



SPECIAL MEETING OF COUNCIL
Thursday, March 14, 2024 @ 4:30 PM
Electronically (Via Zoom) and in the George Fraser Community Room in the
Ucluelet Community Centre, 500 Matterson Drive, Ucluelet

AGENDA

This meeting is conducted both in-person in the George Fraser Community Room and electronically through Zoom.

Visit [Ucluelet.ca/CouncilMeetings](https://ucluelet.ca/CouncilMeetings)

for Zoom login details, links to the livestream on YouTube and other information about Council meetings.

Members of the public may attend the George Fraser Community Room in the Ucluelet Community Centre to hear, or watch and hear, this meeting including any electronic participation.

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1. CALL TO ORDER
 - 1.1. ACKNOWLEDGEMENT OF THE YUULU?I?ATH
Council would like to acknowledge the Yuulu?i?ath, on whose traditional territories the District of Ucluelet operates.
 - 1.2. NOTICE OF VIDEO RECORDING
Audience members and delegates are advised that this proceeding is being video recorded and broadcast on YouTube on Zoom which may store data on foreign servers.
2. LATE ITEMS
3. APPROVAL OF AGENDA
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 - 4.1. Lot 13 Affordable Housing Development - BC Housing partnering agreements 3 - 89
Bruce Greig, Director of Community Planning
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[Appendix A - Appendix A - Partnering Agreement BC Housing](#)
[Appendix B - Lot 13 Project Partnering Agreement](#)
[Appendix C - Letter ACMC Holding, March 12, 2024](#)
5. ADJOURNMENT



REPORT TO COUNCIL

Council Meeting: March 14, 2024

500 Matterson Drive, Ucluelet, BC V0R 3A0

FROM: BRUCE GREIG, DIRECTOR OF COMMUNITY PLANNING **FILE NO:** SD20-01; 2240-65 BCH

SUBJECT: **LOT 13 AFFORDABLE HOUSING DEVELOPMENT – BC HOUSING PARTNERING AGREEMENTS**
REPORT NO: 24-24

ATTACHMENT(S): APPENDIX A – PARTNERING AGREEMENT BC HOUSING
 APPENDIX B – PROJECT PARTNERING AGREEMENT FOR LOT 13
 APPENDIX C – LETTER APMC HOLDINGS, MARCH 12, 2024

RECOMMENDATIONS:

1. **THAT** Council authorize execution of the *Affordable Home Ownership Program* Partnering Agreement between the District and the British Columbia Housing Management Commission for funding contribution in conjunction with the BC Housing *Affordable Home Ownership Program*.
2. **THAT** Council authorize execution of the Project Partnering Agreement for the 33-unit development at Lot 13 Marine Drive between the District, the British Columbia Housing Management Commission, APMC Holdings Ltd. and Andrew Charles McLane.

BACKGROUND:

During the rezoning of Lot 13, District Lot 283, Clayoquot Land District, Plan VIP84686 (“**Lot 13**”) for a 33-unit small-lot affordable housing development, Council agreed to contribute \$320,000 to offset site servicing costs at the [March 17, 2020, regular meeting](#). That amount is equivalent to the Development Cost Charges (DCC’s) payable for a 33-unit small-lot subdivision. These funds have been allocated from the Affordable Housing Reserve. Subsequently, at its [April 28, 2020, regular meeting](#), Council adopted the rezoning and housing agreement bylaws. On [October 13, 2020](#), Council accepted a revised option to purchase, confirmed the duration that the funding offer would remain valid, and issued the Development Permit for the site development. At its [March 28, 2023](#), meeting Council committed a further contribution of \$330,000 from the Affordable Housing reserve to support the development by offsetting costs of mitigating tsunami flood risk on the site. Last May the project received approval from the Board of the British Columbia Housing Management Commission (a.k.a., “**BC Housing**”).

BC Housing is providing financing for the Lot 13 development through its Affordable Home Ownership Program (AHOP). The AHOP program includes a partnering agreement between BC Housing and the District (see **Appendix “A”**), whereby cost savings and/or contributions by the

municipality to make the development affordable are matched by BC Housing in the form of an interest-free second mortgage on the 22 AHOP lots for purchase (the other 11 lots are for affordable rentals under a housing agreement, also with construction financing from BC Housing). Should the units one day sell out of the AHOP program then the contributions by the District, the developer and BC Housing would be returned to the municipal Affordable Housing Reserve fund. In other words, under the project agreement with BC Housing, the funds stay committed to affordable housing within the community.

The AHOP program reduces the purchase price of the homes between \$42,500 and \$65,000 for eligible purchasers. See **Appendix “B”** for details of the project partnering agreement, particularly schedule III (allocation of benefits to the AHOP homes) and schedule VI (definition of eligible purchasers).

The program aims to provide an entry to home ownership for middle incomes in Ucluelet. The price paid by an eligible purchaser of an AHOP unit ranges from \$382,500 to \$440,000. The “target” gross household income for purchasers is between \$96,974 and \$119,272 for the Lot 13 project. This income range was understood in late June when BC Housing made staff aware that the project had received approval from its board. The maximum income of \$119,272 was referenced in the definition of “eligible purchaser” in the draft partnering agreement which the District provided to BC Housing in mid July. In November, BC Housing provided its draft of the project partnering agreement; within that agreement the definition of “eligible purchaser” also reflected the maximum household income as \$119,272. The agreements were then provided to Council for authorization at its [December 7, 2023, meeting](#).

Between June and November, the developer accepted purchase agreements with 22 local buyers who obtained financing and were vetted by BC Housing as meeting program requirements. Those buyers are understandably anxious to see the project move forward.

Subsequently, BC Housing changed lawyers and there was a further delay in receiving the finalized documents for signatures. In mid-February, the agreements were provided to the District with a new definition of “eligible purchaser” quoting the provincial AHOP program maximum household income of \$191,910. Staff flagged the definition and pointed out, as had been done in June, that a change in the expected maximum household income would need to go back to Council for approval. As of March 8th, we understood that BC Housing agreed to retain the language of maximum household income of \$119,272. On March 11th, staff received a message that BC Housing wished to see changes to the agreement.

On March 11th, staff and the Mayor met with representatives from BC Housing and the developer in an effort to finalize the agreement that both meets the original proposal and the existing sales agreements.

Discussion:

18 of the 22 accepted offers are from buyers with less than \$119,272 total household income. The average household income of all 22 purchasers is \$91,365. Four of the accepted offers,

authorized by BC Housing, are from buyers with households above the \$119,272 project target with the highest total household income being \$151,291 (see **Appendix “C”**).

The language in the revised definition of “eligible purchaser” in the attached agreement (see **Appendices “A” and “B”**) refers to the BC Housing AHOP program provincial maximums. This would allow the project to move forward with the 22 current accepted offers. If a sale falls through and the developer needs to find another buyer, then under the agreement they would need to first (for a period of sixty days) seek a new buyer making less than the target \$119,272 before broadening the range of incomes to the wider AHOP program limits.

Noting that all 33 homes will provide needed housing in Ucluelet, staff recommend that Council authorize the revised project agreements. Eighteen of the 22 purchasers fall within the range of incomes approved by Council in December; their home purchases may be placed in doubt if the agreements were not executed. Staff also note that 11 of the 33 houses (the non-AHOP units) will be rentals with restricted occupancy and rental rates - under a housing agreement which is unchanged from when it was drafted in 2020. Those rental homes will also provide affordable rental housing to local households.

Financial Implications:

In the 2023 Budget, Council committed \$650,000 from the municipal Affordable Housing Reserve, funded through the Online Accommodation Platforms (OAP) portion of the Municipal & Regional District Tax Program (MRDT), to support the Lot 13 housing development. The attached agreements formalize the mechanism for this support and further the development proceeding to construction and completion.

ANALYSIS OF OPTIONS:

A	That Council authorize execution of the project agreements.	<u>Pros</u>	<ul style="list-style-type: none"> • Would enable the developer to move forward with the subdivision and development of the property. • Would advance the development of needed housing on Lot 13.
		<u>Cons</u>	<ul style="list-style-type: none"> • Unknown.
		<u>Implications</u>	<ul style="list-style-type: none"> • Total contribution of \$650,000 from the Affordable Housing Reserve fund is already allocated in 2023 Budget and Five-Year Financial Plan. • The Affordable Housing Reserve is funded through the MRDT and OAP program.
B	That Council defer authorization of the project agreements until such time as amendments are made to address Council concerns.	<u>Pros</u>	<ul style="list-style-type: none"> • Could ensure agreements meet the expectations of Council.
		<u>Cons</u>	<ul style="list-style-type: none"> • Would delay the project moving forward.
		<u>Implications</u>	<ul style="list-style-type: none"> • Would require additional staff time to present the revised agreement to the other parties for their review. • Would require additional staff time to present the additional information in a future staff report.

Appendix A

AHOP Partnering Agreement

This Agreement, dated for reference March 5, 2024, is between:

District of Ucluelet
200 Main Street, PO Box 999
Ucluelet, BC V0R 3A0
(the “**District**”)

AND

British Columbia Housing Management Commission
1701 – 4555 Kingsway,
Burnaby BC V5H 4V8
(“**BC Housing**”)

WHEREAS:

- A. The District on April 28, 2020, adopted a zoning amendment bylaw to authorize subdivision and the development of 33 modular homes (the “**Modular Homes**”) on land more particularly described as PID: 027-473-538; Lot 13, District Lot 283, Clayoquot District Plan VIP84686 (the “**Land**”), including 22 modular homes for individual purchase and owner occupancy, and 11 modular homes for rental tenure only;
- B. BC Housing considers the development of 22 modular homes on the Land (individually an “**AHOP Home**” and together the “**AHOP Homes**”) for sale to eligible middle-income purchasers is consistent with its Affordable Home Ownership Program;
- C. BC Housing will loan money to Eligible Purchasers (defined below) to purchase AHOP Homes, with the loans to be interest free, with no obligation to repay for up to 25 years, but secured by the registration of a mortgage (individually an “**AHOP Mortgage**” and together the “**AHOP Mortgages**”);
- D. The District has agreed to pay \$650,000 to BC Housing to make the AHOP Homes more affordable for Eligible Purchasers;
- E. BC Housing has agreed to pay to the District any amount it receives as repayment of an AHOP Mortgage, for deposit into an Eligible Reserve Fund to be established by the District.

THEREFORE, the District and BC Housing agree as follows:

1. In this agreement:

“**Eligible Purchaser**” means a person or persons who:

- (i) has lived in the Alberni Clayoquot Regional District for a minimum of 24 months;

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- (ii) has worked Full-Time for more than one (1) year with one or more businesses or institutions within the District of Ucluelet or lands of the Yuułuʔiłʔatḥ Government, Barkley Community Forest, Toquaht Nation, District of Tofino, Alberni-Clayoquot Regional District Area 'C', Pacific Rim National Park Reserve, or BC Parks and Protected Areas in the region, or a person who has retired from full-time permanent employment by one or more businesses or institutions and has worked or volunteered within the area described above for five (5) out of the previous ten (10) years, or is receiving disability assistance under the *Employment and Assistance for Persons with Disabilities Act*;
- (iii) does not own, or have a spouse who owns, either directly or indirectly through a trust, business asset, or otherwise, any interest in real property anywhere in the world;
- (iv) has a priority for gross annual household incomes between \$96,974 and \$119,272 and where if an initially sold AHOP Home is returned and to be re-sold priority is held for 60 days to buyers who meet these household incomes before expanding priority to meet the requirements of the Affordable Home Ownership Program administered by BC Housing, as follows:
 - a. for AHOP Homes with less than two (2) bedrooms, a gross household income that does not exceed the 75th income percentile for couples without children in BC, as determined by BC Housing from time to time. For 2024, this figure is \$131,950; and
 - b. for AHOP Homes with two (2) or more bedrooms, a gross household income that does not exceed the 75th income percentile for families with children in BC, as determined by BC Housing from time to time. For 2024, this figure is \$191,910; and,
- (v) is participating in the Affordable Home Ownership Program administered by BC Housing and who intends to occupy an AHOP Home as a principal residence for at least 5 years after the day he, she or they become the registered owner of that AHOP Home.

“Eligible Reserve Fund” means a reserve fund established under section 188 of the *Community Charter*, for the purpose of providing or maintaining, or improving access to, affordable rental or ownership housing within the District of Ucluelet;

“Substantially Complete” means, in relation to the construction of a modular home on the Land, that the modular home has been constructed in accordance with the BC Building Code and any building permit issued by the District, and is eligible for or has been granted an occupancy permit or final inspection, where either of those things is required by any applicable building bylaw of the District.

2. **Payment to BC Housing** – Within 30 days of the date that the construction of the Modular Homes on the Land is Substantially Complete, BC Housing may provide notice in writing to the

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District and the District will, within 10 business days of the receipt of that notice, pay \$650,000 to BC Housing (the “**District Payment**”), however, if the following conditions have not occurred on or before September 1, 2025, or such later date as may be approved by the District’s council, in its sole discretion, the District may demand return of the District Payment from BC Housing:

- (a) AHOP Mortgages securing loans with a total amount of at least \$1,150,000, have been registered against title to the AHOP Homes.
3. **Payments to District** – Provided the District has made the payment required pursuant to section 2 above, if any portion of a loan secured by an AHOP Mortgage is repaid to BC Housing, then BC Housing shall transfer to the District the entire amount paid to BC Housing (including any adjustments made to account for an increase or decrease in the market value of the AHOP Home that was taken as security for the loan), no later than December 31st of the year in which BC Housing receives the payment, provided that:
- (a) BC Housing may deduct an administration fee of up to 2% of any amount to be paid to the District; and,
 - (b) the District will deposit any amount it receives from BC Housing into an Eligible Reserve Fund, and if the District has no Eligible Reserve Fund on the date a payment is due, BC Housing may withhold payment until the District establishes an Eligible Reserve Fund.
4. **Reporting to District** – Within 45 days of receipt of written request from the District, BC Housing will provide the District with a Participating Mortgage Report. If no AHOP Homes are sold in the preceding calendar year BC Housing will confirm same in writing and a Participating Mortgage Report will not be required. For this paragraph, “**Participating Mortgage Report**” means a written report, to be provided by BC Housing to the District, by not later than March 1st in each year in which a BC Housing AHOP Mortgage remains registered against an AHOP Home that identifies all Participating Mortgage Proceeds collected in the previous calendar year. For this paragraph, “**Participating Mortgage Proceeds**” means any amounts collected by BC Housing from the repayment of an AHOP Mortgage.
5. **Entire Agreement** – The District and BC Housing agree that this Agreement is the entire agreement between them with respect to its subject matter.
6. **Binding on Successors** – This Agreement enures to the benefit of and is binding upon the parties and their respective successors, subcontractors, trustees, administrators and receivers, despite any rule of law or equity to the contrary.
7. **Powers Preserved** – Nothing in this Agreement affects or modifies the District’s exercise of any of its statutory powers or discretion in respect of the Land or the subdivision or development of the Land.
8. **Notice** – Any notice, direction, demand, approval, certificate or waiver which may be or is required to be given under this Agreement must be in writing and delivered personally or by courier or sent by fax, or e-mail to the parties at their respective addresses set out on the first page of the Agreement, or to such other address or fax number of which notice has been given as provided in this section. Any notice, direction, demand, approval or waiver delivered is to be considered given

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on the next business day after it is dispatched for delivery. Any notice, direction, demand, approval or waiver sent by fax is to be considered given on the day it is sent if that day is a business day, and if that day is not a business day, it is to be considered given on the next business day after the date it is sent.

