



## Business Agenda

### Regular Board Meeting

To be Held on Tuesday, May 5, 2020 at 3:00 p.m.

In Room C11, Tom Davies Square, 200 Brady Street, Sudbury, ON

1. CALL TO ORDER
2. DECLARATION OF A CONFLICT OF INTEREST
3. APPROVAL OF AGENDA
4. REVITALIZATION PLAN REPORT
5. FEDERAL LANDS INITIATIVE RESOLUTION
6. GSHC DISPOSITION AND SALE OF GSHC PROPERTIES POLICY
7. DIRECTORS' RESOLUTIONS
8. OTHER BUSINESS
9. ADJOURNMENT



## Report to the Board of Directors Greater Sudbury Housing Corporation

FROM: Barb Dubois, Director of Housing Operations

DATE: May 5, 2020

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SUBJECT: Social Housing Revitalization Plan Report

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The report provides an update and brings forward recommendations related to the Social Housing Revitalization Plan.

### **Executive Summary**

The City of Greater Sudbury Social Housing Revitalization Plan contains a series of recommendations to address the key challenges related to the housing corporation's stock. This report provides an update with recommendations. Resolutions for approvals of the Federal Lands Initiative agreements and a Policy for Disposition and Sale of GSHC property are separate agenda items for this Board meeting.

### **Update**

Housing Services and Housing Operations staff have been working with the Real Estate, Planning, Procurement and Legal Services divisions in order to coordinate the sale of scattered units.

Staff has been working with legal and procurement in order to determine the appropriate process and ensure approvals are in place in order to be able to sell GSHC single family and semi-detached units. Legal services developed a disposition and acquisition policy for GSHC real property which outlines the procedures and delegates authority to staff to execute sale agreements. Approval of the GSHC Disposition and Acquisition Policy is an agenda item for this Board Meeting.

Staff is proposing to issue an expression of interest in order to determine if there is an interest by the development community to purchase all of the units. The approximate 140 units could be transferred in a block or blocks, and any existing tenants could be transferred with their units under a commercial rent supplement agreement. This process would generate funding for the Housing Corporation's revitalization plan that could be used to leverage a CMHC Co-investment Fund Application.

## **CMHC Co-Investment Fund Repair & Retrofit Stream**

Housing Services and Housing Operations staff has been working with CMHC to develop an application package for the Co-Investment Fund Repair and Retrofit stream funding.

Using Amaresco Asset Planner software, Housing Operations has access to data that provides information regarding the building condition assessments of all Greater Sudbury Housing Corporation assets. With the use of this data, staff has been preparing an application package to submit to CMHC. Once the application is complete, staff will be seeking approval to submit.

## **CMHC Federal Land Initiative**

Housing Services put forth an expression of Interest on 1310 Sparks Street, Sudbury through the Federal Lands Initiative on behalf of GSHC. Prior to the federal election, Housing Services received notice that the expression of interest was successful. New Sudbury was identified in the social housing revitalization plan as one of the geographic areas that lacks subsidized housing and the largest waitlist demand is for one bedroom units.

Housing Services and Housing Operations have been working together on the application in order to put forward an offer to purchase the site. On January 21, 2020, Council authorized the use of funds from the Social Housing Capital Reserve Fund to a maximum of \$30,000 to fund the purchase price. Approval will be requested to utilize funds from the Social Housing Capital Reserve Fund for the redevelopment of the site as a 14 unit affordable housing development.

A working group comprised of CGS staff from community development, Communications and planning has been developing a community engagement strategy for the project. The strategy will include community consultation throughout the rezoning, planning and development phases to ensure the success of the project.

A draft agreement of purchase and sale with the federal government to acquire the property and a framework agreement with CMHC, setting out the obligations of GSHC to receive the assistance from CHMC have been received. The Agreement of Purchase and Sale provides for a purchase price of \$590,000, which we are told is the appraised value. Under the Framework Agreement with CHMC, the GSHC will pay only the discounted purchase price of \$23,600 and CMHC will pay the balance of the purchase price. The amount paid by CMHC is conditional upon GSHC complying with a number of conditions, as set out below. The amount is being secured by a loan agreement and 55 year collateral forgivable mortgage for \$590,000, a restriction on transfer and an option to purchase. Additionally, GSHC is required to enter into an operating agreement, committing to operating the site as affordable housing for 55 years. In order to receive the discounted purchase price under this program and to earn forgiveness of the mortgage, the project will have to meet the following criteria:

