



City of Richmond

Report to Committee

To: Planning Committee

Date: August 12, 2008

From: Andrew Nazareth
General Manager, Business & Financial
Services

File: 12-8060-20-8344/Vol 01
06-2280-30-002/Vol 01

Re: Housing Agreement Bylaw No.8344 to Permit the City to Enter into a Housing Agreement to Secure Affordable Housing Units and Rental Units – Cooney Road/Anderson Road/Eckersley Road

Staff Recommendation

That Bylaw No. 8344 be introduced and given first, second and third readings to permit the City to enter into a Housing Agreement in accordance with requirements of the Local Government Act (Section 905).

Andrew Nazareth
General Manager, Business & Financial Services
(604-276-4095)

Att. 1

FOR ORIGINATING DEPARTMENT USE ONLY		
ROUTED TO:	CONCURRENCE	CONCURRENCE OF GENERAL MANAGER
Law.....	Y <input checked="" type="checkbox"/> N <input type="checkbox"/>	
Development Applications.....	Y <input checked="" type="checkbox"/> N <input type="checkbox"/>	
City Clerk.....	Y <input checked="" type="checkbox"/> N <input type="checkbox"/>	

Staff Report

Origin

On July 24, 2006, Council adopted the City of Richmond Affordable Housing Strategy: Interim Strategy and Report (hereafter the "Interim Strategy"). Included in the Interim Strategy was a recommendation to support the development of all forms of rental housing, including Low End of Market units (LEM). The Interim Strategy identified a target maximum income threshold for occupancy in LEM units of \$37,700 which equates into an affordable rent of \$943 monthly.

Prior to adoption of the Interim Strategy (and consequently prior to adoption of the final Strategy), the City received a rezoning application by Iredale Architecture Group for rezoning at 6760, 6780, 6800, 6820 Cooney Road, 8371, 8411 Anderson Road and 6771, 6811, 6831 Eckersley Road from single family housing district, subdivision area E (R1/E) to comprehensive development district (CD/195). Notwithstanding that the application preceded the Interim Strategy, the applicant agreed to provide both affordable rental and market rental units. The said development application passed Planning Committee on February 19, 2008; first reading at the Council Meeting on February 25, 2008 and second and third reading at Public Hearing on March 17, 2008 (Rezoning 06-322803 and associated Bylaw Number 8316).

The Local Government Act, Section 905, states that in order for the City to enter into the Housing Agreement required to secure the affordable and market rental units, the City must enact a Housing Agreement bylaw. The purpose of this report is to recommend that Bylaw Number 8344 be introduced and given first, second, and third readings in order to permit the City to enter into the Housing Agreement. Adoption of the attached Bylaw Number 8344 would permit registration of a Housing Agreement on the subject site.

Included in the initial staff report dated January 7, 2008 were the details of the Housing Agreement. Council adoption of the Housing Agreement bylaw is required to fulfill the provision of the affordable housing amenity package Council endorsed as part of the rezoning of the site. It is expected that the rezoning application will be presented for adoption by Council on September 8, 2008. Adoption of the Housing Agreement bylaw is required prior to issuance of the Development Permit for the proposed development.

Analysis

The Iredale rezoning application proposes a multifamily residential complex consisting of 211 units (170 market apartment units, 35 rental apartment units, and 6 townhouse units) and associated amenity space over two levels of parking.

A six storey multi-family building (the Opal) will consist entirely of rental dwelling units, for a total of 35 units. Thirteen of these units will be low end market rental according to the Interim Affordable Housing Strategy's definition. Twelve of these LEM units are one bedroom units and one is a two bedroom unit. The remaining 22 rental units will be market housing and will consist of 18 one bedroom units and 4 two bedroom units.

The applicant has agreed to register a Housing Agreement on title to secure the thirteen Low End Market rental units. The Housing Agreement restricts annual household occupant income to

\$37,700 or less and restricts rents to \$943 or less per month for a minimum term of 25 years for the thirteen (13) LEM units. The Housing Agreement includes provisions for adjustment of the maximum annual household income and the rental rate according to the Consumer Price Index.

The same Housing Agreement will also secure rental tenure for a minimum of 25 years on the remaining 22 market rental units. These 22 rental units will not be subject to any income or rent requirements.

The Housing Agreement will also stipulate that the rental units are to be constructed in advance of any units on-site being occupied. It will further limit ownership of the LEM units to one owner for the block of units. While the market units may be individually owned, these units may not be owner-occupied.

The Housing Agreement has been signed by the applicant.

Financial Impact

There are no financial impacts.

Conclusion

In accordance with the Local Government Act (Section 905), adoption of Bylaw No. 8344 is required to permit the City to enter into a Housing Agreement to secure 13 low end market rental units and 22 market rental units that are proposed in association with Rezoning 06-322803/ rezoning Bylaw No. 8316.

The attached Housing Agreement is in accordance with the terms and conditions of the affordable housing amenity package presented to Council as part of the rezoning of the site and as such, staff recommend Council adoption of Bylaw No.8344.



Joan D'Angola
Affordable Housing Coordinator
(604-247-4946)

JD:



**Housing Agreement (Cooney Road/Anderson Road/Eckersley Road)
Bylaw No. 8344**

The Council of the City of Richmond enacts as follows:

1. The Manager, Real Estate Services for the City of Richmond is authorized to execute and deliver a housing agreement, in the form set out as Schedule A to this Bylaw, with the owner of the land legally described as:

- 004-898-699 Lot 49 Section 9 Block 4 North Range 6 West NWD Plan 16523
- 003-415-376 Lot 50 Section 9 Block 4 North Range 6 West NWD Plan 16523
- 010-181-610 Lot 51 Section 9 Block 4 North Range 6 West NWD Plan 16523
- 010-181-644 Lot 52 Section 9 Block 4 North Range 6 West NWD Plan 16523
- 004-080-131 Lot 53 Section 9 Block 4 North Range 6 West NWD Plan 16523
- 003-996-531 Lot 22 Section 9 Block 4 North Range 6 West NWD Plan 16523
- 008-207-151 Lot 69 Section 9 Block 4 North Range 6 West NWD Plan 18292
- 010-350-802 Lot 68 Section 9 Block 4 North Range 6 West NWD Plan 18292
- 010-181-377 Lot 23 Section 9 Block 4 North Range 6 West NWD Plan 16523

2. The Manager, Real Estate Services for the City of Richmond is authorized to cause notice of the housing agreement to be registered in the Land Title Office.
3. This Bylaw is cited as **“HOUSING AGREEMENT (COONEY ROAD/ANDERSON ROAD/ECKERSLEY ROAD) BYLAW NO. 8344, 2008”**.