9. **Counterparts** - This Agreement may be executed in one or more counterparts and sent by facsimile, by PDF or by an electronic signature platform such as www.docusign.com, each of which shall be deemed an original but all of which together will constitute one and the same instrument.

As evidence of their agreement to be bound by the above terms and conditions of this Agreement, the parties have executed this Agreement below on the dates written below.

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Appendix A

DISTRICT OF UCLUELET

by its authorized signatories:

Mayor:

Date : _____

Administrator:

Date : _____

BRITISH COLUMBIA HOUSING MANAGEMENT COMMISSION

by its authorized signatories:

Name:

Date: _____

Name:

Date: _____

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Appendix B

PROJECT PARTNERING AGREEMENT

LOT 13, MARINE DRIVE, UCLUELET, BC

AMONG

**ACMC HOLDINGS LTD.
(THE "DEVELOPER")**

AND

**BRITISH COLUMBIA HOUSING MANAGEMENT COMMISSION
("BC HOUSING")**

AND

**DISTRICT OF UCLUELET
(THE "DISTRICT")**

AND

**ANDREW CHARLES MCLANE
THE DEVELOPER'S INDEMNIFIER
(THE "INDEMNIFIER")**

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Project Partnering Agreement
– District of Ucluelet

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PROJECT PARTNERING AGREEMENT

THIS AGREEMENT is dated for reference the 5th day of March, 2024 (the "**Reference Date**").

AMONG:

ACMC Holdings Ltd.
584 Beach Road
Qualicum Beach BC V9K 1K7
(the "**Developer**")

and

British Columbia Housing Management Commission
1701 – 4555 Kingsway,
Burnaby BC V5H 4V8
(the "**BC Housing**")

and

District of Ucluelet
200 Main Street, PO Box 999
Ucluelet, BC V0R 3A0
(the "**District**")

and

Andrew Charles McLane
584 Beach Road
Qualicum Beach BC V9K 1K7
(the "**Indemnifier**")

WHEREAS the parties have agreed to enter into this Agreement so that the Modular Homes can be constructed on the Lands and Designated Modular Homes can be sold to Eligible Purchasers;

NOW THEREFORE THIS AGREEMENT WITNESSES THAT in consideration of the mutual covenants and agreements contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

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Project Partnering Agreement – District of Ucluelet

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ARTICLE 1 INTERPRETATION

1.1 DEFINITIONS

The following terms have the following meanings unless the subject matter or context otherwise requires:

"**BC Housing Benefits Mortgage**" means the mortgage in favour of BC Housing in the form attached hereto as Schedule "I" to be granted by the Developer;

"**BC Housing Participating Mortgage**" means the mortgage and security in favour of BC Housing in the form attached hereto as Schedule "II" to be granted by Eligible Purchasers;

"**Benefits**" means those benefits listed in Schedule "III" attached hereto;

"**Benefits Amount**" means the amount set out in section 3.1;

"**Contract of Purchase and Sale**" means the contract of purchase and sale attached hereto as Schedule "IV" or that has otherwise been approved by BC Housing and the District;

"**Construction Mortgage**" has the meaning ascribed to that term in section 3.3;

"**Designated Modular Homes**" means those modular homes listed in Schedule "V" attached hereto, located on the Lands to be sold to Eligible Purchasers;

"**DPI Mortgage**" has the meaning ascribed to that term in section 3.3;

"**Eligible Purchasers**" means those persons who meet all of the requirements set out in Schedule "VI" attached hereto;

"**Housing Reserve Fund**" means a fund maintained and managed by the District from which grants are distributed to eligible projects to support the development and retention of affordable housing units;

"**Lands**" means those lands described in Schedule "VII" attached hereto;

"**Modular Homes**" means the 33 modular homes to be constructed by the Developer on the Lands;

"**Non-Designated Modular Homes**" means those modular homes listed in Schedule "VIII" attached hereto, located on the Lands;

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Project Partnering Agreement – District of Ucluelet

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"Participating Mortgage Proceeds" means any amounts collected by BC Housing from the repayment of a BC Housing Participating Mortgage by an Eligible Purchaser;

"Participating Mortgage Report" means a written report, to be provided by BC Housing to the District, by not later than March 1st in each year in which a BC Housing Participating Mortgage remains registered against a Designated Modular Home that identifies all Participating Mortgage Proceeds collected in the previous calendar year;

"Project" means the construction and strata titling of the Modular Homes and Lands together with all related matters;

"Purchase Prices" means the purchase prices for the Designated Modular Homes listed in Schedule "V" attached hereto;

"Section 219 Covenant" means the covenant in favour of BC Housing in the form attached hereto as Schedule "IX" to be registered against the Lands;

"Subdivision Plan" means the plan of subdivision to be filed in the Victoria Land Title Office creating 33 lots as described in Schedule "VII".

1.2 SCHEDULES

The following are the Schedules to this Agreement each of which is an integral part of this Agreement:

- Schedule I – BC Housing Benefits Mortgage
- Schedule II – BC Housing Participating Mortgage
- Schedule III – Allocation of the Benefits Amount
- Schedule IV – Intentionally Deleted
- Schedule V – Designated Modular Homes
- Schedule VI – Eligible Purchasers
- Schedule VII – Lands and Subdivision Plan
- Schedule VIII – Non-Designated Modular Homes
- Schedule IX – Section 219 Covenant

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ARTICLE 2
DEVELOPER'S AND INDEMNIFIER'S REPRESENTATIONS AND WARRANTIES

2.1 DEVELOPER'S AND INDEMNIFIER'S REPRESENTATIONS AND WARRANTIES

The Developer and the Indemnifier, respectively, represents and warrants to each of BC Housing and the District as representations and warranties that are true at the Reference Date and will be true throughout the term of this Agreement that:

- (a) the Developer is an existing corporation under the laws of British Columbia and is qualified to and has full power, authority and capacity to enter into this Agreement and carry out the transactions contemplated herein;
- (b) the Indemnifier is a resident of British Columbia, and is qualified, has capacity and there is nothing prohibiting him from entering into this Agreement and carrying out the transactions contemplated herein;
- (c) all necessary action of the Developer and the Indemnifier, respectively, has been taken to authorize and approve the execution and delivery of this Agreement and the performance and observance of its obligations under this Agreement;
- (d) there is no action or proceeding pending or, to its knowledge threatened against the Developer or the Indemnifier, respectively, before any court, arbiter, arbitration panel, administrative tribunal or agency which, if decided adversely to it, might affect its ability to perform its obligations hereunder; and
- (e) no consent or approval of or registration, declaration or filing with any governmental commission, board or other regulatory body is required for the execution or delivery of this Agreement by the Developer or the Indemnifier, respectively, the validity or enforceability of this Agreement against it, or the performance by it of its obligations hereunder, other than registration of the Section 219 Covenant in the Land Title Office in Victoria, British Columbia.

ARTICLE 3
BENEFITS

3.1 BENEFITS AMOUNT

The Benefits described in Schedule "III" have a value of \$1,150,000.

3.2 ALLOCATION OF THE BENEFITS AMOUNT

The Benefits Amount is allocated among the Designated Modular Homes as set forth in Schedule "III".

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Project Partnering Agreement – District of Ucluelet

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3.3 BC HOUSING BENEFITS MORTGAGE

- (a) The Benefits Amount will be secured by the BC Housing Benefits Mortgage which will be registered against the title to the Lands as a third financial charge, subject only to a first financial charge in favour of the lender providing construction financing for the Project (the "**Construction Mortgage**") and a second financial charge in favour of the deposit protection insurer for the Project (the "**DPI Mortgage**"), prior to the commencement of the construction of the Modular Homes. Should the BC Housing Benefits Mortgage be registered prior to the Construction Mortgage or the DPI Mortgage then BC Housing agrees that it will enter into priority agreements with regards to either or both of the Construction Mortgage or the DPI Mortgage, provided that the terms and conditions of any such priority agreement are subject to review and approval by BC Housing and their legal counsel.

- (b) In the event that BC Housing or their legal counsel do not approve the terms of priority agreements regarding the Construction Mortgage or the DPI Mortgage, then the Developer will have the option of placing the entire Benefits Amount in trust with BC Housing's legal counsel with such amount to be held and paid out upon trust conditions and undertakings consistent with the Developer's obligations pursuant to the terms of this Agreement and the BC Housing Benefits Mortgage. Upon confirmation of such funds being placed in trust and such undertakings being provided, then the BC Housing Benefits Mortgage shall be discharged from title to the Lands.

3.4 PARTIAL DISCHARGE OF THE BC HOUSING BENEFITS MORTGAGE

Upon the registration of BC Housing's Participating Mortgage against the title to a Designated Modular Home and upon BC Housing receiving an amount equal to the Benefit Amount allocated to such Designated Modular Homes as specified in Schedule "III", BC Housing will register a partial discharge of the BC Housing Benefits Mortgage against the title to that Designated Modular Home.

ARTICLE 4 BC HOUSING SECTION 219 COVENANT

4.1 SECTION 219 COVENANT

The Developer will grant BC Housing and the District the Section 219 Covenant which will be registered against the title to the Lands prior to the commencement of the construction and/or placement of the Modular Homes on the Lands.

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Project Partnering Agreement – District of Ucluelet

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4.2 PARTIAL DISCHARGE OF THE SECTION 219 COVENANT – DESIGNATED MODULAR HOMES

Upon the registration of the BC Housing Participating Mortgage against the title to a Designated Modular Home, and upon BC Housing receiving an amount equal to the Benefit Amount allocated to such Designated Modular Home as specified in Schedule "III", BC Housing will prepare, execute and, at the cost of the Developer, register, and the District will execute, a partial discharge of its Section 219 Covenant against the title to that Designated Modular Home.

4.3 PARTIAL DISCHARGE OF THE SECTION 219 COVENANT – NON-DESIGNATED MODULAR HOME

Upon the registration of the strata plan creating the Non-Designated Modular Homes, BC Housing will prepare, execute and, at the cost of the Developer, register, and the District will execute, discharges of the Section 219 Covenant against the titles to the Non-Designated Modular Homes.

ARTICLE 5 DEVELOPMENT

5.1 CONSTRUCTION OF MODULAR HOMES

The Developer will exercise the skill and judgement of a competent developer in fulfilling the following duties:

- (a) the acquisition of all licenses, permits, and approvals that are necessary in order to complete the Project;
- (b) the preparation of the plans and specifications for the construction of the Modular Homes;
- (c) the preparation of a schedule for the construction of the Modular Homes; and
- (d) filing the Subdivision Plan to create the Designated Modular Homes lots and Non-Designated Modular Homes lots.

ARTICLE 6 SALE OF DESIGNATED MODULAR HOMES TO ELIGIBLE PURCHASERS

6.1 SALE OF DESIGNATED MODULAR HOMES

The Developer will only sell the Designated Modular Home to Eligible Purchasers using the Contract of Purchase and Sale and only for the Purchase Prices. The Purchase Prices may be reduced only with the prior written consent of BC Housing. The Developer acknowledges and

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agrees that any reduction in the Purchase Price of a Designated Modular Home will not result in a decrease to the Benefits Amount as set forth in Schedule "III" for such Designated Modular Home.

6.2 BC HOUSING PARTICIPATING MORTGAGE

BC Housing will provide each Eligible Purchaser with a BC Housing Participating Mortgage which will be registered against the title to each Designated Modular Home at the time the title to the Designated Modular Home is transferred to each Eligible Purchaser.

6.3 REPAYMENT OF BC HOUSING BENEFITS MORTGAGE

The principal amount (the "**Principal Amount**") secured by the BC Housing Participating Mortgage will be advanced to the purchaser of a Designated Modular Home at the time of the completion of the purchase of a Designated Modular Home. The Principal Amount advanced to the purchaser will be shown as a credit on the purchaser's statement of adjustments. The Principal Amount will then be paid by the purchaser of a Designated Modular Home to the Developer on account of the Purchase Price for the Designated Modular Home. The Developer will forthwith pay the Principal Amount to BC Housing to be applied by BC Housing against the outstanding balance due on account of the Benefits Amount secured by the BC Housing Benefits Mortgage. Upon receipt of the Principal Amount, BC Housing will prepare and register a partial discharge of the BC Housing Benefits Mortgage against the title to the Designated Modular Home. The foregoing transactions may be made by "book entries" without the necessity of having the Principal Amount being paid to the purchaser of a Designated Modular Home and then paid to the Developer.

ARTICLE 7 NON-DESIGNATED MODULAR HOMES

7.1 DISCHARGE OF BC HOUSING BENEFITS MORTGAGE

Upon the registration of the Subdivision Plan and confirmation of construction of the Modular Homes creating the Non-Designated Modular Homes, BC Housing will, at the cost of the Developer, register discharges of the BC Housing Benefits Mortgage against the titles to the Non-Designated Modular Homes.

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**ARTICLE 8
SALE OF DESIGNATED MODULAR HOMES BY ELIGIBLE PURCHASERS TO
THIRD PARTIES**

8.1 REPAYMENT PROCEEDS OF BC HOUSING PARTICIPATING MORTGAGES

BC Housing covenants and agrees with the District that:

- (a) upon the sale of a Designated Modular Home by an Eligible Purchaser to a third party purchaser it will hold all amounts received pursuant to the BC Housing Participating Mortgage registered against said Designated Modular Home in trust for the District's Housing Reserve Fund;
- (b) by not later than the 1st day of March in each year in which a BC Housing Participating Mortgage remains registered against a Designated Modular Home, unless BC Housing and the District otherwise agree in writing, it will provide the District with a Participating Mortgage Report. If no Designated Modular Homes are sold in the preceding calendar year BC Housing will confirm same in writing and a Participating Mortgage Report will not be required; and
- (c) it will pay to the District all Participating Mortgage Proceeds collected in a calendar year, less a fee equal to two per cent (2%) of the Participating Mortgage Proceeds collected in that calendar year to cover BC Housing's administration costs, by no later than December 31 of that year.

The District covenants and agrees with BC Housing that, unless BC Housing and the District otherwise agree in writing, it will deposit all Participating Mortgage Proceeds in the District's Housing Reserve Fund and will only use Participating Mortgage Proceeds for the purposes of the District's Housing Reserve Fund.

**ARTICLE 9
BC HOUSING CONDITION**

9.1 CONDITION

The obligations of BC Housing contained in this Agreement are subject to the written approval of this Agreement by BC Housing's Executive Committee and its Board of Commissioners being obtained within thirty (30) days of BC Housing signing this Agreement.