1. Affordability – the program requires that the units be affordable for 55 years, GSHC has proposes that the units be rent geared to income units consistent with our mandate
2. Accessibility –at least 20% of units must be fully accessible. GSHC proposes that all units are developed with a barrier free design with at least 20% fully accessible
3. Energy efficiency – GSHC proposes that the building be built with an energy efficiency passive design standard

Next steps for this project include finalization of the purchase and sale agreement and framework agreement and delivery on closing of the necessary security. GSHC will also be issuing of an RFP for architectural services to design this building in conjunction with community consultation information received, arranging for demolition of the existing building and then for the construction of the new facility. Under the framework agreement, work is proposed to begin on the project by October 31, 2020 and be completed by April 30, 2022. Updates on the project will be prepared for the Board as the project progresses

### **Recommendations**

In order to offset the capital needs to better align the supply and demand of social housing units and ensure that the existing social housing portfolio is sustainable; the following actions are recommended:

1. Single and semi detached units to be sold at market price with net proceeds of sale to be transferred to Social Housing Capital Reserve Fund. Upon unit vacancy, units will cease to be part of rent geared to income program and service level standards.
2. The Director of Housing Operations be delegated authority to sign the purchase and sale agreement and framework agreement for the Sparks street property.
3. A community consultation process be under taken and an RFP for architectural services be issued. Funding for the estimated costs of \$5.5 Million for this project be recommended to be funded from the Social Housing Capital Reserve Fund.
4. Work with senior levels of government to ensure that any funding available through various programs has been considered.

### **Background**

At the Community Services meeting on June 19, 2017, resolution CS2017-14 approved the development of a Social Housing Portfolio and Capital Financing Plan (Revitalization Plan) to bring forward to Council in 2019.

The City of Greater Sudbury's (City) Housing and Homelessness Plan (the Plan) ensures strategies approved by Council in 2013 are in place along the full housing continuum, which facilitates citizen access to affordable housing.

The Revitalization Plan supports or aligns with the Plan with the following goals and primary objectives:

- update the information currently available regarding the physical condition of the social housing stock;
- increase the number of rent-geared-to-income and affordable housing units in the City;
- determine practical and feasible financing options for implementing the plan objectives including selling, purchasing or leveraging Greater Sudbury Housing Corporation (GSHC) properties;
- offer a wider range of housing options to fill identified gaps across the housing continuum and address local need;
- ensure housing communities are safe, healthy, age-friendly, and inclusive;
- ensure all social housing properties are sustainable – environmentally, economically and socially;
- address the key priority areas, goals and objectives of the City's Corporate Strategic Plan, the City's Housing and Homelessness Plan, the GSHC Strategic Plan, and other City policies related to social/affordable housing;
- provide an environmental scan of the physical condition of the local non-profit housing portfolio based on building condition assessments completed by the social housing providers; and
- identify threats, opportunities, and risks for the City related to the end of operating agreements with non-profit providers.

### **Revitalization**

Contract CDD17-195, RFP for the Social Housing Portfolio Revitalization Plan was awarded to N Barry Lyon Consultants Limited.

Multiple background reports have been prepared after the research and consultation processes were completed. They are as follows:

- End of Operating & Legislative Requirements Background Report
- Housing Demand & Supply Analysis Background Report
- Stakeholder Consultation Summary
- Social Housing Revitalization Best Practices Background Report
- GSHC Real Estate Portfolio Analysis Background Report
- Portfolio Rationalization Analysis

- Base Case Analysis – Operating & Capital Subsidy Projection
- The culmination of the above mentioned reports as well as the consultations that have been completed over the past year and a half have formed the final report entitled City of Greater Sudbury Social Housing Revitalization Plan

A review of the Housing Services entire portfolio's building envelopes was completed in 2018 and all data has been compiled and stored in Amaresco Asset Planner software. Housing Services staff and all social housing property managers have the capacity to access this data to determine their capital needs.

The Revitalization Plan outlines short, midterm and long term actions that will require Council's support.

## **CMHC Co-Investment Fund Repair & Retrofit Stream**

The National Housing Co-Investment Fund – Housing Repair and Renewal Stream is open to:

- community housing providers (i.e. Public or private non-profit housing
- organizations or rental co-operatives)
- Municipalities
- provinces and territories
- Indigenous governments and organizations, and
- private sector.