FIRST READING

SECOND READING

THIRD READING

ADOPTED

CITY OF RICHMOND
APPROVED for content by originating dept.
APPROVED for legality by Solicitor
<i>D</i>

MAYOR

CORPORATE OFFICER

Schedule A

To Housing Agreement (Cooney Road/Anderson Road/Eckersley Road) Bylaw No. 8344, 2008

HOUSING AGREEMENT BETWEEN KKBL NO. 430 VENTURES LTD. AND CITY OF
RICHMOND IN RELATION TO 6760, 6780, 6800, 6820 COONEY ROAD, 8371, 8411
ANDERSON ROAD AND 6771, 6811, 6831 ECKERSLEY ROAD

LAND TITLE ACT
FORM C

(Section 233)

Province of
British Columbia

GENERAL INSTRUMENT - PART 1 (This area for Land Title Office use) PAGE 1 of 22 pages

1. APPLICATION: (Name, address, phone no. and signature of applicant, applicant's solicitor or agent)
KOFFMAN KALEF LLP 1900 885 West Georgia Street
Vancouver, British Columbia, V6C 3H4
Tel: (604) 891-3618

Erin K. Tait

City of Richmond File No. 8060 20 8331
KKBL File No. 46851-4

2. PARCEL IDENTIFIER AND LEGAL DESCRIPTION OF LAND: *
(PID) (LEGAL DESCRIPTION)

SEE SCHEDULE

3. NATURE OF INTEREST: *

DESCRIPTION	DOCUMENT REFERENCE (Page and paragraph)	PERSON ENTITLED TO INTEREST
Section 219 Covenant	Entire Agreement	City of Richmond
Rent Charge	Page 11, para. 18	City of Richmond
Option to Purchase	Page 12, Article IX	City of Richmond
Priority Agreement	Page 22	City of Richmond

4. TERMS: Part 2 of this instrument consists of (select one only)

- (a) Filed Standard Charge Terms D.F. No.
(b) Express Charge Terms Annexed as Part 2
(c) Release There is no Part 2 of this instrument

A selection of (a) includes any additional or modified terms referred to in Item 7 or in a schedule annexed to this instrument. If (c) is selected, the charge described in Item 3 is released or discharged as a charge on the land described in Item 2.

5. TRANSFEROR(S): *

KKBL NO. 430 VENTURES LTD., Inc. number 662180 (Section 219 Covenant, Rent Charge and Option to Purchase)

BANK OF MONTREAL (Priority Agreement)

6. TRANSFEREE(S): *


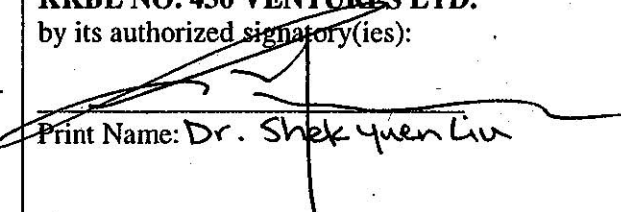

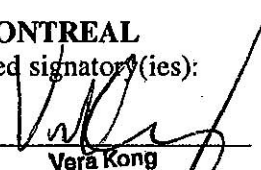
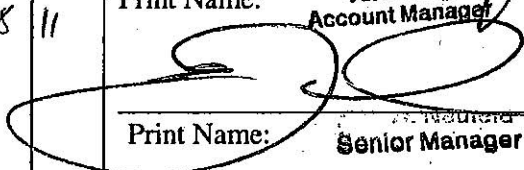
CITY OF RICHMOND, a City incorporated under the Local Government Act, and having its offices at 6911 No. 3 Road, Richmond, British Columbia, V6Y 2C1

**LAND TITLE ACT
FORM C Continued**

7. ADDITIONAL OR MODIFIED TERMS: *

None

8. EXECUTION(S): This instrument creates, assigns, modifies, enlarges, discharges or governs the priority of the interest(s) described in Item 3 and the Transferor(s) and every other signatory agree to be bound by this instrument, and acknowledge(s) receipt of a true copy of the filed standard charge terms, if any:

Officer Signature(s)	Execution Date			Party(ies) Signature(s)
	Y	M	D	
 <hr/> (as to both signatures) Erin K. Tait Barrister and Solicitor 1900-885 West Georgia St. Vancouver, BC V6C 3H4 Canada Telephone: 604-891-3618	08	08	15	KKBL NO. 430 VENTURES LTD. by its authorized signatory(ies):  <hr/> Print Name: Dr. Shek Yuen Liu <hr/> Print Name:
 <hr/> (as to both signatures) JOVELYN C. SCOBIE 6th Floor, 595 Burrard Street P.O. Box 48400, Vancouver, B.C. V7X 1L5 A Commissioner for taking Affidavits for British Columbia "As to both signatures"	08	08	11	BANK OF MONTREAL by its authorized signatory(ies):  <hr/> Print Name: Vera Kong Account Manager <hr/>  <hr/> Print Name: Senior Manager

OFFICER CERTIFICATION: Your signature constitutes a representation that you are a solicitor, notary public or other person authorized by the Evidence Act, R.S.B.C. 1996, c.124, to take affidavits for use in British Columbia and certifies the matters set out in Part 5 of the Land Title Act as they pertain to the execution of this instrument.

**LAND TITLE ACT
FORM E
EXECUTIONS**

Officer Signature(s)

Barbara Dunnet Sage

Commissioner for Taking Affidavits
for British Columbia
City of Richmond
6911 No. 3 Road
Richmond, BC V6Y 2C1

as to the signature of
David Weber

Execution Date

Y	M	D
08		

Transferee(s) Signature(s)

CITY OF RICHMOND
by its authorized signatories:

MALCOLM D. BRODIE
Mayor, Authorized Signatory

DAVID WEBER
Corporate Officer, Authorized Signatory

OFFICER CERTIFICATION: Your signature constitutes a representation that you are a solicitor, notary public or other person authorized by the Evidence Act, R.S.B.C. 1996, c.124, to take affidavits for use in British Columbia and certifies the matters set out in Part 5 of the Land Title Act as they pertain to the execution of this instrument.

CITY OF RICHMOND
APPROVED for content by originating dept.
APPROVED for legality by Solicitor
DATE OF COUNCIL APPROVAL If applicable

**LAND TITLE ACT
FORM E
SCHEDULE**

Enter the required information in the same order as the information must appear on the freehold transfer form, mortgage form or general document form.