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**ARTICLE 10
TERMINATION****10.1 TERMINATION OF AGREEMENT**

If, at any time after the first anniversary of the Reference Date, the parties, each acting in good faith, have not obtained the approvals or consents required to permit the construction of the Modular Homes, then either the Developer or BC Housing may withdraw from the Project by giving written notice to the other, and the obligations of the parties under this Agreement will be at an end.

**ARTICLE 11
INDEMNITY****11.1 OBLIGATIONS OF THE INDEMNIFIER**

In consideration of BC Housing and the District entering into this Agreement with the Developer, to which the Indemnifier is related, the Indemnifier will indemnify BC Housing and the District against any default of the Developer of its obligations contained in this Agreement and in the agreements attached hereto as Schedules.

**ARTICLE 12
MISCELLANEOUS****12.1 TIME**

Time will be of the essence of this Agreement.

12.2 NO WAIVER

No failure or delay on the part of a party in exercising any right under this Agreement will operate as a waiver thereof, nor will any single or partial exercise of any right preclude any other or further exercise thereof or the exercise of any other right.

12.3 FURTHER ASSURANCES

Each of the parties will from time to time and upon reasonable request execute and deliver all such further assurances, acts, and documents for the purpose of evidencing and giving full force and effect to the covenants, agreements, and provisions contained in this Agreement.

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12.4 NOTICES

Any demand or notice which may be given pursuant to this Agreement will be in writing and delivered or emailed to the parties at those addresses or email addresses that are provided by each of the parties to the other parties.

12.5 ASSIGNMENT

Neither BC Housing nor the Developer may assign its interest in this Agreement without the prior written consent of the other, which consent may not be unreasonably or arbitrarily withheld.

12.6 NO PARTNERSHIP

Notwithstanding that this Agreement is referred to as a "Project Partnering Agreement", nothing in this Agreement nor in the relationship of the parties established by this Agreement shall be construed as creating a partnership among the parties.

12.7 CONFIDENTIALITY

The parties shall not disclose the existence, contents, or effect of this Agreement without the prior written consent of the other parties, except that the parties may disclose the same to its employees, lenders, and advisors, and such other persons as may reasonably be required so as to complete the transactions contemplated herein or in connection with carrying out their respective obligations hereunder.

12.8 PUBLIC COMMUNICATIONS

All public communications relating to the BC Housing Benefits Mortgage, the BC Housing Participating Mortgage, or the BC Housing Affordable Home Ownership Program must receive the prior written approval of BC Housing. The Developer agrees that it will provide BC Housing with copies of all other communications and marketing material related to the Project prior to the release of said communications or materials to the public for information purposes only.

12.9 JOINT AND SEVERAL

If this Agreement is executed by two or more parties comprising the Developer, all covenants and liabilities entered into or imposed upon the Developer shall be deemed to be joint and several obligations of each of such party.

12.10 BINDING EFFECT

This Agreement will enure to the benefit of and will be binding upon the successors and permitted assigns of the parties, as applicable.

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IN WITNESS WHEREOF the parties have executed this Agreement as of the dates set out below:

**ACMC HOLDINGS LTD.
(THE DEVELOPER)**

By: _____
(Authorized Signatory)

Date: _____

BRITISH COLUMBIA HOUSING MANAGEMENT COMMISSION

By: _____
(Authorized Signatory)

Date: _____

DISTRICT OF UCLUELET

By: _____
(Authorized Signatory)

Date: _____

**ANDREW CHARLES McLANE
(THE INDEMNIFIER)**

By: _____

Date: _____

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SCHEDULE "I"
BC HOUSING BENEFITS MORTGAGE

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FORM E
Schedule

5. PAYMENT PROVISIONS:

(b) Interest Rate: No Interest

(l) Balance Due Date:

*Three (3) months after the issuance of an occupancy permit by the District of Ucluelet for the Modular Homes or any portion thereof (an “**Occupancy Permit**”), this Mortgage will convert to a demand loan, payable by the Mortgagor to the Mortgagee upon two (2) months' notice from the Mortgagee to the Mortgagor, and notwithstanding anything else herein contained, if the District of Ucluelet does not issue an Occupancy Permit by **December 31, 2025** then the amounts secured by this Mortgage shall be due and payable on **February 1, 2026**.*

11. PRIOR ENCUMBRANCES PERMITTED BY LENDER:

COVENANT EX125879 (MODIFIED BY FB49737, FB439221 AND CA8610812)

COVENANTS FB154804, FB154853 AND CA8610815

STATUTORY BUILDING SCHEME FB154882

EASEMENT FB238771

OPTION TO PURCHASE CA8610814

COVENANT IN FAVOUR OF THE MORTGAGEE FILED IN THE LAND TITLE OFFICE ON THE SAME DAY PRECEDING THIS MORTGAGE.

COVENANT IN FAVOUR OF THE MORTGAGEE FILED IN THE LAND TITLE OFFICE ON THE SAME DAY PRECEDING THIS MORTGAGE.

MORTGAGE IN FAVOUR OF THE MORTGAGEE FILED IN THE LAND TITLE OFFICE ON THE SAME DAY PRECEDING THIS MORTGAGE.

ASSIGNMENT OF RENTS IN FAVOUR OF THE THE MORTGAGEE FILED IN THE LAND TITLE OFFICE ON THE SAME DAY PRECEDING THIS MORTGAGE.

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EXPRESS MORTGAGE TERMS - PART 2

PURSUANT TO THE LAND TRANSFER FORM ACT, PART 3

1. Interpretation

Definitions

- 1.1 Where used herein or in any amendment hereto, unless the context otherwise requires, each of the underlined words and phrases set out below shall have the following meanings ascribed thereto:
- 1.1.1 "Modular Homes" means the 33 modular homes constructed on the Lands;
 - 1.1.2 "Canadian Dollars" and "CDN\$" each mean lawful currency of Canada in immediately available funds;
 - 1.1.3 "Covenantor" means the Person or Persons, if any, who execute this Mortgage as "Covenantor" and their respective heirs, personal representatives, successors or permitted assigns, as the case may be;
 - 1.1.4 "Indebtedness" means the principal amount referred to in item 5 of the Mortgage Form;
 - 1.1.5 "Lands" means the entire right, title and interest of the Mortgagor in and to the lands and premises described as the "Parcel Identifier(s) and Legal Description(s) of the Mortgaged Land" in item 2 of the Mortgage Form together with all buildings and improvements thereon and all appurtenances thereto;
 - 1.1.6 "Mortgage" means the Mortgage Form and these express mortgage terms, read together;
 - 1.1.7 "Mortgagee" means the party described as Lender(s) Mortgagee(s) in item 4 of the Mortgage Form;
 - 1.1.8 "Mortgage Form" means the document prescribed by Regulation under the Land Title Act (British Columbia) as Form B and attached as Part 1 of this Mortgage, and includes all schedules to such document;
 - 1.1.9 "Mortgage Rate" means the interest rate per annum referred to in item 5 (b) of the Mortgage form, calculated and compounded annually not in advance, both before and after maturity, default and judgement;

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- 1.1.10 “Mortgagor” means the person or persons who have signed the Mortgage Form as Mortgagor(s) as described in item 3 of the Mortgage Form;
- 1.1.11 “Permitted Encumbrances” means the encumbrances, if any, described in item 11 of the Mortgage Form and any other encumbrances permitted by the Project Partnering Agreement;
- 1.1.12 “Person” includes any individual, a partnership, a corporation, a joint stock company, a trust, an unincorporated association, a joint venture or other entity;
- 1.1.13 "Project Partnering agreement" means the Project Partnering Agreement in respect of the Lands among the Mortgagor, the Mortgagee, the District of Ucluelet and the Covenantor dated for reference _____ 2024, as may be amended from time to time;
- 1.1.14 “Receiver” means a receiver, receiver-manager or receiver and manager of the Lands appointed under Section 4.1.30 of this Mortgage; and
- 1.1.15 “Taxes” means all taxes, rates, duties and assessments levied on the Lands and all penalties and interest payable in connection therewith.

Included Words

- 1.2 Wherever the singular, masculine or body politic or corporate are used herein, the plural, feminine, masculine or the body politic or corporate shall be deemed to be included where the context so requires.

Headings

- 1.3 The headings to the parts and sections of these standard mortgage terms are inserted for convenience only and shall not affect the construction hereof.

References

- 1.4 Unless otherwise stated, a reference herein to a numbered or lettered part or section refers to the part or section having that part or section number or letter in these express mortgage terms or the Mortgage Form, and a reference to these mortgage terms means these express mortgage terms including any schedules or amendments hereto.

2. Property Charged

To secure the repayment of the Indebtedness, interest thereon and other monies owing hereunder and the performance of the Mortgagor’s covenants contained in the Project Partnering Agreement, the Mortgagor does hereby grant and mortgage unto the Mortgagee, its successors and assigns ALL AND SINGULAR the Lands, to have and to hold the Lands unto and to the use of the Mortgagee, forever, subject to the redemption provision set out in Section 3 hereof.

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3. Redemption Provision

3.1 PROVIDED this Mortgage shall be void upon:

3.1.1 payment by the Mortgagor to the Mortgagee, of:

- (a) the Indebtedness at the date of payment hereunder;
- (b) interest on the Indebtedness;
- (c) all other sums to which the Mortgagee may be entitled by virtue of this Mortgage, as and when such sums shall become due and payable together with interest thereon at the applicable Mortgage Rate, calculated as set out herein; and

3.1.2 observance and performance of all covenants, provisions and conditions with respect to the Indebtedness whether contained in this Mortgage or otherwise;

and the Mortgagor releases to the Mortgagee all of the Mortgagor's claim upon the Lands, subject to the foregoing redemption provision.

3.2 If the Mortgagor fails to pay when due the monies hereby secured or any part thereof those monies shall bear compound interest at the applicable Mortgage Rate both before and after default to be computed annually.

3.3 All payments to the Mortgagee shall be made at the office of the Mortgagee set out in the Mortgage Form or such other place that the Mortgagee may designate.

3.4 Until the entirety of the Indebtedness has been paid in full, the Mortgagor shall not have any right of subrogation to the Mortgagee or to the securities held by the Mortgagee, including, without limitation, this Mortgage, and none of the provisions hereof shall be in any way diminished or affected on account of any act or failure to act on the part of the Mortgagee which would prevent subrogation from operating in favour of the Mortgagor. The Mortgagee, in its sole discretion as it sees fit, without in any way prejudicing or affecting the rights of the Mortgagee hereunder, may appropriate any monies received to any portion of the Indebtedness, whether then due or to become due, and may revoke or alter any such appropriation.

4. General Covenants

4.1 The Mortgagor covenants and agrees with the Mortgagee that:

4.1.1 the Mortgagor has the right to mortgage and charge the Lands in favour of the Mortgagee on the covenants, agreements, conditions and provisions contained in this Mortgage, and the Mortgagor shall observe these covenants, agreements, conditions and provisions;

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- 4.1.2 the preparation, execution or registration of this Mortgage shall not in any way bind the Mortgagee to advance any monies to the Mortgagor or any other person;
- 4.1.3 the charge created by this Mortgage shall take effect immediately upon the execution of this Mortgage;
- 4.1.4 the Mortgagor has title to the Lands subject only to the Permitted Encumbrances;
- 4.1.5 on default hereunder, the Mortgagee shall have quiet possession of the Lands free from all encumbrances, other than the Permitted Encumbrances, provided that until default hereunder the Mortgagor shall have quiet possession of the Lands;
- 4.1.6 the Mortgagor has done no act nor been guilty of any omission or laches whereby the rights of the Mortgagor in the Lands have become in any way impaired or invalid;
- 4.1.7 the Mortgagor shall promptly comply with all restrictive covenants and all federal, provincial, state or local statutes, regulations, by-laws and ordinances affecting the Lands, now or hereafter in effect;
- 4.1.8 the Mortgagor shall execute such further assurances of the Lands that may be required by the Mortgagee;
- 4.1.9 the Mortgagor shall pay to the Mortgagee the outstanding amounts set out in Sections 3.1.1(a), 3.1.1(b) and 3.1.1(c) of this Mortgage when due under the Project Partnering Agreement;
- 4.1.10 the Mortgagor shall immediately pay and discharge or diligently pursue steps to cause to be paid and discharged:
 - (a) all Taxes when due, and shall furnish the Mortgagee with receipts for those payments;
 - (b) all liens, charges, and encumbrances which rank or could rank in priority to this Mortgage, other than the Permitted Encumbrances;
 - (c) all amounts falling due under any Permitted Encumbrances; and
 - (d) all costs, charges, expenses, and legal fees (between solicitor and his own client) which may be incurred by the Mortgagee in:
 - (i) taking, recovering, and keeping possession of the Lands; and
 - (ii) all proceedings taken in connection with or to realize the monies hereby secured;

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- 4.1.11 if the Mortgagor fails to make any payments under the preceding section the Mortgagee may, but shall not be obligated to, make those payments and the amounts thereof:
- (a) shall be a charge on the Lands in favour of the Mortgagee in priority to all claims arising subsequent to this Mortgage;
 - (b) shall be payable by the Mortgagor immediately with interest at the Mortgage Rate until paid; and
 - (c) shall with interest at the Mortgage Rate be added to the monies hereby secured;
- 4.1.12 if the Mortgagee pays and satisfies, on behalf of the Mortgagor, the whole or any part of any Taxes, rates, duties, assessments, liens, charges, or encumbrances now or hereafter existing or claimed in respect of the Lands, the Mortgagee shall be entitled to all the equities and securities of the person or persons so paid and is hereby authorized to retain any discharge thereof without registration for so long as it may see fit to do so;
- 4.1.13 the Mortgagor shall:
- (a) insure and keep insured against loss or damage by fire and other insurable risks and perils the improvements now and hereafter on the Lands for an amount not less than their full insurable value; and
 - (b) place the required insurance with loss payable to the Mortgagee in priority to every person except the holder of any Permitted Encumbrance;
- 4.1.14 if the Mortgagor fails to properly insure, as required by Section 4.1.13, the Mortgagee may, but shall not be obligated to, effect such insurance as it sees fit, acting reasonably, which may be solely for the benefit of the Mortgagee, with no duty to account for the proceeds thereof, and the costs of that insurance:
- (a) shall be a charge on the Lands in favour of the Mortgagee in priority to all claims arising subsequent to this Mortgage;
 - (b) shall be payable by the Mortgagor immediately with interest at the Mortgage Rate until paid; and
 - (c) shall with interest at the Mortgage Rate be added to the monies hereby secured as if those costs, charges and expenses had originally formed part of the Indebtedness;
- 4.1.15 if the whole or any part of the improvements now and hereafter on the Lands are damaged or destroyed the Mortgagor shall immediately notify the Mortgagee in

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writing, and shall furnish at its own expense all necessary proofs and do all necessary acts to enable the Mortgagee to obtain payment of the insurance proceeds to the extent of payments due under the Project Partnering Agreement;

