-operative



OCCUPANCY CHARGES AND APPLICATION OF ASSISTANCE

1. OCCUPANCY CHARGES:

M 34243

The estimated economic and lower end of market occupancy charges for Year One are as follows:

	No. of Units	Type of Units	Economic Occupancy Charge (Year One)	Lower End of Market Occupancy Charge (Year One)
Woodframe TH	1	1 BDRM H/C	\$712	\$430
	8	2 BDRM	\$998	\$605
	7	3 BDRM	\$1167	\$705
Masonry Apt.	4	1 BDRM H/C	\$725	\$440
	7	1 BDRM	\$697	\$440
	48	2 BDRM	\$966	\$585
	(91 Unit)	3 BDRM	\$ 1099	\$665

The occupancy charges outlined above may require adjustment upon completion of the project when final capital costs are known and the lower end of market occupancy charges and operating costs are re-examined. The Corporation will, at that time, require audited capital cost statements, a revised operating budget and revised lower end of market charges, as applicable, in order to adjust occupancy charges accordingly.

The following services, estimated to cost \$ 35 per unit per month, are not included in the economic charges: Heating, Water, Hydro and Laundry (Domestic)

2. CALCULATION OF ASSISTANCE:

Total Capital Costs Eligible for Section 56.1 Assistance	Annual Amort. Costs Over 35 years at NHA Rate of 11 7/8%	Annual Amort. Costs Over 35 Years @ 2%	Maximum Annual Assistance
\$7,744,636.97	\$913,837.00 ✓	\$307,467.00 ✓	\$606,370.00 ✓

3. APPLICATION OF FEDERAL ASSISTANCE:

Estimated maximum Federal assistance: \$ 606,370.00

Estimated Federal assistance required to bridge the gap between the total of the economic occupancy charges in Year One and the total of the lower end of market occupancy charges in Year One, for all units: \$ 417,997

Estimated Federal assistance available for income tested occupants in Year One: \$ 188,373

\$15,698/month/ \$172.51/unit/mo

REPLACEMENT RESERVE

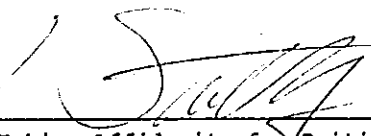
1. Replacement reserves in the amount of \$ 20,000 per year shall be set aside for 15 years until the Cooperative has a replacement reserve fund of \$ 300000.00
2. The replacement reserve fund shall only be used, unless otherwise approved by the Corporation, to pay for the cost of replacement of:
 - . ranges and refrigerators,
 - . mechanical laundry equipment,
 - . roofs,
 - . plumbing,
 - . heating equipment, and/or
 - . other items of a capital nature approved by the Corporation.
3. The intent is that the fund shall be used only for the replacement of wornout capital items and not for ordinary maintenance and minor repairs to the building and grounds.

M 34243

PROOF OF EXECUTION BY CORPORATION

I certify that on the 25th day of April, 1984
at the City of Vancouver in British Columbia,
JOHN W. MULBERRY, Director of Legal Services
of City of Vancouver, personally known to me, appeared before
me and acknowledged to me that he is the authorized signatory
of City of Vancouver and that he is the person who subscribed
his name and affixed the seal of the corporation to the
instrument, that he was authorized to subscribe his name
and affix the seal to it.

In testimony of which I set my hand and seal of office
at Vancouver this 25th day of April, 1984.



A Commissioner for Taking Affidavits for British Columbia

JOE STUBBS
453 WEST 12TH AVENUE
VANCOUVER, B.C. V6Y 1V4
Barrister and Solicitor

PROOF OF EXECUTION BY CORPORATION

I certify that on the 24th day of April, 1984,
at Vancouver, British Columbia, Ismat Ismael

who is personally known to me, appeared before me and
acknowledged to me that he/she is the authorized signatory
of PACIFIC HEIGHTS HOUSING CO-OPERATIVE
and that he/she is the person who subscribed his/her name
and affixed the seal of the corporation to the instrument,
that he/she was authorized to subscribe his/her name and
affix the seal to it, and that the corporation existed at
the date the instrument was executed by the corporation.

IN TESTIMONY of which I set my hand and seal of
office at 1435 Kingsway, Vancouver
this 24th day of April, 1984.


A Commissioner for Taking Affidavits for British Columbia

M 34243

M 34243

DATED 1984.

CITY OF VANCOUVER

- and -

PACIFIC HEIGHTS HOUSING
CO-OPERATIVE

MODIFICATION OF LEASE

J. N. Stubbs, Esq.

LAW DEPARTMENT

CITY HALL

433 W. 12TH AVE.

VANCOUVER, B.C.

VSX 114

JNS:IVC 873-7504