2. PARCEL IDENTIFIER AND LEGAL DESCRIPTION OF LAND:*

(PID)	(Legal Description)
004-898-699	Lot 49 Section 9 Block 4 North Range 6 West NWD Plan 16523
003-415-376	Lot 50 Section 9 Block 4 North Range 6 West NWD Plan 16523
010-181-610	Lot 51 Section 9 Block 4 North Range 6 West NWD Plan 16523
010-181-644	Lot 52 Section 9 Block 4 North Range 6 West NWD Plan 16523
004-080-131	Lot 53 Section 9 Block 4 North Range 6 West NWD Plan 16523
003-996-531	Lot 22 Section 9 Block 4 North Range 6 West NWD Plan 16523
008-207-151	Lot 69 Section 9 Block 4 North Range 6 West NWD Plan 18292
010-350-802	Lot 68 Section 9 Block 4 North Range 6 West NWD Plan 18292
010-181-377	Lot 23 Section 9 Block 4 North Range 6 West NWD Plan 16523

HOUSING AGREEMENT, SECTION 219 COVENANT, RENT CHARGE AND OPTION TO PURCHASE

THIS AGREEMENT dated for reference the 19th day of June, 2008 is

BETWEEN:

KKBL NO. 430 VENTURES LTD., B.C. Incorporation Number 662180
19th Floor 885 West Georgia Street
Vancouver, B.C.
V6C 3H4

(the "Owner")

AND:

CITY OF RICHMOND, a municipal corporation
pursuant to the *Local Government Act* and having its offices at
6911 No. 3 Road, Richmond, British Columbia, V6Y 2C1

(the "City")

WHEREAS:

- A. Section 219 of the *Land Title Act* permits the registration of a covenant of a negative or positive nature in favour of the Corporation of the City of Richmond (the "City") in respect of the use of land or construction on land;
- B. The Owner is the registered and beneficial owner of the Land (hereinafter defined); and
- C. The Owner and the City wish to enter into this Agreement to provide for affordable housing on the terms and conditions set out in this Agreement, and this Agreement is both a covenant under Section 219 of the *Land Title Act* and a housing agreement under Section 905 of the *Local Government Act*.

In consideration of \$1.00 and other good and valuable consideration (the receipt and sufficiency of which is acknowledged by both parties), and in consideration of the promises exchanged below, the Owner and the City covenant and agree as follows and in accordance with Section 219 of the *Land Title Act*:

PART I – DEFINITIONS

1. In this Agreement the following words have the following meanings:
 - (a) "Affordable Housing Unit" means a Dwelling Unit designated as such in accordance with Part III herein to be used and occupied in accordance with this Agreement (for greater clarity and certainty, "Affordable Housing Unit" includes all the Market Rental Housing Units and the LEM Housing Units required to be provided pursuant to this Agreement);
 - (b) "Agreement" means these standard charge terms together with the General Instrument (hereinafter defined);
 - (c) "Building" means the building or buildings to be constructed on the Land pursuant to Rezoning Application 06-322803;

- (d) "CPI" means the All-Items Consumer Price Index for Vancouver, B.C. published from time to time by Statistics Canada, or its successor in function, where Occupancy Year (hereinafter defined) = 100;
- (e) "Daily Amount" means \$100.00 per day as of December 31, 2007 adjusted thereafter by an amount determined by multiplying \$100.00 by the percentage change in the CPI since December 31, 2007 to January 1 of the year that a written notice is delivered to the owner by the City pursuant to Section 17 herein;
- (f) "Dispose" means to transfer by any method, and includes assign, give, sell, grant, charge, convey, bequeath, devise, lease, license, rent or sublet, divest, release, and agree to do any of those things;
- (g) "Dwelling Units" means all residential dwelling units located or to be located on the Land whether those dwelling units are lots, strata lots or parcels, or parts or portions thereof, into which ownership or right of possession or occupation of the Land may be Subdivided (hereinafter defined) and includes single family detached dwellings, duplexes, townhouses, auxiliary residential dwelling units, rental apartments and strata lots in a building strata plan;
- (h) "Eligible Tenant" means, subject to Section 4, a Family having an annual income of \$37,700 or less, except that the reference to \$37,700 is deemed to be increased by the CPI in respect of each calendar year commencing January 1, 2008;
- (i) "Family" has the meaning given in Section 104 of Richmond Zoning and Development Bylaw 5300, as amended;
- (j) "General Instrument" means the Form C under the Land Title (Transfer Forms) Regulations, as amended, and all schedules and addenda to the Form C charging the Land and citing these Standard Charge Terms;
- (k) "Gross Floor Area" means the habitable gross floor area of each Affordable Housing Unit and includes enclosed sunrooms but does not include crawl spaces, open patios, open balconies or parking spaces. If the Affordable Housing Unit is a strata lot as defined by the *Strata Property Act*, the gross floor area measurements will be based on the gross floor area shown corresponding to the Affordable Housing Unit on the strata plan filed in the LTO in respect of the Land. If the Affordable Housing Unit is not a strata lot as defined by the *Strata Property Act*, the gross floor area measurements will be made in accordance with the procedure for determining gross floor area set out in the *Strata Property Act* as if the Affordable Housing Unit were a strata lot;
- (l) "Interest" means the property interest of the Owner in an Affordable Housing Unit;
- (m) "Land" means the land described in Item 2 of the General Instrument and any part, including a building or a portion of a building, into which said land is Subdivided;
- (n) "LEM Housing Units" means the thirteen (13) Dwelling Units referred to in section 3(a) of this Agreement which are subject to the restrictions contained in this Agreement concerning the amount of rent which may be charged for such units and the restriction that they may only be occupied by an Eligible Tenant;
- (o) "LTO" means the Lower Mainland Land Title Office or its successor;
- (p) "Market Rental Housing Units" means the twenty-two (22) Dwelling Units referred to in section 3(a) of this Agreement which are not subject to the restrictions contained in this Agreement concerning the amount of rent which may be charged for such units, and which may be occupied by persons other than Eligible Tenants;

- (q) "Occupancy Year" means the calendar year in which the City conducts the final inspection under the then applicable *British Columbia Building Code* in respect of an Affordable Housing Unit;
- (r) "Original Rent" means \$943.00 or less a month;
- (s) "Owner" means the Transferor described in the General Instrument and any subsequent owner of the Land or of any part into which the Land is Subdivided, and includes any person who is a registered owner in fee simple of an Affordable Housing Unit from time to time;
- (t) "Prime Rate" means the annual rate of interest, expressed as a percentage, used as a reference rate by the Royal Bank of Canada at its main branch in Vancouver, British Columbia for Canadian dollar loans and designated by the Royal Bank of Canada from time to time as its prime rate;
- (u) "Subdivide" means to divide, apportion, consolidate or subdivide the Land, or the ownership or right to possession or occupation of the Land into two or more lots, strata lots, parcels, parts, portions or shares, whether by plan, descriptive words or otherwise, under the *Land Title Act*, the *Strata Property Act*, or otherwise, and includes the creation, conversion, organization or development of "cooperative units" or "shared interests in land" as defined in the *Real Estate Development Marketing Act*;
- (v) "Tenancy Agreement" means a tenancy agreement, lease, license or other agreement granting rights to occupy an Affordable Housing Unit in accordance with the terms of this Agreement;
- (w) "Tenant" means an occupant of an Affordable Housing Unit by way of a Tenancy Agreement; and
- (x) "Term" means a period of twenty-five (25) years commencing on the date of full registration of the strata plan creating the Affordable Housing Units in the LTO.