- 4.1.16 all improvements now and hereafter on the Lands including, but not limiting the generality of the foregoing, all buildings, fences, heating, plumbing, air conditioning, ventilating, lighting and water heating equipment, cooking and refrigeration equipment, window blinds, floor coverings, storm windows and storm doors, window screens and screen doors, and all apparatus and equipment appurtenant thereto, are and shall, in addition to other fixtures thereon, be and become fixtures and an accession to the freehold and a part of the Lands as between the parties hereto and shall be a portion of the security for the monies hereby secured;
- 4.1.17 the Mortgagor shall not permit waste to be committed or suffered on the Lands and shall maintain or cause to be maintained the improvements now and hereafter on the Lands in good order and repair to the satisfaction of the Mortgagee;
- 4.1.18 the Mortgagor will pay all Indebtedness when due by it and all other amounts owing under the Project Partnering Agreement and this Mortgage;
- 4.1.19 the Mortgagor will provide the Mortgagee with prompt written notice of any event which constitutes, or which, with notice, lapse of time, or both, would constitute a default under the Project Partnering Agreement or this Mortgage;
- 4.1.20 the Mortgagor will permit the Mortgagee or its representatives, from time to time, to visit and inspect the Lands and examine and obtain copies of the Mortgagor's records relating to the Lands only and discuss the Mortgagor's affairs relating to the Lands only with the auditors, counsel and other professional advisers of the Mortgagor;
- 4.1.21 the Mortgagor will have all liens discharged immediately from title to the Lands at its own cost and expense and from its own resources;
- 4.1.22 the Mortgagor shall not:
- (a) permit any legal proceedings to continue which in any way affect the title to the Lands;
 - (b) grant any further mortgage, charge or other encumbrance on the Lands in priority to this Mortgage other than Permitted Encumbrances; or
 - (c) commit any breach or default of any Permitted Encumbrances.
- 4.1.23 upon:

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- (a) default of payment of any Indebtedness, or any payment of interest thereon, pursuant to and in accordance with the Project Partnering Agreement or otherwise that is not remedied within 14 days after the Mortgagor has received written notice thereof;
- (b) default of payment of any other monies owing under this Mortgage when payable, or default under any other term of this Mortgage, that is not remedied within 30 days after the Mortgagor has received written notice thereof (or such longer period as may reasonably be required to remedy the default if agreed to by the Mortgagee in its reasonable discretion);
- (c) default under any Permitted Encumbrance that is not remedied within 30 days after the Mortgagor has received written notice thereof (or such longer period as may be reasonably be required to remedy the default if agreed to by the Mortgagee in its reasonable discretion);
- (d) it being discovered that any material statement in this Mortgage is untrue;
- (e) the Mortgagor or any Covenantor becoming insolvent or there being instituted against the Mortgagor or any Covenantor any type of insolvency proceeding under the Bankruptcy and Insolvency Act (Canada) or otherwise;
- (f) the Mortgagor or any Covenantor making an assignment for the benefit of creditors, or making a proposal under or otherwise taking advantage of the Bankruptcy and Insolvency Act (Canada) or the Companies Creditors' Arrangement Act (Canada) or similar legislation in any jurisdiction, or having a bankruptcy petition presented against the Mortgagor or any Covenantor;
- (g) a receiver or trustee being appointed for the Mortgagor or any Covenantor or for any of the assets of the Mortgagor or any Covenantor;
- (h) if either the Mortgagor or any Covenantor is a corporation, an order being made or an effective resolution being passed for the winding up of the Mortgagor or any Covenantor;
- (i) the Mortgagor or any Covenantor committing or threatening to commit any act of bankruptcy under the Bankruptcy and Insolvency Act (Canada);
- (j) the Mortgagor or any Covenantor ceasing or threatening to cease to carry on a major part of the respective businesses carried on by them at the date of this Mortgage;
- (k) the Lands or any part thereof being expropriated under the provisions of any law of Canada or any province thereof; or

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(l) any breach of Section 4.1.22,

then an event of default shall have occurred hereunder and, at the sole discretion of the Mortgagee and notwithstanding the other provisions of this Mortgage, all monies hereby secured shall immediately become due and be paid, and the Mortgagee may, without notice, take possession of the Lands and sell the Lands or any part thereof by public auction or private sale for the price that can reasonably be obtained therefor, and on terms as to credit and otherwise and with the conditions of sale and stipulations as to title or evidence of title or otherwise that the Mortgagee in its sole discretion deems fit, and in the event of a sale under this Section 4.1.23, Sections 4.1.24 to 4.1.29 inclusive shall apply;

- 4.1.24 in the event of any sale on credit or for part cash and part credit, the Mortgagee shall not be accountable for or charged with any monies until actually received;
- 4.1.25 the Mortgagee may rescind or vary any contract of sale and may buy and re-sell the Lands or any part thereof without being answerable for any loss occasioned thereby unless the Mortgagee has previously approved such contract of sale;
- 4.1.26 no purchaser shall be bound to inquire into the legality, regularity or propriety of any sale or be affected by notice of any irregularity or impropriety;
- 4.1.27 no lack or default or want of notice or other requirement or any irregularity or impropriety of any kind shall invalidate any sale;
- 4.1.28 the Mortgagee may take sale proceedings hereunder, notwithstanding that other proceedings, have been taken or are then pending;
- 4.1.29 the proceeds of any sale hereunder shall be applied:
 - (a) **FIRSTLY:** in payment to the Mortgagee on account of any costs, charges, and expenses (on a solicitor and client basis) attending that sale or incurred in taking, recovering, or keeping possession of the Lands or by reason of non-payment or procuring of the monies hereby secured;
 - (b) **SECONDLY:** in payment to the Mortgagee on account of the Indebtedness up to the maximum amount plus interest thereon as set out above;
 - (c) **THIRDLY:** in payment to the Mortgagee on account of any other monies secured hereby or owing under this Mortgage; and
 - (d) **FOURTHLY:** in payment to the Mortgagor of any surplus, provided that if any party claims a charge against all or a portion of the surplus, the Receiver shall make such disposition of all or a portion of the surplus as the Receiver sees fit in the circumstances;

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- 4.1.30 upon the occurrence of any one or more of the events set out in Section 4.1.23, the Mortgagee may from time to time appoint by writing a Receiver of the Lands, with or without bond, and may from time to time remove the Receiver and appoint another in its stead;
- 4.1.31 any Receiver appointed hereunder shall by virtue of that appointment be the agent of the Mortgagor and shall have the following powers:
- (a) to take possession of the Lands and for that purpose to enter into and upon any buildings and premises wheresoever and whatsoever and for that purpose to do any and take any proceedings in the name of the Mortgagor or otherwise as the Receiver may see fit;
 - (b) to carry on or concur in carrying on the business of the Mortgagor on the Lands, including the development thereof, and to employ and discharge agents, workmen, accountants, and others upon the terms and for the salaries, wages, or remuneration that the Receiver shall think proper and to repair and keep in repair the Lands and to do all necessary acts and things for the carrying on of the business of the Mortgagor on the Lands and the protection of the Lands;
 - (c) to cease carrying on the business of the Mortgagor on the Lands and to sell or lease or concur in selling or leasing any or all of the Lands, or any part thereof, and to carry any sale or lease into effect by conveying in the name of or on behalf of the Mortgagor or otherwise, and any sale may be made from time to time as to the whole or any part or parts of the Lands. To this end, the Receiver may:
 - (i) make any stipulations as to title or conveyance or commencement of title or otherwise which the Receiver shall see fit;
 - (ii) enter into or rescind or vary any contracts for the sale of any part of the Lands and may re-sell any of the Lands; and
 - (iii) sell any of the Lands on terms of credit or part cash and part credit or otherwise that shall appear to be most advantageous and at the prices that can reasonably be obtained,

and in the event of a sale on credit, neither the Receiver nor the Mortgagee shall be accountable for or charged with any monies until actually received;
 - (d) to make any arrangement or compromise which the Receiver may think expedient in the interest of the Mortgagee and to consent to any modification or change in or omission from the provisions of this Mortgage;

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- (e) to exchange any part or parts of the Lands for any other property which the Receiver determines to be suitable for the purposes of the Mortgagor and upon the terms that the Receiver shall see fit and either with or without payment or exchange of money or regard to the equality of the exchange or otherwise;
- (f) to borrow money to carry on the business, if any, of the Mortgagor on the Lands, including the development thereof, or to maintain the whole or any part of the Lands in the amounts that the Receiver may from time to time see fit and in so doing the Receiver may issue certificates that may be payable when the Receiver thinks expedient and shall bear interest as stated therein and the amounts from time to time payable under those certificates shall be a charge on the Lands in priority to this Mortgage;
- (g) to execute and prosecute all suits, proceedings, and actions which the Receiver in his sole discretion may see fit for the proper protection of the Lands, to defend all suits, proceedings, and actions against the Mortgagor or the Receiver, to appear in and conduct the prosecution and defence of any suit, proceeding, or action then pending or thereafter instituted and to appeal any suit, proceeding, or action;
- (h) to execute and deliver to the purchaser of any part or parts of the Lands, good and sufficient deeds, the Receiver hereby being constituted the irrevocable attorney of the Mortgagor for the purpose of making a sale and executing a deed, and any disposition made as set out in Section 4.1.31(c) or 4.1.31(e) shall be a perpetual bar both in law and equity against the Mortgagor, and all other persons claiming an interest in the Lands or any part or parts thereof by, from, through, or under the Mortgagor and the proceeds of any sale shall be distributed in the manner set out in Section 4.1.32,

and it is agreed that no purchaser at any sale purporting to be made under these powers shall be bound or concerned to see or inquire whether any default has been made or continued, or whether any notice required hereunder has been given, or as to the necessity or expediency of the stipulations subject to which any sale shall have been made, or otherwise as to the propriety of any sale or regularity of its proceedings, or be affected by notice that no default has been made or continues, or notice given, or that the sale is otherwise unnecessary, improper, or irregular; and notwithstanding any impropriety or irregularity or notice thereof to that purchaser, the sale as regards that purchaser shall be deemed to be within these powers and be valid accordingly and the remedy (if any) of the Mortgagor, or of any party claiming by or under it, in respect of any impropriety or irregularity whatsoever in any sale, shall be in damages only;

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- 4.1.32 the net profits of the business of the Mortgagor on the Lands and the net proceeds of any sale of the Lands or part thereof shall be applied by the Receiver subject to the claims of any creditors ranking in priority to this Mortgage:
- (a) FIRSTLY, in payment to the Receiver on account of all costs, charges, and expenses of and incidental to the appointment of the Receiver and the exercise by the Receiver of all or any of the powers set out in the previous section including the reasonable remuneration of the Receiver and all amounts properly payable by it;
 - (b) SECONDLY, in payment to the Receiver and the Mortgagee, as the case may be, on account of all costs, charges, and expenses payable hereunder, including the legal fees of the Receiver and of the Mortgagee on a solicitor and client basis;
 - (c) THIRDLY, in payment to the Mortgagee on account of the Indebtedness plus interest thereon as set out above;
 - (d) FOURTHLY, in payment to the Mortgagee on account of any other monies remaining unpaid hereunder; and
 - (e) FIFTHLY, in payment to the Mortgagor of any surplus, provided that if any party claims a charge against all or a portion of the surplus, the Receiver shall make such disposition of all or a portion of the surplus as the Receiver sees fit in the circumstances;
- 4.1.33 the appointment of any Receiver hereunder shall not render the Mortgagee a mortgagee in possession;
- 4.1.34 the Mortgagee shall not be liable to the Receiver for its remuneration, costs, charges, or expenses and the Receiver shall not be liable for any loss, howsoever arising, unless that loss shall be caused by the gross negligence or willful default of the Receiver and the Mortgagor shall be solely responsible for the acts, defaults, and remuneration of the Receiver;
- 4.1.35 the taking of a judgment or judgments on any of the covenants herein contained shall not operate as a merger of those covenants or affect the Mortgagee's right to interest at the Mortgage Rate and at the times herein provided and any judgment may provide that interest thereon be computed at the Mortgage Rate until that judgment shall have been fully paid and satisfied;
- 4.1.36 all remedies stipulated for the Mortgagee herein shall be in addition to and not restrictive of the remedies of a mortgagee at law and in equity;
- 4.1.37 each remedy of the Mortgagee may be enforced in priority to or concurrently with or subsequent to any other remedy or remedies of the Mortgagee;

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- 4.1.38 the Mortgagee may realize upon various securities and the parts thereof in any order that the Mortgagee may determine and any realization upon any security or securities shall not bar realization upon any other security or securities;
- 4.1.39 any demand, notice, or court process may be effectively given to or served upon the Mortgagor by the Mortgagee:
- (a) by leaving the demand, notice, or court process with an adult person on the Lands, if occupied, or placing it on some portion thereof, if unoccupied;
 - (b) by mailing that demand, notice, or court process by prepaid post to the Mortgagor at the Mortgagor's address set out in the Mortgage Form or at any other address that may be given in writing by the Mortgagor to the Mortgagee;
 - (c) if the Mortgagor is a corporation, by mailing any demand, notice, or court process to the Mortgagor at its registered office; or
 - (d) by publishing the demand, notice, or court process twice in a newspaper published or circulating in the county or district in which the Lands are situate,
- and to the Mortgagee by the Mortgagor by mailing any notice by prepaid registered mail to the Mortgagee at the Mortgagee's address set out in the Mortgage Form or to any other address that may be given by the Mortgagee to the Mortgagor;
- 4.1.40 subject to the discharge or partial discharge of this Mortgage as provided in the Project Partnering Agreement, every part into which the Lands are or may hereafter be divided does and shall stand charged with the whole of the monies hereby secured and no person shall have any right to require the monies hereby secured to be apportioned on or in respect of these parts, but the Mortgagee may release any part or parts of the Lands, with or without sufficient consideration, without thereby releasing the Mortgagor from this Mortgage;
- 4.1.41 no sale or other dealing by the Mortgagor with the equity of redemption in the Lands shall in any way change the liability of the Mortgagor or any Covenantor or in any way alter the rights of the Mortgagee as against the Mortgagor or any Covenantor or any other person liable for payment of the monies secured by this Mortgage;
- 4.1.42 if this Mortgage is redeemed by the Mortgagor, it shall be cancelled and shall not be re-issued but:
- (a) any partial payment made by any Covenantor or by the Mortgagor to the Mortgagee; or

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- (b) any ceasing by any Covenantor or the Mortgagor to be indebted to the Mortgagee;

shall be deemed not to be a redemption or cancellation pro tanto or otherwise and this Mortgage shall remain valid security for any subsequent Indebtedness until the Mortgagee has delivered a registrable discharge of this Mortgage to the Mortgagor;