The following projects will be considered for funding:

- existing community and affordable housing
- urban indigenous community housing
- mixed use market / affordable rental
- shelters, and
- transitional and supportive housing.

### **Minimum Requirements**

All projects must:

- have a minimum of 5 units/beds (including scattered units/properties)
- have primary use as residential, and
- meet minimum requirements for partnerships, financial viability, affordability, energy efficiency, and accessibility.

### **Partnerships**

Partnerships are a central feature of the National Housing Co-Investment Fund. Partnerships maximize investments, ensure coordination of efforts and remove barriers to the development process. Partners will be required to contribute to the project (monetary or in-kind) and the level of contribution may vary from project to project. Projects must have support from another level of government (such as municipalities, Provinces and/or Territories, Indigenous Government) to ensure a coordination of investments. Support can be financial in nature (monetary or in-kind) or in the form of a letter demonstrating support of the project. For financial support (capital or operating), funding would need to be confirmed at the assessment stage prior to receiving a final approval from CMHC.

### **Financial Viability**

Applicants will have to:

- demonstrate their financial and operational ability to carry the project
- provide evidence of the financial viability of the proposed project itself, and
- have the capacity to deal with development risks, such as cost over-runs and delays in construction.

### **Affordability**

Applicants must:

- keep rents for a minimum of 30% of units below 80% of the Median Market Rental rate, and
- commit for a minimum of 20 years.

### **Accessibility:**

Proponents will be expected to meet the minimum accessibility requirement that:

- 20% of all units within the project meet or exceed accessibility standards, and
- access to the project and its common areas is barrier free.

### **Energy Efficiency:**

Existing projects are required to achieve a 25% decrease in energy consumption and greenhouse gas (GHG) emissions relative to past performance levels.

### **Urgent Repairs**

For urgent repairs that are required to maintain the safety of tenants and/or viability of housing, flexibility in the minimum requirements for Energy Efficiency and Accessibility will be considered.

Examples of urgent repairs could include but are not limited to:

- balcony railings and slabs
- exterior windows and doors
- unstable cladding/siding systems
- fire safety systems
- building envelope to address water leakage, moisture, mould/bacteria problems
- structural systems including concrete, steel and wood
- leaking or failed potable and sewage water systems
- faulty heating and ventilating systems
- faulty electrical systems
- correcting flood and storm damage
- gas, water or electricity supplies, or
- elevator and lift repairs.

### **CMHC Federal Land Initiative**

The Federal Lands Initiative is a \$200-million fund that supports the transfer of surplus federal lands and buildings to eligible proponents. The lands and buildings are available at discounted to no cost to be developed or renovated for use as affordable housing. The discount on the property will depend on the level of social outcomes achieved by the winning proposal. Once transferred, the successful proponent agrees that the property will be developed or renovated into affordable, sustainable, accessible and socially inclusive housing.

## Appendix B – CMHC Programs

Federal government departments and Crown corporations identify property that is no longer needed. Federal property owners perform necessary due diligence on the property (Indigenous consultations, environmental/physical condition assessments), to determine whether the land and/or building(s) are suitable for use as affordable housing.

Housing providers can apply to purchase the property for an affordable housing project. Proposals are evaluated based on accessibility, affordability, environmental efficiency and community need.

Successful applications are selected and properties are sold at discounted to no cost. Cost is based on the project's social outcomes, proponent experience and project proposed. Agreements are signed to ensure the property is developed and maintained as affordable housing for no less than 25 years.

Housing Services put forth an expression of Interest on 1310 Sparks Street, Sudbury through this initiative. Prior to the federal election, Housing Services received notice that the expression of interest was successful. Work on the file could not proceed until after the federal election. Housing Services and Housing Operations have been working on the application in order to put forward an offer to purchase the property. Housing Services received Council's approval to move forward with the purchase.

New Sudbury was identified as one of the geographic areas within the social housing revitalization plan that lacks subsidized housing.