PART II - TERM

- 2. The Owner and the City agree that, subject to the survival provisions contained in section 54 of this Agreement, the Owner's obligations contained herein shall terminate at the expiration or earlier termination of the Term.

PART III - USE OF LAND AND CONSTRUCTION OF AFFORDABLE HOUSING UNITS

- 3. The Owner covenants and agrees with the City that:
 - (a) the Land will not be developed and no building or structure will be constructed or used on the Land unless as part of the development, construction or use of any such building or structure, the Owner also designs and constructs to completion, in accordance with a building permit issued by the City and in accordance with any development permit issued by the City, a total of thirty-five (35) Affordable Housing Units of which:
 - (i) thirteen (13) will be LEM Housing Units, twelve (12) of which will be one-bedroom and one will be two-bedroom, all to be located on the first two residential levels of the building or structure to be constructed on the Land; and
 - (ii) twenty-two (22) will be Market Rental Housing Units, eighteen (18) of which will be one-bedroom and four (4) will be two-bedroom;

- (b) the Owner will meet or exceed the construction standards for Affordable Housing Units as specified by the City in its bylaws and any required building permits issued by the City in respect of development on the Land;
- (c) the Owner will at all times ensure that the Land is used and occupied in compliance with all statutes, laws, regulations, and orders of any authority having jurisdiction and without limiting the generality of the foregoing all bylaws of the City and all federal, provincial, municipal or local laws, statutes or ordinances relating to environmental matters, including all rules, regulations, policies, guidelines, criteria or the like promulgated under or pursuant to any such laws;
- (d) the Owner will do everything necessary, at the Owner's expense, to ensure that this Agreement, if required by the City Solicitor, will be registered against title to the Land in priority to all financial charges and encumbrances which may have been registered or are pending registration against title to the Land save and except those specifically approved in writing by the City Solicitor or in favour of the City, and that a notice under Section 905(5) of the *Local Government Act* will be filed on the title to the Land;
- (e) the Owner will not apply for a building permit for any construction or development on the Land unless the proposed construction complies with the requirements of this Agreement;
- (f) the Owner must not sell or otherwise transfer the LEM Housing Units separately; and
- (g) the Owner may sell or otherwise transfer the Market Housing Units separately.

PART IV - USE AND OCCUPANCY OF AFFORDABLE HOUSING UNITS

4. The Owner agrees each LEM Housing Unit may only be used as a permanent residence occupied by one Eligible Tenant. The Owner further agrees that the number of individuals who permanently reside in any Affordable Housing Unit must be equal to or less than the number of individuals that the City's building inspector determines can reside in the Affordable Housing Unit given the number and size of bedrooms in the Affordable Housing Unit and in light of any relevant standards set by the City in any bylaws of the City. A LEM Housing Unit must not be occupied by the Owner, the Owner's family members (unless the Owner's family members qualify as an Eligible Tenant), or any tenant or guest of the Owner, other than an Eligible Tenant. A Market Housing Unit must not be occupied by the Owner, the Owner's family members or any guest of the Owner.
5. Within 45 days after receiving notice from the City, the Owner must in respect of each LEM Housing Unit, deliver, or cause to be delivered, to the City statutory declarations, substantially in the forms attached as Appendices A and B, sworn by the Owner or the Owner's property manager or duly appointed agent, and the Eligible Tenant respectively, containing all of the information required to complete the statutory declarations. The City may request these statutory declarations in respect of the LEM Housing Unit no more than twice in any calendar year.
6. Within 45 days after receiving notice from the City, the Owner must in respect of each Market Housing Unit, deliver, or cause to be delivered, to the City statutory declarations, substantially in the forms attached as Appendices C and D, sworn by the Owner or the Owner's property manager or duly appointed agent, and the Tenant respectively, containing all of the information required to complete the statutory declarations. The City may request these statutory declarations in respect of the Market Housing Unit no more than twice in any calendar year.

7. The Owner hereby irrevocably authorizes the City to make such inquiries as it considers necessary in order to confirm that the Owner is complying with this Agreement, and irrevocably authorizes and directs the recipient of the request for information from the City to provide such information to the City.

PART V – DISPOSITION AND ACQUISITION OF AFFORDABLE HOUSING UNITS

8. The Owner will not permit a Tenancy Agreement to be subleased or assigned.
9. The Owner must not rent or lease any LEM Housing Unit except to an Eligible Tenant in accordance with Section 4 and except in accordance with the following additional conditions:
- (a) the LEM Housing Unit will be used or occupied only pursuant to a Tenancy Agreement;
 - (b) the monthly rent payable for a LEM Housing Unit will not exceed the Original Rent, rounded to the nearest dollar. Subject always to the provisions of the *Residential Tenancy Act* (British Columbia), the Owner may increase the rent payable for the LEM Housing Unit annually, beginning with the first anniversary of the final inspection of the LEM Housing Unit, and thereafter on each successive anniversary date, by an amount determined by multiplying the rent payable for the LEM Housing Unit at the time of the proposed rent increase by the percentage change in the CPI since the last anniversary date;
 - (c) the Owner will not require the Tenant of a LEM Housing Unit to pay any extra charges or fees for use of any common property, limited common property, or other common area, or for sanitary sewer, storm sewer, water utilities, property taxes or strata fees. For clarity, this Section does not apply to cablevision, telephone, other telecommunications, gas utility or electricity utility fees or charges;
 - (d) the Owner will attach a copy of this Agreement to the Tenancy Agreement;
 - (e) the Owner will include in the Tenancy Agreement a clause requiring the Tenant to comply with the use and occupancy restrictions contained in Part IV of this Agreement;
 - (f) the Owner will include in the Tenancy Agreement a clause entitling the Owner to terminate the Tenancy Agreement in accordance with the *Residential Tenancy Act* if the Tenant uses or occupies, or allows use or occupation of, the LEM Housing Unit in breach of the use or occupancy restrictions contained in this Agreement and, without limiting anything contained herein the Tenancy Agreement will provide for termination of the Tenancy Agreement by the Owner, and the owner hereby agrees to terminate any tenancy, in situations where:
 - (i) the LEM Housing Unit is occupied by more than the number of people the City's building inspector determines can reside in the LEM Housing Unit given the number and size of bedrooms in the LEM Housing Unit and in light of any relevant standards set by the City in any bylaws of the City;
 - (ii) the LEM Housing Unit is occupied by persons other than an Eligible Tenant;
 - (iii) in connection with LEM Housing Units only, the annual income of an Eligible Tenant rises above the maximum amount specified in subsection 1 (h) as adjusted in accordance with the CPI;
 - (iv) the LEM Housing Unit remains vacant for three consecutive months or longer, notwithstanding the timely payment of rent; and
 - (v) the Tenant subleases the LEM Housing Unit or assigns the Tenancy Agreement;

