

BL10566, BL10674 & BL11457 amended SCHEDULE "B" and BL10974 replaced SCHEDULE "B":

RTE18-0006

**SCHEDULE "B"**  
**Revitalization Tax Exemption Agreement**

THIS AGREEMENT dated for reference the 30<sup>th</sup> day of October, 2018 is

**BETWEEN:**

**THE SOCIETY OF HOUSING OPPORTUNITIES AND PROGRESSIVE EMPLOYMENT**  
(the "Lessee")

**AND:**

**CITY OF KELOWNA**  
1435 Water Street,  
Kelowna, B.C.  
V1Y 1J4

(the "City")

**GIVEN THAT:**

- A. The City is the registered owner in fee simple of lands in the City of Kelowna at (165 Celano Crescent) described as, (Lot B, Section 4, Township 23 Osoyoos Division Yale District, Plan EPP70323), (the "Parcel");
- B. Council has established a revitalization tax exemption program and has included within the City of Kelowna Revitalization Tax Exemption Program Bylaw No. 9561, as amended, the designation of areas which include the Parcel as a revitalization area; and
- C. The Lessee proposes to construct new improvements [*or alter existing improvements*] on the Parcel as described in Appendix "A" attached to and forming part of this agreement (the "Project") and has applied to the City to take part in the revitalization tax exemption program in respect of the Project and the City has agreed to accept the Project under the program;

THIS AGREEMENT is evidence that in consideration of the promises exchanged below, the Lessee and the City covenant and agree each with the other as follows:

1. **The Project** – the Lessee will use its best efforts to ensure that the Project is constructed, maintained, operated and used in a fashion that will be consistent with and will foster the objectives of the revitalization tax exemption program, as outlined in the City of Kelowna Revitalization Tax Exemption Program Bylaw No. 9561. Without limiting the generality of the foregoing, the Lessee covenants to use its best efforts to ensure that:
  - a. the Project will provide 21 purpose built rental townhouses;
  - b. the Lessee will permanently operate the housing development on a non-profit affordable rental basis.
2. **Operation and Maintenance of the Project** – throughout the term of this agreement, the Lessee shall operate, repair and maintain the Project and will keep the Project in a state of good repair as a prudent Lessee would do.

3. **Revitalization Amount** – In this agreement, “**Revitalization Amount**” means the municipal portion of property tax calculated in relation to the increase in the assessed value of improvements on the Parcel resulting from the construction of the Project as described in section 1;
4. **Revitalization Tax Exemption** – subject to fulfilment of the conditions set out in this agreement and in “City of Kelowna Revitalization Tax Exemption Program Bylaw No. 9561”, the City shall issue a revitalization tax exemption certificate (the “Tax Exemption Certificate”) to the British Columbia Assessment Authority entitling the Lessee to a property tax exemption in respect of the property taxes due (not including local service taxes) in relation to the Revitalization Amount on the Parcel (the “Tax Exemption”) for the calendar year(s) set out in this agreement.
5. **Conditions** – the following conditions shall be fulfilled before the City will issue a Tax Exemption Certificate to the Lessee in respect of the Project:
  - a. The Lessee must have obtained a building permit from the City for the Project on September 6, 2018;
  - b. The Lessee must complete construction of the Project in a good and workmanlike fashion and in strict compliance with the building permit and the plans and specifications attached hereto as Appendix “A” and the Project must be officially opened for use as *a purpose-built non-profit affordable rental housing development* (the “Exempt Use”) and for no other use, by no later than March 20, 2020;
  - c. The Lessee must submit a copy of the Occupancy Permit and this Agreement to the City of Kelowna’s Revenue Branch before the City will issue the Tax Exemption Certificate.
  - d. The completed Project must substantially satisfy the performance criteria set out in Appendix “B” hereto, as determined by the City’s Urban Planning Manager or designate, in their sole discretion, acting reasonably.
6. **Calculation of Revitalization Tax Exemption** – the amount of the Tax Exemption shall be equal to
  - a) For Purpose-Built Rental Housing Projects throughout the City, 100% of the Revitalization Amount on the Parcel where the project is subject to a Housing Agreement (for up to 10 years) and is in compliance with the OCP Future Land Use designation as at May 30, 2011. A tax incentive for rental housing will only be considered when the vacancy rate is at or below 3%.
7. **Term of Tax Exemption** – provided the requirements of this agreement, and of the City of Kelowna Revitalization Tax Exemption Program Bylaw No. 9561, are met the Tax Exemption shall be for the taxation years 2021 to 2030, inclusive.
8. **[deleted]**
9. **Compliance with Laws** – the Lessee shall construct the Project and, at all times during the term of the Tax Exemption or any renewal term, use and occupy the Parcel and the Project in compliance with all statutes, laws, regulations and orders of any authority having jurisdiction and, without limiting the generality of the foregoing, all federal, provincial, or municipal laws or statutes or bylaws, including all the rules regulations policies guidelines criteria or the like made under or pursuant to any such laws.
10. **Effect of Stratification** – if the Lessee stratifies the Parcel under the Strata Property Act, then the Tax Exemption shall be prorated among the strata lots in accordance with the unit entitlement of each strata lot for:

