



REQUEST FOR PROPOSAL

**OPERATOR FOR AFFORDABLE RENTAL HOUSING
AT THE YALE HOTEL
1300 GRANVILLE STREET, VANCOUVER**

RFP No. PS20131034

Issue Date: November 6, 2013

Issued By: City of Vancouver

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PART A - INFORMATION AND INSTRUCTIONS**

1.0 THE RFP

- 1.1 This Request for Proposal (the “RFP”) provides an opportunity to submit Proposals for review by the City and, depending on the City’s evaluation of Proposals, among other factors, to potentially negotiate with the City to enter into agreements with the City relating to the subject matter of the RFP. **EXCEPT WHERE EXPRESSLY STATED OTHERWISE IN APPENDIX 1 TO PART C OF THE RFP: (I) NO PART OF THE RFP CONSISTS OF AN OFFER BY THE CITY TO ENTER INTO ANY CONTRACTUAL RELATIONSHIP; AND (II) NO PART OF THE RFP IS LEGALLY BINDING ON THE CITY.**
- 1.2 The RFP concerns the City’s interest in procuring suitable arrangements with a non-profit housing society or co-operative for the operation of a Single Room Occupancy hotel (‘The Yale’) located at 1300 Granville Street. Details of the City’s objectives and requirements to which the RFP relates are set out in Part B and in Schedule 1 of the RFP. The City welcomes Proposals with innovative or novel approaches to the City’s objectives and requirements.
- 1.3 The City is interested in selecting a single Proponent with the capability and experience to efficiently and cost-effectively meet the objectives and requirements described in the RFP. The City currently expects to select such a Proponent after consideration of all Proposals received and then to enter into negotiations with that Proponent, which will conclude in the execution of a Lease and an Operator Agreement between the Proponent and the City for the operation of the affordable rental housing project contemplated. However, the City may: (i) decline to select any Proponent; (ii) decline to enter into any Agreement; (iii) select multiple Proponents for negotiation; or (iv) enter into one or more agreements respecting the subject matter of the RFP with one or more Proponents or other entities at any time. The City may also terminate the RFP at any time.
- 1.4 The City currently intends that Proposals will be evaluated by the City in relation to their overall value, which will be assessed in the City’s sole and absolute discretion. In assessing value, the City expects to consider the factors described in Section 8 below, among others.
- 1.5 **NO BID SECURITY IS REQUIRED FROM PROPONENTS IN CONNECTION WITH THE SUBMISSION OF PROPOSALS BECAUSE NO PROPOSAL WILL BE DEEMED TO BE AN IRREVOCABLE OR OTHERWISE BINDING LEGAL OFFER BY A PROPONENT TO THE CITY. THE LEGAL OBLIGATIONS OF A PROPONENT THAT WILL ARISE UPON THE SUBMISSION OF ITS PROPOSAL WILL BE LIMITED TO THE TERMS AND CONDITIONS STATED UNDER THE HEADING “LEGAL TERMS & CONDITIONS” IN APPENDIX 1 TO THE PROPOSAL FORM (PART C).**
- 1.6 The execution of an Agreement may be contingent on funding being approved, and the relevant Proposal being approved, by the Vancouver City Council.
- 1.7 Certain capitalized terms used herein but not defined where first used are defined in Section 12 below.
- 1.8 The RFP consists of four parts and five schedules:
- (a) **PART A - INFORMATION AND INSTRUCTIONS:** This part is intended to serve as a guide to the RFP process for Proponents.
 - (b) **PART B - CITY REQUIREMENTS AND ITEMS TO BE ADDRESSED IN PROPOSALS:** This part describes the subject matter of the RFP, in respect of which the City invites Proposals. This part also stipulates the information that must be contained in each Proposal.

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- (c) **PART C - PROPOSAL FORM:** This part consists of the Proposal Form to be completed by each Proponent in connection with its Proposal. Each Proposal must be submitted under the cover of a duly completed and executed Proposal Form.
- (d) **PART D - FORM OF AGREEMENT:** This part contains a form of an Operator Agreement which the City contemplates will be entered into between the City and a successful Proponent(s) if any. The form of lease agreement to be used in conjunction with an operator agreement, in the event a Proponent is selected pursuant to the RFP to act as operator for the housing project contemplated, will not be included with the RFP, but will be presented to the successful Proponent if and when a Proponent is selected.
- (e) **SCHEDULE 1: Detailed Requirements**
- (f) **SCHEDULE 2: Estimated Operating Expenses and Revenue Projections**
- (g) **SCHEDULE 3: Proposed Air Space Plans**
- (h) **SCHEDULE 4: Floor Plans**
- (i) **SCHEDULE 5: Certificate of Existing Insurance**

2.0 KEY DATES

2.1 Potential Proponents should note the following key dates:

Event	Time and Date
Deadline for submission of Information Meeting registration form (Appendix 1 to this Part A)	3:00 pm, Tuesday, November 19, 2013
Mandatory Information/Site Meeting at the Yale Hotel	2:00 pm, Thursday, November 21, 2013
Deadline for Enquiries	3:00 pm, Tuesday, December 3, 2013
Closing Time	3:00 pm, Monday, December 9, 2013

2.2 All references to time in the RFP are references to the time in the City of Vancouver, as shown on the clock used by the City for the purposes of requests for proposals.

3.0 CONTACT PERSON

3.1 All enquiries regarding the RFP must be addressed to:

Donabella Bersabal
donabella.bersabal@vancouver.ca

3.2 All enquiries must be made in writing. In-person or telephone enquiries are not permitted.

4.0 SUBMISSION OF PROPOSALS

4.1 Proponents must submit their Proposals in writing on or before the time and date specified in the bottom row of the table in Section 2.1 above (the “**Closing Time**”).

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- 4.2 Each Proponent must submit its Proposal in an envelope clearly marked with the Proponent's name and the RFP title and number "Operator for Affordable Rental Housing at the Yale Hotel; PS20131034") to the following address:

City of Vancouver
Supply Chain Management
453 West 12th Avenue
Vancouver, British Columbia
Canada, V5Y 1V4

Notwithstanding the foregoing, envelopes submitted by courier or otherwise in-person should be delivered to:

Information Desk, Main Floor Rotunda,
Vancouver City Hall
453 West 12th Avenue
Vancouver, British Columbia
Canada, V5Y 1V4

- 4.3 To be considered by the City, a Proposal must be submitted under the cover of a Proposal Form, completed and duly executed by the relevant Proponent, including Appendix 1 thereto.
- 4.4 Proposals must not be submitted by fax or email.
- 4.5 Amendments to a Proposal may be submitted in the same manner as the original Proposal, at any time prior to the Closing Time.
- 4.6 Proposals should be bound by a clip and no three-ring binders. The City requests that one (1) hard copy and one (1) electronic copy (on a CD/USB flashdrive) of each Proposal (or amendment) be submitted, though it is not necessary to submit more than one copy of the Proposal Form.
- 4.7 Proposals are revocable and may be withdrawn at any time before or after the Closing Time.
- 4.8 All costs associated with the preparation and submission of a Proposal, including any costs incurred by a Proponent after the Closing Time, will be borne solely by the Proponent.
- 4.9 Unnecessarily elaborate Proposals are discouraged. Proposals should generally be limited to the items specified in Part B of the RFP.
- 4.10 The City is willing to consider any Proposal from two or more Proponents that wish to form a consortium solely for the purpose of submitting a joint Proposal in response to the RFP, provided that they disclose the names of all members of the consortium and all members complete and execute a Proposal Form (Part C). Nonetheless, the City has a strong preference for proposals submitted by a single Proponent, including a Proponent that would act as a general contractor and use subcontractors as required.
- 4.11 Proposals that are submitted after the Closing Time or that otherwise do not comply in full with the terms hereof may or may not be considered by the City and may or may not be returned to the Proponent, in the City's sole discretion.

5.0 CHANGES TO THE RFP AND FURTHER INFORMATION

- 5.1 The City may amend the RFP or make additions to it at any time.

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5.2 It is the sole responsibility of Proponents to check the City's website at: <http://vancouver.ca/doing-business/open-bids.aspx> regularly for amendments, addenda, and questions and answers in relation to the RFP.

5.3 Proponents must not rely on any information purported to be given on behalf of the City that contradicts the RFP, as amended or supplemented in accordance with the foregoing Section 5.2

5.4 A MANDATORY information meeting (the "Information Meeting") will be held to enable Proponents to seek clarification with respect to any aspect of the RFP in a group forum. The details are as follows:

Date: as specified in Section 2.1 above.

Time: as specified in Section 2.1 above.

Location: **The Yale Hotel, 1300 Granville Street, Vancouver**

5.5 Potential Proponents are encouraged to read the RFP and submit any questions relating to the RFP to the Contact Person prior to the Information Meeting.

5.6 Proponents must pre-register for the Information Meeting by completing and submitting the form contained in Appendix 1 to this Part A, by fax to **604-873-7057**, or by e-mail to donabella.bersabal@vancouver.ca, on or before the time and date specified in Section 2.1 above.

5.7 The City will in good faith attempt to give accurate oral responses to questions posed during the Information Meeting but Proponents are advised that they may only rely on the written information contained herein or in documents posted to the City's website, as described in Section 5.1 above.

6.0 CONTRACT REQUIREMENTS

6.1 In addition to addressing the other requirements of Part B hereof, each Proponent must indicate in its Proposal the extent to which the Form of Agreement included as Part D hereof is consistent with its Proposal. If the Proposal is inconsistent with any part of the Form of Agreement, the Proponent must so state and must propose alternative contract language as part of its Proposal.

6.2 If the head office of a Proponent is located within the City of Vancouver or if the Proponent is to perform any work at a site located within the City of Vancouver, the execution of any Agreement will be contingent upon the Proponent having a valid City of Vancouver business license.

6.3 The term of any Agreement is expected to be long-term with 60 years at a minimum.

7.0 COMMERCIAL

7.1 All costs quoted in any Proposal are to be inclusive of applicable taxes and inclusive of all other costs.

7.2 Costs must be quoted in Canadian currency.

8.0 EVALUATION OF PROPOSALS

8.1 The City may open or decline to open Proposals in such manner and at such times and places as are determined by the City.

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- 8.2 The City currently intends that all Proposals submitted to it in accordance with the RFP will be evaluated by City representatives to determine which Proposal(s) offers the best overall value to the City based on, among other things, proposed rental affordability goals, operational viability of Proposal, proposed Proponent funding contribution for the project, innovation in the Proposal, sustainability benefits and other factors, including, but not limited to, Proponents’:
- (a) ability to meet or exceed the Requirements (as defined in Part B) as and when required, or ability to otherwise satisfy the City’s objectives and requirements;
 - (b) skills, knowledge and previous experience;
 - (c) business reputations and capabilities;
 - (d) financial and operational capacities; and
 - (e) ability to meet the City’s insurance requirements.
- Certain other evaluation criteria may be set out in Part B or elsewhere in the RFP.
- 8.3 The City will retain complete control over the RFP process at all times until the execution and delivery of an Agreement or Agreements, if any. The City is not legally obligated to review, consider or evaluate Proposals, or any particular Proposal, and need not necessarily review, consider or evaluate Proposals, or any particular Proposal in accordance with the procedures set out in the RFP. The City may continue, interrupt, cease or modify its review, evaluation and negotiation process in respect of any or all Proposals at any time without further explanation or notification to any Proponents.
- 8.4 The City may, at any time prior to signing an Agreement, discuss or negotiate changes to the scope of the RFP with any one or more of the Proponents without having any duty or obligation to advise the other Proponents or to allow the other Proponents to vary their Proposals as a result of such discussions or negotiations.
- 8.5 The City may elect to short-list Proponents and evaluate Proposals in stages. Short-listed Proponents may be asked to provide additional information or details for clarification, including by attending interviews, making presentations, supplying samples, performing demonstrations, furnishing technical data or proposing amendments to the Form of Agreement. The City will be at liberty to negotiate in parallel with one or more short-listed Proponents, or in sequence, or in any combination, and may at any time terminate any or all negotiations.
- 8.6 Prior to approval of a Proposal, the City must be satisfied as to the Proponent’s financial stability and financial capacity for the project. Proponents may be asked to provide audited financial statements prepared by an accountant and covering at least the prior two years.
- 8.7 Not applicable.
- 8.8 The City is not under any obligation to approve any Proposal and may elect to terminate the RFP at any time.
- 8.9 For the avoidance of doubt, notwithstanding any other provision in the RFP, the City has in its sole discretion, the unfettered right to:
- (a) accept any Proposal;
 - (b) reject any Proposal;

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- (c) reject all Proposals;
- (d) accept a Proposal which is not the lowest-price proposal;
- (e) accept a Proposal that deviates from the Requirements or the conditions specified in the RFP;
- (f) reject a Proposal even if it is the only Proposal received by the City;
- (g) accept all or any part of a Proposal;
- (h) split the Requirements between one or more Proponents; and
- (i) enter into one or more agreements respecting the subject matter of the RFP with any entity or entities at any time.

