

**CITY OF KELOWNA
BYLAW NO. 9922**

**Housing Agreement Authorization Bylaw
Ca'Solare Developments Inc. – (G Group of Companies)
4760 Lakeshore Road**

Whereas pursuant to Section 905 of the *Local Government Act*, a local government may, by bylaw, enter into a housing agreement.

Therefore, the Municipal Council of the City of Kelowna, in open meeting assembled, enacts as follows:

1. The Municipal Council hereby authorizes the City of Kelowna to enter into a Housing Agreement with Ca'Solare Developments Inc. and to register a Housing Agreement for Lot A, Sec. 25, Twp. 28, SDYD, Plan KAP71411 located on Lakeshore Road, Kelowna, B.C., a true copy of which is attached to and forms part of this bylaw as Schedule "A".
2. The Mayor and City Clerk are hereby authorized to execute the attached agreement as well as any conveyances, deeds, receipts or other documents in connection with the attached agreement.
3. This bylaw shall come into full force and effect and is binding on all persons as and from the date of adoption.

Read a first, second and third time by the Municipal Council this 21st day of January, 2008.

Adopted by the Municipal Council of the City of Kelowna this day of 2008.

Mayor

City Clerk

LAND TITLE ACT

FORM C

(Section 219.81)

Province of

British Columbia

GENERAL INSTRUMENT – PART 1 (This area for Land Title Office use)

Page 1 of 11 pages

1. APPLICATION: (Name, address, phone number and signature of applicant, applicant's solicitor or agent)
 Veronica Carson, Agent (Client NO. 10565)
DOAK SHIRREFF LLP, Barristers and Solicitors
 #200, 537 Leon Avenue, Kelowna, BC V1Y 2A9
 Telephone: (250) 763-4323 File: 015-113211/vc
signature of applicant, applicant's solicitor or agent
2. PARCEL IDENTIFIER(S) AND LEGAL DESCRIPTION(S) OF LAND: *
 (PID) (LEGAL DESCRIPTION)
 025-434-390 Lot A, Sec. 25, Twp. 28, SDYD, Plan KAP71411
3. NATURE OF INTEREST: *
 DESCRIPTION DOCUMENT REFERENCE PERSON ENTITLED TO INTEREST
 Section 219 Covenant Entire Instrument Transferee
4. TERMS: Part 2 of this Instrument consists of (select one only)
 (a) Filed Standard Charge Terms D.F. No.
 (b) Express Charge Terms X Annexed as Part 2
 (c) Release There is no Part 2 of this instrument
 A selection of (a) includes any additional or modified terms referred to in Item 7 or in a schedule annexed to this instrument. If (c) is selected, the charge described in Item 3 is released or discharged as a charge on the land described in Item 2.
5. TRANSFEROR(S): *
~~CA'SOLARE DEVELOPMENTS INC.~~ of #200, 3275 Lakeshore Road, Kelowna, BC V1W 3S9
 (Inc. No. BC0783019) *Schedule*
6. TRANSFEREE(S): (Including occupation(s), postal address(es) and postal code(s)) *
CITY OF KELOWNA, a Municipal Corporation having its offices at
 1435 Water Street, Kelowna, BC V1Y 1J4
7. ADDITIONAL OR MODIFIED TERMS: *
 N/A
8. EXECUTION(S): ** This instrument creates, assigns, modifies enlarges discharges or governs the priority of the interest(s) described in Item 3 and the Transferor(s) and every other signatory agree to be bound by this instrument, and acknowledge(s) receipt of a true copy of the filed standard charge terms, if any.

Officer Signature(s)

Execution Date

Party(ies) Signature(s)


GRANT SHIRREFF
 BARRISTER & SOLICITOR
 200 - 537 LEON AVE.
 KELOWNA, BC V1Y 2A9

Y	M	D
07	12	06

CA'SOLARE DEVELOPMENTS INC.

by its authorized signatory:


GRANT GAUCHER

OFFICER CERTIFICATION:

Your signature constitutes a representation that you are a solicitor, notary public or other person authorized by the Evidence Act, R.S.B.C. 1979, C.116, to take affidavits for use in British Columbia and certifies the matters set out in Part 5 of the Land Title Act as they pertain to the execution of this instrument.

- * If space insufficient, enter "SEE SCHEDULE" and attach schedule in Form E.
 ** If space insufficient, continue executions on additional page(s) in Form D.