- (g) the Tenancy Agreement will identify all occupants of the LEM Housing Unit, and will stipulate that anyone not identified in the Tenancy Agreement will be prohibited from residing at the LEM Housing Unit for more than 30 consecutive days or more than 45 days total in any calendar year; and
 - (h) the Owner will deliver a copy of the Tenancy Agreement to the City upon demand.
10. The Owner must not rent or lease any Market Housing Unit and except in accordance with the following additional conditions:
- (a) the Market Housing Unit will be used or occupied only pursuant to a Tenancy Agreement;
 - (b) the monthly rent payable for a Market Rental Housing Unit is not restricted by this Agreement;
 - (c) the Owner will include in the Tenancy Agreement a clause requiring the Tenant to comply with the use and occupancy restrictions contained in Part IV of this Agreement;
 - (d) the Owner will include in the Tenancy Agreement a clause entitling the Owner to terminate the Tenancy Agreement in accordance with the *Residential Tenancy Act* if the Tenant uses or occupies, or allows use or occupation of, the Market Housing Unit in breach of the use or occupancy restrictions contained in this Agreement and, without limiting anything contained herein the Tenancy Agreement will provide for termination of the Tenancy Agreement by the Owner, and the owner hereby agrees to terminate any tenancy, in situations where:
 - (i) the Market Housing Unit is occupied by more than the number of people the City's building inspector determines can reside in the Market Housing Unit given the number and size of bedrooms in the Market Housing Unit and in light of any relevant standards set by the City in any bylaws of the City;
 - (ii) the Market Housing Unit is occupied by a person or persons other than a Tenant;
 - (iii) the Market Housing Unit remains vacant for three consecutive months or longer, notwithstanding the timely payment of rent; and
 - (iv) the Tenant subleases the Market Housing Unit or assigns the Tenancy Agreement;
 - (e) the Tenancy Agreement will identify all occupants of the Market Housing Unit, and will stipulate that anyone not identified in the Tenancy Agreement will be prohibited from residing at the Market Housing Unit for more than 30 consecutive days or more than 45 days total in any calendar year; and
 - (f) the Owner will deliver a copy of the Tenancy Agreement to the City upon demand.
11. The Owner will terminate any Tenancy Agreement where the Tenant uses or occupies, or allows use or occupation of an Affordable Housing Unit in breach of this Agreement, such termination to be in accordance with the terms of the Tenancy Agreement and the *Residential Tenancy Act* (British Columbia).

PART VI - DEMOLITION OF AFFORDABLE HOUSING UNIT

12. The Owner will not demolish an Affordable Housing Unit unless:
- (a) the Owner has obtained the written opinion of a professional engineer or architect who is at arm's length to the Owner that it is no longer reasonable or practical to repair or

replace any structural component of the Affordable Housing Unit, and the Owner has delivered to the City a copy of the engineer's or architect's report; or

- (b) the Affordable Housing Unit is damaged or destroyed, to the extent of 40% or more of their value above its foundations, as determined by the City in its sole discretion, and a demolition permit for the Affordable Housing Unit has been issued by the City (unless the Building has, or the Dwelling Units have been destroyed by an accident, act of God, or sudden and unanticipated force) and the Affordable Housing Unit has been demolished under that permit.

Following demolition, the Owner will use and occupy any replacement Dwelling Unit in compliance with this Housing Agreement, and this Agreement will apply to the construction of any replacement Dwelling Unit to the same extent and in the same manner as those Sections apply to the construction of the original Dwelling Unit, and the Dwelling Unit must be approved by the City as an Affordable Housing Unit in accordance with this Agreement.

PART VII – STRATA CORPORATION BYLAWS

13. The Affordable Housing Units on the Land will always be used to provide rental accommodation in accordance with this Agreement.
14. This Agreement will be binding upon all strata corporations created upon the strata title subdivision of the Land or any subdivided parcel of the Land.
15. Any strata corporation bylaw which prevents, restricts or abridges the right to use the Land and the buildings thereon from time to time as rental accommodation, will have no force and effect.
16. The strata corporation will not pass any bylaws preventing, restricting or abridging the use of the Land and the buildings thereon from time to time as rental accommodation.

PART VIII - DEFAULT AND REMEDIES

17. The Owner acknowledges that the City requires Affordable Housing to retain family units in the City, retain the historical sense of community, and attract Eligible Tenants to work for businesses in the community and that these businesses may generate tax and other revenue for the City and economic growth for the community. The Owner therefore agrees that, in addition to any other remedies available to the City under this Agreement or at law or equity, if an Affordable Housing Unit is used or occupied in breach of this Agreement, including without limiting the generality of the foregoing, with respect to the LEM Housing Units, rented at a rate in excess of that permitted under this Agreement, the Owner will pay, as a rent charge under Section 18, the Daily Amount to the City for every day that the breach continues after thirty (30) days written notice from the City to the Owner stating the particulars of the breach. The Daily Amount is increased on January 1 of each year by an amount calculated by multiplying the Daily Amount as of the previous January 1 by the percentage increase in the CPI between that previous January 1 and the immediately preceding December 31. The Daily Amount is due and payable 5 business days following receipt by the Owner of an invoice from the City for the same.
18. The Owner hereby grants to the City a rent charge under Sections 17 and 18 of this Agreement and under Section 219 of the *Land Title Act* (British Columbia), and at common law, securing payment by the Owner to the City of any amount payable by the Owner pursuant to this Agreement. The Owner agrees that the City, at its option, may enforce payment of such outstanding amount in a court of competent jurisdiction as a contract debt, by an action for and order for sale, by proceedings for the appointment of a receiver, or in any other method available to the City in law or in equity.