Without limiting the foregoing, the City may reject any Proposal by a Proponent that has a conflict of interest, has engaged in collusion with another Proponent or has otherwise attempted to influence the outcome of the RFP other than through the submission of its Proposal.

- 8.10 Prior to accepting any Proposal(s), the City may consider if Proponents whose Proposals are potentially acceptable, are in good standing with the City in respect of any other dealings other than this RFP, contractual or otherwise, in which case the City may reject Proposals from Proponents which in its view are not in good standing in that respect.

9.0 SUSTAINABILITY

- 9.1 The City's Ethical Procurement Policy and related Supplier Code of Conduct found at <http://vancouver.ca/doing-business/prepare-your-bid.aspx> align the City's overall approach to procurement with its corporate social, environmental and economic sustainability values and goals. They evidence the City's commitment to maximize benefits to the environment through product and service selection, and to ensure safe and healthy workplaces, where human and civil rights are respected. To the extent applicable, the Ethical Procurement Policy will be referred to in the evaluation of Proposals, and any successful Proponent will be expected to adhere to the Supplier Code of Conduct.

- 9.2 Proponents are to provide environmentally sensitive products or services wherever possible. Where there is a requirement that the Proponent supply materials, and where such materials may cause adverse environmental effects, the Proponent is to indicate the nature of the hazard(s) in its Proposal. Furthermore, the Proponent is to advise the City of any known alternatives or substitutes for such materials that would mitigate such adverse effects.

10.0 CERTAIN APPLICABLE LEGISLATION

- 10.1 Proponents should note that the City of Vancouver is subject to the *Freedom of Information and Protection of Privacy Act* (British Columbia), which imposes significant obligations on the City's consultants or contractors to protect all personal information acquired from the City in the course of providing any service to the City.
- 10.2 Proponents should note that the *Income Tax Act* (Canada) requires that certain payments to non-residents be subject to tax withholding. Proponents are responsible for informing themselves regarding the requirements of the *Income Tax Act* (Canada), including the requirements to qualify for any available exemptions from withholding.

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11.0 LEGAL TERMS AND CONDITIONS

- 11.1 The legal obligations of a Proponent that will arise upon the submission of its Proposal are stated in Appendix 1 to the Proposal Form (Part C). Except where expressly stated in such Appendix 1: (i) no part of the RFP consists of an offer by the City to enter into any contractual relationship; and (ii) no part of the RFP is legally binding on the City.
- 11.2 Potential Proponents should review Appendix 1 to the Proposal Form carefully before submitting a Proposal. Among other things, potential Proponents must note that:
- (a) Except for limited duties in respect of the protection of confidential information and the resolution of legal disputes (as fully specified in Appendix 1 to the Proposal Form), the City does not have, and will not have, any legal obligations to a Proponent or to any proposed subcontractor of that Proponent in respect of the RFP or that Proponent's Proposal until such time as an Agreement is entered into with that Proponent.
 - (b) The City is a public body required by law to act in the public interest. In no event, however, does the City owe to the Proponent or to any of the Proponent's proposed subcontractors (as opposed to the public) any contract or tort law duty of care, fairness, impartiality or procedural fairness in the RFP process, or any contract or tort law duty to preserve the integrity of the RFP process.
 - (c) Except only and to the extent that the City is in breach of its duties with respect to a Proponent's confidential information, each Proponent is required to broadly release the City, its officials, its agents and its employees from liability for any losses incurred by the Proponent.
 - (d) Except only and to the extent that the City is in breach of its duties with respect to a Proponent's confidential information, each Proponent is required to broadly indemnify and hold harmless the City, its officials, its agents and its employees from and against losses in respect of any claim or threatened claim against any of them.
 - (e) Except with respect to the City's duties in respect of a Proponent's confidential information, even to the extent the city is found to have breached any duty to the Proponent, if any, the liability of the City, its officials, its agents and its employees to the Proponent will be limited to \$100.
 - (f) With limited exceptions set forth in such Appendix 1 to the Proposal Form, any dispute between the City and a Proponent will be subject to arbitration.
 - (g) All RFP-related documents provided to any Proponent by the City remain the property of the City and must be returned to the City, or destroyed, upon request by the City.
 - (h) The documentation containing any Proposal, once submitted to the City, becomes the property of the City, and the City is under no obligation to return the Proposal to the Proponent.
 - (i) The City will treat any Proposal (and the City's evaluation of it), in confidence in substantially the same manner as it treats its own confidential material and information, subject, however, to the applicable provisions of the *Freedom of Information and Protection of Privacy Act* (British Columbia) and the City's full right to publicly disclose any and all aspects of the Proposal in the course of publicly reporting to the Vancouver City Council or announcing the results of the RFP to Proponents.
 - (j) Proponents must not divulge or disclose to any third parties any non-public documents or information concerning the affairs of the City, which have been or are in the future

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provided or communicated to a Proponent at any time (whether before, during or after the RFP process). Furthermore, each Proponent must agree to not use or exploit any such non-public documents or information in any manner, including in submitting its Proposal.

- (k) Each Proponent must waive any rights to obtain any records produced or kept by the City in evaluating its Proposal (and any other submissions) and must agree that under no circumstances will it make any application to the City or any court for disclosure of any records pertaining to the receipt, evaluation or selection of its Proposal (or any other submissions), including, without limitation, records relating only to the Proponent.
- (l) Each Proponent must disclose whether any officer, director, shareholder, partner or employee of the Proponent or of any of its proposed subcontractors, or any other person related to the Proponent's or any proposed subcontractor's organization (a "person having an interest") or any spouse, business associate, friend or relative of a person having an interest is:
 - i. an elected official or employee of the City; or
 - ii. related to or has any business or family relationship with any elected official or employee of the City,in each case such that there could be any conflict of interest or an appearance of a conflict of interest in the evaluation or consideration of the Proponent's Proposal by the City.
- (m) Each Proponent must disclose whether the Proponent or any of its proposed subcontractors is currently engaged in supplying (or is proposing to supply) goods or services to a third party such that entering into an agreement with the City in relation to the subject matter of the RFP would create a conflict of interest or the appearance of a conflict of interest between the Proponent's duties to the City and the Proponent's or its subcontractors' duties to such third party.
- (n) Each Proponent is required to disclose whether the Proponent has any affiliation, whether legal or financial, with any other entity which is in the business of providing the same type of goods or services which are the subject of the RFP; and whether the Proponent is competing for purposes of the RFP process with any entity with which it is legally or financially associated or affiliated.
- (o) Each Proponent is required to disclose whether it or any officer, director, shareholder, partner, employee or agent of the Proponent or any of its proposed subcontractors: (1) is registered as a lobbyist under any lobbyist legislation in any jurisdiction in Canada or in the United States of America; or (2) has engaged in any form of political or other lobbying whatsoever with respect to the RFP or sought, other than through the submission of its Proposal, to influence the outcome of the RFP process.
- (p) A Proponent must not disclose or promote any relationship between it and the City, including by means of any verbal declarations or announcements and by means of any sales, marketing or other literature, letters, client lists, press releases, brochures, web sites or other written materials (whether in print, digital, electronic or other format) without the express prior written consent of the City. Each Proponent must undertake not to use the name, official emblem, mark, or logo of the City without the express prior written consent of the City.

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12.0 DEFINITIONS

12.1 In the RFP, the following capitalized terms have the following meanings:

- (a) **“Agreement”** means a contract entered into between the City and a successful Proponent, if any, following the conclusion of the RFP process, which contract is expected to be in substantially the same form as the Form of Agreement;
- (b) **“City”** means the City of Vancouver, a municipal corporation continued pursuant to the Vancouver Charter;
- (c) **“Form of Agreement”** means the form of agreement contained in Part D of this RFP;
- (d) **“Proponent”** means an entity, which is not, by the terms hereof, restricted from submitting a Proposal, and which does submit a Proposal;
- (e) **“Proposal”** means a proposal submitted in response to this RFP; and
- (f) **“Proposal Form”** means the form contained in Part C of this RFP.

12.2 All other capitalized terms used in the RFP have the meanings given to them elsewhere in the RFP.

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APPENDIX 1 TO PART A



FINANCIAL SERVICES GROUP
Supply Chain Management

Re. Request for Proposal No. PS20131034, OPERATOR FOR AFFORDABLE RENTAL HOUSING AT THE YALE HOTEL

To acknowledge your intent to attend the MANDATORY Information/Site Meeting and to ensure that you receive the required information, please submit this form to the person identified below in accordance with the RFP:

Donabella Bersabal
City of Vancouver
Fax: 604-873-7057
Email: Donabella.bersabal@vancouver.ca

Proponent's Name: _____

Address: _____

Key Contact Person: _____

Telephone: _____ Fax: _____

E-mail: _____ Incorporation Date: _____

Our company WILL / WILL NOT attend the information/site meeting for Request for Proposal No. PS20131034, OPERATOR FOR AFFORDABLE RENTAL HOUSING AT THE YALE HOTEL.

Signature

Name of Authorized Signatory

E-mail Address

Date

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PART B - CITY REQUIREMENTS AND ITEMS TO BE ADDRESSED IN PROPOSALS**

1.0 CITY REQUIREMENTS

1.1 The City has the following objectives and requirements (together, the “Requirements”):

- (a) To identify and enter into agreements (lease and operating) with an experienced Proponent for the operation of an affordable rental housing project contemplated in connection with the redevelopment of the City’s The Yale Hotel at 1300 Granville at Drake Street (the “Development”).
- (b) To receive information from each Proponent detailing a proposed affordable rental housing program (including, without limitation, tenants to be served, income mix and rental affordability achievements envisioned), any Proponent funding contribution proposed for the project, compatibility of the Proposal with the Yale Hotel activities and the proposed duration of affordable housing project lease/operating agreements. Note: The City typically provides 60-year leases for affordable housing projects, but, if appropriate, will consider a longer term.
- (c) Further information regarding the Requirements is contained in Schedule 1 to the RFP.

1.2 The Requirements stated herein are current as of the date hereof, but they may change or be refined in the course of the evaluation of Proposals or otherwise.

2.0 ITEMS TO BE ADDRESSED IN EACH PROPOSAL

2.1 Each Proposal must have: (i) a title page that clearly indicates the name of the Proponent and the general nature of the Proposal; (ii) a detailed table of contents; and (iii) an executive summary no more than one page long.

