



**AMENDING AGREEMENT
PROVINCIAL HOMELESSNESS INITIATIVE AGREEMENT**

DATED FOR REFERENCE March 8, 2017
BCH File 92722-02 / 6120

BETWEEN

BRITISH COLUMBIA HOUSING MANAGEMENT COMMISSION
1701 – 4555 Kingsway, Burnaby, British Columbia V5H 4V8
(“BC Housing”)

AND

THE KETTLE FRIENDSHIP SOCIETY
1725 Venables Street, Vancouver, British Columbia V5L 2H3
(the “Provider”)

For the service provision at
1134 Burrard Street, Vancouver, British Columbia V6Z 1Y7

BACKGROUND:

- A. BC Housing and the Provider have entered into a Provincial Homelessness Initiative Agreement (together with any amending agreements, the 'Original Agreement'), dated for reference April 01, 2014, for the purpose of providing Stable Housing and Support Services for people who are Absolute Homeless or At Risk of Homelessness.
- B. BC Housing and the Provider now wish to amend the Original Agreement in order to make the specific changes outlined in this Amending Agreement.

AGREEMENT:

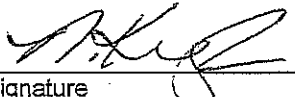
- A. This Amending Agreement is effective as of April 1, 2017 notwithstanding its date of execution.
- B. With the exception of the amendments made under this Amending Agreement, all other terms and conditions in the Original Agreement remain the same.
- C. Unless specified otherwise, capitalized terms in this Amending Agreement have the same meaning as in the Original Agreement.
- D. The parties agree that the Original Agreement is amended by adding the following provision:

'The Provider will establish regular health and wellness checks for Residents, including an escalation procedure which may warrant room checking, when a Resident has not been seen or heard from for an extended period, not to exceed forty-eight (48) hours.'

IN WITNESS of which the duly authorized signatories of each of the Provider and BC Housing have executed this Amending Agreement effective as of April 1, 2017.

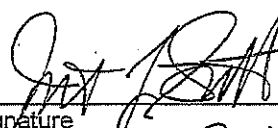
THE KETTLE FRIENDSHIP SOCIETY

Per its authorized signatories



Signature Nov 13, 18
Date Signed
Nancy Keough Executive Director

Print Name and Title

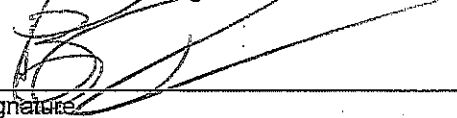


Signature Nov 13 / 18
Date Signed
Janet Smith Director of Housing

Print Name and Title

BRITISH COLUMBIA HOUSING MANAGEMENT COMMISSION


Per its authorized signatories



Signature Nov 18 / 18
Date Signed

BRENDA PROSKAN

Print Name and Title
Regional Director, Operations



Signature DEC 19 2018
Date Signed

CRAIG CRAWFORD

Print Name and Title
Vice President, Operations



BC Housing

**PROVINCIAL HOMELESSNESS INITIATIVE (PHI)
OPERATING AGREEMENT:
COMBINED PROPERTY MANAGEMENT AND SUPPORT SERVICES**

THIS AGREEMENT dated for reference April 1, 2013

BCH File # 92722 / 6120 and 229 / 229B

BETWEEN

THE KETTLE FRIENDSHIP SOCIETY

1725 Venables Street, Vancouver, British Columbia V5L 2H3

(the "Society")

AND

BRITISH COLUMBIA HOUSING MANAGEMENT COMMISSION

Suite #1701 - 4555 Kingsway, Burnaby, British Columbia V5H 4V8

("BC Housing")

with respect to

the Development at

1134 Burrard Street, Vancouver, British Columbia V6Z 1Y7

and

the provision of services at Garden Villa, at

800 McLean Drive, Vancouver, British Columbia V5L 4X8

AGREEMENT SUMMARY

PART 1 – BACKGROUND

1. The Society has acquired the Development under the Provincial Homelessness Initiative (PHI), a housing program funded by the Government of British Columbia acting through its agent, BC Housing.
2. The Society has entered into a sixty (60)-year Lease Agreement with the City of Vancouver for the use of Land on which the Society will construct the Development. This Lease Agreement commenced on March 16, 2012, and is registered at the Land Title Office.
3. The Society has entered into a ten (10)-year Sublease Agreement with Family Services of Greater Vancouver for the use of the portion of the Development for the purpose of operating a drop in centre to provide support for individuals as set out in the Sublease Agreement. This Sublease Agreement will commence on the Commencement Date.
4. The Society has also entered into a memorandum of understanding with Family Services of Greater Vancouver Society, BC Housing and the Ministry of Children and Family Development ("MCFD"), dated February 7, 2013, for the Development (the "MOU"). The Society will work cooperatively with MCFD and Family Services of Greater Vancouver Society, as set out in the MOU, for the provision of housing and support services for up to ten (10) Residents, between the ages of fifteen (15) and eighteen (18), at the Development. For clarity, the Society will not provide Support Services to these ten (10) Residents.
5. The Development consists of 141 Residential Units for persons who are Absolute Homeless and/or At Risk of Homelessness and other qualified Residents, and includes Commercial Space. The Society will operate the Development, and BC Housing will provide an Operating Subsidy, in accordance with the terms of this Agreement.
6. The Society provides Enhanced Support Services to Clients at Garden Villa, a housing development including nineteen (19) housing units owned by the Provincial Rental Housing Corporation (PRHC), as set out in this Agreement.
7. As Residential Units at Garden Villa are vacated and become available for occupancy, BC Housing will make these Residential Units available to the Society for eligible Clients selected by the Society and approved by BC Housing, acting reasonably.
8. The Society intends to transfer adult women Residents with mental illnesses to Garden Villa when Residential Units become available. These Clients, in the opinion of the Society, are able to live independently with the Enhanced Support Services provided by the Society.
9. It is the intention of BC Housing and the Society to continue to make Residential Units at Garden Villa available to the Society and eventually transition all Residential Units to be occupied by Clients referred by the Society.
10. The goal of PHI is to help provide Stable Housing and Support Services for people who are Absolute Homeless or At Risk of Homelessness.
11. Through PHI, BC Housing and the Society are working together to help Residents and Clients acquire and maintain housing, and to accomplish this goal, each party recognizes that it is essential to connect Residents and Clients with supports that meet their immediate need.
12. The management of property and the delivery of services under PHI is guided by these principles:
 - a. services are resident-focused and provide Residents with a sense of personal security;
 - b. all reasonable efforts will be made to foster Residents' capabilities to live successfully and independently;
 - c. an atmosphere of dignity and respect for all Residents is to be maintained; and
 - d. operations are transparent and accountable.
13. BC Housing and the Society will work together in good faith to openly confront issues and challenges, and attempt to resolve them expeditiously, always keeping the best interests of the Residents and Clients in mind.
14. **Acknowledgements.**
 - a. The Society is entering into this Agreement to manage and operate the Development and to deliver Support Services, and will do so in a proper, efficient and timely manner as would a prudent operator of similar property and services, and its fundamental purpose in doing so is to benefit the public interest.

BC Housing PHI Operating Agreement

Combined Property Management and Support Services - Agreement Summary

- b. The Society is a fully independent self-governing entity registered under the *Society Act*. Operation of the Society is subject to its Constatting Documents and the *Society Act*. The members of the Society and its governing board are responsible for all affairs of the Society related to both Society operations in general and the ongoing management of the Development.
- c. BC Housing recognizes that the Society was established for the advancement of specific social purposes prior to its decision to participate in this particular Agreement.
- d. BC Housing recognizes that the Society brings both tangible and intangible assets to the Development. The Society's board members serve on a voluntary basis, i.e., without recompense for their time and expertise. The Society and the board bring resources, knowledge and expertise on such things as property management, resident management and support, and services which specifically relate to the Clients, the Development and its location.
- e. The Society and board are expected to create an environment that is supportive of the needs of the Residents and Clients and provide a sense of community within the Development and Garden Villa and to that purpose may provide resident services and activities not funded by this Agreement.

PART 2 – SERVICE DESCRIPTION

1. The Society will manage the Development and deliver services, including Support Services, that are beneficial to Residents at the Development. The Society will deliver Enhanced Support Services to Clients at Garden Villa. The Support Services and Enhanced Support Services are intended to help Residents and Clients to achieve and maintain stability in housing, and enhance access to other community based supports and services which help individuals build self reliance and foster resilience against homelessness.
2. The Support Services will be provided to 131 Residents at the Development and include:
 - a. individual or group Support Services such as: life skills; community information; social and recreational programs
 - b. connecting Residents and Clients to community supports and services such as: education; employment; health; life skills; and
 - c. approximately eleven (11) fulltime Staff persons, including Program Manager, Assistant Manager, Life Skills/Health Support Workers, Home Support staff and Mental Health Workers, providing on-site coverage twenty-four (24) hours per day, seven (7) days per week, while ensuring at least two (2) Staff person are onsite between the hours of 8:00 am and 11:00 pm.
3. The Enhanced Support Services include:
 - a. referring and selecting Clients from Society's other housing facilities, including the Development, as its Clients' needs change. The Society will select Clients as set out in *Schedule D, Part D*;
 - b. liaising with other community agencies, linking Clients to services, coordination of transportation to appointments for Clients, and the accompaniment of Clients when necessary and possible, assisting Clients with forms, applications and referrals to appropriate services;
 - c. providing support for the Clients in completing initial sign up forms, rent collection, security deposit collection, move in/move out inspection forms (including taking and/or submitting digital photo files), Residency Agreements and all required notices, including but not limited to, notices of complaints, and notice to vacate documents. All such actions and supports will be coordinated with BC Housing;
 - d. resolving in a timely manner any issues with the Clients where they exhibit problematic behaviour. Failure to do so may result in BC Housing taking action against the Client in accordance with the Residency Agreement and the *Residential Tenancy Act*. If it is not possible to resolve the problems and maintain the Client's residency at Garden Villa, the Society and BC Housing will make every effort to find the Client alternative accommodation; and
 - e. managing Residential Units at Garden Villa as set out in *Schedule A, Part B, Clause 8*.