PART IX – OPTION TO PURCHASE LEM HOUSING UNITS

19. In consideration of the sum of \$10.00 (Ten) dollars now paid by the City to the Owner and other good and valuable consideration (the receipt and sufficiency of which the Owner hereby acknowledges), the Owner hereby grants to the City an exclusive and irrevocable Option to Purchase (the "Option") the LEM Housing Units for the sum of \$10.00, not including GST, if any, (the "Purchase Price") and on as "as is where is" basis on the terms and conditions of this Agreement, free from all liens, charges and encumbrances except:
- (a) existing reservations, conditions and exceptions contained in the original Crown Grant or in any other grant or disposition from the Crown;
 - (b) existing Tenancy Agreements; and
 - (c) any easements, rights of way, covenants or other non-financial encumbrances registered against the LEM Housing Units, provided they were approved in advance by the City, (collectively the "Permitted Encumbrances").
20. Subject to Section 21, the Option may be exercised by the City at any time by the City giving written notice to the Owner in the manner set out in this Agreement for the giving of notices.
21. The Parties acknowledge that the City may elect not to exercise the Option for any reason.
22. Upon the exercise of the Option by the City, a binding contract of purchase and sale will arise between the City and the Owner with respect to the LEM Housing Units.
23. The Contract arising from the exercise of the Option will be completed on a date (the "Completion Date") chosen by the City and the place of completion will be the LTO.
24. The City will have vacant possession of the LEM Housing Units free from all financial liens, charges and encumbrances other than the Permitted Encumbrances on the Completion Date, subject to existing Tenancy Agreements.
25. The City will be responsible for all taxes, rates, assessments and other charges and will be entitled to receive income, if any, relating to the LEM Housing Units from and including the Completion Date and all adjustments, both incoming and outgoing, of whatsoever nature will be made as of the Completion Date.
26. The LEM Housing Units will be at the Owner's risk until twelve o'clock noon on the Completion Date and thereafter at the City's risk. In the event of loss or damage occurring after the exercise of this Option but before the Completion Date whether the result of fire or any other cause, the City may cancel this Option.
27. The Owner will execute and deliver to the City at least five business days prior to the Completion Date a good and sufficient Form A Transfer in fee simple in registrable form (the "Transfer") conveying the LEM Housing Units to the City free and clear of all financial liens, charges and encumbrances except the Permitted Encumbrances, but subject to existing Tenancy Agreements. The Owner will also deliver to the City at least five business days prior to the Completion Date, instruments in registrable form sufficient to discharge all financial liens, charges and encumbrances, other than Permitted Encumbrances (the "Discharges"), together with the cost of registering or filing such instruments, or alternatively, provide a solicitor's undertaking (the "Undertaking") confirming that such registered Discharges will be provided to the City within a reasonable amount of time after the Completion Date.
28. The City will cause the City's solicitors to prepare and present to the Owner or its solicitors the following closing documents to be executed by the Owner:
- (a) the Transfers;

- (b) the Vendor's Statement of Adjustments;
 - (c) such other appropriate documents and assurances as may be requisite in the opinion of the City Solicitor, for more perfecting and absolutely transferring title to the LEM Housing Units to the City (collectively, the "Closing Documents").
29. Before the Completion Date, the Owner will deliver or cause its solicitors to deliver to the City Solicitor, the Closing Documents, all executed by the Owner and in registrable form, as applicable.
30. The conveyance of the LEM Housing Units by the Owner to the City will be completed in accordance with the following procedure:
- (a) after receipt of the Closing Documents from the Owner, the City, at its own cost, will cause the City Solicitor to apply to register the Transfers and the Discharges, unless the Undertaking is provided, in the LTO on the Completion Date, upon receipt of a satisfactory pre-index search of the LEM Housing Units;
 - (b) forthwith following the filing referred to in section 30(a) and upon the City Solicitor being satisfied as to the City's title to the LEM Housing Units after conducting a post filing for registration check of the property index disclosing only the following:
 - (i) the title number to the LEM Housing Units;
 - (ii) Permitted Encumbrances;
 - (iii) financial charges to be discharged; and
 - (iv) pending number assigned to the Transfer;
- the City will cause the City Solicitor to deliver to the Owner's solicitors a trust cheque for the adjusted Purchase Price for the LEM Housing Units and a signed GST declaration acceptable to the City Solicitor.
31. Notwithstanding anything to the contrary contained in this Part IX, in no event is the City permitted to exercise the Option unless it has first complied with the following procedures:
- (a) In the event the Owner breaches this Agreement by renting a LEM Housing Unit to a non Eligible Tenant, the City shall provide the Owner with written notice of such default (the "Default Notice") and outlining the reasons for the default, which Default Notice will allow the Owner a period of sixty (60) days, (the "Cure Period") to remedy the default to the satisfaction of the City, acting reasonably, provided that if the default is of such a nature that it cannot be cured within the Cure Period but the Owner is diligently and continually proceeding to cure the default the Cure Period shall be extended accordingly, provided that in no event will the Cure Period extend beyond ninety (90) days from the date of receipt of the Default Notice by the Owner;
 - (b) At the expiration of the Cure Period, as may be extended pursuant to section 31(a), if the Owner has not cured the default the City shall be entitled to exercise the Option in accordance with the terms of this Part IX.
 - (c) If the Owner is found to be in default under this Agreement, beyond any cure period as provided in this Agreement, as a result of renting a LEM Housing Unit to a non Eligible Tenant on more than five (5) occasions during the Term then the City will no longer be required to provide the Owner with a Default Notice but shall be permitted to exercise the Option without further notice to the Owner.

32. The City acknowledges that the Option applies only to the LEM Housing Units and not the Market Rental Housing Units.

PART X. - INTERPRETATION

33. In this Agreement:
- (a) reference to the singular includes a reference to the plural, and vice versa, unless the context requires otherwise;
 - (b) article and section headings have been inserted for ease of reference only and are not to be used in interpreting this Agreement;
 - (c) if a word or expression is defined in this Agreement, other parts of speech and grammatical forms of the same word or expression have corresponding meanings;
 - (d) reference to any enactment includes any regulations, orders or directives made under the authority of that enactment;
 - (e) reference to any enactment is a reference to that enactment as consolidated, revised, amended, re-enacted or replaced, unless otherwise expressly provided;
 - (f) the provisions of Section 25 of the *Interpretation Act* with respect to the calculation of time apply;
 - (g) time is of the essence;
 - (h) all provisions are to be interpreted as always speaking;
 - (i) reference to a "party" is a reference to a party to this Agreement and to that party's respective successors, assigns, trustees, administrators and receivers. Wherever the context so requires, reference to a "party" also includes Eligible Tenants, agents, officers and invitees of the party;
 - (j) reference to a "day", "month", "quarter" or "year" is a reference to a calendar day, calendar month, calendar quarter or calendar year, as the case may be, unless otherwise expressly provided; and
 - (k) where the word "including" is followed by a list, the contents of the list are not intended to circumscribe the generality of the expression preceding the word "including".

PART XI - MISCELLANEOUS

34. **Housing Agreement.** The Owner acknowledges and agrees that:
- (a) this Agreement constitutes a covenant under Section 219 of the *Land Title Act* and a housing agreement entered into under Section 905 of the *Local Government Act* (British Columbia);
 - (b) where an Affordable Housing Unit is a separate legal parcel the City may register this Agreement in the LTO as a covenant and file a notice of housing agreement under Section 905 of the *Local Government Act* in the LTO against title to the Affordable Housing Unit and may note this Agreement on the Common Property Sheet; and
 - (c) where Affordable Housing Units are not separate legal parcels, or have not yet been constructed, or where the land has not yet been Subdivided to create the Affordable Housing Units, the City may register this Agreement in the LTO as a covenant and file a notice of housing agreement under Section 905 of the *Local Government Act* in the LTO against title to the Land. The City acknowledges that the Owner intends to subdivide the

Land by way of strata plan pursuant to the *Strata Property Act* to create certain strata lots (the "Strata Plan") and upon the deposit of the Strata Plan in the LTO and upon receipt of a discharge prepared by the Owner, in registrable form and presented to the City for execution the City shall execute and deliver such discharge whereby the charges in favour of the City granted in this Agreement will be discharged and released from all of the strata lots comprising the development to be constructed by the Owner on the Land, except for the strata lots comprising the Affordable Housing Units, provided that the Option shall remain as a charge only against the LEM Housing Units.