2.2 Each Proposal must complete and submit Schedule 2, Estimated Operating Expenses and Revenue Projections table that shows the Project Operating Budget including:

- (a) tenant rent mix indicating tenant served, room type and corresponding rent amounts
- (b) revenue stream
- (c) estimated operating costs separated to show allocations for staffing, insurance, utilities, repair and maintenance, building reserve allocation and other costs;

as well as the Proponent’s funding contribution, if any that could be capital equity, equity endowments or other funding proposals. All costs are to be inclusive of applicable taxes and inclusive of all other costs.

2.3 Each Proposal must have the Proponent’s Mission Statement, Certificate of Incorporation, organizational chart showing accountability and communication relationship, minutes of their most recent Board meeting and a copy of their society constitution/bylaws, list of Board of Directors including positions held, addresses and phone numbers and the latest 2 years of audited financial statements.

2.4 Each Proposal must contain a section titled “Proponent Overview,” which must provide a description of the Proponent’s company, purpose and history of successes including but is not limited to tenant populations served, number of buildings operated, property management experience and partners.

2.4.1 Each proposal must propose affordable rental housing program envisioned for the project, including tenant population, tenant or member supports if applicable, anticipated affordability targets and compatibility with the Yale Hotel pub use.

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- 2.5 Each Proposal must contain a section titled “Key Personnel,” which must identify and provide professional biographical information for the key personnel that would perform the Proponent’s work, outlining their intended roles in meeting the Requirements. If appropriate, also include a complete organization chart, identifying all roles and areas of responsibility.
- 2.6 Preference may be given to Proponents and proposed personnel that demonstrate knowledge and experience involving the operation of the affordable rental housing program. Each Proponent should make clear in its Proposal its relevant knowledge and experience, and that of its proposed personnel.
- 2.7 Each Proposal must contain a section titled “References,” which should provide names and contact information for approximately three parties for whom the Proponent has done work in the past.
- 2.8 Not applicable.
- 2.9 Not applicable.
- 2.10 Not applicable.
- 2.11 The City is committed to environmental and socio-economic sustainability. Therefore, each Proposal must contain a section titled “Sustainability,” wherein the Proponent should describe the environmental and socio-economic sustainability aspects of its Proposal. In addition, this section of the Proposal should include a completed table in the following form where applicable. Proponent may indicate in the Response column if the listed topic is irrelevant:

Sustainability Initiative	Description	Details	Response
a. Packaging Reduction	The City aims to reduce the packaging associated with acquiring various products. More and more suppliers are adopting innovative programs to reduce packaging.	Tell us about your proposed measures to reduce product packaging such as recycle ability, percentage of recycled content, return/collections programs and/or re-use. Examples include providing products in reusable packaging such as plastic totes, reducing unnecessary packaging such as shrink wrap or offering packaging that is made from recycled material.	
b. Greenhouse Gas/Carbon Reduction	The City aims to reduce its greenhouse gas/carbon emissions, where possible as part of its Climate Protection Program.	Tell us how the design and use of your product or service takes into account strategies to reduce its carbon footprint. Examples could include offering products with a limited amount of embedded carbon, having a strategy for limiting transportation-related to service provision and/or purchasing carbon credits to offset emissions	
c. Waste Reduction	The City aims to reduce waste where possible.	Tell us how your firm addresses waste minimization and diversion of waste from the landfill	

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Sustainability Initiative	Description	Details	Response
		in the design of your product or service and its associated delivery, use and disposal. Examples include take-back programs you may have for your products at end-of-life or products that are made from recycled materials.	
d. Toxic Reduction	The City aims to reduce toxins and hazardous substances in the workplace where possible.	Tell us what steps your firm has taken to use 'design for environment' principles to reduce toxic and hazardous substances found in your products. Examples could include products that contain polyvinyl chlorides (PVCs) or volatile organic compounds (VOCs).	
e. Third Party Eco-labelling	The City aims to purchase, when possible, products that are eco-certified or eco-labelled by a recognized third party.	Describe and explain third party certification for the products to be supplied, which includes labelling requirements. State the type of testing performed and the standards applicable to support biodegradable products completely breaking down in the landfills.	
f. Socio-economic Sustainability	Socio-economic sustainability is important to the City. As such, The City aims to do business with suppliers who are striving to advance social and economic wellbeing in the community.	Tell us about your firm's efforts with regards to socio-economic sustainability. Examples include, but are not limited to, broadening educational and professional development opportunities, supporting minority/youth groups, and supporting low-threshold job programs for vulnerable people.	

2.12 Notwithstanding any other provision hereof, the City welcomes Proposals respecting innovative or novel approaches to the City's objectives and requirements and may consider value-creating Proposals that deviate from the Requirements. Each Proposal must contain a section titled "Deviations and Variations," in which the Proponent should: (i) note proposed deviations or variations from the terms and conditions set out in the RFP or from the Requirements, even if such deviations or variation are also noted elsewhere in the Proposal; and (ii) detail proposed amendments to the Form of Agreement. If no amendments to the Form of Agreement are proposed, the Proponent must state that its Proposal is fully consistent with the Form of Agreement.

2.13 If, in addition to proposing services which meet the Requirements, the Proponent wishes to offer an alternative or alternatives, the alternative solution(s) should to be submitted separately as an appendix within the Proposal. Any pricing impact of the alternative solution(s) should be provided separately in the appendix.

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- 2.14 Each Proponent should note Section 9 of Appendix 1 to Part C and should include in its Proposal a section entitled “Conflicts; Collusion; Lobbying” as necessary.
- 2.15 The sections of each Proposal should be arranged in the order in which they are referred to in this Part B. Proponents should avoid, to the extent possible, the inclusion of other top-level Proposal sections.
- 2.16 Each Proponent must submit with its Proposal a Certificate of Existing Insurance, in the form of Schedule 5 to the RFP, duly completed and signed by its insurance agent or broker as evidence of its existing insurance, along with a letter from its insurance broker or agent indicating whether or not (and, if not, then to what extent) it will be able to comply with the insurance requirements set out in the Form of Agreement should the Proponent be selected as a successful Proponent. Any successful Proponent will also be required to provide proof of the satisfaction of all insurance requirements prior to or concurrently with the City entering into any Agreement.
- 2.17 Each Proponent must submit with its Proposal proof of valid WorksafeBC registration and coverage pursuant to the *Workers Compensation Act*. The successful Proponent, if any, will be required as set out in the Form of Agreement to maintain workers compensation coverage in respect of all workers, employees and others engaged by it in any work in or upon the housing project site as required under the *Workers Compensation Act*.

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PART C - FORM OF PROPOSAL LETTER

PROPOSAL FORM

RFP No. PS20131034 OPERATOR FOR AFFORDABLE HOUSING AT THE YALE HOTEL
(the "RFP")

Proponent's Name: _____
"Proponent"

Address: _____

Jurisdiction of Legal Organization: _____

Date of Legal Organization: _____

Key Contact Person: _____

Telephone: _____ Fax: _____

E-mail: _____

The Proponent, having carefully examined and read the RFP, including all amendments and addenda thereto, if any, and all other related information published on the City's website, hereby acknowledges that it has understood all of the foregoing, and in response thereto hereby submits the enclosed Proposal.

The Proponent further acknowledges that it has read and agreed to the Legal Terms & Conditions attached as Appendix 1 hereto and has separately executed such Appendix 1.

IN WITNESS WHEREOF the Proponent has executed this Proposal Form:

Signature of Authorized Signatory for the Proponent

Date

Name and Title

Signature of Authorized Signatory for the Proponent

Date

Name and Title

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APPENDIX 1 TO PROPOSAL FORM

LEGAL TERMS AND CONDITIONS

1. APPLICATION OF THESE LEGAL TERMS AND CONDITIONS

These legal terms and conditions set out the City's and the Proponent's legal rights and obligations only with respect to the RFP proposal process and any evaluation, selection, negotiation or other related process. In no event will the legal terms and conditions of this Appendix 1 apply to, or have the effect of supplementing, any Contract formed between the City and the Proponent or otherwise apply as between the Proponent and the City following the signing of any such Contract.

2. DEFINITIONS

In this Appendix 1, the following terms have the following meanings:

- (a) "City" means the City of Vancouver, a municipal corporation continued pursuant to the Vancouver Charter.
- (b) "Contract" means a legal agreement, if any, entered into between the City and the Proponent as a result of the RFP.
- (c) "Losses" means, in respect of any matter, all direct or indirect, as well as consequential: claims, demands, proceedings, losses, damages, liabilities, deficiencies, costs and expenses (including without limitation all legal and other professional fees and disbursements, interest, penalties and amounts paid in settlement whether from a third person or otherwise).
- (d) "Proponent" means the legal entity which has signed the Proposal Form, and "proponent" means any proponent responding to the RFP, excluding or including the Proponent, as the context requires.
- (e) "Proposal" means the package of documents consisting of the Proposal Form (including this Appendix 1), the Proponent's proposal submitted under cover of the Proposal Form, and all schedules, appendices and accompanying documents, and "proposal" means any proposal submitted by any proponent, excluding or including the Proponent, as the context requires.
- (f) "Proposal Form" means that certain Part C of the RFP, completed and executed by the Proponent, to which this Appendix 1 is appended.
- (g) "RFP" means the document issued by the City as Request for Proposal No. PS20131034 as amended from time to time and including all addenda.

3. NO LEGAL OBLIGATION ASSUMED BY THE CITY

Despite any other term of the RFP or the Proposal Form, including this Appendix 1 (except only Sections 7, 8.2 and 11 of this Appendix 1, in each case to the extent applicable), the City assumes no legal duty or obligation to the Proponent or to any proposed subcontractor in respect of the RFP, its subject matter or the Proposal unless and until the City enters into a Contract, which the City may decline to do in the City's sole discretion.

4. NO DUTY OF CARE OR FAIRNESS TO THE PROPONENT

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The City is a public body required by law to act in the public interest. In no event, however, does the City owe *to the Proponent or to any of the Proponent's proposed subcontractors* (as opposed to the public) any contract or tort law duty of care, fairness, impartiality or procedural fairness in the RFP process, or any contract or tort law duty to preserve the integrity of the RFP process. The Proponent hereby waives and releases the City from any and all such duties and expressly assumes the risk of all Losses arising from participating in the RFP process on this basis.

5. EVALUATION OF PROPOSALS

5.1. Compliance / Non-Compliance

Any proposal which contains an error, omission or misstatement, which contains qualifying conditions, which does not fully address all of the requirements or expectations of the RFP, or which otherwise fails to conform to the RFP may or may not be rejected by the City at the City's sole discretion.

5.2. Reservation of Complete Control over Process

The City reserves the right to retain complete control over the RFP and proposal processes at all times. Accordingly, the City is not legally obligated to review, consider or evaluate the proposals, or any particular proposal, and need not necessarily review, consider or evaluate the proposals, or any particular proposal, in accordance with the procedures set out in the RFP, and the City reserves the right to continue, interrupt, cease or modify its review, evaluation and negotiation processes in respect of any or all proposals at any time without further explanation or notification to any proponents.

5.3. Discussions/Negotiations

The City may, at any time prior to signing a Contract, discuss or negotiate changes to the scope of the RFP, any proposal or any proposed agreement with any one or more of the proponents without having any duty or obligation to advise the Proponent or to allow the Proponent to vary its Proposal as a result of such discussions or negotiations with other proponents or changes to the RFP or such proposals or proposed agreements, and, without limiting the general scope of Section 6 of this Appendix 1, the City will have no liability to the Proponent as a result of such discussions, negotiations or changes.