LAND TITLE ACT

FORM D

EXECUTIONS CONTINUED

Page 2 of 11 Pages

Officer Signature(s)

Execution Date

Party(ies) Signature(s)

Y	M	D

THE CITY OF KELOWNA
by its authorized signatory(ies)

Mayor: _____

Clerk: _____

as to all signatures

OFFICER CERTIFICATION:

Your signature constitutes a representation that you are a solicitor, notary public or other person authorized by the Evidence Act, R.S.B.C. 1979, c.116, to take affidavits for use in British Columbia and certifies the matters set out in Part 5 of the Land Title Act as they pertain to the execution of this Instrument.

LAND TITLE ACT

FORM D

EXECUTIONS CONTINUED

(This area for Land Title Office use)

Officer Signature(s)



GRANT SHIRREFF
BARRISTER & SOLICITOR
200 - 537 LEON AVE.
KELOWNA, BC V1Y 2A9

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07	12	10

Transferor/Borrower/Party
Signature(s)

THE TORONTO-DOMINION BANK
by its authorized signatory:



Catherine A. Devins, CSO

OFFICER CERTIFICATION:

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

LAND TITLE ACT

FORM D

EXECUTIONS CONTINUED

(This area for Land Title Office use)


Officer Signature(s)


JOHN VAN CUYLENBORG
 Solicitor
 7th Floor, 1175 Douglas Street
 Victoria, B.C. V8W 2E1
 Phone: 250-385-1411 Fax 250-413-3300
 E-mail: johnvc@cookroberts.bc.ca

Y	M	D
08	01	07

Transferor/Borrower/Party
Signature(s)

COOPER PACIFIC II MORTGAGE
INVESTMENT CORPORATION
by its authorized signatory:


 Cameron Cooper

OFFICER CERTIFICATION:

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

LAND TITLE ACT

FORM E

SCHEDULE

ENTER THE REQUIRED INFORMATION IN THE SAME ORDER AS THE INFORMATION MUST APPEAR ON THE FREEHOLD TRANSFER, MORTGAGE FORM OR GENERAL DOCUMENT FORM.

3.	NATURE OF INTEREST:*		
	DESCRIPTION	DOCUMENT REFERENCE (page and paragraph)	PERSON ENTITLED TO INTEREST
	Statutory Right of Way	Entire Instrument	Transferee
	Consent and Priority over Mortgage CA502986 and Assignment of Rents CA502987	Page 10 Paragraph 4.5	Transferee
	Consent and Priority over Mortgage CA551914 and Assignment of Rents CA551915	Page 10 Paragraph 4.6	Transferee
5.	Transferors:		

CA'SOLARE DEVELOPMENTS INC. (Inc. No. BC0783019)

THE TORONTO-DOMINION BANK, as to Consent and Priority over Mortgage CA502986 and Assignment of Rents CA502987

COOPER PACIFIC II MORTGAGE INVESTMENT CORPORATION as to Consent and Priority over Mortgage CA551914 and Assignment of Rents CA551915

SECTION 219 COVENANT AND HOUSING AGREEMENT

THIS AFFORDABLE HOUSING AGREEMENT made the ____ day of December, 2007

BETWEEN:

CA'SOLARE DEVELOPMENTS INC. (Inc. No. BC0783019)
of #200, 3275 Lakeshore Road
Kelowna, BC V1W 3S9

(the "Owner")

OF THE FIRST PART

AND:

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

(the "City")

OF THE SECOND PART

GIVEN THAT:

- A. The Owner has applied to the City for rezoning to permit the construction of a residential development for multiple Unit Residential Development and has consented to the designation of certain lands for affordable housing in accordance with the City's definitions of affordable housing on certain lands more particularly described in this agreement.
- B. Section 219 of the *Land Title Act* permits the registration of a covenant of negative or positive nature in favour of the City in respect of the use of land or construction on land.
- C. The City may, pursuant to section 905(1) of the *Local Government Act* enter into an agreement with an owner of land that includes terms and conditions regarding the occupancy, tenure, and availability of the City in respect of the use of land or construction on land.
- D. The Owner and the City wish to enter into this Agreement to provide for affordable ownership on the terms and conditions set out in this Agreement, and agree that this Agreement is both a section 219 covenant under the *Land Title Act* and a housing agreement under section 90 of the *Local Government Act*.
- E. The City has, by bylaw, authorized the execution of this Agreement and the Owner has duly authorized the execution of this Agreement.