PART 3 – AGREEMENT

1. **TERM.** The parties agree as follows for the Term of the Agreement which will commence on the day the Occupancy Permit is issued for the Development (the "Commencement Date"), and end on March 14, 2072, one (1) day prior to the expiry of the Lease Agreement, unless earlier terminated in accordance with this Agreement.
2. **PREVIOUS AGREEMENTS.** This Agreement replaces all existing Support Services Agreements between BC Housing and the Society with respect to Garden Villa. The expression "existing agreements" includes all incidental arrangements and understandings.
3. **LEASE.** In no circumstances will this Agreement survive the expiry or earlier termination of the Lease Agreement.
4. **STANDARDS AND OUTCOMES.**
 - a. The Society will meet the Standards set out in *Schedule I* throughout the Term and will provide written reports on its achievement of the Standards and other matters in an acceptable form as outlined in *Schedules B and C*.
 - b. The following will be used to measure the overall effectiveness of the Support Services and Enhanced Support Services:

Outcome	Indicator	Measure
Increased stability of residency.	Number of Residents who remain housed after six (6) months; Length of residency at exit; Reasons for Resident leaving (e.g., found alternate Stable Housing; abandoned; street; shelter; hospital; detox; other).	60% of Residents remain housed after six (6) months.

5. **PAYMENT.** The Operating Subsidy, the Support Services Subsidy and Enhanced Support Services Subsidy will be based on an annual budget approved by BC Housing, and provided directly to the Society for such other matters as set out in *Schedule B*.
6. **ENTIRE AGREEMENT.**

All of the Schedules attached to this Agreement are an integral part of this Agreement:

This Agreement constitutes the entire Agreement between the parties with respect to the subject matter of this Agreement.

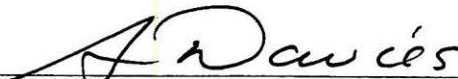
**BC Housing PHI Operating Agreement
Combined Property Management and Support Services - Agreement Summary**

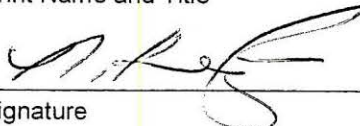
No amendment or modification to this Agreement will be effective unless it is in writing and duly executed by the parties except where this Agreement allows for otherwise.

IN WITNESS of which the duly authorized signatories of each of the Society and BC Housing have executed this Agreement effective as of the Commencement Date of this Agreement.

THE KETTLE FRIENDSHIP SOCIETY


Per its authorized signatories


 Apr. 7. 2014
Signature Date Signed
Angela Davies, Director, Licensed Care
Print Name and Title

 April 29, 2014
Signature Date Signed
Nancy Keough Executive Director
Print Name and Title

BRITISH COLUMBIA HOUSING MANAGEMENT COMMISSION

Per its authorized signatories

 _____
Signature Date Signed
CRAIG CRAWFORD, Vice President, Operations

Print Name and Title
 May 22 2014
Signature Date Signed
DOMINIC FLANAGAN Executive Director, Supportive Housing Programs
Print Name and Title

SCHEDULE A – GENERAL PROVISIONS

A. DEFINITIONS

1. "**Absolute Homeless**" means individuals or Families who are living in: public spaces without legal claim (e.g., on the streets, in abandoned buildings, or in tent cities); a homeless shelter, a public facility or service (e.g., hospital, care facility, rehabilitation or treatment centre, correctional facility) and cannot return to a stable residence; or individuals and Families who are financially, sexually, physically or emotionally exploited to maintain their shelter.
2. "**Assets**" means that the household (applicant and spouse) have less than \$100,000.00 in assets, as defined by BC Housing's Asset Policy, which may be changed from time to time.
3. "**At Risk of Homelessness**" means individuals and Families who are living in temporary accommodation where they do not have control over the length and conditions of tenure (e.g., couch surfing or name not on lease), and do not have adequate personal space; time-limited housing designed to help them transition from being homeless to living in a permanent form of housing (e.g., transitional housing or second-stage housing); or accommodation where residency will be terminated within three months of application (e.g., given notice by landlord or pending release from prison). NB: this also applies to individuals living in Single Room Occupancy Hotels.
4. "**Centralized Applicant Database**" means a database managed by BC Housing used to facilitate resident selection from a pool of eligible applicants and to track resident move-in and move-out dates within housing developments. The Centralized Applicant Database includes both the Supportive Housing Registration Service and The Housing Registry or successor systems developed by BC Housing.
5. "**Client**" means an individual eligible for Enhanced Support Services at Garden Villa as set out in *Schedule D, Part D*.
6. "**Commencement Date**" means the first day of the Term in the *Agreement Summary, Part 3, Clause 1*.
7. "**Commercial Space**" means the ground and second floors of the Development, as set out in the Sublease Agreement.
8. "**Constituting Document**" means the constitution and bylaws of a society, including any amendments, registered with a Canadian corporate registry.
9. "**Declaration of Income and Assets**" means the declaration to be completed by a Resident as evidence of the Income and Assets of that Resident.
10. "**Development**" means the lands and improvements (including Commercial Space) situated at 1134 Burrard Street, Vancouver, British Columbia V6Z 1Y7.
11. "**Economic Rent**" means the monthly rent, on a per Residential Unit basis, that would be required to be charged in order that revenues for the shelter component at the Development equal expenses for the shelter component as set out in the Operating Budget but excluding any expenses related to the delivery of the Support Services.
12. "**Enhanced Support Services**" means supporting services the Society provides to the Clients at Garden Villa as set out in this Agreement. Such services are separate and distinct from the Support Services provided by the Society at the Development.
13. "**Enhanced Support Services Budget**" means the annual budget for the Enhanced Support Services prepared by the Society and approved by BC Housing as set out in *Schedule B*.
14. "**Enhanced Support Services Subsidy**" has the meaning ascribed to it in *Schedule B*.
15. "**Event of Default**" has the meaning set out in *Schedule A, Part F, Clause 1*.
16. "**Family**" means a minimum of two (2) people including at least one (1) dependent child, regardless of the age of such child at the time of occupancy.
17. "**Fiscal Year**" means the Fiscal Year of the Society as of the reference date of this Agreement, or as revised after agreement between BC Housing and the Society.
18. "**Garden Villa**" means a housing development, including nineteen (19) housing units, owned by the Provincial Rental Housing Corporation and managed by BC Housing. It is situated at 800 McLean Drive, Vancouver, British Columbia V5L 4X8.
19. "**Housing Income Limits**" (HILs) represents the maximum income for eligibility to be a Resident or a Client. This maximum is based on the cost of housing in the local community such that the Resident or a Client cannot obtain rental housing in good condition meeting Occupancy Standards without paying more than 30% of Income. This maximum will be established by BC Housing from time to time.

BC Housing PHI Operating Agreement

Combined Property Management and Support Services – *Schedule A*

20. "**Housing Registry**" means a partnership between BC Housing and other affiliated housing organizations to provide a centralized database with current application information for applicants who can live independently with no or minimal supports from their landlord or in the community.
21. "**Income**" of a Resident or a Client means the total income before income tax from all sources of the Resident or the Client in accordance with the Rent Scale.
22. "**Land**" means those lands and premises situated at the Development, and legally described as PID 007-074-531, Lot G Block 90 District Lot 541, Plan 1887.
23. "**Lease Agreement**" means the lease agreement entered into between the City of Vancouver and the Society regarding the Land, as registered with Land Title Office on March 16, 2012 under registration number CA2441479.
24. "**Loan**" means a mortgage loan insured pursuant to the *National Housing Act of Canada* (or successor legislation), obtained by or on behalf of the Society from time to time, with BC Housing's prior written approval, to finance the capital cost of acquiring, developing or renovating the Development, or any other loan with respect to the Development for which the Society has obtained BC Housing's prior written approval.
25. "**Maintenance Plan**" means the maintenance standards and practices required to preserve the Development.
26. "**Manageable Costs**" are costs that the Society, or a prudent operator of similar property and services, is reasonably expected to control or manage, including but not necessarily limited to salaries, benefits, maintenance and administration.
27. "**Non-Manageable Costs**" are costs that the Society, or a prudent operator of similar property and services, is not reasonably expected to control or manage, including but not necessarily limited to insurance, property tax and utilities.
28. "**Occupancy Permit**" is a certificate that must be obtained prior to occupancy that is issued if all required inspections have been carried out and the building or structure is deemed substantially complete and fit for occupancy.
29. "**Occupancy Standards**" means the standards for household sizes of a Resident or a Client relative to the number of bedrooms in a Residential Unit. Unless otherwise agreed in writing by BC Housing, the following standards apply:
 - a. No more than two (2) and no less than one (1) person per bedroom.
 - b. Spouses and couples share a bedroom.
 - c. Parents do not share a bedroom with their children.
 - d. Dependents aged eighteen (18) or over do not share a bedroom.
 - e. Dependents of the opposite sex age five (5) or over do not share a bedroom.
30. "**Operating Budget**" means the annual budget for the Development approved by BC Housing. The Operating Budget will not include any expenses for the Development paid for directly by BC Housing as set out in this Agreement.
31. "**Operating Deficit**" means the shortfall of revenue compared to expenses as dictated by the approved Operating Budget, Support Services Budget and Enhanced Support Services Budget and/or approved by the Non-Profit Portfolio Manager.
32. "**Operating Subsidy**" means the amount paid by BC Housing to the Society that is the difference between the sum of the Resident Rent Contribution plus other Residential Revenue, and the sum of the approved Economic Rents for the Residential Units at the Development, both as may be amended from time to time.
33. "**Operating Surplus**" means the excess of revenue over expenses as dictated by the approved Operating Budget, Support Services Budget and Enhanced Support Services Budget and/or approved by Non-Profit Portfolio Manager.
34. "**Provincial Rental Housing Corporation**" (PRHC) is incorporated under the *Business Corporations Act* (or successor legislation). PRHC is the land holding corporation for provincially owned social housing. BC Housing administers PRHC, which buys, holds and disposes of properties, and leases residential properties to non-profit societies and co-operatives.
35. "**Rent-Geared-to-Income (RGI) Resident**" means a Resident who has an Income that is at or below HILs and for whom BC Housing has approved an Operating Subsidy.
36. "**Rent Scale**" means the rent scale attached as *Schedule G* as amended by BC Housing from time to time.
37. "**Replacement Reserve Fund**" has the meaning set out in *Schedule B*.