5.4. Acceptance or Rejection of Proposals

The City has in its sole discretion, the unfettered right to: accept any proposal; reject any proposal; reject all proposals; accept a proposal which is not the lowest-price proposal; accept a proposal that deviates from the requirements of the RFP or the conditions specified in the RFP; reject a proposal even if it is the only proposal received by the City; accept all or any part of a proposal; enter into agreements respecting the subject matter of the RFP with one or more proponents; or enter into one or more agreements respecting the subject matter of the RFP with any other person at any time.

6. PROTECTION OF CITY AGAINST LAWSUITS

6.1. Release by the Proponent

Except only and to the extent that the City is in breach of Section 8.2 of this Appendix 1, the Proponent now releases the City, its officials, its agents and its employees from all liability for any Losses incurred in connection with the RFP or the Proposal, including any Losses in connection with:

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- (a) any alleged (or judicially determined) breach by the City or its officials, agents or employees of the RFP (it being agreed that, to the best of the parties' knowledge, the City has no obligation or duty under the RFP which it could breach (other than wholly unanticipated obligations or duties merely alleged or actually imposed judicially))
- (b) any unintentional tort of the City or its officials or employees occurring in the course of conducting the RFP process,
- (c) the Proponent preparing and submitting the Proposal;
- (d) the City accepting or rejecting the Proposal or any other submission; or
- (e) the manner in which the City: reviews, considers, evaluates or negotiates any proposal; addresses or fails to address any proposal or proposals; resolves to enter into a Contract or not enter into a Contract or any similar agreement; or the identity of the proponent(s) or other persons, if any, with whom the City enters any agreement respecting the subject matter of the RFP.

6.2. Indemnity by the Proponent

Except only and to the extent that the City breaches Section 8.2 of this Appendix 1, the Proponent indemnifies and will protect, save and hold harmless the City, its officials, its agents and its employees from and against all Losses, in respect of any claim or threatened claim by the Proponent or any of its proposed subcontractors or agents alleging or pleading:

- (a) any alleged (or judicially determined) breach by the City or its officials or employees of the RFP (it being agreed that, to the best of the parties' knowledge, the City has no obligation or duty under the RFP which it could breach (other than wholly unanticipated obligations or duties merely alleged or actually imposed judicially));
- (b) any unintentional tort of the City or its officials or employees occurring in the course of conducting the RFP process, or
- (c) liability on any other basis related to the RFP or the proposal process.

6.3. Limitation of City Liability

In the event that, with respect to anything relating to the RFP or this proposal process (except only and to the extent that the City breaches Section 8.2 of this Appendix 1), the City or its officials, agents or employees are found to have breached (including fundamentally breached) any duty or obligation of any kind to the Proponent or its subcontractors or agents whether at law or in equity or in contract or in tort, or are found liable to the Proponent or its subcontractors or agents on any basis or legal principle of any kind, the City's liability is limited to a maximum of \$100, despite any other term or agreement to the contrary.

7. DISPUTE RESOLUTION

Any dispute relating in any manner to the RFP or the proposal process (except to the extent that the City breaches this Section 7 or Section 8.2 of this Appendix 1, and also excepting any disputes arising between the City and any proponent with whom the City has entered a Contract (or a similar contract between the City and a proponent other than the Proponent)) will be resolved by arbitration in accordance with the *Commercial Arbitration Act* (British Columbia), amended as follows:

- (a) The arbitrator will be selected by the City's Director of Legal Services;

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- (b) Section 6 of this Appendix 1 will:
 - (i) bind the City, the Proponent and the arbitrator; and
 - (ii) survive any and all awards made by the arbitrator; and
- (c) The Proponent will bear all costs of the arbitration.

8. PROTECTION AND OWNERSHIP OF INFORMATION

8.1. RFP and Proposal Documents City's Property

- (a) All RFP-related documents provided to the Proponent by the City remain the property of the City and must be returned to the City, or destroyed, upon request by the City.
- (b) The documentation containing the Proposal, once submitted to the City, becomes the property of the City, and the City is under no obligation to return the Proposal to the Proponent.

8.2. Proponent's Submission Confidential

Subject to the applicable provisions of the *Freedom of Information and Protection of Privacy Act* (British Columbia) and the City's full right to publicly disclose any and all aspects of the Proposal in the course of publicly reporting to the Vancouver City Council on the proposal results or announcing the results of the RFP, the City will treat the Proposal (and the City's evaluation of it), in confidence in substantially the same manner as it treats its own confidential material and information.

8.3. All City Information Confidential

- (a) The Proponent will not divulge or disclose to any third parties any non-public documents or information concerning the affairs of the City which have been or are in the future provided or communicated to the Proponent at any time (whether before, during or after the RFP process). Furthermore, the Proponent agrees that it has not and must not use or exploit any such non-public documents or information in any manner, including in submitting its Proposal.
- (b) The Proponent now irrevocably waives all rights it may have by statute, at law or in equity, to obtain any records produced or kept by the City in evaluating its Proposal (and any other submissions) and now agrees that under no circumstances will it make any application to the City or any court for disclosure of any records pertaining to the receipt, evaluation or selection of its Proposal (or any other submissions) including, without limitation, records relating only to the Proponent.

9. NO CONFLICT OF INTEREST / NO COLLUSION / NO LOBBYING

9.1 Declaration as to no Conflict of Interest in RFP Process

The Proponent confirms and warrants that there is no officer, director, shareholder, partner or employee of the Proponent or of any of its proposed subcontractors, or any other person related to the Proponent's or any proposed subcontractor's organization (a "person having an interest") or any spouse, business associate, friend or relative of a person having an interest who is:

- (a) an elected official or employee of the City; or

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- (b) related to or has any business or family relationship with any elected official or employee of the City,

in each case, such that there could be any conflict of interest or any appearance of conflict of interest in the evaluation or consideration of the Proposal by the City, and, in each case, except as set out, in all material detail, in a separate section titled "Conflicts; Collusion; Lobbying" in the Proposal.

9.2. Declaration as to No Conflict of Interest Respecting Proposed Supply

The Proponent confirms and warrants that neither the Proponent nor any of its proposed subcontractors is currently engaged in supplying (or is proposing to supply) goods or services to a third party such that entering into an agreement with the City in relation to the subject matter of the RFP would create a conflict of interest or the appearance of a conflict of interest between the Proponent's duties to the City and the Proponent's or its subcontractors' duties to such third party, except as set out, in all material detail, in a separate section titled "Conflicts; Collusion; Lobbying" in the Proposal.

9.3. Declaration as to No Collusion

The Proponent confirms and warrants that:

- (a) the Proponent has no affiliation, whether legal or financial, with any other entity which is in the business of providing the same type of goods or services which are the subject of the RFP; and
- (b) the Proponent is not competing within the RFP process with any entity with which it is legally or financially associated or affiliated,

in each case, except as set out, in all material detail, in a separate section titled "Conflicts, Collusion, Lobbying" in the Proposal.

9.4. Declaration as to Lobbying

The Proponent confirms and warrants that:

- (a) neither it nor any officer, director, shareholder, partner, employee or agent of the Proponent or any of its proposed subcontractors is registered as a lobbyist under any lobbyist legislation in any jurisdiction in Canada or in the United States of America; and
- (b) neither it nor any officer, director, shareholder, partner, employee or agent of the Proponent or any of its proposed subcontractors has engaged in any form of political or other lobbying whatsoever with respect to the RFP or sought, other than through the submission of the Proposal, to influence the outcome of the RFP process,

in each case as set out, in all material detail, in a separate section titled "Conflicts, Collusion, Lobbying" in the Proposal.

10. NO PROMOTION OF RELATIONSHIP

The Proponent must not disclose or promote any relationship between it and the City, including by means of any verbal declarations or announcements and by means of any sales, marketing or other literature, letters, client lists, press releases, brochures, web sites or other written materials (whether in print, digital, electronic or other format) without the express prior written consent of the City. The Proponent undertakes not to use the name, official emblem,

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mark, or logo of the City, including without limitation, "City of Vancouver", "Vancouver Police Board", "Vancouver Public Library", "Vancouver Park Board", "Vancouver Board of Parks and Recreation", or any other reference to any of the foregoing, without the express prior written consent of the City.

11. GENERAL

- (a) All of the terms of this Appendix 1 to this Proposal Form which by their nature require performance or fulfillment following the conclusion of the proposal process will survive the conclusion of such process and will remain legally enforceable by and against the Proponent and the City.
- (b) The legal invalidity or unenforceability of any provision of this Appendix 1 will not affect the validity or enforceability of any other provision of this Appendix 1, which will remain in full force and effect.
- (c) The Proponent now assumes and agrees to bear all costs and expenses incurred by the Proponent in preparing its Proposal and participating in the RFP process.
- (d) The Proponent consents to the City contacting any references named by the Proponent in the Proposal.

AS EVIDENCE OF THE PROPONENT'S INTENT TO BE LEGALLY BOUND BY THIS APPENDIX 1, THE PROPONENT HAS EXECUTED AND DELIVERED THIS APPENDIX 1 AS AN INTEGRAL PART OF ITS PROPOSAL FORM IN THE MANNER AND SPACE SET OUT BELOW:

Signature of Authorized Signatory for the Proponent

Date

Name and Title

Signature of Authorized Signatory for the Proponent

Date

Name and Title

**NOTE: THIS AGREEMENT WILL BE SIGNED WITH THE SUCCESSFUL
PROPONENT**

OPERATING AGREEMENT

Between

(the "Society")

and

CITY OF VANCOUVER

(the "City")

Regarding:

The Yale Hotel

1300 Granville Street, Vancouver, BC

And

Dated as of November XX , 2013

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PART D - FORM OF AGREEMENT

AGREEMENT SUMMARY

PART 1 - SUMMARY

1. It is intended that the Society will as of the Commencement Date assume the day-to-day and long-term financial and operational responsibility for management and administration of the Yale Hotel Single Room Occupancy.
2. Accordingly, pursuant to the Lease of even date, the Society has leased the Yale Hotel from the City for a term of 60 years.
3. This Agreement supplements the Lease by setting forth details of the agreed day-to-day and long-term operational requirements applicable to the Yale Hotel.
4. The goal of this Agreement and the Lease is to provide safe, secure, well managed and fairly priced accommodation for people who meet the criteria set forth in this Agreement and the Lease.
5. The Yale Hotel consists of 43 units that will be made available for persons who are eligible Tenants, and does not include any commercial or retail space.
6. The Society will preserve and protect the Yale Hotel, and will collect Operating Income and will pay Operating Expenses, on the terms and conditions of this Agreement.
7. The City 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 parties to this Agreement and the Tenants in mind.

AGREEMENT

The parties agree as follows for the Term of this Agreement which is dated for reference, **November _ 2013** (Date to be determined).

PART 2 - AGREEMENT

8. **TERM.** This Agreement is for a term of 60 years commencing on the Commencement Date.
9. **PERFORMANCE STANDARDS.** The Society will meet the Performance Standards and will provide written reports on its achievement of the Performance Standards as required by this Agreement or as otherwise reasonably requested from time to time by the City.
10. **FINANCIAL SUPPORT.** The City will provide financial support to the Society as specified by the Leases, and this Agreement.
11. **ENTIRE AGREEMENT.** All of the Schedules described in the Table of Contents and attached to this Agreement are an integral part of this Agreement.

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.
12. **NO DEFAULT.** Notwithstanding any other term of this Agreement, including without limitation its schedules, the City acknowledges and agrees that the Society will not be liable and will not be in default of this Agreement as a result of any acts or omissions of any previous operator of the Yale Hotel, including without limitation, relating to any Tenancy Agreements existing as at the Commencement Date or the condition of the Yale Hotel as at the Commencement Date.
13. **ASSIGNMENT OF TENANCY AGREEMENTS.** Concurrent with the execution of this Agreement, the City and Society will enter into an assignment of the Tenancy Agreements in effect as of the Commencement Date in respect of the Yale Hotel.