## Directors Motion #20-\_\_

DATE: May 5, 2020

BOARD: Greater Sudbury Housing Corporation

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AGENDA ITEM: Federal Lands Initiative

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MOVED BY:

SECONDED:

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WHEREAS Her Majesty the Queen in Right of Canada as represented by the Minister of Public Works and Government Services has declared surplus to its requirements certain land municipally known as 1310 Sparks Street, Sudbury and described as PIN 02120-0158(LT) being Surface Rights Only to the East half of Lot 24 on Plan M-300 and Lot 25 on Plan M-300;

AND WHEREAS Canada Mortgage and Housing Corporation, as an agent of the Government of Canada, administers a government program called the "Federal Lands Initiative" pursuant to which Canada Mortgage and Housing Corporation uses government funds to support the sale of surplus federal real property to selected entities so those entities can develop affordable housing that is energy efficient, accessible and socially inclusive;

AND WHEREAS the Greater Sudbury Housing Corporation wishes to purchase the said property under the Federal Lands Initiative, for the purpose of demolition of the existing structure and subsequent construction thereon of a 14 unit residential apartment building to be used as affordable housing, using funds provided by the City of Greater Sudbury from the City's Social Housing Capital Reserve Fund;

**Resolved as Board of Directors for the Greater Sudbury Housing Corporation:**

1. The Chief Executive Officer (CEO) for the Greater Sudbury Housing Corporation is hereby authorized:
  - (a) To approve the form of, and sign on behalf of the Greater Sudbury Housing Corporation ("GSHC"), an Agreement of Purchase and Sale between Her Majesty the Queen in right of Canada as Vendor and the Greater Sudbury Housing Corporation ("GSHC") as Purchaser for the purchase of property

municipally known as 1310 Sparks Street, Sudbury and legally described as PIN 02120-0158 (the "Property") for \$590,000 plus applicable HST;

- (b) to take such steps as may be required to meet the conditions in the Agreement of Purchase and Sale for the benefit of the GSHC, and to waive conditions when and if, in the opinion of the CEO, it is appropriate to do so;
- (c) to extend or shorten any dates in the said agreement, and
- (d) to take all steps, sign all documents, including confirmation of the representations and warranties in the Agreement of Purchase and Sale and financial instruments to carry out the transaction.

**2. The Chief Executive Officer for the Greater Sudbury Housing Corporation is hereby authorized to:**

- (a) approve the form of and sign on behalf of the GSHC, a Framework Agreement with CHMC regarding the Property;
- (b) to approve the form of, and sign on behalf of GSHC such agreements with Canada Mortgage and Housing Corporation ("CHMC") regarding the Property as are required by the Framework Agreement, including:
  - (i) A Loan Agreement for \$566,400, forgivable upon operation of the Property as an affordable housing project for 55 years from the date of occupation, and other conditions as set out therein;
  - (ii) A Mortgage on the Property Collateral to the Loan Agreement;
  - (iii) An Operating Agreement, committing to operating the Property affordable housing project for 55 years;
  - (iii) An Option for CMHC to Purchase the Property; and
  - (iv) such other documents as may be reasonably required.
- (c) to request and utilize funds provided by the City of Greater Sudbury from its Social Housing Capital Reserve Fund for the acquisition of the Property and subsequent redevelopment of the Property in accordance with 2(d);
- (d) to take such steps and to sign such agreements and documents may be required to demolish the existing building on the Property after acquisition; to have designed and constructed on the Property a 14 unit residential apartment building in accordance with the Accessibility Requirements, Affordability Requirements, Energy Efficiency requirements of the Federal Housing Initiative and as provided by the Agreements referenced in paragraph 2(b) for the delivery of affordable housing.



## Corporate Policy and Procedure

POLICY: Disposition and Acquisition of Real Property

DATE: May 5, 2020

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### 1. POLICY STATEMENT

- 1.1 The Greater Sudbury Housing Corporation intends to dispose of or acquire Real Property, where appropriate, in a manner that maximizes its social, economic and environmental return to the Corporation.

### 2. PURPOSE

- 2.1 To ensure that a consistent and accountable process is followed in the Disposition and Acquisition of all Real Property and that returns are in the best interest of the Greater Sudbury Housing Corporation.