35. **Modification.** This Agreement may be modified or amended from time to time, by bylaw duly passed by the Council of the City, if it is signed by the City and a person who is the current registered owner of the Land.
36. **Management.** The Owner covenants and agrees that it will furnish good and efficient management of the Affordable Housing Units and will permit representatives of the City to inspect the Affordable Housing Units at any reasonable time, subject to the notice provisions in the *Residential Tenancy Act*. The Owner further covenants and agrees that it will maintain the Affordable Housing Units in a satisfactory state of repair and fit for habitation and will comply with all laws, including health and safety standards applicable to the Land. Notwithstanding the foregoing, the Owner acknowledges and agrees that the City, in its absolute discretion, may require the Owner, at the Owner's expense, to hire a person or company with the skill and expertise to manage the Affordable Housing Units.
37. **Indemnity.** The Owner will indemnify and save harmless the City and each of its elected officials, officers, directors, and agents, and their heirs, executors, administrators, personal representatives, successors and assigns, from and against all claims, demands, actions, loss, damage, costs and liabilities, which all or any of them will or may be liable for or suffer or incur or be put to by reason of or arising out of:
- (a) any negligent act or omission of the Owner, or its officers, directors, agents, contractors or other persons for whom at law the Owner is responsible relating to this Agreement;
 - (b) the construction, maintenance, repair, ownership, lease, license, operation, management or financing of the Land or any Affordable Housing Unit or the enforcement of any Tenancy Agreement; and/or
 - (c) without limitation, any legal or equitable wrong on the part of the Owner or any breach of this Agreement by the Owner.
38. **Release.** The Owner by this Agreement releases and forever discharges the City and each of its elected officials, officers, directors, and agents, and its and their heirs, executors, administrators, personal representatives, successors and assigns, from and against all claims, demands, damages, actions, or causes of action by reason of or arising out of or which would or could not occur but for the:
- (a) construction, maintenance, repair, ownership, lease, license, operation or management of the Land or any Affordable Housing Unit under this Agreement; and/or
 - (b) the exercise by the City of any of its rights under this Agreement or an enactment.
39. **City's Powers Unaffected.** This Agreement does not:
- (a) affect or limit the discretion, rights, duties or powers of the City under any enactment or at common law, including in relation to the use or subdivision of the Land;
 - (b) impose on the City any legal duty or obligation, including any duty of care or contractual or other legal duty or obligation, to enforce this Agreement;

- (c) affect or limit any enactment relating to the use or subdivision of the Land; or
- (d) relieve the Owner from complying with any enactment, including in relation to the use or subdivision of the Land.

40. **Agreement for Benefit of City only.** The Owner and the City agree that:

- (a) this Agreement is entered into only for the benefit of the City;
- (b) this Agreement is not intended to protect the interests of the Owner, any tenant, or any future owner, lessee, occupier or user of the Property, the Land or the building or any portion thereof, including any Affordable Housing Unit;
- (c) the City may at any time execute a release and discharge of this Agreement, without liability to anyone for doing so, and without obtaining the consent of the Owner.

41. **No Public Law Duty.** Where the City is required or permitted by this Agreement to form an opinion, exercise a discretion, express satisfaction, make a determination or give its consent, the Owner agrees that the City is under no public law duty of fairness or natural justice in that regard and agrees that the City may do any of those things in the same manner as if it were a private party and not a public body.

42. **Notice.** Any notice required to be served or given to a party herein pursuant to this Agreement will be sufficiently served or given if delivered by email, if an email address is provided below, or by courier to the postal address of Owner set out in the records at the LTO, and in the case of the City addressed:

To: Clerk, City of Richmond,
6911 No. 3 Road
Richmond BC V6Y 2C1

And to: Manager, Real Estate Services
City of Richmond
6911 No. 3 Road
Richmond BC V6Y 2C1

And to: KKBL NO. 430 VENTURES LTD
19th Floor 885 West Georgia Street
Vancouver, B.C.
V6C 3H4

Attention: Stanley Wong
Email: sw@kkbl.com

And to: The Property Manager of the Owner as appointed from time to time, provided the Owner has provided the City with the property manager's address for service,

And to
the Owner at: : 170, Upper Bukit Timah Road
#18-04
Singapore 588179

Email: s.y.liu@bennettholding.com

or to the most recent postal address provided in a written notice given by each of the parties to the other. Any notice which is delivered is to be considered to have been given on the first day after it is dispatched for delivery by courier or by email.

43. **Enuring Effect.** This Agreement will extend to and be binding upon and enure to the benefit of the parties hereto and their respective successors and permitted assigns.
44. **Severability.** If any provision of this Agreement is found to be invalid or unenforceable such provision or any part thereof will be severed from this Agreement and the resultant remainder of this Agreement will remain in full force and effect.
45. **Waiver.** All remedies of the City will be cumulative and may be exercised by the City in any order or concurrently in case of any breach and each remedy may be exercised any number of times with respect to each breach. Waiver of or delay in the City exercising any or all remedies will not prevent the later exercise of any remedy for the same breach or any similar or different breach.
46. **Sole Agreement.** This Agreement, and any documents signed by the Owner contemplated by this Agreement, represent the whole agreement between the City and the Owner respecting the use and occupation of the Affordable Housing Units, and there are no warranties, representations, conditions or collateral agreements made by the City except as set forth in this Agreement.
47. **Further Assurance.** Upon request by the City the Owner will forthwith do such acts and execute such documents as may be reasonably necessary in the opinion of the City to give effect to this Agreement.
48. **Covenant Runs with the Land.** This Agreement burdens and runs with the Land and every parcel into which it is Subdivided. All of the covenants and agreements contained in this Agreement are made by the Owner for itself, its personal administrators, successors and assigns, and all persons who after the date of this Agreement, acquire an interest in the Land.
49. **Limitation on Owner's Obligations.** The Owner is only liable for breaches of this Agreement that occur while the Owner is the registered owner of the Land.
50. **Equitable Remedies.** The Owner acknowledges and agrees that damages would be an inadequate remedy for the City for breach of this Agreement or the Option and that the public interest strongly favours specific performance, injunctive relief (mandatory or otherwise), or other equitable relief, as the only adequate remedy for a default under this Agreement or the Option.
51. **No Joint Venture.** Nothing in this Agreement will constitute the Owner as the agent, joint venturer, or partner of the City or give the Owner any authority to bind the City in any way.
52. **Applicable Law.** Unless the context otherwise requires, the laws of British Columbia will apply to this Agreement and all statutes referred to herein are enactments of the Province of British Columbia. Without limiting the above, in the event of any conflict between any provision of this Agreement and the *Residential Tenancy Act*, this Agreement is without effect to the extent of the conflict.
53. **Deed and Contract.** By executing and delivering this Agreement the Owner intends to create both a contract and a deed executed and delivered under seal.
54. **Survival.** The obligations of the Owner set out in sections 37 and 38 shall survive the expiry or other termination of this Agreement. For greater certainty, all of the other obligations of the Owner contained herein shall terminate upon the expiry of the Term.