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IN WITNESS of which the duly authorized signatories of each of the Society and the City have executed this Agreement effective as of the Commencement Date:

HOUSING SOCIETY

Per its authorized signatory

Date Signed:

Name/Title:

CITY OF VANCOUVER

Per its authorized signatory

Date Signed:

Name/Title:

DRAFT

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SCHEDULE A - GENERAL PROVISIONS AND SCHEDULES

A. DEFINITIONS

1. **“Alterations”** means all alterations, changes, replacements, substitutes, additions and improvements to the Yale Hotel.
2. **“Annual Maintenance Plan”** means a plan, to be prepared by the Society in form and contents to be pre-approved by the City, acting reasonably, that sets out the maintenance, repair and replacement standards and practices and the estimated costs required to preserve the non-capital components and the good operating order of the Yale Hotel, in the upcoming twelve (12) month.
3. **“Assets”** of a Tenant (where "Tenant" includes all persons for whom the Residential Unit serves as the principal residence) means all tangible personal and real property of a potential income earning nature and includes without limitation, accounts in banks, trust companies, etc; stocks and bonds; real estate; equity in a business; Registered Retirement Savings Plans; and cash.
4. **“Below Market Tenant”** means a Tenant (where "Tenant" includes all persons for whom the Residential Unit serves as the principal residence), who is receiving old age security or Income Assistance or who earns a Low Income. These criteria will be reviewed periodically by the City and may be amended acting reasonably, provided that not less than 60 days prior written notice is given of any such amendments to the Society and that the City consults with the Society regarding the potential to ‘grandparent’ any Tenants who met the former criteria.
5. **“Below Market Tenant Rent”** means the amount a Below Market Tenant is obliged to pay monthly to the Society for a Residential Unit based on the Rent Scale.
6. **“Capital Maintenance Plan”** means a plan, to be prepared by the Society in form and contents to be pre-approved by the City, acting reasonably, that sets out the maintenance, repair and replacement standards and practices and the estimated costs required to preserve the capital components of the Yale Hotel over a sixty (60) year period (refer to *Schedule A, Clause B.1, Schedule B, Clause C.1 and Schedule C, Clauses B.1 and C.1*).
7. **“Capital Maintenance and Replacement Reserve”** means a reserve to be established, funded and managed by the Society as more particularly described in *Schedule B, Clauses C.1 and D.1.a*.
8. **“City Personnel”** means each of the elected officials, officers, employees, contractors and agents of the City, and their respective heirs, executors, administrators, personal representatives, successors and assigns.
9. **“Commencement Date”** *to be determined*
10. **“Declaration of Income and Assets”** has the meaning ascribed to that term in *Schedule B, Clause E*.
11. **“Event of Default”** has the meaning set out in this *Schedule A, Clause I*.
12. **“Existing Capital Maintenance and Replacement Reserve”** means a capital maintenance and replacement reserve that the City has set aside in respect of the Yale Hotel prior to the Commencement Date, which is approximately \$23,220.
13. **“Fiscal Year”** means the fiscal year of the Society, to be provided by the society.
14. **“Income”** of a Tenant (where "Tenant" includes all persons for whom the Residential Unit serves as the principal residence) means the total annual income before income tax from all sources of the Tenant, calculated as of the date when the Tenant becomes a resident of the Yale Hotel, and includes without limitation, all income from earnings, including commissions and tips; all income from all public and private pension plans, Old Age

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- Security and Guaranteed Income Supplement; all income received under the *Employment and Assistance Act* (British Columbia), the *Employment and Assistance for Persons with Disabilities Act* (British Columbia), or successor legislation; Disabled Veteran's Allowance; alimony; child support; workers' compensation benefits; employment insurance; and actual income from assets; but excludes, the items listed in *Schedule G, Clause B*.
15. "Income Assistance" means income received under the *Employment and Assistance Act*, (British Columbia) the *Employment and Assistance for Persons with Disabilities Act* (British Columbia), or successor legislation.
 16. "Lease" means the lease agreement entered into concurrently with this Agreement by the City and the Society, pursuant to which the City agreed to lease the Yale Hotel to the Society for 60 years.
 17. "Low Income" means Income earned by a Tenant (where "Tenant" includes all persons for whom the Residential Unit serves as the principal residence) that is insufficient to enable the Tenant to pay Market Rent for suitable housing, according to such assessment criteria and Income thresholds as the City may stipulate. Those criteria and the Income level(s) applicable will be reviewed periodically by the City and may be amended acting reasonably, provided that not less than 60 days prior written notice is given of any such amendments to the Society and that the City consults with the Society regarding the potential to 'grandparent' any Tenants who met the former criteria.
 18. "Market Rent" means the rates charged for the Residential Unit that reflects the prevailing market rent for comparable units.
 19. "Market Tenant" means a Tenant that pays the Market Rent for a Residential Unit.
 20. "Operating Budget" means the annual budget for the Yale Hotel prepared by the Society in accordance with *Schedule B, Clause A*.
 21. "Operating Expenses" means all sums, costs, expenses, outgoings and other amounts, other than Basic Rent (as defined in the Lease), payable in respect of the Yale Hotel, including, without limitation the costs or shared costs relating to:
 - a. the insurance required by the Lease;
 - b. sewer, water and garbage and recycling pickup;
 - c. Utilities;
 - d. staffing costs;
 - e. funding the Capital Maintenance and Replacement Reserve and the Operating Reserve;
 - f. maintenance and repair of the structure, including the roof, roof membrane, bearing walls, foundations and floors of the buildings in the Yale Hotel;
 - g. maintenance and repair of the exterior of the building;
 - h. maintenance, repair and replacement of the fire alarm and safety systems;
 - i. maintenance, repair and replacement of the heating, hot water, plumbing, electrical, sanitary and storm drainage systems;
 - j. maintenance, repair and replacement of capital items such as refrigerators, floor coverings, washers, dryers and common area furniture and equipment (if any);
 - k. maintenance, repair and replacement of other capital items;
 - l. carpet cleaning, fumigation and pest control;
 - m. Realty Taxes and amounts payable in lieu of Realty Taxes pursuant to the Lease;

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- n. administration costs, including accounting and legal fees;
 - o. any other expenses identified;
 - p. amounts payable by the Lessee under Permitted Encumbrances (each as defined in the Lease);
 - q. all equipment, materials and supplies required to perform any of the foregoing;
22. **"Operating Income"** means all gross income, revenue, sums and other amounts, directly or indirectly, collected by or credited to the Society pursuant to this Agreement or the Lease (other than the Existing Capital Maintenance and Replacement Reserve), including, without limitation, Rents, laundry machine revenue and other fees and charges payable by Tenants for use of the Yale Hotel, amounts payable to the City (other than in its regulatory capacity as a municipal corporation) under Permitted Encumbrances (as defined in the Lease) which by the terms of this Lease are payable to the Lessee instead.
23. **"Operating Reserve"** means a reserve to be established, funded and managed by the Society from Operating Surpluses, in an amount equivalent to:
- a. in the first year of the Term, the annual Operating Budget for that year
 - b. thereafter, the total operating costs for the Fiscal Year most recently completed based on the Society's audited financial statements (exclusive of Capital Maintenance and Replacement Reserve contributions),
24. **"Operating Surplus"** means any surplus Operating Income remaining after payment of all Operating Expenses as more particularly described in *Schedule B, Clause D*.
25. **"Performance Standards"** means those required practices and standards of performance that the Society must meet in accordance with this Agreement, and more particularly described in *Schedule F- Performance Standards*.
26. **"Price Index"** means the price index published by Statistics Canada (or by a successor or other governmental agency, including a provincial agency, if Statistics Canada stops to publish such data), in respect of the historical cost of the construction of apartment buildings in the Vancouver metropolitan area, or if such price index is no longer published, an index published in substitution for the price index or a substantially similar replacement index designated by the City, or if no comparative calculation can reasonably be made by reference to any such price index, then by reference to such other analysis which, in the parties' mutual opinion both acting reasonably, most accurately indicates the changes in the cost of the construction of apartment buildings in the Vancouver metropolitan area during the period in question.
27. **"Realty Taxes"** means all assessments for taxes, rates, duties (including school taxes, local improvement rates and other charges levied pursuant to the *Hospital District Finance Act* (British Columbia), the *Municipal Finance Authority Act* (British Columbia) or otherwise, including by or for Translink, BC Assessment and Metro Vancouver) and all other charges for services used in or supplied to the Yale Hotel (including penalties and interest accruing due as a result of default in payment by the Society) that now are or will or may be levied, rated, charged or assessed against the Yale Hotel, and all other structures, machinery, equipment, facilities and other property of any nature whatsoever located thereon or therein, charged by any municipal, parliamentary, legislative, regional, school or other authority during the Term.
28. **"Reciprocal Easements Agreements"** means the Reciprocal Easements for Support, Access, Utility Systems and Other Uses, Section 219 Covenant, Equitable Charges, and Cost Sharing Agreement dated for reference the ___ day of _____, 2013 between the City and _____, which Agreement was registered in the Land Title Office under numbers _____ on the ___ day of _____, 2013.

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[Note to Proponents: Following the transfer of the Yale Hotel to the City as described in Section 3 of Schedule 1 to the RFP and the transfer of the balance of the property to a third party, the Reciprocal Easement Agreement will be registered on title to both parcels of the property. The Society will be required by the terms of their lease with the City and by Section B.15 of the Operating Agreement to perform the obligations, and will be entitled to enjoy the rights, of the City under that Reciprocal Easement Agreement.]

29. "Rent" means the charge, determined and assessed by the Society from time to time, payable monthly by a Tenant pursuant to a Tenancy Agreement for the right to occupy a Residential Unit.
30. "Rent Scale" means the rent scale attached as *Schedule G - Rent Scale* as amended pursuant to this Agreement from time to time.
31. "Replacement Reserve Study" means a study and analysis of the estimated costs needed to perform the repair or replacement of capital components of the Yale Hotel as and when needed, and the anticipated availability or shortfall of funding in the Capital Maintenance and Replacement Reserve to cover such costs as and when anticipated to be incurred
32. "Residential Unit" means each unit
33. "Society Personnel" means each of the directors, officers, employees, contractors and agents of the Society, and their respective heirs, executors, administrators, personal representatives, successors and assigns.
34. "Tenancy Agreement" means an agreement, lease, license or other right of a Tenant to occupy a Residential Unit that complies with the *Schedule E - Tenancy Agreement*.
35. "Tenant" means the person or persons legally entitled to reside in a Residential Unit pursuant to a Tenancy Agreement, including any person residing in a Residential Unit who is not named in the Tenancy Agreement.
36. "Term" means the 60 year period from the Commencement Date.
37. "Utilities" means all charges, rates and levies on account of utilities, including for heat, electricity, gas, telephone, television, internet and other costs and expenses of a similar nature, and, if not included in Realty Taxes, for water and garbage collection.
38. "WorkSafeBC" means the Workers' Compensation Board of British Columbia, an agency created in 1917 to promote workplace safety, and is that agency's familiar name.
39. "Yale Hotel" means the air space parcel consisting of the second and third floors of the building located at 1300 Granville Street and with the legal description: No PID Number, Air Space Parcel 1 Block 113 District Lot 541 Group 1 New Westminster District Plan EPP32587.