- a. the current and each subsequent tax year during the currency of this agreement if the strata plan is accepted for registration at the Land Title Office before May 1; or
- b. for the next calendar year and each subsequent tax year during the currency of this agreement if the strata plan is accepted for registration at the Land Title Office after May 1;

so long as, if the Project is the subject of an operating agreement between the Lessee and the Provincial Rental Housing Corporation, the Lessee is in compliance with the operating agreement. The Lessee agrees to provide written confirmation to the City regarding the Lessee's compliance with the said operating agreement, satisfactory to the City, upon the City's reasonable inquiry.

11. **Cancellation** – the City may in its sole discretion cancel the Tax Exemption Certificate at any time:
- a. on the written request of the Lessee; or
  - b. effective immediately upon delivery of a notice of cancellation to the Lessee if at any time any of the conditions in the Tax Exemption Certificate are not met.
  - c. If the Lessee is subject to an operating agreement with the Provincial Rental Housing Corporation and is not in compliance with the operating agreement.

If such cancellation occurs, the Lessee of the Parcel for which the Tax Exemption Certificate was issued will remit to the City an amount equal to the value of any Tax Exemption received after the cancellation of the Tax Exemption Certificate.

12. **No Refund** – for greater certainty, under no circumstances will the Lessee be entitled under the City's revitalization tax exemption program to any cash credit, any carry forward tax exemption credit or any refund for any property taxes paid.
13. **Notices** – any notice or other writing required or permitted to be given hereunder or for the purposes hereof to any party shall be sufficiently given if delivered by hand or posted on the Parcel, or if sent by prepaid registered mail (Express Post) or if transmitted by facsimile to such party:

- a. in the case of a notice to the City, at:

**THE CITY OF KELOWNA**  
1435 Water Street,  
Kelowna, B.C.  
V1Y 1J4

Attention: Revenue Branch  
Phone: 250-469-8757

- b. in the case of a notice to the Lessee, at:

**THE SOCIETY OF HOUSING OPPORTUNITIES AND PROGRESSIVE EMPLOYMENT**  
101-2055 Benvoulin Court  
Kelowna, B.C.  
V1W 2C7

Attention: Mr. Ken Zeitner, C.F.O.  
Contact # 778-478-7977

Or at such other address as the party to whom such notice or other writing is to be given shall have last notified the party giving the same.

14. **No Assignment** – the Lessee shall not assign its interest in this agreement except to a subsequent owner in fee simple or lessee of the Parcel.
15. **Severance** – if any portion of this agreement is held invalid by a court of competent jurisdiction, the invalid portion shall be severed and the decision that it is invalid shall not affect the validity of the remainder of this agreement.
16. **Interpretation** – wherever the singular or masculine is used in this agreement, the same shall be construed as meaning the plural, the feminine or body corporate where the context or the parties thereto so require.
17. **Further Assurances** – the parties hereto shall execute and do all such further deeds, acts, things and assurances that may be reasonably required to carry out the intent of this agreement.
18. **Waiver** – waiver by the City of a default by the Lessee shall be in writing and shall not be deemed to be a waiver of any subsequent or other default.
19. **Powers Preserved** – this agreement does not:
  - a. Affect or limit the discretion, rights or powers of the City under any enactment or at common law, including in relation to the use or subdivision of the Parcel;
  - b. Affect or limit any enactment relating to the use or subdivision of the Parcel; or
  - c. Relieve the Lessee from complying with any enactment, including in relation to the use or subdivision of the Parcel and without limitation shall not confer directly or indirectly any exemption or right of set-off from development cost charges, connection charges, application fees, user fees or other rates, levies or charges payable under any bylaw of the City.
20. **Reference** – every reference to each party is deemed to include the heirs, executors, administrators, personal representatives, successors, assigns, servants, employees, agents, contractors, officers, licensees and invitees of such party, wherever the context so requires or allows.
21. **Enurement** – this agreement shall ensure to the benefit of and be binding upon the parties hereto and their respective successors and permitted assigns.
22. Any construction of a new improvement or alteration of an existing improvement undertaken prior to the application for a Revitalization Tax Exemption will not be eligible for consideration
23. The maximum Revitalization Tax Exemption authorized under City of Kelowna Revitalization Tax Exemption Program Bylaw No. 9561, as amended must not exceed the Revitalization Amount on the Parcel between:
  - a. the calendar year before the construction or alteration began, as outlined under Section 1 of this agreement; and
  - a. the calendar year in which the construction or alteration, as outlined under Section 1 of this agreement, is completed.
24. The Parcel's assessed value of improvements must not be reduced below the amount assessed in the calendar year prior to construction or alteration, as a result of the Revitalization Tax Exemption.