### 3. INTERPRETATION

- 3.1 In this Policy, unless the context otherwise requires:

- (a) “Acquire” or “Acquisition” means the obtaining of interests in Real Property through purchase or other means of acquiring Real Property interests deemed appropriate by the Corporation.
- (b) “Appraisal” means a written opinion prepared by staff of the City’s Real Estate Services or an independent certified appraiser that provides a reasonable estimate of the current market value of the Real Property.
- (c) “Board” means the board of directors of the Corporation.
- (d) “City” means the City of Greater Sudbury.
- (e) “Corporation” means the Greater Sudbury Housing Corporation.
- (f) “Director” means the Director of Housing Operations for the City of Greater Sudbury or their designate, and includes any successor position.
- (g) “Dispose” or “Disposal” means the sale, conveyance, exchange or grant of an interest in Real Property owned by the Corporation as deemed appropriate by the Corporation.
- (h) “Market Value” means the highest price a willing buyer and a willing seller would accept, both parties being fully informed.
- (i) “Person” includes an individual, a partnership and a corporation.

- (j) "Real Property" means land and all buildings and structure constructed thereon.

#### **4. GENERAL**

- 4.1 The Corporation shall dispose of and acquire Real Property on the basis of Market Value, unless other considerations are included in the transaction and approved by the Board.
- 4.2 Notwithstanding Section 4.1, the Board may, unless prohibited by legislation, authorize the disposal of Real Property at less than market value if, in its opinion, it is in the best interests of the Corporation to do so.
- 4.3 The City's Legal Services is responsible for providing legal services in relation to Real Property transactions, including the approval of all documents required to execute Real Property Dispositions and Acquisitions and has authority to undertake all legal proceedings required to complete all Dispositions and Acquisitions of Real Property.
- 4.4 The City's Real Estate Services is responsible for providing advice on Real Property transactions.

#### **5. DISPOSAL OF REAL PROPERTY**

- 5.1 The Corporation may Dispose of Real Property at its discretion in a manner that complies with all applicable legislation.
- 5.2 Where the Board directs the Disposal of Real Property, the Director, in conjunction with the City's Real Estate Services, shall obtain an Appraisal of the Market Value of the Real Property.
- 5.3 The Director may market the Real Property in a manner which they, in conjunction with the City's Real Estate Services, determines to be suitable, having regard to the nature of the Real Property and time restrictions, if any, including but not limited to, invitation to tender, request for proposal, public auction or listing with a real estate broker.
- 5.4 Notwithstanding Section 5.3, the Director, in their sole discretion, may choose to dispense with marketing the Real Property, and sell the Real Property to a Purchaser for a value of no less than the Market Value as set out in the Appraisal for that Real Property.
- 5.5 The Director may procure the repair, maintenance, clean up or upgrading of any Real Property for the marketing or Disposition of the Property.
- 5.6 In carrying out any work in relation to Section 5.5, the Director shall comply with the City's "Purchasing By-law", By-law 2014-1, as amended or replaced from time to time.
- 5.7 Where any Person expresses an interest in acquiring Real Property from the Corporation, the Director shall, in conjunction with the City's Real Estate Services, negotiate with such Person with a view to reaching an agreement for the Disposition of the Real Property, the terms of which shall be in the best

interests of the Corporation and which are otherwise satisfactory to the Board. The terms of the agreement shall be reduced to writing.

5.8 Nothing in this policy prevents the Director, in their sole determination, from granting an easement over any of the Real Property.

5.9 The Director may execute any documents necessary to complete the Disposition.

## **6. ACQUISITION OF REAL PROPERTY**

6.1 The Corporation may acquire Real Property at its discretion in a manner that complies with all applicable legislation.

6.2 Where the Corporation expresses an interest in acquiring Real Property from a Person, the Director shall, in conjunction with the City's Real Estate Services,

(a) obtain an appraisal of the Market Value of the Real Property from a Designated Appraiser; and

(b) negotiate with such Person with a view to reaching an agreement for the Acquisition of the Real Property, the terms of which shall be in the best interests of the Corporation and which are otherwise satisfactory to the Board. The terms of the agreement shall be reduced to writing.