- 4.1.43 any and all payments made by any Covenantor, the Mortgagor or others in respect of the Indebtedness or the other monies hereby secured, and any monies or other proceeds realized from any securities held as security for the Indebtedness (including this Mortgage) may be applied, and re applied, notwithstanding any previous application, on the part or parts of the Indebtedness or the other monies hereby secured as the Mortgagee may see fit;
- 4.1.44 no apparent change in the state of the account of any Covenantor or the Mortgagor with the Mortgagee, by reason of monies deposited or bills of exchange, promissory notes, or other commercial paper discounted or given in renewal, substitution, or alteration of the bills, notes, and paper from time to time held by the Mortgagee or otherwise, shall be deemed to be repayment on account of the Indebtedness or interest or the other monies secured by this Mortgage or any part thereof or call for or require the application of any cash deposits or proceeds as payments on account of the Indebtedness or the other monies secured by this Mortgage or any part thereof, or in any way affect the security of this Mortgage, unless an authorized employee of the Mortgagee shall give a receipt to the Mortgagor to that effect;
- 4.1.45 every certificate signed by an authorized employee of the Mortgagee purporting to show, at any particular time, the amount of the Indebtedness or any other amount due and payable under this Mortgage shall be prima facie evidence as against the Mortgagor of such amount or rate;
- 4.1.46 any discretion, option, decision or opinion hereunder on the part of the Mortgagee shall be sufficiently exercised or formed if exercised or formed by, or subsequently ratified, by a director or an executive officer of the Mortgagee or any officer or agent appointed by the Mortgagee for such purpose;
- 4.1.47 this Mortgage shall not nor shall anything contained in this Mortgage operate so as to create any merger, rebate, or discharge of any debt owing to the Mortgagee or of any lien, bond, promissory note, bill of exchange, or other security held by or which may hereafter be held by the Mortgagee from any Covenantor or the Mortgagor or from any other person or persons whomsoever, and this Mortgage shall not in any way prejudicially affect any security held or which may hereafter be held by the Mortgagee for the Indebtedness or the other monies hereby secured or any part or parts thereof or the liability of any endorser or any other person upon any lien, bond, promissory note, bill of exchange, or other security or any contract or any renewal

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or renewals thereof held by the Mortgagee for or on account of the Indebtedness or the other monies hereby secured or any part or parts thereof, nor shall the remedies of the Mortgagee in respect thereof be merged, prejudiced or delayed in any manner whatsoever by the taking of this Mortgage;

- 4.1.48 the Mortgagee may grant time, renewals, extensions, indulgences, releases, and discharges to, may take securities from, and give them and any and all existing securities up to, may abstain from taking securities from or from perfecting securities of, may accept compositions from, and may otherwise deal with any Covenantor and the Mortgagor and all other persons and securities that the Mortgagee may see fit without prejudicing the rights of the Mortgagee under this Mortgage;
- 4.1.49 if the provisions of any section of this Mortgage shall be held to be unenforceable or otherwise invalid, that holding shall not in any way affect the enforceability or validity of the remaining sections of this Mortgage;
- 4.1.50 all amounts payable to the Mortgagee hereunder shall be made without deduction, compensation, set-off, or counterclaim;
- 4.1.51 if this Mortgage is executed by two or more parties comprising the Mortgagor, all covenants and liabilities entered into or imposed upon the Mortgagor shall be deemed to be joint and several obligations of each of such parties;
- 4.1.52 all covenants and liabilities entered into or imposed hereunder upon the Mortgagor shall enure to the benefit of and be binding upon the Mortgagor and the heirs, executors, administrators, and assigns of the Mortgagor (and if the Mortgagor is a corporation, its successors and assigns). All rights, advantages, privileges, immunities, powers, and things hereby secured to the Mortgagee, shall be equally secured to and exercisable by its successors and assigns. Provided that the Mortgagor is not in default of its obligations secured by this Mortgage, the Mortgagee will not assign this Mortgage;
- 4.1.53 the common law right of consolidation is retained and preserved, and the Mortgagee may, in its sole discretion, invoke the right to consolidate at any applicable time, and for the purposes hereof, Section 31 of the Property Law Act (British Columbia) and any other statutory provision abolishing, or purporting to abolish the right of consolidation, is hereby expressly excluded;
- 4.1.54 time shall be of the essence hereof;
- 4.1.55 the Mortgagor will provide written notice to the Mortgagee immediately upon the Mortgagor becoming aware that the Lands or any adjacent property is being or has been contaminated with regulated, hazardous or toxic substances. The Mortgagor will not permit any activities on the Lands which directly or indirectly could result in the Lands or any other property being contaminated with regulated, hazardous

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or toxic substances. For the purposes of this Mortgage, the term “regulated, hazardous or toxic substances” means any substance, defined or designated as hazardous or toxic wastes, hazardous or toxic material, a hazardous, toxic or radioactive substance or other similar term, by any applicable federal, provincial or local statute, regulation or ordinance now or hereafter in effect, or any substance or materials, the use or disposition of which is regulated by any such statute, regulation or ordinance; and

4.1.56 the Mortgagor shall promptly comply with all statutes, regulations and ordinances, and with all orders, decrees or judgments of governmental authorities or courts having jurisdiction, relating to the use, collection, storage, treatment, control, removal or cleanup of regulated, hazardous or toxic substances in, on, or under the Lands or in, on, or under any adjacent property that becomes contaminated with regulated, hazardous or toxic substances as a result of construction, operations or other activities on, or the contamination of, the Lands, or incorporated in any improvements thereon. The Mortgagee may, but shall not be obligated to, enter upon the Lands and take such actions and incur such costs and expenses to effect such compliance as it deems advisable and the Mortgagor shall reimburse the Mortgagee on demand for the full amount of all costs and expenses incurred by the Mortgagee in connection with such compliance activities and such costs and expenses:

- (a) shall be a charge on the Lands in favour of the Mortgagee in priority to all claims subsequent to this Mortgage;
- (b) shall be payable by the Mortgagor immediately with interest at the Mortgage Rate until paid;
- (c) shall with interest at the Mortgage Rate be added to the monies hereby secured; and

4.1.57 before commencing any application to court seeking an order for the reorganization of the Mortgagor's financial affairs (whether or not such order is sought pursuant to the provisions of the Companies' Creditors Arrangement Act) in any manner which could limit or restrict the Mortgagee's rights and remedies under this Mortgage, the Mortgagor will give not less than 10 days' notice of such application to the Mortgagee.

5. Notice of Priority

5.1 In respect to the priority to be given this Mortgage:

5.1.1 the Mortgagor shall not be at liberty to, and the Mortgagor hereby covenants to not create or suffer to be created, any mortgage, charge, lien, or encumbrance upon the Lands ranking or capable of ranking in priority to or pari passu with this Mortgage except for the Permitted Encumbrances; and

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5.1.2 this provision being a term of this Mortgage, shall be notice within the meaning of Section 27(1)(b) of the Land Title Act (British Columbia) to every person dealing with the Lands that any mortgage, charge, lien, or encumbrance upon the Lands which is registered subsequently to this Mortgage shall be subject to and rank in priority after the right, title, and interest of the Mortgagee under this Mortgage in all respects as if:

- (a) this Mortgage had been executed, delivered, and registered;
- (b) all monies hereby secured had been advanced; and
- (c) demand had been made for repayment of the Indebtedness,

before the execution, delivery, or registration of any subsequently registered mortgage, charge, lien, or encumbrance or the advance of any part of the monies thereby secured and any mortgage, charge, lien, or encumbrance upon the Lands shall so provide but the omission of that provision shall not prejudice the priority of this Mortgage.

6. Power of Attorney

6.1 The Mortgagor hereby irrevocably constitutes and appoints the Mortgagee (with full power of substitution) and any manager, acting manager or account manager of the Mortgagee for the time being as its true and lawful attorney to (in the name of the Mortgagor, or otherwise) exercise, do, or perform any act, right, power, duty or obligation whatsoever that the Mortgagor now has or may have in connection with, arising out of, or relating to this Mortgage, and without limiting any of the foregoing, if the Mortgagor is a non-resident person for the purpose of the Income Tax Act (Canada) (the "Tax Act"), upon an actual or proposed disposition of the Lands, to send to the Minister of National Revenue, within the time limits set out in the Tax Act for such purposes, a notice in accordance with Section 116(1) or (3) (or any replacement or similar section) of the Tax Act, as applicable, setting forth:

- 6.1.1 the name and address of the person to whom the Lands have been disposed or proposed to be disposed;
- 6.1.2 a description of the Lands sufficient to identify them;
- 6.1.3 the estimated or actual amount of the proceeds of disposition to be received or actually received for the Lands; and
- 6.1.4 the amount of the adjusted cost base to the Mortgagor of the Lands at the time of the sending of the notice.

6.2 The power of attorney conferred by this Section shall continue notwithstanding any mental infirmity of the Mortgagor.

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- 6.3 The Mortgagor will provide the Mortgagee with the adjusted cost base and such other information for the Lands as and when requested by the Mortgagee.
- 6.4 The Mortgagee will not under any circumstances be liable to the Mortgagor or any other person with respect to any act done or any filings made by the Mortgagee pursuant to this Section.
- 6.5 The Mortgagee may make advances and re-advances to the Mortgagor or any Covenantor in one or more sums at any future date or dates and this Mortgage shall be deemed to be taken as security for the ultimate balance of the Indebtedness and interest thereon at the Mortgage Rate including, without limitation, any part of the Indebtedness arising from current and running accounts between the Mortgagor or any Covenantor and the Mortgagee represented by advances and re-advances by the Mortgagee to the Mortgagor or any Covenantor, at the time of demand hereunder, together with interest thereon at the Mortgage Rate and other monies hereby secured.

7. Covenantor

This paragraph applies if this Mortgage has been executed by a “Covenantor” and if so, the Covenantor for the sum of TEN DOLLARS (\$10.00) of lawful money of Canada and other good and valuable consideration now paid by the Mortgagee to the Covenantor (the receipt and sufficiency of which is hereby acknowledged), hereby covenants, promises and agrees to and with the Mortgagee as a principal debtor and not as a surety:

- 7.1 to duly and punctually pay the Indebtedness, interest and all other moneys from time to time owing on the security of this Mortgage and to observe and perform or cause to be observed and performed all the covenants, agreements, terms, provisos, stipulations, and conditions herein contained on the part of the Mortgagor to be observed and performed and to indemnify, protect and save harmless the Mortgagee from all loss, costs and damage in respect of this Mortgage and every matter and thing herein contained;
- 7.2 that no release or releases of any portion or portions of the Lands and no indulgence shown by the Mortgagee in respect of any default by the Mortgagor which may arise under this Mortgage and no extension or extensions granted by the Mortgagee to the Mortgagor for payment of the moneys hereby secured, or for the doing, observing or performing of any covenant, agreement, matter or thing herein contained, to be done, observed or performed by the Mortgagor, nor any variation in or departure from the provisions of this Mortgage including but not limited to any variation or increase of the Mortgage Rate or any extension of the term of payment of the moneys secured hereunder, nor any taking of further security from the Mortgagor nor any other dealings between the Mortgagee and the Mortgagor, shall in any way prejudice the Mortgagee or modify, alter, vary or affect the liability of the Covenantor in any way under this covenant, which shall continue and be binding on the Covenantor, as well after as before default under, judgment upon, or maturity of this Mortgage, until the Indebtedness, interest and other moneys owing hereunder are fully paid and satisfied;

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- 7.3 that the Mortgagee shall not be bound to exhaust its recourse against the Mortgagor or any other person before enforcing its rights against the Covenantor;
- 7.4 that any failure on the part of the Mortgagee to perfect, maintain or enforce its rights, whether due to default, negligence or otherwise on the part of the Mortgagee, with respect to this Mortgage, or any other security granted to the Mortgagee relating to the within mortgage or the moneys secured hereby, shall not prejudice the Mortgagee with respect to its rights pursuant to this covenant and shall not discharge or limit or lessen the liability of the Covenantor pursuant to the terms hereof;
- 7.5 that the release of any person or persons comprising the Covenantor from his or her or its liability hereunder, in whole or in part, shall not affect the liability of any person or persons remaining as Covenantor above, which liability shall in each instance remain unimpaired and still in full force and effect as if each person being so released had not been party to this Mortgage; and
- 7.6 that the Mortgagee may vary any agreement or arrangement with any or all of the persons comprising the Covenantor and grant extensions of time to or otherwise deal with the Covenantor without any consent on the part of the Mortgagor.

In witness whereof and to acknowledge their acceptance of and agreement to be bound by the forgoing express mortgage terms, each of the Persons comprising the Mortgagor and Covenantor has executed the Mortgage Form on the respective dates indicated opposite their names in item 12 thereof.

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SCHEDULE "II"
BC HOUSING PARTICIPATING MORTGAGE

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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 Instrument form.

5. PAYMENT PROVISIONS:

(l) Balance Due Date: ● *[25 years from the date of registration]*

10. ADDITIONAL OR MODIFIED TERMS:

Original Purchase Price of the Land is ●

Agreed Percentage ● is ●

See Filed Standard Mortgage Terms filed under MT230002

The definition of “Lender” in paragraph 1.1(j) of the Standard Mortgage Terms filed under MT230002 is amended by deleting “City of Victoria” and substituting “District of Ucluelet” therefor.

11. PRIOR ENCUMBRANCES PERMITTED BY LENDER:

Mortgage and any applicable Assignment of Rents in favour of the first Mortgage as filed in the Land Title Office on the same day immediately preceding the registration of this mortgage.

END OF DOCUMENT

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STANDARD MORTGAGE TERMS

MT230002

Filed by: British Columbia Housing Management Commission

Address: 1701 – 4555 Kingsway
Burnaby, BC V5H 4V8

Reference Date: February 6, 2023

Mortgage Part 2

This set of standard mortgage terms will be deemed to be included in and form part of every mortgage, which incorporates these standard mortgage terms, by an election in the Mortgage Form. The Mortgage is made pursuant to the *Land Transfer Form Act*, R.S.B.C. 1996.