This Agreement is evidence that in consideration of \$1.00 paid by the City to the Owner (the receipt of which is acknowledged by the Owner) and in consideration of the promises exchanged below, the City and the Owner agree, as covenants granted by the Owner to the City under section 219 of the *Land Title Act* and as a housing agreement between the Owner and the City under section 905(1) of the *Local Government Act*, as follows:

**ARTICLE 1
INTERPRETATION**

1.1 Definitions:

"Affordable Ownership Dwelling Unit" means three (3) Dwelling Units designated as such by the Owner and constructed on the Lands.

"City" means the City of Kelowna

"Dwelling Unit" means accommodation providing sleeping rooms, washrooms and no more than one kitchen, intended for domestic use, and used or intended to be used permanently or semi-permanently for a Household. This use does not include a room in a hotel or a motel.

"Hard Costs" means all out-of-pocket costs incurred with respect to the construction of the Dwelling Unit which includes but is not limited to constructing and installing any improvements on the Lands.

"Lands" means the land described in Item 2 of the Form C to which this Agreement is attached;

"LTO" means the Kamloops Land Title Office or its successor;

"Official Community Plan (OCP)" means the City of Kelowna Official Community Plan Bylaw No. 7600 or its successor bylaw.

"Owner" means the registered owner of the Lands from time to time and any parcels into which the Lands are subdivided;

"Owner's Cost" means the actual out-of-pocket cost incurred by the Owner to construct the Dwelling Unit including the market value of the Land as at the date of this Agreement and all Hard Costs and Soft Costs attributable to such Dwelling Unit.

"Soft Costs" means all out-of-pocket costs incurred other than Hard Costs to design the improvements constructed on the Lands, to obtain all regulatory approvals to construct the improvements on the Lands and to market and sell the improvements constructed on the Lands which include but is not limited to:

- (a) engineering reports;
- (b) geotechnical reports;
- (c) architectural reports;
- (d) cost of sales;
- (e) office overhead and interest costs.

"Zoning Bylaw" means City of Kelowna Bylaw No. 8000, or its successor bylaw.

1.2 Interpretation – In this Agreement:

- (a) reference to the singular includes a reference to the plural, and vice versa, unless the context requires otherwise;
- (b) article and section headings have been inserted for ease of reference only and are not to be used in interpreting this Agreement;
- (c) reference to a particular numbered section or article, or to a particular lettered Schedule, is a reference to the corresponding numbered or lettered article, section or Schedule of this Agreement;

- (d) if a word or expression is defined in this Agreement, other parts of speech and grammatical forms of the same word or expression have corresponding meanings;
- (e) the word "enactment" has the meaning given in the *Interpretation Act* on the reference date of this Agreement;
- (f) reference to any enactment including any regulations, orders or directives made under the authority of that enactment;
- (g) reference to any enactment is a reference to that enactment as consolidated, revised, amended, re-enacted or replacement, unless otherwise expressly provided;
- (h) the provisions of s. 25 of the *Interpretation Act* with respect to the calculation of time apply;
- (i) time is of the essence;
- (j) all provisions are to be interpreted as always speaking;
- (k) reference to a "party" is a reference to a party to this Agreement and to their respective successors, assigns, trustees, administrators and receivers;
- (l) reference to a "day", "month", "quarter" or "year" is a reference to a calendar day, calendar month, calendar quarter or calendar year, as the case may be, unless otherwise expressly provided;
- (m) the definitions given in the Zoning Bylaw and Official Community Plan apply for the purposes of this Agreement; and;
- (n) any act, decision, determination, consideration, consent or exercise of discretion by any party, or other person, as provided in this Agreement must be performed, made or exercised acting reasonably.

1.3 Purpose of Agreement – The Owner and the City agree that:

- (a) this Agreement is intended to serve the public interest by providing for occupancy of a certain number of Dwelling Units, of the kinds provided for in this Agreement, that are in demand in the City of Kelowna but that are not readily available.
- (b) performance of this Agreement by the Owner is a condition, as contemplated by s. 904 of the *Local Government Act*, of the Owner becoming entitled to certain density bonuses respecting development of the Land, which density bonuses the Owner acknowledges are a benefit to the Owner; and;
- (c) damages are not an adequate remedy to the City in respect of any breach of this Agreement by the Owner, such that the Owner agrees the City should be entitled to an order for specific performance, injunction or other specific relief respecting any breach of this Agreement by the Owner.