38. "**Residency Agreement**" means an agreement, lease, license or other right of a Resident to occupy a Residential Unit.
39. "**Resident**" means the person or persons legally entitled to reside in a Residential Unit at the Development pursuant to a Residency Agreement.
40. "**Resident Rent Contribution**" means the amount a Resident is obliged to contribute monthly to the Society for a Residential Unit at the Development based on the Rent Scale.
41. "**Residential Revenue**" means all other net revenues received by the Society from the Development or activities directly related to the Development other than rent and rooftop leases including but not limited to parking fees, laundry machines, vending machines, meal tickets, satellite dishes etc.
42. "**Residential Unit**" means a self-contained residential dwelling within the Development or Garden Villa.
43. "**SHR**" means the Supportive Housing Registration Service (SHR), being a comprehensive vacancy management system and housing information service for applicants and providers of subsidized rental housing with current application information for applicants who are homeless or At Risk of Homelessness and who require support services to achieve successful residencies.
44. "**Stable Housing**" means accommodation allowing for residency of more than thirty (30) days, under conditions in which the individual/family has adequate personal space. This range includes supported, transitional housing to independent social or private market housing, but does not include emergency shelters.
45. "**Staff**" means staff who will maintain a presence in the Development to provide safety, security, administrative and other services to Residents, and will provide Enhanced Support Services to Clients.
46. "**Standards**" means those required practices and standards of performance that the Society must meet in accordance with the *Agreement Summary* and *Schedule I* of this Agreement.
47. "**Sublease Agreement**" means the lease agreement entered into between the Society and Family Services of Greater Vancouver Society for the use of the portion of the Development. This Sublease Agreement is dated March 19, 2014 and commences on the Commencement Date.
48. "**Support Services**" means social support programs that encourage and enhance the well being, independence and self-reliance of Residents in the Development as agreed to between the Society and BC Housing as set out in this Agreement.
49. "**Support Services Budget**" means the annual budget for the Support Services prepared by the Society and approved by BC Housing as set out in *Schedule B*.
50. "**Support Services Subsidy**" has the meaning ascribed to it in *Schedule B*.
51. "**Term**" means the period set out in *Agreement Summary, Part 3, Clause 1*.

B. RESPONSIBILITY OF THE SOCIETY

1. **Corporate Organization.** The Society will maintain a well organized corporate structure and policies and procedures that ensure that the Society's obligations under this Agreement are well managed, and in particular will:
 - a. operate as a non-profit entity;
 - b. remain a corporation in good standing with the appropriate Canadian corporate registry;
 - c. have a purpose that is consistent with the goal and principle of the PHI;
 - d. not permit a director or officer to be remunerated except for reimbursement of any expenses necessarily and reasonably incurred by the director or officer while engaged in the affairs of the Society;
 - e. not alter its Constatting Documents in any way that would make them inconsistent with the terms of this Agreement or that would render the Society unable to fulfill its obligations under this Agreement; and
 - f. provide BC Housing with a copy of the Society's Constatting Documents as requested by BC Housing from time to time.
2. **Society Restrictions.** During the Term, the Society will remain in good standing under all applicable legislation or successor legislation in British Columbia or Canada.
3. **Agency.** This Agreement shall not be construed as creating any partnership or agency between BC Housing and the Society and neither party shall be deemed to be the legal representative of any other party for the purposes of this Agreement. Neither BC Housing nor

BC Housing PHI Operating Agreement

Combined Property Management and Support Services – Schedule A

the Society shall have, and shall not represent itself as having, any authority to act for, to undertake any obligation on behalf of the other party, except as expressly provided in this Agreement.

4. **Conflict of Interest.** The Society will not, during the Term, perform a service for or provide advice to any person or entity where the performance of such service or the provisions of the advice may, in the reasonable opinion of BC Housing, give rise to a conflict of interest between the obligations of the Society to BC Housing under this Agreement and the obligations of the Society to such other person or entity.
5. **Communication with BC Housing.** The Society as soon as reasonably possible will:
 - a. provide BC Housing with details on all incidents that are significant enough to threaten the continuous fulfillment of its obligations under this Agreement;
 - b. notify BC Housing before making any changes that could diminish the Society's ability to fulfill its obligations under this Agreement;
 - c. inform BC Housing of material changes to service levels in the Development or Garden Villa (i.e., hours of operation, number of Residential Units, types of Support Services or Enhanced Support Services provided, number of Residents or Clients served etc.); and
 - d. submit for review by BC Housing all material policy changes related to its obligations under this Agreement.
6. **Preservation of Assets.** The Society will ensure that all grounds, landscaping, buildings, Development and Garden Villa related equipment and other Development and Garden Villa related chattels belonging to BC Housing, or acquired by the Society on behalf of BC Housing during the Term, are maintained in good repair throughout the Term. At the end of the Term, the Society will return all Development and Garden Villa related equipment and other Development and Garden Villa related chattels to BC Housing in the same condition as at the start of this Agreement, reasonable wear and tear excepted.
7. **Restrictions on Disposition.** The Society will not transfer or encumber all or part of its interest in the Development, or enter into any agreement to transfer or encumber all or part of its interest in the Development except with the approval of BC Housing. Such approval shall not be unreasonably withheld.
8. **Management and Maintenance of Garden Villa.** The Society will:
 - a. work cooperatively with BC Housing and the Clients to ensure that the Residential Units are kept in a satisfactory state of repair and fit for habitation, including compliance with all relevant fire regulations, health and safety requirements and other building rules established by BC Housing for Garden Villa from time to time;
 - b. advise BC Housing immediately if it becomes aware of any structural deficiency in the Residential Units, or any need for any maintenance, repair or replacement;
 - c. not undertake any alterations to the Residential Units without prior consultation with BC Housing; and
 - d. not enter into a contract for the management of all or part of the Residential Units by any person or organization other than its own employees, unless approved by BC Housing.
9. **Cooperation – at Garden Villa.** The Society will not interfere with the rights of BC Housing at Garden Villa and will cooperate with BC Housing in areas of common interest.
10. **Cooperation – at the Development.** The Society will not interfere with Family Services of Greater Vancouver in the Development and will cooperate with Family Services of Greater Vancouver in areas of common interest. Similarly, BC Housing will ensure that its arrangements with Family Services of Greater Vancouver clearly delineate the extent of Family Services of Greater Vancouver's authority and require them to cooperate with the Society in areas of common interest. In the event of a dispute between the Society and Family Services of Greater Vancouver, the Society will work collaboratively with Family Services of Greater Vancouver and BC Housing to resolve the dispute.

C. RESPONSIBILITY OF BC HOUSING

1. BC Housing will:
 - a. assign a BC Housing representative to act as liaison with the Society;
 - b. provide support to the Society in managing the Society's obligations under this Agreement to meet the objectives and provisions in this Agreement. To this end BC Housing will work cooperatively with the Society, taking into account its

BC Housing PHI Operating Agreement

Combined Property Management and Support Services – Schedule A

- operational realities and recognizing the Society's need for adequate financial and organizational resources to meet its obligation of providing housing and support to the Residents and Clients;
- c. monitor the operation of the Development, the delivery of the Support Services and the Enhanced Support Services, and the use by the Society of funding from BC Housing in accordance with this Agreement, to ensure that the Standards, objectives and expectations in this Agreement are met;
 - d. provide timely responses to issues raised by the Society to ensure the Society receives adequate support;
 - e. except in the event of an emergency, BC Housing will give the Society forty-eight (48) hours' notification of its intent to enter the Development;
 - f. provide adequate funding to meet the objectives, expectations and Standards set out in this Agreement, and make the direct payments described in *Schedule B, Part B*;
 - g. calculate and collect rents from Clients at Garden Villa.

D. RECORDS

1. **Records, Retention and Access.** The Society will maintain adequate operational records for its obligations under this Agreement and the following apply:
 - a. the Society will retain all documents, vouchers, records and accounts that pertain to its obligations under this Agreement for not less than seven (7) years following the date of receipt or production of those records;
 - b. BC Housing or its agents may inspect all records maintained by the Society for its obligations under this Agreement after giving reasonable notice, at any reasonable time, and may make extracts from and take photocopies of those records; and
 - c. upon reasonable notice, in accordance with BC Housing's obligations pursuant to the *Freedom of Information and Protection of Privacy Act*, the Society will, upon request:
 - i. disclose to a Resident or a Client the Society's file for the Resident or the Client, subject to removing information to protect third parties according to the principles of that Act; and
 - ii. cooperate with BC Housing if BC Housing has a request to disclose third party information under the *Freedom of Information and Protection of Privacy Act*.
2. **Information Management.** The Society will:
 - a. collect information and, if applicable, create and retain records in relation to Residents or Clients during the Term of this Agreement, as required by this Agreement, all in accordance with the requirements of the *Personal Information Protection Act* as applicable;
 - b. notify BC Housing immediately upon becoming aware of any breach of security involving the unauthorized collection, use, disclosure or destruction of information relating to its obligations under this Agreement by contacting the Non-Profit Portfolio Manager;
 - c. treat as confidential all information or material provided to the Society by BC Housing, by Residents, by Clients or by third parties if the information concerns Residents or Clients and is relevant to this Agreement; and
 - d. keep all documents and records produced or received by the Society in relation to this Agreement segregated from other documents to the extent it is practical to do so. Safeguard records and not permit their disposition or destruction without the prior written consent of BC Housing, except as required by applicable law, including the *Document Disposal Act*.

E. LIABILITY

1. **Indemnity by Society.** The Society will indemnify and save harmless the Provincial Rental Housing Corporation, BC Housing, Her Majesty the Queen in Right of the Province of British Columbia, and each of their ministers, board members, officers, directors, employees and agents, from all claims and costs which they may be liable for or incur, whether before or after this Agreement ends, arising out of any act or omission of the Society or its officers, directors, employees, agents, contractors or other persons for whom at law the Society is responsible, related to the Society's obligations under this Agreement, including with respect to any Residency Agreement, except to the extent that such claims or costs are caused by the independent negligence of BC Housing or its employees, agents or contractors.