6.3 The Director may execute any documents necessary to complete the Acquisition.

## **7. RELATED POLICIES, LEGISLATION AND BY-LAWS**

7.1 By-law 2014-1, "Being a By-law of the City of Greater Sudbury governing Procurement Policies and Procedures", as amended or replaced from time to time

By-law 2018-203, "A By-law of the City of Greater Sudbury to Authorize the Shareholder's Declaration for the Greater Sudbury Housing Corporation", as amended or replaced from time to time

*Housing Services Act, 2011, S.O. 2011, c. 6, Sched. 1*

*Housing Operations Agreement dated March 31, 2019 between the City of Greater Sudbury and the greater Sudbury Housing Corporation*



## Directors Motion #20-\_\_

DATE: May 5, 2020

BOARD: Greater Sudbury Housing Corporation

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AGENDA ITEM: Directors' Resolutions

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MOVED BY:

SECONDED:

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A meeting of the Board of Directors was held via electronic communication on May 5<sup>th</sup>, 2020 at 3:00 p.m. All Directors being present and/or having waived notice to the meeting the meeting was declared to be regularly constituted.

### Head Office

**Resolved** that the location of the registered office of the Corporation be 200 Brady Street, Sudbury, Ontario P3E 3L9 and the mailing address for the Corporation be the same as the registered office address.

### Banking Resolution

**Resolved** that the banking resolution, in the form required by the Royal Bank of Canada, a copy of which is annexed hereto as Schedule "A", is hereby approved.

### Signing Authority

**Resolved** that in accordance with the provisions of the by-laws of the Corporation, all banking instruments and dealings with the Royal Bank, including all cheques, drafts, or orders for the payment of money and all notes and acceptance and bills of exchange, may be signed by any two of the following:

Name	Occupation
Barbara Dubois	CEO and Secretary/Treasurer, Greater Sudbury Housing Corporation Director, City Greater Sudbury Housing Operations
Nicole Piquette	Manager of Finance City of Greater Sudbury Housing Operations
Patrick Wittmann	Manager, Capital Planning and Construction, City of Greater Sudbury Housing Operations

## Officers

**Resolved** that the following persons be and are hereby appointed or confirmed, as the case may be, to be the officers of the Corporation to hold office, until a successor is appointed:

President / Chair:	Fern Cormier
Vice President / V Chair:	Joscelyne Landry-Altmann
Chief Executive Officer:	Barbara Dubois, Director, City of Greater Sudbury Housing Operations
Secretary/Treasurer:	Barbara Dubois, Director, City of Greater Sudbury Housing Operations

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The undersigned, hereby confirm, by their signatures, the foregoing resolutions pursuant to the provisions of the *Business Corporations Act*.

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Fern Cormier, Chair

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Barbara Dubois, Secretary/Treasurer

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We the undersigned, being the authorized signatory of the sole shareholder, namely the City of Greater Sudbury, hereby confirm in writing the above resolutions.

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Brian Bigger, Mayor

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Eric Labelle, Clerk

## **Schedule “A”**

### **GREATER SUDBURY HOUSING CORPORATION**

#### **Resolution Regarding Banking and Security**

Registered Head Office: Sudbury, Ontario

Incorporating Statute: *Ontario Business Corporations Act*

#### **RESOLVED:**

1. That the Royal Bank of Canada (the “Royal Bank”) is appointed banker for the Company.
2. That the Chief Executive Officer of the Company is authorized on behalf of the Company to complete the Customer Agreement of the Business Services Agreement and to receive the Banking Services Terms of the Business Services Agreement.
3. That any two of the persons indicated in the Customer Agreement of the Business Services Agreement are authorized on behalf of the Company from time to time:
  - (a) to borrow money and obtain other credit from Royal Bank in such amounts and on such terms as may be deemed appropriate, whether by loan, advance, overdraft or by any other means;
  - (b) to mortgage, hypothecate, charge, pledge, convey, assign, transfer or create a security interest in any or all of the property, real and personal, immovable and moveable, undertaking and rights of the Company, present and future, to secure the payment and performance of any or all of the present and future liabilities and obligations of the Company to Royal Bank;
  - (c) to sign any agreements or other documents or instruments with or in favour of Royal Bank, including contracts relating to products or services provided by Royal Bank to the Company;
  - (d) to enter into financial leases with Royal Bank;
  - (e) to enter into interest rate and currency transactions (including without limitation, interest rate and currency swaps, interest rate and currency options, foreign exchange transactions, and any other similar transaction) and any master agreement, confirmation and other documentation with respect thereto, in order to hedge its interest rate and currency exposure arising in the course of the Company’s business;
  - (f) to withdrew or order transfers of funds from the Company’s accounts by any means including the making, drawing, accepting, endorsing or signing of cheques (including any instrument deemed by Royal Bank to be the equivalent of a cheque), promissory notes, bills of exchange, other orders for the payment of money or other instruments or the giving of other instructions;