B. RESPONSIBILITIES OF THE SOCIETY

1. **Society's Acknowledgements.** The Society acknowledges that it is entering into this Agreement to manage and operate the Yale Hotel and that it will do so in a proper, efficient and timely manner as would a prudent owner of similar property and that its purpose in managing and operating the Yale Hotel is to benefit the public interest.
2. **Corporate Organization.** The Society will establish a well-organized corporate structure, and, in particular, will:
 - a. conduct business in accordance with its constating documents and in a manner that does not permit personal gain, directly or indirectly, by any director, officer, member or employee of the Society or any of their associates or family members; and
 - b. maintain accurate and complete records of all aspects of its operations under this Agreement.

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3. **City Lease.** The Society acknowledges that its rights and obligations hereunder are subject to the Lease.
4. **Society Restrictions.** During the Term, the Society will remain in good standing under all applicable legislation in British Columbia and Canada including the *Society Act* (British Columbia) and will use substantially all its income, gains and accretions to promote its main purposes and activities.
5. **Restrictions on Authority.** The Society must not commit or otherwise obligate the City in any manner whatsoever, except to the extent specifically provided in this Agreement or the Lease, or as specifically authorized in writing by the City and in particular, without limiting the generality of the foregoing, the Society must not take any action, expend any sum, make any decision, give any consent, approval or authorization or incur any obligation with respect to any of the following matters except with the prior written approval of the City:
 - a. charging or allowing any encumbrance to charge title to all or any part of the Yale Hotel ; and
 - b. executing any lease or any other arrangement involving the rental, use or occupancy of all or part of the Yale Hotel other than a Tenancy Agreement in accordance with this Agreement.
6. **Agency.** This Agreement shall not be construed as creating any partnership or agency between the City and the Society, and no party shall be deemed to be the legal representative of any other party for the purposes of this Agreement. Neither of the City or the Society shall have, and shall not represent itself as having, any authority to act for, to undertake any obligation on behalf of any other party, except as expressly provided in this Agreement or the Lease.
7. **Use of the Yale Hotel.** The Society will not use the Yale Hotel for any purpose that is not authorized by this Agreement.
8. **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 the City, give rise to a conflict of interest between the obligations of the Society to the City under this Agreement or the Lease, as applicable, and the obligations of the Society to such other person or entity. In addition, the Society covenants with the City that:
 - a. it will not pay directly or indirectly to any of its directors or their relatives by blood or marriage (including common-law marriage) any money obtained from the operation of the Yale Hotel, or from the operation of other premises leased from the City, or otherwise received from the City, without the express written consent of the City;
 - b. it will not, by contract or otherwise, pay to any of its former directors or their relatives by blood or marriage (including common-law marriage), pursuant to any contract or arrangement made when the former director was a director of the Society, money obtained from the operation of the Yale Hotel, without the express written consent of the City;
 - c. subject to sub-paragraphs (a) and (b) immediately above, the Society may enter into bona fide arm's length contracts with Tenants of the Yale Hotel for the provision of services in furtherance of the good management of the Yale Hotel; and
 - d. notwithstanding the foregoing, the Society may reimburse its directors, former directors, their relatives by blood or marriage or Tenants of the Yale Hotel for out-of-pocket expenses incurred for the proper management of the Yale Hotel but only upon the proof of such expenditure by the production of bona fide receipts.

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9. **Constating Documents.** The Society will not alter its constating documents in any material way that would render the Society unable to fulfill its obligations under this Agreement or the Lease, as applicable.
10. **Management of the Yale Hotel.** The Society will manage and operate the Yale Hotel in a proper, efficient and timely manner as would a prudent owner/manager of similar property and will:
- a. meet all statutory and other obligations having the effect of law applicable to the Society in performing its obligations under this Agreement, including but not limited to, the requirements of the *Personal Information Protection Act* (British Columbia), *Freedom of Information and Protection of Privacy Act* (British Columbia), *Workers Compensation Act* (British Columbia), *Tobacco Control Act* (British Columbia), *Human Rights Code* (British Columbia), and associated regulations, and obligations under all contracts the Society enters into in connection with the Yale Hotel and the requirements of any insurer of the Yale Hotel;
 - b. contract only with a qualified professional management and maintenance services company, for the management of the Yale Hotel, including building maintenance services, to the extent the Society does not itself perform any such services;
 - c. ensure that the Yale Hotel and the systems and equipment therein are managed and maintained in accordance with all applicable statutory health and safety standards to ensure the health and safety of persons at or near the Yale Hotel, and that the same are at all times in a satisfactory state of repair and fit for human habitation, and in a manner that eliminates/reduces safety hazards;
 - d. abide by the terms and conditions of all Schedules hereto;
 - e. ensure that employees and contractors who carry out repairs and maintenance on behalf of the Society do so in compliance with all WorkSafeBC and other statutory requirements, acquiring environmental or other building assessments by accessing known inventories or through hazmat surveys prior to renovation/repair work;
 - f. conduct risk assessments prior to commencing work and make reasonable commercial efforts to ensure that employees and/or contractors follow safe work procedures which control any hazards to the health and safety of persons at the Yale Hotel;
 - g. use its reasonable commercial efforts to maintain full occupancy of the Residential Units and select Tenants as set out in *Schedule D*;
 - h. not enter into a contract for the management of all or part of the Yale Hotel by any person or organization, unless approved by the City acting reasonably; and
 - i. comply with the requirements of *Schedule F - Performance Standards*.
11. **Maintenance and Capital Repair and Replacement.** The Society, utilizing qualified professionals, will meet the Performance Standards, and will:
- a. implement a program of regular inspections, repair and maintenance to the Yale Hotel and the systems and equipment therein, in a manner that maintains their value, enables them to meet or exceed their anticipated life expectancy, preserves their value and appearance, and reduces replacement costs, all in accordance with the Annual Maintenance Plan, manufacturer recommendations and industry best practices;
 - b. implement the recapitalization/life cycle replacement of building systems, including equipment, structures, surfaces or fixtures installed in the Yale Hotel, that have reached or exceed their life expectancy, have failed, or have become a maintenance liability, and perform major repairs, major inspections and overhauls on a cycle of three (3) years or greater, all in accordance with the Capital

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- Maintenance Plan, the Operating Budget and the Capital Maintenance and Replacement Reserve pre-approved by the City;
- c. prepare and deliver to the City the first Annual Maintenance Plan by not later than the Commencement Date, and thereafter prepare and deliver to the City an Annual Maintenance Plan by not later than the first day of the Society's Fiscal Year in each year of the Term, unless the City and the Society otherwise agree;
 - d. prepare and deliver to the City the first Capital Maintenance Plan by not later than the Commencement Date, and thereafter prepare and deliver to the City a revised and updated Capital Maintenance Plan by not later than the first day of every third Fiscal Year of the Society during the Term, unless the City and the Society otherwise agree;
 - e. establish a Capital Maintenance and Replacement Reserve that must be maintained and used only for the purposes identified in the Annual Maintenance Plan, the Capital Maintenance Plan or otherwise approved in writing by the City;
 - f. advise the City immediately if it becomes aware of any structural deficiency in the Yale Hotel, which requires the intervention of the City;
 - g. ensure that all work and services provided by third parties is competitively priced and represents reasonable value for the Yale Hotel, and the City as the owner thereof, including using requests for proposals or invitations to tender to obtain multiple competitive proposals or bids for comparison purposes where considered appropriate. Written records of proposals and bids so obtained must be retained for not less than seven years and made available to the City upon reasonable request;
 - h. provide the City with the reports contemplated by *Schedule C - Monitoring and Reporting*; and
 - i. comply with the requirements of *Schedule H - Service Level Agreement*.
- 12. Preservation of Assets.** The Society will ensure that all buildings, Yale Hotel-related equipment and other Yale Hotel-related chattels belonging to the City, or acquired by the Society on behalf of the City during the Term, are maintained in good repair throughout the Term. At the end of the Term, the Society will return all Yale Hotel-related equipment and other Yale Hotel-related chattels to the City in the same condition as at the start of this Agreement, normal wear and tear excepted.
- 13. Existing Capital Maintenance and Replacement Reserve.** Upon receiving the Existing Capital Maintenance and Replacement Reserve from the City, the Society will forthwith deposit it in a segregated and dedicated account for Capital Maintenance and Replacement Reserve funds, and thereafter will use those funds only for the purposes for which it is authorized to use the Capital Maintenance and Replacement Reserve.
- 14. Communication with the City.** The Society, as soon as reasonably possible, will:
- a. provide the City with details on all incidents that are significant enough to threaten the continuous operation of the Yale Hotel as contemplated by this Agreement and the Lease, including but not limited to, fire, flood, outbreaks of infectious diseases, pest infestation and/or the death of Tenants and staff on site;
 - b. notify the City before making any changes that could diminish the Society's ability to fulfill its obligations under this Agreement or the Lease; and
 - c. submit for review by the City all material policy changes related to the Yale Hotel.
- 15. Reciprocal Easements Agreements.** The Society will familiarize itself with the rights and duties of the parties to the Reciprocal Easements Agreements and the other "Permitted Encumbrances" under the Lease, and comply strictly with the obligations of the City

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therein as owner of the Yale Hotel, respectively, unless otherwise requested or instructed by the City.

- 16. Insurance.** The Society will comply at all times during the Term with the insurance and other requirements set forth in Schedule I - Insurance.

C. RIGHTS AND RESPONSIBILITIES OF THE CITY

- 1. Responsibilities.** The City will:

- a. transfer the Existing Capital Maintenance and Replacement Reserve to the Society;
- b. assign a person to act as liaison with the Society who will have the ability and authority to resolve issues or facilitate the resolution of issues;
- c. provide advice and guidance to the Society in managing the Yale Hotel;
- d. monitor the operation of the Yale Hotel and the use by the Society of the Yale Hotel and the Capital Maintenance and Replacement Reserve and the Operating Reserve in accordance with this Agreement, to ensure that the standards, objectives and expectations in this Agreement are met;
- e. provide timely responses to issues raised by the Society to ensure the Society receives adequate support; and
- f. except in the event of an emergency which in the City's reasonable opinion requires entry without waiting for expiry of the below notice period in order to prevent potential loss or damage including loss of life, the City will give the Society 48 hours notification of its intent to enter the Yale Hotel.

- 2. Naming Rights.** Without limiting the other rights of the City as set forth elsewhere in this Agreement, the City hereby expressly retains all rights in respect of naming of the Yale Hotel, or any portion(s) thereof, with the exception of the Society's name, and the placing of plaques, signs or other means of displaying such names or other means of recognition, as well as all financial and other benefits that may derive directly or indirectly from those rights. The Society is expressly prohibited from displaying, or allowing to be displayed, any signs, plaques or other means of identifying or advertising any goods or services on or in the Yale Hotel, without the prior express written consent of the City. The Society may display signs identifying the Society by name, location, number, etc. with the permission of the City.

- 3. Representations and Warranties of the City.** The City represents and warrants to the Society that it has to the Commencement Date complied, and covenants and agrees to (to the extent in the control of the City) continue to comply, with the *Strata Property Act*, as applicable, in respect of the Yale Hotel.