2. **Indemnity by BC Housing.** BC Housing will indemnify and save harmless the Society, its board members, officers, directors, employees and agents, from all claims and costs which they may be liable for or incur, whether before or after this Agreement ends, arising out of BC Housing's obligations under this Agreement for Garden Villa, except to the extent that such claims or costs are caused by the independent acts or omissions of the Society or its employees, agents or contractors
3. **Survival.** The obligations set out in *Schedule A, Part E, Clauses 1 and 2* survive termination of this Agreement.
4. **Assignment and Subcontracting.** The Society will not without the prior written consent of BC Housing assign, either directly or indirectly, this Agreement or any right of the Society under this Agreement and subcontract any obligation of the Society under this Agreement.
 - a. No subcontract entered into by the Society will relieve the Society of any of its obligations under this Agreement or impose upon BC Housing any obligation or liability arising from any such subcontract. The Society must ensure that any subcontractor fully complies with this Agreement in performing the subcontracted services.
 - b. This Agreement will be binding upon BC Housing and its assigns and the Society, the Society's successors, and permitted assigns.

F. DEFAULT, INTERVENTION AND REMEDIES

1. **Event of Default.** Any of the following events will constitute an Event of Default by the Society under this Agreement:
 - a. the Society is in material breach of this Agreement with BC Housing;
 - b. the Society fails to materially meet the Outcome / Measure in the *Agreement Summary, Part 3, Clause 2.b*, or the Standards in *Schedule I*;
 - c. the Society fails to remain in good standing with the appropriate Canadian corporate registry;
 - d. the Society permits any sum which is not disputed to be due by it to remain unpaid after legal proceedings have been commenced to enforce payment thereof;
 - e. any representation or warranty made by the Society in accepting this Agreement is found to be untrue or incorrect; and
 - f. if the Society knew or ought to have known any information, statement, certificate, report or other document furnished or submitted by, or on behalf of, the Society pursuant to, or as a result of, this Agreement is untrue or incorrect.
2. **Procedure for Intervention.** The following is the procedure for intervention to be used by BC Housing in the Event of Default by the Society:
 - a. **Communication.** BC Housing will give the Society written notice of the Default, which notice will provide for a reasonable time for the Society to respond to the notice of Default by providing further information concerning the Default.
 - b. **Action Plan.** BC Housing and the Society will agree on an action plan to cure the Default, including a schedule for implementation of the action plan, identification of the resources available to the Society to implement the action plan, and the dates on which BC Housing will review progress (the "Review Period") on implementation of the action plan.
 - c. **On Watch.** If the Society does not cure the Default within a reasonable time, BC Housing may place the Society "On Watch," which means that:
 - i. this is a warning that BC Housing will intervene further if the Default is not cured;
 - ii. BC Housing will monitor the Society's obligations under this Agreement more often and in more depth, including a management audit before the end of a Review Period; and
 - iii. if the Society makes progress in curing the Default, BC Housing will lessen the monitoring of the Society and the On Watch status may be withdrawn.
 - d. **Co-management.** BC Housing may appoint a manager to work with and supervise the Society in completing its obligations under this Agreement and in curing the Default, in order to:
 - i. improve the Society's fulfillment of its obligations under this Agreement and return the fulfillment of obligations under this Agreement to the Society at some future date; and

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- ii. provide education, training and other necessary resources to the Society to cure the Default.
 - e. **Receivership.** BC Housing may appoint a receiver in accordance with *Schedule A, Part F, Clauses 8 to 10.c.*
 - f. **Takeover.** BC Housing may require that the Society assign its interest in the Development to BC Housing or a nominee of BC Housing, as may be set out in the Section 219 Covenant and Option to Purchase registered on the Land.
 - 3. **Mediation.** If BC Housing and the Society have a dispute arising out of or in connection with this Agreement, or in respect of any defined legal relationship associated with it or from it, that is not resolved under the procedure for intervention set out in *Schedule A, Part F, Clause 2* the parties agree to try to resolve the dispute by participating in a structured negotiation conference with a mediator agreed upon by the parties or, failing agreement, under the Commercial Mediation Rules of the British Columbia International Commercial Arbitration Centre, in which case the appointing authority is the British Columbia International Commercial Arbitration Centre.
 - 4. **Dispute Resolution.** If the process of mediation above fails, the parties agree that the following dispute resolution process will be used:
 - a. a meeting will be held promptly between the parties, attended by individuals with decision making authority regarding the dispute, to attempt in good faith to negotiate a resolution of the dispute;
 - b. if, within fourteen (14) days after such meeting or such further period agreed to by the parties in writing, the parties have not succeeded in negotiating a resolution of the dispute, the parties agree to try to resolve the dispute by participating in a structured negotiation conference with a mediator agreed upon by the parties or, failing agreement, under the Commercial Mediation Rules of the British Columbia International Commercial Arbitration Centre, in which case the appointing authority is the British Columbia International Commercial Arbitration Centre; and
 - c. after dispute resolution attempts have been made under *Schedule A, Part F, Clauses 4.a – b*, any remaining issues in dispute will be determined by arbitration under the *Commercial Arbitration Act*, and the decision of the Arbitrator will be final and binding and will not be subject to appeal on a question of fact, law or mixed fact and law.
 - 5. **Extraordinary Circumstances.** Although the steps of the intervention procedure will normally be taken in sequence, BC Housing, at its sole discretion, may intervene at any level of the intervention procedure in extraordinary circumstances, which are:
 - a. fraud or criminal behaviour of a representative of the Society affecting its obligations under this Agreement;
 - b. danger to the health and safety of the Residents or the Clients;
 - c. upon the bankruptcy of the Society;
 - d. default under a Loan or on a charge in favour of BC Housing or PRHC registered on title to the Land and the Society fails to remedy such default on the terms and within the time allowed as set out in the conditions of the Loan or the conditions in the charge, as the case may be;
 - e. upon the Society ceasing to carry out its operations without profit to itself or its members;
 - f. upon the failure of the Society to comply with any applicable law, by-law, permit or regulation; and
 - g. consistent failure to participate in the intervention procedure.The determination by BC Housing of an extraordinary circumstance is conclusive and binds the Society.
 - 6. **Other Rights and Remedies.** If BC Housing elects to proceed under *Schedule A, Part F, Clause 5*, then in addition to any other rights or remedies available to BC Housing at law or at equity, BC Housing may exercise any one or more of the following rights or remedies, singly or in combination:
 - a. terminate this Agreement, in which case BC Housing will deliver to the Society written notice of termination;
 - b. cease paying Operating Subsidy, Support Services Subsidy and/or Enhanced Support Services Subsidy, or reduce the amounts thereof, either permanently or for such period as BC Housing may determine;

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- c. demand payment from the Society of all principal and interest in the Replacement Reserve Fund in partial satisfaction of repayment or overpayment of Operating Subsidy, Support Services Subsidy and/or Enhanced Support Services Subsidy;
 - d. take an assignment of the Society's rights in every Residency Agreement and in all amounts payable to the Society as Rent or otherwise pursuant to a Residency Agreement, subject to any prior assignment to a mortgagee for a mortgage securing a Loan; or
 - e. take whatever steps BC Housing deems necessary to rectify any Default by the Society.
7. **Survival.** The remedies set out in this Schedule survive termination of this Agreement.
8. **Costs.** Either party may recover from the other on demand all its costs of exercising its rights or remedies under this Agreement.
9. **Appointment of Receiver.** Upon the occurrence of any Event of Default and in addition to any other rights or remedies of BC Housing, BC Housing may appoint, or request a court of competent jurisdiction to appoint a receiver, with or without bond as BC Housing or the court may determine, and, from time to time, may remove any receiver so appointed and appoint another in its place, or request the court to do so. A receiver so appointed is an officer of the Society, and not an officer or agent of BC Housing, and has all the necessary and exclusive power to deal with the Development including the power to:
 - a. take control, possession and direction of the Development and the Society's assets in connection with the Development, and carry on the business of the Society in operating, managing and maintaining the Development in accordance with the Standards;
 - b. demand and recover all the income of the Development by direct action, distress or otherwise, in the name of either the Society or BC Housing;
 - c. observe or perform, on behalf of the Society, all the Society's obligations under this Agreement and any other contracts pertaining to the Development;
 - d. give receipts, on behalf of the Society, for any money received; and
 - e. carry out such other powers as the court may authorize or instruct.
10. **Application of Revenue.** The receiver has the right and duty to apply the gross revenue from the Development, which it recovers or receives from time to time, in the following order:
 - a. firstly, in payment of all costs, charges and expenses of or incidental to the appointment of the receiver and the exercise by it of all or any of its powers, including the reasonable remuneration of the receiver which is deemed to be an amount approved by BC Housing, and all outgoings properly payable by the receiver, together with all legal costs in respect thereof on a solicitor and client basis;
 - b. secondly, in payment of all operating expenses under an Operating Budget and/or a Support Services Budget;
 - c. thirdly, if required by BC Housing, in repayment of the Operating Subsidy; and
 - d. lastly, to pay the balance to BC Housing.
11. **No Liability.**
 - a. BC Housing will be under no liability to the receiver for its remuneration, costs, charges, expenses or otherwise.
 - b. BC Housing will be under no liability to the Society for any act or omission of the receiver.
 - c. The receiver will be under no liability to the Society for any act or omission of the receiver.

G. TERMINATION

1. **Damage or Destruction.** If, in the opinion of a professional engineer or architect appointed by the Society or BC Housing, the Development is damaged or destroyed in excess of 25% of its insurable value; BC Housing may terminate this Agreement by delivering written notice of immediate termination to the Society within thirty (30) days after the date of that damage or destruction.
2. **Adjustments on Termination.** Upon the termination of this Agreement, however effected, the parties will forthwith complete all necessary accounting and adjustments between them to effectively reconcile and finalize their obligations pursuant to this Agreement.