## **Schedule “A”**

- (g) to withdraw and receive from Royal Bank any cash or any securities, instruments or other property of the Company held by Royal Bank, whether for safekeeping or as security, and to sign and deliver receipts therefor, or to give instructions to Royal Bank for the delivery or other transfer of any such cash, securities, instruments or other property to any person named in those instructions;
  - (h) to instruct the Bank, by any means, to debit the accounts of third parties for deposit to the credit of the Company;
  - (i) to settle and certify the Company's accounts with Royal Bank;
  - (j) to receive from Royal Bank any software and any security devices, including security cards, codes, and passwords, relating to electronic banking services or electronic communications between the Company and Royal Bank, and to determine and set the levels and limits of authority applicable to individual security devices;
  - (k) to do, or authorize any person or persons to do, any one or more of the following:
    - (i) to deposit with or negotiate or transfer to Royal Bank, for the credit of the Company, cash or any security, instrument or other property, and for those purposes to endorse (by rubber stamp or otherwise) the name of the Company, or any other name under which the Company carries on business, or any security or instrument;
    - (ii) to receive statements, instruments and other items (including paid cheques and certified copies of cheques) and documents relating to the Company's accounts with or any service of Royal Bank (including any revisions to Royal Bank's rules and manuals of operation);
    - (iii) to use a card or client identification number, together in certain instances with a security code, to make transactions on accounts;
  - (l) to guarantee the obligations of any third party to Royal Bank; and
  - (m) generally to exercise all rights, powers and authorities which the board of directors of the Company may exercise under the authority of the Company's constating documents and by-laws governing the Company, all as amended from time to time.
4. That if the withdrawal or order of a transfer of funds, as permitted in subsection 3(f) above or the use of a card or client identification number as permitted in subsection 3(k)(iii) above result in the Company borrowing money from Royal Bank, all such transactions are expressly approved.
5. That the provisions contained in the Banking Services Terms including, without limitation the provisions concerning the binding effect of electronic communications received by Royal Bank from or in the name of the Company, and the provisions relating to truncation of cheques are expressly approved.

## **Schedule “A”**

6. That all instruments, instructions, agreements and documents made, drawn, accepted, endorsed or signed (under the corporate seal or otherwise) as provided in this Resolution and delivered to Royal Bank by any person, shall be valid and binding on the Company, and the Bank is hereby authorized to act on them and give effect to them.
7. That Royal Bank be furnished with:
  - (a) a certification signed by the President or Secretary of the Company that a resolution containing these terms has been adopted by the directors of the Company; and
  - (b) in writing, any authorization made under paragraph 3(k) of this Resolution.
8. That the resolution by the Board of Directors for the Company as set out in the Resolution of the Board of Directors regarding banking and security, dated July 26, 2002 be repealed and replaced by the resolution.
9. That any document furnished to the Bank as provided for in section 7 of this Resolution shall be binding upon the Company until a new document (certified by the President or Secretary in the case of a resolution) repealing or replacing the previous one has been received and duly acknowledged in writing by the branch or agency of Royal Bank where the Company has an account.

DATED at the City of Greater Sudbury this 5<sup>th</sup> day of May, 2020.

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Chair

## **Schedule “A”**

### **CERTIFICATE**

The undersigned Secretary/Treasurer of the Company hereby certifies that:

- (a) the foregoing Resolution was duly passed by the directors of the Company and is still in full force and effect; and
- (b) there are no provisions in the Memorandum of Association, Articles of Incorporation or other constating documents of the Company or in any of its by-laws or resolutions or in any unanimous shareholders' agreement that restrict or limit the powers of the Company, or the powers of the directors on behalf of the Company, to borrow money, to issue, reissue, sell or pledge debt obligations of the Company, to guarantee the obligations of others, to mortgage, charge, hypothecate, pledge or otherwise create a security interest in all or any of the property of the Company now owned or subsequently acquired to secure any obligations of the Company (including obligations under a guarantee), present or future, or that restrict or limit the power of the directors to delegate the powers referred to in the foregoing Resolution to one or more directors, officer or other persons.

Dated at the City of Greater Sudbury, this 5<sup>th</sup> day of May, 2020

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Barbara Dubois, Secretary/Treasurer