D. FINANCIAL MANAGEMENT

- 1. Finances.** The Society will establish written policies and procedures for effective control of finances for the Yale Hotel and, in particular, will:
- a. establish and maintain books of account and retain invoices, receipts and vouchers for all expenses incurred with respect to the Yale Hotel in form and content satisfactory to the City, to be used as the basis for the calculation of Operating Expenses;
 - b. prepare an Operating Budget in advance of each Fiscal Year and regularly review the financial affairs of the Yale Hotel in accordance with *Schedule B*;

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- c. ensure that sound written financial operating policies and procedures are in place for the Yale Hotel, including record keeping and financial statements in accordance with Generally Accepted Accounting Principles (GAAP); and
 - d. provide annual financial statements for the Yale Hotel, indicating that the Society has properly funded and maintained the Capital Maintenance and Replacement Reserve and other reserves, as applicable, and that all interest accruing to the Capital Maintenance and Replacement Reserve and other reserves, as applicable, has been recorded.
 2. **Auditor.** The Society will appoint an auditor of the Society in compliance with the *Society Act* (British Columbia) 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 with respect to the Yale Hotel. The City reserves the right to decrease these requirements at its sole discretion.
 3. **Audited Financial Statements to be submitted.** The Society will submit audited financial statements for the Yale Hotel to the City within four months after the end of each Fiscal Year.
- E. **BOOKS AND ACCOUNTS**
 1. **Operating Income.** All Operating Income received by the Society from whatever source with respect to the Yale Hotel will be collected by the Society, held by the Society and used by the Society solely for the purpose of and to the extent authorized by this Agreement.
 2. **City Audit.** The City reserves the right to audit the books, records and accounts of the Society pertaining to its operation of the Yale Hotel at any reasonable time.
- F. **RECORDS**
 1. **Records, Retention and Access.** The Society will maintain adequate operational records for the Yale Hotel and the following apply:
 - a. the Society will retain all documents, vouchers, records and accounts that pertain to Yale Hotel for not less than seven years following the date of receipt or production of those records;
 - b. the City or its agents may inspect all records maintained by the Society for the Yale Hotel 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 the City's obligations pursuant to the *Freedom of Information and Protection of Privacy Act* (British Columbia), the Society will, upon request:
 - i. disclose to a Tenant the Society's file for the Tenant; and
 - ii. cooperate with the City if the City has a request to disclose third party information under the *Freedom of Information and Protection of Privacy Act* (British Columbia),
subject to the Society's compliance with its obligations under that Act and any other applicable legislation.
 2. **Information Management.** The Society will:
 - a. collect information and, if applicable, create and retain records in relation to Tenants during the Term of this Agreement, as required by this Agreement, all in accordance with the requirements of the *Personal Information Protection Act* (British Columbia) as applicable;

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- b. notify the City immediately upon becoming aware of any breach of security involving the unauthorized collection, use, disclosure or destruction of information relating to the Yale Hotel;
- c. treat as confidential all information or material provided to the Society by the City, by Tenants, or by third parties if the information concerns Tenants and is relevant to this Agreement;
- 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; and
- e. safeguard records and not permit their disposition or destruction without the prior written consent of the City, except as required by applicable law, including the *Document Disposal Act* (British Columbia).

G. LIABILITY

- 1. **Indemnity of the City.** The Society will indemnify and save harmless the City and City Personnel, from all claims and costs incurred by the City or City Personnel to the extent the same arise from a breach of this Agreement by, or the negligence of, the Society or Society Personnel or other persons for whom at law the Society is responsible, as applicable.
- 2. **Survival.** The indemnities set out in *Schedule A, Clause G.1* and *G.2* will survive termination or expiry of this Agreement.
- 3. **Assignment and Subcontracting.**
 - a. The Society will not assign, either directly or indirectly, this Agreement or any right or obligation of the Society, respectively, under this Agreement, without the prior written consent of the City;
 - b. No subcontract entered into by the Society will relieve the Society of any of its obligations under this Agreement or impose upon the City 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;
 - c. This Agreement will be binding upon the City and its assigns and the Society and its successors, and permitted assigns; and
 - d. The City will provide the Society with 90 days' notice of intent to assign or subcontract its responsibilities under this Agreement.

H. GENERAL PROVISIONS AND INTERPRETATION

- 1. **Reasonableness.** Wherever in any provision of this Agreement the City is required or empowered to give its consent or approval or exercise its discretion, the City agrees not to withhold such consent or approval nor exercise such discretion unreasonably or arbitrarily, unless the contrary intent is specifically expressed in such provision, and will give or deny such consent or approval and exercise such discretion without unreasonable delay.
- 2. **Determination by the City Binding.** Intentionally deleted.
- 3. **Notices.** All notices, demands or requests of any kind, which any party may be required or permitted to serve on another party in connection with this Agreement, will be in writing and may be served on the parties by mail, or by personal service or courier, addressed as follows:

If to the Society:

TBD

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Vancouver, British Columbia

Attention:

If to the City:

The City of Vancouver

453 West 12th Avenue

Vancouver, British Columbia V5Y 1V4

Attention: City Clerk

cc: Managing Director

Social Development, Community Services Group,

And: Director of Real Estate Services

- or at such other address as the parties may from time to time advise by notice in writing. The date of receipt of any such notice, approval or request will be deemed to be the date of delivery of such notice, approval or request if served personally or by courier or, on the fifth business day next following the date of such mailing if mailed as aforesaid, provided that if mailed should there be, between mailing and the actual receipt of such notice, approval or request, a mail strike, slowdown or other labour dispute which might affect the delivery of such notice, approval or request, such notice, approval or request will only be effected if actually delivered. This Agreement will enure to the benefit of and be binding upon the parties hereto and their respective successors, administrators and permitted assigns
4. **Whole Agreement.** There are no warranties, representations, conditions or collateral Agreements that pertain to this Agreement, except as set forth in this Agreement.
 5. **Enuring Effect.** This Agreement enures to the benefit of and binds each of the City and the Society and their respective successors and permitted assigns.
 6. **Definitions.** The meanings of terms used in this Agreement are set out in *Schedule A, Clause A*.
 7. **Time.** Time is of the essence of this Agreement. If any party expressly or impliedly waives this requirement, that party may reinstate it by delivering notice to the other parties. Any time specified in this Agreement for observing or performing an obligation is local time in Vancouver, British Columbia.
 8. **Governing Law.** This Agreement is to be governed by and construed and enforced in accordance with the laws of the Province of British Columbia.
 9. **References.** If the singular, masculine, feminine or neutral is used in this Agreement, the reference is to the plural, masculine, feminine or body corporate according to the context in which it is used.
 10. **Construction.** The division of this Agreement into sections and the use of headings are for convenience of reference only and are not intended to govern, limit or aid in the construction of any provision. In all cases, the language in this Agreement is to be construed simply, according to its fair meaning and not strictly for or against any party.
 11. **No Limitation.** The word "including" when following any general statement, term or matter is not to be construed to limit that general statement, term or matter to the specific items set forth immediately following that word or to similar items. That general statement,

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term or matter is to be construed to refer to all other items that could reasonably fall within the broadest possible scope of that general statement, term or matter.

12. **Document Written in Present Tense.** The word "will", where the subject is either or both of the parties, denotes a present obligation.
13. **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.
14. **Waiver.** No consent or waiver, expressed or implied, by a party of any default by another 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 any party to complain of any act or failure to act by another party or to declare such 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.
15. **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.
16. **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 and release, survives the expiry or earlier termination of the Term until it has been observed or performed.
17. **Financial Terms.** All accounting terms not otherwise defined in this Agreement have the meanings assigned to them, and all calculations to be made under this Agreement are to be made in accordance with Canadian Generally Accepted Accounting Principles consistently applied.
18. **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.

I. DEFAULT, INTERVENTION AND REMEDIES

1. **Event of Default by the Society.** 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 the Lease beyond any cure or notice period;
 - b. failure to materially meet the Performance Standards or any other material provision of this Agreement;
 - c. the Society fails to remain in good standing under the *Society Act* (British Columbia), or becomes insolvent or otherwise acknowledges its insolvency, or commits an act of bankruptcy, or makes an assignment for the benefit of its creditors, or an order is made or a resolution is passed, or a petition is filed for the liquidation or winding up of the Society, or a receiver is appointed to manage any of the assets of the Society, or the Society ceases to operate;

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- d. the Society is in breach of or fails to materially comply with any law, by-law or regulation applicable to the performance of its obligations hereunder;
 - e. any material 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 significant 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. **Event of Default by the City.** Any of the following events will constitute an Event of Default by the City under this Agreement:
- a. failure to materially perform the provisions of this Agreement that are the responsibility of the City;
 - b. the City is in breach of or fails to comply with any law, by-law or regulation applicable to the performance of its obligations hereunder;
 - c. any material representation or warranty made by the City in accepting this Agreement is found to be untrue or incorrect; and
 - d. if the City knew or ought to have known any significant information, statement, certificate, report or other document furnished or submitted by, or on behalf of, the City pursuant to, or as a result of, this Agreement is untrue or incorrect.
3. Subject to *Clause J.1* below, the following is the procedure for intervention by the City upon the occurrence of an Event of Default by the Society (subject to the provisions of the Lease where the Event of Default arises from a breach of either of those agreements):
- a. **Communication.** The City will give the Society written notice of the Event of Default, which notice will provide for a reasonable time for the Society to respond to the notice of Event of Default by providing further information concerning the Event of Default and to cure the Event of Default.
 - b. **Action Plan.** The City and the Society will agree on an action plan to cure the Event of 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 the City will review progress on implementation of the action plan.
 - c. **On Watch.** If the Society does not cure the Event of Default within a reasonable time, the City may place the Society “On Watch”, which means that:
 - i. this is a warning that the City will intervene further if the Event of Default is not cured;
 - ii. the City will monitor the operation of the Yale Hotel and the performance of obligations under this Agreement by the Society 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 Event of Default, the City will lessen its monitoring and the On Watch status may be withdrawn.
 - d. **Co-management.** The City may appoint a manager to work with and supervise the Society, in operating the Yale Hotel and in curing the Event of Default, in order to:
 - i. improve the Society’s, management of the Yale Hotel and return operation of the Yale Hotel to the Society, as applicable, at some future date; and
 - ii. provide education, training and other necessary resources to the Society to cure the Event of Default.

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4. **Mediation.** If the parties 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 (other than the Lease), 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.
5. **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 will submit the dispute to arbitration; and
 - c. the remaining issues in dispute will be determined by arbitration under the *Commercial Arbitration Act* (British Columbia), 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.

J. TERMINATION

1. **Early Termination by the City.** Notwithstanding anything stated to the contrary in this Agreement, the parties agree that the City will have the right at any time, by giving five (5) business days prior written notice to the Society to terminate this Agreement in any of the following events, unless the parties otherwise agree in writing:
 - a. upon the bankruptcy and/or receivership of the Society;
 - b. upon termination of the Lease, except upon the City's default;
 - c. upon an Event of Default by the Society having occurred and the Society failing to cure the Event of Default within 5 business days following written notice by the City (see *Clause 1.1* above);
 - d. upon the Society ceasing to carry out its operations without profit to itself or its members;
 - e. upon the failure by the Society to maintain its corporate status and remain in good standing under the applicable laws of the Province of British Columbia;
 - f. upon the failure by the Society to restrict its activities and undertakings to those authorized or permitted under its constating documents; or
 - g. upon the failure of the Society without adequate justification, to comply in all material respects with the requirements of any applicable law, regulations, bylaw or other directive having the force of law and enacted or promulgated by or under the authority of the Government of Canada and/or the Province of British Columbia.
2. **Early Termination by the Society.** Notwithstanding anything stated to the contrary in this Agreement, the parties agree that the Society will have the right at any time, by giving five (5) business days prior written notice to the City, to terminate this Agreement in any of the following events, unless the parties otherwise agree in writing:
 - a. upon termination of the Lease, except upon the Society's default;
 - b. upon an Event of Default by the City having occurred (*see Clause 1.2 above*) without curing following ten days' notice of default by the Society;

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- c. upon the failure of the City, without adequate justification, to comply in all material respects with the requirements of any applicable law, regulations by-law or other directive having the force of law and enacted or promulgated by or under the authority of the Government of Canada and/or the Province of British Columbia.
3. **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. Such adjustments will include, without limitation:
 - a. the delivery or transfer by the Society to the City, effective as of the termination date, of the Capital Maintenance and Replacement Reserve and the Society Operating Reserve, in each case including all accumulated interest; after payment of any Society expenses or liabilities contemplated by this Agreement; and
 - b. use or division of any unexpended surplus accrued pursuant to *Schedule B, Clause D.1.c*, including all accumulated interest, in accordance with *Schedule B, Clause C.3.b.i or C.3.b.ii*, as applicable.
4. **Costs Resulting From Termination.** All Tenant relocation costs, if any, resulting from termination of this Agreement will be borne by the Society, unless otherwise specified in this Agreement or the Lease.
5. **Transition in event of Termination.** In the event of the early termination of this Agreement, all Tenancy Agreements and contracts related to the Yale Hotel will be assigned to (subject to receipt of any consents required by third parties) and assumed by the City or any other person that the City directs and the Society will be released from its unaccrued obligations thereunder.