H. GENERAL PROVISIONS AND INTERPRETATION

1. **Notices.** All notices, demands or requests of any kind, which the Society or BC Housing may be required or permitted to serve on the other in connection with this Agreement, will be in writing and may be served on the parties by registered mail, by telecopied transmission, or by personal service, to the addresses set out on page one.
2. **Time.** Time is 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. Any time specified in this Agreement for observing or performing an obligation is local time in Vancouver, British Columbia.
3. **Governing Law.** This Agreement is to be governed by and construed and enforced in accordance with the laws of the Province of British Columbia.
4. **Validity of Provisions.** If a Court of competent jurisdiction finds that any part of this Agreement is invalid, illegal or unenforceable, that invalidity, illegality or unenforceability does not affect any other provisions of this Agreement. The balance of the Agreement is to be construed as if that invalid, illegal or unenforceable provision had never been included, and is enforceable to the fullest extent permitted at law or at equity.
5. **Waiver.** No consent or waiver, expressed or implied, by a party of any default by the other party in observing or performing its obligations under this Agreement is effective unless given in writing, nor is it a consent or waiver of any other default. Failure on the part of either party to complain of any act or failure to act by the other party or to declare the other party in default, irrespective of how long that failure continues, is not a waiver by that party of its rights under this Agreement or at law or at equity.
6. **Consents and Approvals.** Except as otherwise expressly set out in this Agreement, where this Agreement provides for any approval, consent or agreement with respect to any matter:
 - a. it will be obtained before any action is taken on it;
 - b. it will be requested and responded to in writing; and
 - c. it will not be unreasonably withheld, except if this Agreement otherwise expressly stipulates, or delayed.
7. **Extent of Obligations and Costs.** Every obligation of each party in this Agreement extends throughout the Term. To the extent an obligation ought to have been observed or performed before or upon the expiry or earlier termination of the Term, that obligation, including any indemnity, survives the expiry or earlier termination of the Term until it has been observed or performed.
8. **Statutes.** Any reference in this Agreement to a provincial or federal statute includes the statute as it exists on the reference date of this Agreement and any subsequent amendments or replacements.

SCHEDULE B – FINANCIAL

A. BUDGET SUBMISSION AND APPROVAL

1. Budget Submission.

- a. At least three (3) months prior to the end of each Fiscal Year, the Society will submit to BC Housing for approval their proposed budget for the upcoming Fiscal Year, in a format approved by BC Housing, including BC Housing approved account codes. The budget will be presented in a combined format but must clearly and separately identify which expenses are to be allocated toward each of the following:
 - i. Operating Budget;
 - ii. Support Services Budget; and
 - iii. Enhanced Support Services Budget.
- b. The Society's annual budget submission will show:
 - i. the anticipated gross rentals and other Residential Revenues for the Development together with all anticipated operating expenses, including utilities, supplies, insurance, wages and administrative fees, replacement of capital items, and maintenance and repair costs;
 - ii. all anticipated expenses related to the Support Services, including supplies, insurance, wages, and applicable contract and administrative fees; and
 - iii. all anticipated expenses related to the Enhanced Support Services, including supplies, insurance, wages, and applicable contract and administrative fees.

2. Budget Approval.

- a. BC Housing will endeavor to approve the Operating, Support Services and Enhanced Support Services Budgets for any fiscal year prior to the start of that Fiscal Year. In the event that either of the budgets are not approved before the start of the new fiscal year and the Society incurs unapproved operating expenses in good faith on a go forward basis, then BC Housing will provide bridging funding until the new budget(s) are approved, provided such funding is for no greater an amount each month than the previously approved budget. The budget submissions will follow the account codes used by BC Housing and such account codes may be changed from time to time with at least thirty (30) days' written notice.
- b. The Society will not exceed the total approved for either of the budgets without the prior written authorization of BC Housing.

3. Budget Adjustments. BC Housing may make budget adjustments as necessary from time to time, including but not necessarily limited to the following:

- a. yearly adjustments as part of the annual budget approval process outlined in *Schedule B, Part A, Clauses 1 and 2*;
- b. mid-year adjustments arising from an increase in Non-Manageable Costs, as outlined in *Schedule B, Part H, Clause 1*; and
- c. adjustments at any time following the outcome of a financial review conducted pursuant to *Schedule B, Part K*, if the financial review indicates that the accumulated Operating Surplus exceeds 5% of the Operating Budget, Support Services Budget and Enhanced Support Services Budget, as outlined in *Schedule B, Part H, Clause 2.c*.

B. SUBSIDY PAYMENT

1. **Monthly Payment.** The Operating Subsidy, the Support Services Subsidy and the Enhanced Support Services Subsidy will each be paid to the Society in advance on a monthly basis during the Term, and reconciled annually. The Society will maintain a bank account to facilitate electronic fund transfers.
2. **Limit.** Except as set out in *Schedule B*, BC Housing will not be required to pay any other payments to the Society for its obligations under this Agreement.

C. RESIDENT RENT CONTRIBUTION

1. **Proof of Income and Assets.** The Society will follow BC Housing's rent calculation policies and procedures as may be changed from time to time. The Society will obtain a declaration ("Declaration of Income and Assets") and supporting documentation as evidence of the

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Income and Assets of that Resident at the time of the initial occupancy and annually thereafter to determine the Resident Rent Contribution. The declaration will be in a form approved by BC Housing as may be amended from time to time. The Society will maintain a copy of each Resident's proof of Income in a file available to BC Housing on request. NB: Those Residents in receipt of income assistance, whose rent is paid directly to the Society by the Ministry responsible for income assistance, are not required to provide an annual declaration.

2. Where the Resident Rent Contribution is higher than the Economic Rent, the Resident Rent Contribution will be charged.
3. **Change in Household Composition.** The Society will adjust the Resident Rent Contribution to reflect changes in household composition whenever such change occurs.
4. From time to time, BC Housing may request rent rolls for the Development and the Society will provide this information to BC Housing within sixty (60) days of the request.

D. OPERATING BUDGET

1. Revenues and Expenses.

- a. The Society will be responsible for collecting all Resident Rent Contributions and other Residential Revenue for the Development (other than the Commercial Space revenue), and the Society will be responsible for paying out of such revenues all costs associated with the operation of the Development. Such costs may include, but are not limited to:
 - i. liability insurance;
 - ii. sewer, water and garbage pickup (unless excluded pursuant to the *Operating Subsidy* clause in this Schedule);
 - iii. utilities;
 - iv. staffing costs directly related to operating the Development (not including staffing costs incurred in order to deliver Support Services);
 - v. costs for maintaining the buildings, including all equipment, materials and supplies required;
 - vi. the Replacement Reserve Fund;
 - vii. repair and/or replacement of capital items such as roof, stoves, refrigerators, drapes, blinds, floor coverings, hot water tanks, washers, dryers etc.; and
 - viii. administration costs, including accounting, legal fees, mortgage and property taxes.
- b. The Society will ensure payments are made to contracted service providers within pre-established payment periods. Any fines, penalties, surcharges, incurred by the Society or by BC Housing as an expense related to Society error or negligence will be the responsibility of the Society.
- c. The Society may generate revenue from sources such as vending machines etc., only with the written consent of BC Housing, such consent not to be unreasonably withheld. Revenue generating opportunities will be evaluated in terms of impact on resident service, feasibility of the physical plant etc.

2. **Economic Rent.** The Economic Rent will be established based on the approved Operating Budget at the beginning of each Fiscal Year and will be the same for all Residential Units of similar size.

3. Loans.

- a. The Society will make payments on a Loan on the due dates and notify BC Housing immediately if the Society cannot make any payment;
- b. the Society will not reduce the amortization period of a Loan or prepay a Loan without BC Housing's approval; and
- c. the Society will, on the expiry of the term of a Loan, enter into further security agreements required to secure the outstanding balance of the Loan in accordance with BC Housing's requirements.

4. **Renewal of Loan.** The Economic Rent will be recalculated on the renewal of a Loan to take into account the new payments for the Loan.

5. **Operating Subsidy.** In the event the revenues from the Development should fail to cover all approved operating costs, BC Housing will provide the Operating Subsidy in an amount equal

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to the difference between the sum of the Resident Rent Contribution plus other eligible revenue, and the sum of the approved Economic Rents for the Residential Units, both as may be amended from time to time.

6. **Vacancy Loss Payment.** BC Housing will pay an Operating Subsidy on a vacant Residential Unit for a maximum period of three (3) months. The Society will report to BC Housing any Residential Unit that is vacant for three (3) months. BC Housing will not pay an Operating Subsidy on a Residential Unit that is vacant for longer than three (3) months and may, at its sole discretion, deem such units no longer Residential Units and the number of Residential Units as set out in the *Agreement Summary*, and the total Operating Subsidy paid to the Society, may be decreased accordingly.
 - a. Regardless of how a vacant unit is filled, the Society is responsible for providing BC Housing with Resident move-in and move-out dates and the reasons for vacating a unit. The Society will provide this information no later than the fifth business day of the following month.
7. **Extraordinary Expenses.**
 - a. At its sole discretion and subject to the availability of funds, BC Housing will pay for any extraordinary expenses such as waste removal, carpet cleaning, fumigation costs to control infestation problems which are in excess of \$5,000.00 in any one occurrence for the Development.
 - b. Any extraordinary expenses not exceeding \$5,000.00 in any one occurrence will be paid for and carried out by the Society with the approval of the Non-Profit Portfolio Manager.

E. REPLACEMENT RESERVE FUND

1. **Schedule of Capital Repairs.** The Society with the cooperation of BC Housing will prepare a schedule setting out projected capital repairs and improvements over a sixty (60) year period and updated every five (5) years, in the format set out in the *Schedule J*. It will also create a reserve for capital repairs and replacements to the Development based on the items and life in years as set out in the *Schedule J* as amended by BC Housing from time to time and the following apply:
 - a. the Society will set aside an amount agreed to by the Society and BC Housing that may be changed from time to time per month into the Replacement Reserve Fund; and
 - b. the Society will use or dispose of the Replacement Reserve Fund only for capital repairs and replacements to the Development in accordance with the *Schedule J*, or to pay for other payments as may be approved by BC Housing.
2. **Investment of Replacement Reserve Funds.** The Society will deposit and keep the Replacement Reserve Fund and accumulated interest in an account insured by the Canadian Deposit Insurance Corporation or by the Credit Union Deposit Insurance Corporation.