**ARTICLE 2
LAND USE RESTRICTIONS**

2. The Owner and the City hereby covenant and agree as follows:

- (a) the Land must be used only in accordance with this Agreement;
- (b) a maximum of 40,000 square feet of the Lands shall be utilized for the construction of Dwelling Units. The number of Affordable Ownership Dwelling Units constructed by the Owner on the Lands shall be three (3) containing a total of not less than 2,200 square feet; and;
- (c) The Owner acknowledges that the registration of this Affordable Housing Agreement will allow the City to grant a density bonus of 0.20.

**ARTICLE 3
AFFORDABLE OWNERSHIP DWELLING UNITS
OCCUPATION AND TRANSFER RESTRICTIONS**

3. Occupation and Transfer Restrictions – The City and the Owner Agree as follows:

- (a) Transfer – The Owner must not sell or transfer, or agree to sell or transfer, any interest in an Affordable Ownership Dwelling Unit other than the full interest in the fee simple title to that Affordable Ownership Dwelling Unit.
- (b) Prospective Purchasers – The Owner will be solely responsible for screening prospective purchasers of an Affordable Ownership Dwelling Unit. For greater certainty, the Owner agrees that the City is not responsible for, and makes no representation to the Owner regarding, the suitability of any prospective purchaser.
- (c) Purchase Price – The maximum sale price of the Affordable Ownership Dwelling Unit to a purchaser thereof is the Owner's Cost to construct the Affordable Ownership Dwelling Unit;
- (d) Notification of this Agreement: - The Owner must disclose in every purchase and sale agreement for the Affordable Ownership Dwelling Unit, the existence of this Agreement and the occupancy and resale price restrictions to that unit, and provide the prospective purchaser with a copy of this Agreement.
- (e) No Rental – The Owner shall not rent or lease any Affordable Ownership Dwelling Unit;
- (f) Resale Price Restrictions – An owner of the Affordable Ownership Dwelling Unit must not sell the Affordable Ownership Dwelling Unit for a price greater than the Owner's Cost therefor increased by five (5%) per centum annually, calculated cumulatively, from the date on which the Owner shall have sold the Affordable Ownership Dwelling Unit to the first purchaser thereof;
- (g) Term – The term of this Agreement shall expire ten (10) years following the date of registration of this Agreement at the LTO. The City shall release and discharge this Agreement from the title to each Dwelling Unit which is not defined as an Affordable Ownership Dwelling Unit forthwith upon the request of the Owner and from the title to each Affordable Ownership Dwelling Unit upon the expiration of the term of this Agreement.

ARTICLE 4 GENERAL

- 4.1 Notice of Housing Agreement – For clarity, the Owner acknowledges and agrees that:
- (a) this Agreement constitutes both a covenant under s. 219 of the *Land Title Act* and a housing agreement under s. 906 of the *Local Government Act*;
 - (b) the City is requiring the Owner to file a notice of housing agreement in the LTO against title to the Land; and
 - (c) once such notice is filed, this Agreement binds all persons who acquire an interest in the Land;
- 4.2 No Effect on Laws or Powers – This Agreement does not:
- (a) affect or limit the discretion, rights, duties or powers of the City under any enactment or at common law, including in relation to the use or subdivision of land;
 - (b) impose on the City any legal duty or obligation, including any duty of care or contractual or other legal duty or obligation, to enforce this Agreement;
 - (c) affect or limit any enactment relating to the use or subdivision of land, or
 - (d) relieve the Owner from complying with any enactment, including in relation to the use or subdivision of land.
- 4.3 Notice – Any notice which may be or is required to be given under this Agreement must be in writing and either delivered or sent by facsimile transmission. Any notice which is delivered is to be considered to have been given on the first day after it is dispatched for delivery. Any notice which is sent by fax transmission is to be considered to have been given on the first business day after it is sent. If a party changes its address or facsimile number, or both, it must promptly give notice of its new address or facsimile number, or both to the other party as provided in this section.