SECTION 1 DEFINITIONS

1.1 IN THESE STANDARD MORTGAGE TERMS:

- (a) “**Agreed Percentage**” means the percentage specified in item 10 of the Mortgage Form, which was determined prior to the Purchase Date as follows:

$$\text{Principal Amount} \div \text{Original Purchase Price} = \text{Agreed Percentage}$$

- (b) “**Appreciation Amount**” means the amount calculated in accordance with paragraphs 1, 2 and 3 of Schedule “A” attached hereto;
- (c) “**Balance Due Date**” means the date specified in item 5 on page 3 of the Mortgage Form;
- (d) “**Borrower**” means the person or persons named in item 3 on page 1 of the Mortgage Form as a borrower;
- (e) “**Borrower’s Address**” means the postal address of the Borrower specified in item 3 on page 1 of the Mortgage Form or the most recent address stipulated by a written notice given under these standard mortgage terms by the Borrower to the Lender;

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- (f) **“Court”** means a court or judge having jurisdiction in any matter arising out of the Mortgage;
- (g) **“Default”** includes each of the events of default specified in SECTION 12 and any other event of default specified in these standard mortgage terms;
- (h) **“Indebtedness”** means all monies due and payable under the Mortgage, including the Principal Amount and the Appreciation Amount;
- (i) **“Land”** means the land described in item 2 on page 1 of the Mortgage Form, including all buildings, improvements and fixtures that are now or later attached to the Land;
- (j) **“Lender”** means British Columbia Housing Management Commission together with the City of Victoria;
- (k) **“Lender’s Address”** means the postal address of the Lender specified in item 4 on page 1 of the Mortgage Form or the most recent address stipulated in a written notice given under these standard mortgage terms by the Lender to the Borrower;
- (l) **“Maturity Date”** means the earlier of the Balance Due Date, the date on which the Lender lawfully demands payment of the Indebtedness or the date that the Borrower elects to prepay the Principal Amount in accordance with these standard mortgage terms;
- (m) **“Mortgage”** means together the Mortgage Form and these standard mortgage terms;
- (n) **“Mortgage Form”** means the Form B provided for under the Land Title (Transfer Forms) Regulations signed by the Borrower and all schedules, including the Form E, and addenda thereto;
- (o) **“Original Purchase Price of the Land”** means the amount specified in item 10 of the Mortgage Form;
- (p) **“Permitted Encumbrances”** means the prior encumbrances listed in item 11 of the Mortgage Form;
- (q) **“Place of Payment”** means the address specified in item 5(k) on page 1 of the Mortgage Form or any other place stipulated by a written notice given by the Lender to the Borrower under the Mortgage;

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- (r) **“Principal Amount”** means the amount of money specified in item 5(a) on page 1 of the Mortgage Form together with all money that is later added to the Principal Amount under these standard mortgage terms;
- (s) **“Principal Residence”** means the home that is designated (and is eligible to be designated) as the owner’s principal residence for tax purposes, and where all persons registered on title live permanently for at least 6 months per year in a self-contained unit with access to all living facilities at all times to conduct their daily activities (such as: cooking, sleeping and receiving mail) and is the residential address used by the persons registered on title on documentation including but not limited to identification, vehicle registration and income tax returns;
- (t) **“Prior Charge”** includes any charge, lien, mortgage, or claim against the Borrower or the Land which at any time has priority over the Mortgage, or in respect of which priority is claimed;
- (u) **“Purchase Date”** means the date that the Form A Transfer conveying the Land to the Borrower is tendered for registration at the appropriate Land Title Office;
- (v) **“Taxes”** includes all taxes, rates or assessments of every kind which are payable in connection with the Mortgage or the Land or its use and occupation;
- (w) **“Term”** means that period of time commencing on the Purchase Date and ending on the Balance Due Date; and
- (x) **“Value of the Land”** means the amount calculated in the manner set out in paragraph 4 of Schedule “A” attached hereto.

SECTION 2 PURPOSE OF MORTGAGE

2.1 It is acknowledged that:

- (a) the Mortgage does not require the Borrower to make any payments on account of the Principal Amount until the Maturity Date nor pay interest on the Indebtedness, which will assist the Borrower in purchasing the Borrower's first home; and
- (b) the rights and remedies of the Lender contained in the Mortgage are fair and reasonable given the purpose of the Mortgage and are to be interpreted and enforced in accordance with the plain language contained in the Mortgage

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SECTION 3 GRANT OF MORTGAGE

- 3.1 The Borrower grants and mortgages the Land to the Lender as security for the payment of the Indebtedness and for the performance of the Borrower's covenants and agreements under the terms of the Mortgage.

SECTION 4 APPRECIATION AMOUNT

- 4.1 The Appreciation Amount will be calculated in accordance with Schedule "A" attached hereto and will be paid on the Maturity Date.

SECTION 5 NO INTEREST

- 5.1 The Indebtedness will not bear interest nor will the Appreciation Amount be construed as interest.

SECTION 6 REPAYMENT OF INDEBTEDNESS

- 6.1 The Indebtedness is secured by the Mortgage and will become due and be payable on the Maturity Date; provided that:
- (a) if the Value of the Land is not sufficient to pay the Indebtedness in full, after the repayment of amounts secured by Prior Charges, the Borrower will not be personally obligated to pay the balance of the Indebtedness; and
 - (b) if the Value of the Land is less than the Original Purchase Price of the Land and the Borrower has equity in the Land which would allow the Indebtedness to be paid in full or in part, the Indebtedness will be reduced in accordance with the calculation set out in Schedule "B".

SECTION 7 PREPAYMENT

- 7.1 The Borrower has the right to prepay all, but not less than all, of the Indebtedness at any time upon giving the Lender thirty (30) days written notice.

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SECTION 8 BORROWER'S REPRESENTATIONS AND WARRANTIES

- 8.1 The Borrower represents and warrants to the Lender that on the Purchase Date:
- (a) the Borrower will be the sole legal and beneficial owner of the Land;
 - (b) the Borrower will have good and marketable title in fee simple to the Land, subject only to the Permitted Encumbrances; and
 - (c) the Borrower will have the right to convey and mortgage the Land to the Lender subject only to the Permitted Encumbrances.

SECTION 9 BORROWER'S COVENANTS

- 9.1 The Borrower covenants with the Lender that:
- (a) the Borrower will comply with all the covenants, terms and conditions contained in the Mortgage and any Prior Charge;
 - (b) the Borrower will pay Taxes when due and on request, will deliver to the Lender receipts for payment of Taxes and all notices or statements with respect to Taxes;
 - (c) from the Purchase Date to the fifth anniversary of the Purchase Date, the Borrower will use and occupy the Land as the Borrower's Principal Residence;
 - (d) the Borrower will not use or permit the Land to be used for illegal purposes;
 - (e) every building and improvement on the Land and their use shall at all times comply with all municipal, civic and provincial building, zoning and siting bylaws and every order of a fire marshal or health inspector;
 - (f) the Borrower will keep the Land in good condition and repair and will make all repairs to the Land reasonably required by the Lender;
 - (g) the Borrower will not do anything that will result in the Value of the Land being decreased;
 - (h) the Borrower will advise the Lender in accordance with section 7, of any transfer or agreement to transfer ownership of the Land, and will furnish the Lender with any additional information in connection with such transfer as the Lender may request;

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- (i) the Borrower will pay to the Lender when requested to do so all expenses and costs incurred by the Lender to protect the Lender's security and right to be paid the Indebtedness as provided for in the Mortgage. These expenses and costs include the payment of legal fees and disbursements on an indemnity basis and the cost of the time and services of the Lender and the Lender's employees and agents, relating to:
 - (i) enforcing the terms of the Mortgage including the Borrower's obligations under the Mortgage; and
 - (ii) collecting and attempting to collect the Indebtedness;
- (j) the Borrower will sign such other documents that the Lender reasonably requires to ensure that payment of the Indebtedness is secured by the terms of the Mortgage;
- (k) upon receiving a written request from the Lender, the Borrower will provide the Lender with confirmation, in writing, as to whether the Borrower is in compliance with the Borrower's obligations contained in these standard charge terms together with supporting documentation to evidence such compliance; and
- (l) the Borrower releases to the Lender all of the Borrower's claims to the Land subject to the Borrower's right to obtain a discharge of the Mortgage upon the Borrower fulfilling the Borrower's obligations under the Mortgage.

SECTION 10 ENVIRONMENTAL

- 10.1 The Borrower will at all times comply with all applicable laws, regulations and orders of all governing authorities relating to environmental, health and safety matters.
- 10.2 If the Land is found to contain any urea-formaldehyde foam insulation, asbestos, or other hazardous or noxious substance, the removal of such substance will be the Borrower's responsibility and will be done at the Borrower's expense.
- 10.3 The Borrower will indemnify and save the Lender harmless from all costs and expenses of any kind, including legal fees and disbursements on an indemnity basis, to which the Lender is put as a result of a breach of the Borrower's covenants contained in SECTIONS 10.1 and 10.2.

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SECTION 11 LENDER'S COVENANT

- 11.1 The Lender covenants with the Borrower to execute within a reasonable time, at the Borrower's cost, a discharge of the Mortgage and any other document given to secure repayment of the Indebtedness when the Borrower has performed all the Borrower's covenants and agreements contained in the Mortgage and the Indebtedness has been paid in full. The Lender will register the discharge at the Borrower's cost.

SECTION 12 DEFAULT

- 12.1 It will be a Default under the Mortgage if:
- (a) the Borrower makes any false statement in connection with the Borrower's application to be approved by the Lender for the purposes of the Mortgage or in connection with the Borrower's covenant contained in SECTION 9.1(c)
 - (b) the Borrower breaches or threatens to breach any covenant or agreement contained in the Mortgage;
 - (c) the Borrower does not pay to the Lender the Indebtedness in accordance with the terms and conditions of the Mortgage;
 - (d) the Borrower becomes bankrupt or insolvent;

the Borrower does not discharge any claim of lien or judgement registered against the title to the Land in the Land Title Office within thirty (30) days of its registration;
 - (e) save and except as provided by SECTION 17.2, the Borrower further encumbers the Land without the express written consent of the Lender;
 - (f) the Borrower requests and receives an advance under a Prior Charge that is not insured by mortgage loan insurance;
 - (g) the Borrower defaults under a Prior Charge;
 - (h) the Borrower does not reside in the Land, as the Borrower's Principal Residence, between the Purchase Date and the fifth anniversary of the Purchase Date; or
 - (i) the Borrower conveys all or a part its interest in of the Land other than as

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permitted under SECTION 17.2.

SECTION 13 ACCELERATION

- 13.1 The Indebtedness will, at the Lender's option, immediately become due and be payable, if:
- (a) a Default occurs; or
 - (b) the Land or any part of the Land is expropriated.

SECTION 14 LENDER'S REMEDIES

- 14.1 Subject to the proviso contained in SECTION 6, if the Indebtedness becomes due and payable, the Lender may, at the Lender's option, and in any order that the Lender chooses, do any one or more of the following:
- (a) demand payment of the Indebtedness;
 - (b) take all legal proceedings to collect the Indebtedness and to enforce all the Borrower's covenants and agreements contained in the Mortgage, and, without limiting the foregoing, to claim and enforce all rights and remedies available to the Lender at law or in equity. The Borrower acknowledges that specific performance, injunctive relief (mandatory or otherwise) or other equitable relief may be the only adequate remedy for a default by the Borrower under this Mortgage;
 - (c) apply to the Court for an order that the Land be sold on terms approved by the Court; and
 - (d) apply to the Court to foreclose the interest of the Borrower in the Land, and any successor in title to the Land, so that when the Court makes its final order of foreclosure, the interest of the Borrower in the Land and any successor in title to the Land will be absolutely vested in and belong to the Lender or other person ordered by the Court.
- 14.2 The Lender may cure in whole or in part any Default under the Mortgage and any default under a Prior Charge or pay any money expressed to be due under a claim of lien and pay Taxes when due and any money so paid by the Lender will be included in the Indebtedness and will be paid by the Borrower to the Lender on demand.
- 14.3 No waiver or failure to enforce any of the Lender's rights under the Mortgage will prejudice

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the rights of the Lender to enforce such rights on any future occasion.

SECTION 15 CONDOMINIUM PROVISIONS

- 15.1 If the Land is or becomes a strata lot created under the *Strata Property Act*, S.B.C. 1998, c. 43, the following provisions will apply:
- (a) the Borrower will pay when due all money owing to the strata corporation;
 - (b) the Borrower will comply with, observe and perform all of the provisions of the *Strata Property Act* and the by-laws, rules and regulations of the strata corporation;
 - (c) subject to the rights of a prior financial chargeholder, the Borrower grants to the Lender the Borrower's power to vote at all meetings of the strata corporation so far as the *Strata Property Act* permits, but if the Lender does not exercise such power, the Borrower may do so;
 - (d) at the request of the Lender, the Borrower will deliver promptly to the Lender a copy of every document to which the Borrower is entitled under the *Strata Property Act* or the by-laws of the strata corporation;
 - (e) at the request of the Lender, the Borrower will instruct the strata corporation to release any records or other documents of the strata corporation that the Borrower is entitled to inspect or obtain, to the Lender; and
 - (f) if the strata corporation transfers, charges or adds to its common property or amends its by-laws without the consent of the Lender and if, in the opinion of the Lender, the Value of the Land is thereby reduced, the Indebtedness will become due on demand by the Lender.

SECTION 16 LEASEHOLD INTEREST

- 16.1 If the Borrower's interest in the Land is a leasehold interest, then the grant and mortgage herein will be construed as a grant and mortgage of the unexpired term of the lease, less the last day of the term of the lease, the representations and warranties contained in SECTION 8 of these standard mortgage terms will not apply and the provisions of SECTION 16.2 will apply instead.

- 16.2 The Borrower represents and warrants to the Lender that on the Purchase Date:

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- (a) the lease will be a good, valid and subsisting lease and has not been surrendered, forfeited, amended, or become void or voidable and the rents and covenants reserved under the lease will have been duly paid and performed by the Borrower;
 - (b) the Borrower will be the sole tenant of the Land;
 - (c) the Borrower will have the right to charge and sublet the Borrower's leasehold interest in the Land to the Lender in the manner provided in the Mortgage and, if required, has obtained the landlord's consent to the Mortgage; and
 - (d) neither the Borrower nor any other person will have made, done, or suffered any act to encumber the lease or any part thereof, save and except as provided in the Permitted Encumbrances.
- 16.3 The Borrower covenants with the Lender that during the Term, the Borrower will not amend or surrender the lease without the written consent of the Lender and will pay the rent reserved by the lease and perform and observe the covenants, provisos, and conditions contained in the lease on the Borrower's part to be performed and observed.

SECTION 17 PRIORITY

- 17.1 The Mortgage has priority over all other mortgages, charges, liens or claims which are registered against the title to the Land subsequent to the date of registration of the Mortgage notwithstanding the respective date of the execution or delivery of the Mortgage or the execution, delivery or advance of funds under such other mortgages, charges, liens or claims.
- 17.2 The Lender will grant priority to a new first mortgage provided that the new first mortgage is granted by the Borrower as a result of the refinancing of a prior financial charge that is a Permitted Encumbrance, the unamortized portion of the principal secured by the new first mortgage is not increased and the remaining terms of the new first mortgage do not adversely impact the security granted to the Lender under the Mortgage.

SECTION 18 INDEMNITIES

- 18.1 Any indemnity provided by the Borrower in the Mortgage will survive the Term and will continue to be in full force and effect subject to any legislation limiting the Lender's right to pursue a claim under the indemnity.

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SECTION 19 GENERAL PROVISIONS

- 19.1 The Lender will not be responsible to maintain or preserve the Land or to account for any money not actually received by the Lender.
- 19.2 Nothing done by the Lender nor any provision of the Mortgage will make the Lender a “mortgagee in possession”.
- 19.3 A sale of the Land by the Borrower does not relieve the Borrower from performing all of the Borrower’s obligations under the Mortgage.
- 19.4 If all or any part of the Land is expropriated then all compensation or payments made for such expropriation, subject to payments due under a Permitted Encumbrance, will be paid to the Lender towards payment of the Indebtedness and the Borrower assigns the right to receive such compensation or payments to the lender.
- 19.5 If any of the terms of the Mortgage are found to be invalid or unenforceable in whole or in part then such invalid or unenforceable provision, covenant or agreement or part thereof will be severed from and not affect the validity or enforceability of the remainder of the Mortgage.
- 19.6 Any notice to be given by one party to the other may be given by delivery or by regular mail to the Borrower's Address or the Lender's Address as the case may be and such notice, if given by mail, will, in the absence of a threatened or actual postal disruption, be deemed to have been received five (5) days after mailing provided that the notice is mailed, postage prepaid, within British Columbia. In the event of a threatened or actual postal disruption any notice will be given by delivery to the party to whom it is to be given and the notice will be deemed to have been received on the day it is delivered.
- 19.7 Any reference in the Mortgage to a statute will include any successor statute and any amendments and regulations in force from time to time.
- 19.8 Time is of the essence of the Mortgage.
- 19.9 If the Borrower is comprised of two or more persons then all covenants of the Borrower will be joint and several.
- 19.10 The use of the singular or either gender in the Mortgage will include the plural, other gender, body corporate or body politic, where appropriate.
- 19.11 The Mortgage will be binding on the Borrower and on the Borrower’s Executors,

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administrators, assigns and successors in title.