F. SECURITY DEPOSITS

1. The Society may collect and keep security deposits. All funds collected and held by the Society as a security deposit must be handled in accordance with the *Residential Tenancy Act*.

G. SUPPORT SERVICES BUDGET

1. **Support Services Subsidy.** BC Housing will allocate funds to enable the Society to deliver Support Services to the Residents (the "Support Services Subsidy").
2. **Expenses.** The Society will be responsible for applying the Support Services Subsidy to pay for all costs associated with the provision of Support Services. Such costs will include, but are not limited to:
 - a. liability and other insurance required to be provided by the Society hereunder, except to the extent such insurance may already be carried by the Society and attributable to its operations other than the provision of the Support Services;
 - b. staffing costs in relation to the Support Services; and
 - c. applicable administration costs, including accounting and legal fees.

H. ENHANCED SUPPORT SERVICES BUDGET

1. **Enhanced Support Services Subsidy.** BC Housing will allocate funds to enable the Society to deliver Enhanced Support Services to the Clients at Garden Villa (the "Enhanced Support Services Subsidy").
2. **Expenses.** The Society will be responsible for applying the Enhanced Support Services Subsidy to pay for all costs associated with the provision of Enhanced Support Services. Such costs will include, but are not limited to:
 - a. liability and other insurance required to be provided by the Society hereunder, except to the extent such insurance may already be carried by the Society and attributable to its operations other than the provision of the Enhanced Support Services;
 - b. staffing costs in relation to the Enhanced Support Services;
 - c. costs in relation to maintenance services at Garden Villa as set out in *Schedule A, Part B, Clause 8*; and
 - d. applicable administration costs, including accounting and legal fees.
3. The Enhanced Support Services Budget will not include rents from Clients, pursuant to *Schedule A, Part C, Clause 1.g*.

I. OPERATING DEFICIT AND SURPLUS

1. **Operating Deficit.** The Society is solely responsible for covering any Manageable Cost increases in any Fiscal Year. BC Housing is responsible for Non-Manageable Cost increases and will address such increases during the annual budget approval process outlined in *Schedule B, Part A, Clause 1*. In the event that there are unanticipated mid-year increases in Non-Manageable Costs, such costs will be covered by BC Housing in one of the two following ways:

- a. the increases can be covered by an extraordinary expense payment approved by the Non-Profit Portfolio Manager; or
- b. through a request for a mid-year budget adjustment that increases the subsidy to cover the unanticipated expense.

Where Non-Manageable Cost increases are covered by BC Housing, the Non-Profit Portfolio Manager will adjust the Operating Budget, Support Services Budget or Enhanced Support Services Budget in the following year to reflect the change in expenditures by the Society.

2. **Operating Surplus.** The Society may retain the Operating Surplus and the following conditions will apply:
 - a. The Society may make payments out of the Operating Surplus only as follows:
 - i. to cover the amount of any Manageable Cost increases;
 - ii. for programs for the benefit of the Residents or the Clients where such programs are related to the goal and principles of PHI and are consistent with the Standards set out in this Agreement; and
 - iii. payments for capital repairs, renovations or improvements at the Development.
 - b. If the Society wishes to make a payment out of the Operating Surplus that is not listed in *Schedule B, Part H, Clause 2.a*, BC Housing's approval must first be obtained.
 - c. If, at any time, the accumulated Operating Surplus exceeds 5% of the Operating Budget, Support Services Budget and Enhanced Support Services Budget approved by BC Housing pursuant to *Schedule B, Part A, Clause 1*, BC Housing may, at its sole discretion, exercise one of the following options:
 - i. BC Housing may adjust the Operating Budget, the Support Services Budget and/or Enhanced Support Services Budget; or
 - ii. BC Housing may require the Society to make a repayment to BC Housing from the Operating Surplus.

J. TRANSFER OF FUNDS

1. **Transfer of Funds.** Upon the termination of this Agreement, regardless of cause or at the request of BC Housing, all Replacement Reserve Funds and accumulated Operating Surplus obtained by the Society from its obligations under this Agreement will be transferred to BC Housing and a reconciliation of the operating balance will be forwarded.

K. FINANCIAL MANAGEMENT AND ADMINISTRATION

1. **Finances.** The Society will establish written policies and procedures for effective control of finances for its obligations under this Agreement and, in particular, will:
 - a. establish and maintain books of account and retain invoices, receipts and vouchers for all expenses incurred in form and content satisfactory to BC Housing, to be used as the basis for the calculation of the payment as set out in *Schedule B*;
 - b. ensure that sound financial operating written policies and procedures are in place, including record keeping and financial statements in accordance with Canadian Accounting Standards;
 - c. establish policy and enforceable resident chargeback and/or collection guidelines; fees for standard charges (e.g., lock changes, chargeable call-outs, or routine move-out charges);
 - d. ensure to collect 95% of established Resident Rent Contribution with maximum of 5% arrears within twenty (20) working days;
 - e. establish corrective course of action on problematic accounts;
 - f. maintain a bank account to facilitate electronic fund transfers; and
 - g. establish purchasing guidelines including selection criteria for contracting service provisions to third parties.
2. **Fiscal Year.** The Society's Fiscal Year will end on March 31.
3. **BC Housing Audit.** BC Housing reserves the right to audit the books, records and accounts of the Society pertaining to its obligations under this Agreement at any reasonable time.
4. **Auditor.** The Society will appoint an auditor of the Society who will be in good standing in accordance with the laws of the Province of British Columbia and will not be a member of the Society. The Society will cause the auditor to audit the financial statements of the Society. BC Housing reserves the right to decrease these requirements at its sole discretion.

L. ANNUAL FINANCIAL REVIEW

BC Housing will conduct an annual financial review of the Society. To facilitate the annual financial review, the Society will:

1. submit audited financial statements and a copy of the related auditor's management letter, to BC Housing within four (4) months after the end of each Fiscal Year. Where the Society provides services in addition to those provided under this Agreement (e.g., homeless outreach, affordable housing, etc.), the audited financial statement will include a separate Schedule of Revenue and Expenditure for each service provided;
2. include details of any funding received from another agency or organization and used by the Society to co-fund the management of the Development and the delivery of Support Services or Enhanced Support Services;
3. provide an auditor's letter or notes with the audited financial statements indicating that any Operating Surplus is being spent and accounted for as outlined in this Agreement; and
4. provide audited financial statements indicating that the Society has properly funded and maintained the Replacement Reserve Fund, and that all interest accruing to the Replacement Reserve Fund has been recorded.

SCHEDULE C – MONITORING AND REPORTING

A. REGULAR REPORTING

Regular reporting allows BC Housing to identify occupancy and service trends, and to monitor the Society's compliance with the requirements of this Agreement.

1. Where the Society uses the Centralized Applicant Database provided by BC Housing as the primary source of referrals for available units in the Development, it will enter into a concurrent database agreement with BC Housing which will specify other reporting requirements.
2. BC Housing acting reasonably, reserves the right to change the reporting requirements from time to time, with at least thirty (30) days' written notice to the Society provided that, if there are additional costs to the Society in complying with new requirements, BC Housing will adjust the Operating Budget, Support Services Budget or Enhanced Support Services Budget to reflect the increased costs as agreed to by both parties.

B. ANNUAL REPORTING

1. In addition to the requirements for financial reporting specified in *Schedule B*, the Society will submit an annual provider report to BC Housing no later than four (4) months after the Society's Fiscal Year end in the format provided by BC Housing. The Society's report will include, but is not limited to:
 - a. the Society's verification that required Standards have been met;
 - b. annual gas, electricity, and water consumption in the Development (unless excluded pursuant to *Schedule B*);
 - c. copies of relevant licenses and inspection reports;
 - d. completed checklists as per the Maintenance Plan and quality assurance;
 - e. explanation for any variance in expenditure greater than 10% in completing the *Schedule J* for the year;
 - f. a short report on current operational challenges, issues and successes; and
 - g. the Society will, where required by BC Housing, implement a survey of the Residents and/or Clients in a manner determined by BC Housing and acceptable to the Society, both acting reasonably.

C. OPERATIONAL REVIEW

1. From time to time, BC Housing may conduct an on-site operational review of the Society's compliance with statutory requirements and the terms of this Agreement.
2. BC Housing will provide the Society with at least two (2) months' written notice of such an operational review and will provide the Society the requirements for such review (e.g., collecting relevant written policies and procedures, and collecting licenses and inspection reports). In preparation for this review the Society will:
 - a. collect all policies, procedures and financial information related to this Agreement;
 - b. collect all licenses and inspection reports required by statute and/or this Agreement;
 - c. review performance targets and Standards, and prepare explanation for any variances against the targets or Standards outlined in this Agreement; and
 - d. develop a plan to reach the targets or Standards outlined in this Agreement for any targets or Standards that were not achieved.
3. A written report including observations and recommendations will be provided by BC Housing to the following completion of the review.

SCHEDULE D – RESIDENT AND CLIENT MANAGEMENT

A. RESIDENT ELIGIBILITY

1. All Residents must be Absolute Homeless or At Risk of Homelessness, with an Income at or less than HILs and must be placed in a Residential Unit appropriate to their household size in accordance with the Occupancy Standards. Exceptions may be made for:
 - a. persons designated by mutual agreement between BC Housing and the Society; or
 - b. Staff or other authorized personnel required to operate and maintain the Development and who are bona fide employees of the Society. The HILs do not apply to this type of residency.

B. RESIDENT SELECTION

1. The Society is responsible for managing the resident population in the Development and retains the right to make final decisions regarding resident selection.
2. **Centralized Applicant Database.** The Society is encouraged to use the Centralized Applicant Database provided by BC Housing as the primary source of referrals for resident selection in the Development. The purpose of this strategy is to help applicants transition from homelessness to supportive housing by having them submit only one application. Where the Society uses this database, it will enter into a concurrent Database Agreement with BC Housing which will govern the process of resident selection as well as the reporting of changes in residency.
3. **Resident Selection by Other Means.** With prior approval from BC Housing, the Society may elect to use the Centralized Applicant Database as a secondary source of referrals. The Society must provide to BC Housing information on the primary application process for the Development, including information on how an applicant can apply for the Development and where referrals are accepted from.
4. **Transfers.** The Society may transfer Residents among developments which are currently governed by operating agreements between the Society and BC Housing. When doing so they must update the Centralized Applicant Database or notify the SHR office.
5. **Discrimination.** The Society will select Residents without unlawful discrimination on the basis of race, religion, culture, sexual orientation, gender identity, social condition, or level of physical ability. Where restricted populations are targeted, consideration of and compliance with applicable anti-discrimination legislation must be documented and submitted to BC Housing on request.
6. **Vacancy Management.** The Society will use its best efforts to maintain full occupancy of the Development and minimize vacancies. Where the Society is unable to rent all the Residential Units to persons described in *Part A, Clause 1* above, the Society will work with BC Housing to select Residents in such a way as to maintain the intent of housing persons in need.