Appendix A to Housing Agreement
STATUTORY DECLARATION

CANADA

)

IN THE MATTER OF A HOUSING

PROVINCE OF BRITISH COLUMBIA

)

AGREEMENT WITH THE CITY OF

)

RICHMOND

)

("Housing Agreement")

TO WIT:

I, _____ of _____, British Columbia, do solemnly declare that:

1. I am the owner or authorized signatory of the owner, or agent of the owner of _____ (the "LEM Housing Unit"), and make this declaration to the best of my personal knowledge.
2. This declaration is made pursuant to the Housing Agreement in respect of the LEM Housing Unit.
3. For the period from _____ to _____ the LEM Housing Unit was occupied only by the Eligible Tenants (as defined in the Housing Agreement) whose names and current addresses and whose employer's names and current addresses appear below:

Names, addresses and phone numbers of Eligible Tenants:

4. The rent charged each month for the Affordable Housing Unit is as follows:
 - (a) the monthly rent on the date 365 days before this date of this statutory declaration: \$_____ per month;
 - (b) the rent on the date of this statutory declaration: \$_____; and
 - (c) the proposed or actual rent that will be payable on the date that is 90 days after the date of this statutory declaration: \$_____.
5. I acknowledge and agree to comply with the Owner's obligations under the Housing Agreement, and other charges in favour of the City registered in the LTO against the land on which the LEM Housing Unit is situated and confirm that the Owner has complied with the Owner's obligations under the Housing Agreement.
6. I make this solemn declaration, conscientiously believing it to be true and knowing that it is of the same force and effect as if made under oath and pursuant to the *Canada Evidence Act*.

DECLARED BEFORE ME at the City of
Richmond, in the Province of British
Columbia, this _____ day of
_____, 200__.

A Commissioner for Taking Affidavits in the
Province of British Columbia

DECLARANT

Appendix C to Housing Agreement
STATUTORY DECLARATION

CANADA)

PROVINCE OF BRITISH COLUMBIA)

IN THE MATTER OF A HOUSING
AGREEMENT WITH THE CITY OF
RICHMOND
("Housing Agreement")

TO WIT:

I, _____ of _____, British Columbia, do
solemnly declare that:

1. I am the owner or authorized signatory of the owner, or agent of the owner of _____ (the "Market Housing Unit"), and make this declaration to the best of my personal knowledge.
2. This declaration is made pursuant to the Housing Agreement in respect of the Market Housing Unit.
3. For the period from _____ to _____ the Market Housing Unit was occupied only by the Tenants (as defined in the Housing Agreement) whose names and current addresses and whose employer's names and current addresses appear below:
Names, addresses and phone numbers of Tenants:
4. I acknowledge and agree to comply with the Owner's obligations under the Housing Agreement, and other charges in favour of the City registered in the LTO against the land on which the Market Housing Unit is situated and confirm that the Owner has complied with the Owner's obligations under the Housing Agreement.
5. I make this solemn declaration, conscientiously believing it to be true and knowing that it is of the same force and effect as if made under oath and pursuant to the *Canada Evidence Act*.

DECLARED BEFORE ME at the City of)
Richmond, in the Province of British)
Columbia, this _____ day of)
_____, 200__)
_____)
A Commissioner for Taking Affidavits in the)
Province of British Columbia)

DECLARANT

**Appendix D to Housing Agreement
STATUTORY DECLARATION**

CANADA

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**IN THE MATTER OF A HOUSING
AGREEMENT WITH THE CITY OF
RICHMOND
("Housing Agreement")**

PROVINCE OF BRITISH COLUMBIA

TO WIT:

I, _____ of _____, British Columbia, do
solemnly declare that:

1. I am the Tenant or authorized signatory of the Tenant of _____ (the "Market Rental Housing Unit"), and make this declaration to the best of my personal knowledge.
2. This declaration is made pursuant to the Housing Agreement in respect of the Market Rental Housing Unit.
3. I acknowledge and agree to comply with the Housing Agreement, and other charges in favour of the City registered in the LTO against the land on which the Affordable Housing Unit is situated and confirm that to my knowledge the Owner has complied with the Owner's obligations under the Housing Agreement.
4. I make this solemn declaration, conscientiously believing it to be true and knowing that it is of the same force and effect as if made under oath and pursuant to the *Canada Evidence Act*.

DECLARED BEFORE ME at the City of)
 Richmond, in the Province of British)
 Columbia, this _____ day of)
 _____, 200____.)
 _____)
 A Commissioner for Taking Affidavits in the)
 Province of British Columbia)

DECLARANT

CONSENT AND PRIORITY AGREEMENT

WHEREAS Bank of Montreal (the "Chargeholder") is the holder of charges which were registered in the New Westminster/Vancouver Land Title Office under numbers Mortgage BA354254 and Assignment of Rents BA354255 (collectively the "Charge") encumbering lands described in the attached Agreement.

FOR ONE DOLLAR (\$1.00) AND OTHER GOOD AND VALUABLE CONSIDERATION, THE RECEIPT AND SUFFICIENCY OF WHICH IS HEREBY ACKNOWLEDGED AND AGREED TO BY THE CHARGEHOLDER, THE CHARGEHOLDER AGREES AS FOLLOWS:

1. The Chargeholder hereby consents to the granting and registration of the attached Section 219 Covenant, Rent Charge and Option to Purchase (collectively the "City Charges") and hereby agrees that the City Charges shall be binding upon its interest in and to the lands described in the Agreement.
2. The Chargeholder hereby grants to the transferee described above in item 6 of Part 1 of the Form C above priority for the City Charges over the Chargeholder's right, title and interest in and to the lands described in the Agreement, and the Chargeholder does hereby postpone the Charge and all of its right, title and interest thereunder to the City Charges as if the City Charges had been executed, delivered and registered prior to the execution, delivery and registration of the Charge.

IN WITNESS WHEREOF the Chargeholder has duly executed this Consent and Priority Agreement by signing the Form C above on the date set out therein.

END OF DOCUMENT