- 19.12 The Lender may assign the Mortgage without the consent of the Borrower and the Borrower irrevocably agrees that the Lender may collect, use and disclose all personal information included in or relevant to the Mortgage, including credit and Default information, with respect to the Borrower in connection with such assignment or collection or enforcement proceedings in respect of the Mortgage.

SECTION 20 NO PARTNERSHIP

- 20.1 Nothing contained in the Mortgage will create any relationship between the Lender and the Borrower other than that of a lender and a borrower, and the Lender does not in any way or for any purpose become a partner with the Borrower, or a joint venturer or a member of a joint or common enterprise with the Borrower, nor is the relationship of principal and agent created by the entering into of the Mortgage.

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**Schedule "A"
Calculation of the Appreciation Amount**

1. The Appreciation Amount is to be calculated as follows:

$$\begin{aligned} & (\text{Value of the Land as at the Maturity Date} - \text{Original Purchase Price of the Land}) \times \text{Agreed} \\ & \quad \text{Percentage} \\ & = \text{Appreciation Amount} \end{aligned}$$

2. The following is an example of the calculation of the Appreciation Amount:

EXAMPLE:	
Original Purchase Price of the Land:	\$500,000
Value of the Land as at the Maturity Date:	\$600,000
Agreed Percentage:	10%
Appreciation Amount:	(\$600,000 - \$500,000) x 10% = \$10,000
Indebtedness:	
Principal:	\$50,000
Appreciation Amount:	<u>\$10,000</u>
Total Indebtedness:	<u>\$60,000</u>

3. In order for the Appreciation Amount to be payable, the Value of the Land as at the Maturity Date must be greater than the Original Purchase Price of the Land.

4. The Value of the Land as at the Maturity Date will be determined as follows:

(a) if the Maturity Date occurs because the Borrower elects to pre-pay the Mortgage, the Value of the Land will be the assessed value shown on the most recent Property Assessment Notice for the Land issued by the BC Assessment Authority, or at the option of the Lender, the Value of the Land will be determined by a licensed real estate appraiser, selected by the Lender and at the Lender's cost, who will provide an opinion (the "**Fair Market Value Opinion**") as to the Value of the Land as at the date the Borrower elects to pre-pay the Mortgage;

(b) if the Maturity Date occurs because the Land is being sold, other than pursuant to

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SECTION 14.1(c), the Value of the Land will be the greater of the sale price of the Land or the assessed value shown on the most recent Property Assessment Notice issued by the BC Assessment Authority for the Land; and

- (c) if the Maturity Date occurs and the Lender initiates proceedings pursuant to SECTION 14.1(c) then the Value of the Land will be the value determined by the Court.

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Schedule "B"

Calculation of the Reduction of Indebtedness in the Event that the Value of the Land is less than the Original Purchase Price of the Land

1. The reduction in the Indebtedness is to be calculated as follows:

$$(\text{Original Purchase Price of the Land} - \text{Value of the Land as at the Maturity Date}) \times \text{Agreed Percentage} = \text{Reduction Amount}$$

2. The following is an example of the calculation of the Reduction Amount:

EXAMPLE:	
Original Purchase Price of the Land:	\$500,000
Value of the Land as at the Maturity Date:	\$400,000
Agreed Percentage:	10%
Reduction Amount:	(\$500,000 – \$400,000) x 10% = \$10,000
Indebtedness:	
Principal:	\$50,000
Reduction Amount:	<u>\$10,000</u>
Total Indebtedness:	<u>\$40,000</u>

3. In order for the Reduction Amount to be applicable, the Original Purchase Price of the Land must be greater than the Value of the Land as at the Maturity Date.

4. The Value of the Land as at the Maturity Date will be determined as follows:

(a) if the Maturity Date occurs because the Borrower elects to pre-pay the Mortgage, the Value of the Land will be the assessed value shown on the most recent Property Assessment Notice for the Land issued by the BC Assessment Authority, or at the option of the Lender, the Value of the Land will be determined by a licensed real estate appraiser, selected by the Lender and at the Lender's cost, who will provide an opinion (the "**Fair Market Value Opinion**") as to the Value of the Land as at the date the Borrower elects to pre-pay the Mortgage;

(b) if the Maturity Date occurs because the Land is being sold, other than pursuant to

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SECTION 14.1(c), the Value of the Land will be the greater of the sale price of the Land or the assessed value shown on the most recent Property Assessment Notice issued by the BC Assessment Authority for the Land; and

- (c) if the Maturity Date occurs and the Lender initiates proceedings pursuant to SECTION 14.1(c) then the Value of the Land will be the value determined by the Court.

END OF DOCUMENT

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SCHEDULE "III"
ALLOCATION OF THE BENEFITS AMOUNT

Estimated original District contribution	\$ 320,000.00
Additional District contribution	\$ 330,000.00
Estimated developer cash contribution	\$ 416,200.00
Estimated BC Housing interest savings	<u>\$ 83,800.00</u>
Total Estimated Costs	<u>\$ 1,150,000.00</u>

UNIT	ESTIMATED PURCHASE PRICE	ESTIMATED BENEFIT AMOUNT
1	\$ 500,000.00	\$ 440,000.00
2	\$ 435,000.00	\$ 382,500.00
3	\$ 485,000.00	\$ 430,000.00
4	\$ 485,000.00	\$ 430,000.00
5	\$ 485,000.00	\$ 436,500.00
6	\$ 490,000.00	\$ 441,000.00
7	\$ 425,000.00	\$ 382,500.00
10	\$ 425,000.00	\$ 382,500.00
13	\$ 425,000.00	\$ 382,500.00
14	\$ 475,000.00	\$ 425,000.00
17	\$ 435,000.00	\$ 382,500.00

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18	\$ 435,000.00	\$ 382,500.00
20	\$ 435,000.00	\$ 382,500.00
22	\$ 485,000.00	\$ 430,000.00
24	\$ 485,000.00	\$ 430,000.00
25	\$ 435,000.00	\$ 382,500.00
26	\$ 435,000.00	\$ 382,500.00
27	\$ 435,000.00	\$ 382,500.00
28	\$ 435,000.00	\$ 382,500.00
30	\$ 485,000.00	\$ 430,000.00
32	\$ 490,000.00	\$ 430,000.00
33	\$ 490,000.00	\$ 430,000.00

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SCHEDULE "IV"
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SCHEDULE "V"
DESIGNATED MODULAR HOMES
AND
PURCHASE PRICES

UNIT	ESTIMATED PURCHASE PRICE
1	\$ 500,000.00
2	\$ 435,000.00
3	\$ 485,000.00
4	\$ 485,000.00
5	\$ 485,000.00
6	\$ 490,000.00
7	\$ 425,000.00
10	\$ 425,000.00
13	\$ 425,000.00
14	\$ 475,000.00
17	\$ 435,000.00
18	\$ 435,000.00
20	\$ 435,000.00
22	\$ 485,000.00
24	\$ 485,000.00
25	\$ 435,000.00

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26	\$ 435,000.00
27	\$ 435,000.00
28	\$ 435,000.00
30	\$ 485,000.00
32	\$ 490,000.00
33	\$ 490,000.00

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SCHEDULE "VI" ELIGIBLE PURCHASERS

“Eligible Purchaser” means a person or persons who:

- (i) has lived in the Alberni Clayoquot Regional District for a minimum of 24 months;
- (ii) has worked Full-Time for more than one (1) year with one or more businesses or institutions within the District of Ucluelet or lands of the Yuułuʔiłʔatḥ Government, Barkley Community Forest, Toquaht Nation, District of Tofino, Alberni-Clayoquot Regional District Area ‘C’, Pacific Rim National Park Reserve, or BC Parks and Protected Areas in the region, or a person who has retired from full-time permanent employment by one or more businesses or institutions and has worked or volunteered within the area described above for five (5) out of the previous ten (10) years, or is receiving disability assistance under the Employment and Assistance for Persons with Disabilities Act;
- (iii) does not own, or have a spouse who owns, either directly or indirectly through a trust, business asset, or otherwise, any interest in real property anywhere in the world;
- (iv) has a priority for gross annual household incomes between \$96,974 and \$119,272 and where if an initially sold Designated Modular Home is returned and to be re-sold priority is held for 60 days to buyers who meet these household incomes before expanding priority to meet the requirements of the Affordable Home Ownership Program administered by BC Housing, as follows:
 - a. for Designated Modular Homes with less than two (2) bedrooms, a gross household income that does not exceed the 75th income percentile for couples without children in BC, as determined by BC Housing from time to time. For 2024, this figure is \$131,950; and
 - b. for Designated Modular Homes with two (2) or more bedrooms, a gross household income that does not exceed the 75th income percentile for families with children in BC, as determined by BC Housing from time to time. For 2024, this figure is \$191,910; and,
- (v) is participating in the Affordable Home Ownership Program administered by BC Housing and who intends to occupy an Designated Modular Home as a principal residence for at least 5 years after the day he, she or they become the registered owner of that Designated Modular Home.

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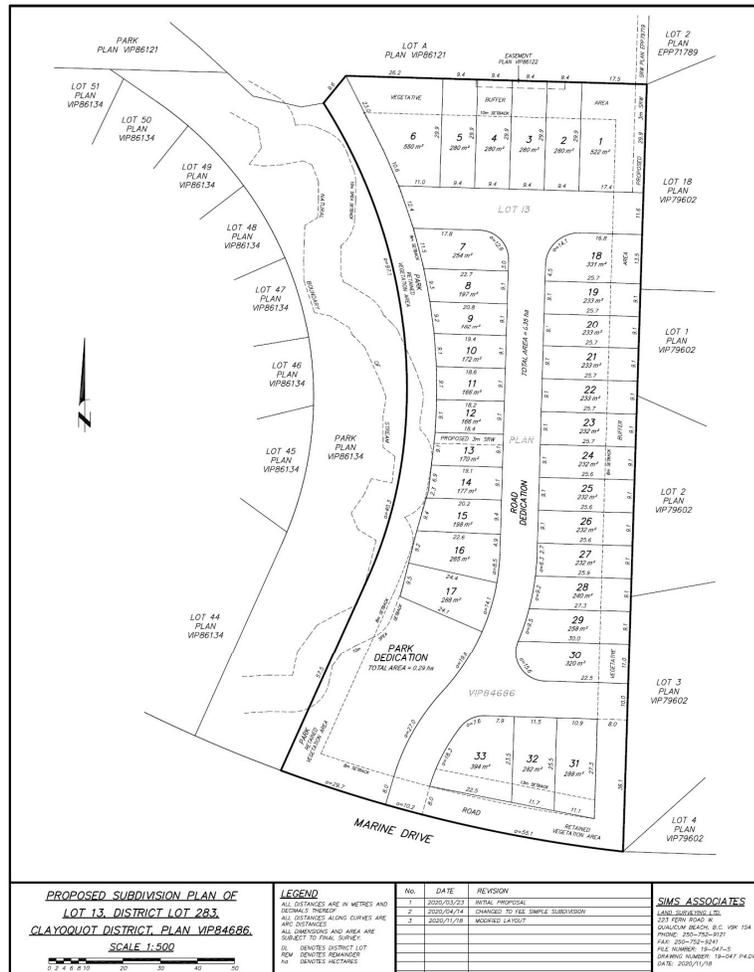
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**SCHEDULE "VII"
LANDS AND SUBDIVISION PLAN**

LANDS:

Those lands civically known as Lot 13, Marine Drive, Ucluelet, BC and having a legal description of PID: 027-473-538, Lot 13 District Lot 283 Clayoquot District Plan VIP84686

Subdivision Plan:



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**SCHEDULE "VIII"
NON-DESIGNATED MODULAR HOMES**

LOTS
8
9
11
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16
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21
23
29
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SCHEDULE "IX"
AHOP – SECTION 219 COVENANT

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AHOP SECTION 219 COVENANT

EXPRESS CHARGE TERMS TERMS OF INSTRUMENT – PART 2

WHEREAS:

- A. The Commission, on behalf of His Majesty the King in Right of the Province of British Columbia, provides, or assists in providing, housing for persons with limited incomes and/or for persons with special housing requirements;
- B. The Transferor wishes to develop the Improvements on the Land so that the Designated Modular Homes can be sold to Eligible Purchasers, and wishes to obtain the Transferee's assistance in carrying out this objective;
- C. The Transferor has acknowledged to the Transferee that:
 - (i) the Transferor is entering into this Agreement to benefit the public interest;
 - (ii) the provision of affordable housing is in the public interest and is more important than the fact that the Property may be kept out of commerce;
 - (iii) the Transferor is willing to give to the Transferee whatever covenants, restrictions, assurances, rights, and remedies as are agreed to by both parties to ensure that the foregoing objectives are carried out so that the Designated Modular Homes are sold to Eligible Purchasers; and
 - (iv) the rights and remedies of the Transferee hereunder or under any contract pertaining to the Property to which the Transferee is a party, are fair and reasonable and ought never to be construed as containing terms which are considered a penalty or forfeiture;
- D. Section 219 of the *Land Title Act* of British Columbia provides, amongst other things, that a covenant, whether of a negative or positive nature, in respect of the use of land or the use of a building on or to be erected on land may be registered as a charge against title to that land, in favour of a Crown agency and in favour of the District;
- E. The Commission is a Crown agency pursuant to Section 10 of the *Ministry of Lands, Parks and Housing Act* of British Columbia but may, on behalf of the Government of the Province of British Columbia, carry out its duties and functions in its own name; and
- F. The Transferor has agreed to enter into this Agreement to ensure that the Property is used only for the objectives stated in paragraph C of these recitals.

THEREFORE in consideration of the premises and of the mutual covenants contained herein, and in further consideration of the sum of \$1.00 now paid by each party to the other, the receipt and sufficiency of which each party hereby acknowledges.