C. RESIDENT MANAGEMENT

1. **Residency Agreements.** All Residency Agreements entered into by prospective Residents will be, in compliance with the *Residential Tenancy Act*, and will contain additional clauses as set out in *Schedule E*, as may be amended by BC Housing from time to time.
2. **Landlord and Tenant Relationship.** The full normal relationship between landlord and tenant will exist between the Society and the Resident. It is understood that BC Housing will not be responsible to the Society for any breach or failure of the Resident to observe any of the terms of the Residential Agreement between the Resident and the Society, including, but is not limited to:
 - a. minor claims by Residents and third parties are to be managed by the Society, e.g., claims through the Residential Tenancy Branch;
 - b. the Society will not require a Resident to be a member of the Society;
 - c. establish policies and procedures to systematically review complaints and resolve conflicts in a timely manner;
 - d. provide an orientation when Residents enter into their Residency Agreement, including move-in and move-out inspections; and
 - e. provide each Resident with access to information concerning that Resident and protect their privacy.

D. CLIENT ELIGIBILITY AND SELECTION

1. The Society will select and refer Clients to be housed in Residential Units at Garden Villa and the following will apply:
 - a. BC Housing may undertake an assessment of a potential Client prior to the individual being offered a Residential Unit;
 - b. all Clients are women with mental illness who are able to live independently with Enhanced Support Services provided by the Society;
 - c. a Client's Income is at or less than HILs; and
 - d. Residential Units will be made available as appropriate to Clients' household size and in accordance with the Occupancy Standards.

SCHEDULE E – RESIDENCY AGREEMENT

A. RESIDENCY AGREEMENTS

The intent of the following provisions will be included in the Residency Agreement between the Society and the Resident:

1. The residency is on a month-to-month or a fixed term basis.
2. The Resident Rent Contribution will change if the Resident's Income or Assets change.
3. Only the persons named in the Residency Agreement have a right to occupy the Residential Unit.
4. The Income of any person occupying a Residential Unit as his or her principal residence will be included for the purpose of determining the Resident's household Income.
5. Assignment of the Residency Agreement or subletting or otherwise parting with possession of the whole or part of the Residential Unit for the whole or any part of the term of the Residency Agreement is prohibited.
6. The Resident consents to BC Housing verifying personal information where required, as defined in the *Freedom of Information and Protection of Privacy Act*, which consent is required by that Act to enable BC Housing to carry out its audit function.
7. The Resident agrees to provide such information as is requested by the Society and/or BC Housing for calculation of the Resident Rent Contribution and for auditing purposes. If the Resident fails to disclose or misrepresents any information requested in the Declaration of Income and Assets, such failure to disclose or misrepresentation will be deemed to be a material breach of the Residency Agreement and the following will apply:
 - a. the Society is entitled to recover from the Resident in contract or otherwise the difference between the Resident Rent Contribution charged and the amount of the Resident Rent Contribution that should have been charged had there been no failure to disclose or misrepresentation and this remedy is not exclusive and may be exercised by the Society in addition to any other remedies available to the Society in law or equity and in addition to any remedies of the Society as set out in the Residency Agreement;
 - b. money owing by the Resident to the Society under the Residency Agreement pursuant to a court order or arbitrator's order or otherwise will bear interest at the prime rate of the Royal Bank of Canada from and including the time such money becomes payable, calculated and payable monthly until repayment both before and after judgment; and
 - c. any failure by a Resident to disclose or misrepresent their Income or Assets entitles the Society to end the Residency Agreement.

SCHEDULE F – AUTHORIZATION TO DISCLOSE PERSONAL INFORMATION

If a Resident or a Client's information needs to be shared with other service agencies, the Resident or the Client's permission must be obtained in writing prior to sharing the information. The EXCHANGE OF INFORMATION FORM below, or an equivalent form that meets the requirements of the *Protection of Private Information Act* and the *Freedom of Information and Protection of Privacy Act*, may be used.

**PROVINCIAL HOMELESSNESS INITIATIVE (PHI)
THE KETTLE FRIENDSHIP SOCIETY
EXCHANGE OF INFORMATION**

Part 1 – To OBTAIN information

I, _____, born on (date) _____
authorize _____ to obtain information from:
Agency: _____
Address: _____
Phone: _____
For the purpose of: _____

Signature: _____ Witness: _____

Part 2 – To RELEASE information

I, _____, born on (date) _____
authorize _____ to release information to:
Agency: _____
Address: _____
Phone: _____
For the purpose of: _____

Signature: _____ Witness: _____

This consent remains effective from the date of signing for six months, unless changed by me in writing.

Dated at _____ this _____ day of _____, _____

The Kettle Friendship Society complies with all federal and provincial privacy laws. If you have questions about the way we handle your private information, please ask to speak to the Executive Director.

SCHEDULE G – RENT SCALE

A. RESIDENT INCOME

1. The Resident Rent Contribution will not exceed a set percentage¹, as determined from time to time by BC Housing, of the Resident's Income, and the following will apply:
 - a. Income includes, without limitation:
 - i. all income from earnings, including commissions and tips;
 - ii. all income from all public and private pension plans, Old Age Security and Guaranteed Income Supplement;
 - iii. all income received under the *Employment and Assistance Act*, the *Employment and Assistance for Persons with Disabilities Act*, or successor legislation ("Income Assistance");
 - iv. alimony;
 - v. child support;
 - vi. workers' compensation benefits;
 - vii. employment insurance; and
 - viii. an imputed income from assets;
 - b. a minimum Resident Rent Contribution is applied based on applicable household size and age of the Resident; and
 - c. the Resident Rent Contribution of a Resident in receipt of Income Assistance will be fixed at an amount as set out in *Schedule G, Part E* below or as may be determined from time to time by BC Housing.

B. EXEMPTIONS FROM INCOME

1. The following are exempt from inclusion in Income:
 - a. Child Tax Benefit;
 - b. capital gains, such as insurance settlements, inheritances, disability awards and sale of effects in the year they are received (Note: in subsequent years these are considered as assets);
 - c. up to \$200.00 per month for each person residing in a Residential Unit receiving income from employment. Earnings of less than \$200.00 can be deducted up to the amount earned;
 - d. the earnings of a person aged eighteen (18) and under;
 - e. student loans, student loan equalization payments and student grants (Note: non-repayable training allowances, research fellowships or similar grants are not excluded);
 - f. income of full-time students aged nineteen (19) or over from temporary jobs between school years or semesters to a maximum of four (4) months per calendar year (Note: regular ongoing income is not exempt);
 - g. living out or travelling allowances;
 - h. Shelter Aid for Elderly Renters ("SAFER") or Rental Assistance Program ("RAP") payments received prior to moving into the Development (Note: Residents where the Rent Scale applies are not eligible for SAFER or RAP);
 - i. Goods and Services Tax (GST) rebates and Harmonized Sales Tax (HST) rebates;
 - j. taxable benefits;
 - k. government provided daycare allowance; and
 - l. payments for foster children, or Child in Home of Relative (CIHR) income under the *Employment and Assistance Act*.

C. ASSETS

1. Assets include:
 - a. accounts in banks, trust companies, etc.;
 - b. stocks and bonds;
 - c. real estate;
 - d. equity in a business; and

¹ Currently: 30% of income

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- e. cash and other items of a potential income earning nature.
- 2. Asset Exemptions include:
 - a. Registered Retirement Savings Plans;
 - b. Registered Education Savings Plans; and
 - c. Registered Disability Savings Plans.

D. INCOME FROM ASSETS

- 1. Income from assets is determined by exempting the first \$10,000.00 from total assets and computing the balance at a percentage per annum² as may be set from time to time by BC Housing. Because income from assets is determined by an imputed amount, actual income from assets should not be declared.

E. DETERMINATION OF RESIDENT RENT CONTRIBUTION FOR RESIDENTS RECEIVING INCOME ASSISTANCE

- 1. The Society will set the Resident Rent Contribution for each Residential Unit where the Resident is in receipt of Income Assistance as follows:
 - a. at the maximum shelter component (as may be changed from time to time) provided for in the *Employment and Assistance Act*, the *Employment and Assistance for Persons with Disabilities Act*, or successor legislation, less a fixed allowance for utilities as approved by BC Housing, on a regional basis from time to time.
- 2. For greater clarity:
 - a. Only one allowance for utilities per Residential Unit can be used in calculation of Resident Rent Contribution.
- 3. If the Resident is a single person, Resident Rent Contribution will be based on the Income Assistance shelter component for a single person.
- 4. If the Resident consists of two (2) related persons (e.g., married or common-law relationships), Resident Rent Contribution will be based on the Income Assistance shelter component provided for two (2) related persons.
- 5. If the Resident consists of two (2) unrelated persons, Resident Rent Contribution will be based on two (2) times the Income Assistance shelter component for single persons.
- 6. If the Resident consists of more than two (2) persons, Resident Rent Contribution will be calculated based on the number of Residents and their relationship as per *Schedule G, Part E, Clauses 4 and 5* above.
- 7. If the maximum shelter component of Income Assistance changes, Resident Rent Contribution will be changed at the same time after reasonable notice to the Resident.

F. NOTES

- 1. BC Housing may change all or part of this scale at any time.
- 2. An adjustment for resident paid heating costs for Residents not in receipt of Income Assistance may be made in an amount as determined from time to time by BC Housing.