IN WITNESS WHEREOF the parties hereto have executed this agreement as of the day and year first above written.

Executed by the CITY OF KELOWNA by  
Its authorized signatories:

\_\_\_\_\_  
Mayor

\_\_\_\_\_  
City Clerk

Executed by **THE SOCIETY OF HOUSING OPPORTUNITIES AND PROGRESSIVE EMPLOYMENT** by its  
Authorized signatories:

  
Name: President

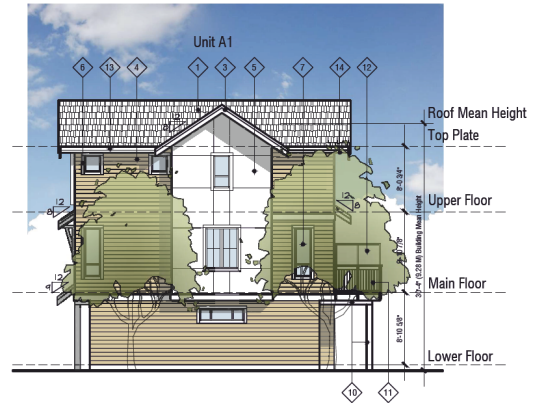
  
Name: Ken Zeitner, Chief Financial Officer

Appendix "A": Plans and Specifications  
Appendix "B": Performance Criteria

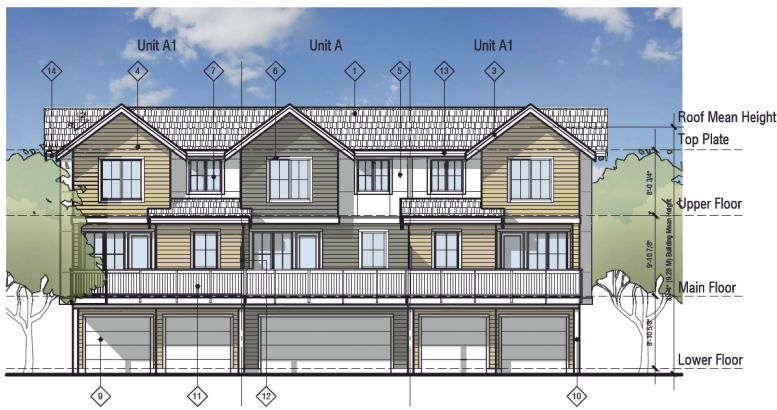
# Appendix "A" RTE18-0006



Front Elevation (Celano Crescent)



Side Elevation



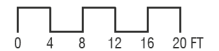
Rear Elevation (Lane)



Side Elevation

## Exterior Finish Legend

◊ Pitch Roof	Asphalt Shingles, GAF Timberline HD Pewter Gray	◊ Wall Panels	HardiePanel Smooth, c/w EasyTrim reveal joints, Painted, BM OC-57 White Heron	◊ Garage Doors	Fibre Glass, painted	◊ Gutter & RWL	Pre-finished aluminum, white
◊ Flat Roof	SBS membrane w/ light grey cap sheet	◊ Trims	HardiTrim, painted, BM OC-57 White Heron	◊ Posts & Beams	HardiTrim clad, painted	◊ Soffit	HardiSoffit, Perforated
◊ Fascia	HardiTrim, painted, BM OC-57 White Heron	◊ Windows	Vinyl Frame Window, White	◊ Guard Rail	Aluminum rails, supports & pickets, white		
◊ Lap Siding	HardiePlank Lap Siding straight edge, 6" exposure, smooth Painted, as shown on elevation	◊ Entry Doors	Wood veneer, fibreglass w/ glazed panel, stained	◊ Privacy Screen	Aluminum Frame w/ Frosted Glazing, white		