- 4.4 Covenant Runs with the Land – Every obligation and covenant of the Owner in this Agreement constitutes both a contractual obligation and a covenant granted by the Owner to the City in accordance with Section 219 of the *Land Title Act* in respect of the Land and this Agreement burdens the Land and runs with it and binds the Owner's successors in title and binds every parcel into which it is consolidated or subdivided by any means, including by subdivision or by strata plan under the *Strata Property Act*.
- 4.5 THE TORONTO-DOMINION BANK being the holder of Mortgage registered under number CA502986 and the holder of Assignment of Rents No. CA502987, HEREBY GRANTS to the Transferee PRIORITY over the Bank's interest in the Lands by virtue of its Mortgage, Assignment of Rents, and all its right, title and interest thereunder in and to the Lands of the Transferor, to the Covenant in favour of the Transferee to the intent that the interest of the Bank shall be wholly subject to the rights and interest of the Transferee under this Covenant.
- 4.6 COOPER PACIFIC II MORTGAGE INVESTMENT CORPORATION being the holder of Mortgage registered under number CA551914 and the holder of Assignment of Rents No. CA551915, HEREBY GRANTS to the Transferee PRIORITY over the Cooper Mortgage's interest in the Lands by virtue of its Mortgage, Assignment of Rents, and all its right, title and interest thereunder in and to the Lands of the Transferor, to the Covenant in favour of the Transferee to the intent that the interest of the Cooper Mortgage shall be wholly subject to the rights and interest of the Transferee under this Covenant.
- 4.7 Release – The Owner by this Agreement, releases and forever discharges the City and each of its elected officials, officers, directors, employees and agents and its and their heirs, executors, administrators, personal representatives, successors and assigns from and against all claims, demands, damages, actions or causes of action by reason of or arising out of advise or direction respecting the ownership, lease, operation or management of the Land or the Dwelling Units which has been or at any time after the commencement of this Agreement may be given to the Owner by all or any of them. This clause will survive the termination of this Agreement.
- 4.8 Joint Venture – Nothing in this Agreement will constitute the Owner as the agent, joint venturer, or partner of the City or give the Owner any authority to bind the City in any way.
- 4.9 Limitation on Owner's Obligations – The Owner is only liable for breaches of this Agreement that occur while the Owners is the registered owner of the Land.
- 4.10 Waiver – An alleged waiver of any breach of this Agreement is effective only if it is an express waiver in writing of the breach. A waiver of a breach of this Agreement does not operate as a waiver of any other breach of this Agreement.
- 4.11 Equitable Remedies – The Owner acknowledges and agrees that damages would be an inadequate remedy for the City for a breach of this Agreement, that the City is entitled to obtain an order for specific performance of this Agreement and a prohibitory or mandatory injunction in respect of any breach by the Owner of this Agreement and further that this clause is reasonable given the public interest in restricting the occupancy and disposition of each Affordable Ownership Dwelling Unit on the Lands in accordance with this Agreement.
- 4.12 Further Acts – The Owner shall do everything reasonably necessary to give effect to the intent of this Agreement, including execution of further instruments.
- 4.13 Severance – If any part of this Agreement is held to be invalid, illegal or unenforceable by a court having the jurisdiction to do so, that part is to be considered to have been severed from the rest of this Agreement and the rest of this Agreement remains in force unaffected by that holding or by the severance of that part.

- 4.14 No Other Agreement – This Agreement is the entire agreement between the parties regarding its subject and it terminates and supersedes all other agreements and arrangements regarding its subject.
- 4.15 Amendment – This Agreement may be discharged, amended or affected only by an instrument duly executed by both the owner and the City.
- 4.16 Priority – The owner agrees to do everything necessary at the Owner's expense to ensure that this Agreement, and each subsequent section 219 covenant contemplated by section 2 are registered against title to the Land with priority over all financial charges, liens and encumbrances registered or pending at the time of application for registration of these agreements.
- 4.17 Enurement – This Agreement binds the parties to it and their respective successors, heirs, executors, and administrators. Reference in this Agreement to the "City" is a reference also to the elected and appointed officials, employees and agents of the City.
- 4.18 Deed and Contract – By executing and delivering this Agreement each of the parties intends to create both a contract and deed executed and delivered under seal.

As evidence of their Agreement to be bound by the above terms, the parties each have executed and delivered this Agreement under seal by executing Part 1 of the *Land Title Act* Form C to which this agreement is attached and which forms part of this Agreement.

END OF DOCUMENT