² At January 2010 1% per annum

SCHEDULE H – INSURANCE

A. INSURANCE – THE SOCIETY

1. **Liability and Property Damage Insurance.** The Society will, throughout the Term, obtain and maintain Commercial General Liability Insurance protecting the Society and its employees against claims for personal injury, death, property damage and loss or third party or other public liability claims arising from any accident or occurrence related to the Society's obligations under this Agreement to an amount of at least \$5,000,000.00 inclusive for any one occurrence or such greater amount that BC Housing and the Society, from time to time, as may be reasonably determined.
2. The Commercial General Liability Insurance will include:
 - a. non-owned automobile liability and contingent employer's liability;
 - b. British Columbia Housing Management Commission and Provincial Rental Housing Corporation as additional insured, a cross liability clause, and shall protect them in respect of claims as if they were separately insured applicable to this Agreement; and
 - c. the policy to provide that it cannot be cancelled, except if the insurer delivers to the Society at least thirty (30) days' prior written notice.
3. The Society will:
 - a. provide, maintain, and pay for any additional insurance which it is required to carry or which it considers necessary to cover risks not otherwise covered by insurance specified in this Schedule in its sole discretion;
 - b. provide to BC Housing, on request, certified copies of the policy or renewals; and
 - c. promptly notify BC Housing of any circumstance known to the Society which might materially affect the coverage under the policy.
4. **Society Property.** BC Housing will not be responsible for any loss of property of the Society related to its obligations under this Agreement or otherwise caused by fire, theft, or other perils and the Society should ensure it carries adequate insurance coverage against such loss.
5. **No Representation.** Any requirement of advice by BC Housing as to the amount of coverage under any policy of insurance does not constitute a representation by BC Housing that the amount required is adequate.
6. **Land and Development.** The Society will maintain insurance on the Land and the Development against loss by fire, theft and related perils.
7. **Workers' Compensation Coverage.** The Society will obtain and maintain, or cause to be obtained or maintained, workers' compensation coverage to the subject matter of this Agreement and other persons engaged in any work connected to the subject matter of this Agreement required by the *Workers Compensation Act*.

B. INSURANCE – BC HOUSING

1. **Garden Villa.** BC Housing will maintain insurance on Garden Villa against loss by fire, theft and related perils. This insurance may be in accordance with BC Housing's self-insurance fund or by a policy underwritten by a qualified insurer, at BC Housing's discretion.

SCHEDULE I – STANDARDS

The Society is required to meet the following Standards as part of this Agreement:

A. RISK MANAGEMENT

1. Establish conflict of interest and standards of conduct policies.
2. Maintain business continuation plan for the organization and for its obligations under this Agreement.
3. Establish telecommunications with reliable message capabilities during office hours, and a 24-hour emergency line.
4. Ensure regular inspections are carried out to ensure safety hazards are identified and corrected.
5. Retain records on site pertaining to the annual inspection, testing or maintenance of fire protection systems including smoke alarms, and the review of the Fire Safety Plan. Post the annual Fire Inspection Certificate (including any remedial action plans if necessary).
6. Maintain a Fire Safety Plan which includes policies and procedures for:
 - a. control of combustibles around the perimeter of buildings;
 - b. protection of emergency equipment;
 - c. storage and housekeeping;
 - d. laundry lint trap, room and vent cleaning;
 - e. maintenance and servicing of wood burning systems and chimneys; and
 - f. Staff assistance for Residents or Clients who cannot self rescue.

B. MANAGEMENT OF THE DEVELOPMENT

1. Manage and operate the Development in a proper, efficient and timely manner as would a prudent operator of similar property.
2. Meet all statutory and corporate obligations applicable to the Society in performing its obligations under this Agreement, including but not limited to, the requirements of these Acts and the successor legislation: *Personal Information Protection Act, Freedom of Information and Protection of Privacy Act, Workers Compensation Act, Tobacco Control Act, Human Rights Act*, and associated regulations, and obligations under all contracts the Society enters into in connection with the Development and the requirements of any insurer of the Development.
3. Ensure that the Development complies with all applicable statutory health and safety standards to ensure the health and safety of persons at or near the workplace, including ensuring that fire inspections are carried out regularly by the appropriate authorities.
4. Use best efforts to maintain full occupancy of the Residential Units and select Residents as set out in *Schedule D*.
5. Administer annual and routine inspection of all Residential Units in compliance with the *Residential Tenancy Act*, city and municipal bylaws, and cyclical requirements using standardized forms.
6. Maintain the level of Staff presence in the Development as set out in the *Agreement Summary, Part 2, Clause 1.c* to:
 - a. provide safety and security for Residents in the Development; and
 - b. maintain Staff presence at the main access point for the Development to the extent practicable during regular business hours.
7. Administer a pest management program and respond to Resident requirements for Residential Unit specific applications in compliance with current legislation.

C. MAINTENANCE, CAPITAL REPAIR & REPLACEMENT

1. Maintain the Development in a satisfactory state of repair fit for habitation and perform all maintenance and repair work described in but not limited to *Schedules I and J*.
2. Establish a Maintenance Plan and procedures that are updated every five (5) years, to maintain the value and prolong the life of the Development, reduce replacement costs and eliminate/reduce safety hazards.
3. Ensure that the necessary skills and tools are available to clean and maintain the Development adequately and safely.

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4. Establish and maintain a Replacement Reserve Fund, as set out in *Schedule B, Part F, Clause 1*, that must be used only for the purposes identified in the *Schedule J*.

D. HUMAN RESOURCES

1. Comply with all employment standards Acts including provisions relating to the hiring of minors, the *Workers Compensation Act*, *Human Rights Act* and other applicable Acts governing employment.
2. Ensure the workforce maintains required licences to provide service as applicable (e.g., drivers license, FOODSAFE, pesticide licensing, first aid, CPR, WHMIS, and professional certification).
3. Ensure that the Staff undergo a criminal record check in accordance with provincial and federal requirements, and keep evidence on file that the criminal record check was completed. The Society will have a written policy on the frequency of subsequent criminal record checks.
4. At least one Staff member certified in Standard First Aid and CPR Level C is on duty at the Development at all times.
5. For all Staff working with Residents and Clients, whether part-time or full-time, paid or voluntary, the Society will:
 - a. have written policies on eligibility, selection, remuneration, training, safety and security. The safety and security policies and procedures must be in accordance with current Occupational Health and Safety Regulations contained under Section 3 of the *Workers Compensation Act* of British Columbia; and
 - b. ensure the Staff has the appropriate skills, qualifications, instruction, training and supervision for the tasks that they perform and to work safely. This includes, but is not limited to, an orientation on the Society's written policies, procedures and the Standards related to the Society's obligations under this Agreement, such as:
 - i. training for crisis prevention and/or de-escalation, non-violent intervention;
 - ii. prevention of infections;
 - iii. exposure to blood and body fluids, and the safe handling of needles;
 - iv. Resident and Client complaints and dispute resolution process;
 - v. security and confidentiality of Resident and Client data;
 - vi. workplace safety, including weapons possession and violent behaviour; and
 - vii. critical incident response: (1) threat or assault to Staff, Residents or Clients; (2) loss of essential services in the event of unforeseen interruption; (3) fire and other emergency evacuation; (4) containment of infectious outbreaks; (5) medical emergencies; and (6) Resident or Client death.

E. FINANCIAL MANAGEMENT AND ADMINISTRATION

1. The Society will ensure that sound financial operating written policies and procedures are in place, as the requirements set out in *Schedule B*.

F. RESIDENT MANAGEMENT

1. The Society will comply with:
 - a. *Schedule B, Part C, Clause 1* to collect and maintain Declaration of Income and Assets; and
 - b. *Schedules D and E*.

G. SUPPORT SERVICES AND ENHANCED SUPPORT SERVICES

1. Where the Society implements social and recreational programs, educational or life skill building activities for Residents or Clients, a schedule of activities and opportunities for community participation and education will be maintained and posted in a common place.
2. Where the Society connects Residents or Clients with community based supports and services (such as education, employment, health and life skills), all reasonable efforts will be made to take advantage of community resources such as social service organizations, community groups and qualified volunteers to enhance the activities and experiences of Residents and to promote Residents' involvement and healthy engagement in the wider community.
3. Where the Society will prepare and/or serve food:

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- a. All individuals handling food must have training on food safety and nutritional standards for handling food in accordance with provincial regulations.
 - b. Food handling, preparation, storage, serving, etc. must be in accordance with the Food Premises Regulation of the *Public Health Act* (or successor legislation).
 - c. A FOODSAFE certificate, as per the *Public Health Act* - Food Premises Regulation, must be held by anyone handling or serving food.
 - d. Copies of the appropriate level FOODSAFE certificates must be maintained on file for all relevant Staff and food contractors.
 - e. Written non-contamination procedures must be in place, clearly communicated to Staff, and followed, to ensure all food preparation areas, equipment and utensils are properly cleaned, and kitchen waste is stored and disposed of in an appropriate manner.
 - f. All individuals are prohibited from working in food handling if they have open wounds or lesions (unless wearing proper protective coverings), or if otherwise legally prohibited from working with food.
 - g. Kitchen, dining and food storage areas must be kept clean and tidy.
4. Notwithstanding the foregoing, the Society is not expected to deliver Support Services or Enhanced Support Services to individuals in circumstances where the safety and/or security of the Society or any other individual may be threatened. The parties also acknowledge that the Development and Garden Villa are intended for occupation by persons who qualify to reside and are part of the resident population, and the Society shall be entitled to make such reasonable decisions to meet this objective.

SCHEDULE J – SCHEDULE OF CAPITAL REPAIRS

At the start of the Term a sample *Schedule of Capital Repairs* plan, geared to the general replacement life of items, will be supplied by BC Housing to the Society. Items may be added or deleted as agreed to between the Society and BC Housing.

SAMPLE FORMAT

Item	Number	Unit Cost	Total Cost	Life in Years	Years Left	Year 1	Year 2	Year 3	Year 4	Continue to Year 20 ...
Stoves										
Fridges										
Carpets										
Linoleum										
Drapes										
Blinds										
Hot Water Tanks										
Boilers										
Air Conditioner										
Washers										
Dryers										
Furnace										
Interior Paint										
Exterior Paint										
Roofing										
Cabinets										
Countertops										
Other:										
TOTAL										