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SECTION 1 INTERPRETATION

1.1 **Definitions.** In this Agreement:

- (a) “Agreement” means the General Instrument Part 1 and these Express Charge Terms under Part 2;
- (b) “Commission” means the British Columbia Housing Management Commission, or its successors in function;
- (c) “Covenant” means the Section 219 Covenant set out in Section 3 herein;
- (d) "Designated Modular Homes" means those modular homes listed on Schedule "A" attached hereto;
- (e) "District" means the District of Ucluelet;
- (f) "Eligible Purchasers" means individuals who meet the eligibility criteria set out in Schedule "C" attached hereto;
- (g) “General Instrument Part 1” means Part 1 of the General Instrument as prescribed by the Land Title (Transfer Forms) Regulation, as amended;
- (h) “Improvements” means those improvements, structures, buildings, fixtures, equipment and systems which now exist, or which will be constructed on the Land;
- (i) “Interest in the Property” means the Transferor’s registered and beneficial right, title and estate in and to the Property;
- (j) “Land” means that certain parcel or those certain parcels of land, or any part thereof, described in Item 2 of the General Instrument Part 1;
- (k) “Landlord” means the landlord named in the Lease if the Interest in the Property is a leasehold interest;
- (l) “Lease” means the lease of the Property granted to the Transferor by the Landlord if the Interest in the Property is a leasehold interest;
- (m) “Permitted Encumbrances” means those charges or encumbrances set forth in Schedule “B” and any other encumbrances from time to time approved in writing by the Commission;
- (n) “Person” means any association, society, corporation, individual, joint-stock company, joint venture, partnership, trustee, administrator, legal representative, unincorporated organization, or Statutory Authority;

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- (o) “Property” means the Land and Improvements;
 - (p) "Second Mortgage" means a mortgage to be granted by a Eligible Purchaser in favour of the Commission upon the Eligible Purchaser becoming the registered owner of a Designated Modular Home;
 - (q) “Statutory Authority” means any federal, provincial, regional, municipal, or other government or authorized agency, department or ministry thereof, which has jurisdiction with respect to any matter referred to in this Agreement;
 - (r) "Transferee" means the Commission together with the District; and
 - (s) “Transferor” means the Person named in the General Instrument Part 1 as Transferor.
- 1.2 **Time.** Time will be of the essence of this Agreement. If either party expressly or impliedly waives this requirement, that party may reinstate it by delivering notice to the other party. If a time is specified in this Agreement for observing or performing any obligation, such time will be then local Vancouver, British Columbia time.
- 1.3 **Governing Law.** This Agreement will be governed by and construed and enforced in accordance with the laws of British Columbia, and the laws of Canada applicable therein.
- 1.4 **References.** In this Agreement, words importing the singular include the plural and vice versa, and words importing gender include all genders.
- 1.5 **Construction.** The division of this Agreement into sections and the use of headings are for convenience of reference only and are not intended to govern, limit, or aid in the construction of any provision contained in this Agreement. In all cases, the language in this Agreement will be construed simply, according to its fair meaning, and not strictly for or against either party.
- 1.6 **No Limitation.** The word “including” when following any general statement, term, or matter is not to be construed to limit such general statement, term, or matter to the specific items set forth immediately following such word or to similar items whether or not non-limiting language such as “without limitation” or “but not limited to” or words of similar import are used with reference thereto, but rather such general statement, term, or matter is to be construed to refer to all other items that could reasonably fall within the broadest possible scope of such general statement, term, or matter.
- 1.7 **Validity of Provisions.** If a Court of competent jurisdiction finds that any provision contained in this Agreement is invalid, illegal, or unenforceable, such invalidity, illegality, or unenforceability will not affect any other provision of this Agreement which will be construed as if such invalid, illegal, or unenforceable provision had never been contained therein and such other provisions will be enforceable to the fullest extent permitted at law or in equity.

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- 1.8 **No Waiver.** Failure by either party to exercise any of its rights, powers or remedies hereunder, or its delay to do so, shall not constitute a waiver of those rights, powers or remedies unless such waiver is in writing. No waiver made with respect to a particular right will be deemed to be a waiver with respect to any other instance involving the exercise of the right or with respect to any other such right.
- 1.9 **Statutes.** Any reference to a statute is to such statute and to the regulations made pursuant to such statute as such statute and regulations may at any time be amended or modified and in effect, and to any statute or regulation that may be passed that have the effect of supplementing or superceding such statute or regulation.
- 1.10 **Remedies.** Each party to this Agreement, in addition to its rights under this Agreement or at law, will be entitled to all equitable remedies including specific performance, injunction and/or declaratory relief, to enforce its rights under this Agreement. No reference to nor exercise of any specific right or remedy under this Agreement or at law or in equity by either party will prejudice, limit or preclude that party from exercising any other such right or remedy. No such right or remedy will be exclusive or dependent upon any other such right or remedy, but either party, from time to time, may exercise any one or more of such rights or remedies independently, successively, or in combination. The Transferor acknowledges that specific performance, injunctive relief (mandatory or otherwise), or other equitable relief may be the only adequate remedy for a default by the Transferor under this Agreement.
- 1.11 **Schedules.** The following schedules are attached to and form part of this Agreement:
- | | |
|--------------|--------------------------------|
| Schedule "A" | Designated Modular Homes |
| Schedule "B" | Permitted Encumbrances |
| Schedule "C" | Eligible Purchasers – Criteria |

SECTION 2

REPRESENTATIONS, WARRANTIES AND COVENANTS OF THE TRANSFEROR

- 2.1 **Representations and Warranties of the Transferor.** Regardless of any independent investigations that the Transferee may cause to be made, the Transferor represents and warrants to the Transferee as follows:
- (a) the Transferor is a Company duly organized, validly existing and in good standing under the laws of British Columbia;
 - (b) the Transferor is not a non-resident of Canada within the meaning of the *Income Tax Act* of Canada;

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- (c) the Transferor has sufficient power, authority and capacity to enter into this Agreement and the execution and delivery of this Agreement has been duly and validly authorized by all necessary proceedings; and
- (d) the execution of this Agreement by the Transferor will not constitute a breach by the Transferor of any statute, regulation or its constating documents, or of any agreement to which it is a party, or by which it is bound;
- (e) the Transferor has good and marketable title to the Interest in the Property, free and clear of all liens, encumbrances, charges, encroachments, defects in title, equities or claims, except for Permitted Encumbrances;
- (f) if the Interest in the Land is a leasehold interest, the Lease is in good standing and the Transferor has observed or performed all its obligations under the Lease as required by the Lease.

2.2 **Covenants of the Transferor.** The Transferor covenants and agrees with the Transferee as follows:

- (a) the representations and warranties contained in Section 2.1 will be true and correct on the date of this Agreement and will remain true and correct throughout the term of this Agreement;
- (b) the Transferor shall act reasonably and cooperate with the Transferee at all times and shall provide information reasonably required by the Transferee without delay; and
- (c) the Transferor shall not, without the Transferee's prior written consent, transfer, mortgage, charge or otherwise encumber the Property, except by the Permitted Encumbrances.

SECTION 3

SECTION 219 COVENANT

3.1 **Restriction on Use.** The Transferor hereby covenants with the Transferee, pursuant to Section 219 of the *Land Title Act* of British Columbia, with the intent that this Section 219 Covenant will be registered as a charge against the Interest in the Property and the burden of which will run with the Interest in the Property, and will also bind the Transferor contractually, during such time as the Transferor has an Interest in the Property, that:

- (a) the Transferor will only sell the Designated Modular Homes to Eligible Purchasers pursuant to a contract of purchase and sale that has been approved by the Transferee; and
- (b) Designated Modular Homes may only be occupied by Eligible Purchasers and the dependents of Eligible Purchasers.

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SECTION 4

INDEMNITY

- 4.1 **Indemnity.** The Transferor will indemnify and save harmless the Transferee and the Government of the Province of British Columbia and each of their ministers, officers, directors, employees and agents, and their heirs, executors, administrators, personal representatives, successors and assigns, from and against all claims, demands, actions, causes of action, damages, losses, deficiencies, costs, liabilities and expenses which may be made or brought against the Transferee or the Government of the Province of British Columbia, or which the Commission or the Government of the Province of British Columbia may suffer or incur as a result of, in respect of, or arising out of:
- (a) any non-performance or non-fulfillment of any covenant on the part of the Transferor contained in this Agreement;
 - (b) any misrepresentation, inaccuracy or breach of any representation or warranty made by the Transferor contained in this Agreement;
 - (c) any other act or omission of the Transferor or its officers, directors, employees, agents, contractors or other persons for whom the Transferor is at law responsible; or
 - (d) the Transferee remedying any default by the Transferor in observing or performing its obligations under this Agreement or enforcing the obligations of the Transferor under this Agreement.

This indemnity forms an integral part of the Covenant.

- 4.2 **Release.** The Transferor releases the Transferee and the Government of the Province of British Columbia, and each of their ministers, officers, directors, employees and agents and their heirs, executors, administrators, personal representatives, successors and assigns absolutely and forever, from any claims the Transferor may have against all or any of them for costs, expenses, or damages the Transferor may suffer, incur, or be put to arising out of or in connection with the terms contained in this Agreement and, from all claims arising out of advice or direction respecting the use, development, operation or lease of the Property given to the Transferor by any of them.

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SECTION 5

G. GENERAL PROVISIONS

- 5.1 **Notices.** Unless otherwise specified:
- a) each notice to the Transferor must be given in writing and delivered, personally, or by courier to the Transferor as follows:

ACMC Holdings Ltd.
#326 – 198 East Island Highway
PO Box 1867
Parksville, BC V9P 2H6

Attention: Andrew Charles McLane

or to any other address or person that the Transferor designates;
 - b) each notice to the District must be given in writing and delivered, personally, or by courier to the District as follows:

District of Ucluelet
200 Main Street, PO Box 999
Ucluelet, BC V0R 3A0

Attention: ◆

or to any other address or person that the District designates;
 - c) each notice to the Commission must be given in writing and delivered personally or by courier to the Commission, Attention: Manager Real Estate Services, at the address shown as the registered office of the Commission in the records maintained by the British Columbia Registrar of Companies as of the date upon which the notice is sent, or to any other address or person that the Commission designates. Any notice, if delivered personally or by courier, will be deemed to have been given when actually received.
- 5.2 **Fees.** Each of the Transferor, the Commission and the District will pay its own legal fees.
- 5.3 **Enuring Effect.** This Agreement will enure to the benefit of and be binding upon the respective successors and permitted assigns of the Transferor and the Transferee.
- 5.4 **Discharge.** The Transferor or an Eligible Purchaser may require that the Transferee execute and deliver to the Transferor or Eligible Purchaser a partial release in registrable form of this Covenant upon the Eligible Purchaser becoming the registered owner of a

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Designated Modular Home and the Second Mortgage has been registered as a charge against the title to the Designated Modular Home.

- 5.5 **Modification or Amendment.** Except as expressly provided in this Agreement, no amendment, supplement, restatement or termination of any provision of this Agreement is binding unless it is in writing and signed by each person that is a party to this Agreement at the time of the amendment, supplement, restatement or termination.
- 5.6 **Counterparts.** This Agreement and any amendment, supplement, restatement or termination of any provision of this Agreement may be executed and delivered in any number of counterparts, each of which, when executed and delivered is an original, but all of which taken together constitute one and the same instrument.

IN WITNESS WHEREOF the parties hereto acknowledge that the parties have duly executed this Agreement by signing on the Form C and Form D, constituting pages 1 and 2 hereof.

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SCHEDULE "A"
DESIGNATED MODULAR HOMES

STRATA LOT
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SCHEDULE "B"

PERMITTED ENCUMBRANCES

LEGAL NOTATIONS

Permit under Part 14 of the *Local Government Act*, See CA8615567

Permit under Part 14 of the *Local Government Act*, See CA8615573

CHARGES & ENCUMBRANCES - EXISTING

Covenant EX125879 (modified by FB49737, FB439221 and CA8610812)

Covenant FB154804

Covenant FB154853

Statutory Building Scheme FB154882

Easement FB238771

Option to Purchase CA8610814

Covenant CA8610815

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SCHEDULE “C”

ELIGIBLE PURCHASERS

“Eligible Purchaser” means a person or persons who:

- (i) has lived in the Alberni Clayoquot Regional District for a minimum of 24 months;
- (ii) has worked Full-Time for more than one (1) year with one or more businesses or institutions within the District of Ucluelet or lands of the Yuułuʔiłʔatḥ Government, Barkley Community Forest, Toquaht Nation, District of Tofino, Alberni-Clayoquot Regional District Area ‘C’, Pacific Rim National Park Reserve, or BC Parks and Protected Areas in the region, or a person who has retired from full-time permanent employment by one or more businesses or institutions and has worked or volunteered within the area described above for five (5) out of the previous ten (10) years, or is receiving disability assistance under the Employment and Assistance for Persons with Disabilities Act;
- (iii) does not own, or have a spouse who owns, either directly or indirectly through a trust, business asset, or otherwise, any interest in real property anywhere in the world;
- (iv) has a priority for gross annual household incomes between \$96,974 and \$119,272 and where if an initially sold Designated Modular Home is returned and to be re-sold priority is held for 60 days to buyers who meet these household incomes before expanding priority to meet the requirements of the Affordable Home Ownership Program administered by the Commission, as follows:
 - a. for Designated Modular Homes with less than two (2) bedrooms, a gross household income that does not exceed the 75th income percentile for couples without children in BC, as determined by the Commission from time to time. For 2024, this figure is \$131,950; and
 - b. for Designated Modular Homes with two (2) or more bedrooms, a gross household income that does not exceed the 75th income percentile for families with children in BC, as determined by the Commission from time to time. For 2024, this figure is \$191,910; and,
- (v) is participating in the Affordable Home Ownership Program administered by the Commission and who intends to occupy an Designated Modular Home as a principal residence for at least 5 years after the day he, she or they become the registered owner of that Designated Modular Home.

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Appendix C

To Mayor, Members of Council, and staff

Re: Purchaser agreements and income eligibility for Lot 13 Marine Drive.

Thank you for taking the time to read over this letter and your ongoing support for the project on lot 13. Our team at ACMC holdings Ltd, the 22 buyers into the project all the local contractors and suppliers are excited to move this project along and get started on construction.

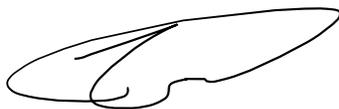
After review of all 22 buyers I can confirm the following:

- From start to finish we accepted a total of 26 offers.
- 4 offers collapsed due to not qualifying for financing.
- It took us over 5 of months to reach 22 presales. The first offer was accepted on June 17th, 2023 and the last one on November 30th, 2023. On average it took 5 weeks for subject conditions to be satisfied where on a regular house sale the average is 2 weeks. This is not a straightforward purchase.
- The average buyer income for all 22 presales is \$91,365.81
- 4 potential buyers make between 119,100 and 151,291
- 2 buyers received a special co-signer exemption from BCH for us to reach the 22 presale numbers.
- All of our purchasers fall within the BCH Affordable housing guidelines.
- All purchasers fall within the eligibility of our house agreements registered on title

We would agree that if a buyer backs away from a purchase and we need to find another qualified buyer that the period of 60 days to market and try and successfully sell a home to a buyer under making under 120,000 dollars is sufficient.

We would hope that this project of building affordable housing stays a priority for all parties involved and we can more this forward quickly.

Sincerely,



Andrew Charles McLane

President | ACMC Holdings Ltd