**UMBRELLA AGREEMENT  
CONSOLIDATED PORTFOLIO  
AMENDING AGREEMENT**

DATED FOR REFERENCE December 7, 2018  
BCH File # 90613-02 / 3544

BETWEEN

**BRITISH COLUMBIA HOUSING MANAGEMENT COMMISSION**

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

AND

**THE SOCIETY OF HOUSING OPPORTUNITIES AND PROGRESSIVE EMPLOYMENT**

101-2055 Benvoulin Court, Kelowna, British Columbia V1W 2C7  
(the "Society")

**BACKGROUND:**

- A. Pursuant to the Umbrella Agreement, dated for reference September 1, 2013, between BC Housing and the Society (the "Original Agreement"), the Parties agreed to amend certain provisions of the Operating Agreements and to administer all the Projects as one Portfolio pursuant to the Umbrella Agreement.
- B. BC Housing and the Society now wish to amend the Original Agreement in order to make the specific changes outlined in this Amending Agreement.

**AGREEMENT:**

- A. This Amending Agreement is effective upon execution.
- B. With the exception of the amendments made under this Amending Agreement, all other terms and conditions in the Original Agreement remain the same.
- C. Unless specified otherwise, capitalized terms in this Amending Agreement have the same meaning as in the Original Agreement.
- D. The parties agree to make the following amendment to the Original Agreement:

- 1. **Agreement Summary, Part 1, Clause 1 is amended by replacing 408 with 499.**
- 2. **Agreement Summary, Part 1, Clause 4 is deleted in its entirety and replaced with the following:**

The thirteen (13) housing developments listed in Schedule D (the "Projects"), are operated under six (6) separate and distinct housing programs (the "Housing Programs") namely the Pre '86 Section 95 Non-Profit Housing program (the "2% Write-Down Program"), the Provincial Homelessness Initiative (the "PHI Program"), the Seniors Rental Housing Initiative (the "Seniors Rental Housing Program"), the Provincial Housing Program - HOMES BC (the "HOMES BC Program"), the Investment in Affordable Housing Program (the "IAH Program") and the Provincial Investment in Affordable Housing (the "PIAH Program").

- 3. **Agreement Summary, Part 3, Clause 1.c.i is amended by replacing 45% with 36.8%.**
- 4. **Schedule A, Part G is amended by adding the following as Clause 4:**
  - 4. In the event that an operator agreement for the management of PRHC-owned units in a Project is terminated, those units will be removed from the Portfolio.



5. *Schedule D – Projects* is amended by adding the following:

File/Project Ref #	Project Name	Address	Funding Program	# of Units	Agreement End Date
93907/7202	Pleasantvale Homes	678 Richter Street, Kelowna, British Columbia	Community Partnership Initiative	50	16/12/2074
93907/7342	Pleasantvale Homes	671, 673, 675, 677, 679, 681, 685, 687, 689 and 691 Cambridge Avenue, Kelowna, British Columbia; and  668, 670, 672, 674, 676, 678, 682, 684, 686 and 688 Central Avenue, Kelowna, British Columbia	Investment in Affordable Housing	20	21/12/2050
94266/7743	Providence Boulevard	165 Celano Crescent, Kelowna, British Columbia	Provincial Investment in Affordable Housing	11	
94266/8229	Providence Boulevard	165 Celano Crescent, Kelowna, British Columbia	Provincial Investment in Affordable Housing	10	

6. By way of this Amending Agreement, BC Housing also confirms that the Pleasantvale Homes and Providence Boulevard Projects are exempt from the 15% minimum RGI Tenant level described in *Agreement Summary, Part 3, Clause 1.c.ii*. BC Housing acknowledges the challenges the Society faces in transitioning RGI Tenants between Projects with different Operating Agreements. It is the intention of the Society to endeavor, over time, to ensure a minimum RGI Tenant level in each Project.