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SCHEDULE B - FINANCIAL

A. OPERATING BUDGET

1. **Operating Budget:** Promptly after the Commencement Date and thereafter at least four months prior to the end of each Fiscal Year, the Society will submit to the City for approval, having regard to *Schedule F - Performance Standards*, an Operating Budget for the upcoming Fiscal Year, in a format approved by the City, showing the anticipated gross Operating Income for the Yale Hotel together with all anticipated Operating Expenses. The City will endeavour to approve the first Operating Budget prior to the Commencement Date, and then each subsequent Operating Budget at least two months prior to the end of the applicable Fiscal Year. The Operating Budget submission will follow the format agreed to by the City and may be amended by mutual consent.
2. **Budget Deviations:** The Society will make reasonable efforts not to exceed the total approved Operating Budget without the prior authorization of the City.
3. **Income and Expenses.**
 - a. The Society will be responsible for collecting all Operating Income for the Yale Hotel, and the Society will be responsible for paying out of such Operating Income all Operating Expenses.
 - 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 the City 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 and laundry machines. Income generating opportunities will be reflected in the annual Operating Budget. The City reserves the right to review income generating opportunities in terms of impact on resident service, feasibility of the physical plant etc.

B. EXISTING CAPITAL MAINTENANCE AND REPLACEMENT RESERVE

1. Existing Capital Maintenance and Replacement Reserve. The City will deliver to the Society an amount equivalent to the Existing Capital Maintenance and Replacement Reserve, which the Society, upon receipt, will combine with the Capital Maintenance and Replacement Reserve, described in *Clause C.1* immediately below, and will thereafter manage that combined Reserve in accordance with *Clause C.1*, unless otherwise agreed to in writing by the City.

C. SOCIETY FUNDED CAPITAL MAINTENANCE AND REPLACEMENT RESERVE AND OPERATING RESERVES

1. **Capital Maintenance and Replacement Reserve.** The Society, with the cooperation of the City, will create a reserve (the “**Capital Maintenance and Replacement Reserve**”) for capital maintenance and replacements based on the items and life in years of their systems, equipment and surfaces as set out in the Annual Maintenance Plan and the Capital Maintenance Plan, and the following will apply:
 - a. the Society will deposit \$45 per residential unit per month, adjusted annually to reflect changes in the Price Index from the Commencement Date (subject to *Clause D.1.a* below), or such other amount as may be agreed to by the Society and the City from time to time during the Term, in the Capital Maintenance and Replacement Reserve (in addition to the Existing Capital Maintenance and Replacement Reserve);

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- b. the Society will use or dispose of the Capital Maintenance and Replacement Reserve only for capital maintenance and replacements to the Yale Hotel and its systems, equipment and surfaces in accordance with the Annual Maintenance Plan and the Capital Maintenance Plan, or to pay for other payments as may be approved by the City; and
 - c. if the Capital Maintenance and Replacement Reserve at any time contains insufficient money to fund required capital maintenance or replacements, the parties will meet to agree on and implement alternate funding arrangements to cover any such shortfall; provided, however, that the City agrees that the Society may defer fully funding the Capital Maintenance and Replacement Reserve, during the first three years of the Term, provided, further, that in years four through ten of the Term the Society will accelerate the annual contributions otherwise required, such that by the tenth anniversary of the Commencement Date, the Capital Maintenance and Replacement Reserve will be fully funded (i.e., it will contain not less than a cumulative total of \$45 per residential unit per month, adjusted annually to reflect changes in the Price Index from the Commencement Date).
2. **Operating Reserve.** The Society will also fund, as contemplated by *Clause D.1.b* below, and manage the Operating Reserve.
3. **Transfer of Reserves Upon Termination.** At the termination of this Agreement, regardless of cause, all funds in the Capital Maintenance and Replacement Reserve and the Operating Reserve, in each case including all accumulated interest, but after payment of any Society expenses or liabilities contemplated by this Agreement, will be transferred to the City, and a reconciliation of the operating balance will be forwarded.

D. ANNUAL OPERATING SURPLUSES

1. Once the Capital Maintenance and Replacement Reserve has been fully funded, any remaining annual operating surplus will be used as follows:
 - a. first, to top up the Capital Maintenance and Replacement Reserve by any additional amount determined to be required as a result of a future capital maintenance reserve study; and
 - b. second, to fund the Operating Reserve, to a maximum of an amount equivalent:
 - i. in the first year of the Term, to the annual Operating Budget for that year (exclusive of Capital Maintenance and Replacement Reserve contributions); and
 - ii. thereafter, to the total operating costs for the Fiscal Year most recently completed based on the Society's audited statements (exclusive of Capital Maintenance and Replacement Reserve contributions); and
 - iii. any balance remaining thereafter will be divided on a 50%/50% basis between the Society and the City, with the Society's portion to be used to create new non-market co-op housing in Vancouver.
2. **Transfer of Surpluses Upon Termination.** At the termination of this Agreement, regardless of cause, any unexpended surplus accrued pursuant to *Clause D.1.c* above, including all accumulated interest:
 - a. will be used to increase affordability in the Yale Hotel as contemplated by *Clause D.1.c* above, if the rights and obligations of the Society hereunder are then assumed by another Society or the City.

E. INCOME AND RENT

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1. **Tenant Mix.** The Tenant mix in the Yale Hotel will be as set forth and described in *Schedule D*.
2. **Proof of Income and Assets.** The Society will establish policies and procedures for establishing rent and asset calculations and submit these to the City for approval. As part of this the Society will obtain a declaration ("**Declaration of Income and Assets**") and supporting documentation as evidence of the Income and Assets of all Tenants at the time of the initial occupancy and annually thereafter. The declaration will be in a form approved by the City and may be amended from time to time. The Society will maintain a copy of each Tenant's documentation in a file available to the City on request.
3. **Rent.** The Rent for each Residential Unit payable by the Below Market Tenants will be within the ranges set forth below, unless otherwise agreed to in writing by the City.

Tenant Type	Maximum Rent Per Month
Tenants described in Schedule D, section 3(i)	\$ 375 per month
Tenants described in Schedule D, section 3(ii)	[to be proposed by the Proponent]
Other Below Market Tenants	[to be proposed by the Proponent]
Market Tenants	[to be proposed by the Proponent]

4. **Increases.** The Society will increase the monthly Rents, parking and other fees charged by such amounts and at such times as applicable law and market circumstances allow, both when Tenancy changes and during the currency of a Tenancy Agreement, with the objective of maximizing the income generated by the Yale Hotel.
5. **Parking.** Not Applicable.
6. **Application of Rents.** The Society will collect Rents, parking usage fees and other fees and amounts payable by Tenants or third parties for use of the Yale Hotel, and apply this income to the cost of operating the Yale Hotel.
7. **City not Responsible.** It is understood that the City will not be responsible to the Society for any breach or failure of the Tenant to observe any of the terms of the Tenancy Agreement between the Tenant and the Society, including the covenant to pay the Rent. The same relationship will apply as between the Society and renters/users of parking spaces in the Yale Hotel, and as between the Society and the City in respect of the same.

F. MANAGEMENT OF FUNDS

1. The Society will deposit and keep all Operating Income, the Capital Maintenance and Replacement Reserve and the Operating Reserve and accumulated interest in a separate dedicated account or accounts (to be used exclusively for funds connected with the leasing and operating of the Yale Hotel by the Society) insured by the Canadian Deposit Insurance Corporation or by the Credit Union Deposit Insurance Corporation, or instruments invested as follow:
 - a. in an investment in accordance with the *Society Act* (British Columbia) or the *Vancouver Charter*;
 - b. in an investment guaranteed by a Canadian government; or
 - c. in other investment instruments as the City approves.

G. UNAUTHORIZED EXPENDITURES AND ACTS.

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1. With regard to its occupation and operation of the Yale Hotel , the Society will not, without the approval of the City:
 - a. borrow money, if such borrowing creates any liability for the City or, it compromises the Society's ability to fulfill and perform its obligations;
 - b. guarantee or underwrite the repayment of any obligation assumed by a third party if such compromises the Society's ability to fulfill and perform its obligations under this Agreement;
 - c. pay to a person or organization any amount for the purpose of supporting activities the objective of which is to make representations to any government body on any subject matter not directly related to the operation of the Yale Hotel. This provision does not apply to annual membership fees to sector organizations;
 - d. release, compromise, assign or transfer any claim, right or benefit of the City in connection with or arising out of the City's interest in the Yale Hotel, confess a judgment against it.

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SCHEDULE C - MONITORING AND REPORTING

A. REGULAR REPORTING

1. The Society will, on an annual basis except in the first year of the Term when this will apply after the first six months, make information related to its operation and management of the Yale Hotel available to the City, to assist the City in:
 - a. identifying occupancy and service trends;
 - b. monitoring income earned and expenses incurred; and
 - c. monitoring the Society's compliance with the requirements of this Agreement and the Lease.
2. The City, acting reasonably, reserves the right to change the reporting requirements from time to time, with at least 30 days' written notice to the Society provided that, if there are additional costs to the Society in complying with new requirements, the City will adjust the Operating Budget to reflect the increased costs as agreed to by both parties.

B. ANNUAL REPORTING

1. The Society will submit an annual report to the City no later than four months after the Society's Fiscal Year end in the format provided by the City. This report will include:
 - a. heat, hot water, electricity, and water consumption in the Yale ;
 - b. copies of relevant licenses and inspection reports;
 - c. completed maintenance and improvement report as per the Annual Maintenance Plan, summarizing the routine maintenance activities and costs, and, as per the Capital Maintenance Plan, any capital maintenance performed, or any renovations/modifications or improvements completed in that Fiscal Year (or partial Fiscal Year, if applicable);
 - d. completed checklists related to quality assurance;
 - e. list and explanation of repair, maintenance and capital expenditures, for the Fiscal Year (or partial Fiscal Year, if applicable) just ended and contemplated/proposed for the current Fiscal Year;
 - f. explanation for any variance in expenditure greater than 10% in completing the Annual Maintenance Plan or the Capital Maintenance Plan in respect of the year in question;
 - g. a short report on current operational challenges, issues and successes;
 - h. rental mix, broken down between Market and Below Market Tenants and by unit type; and
 - i. the Operating Budget for the coming Fiscal Year.
2. The Society will also submit its Annual Maintenance Plan for the coming Fiscal Year at the beginning of each Fiscal Year outlining the Society's anticipated maintenance activities and costs, including capital maintenance, and any renovations/modifications or improvements planned to be completed in that Fiscal Year, as well as any revisions then required to be made to update the then applicable Capital Maintenance Plan.

C. CAPITAL REPORTING

1. In addition to the foregoing reporting requirements, the Society will submit to the City for its review and approval an updated Capital Maintenance Plan every three years, or at such other intervals as the City may request from time to time, together with a Replacement

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Reserve Study. Capital expenditures of more than \$30,000 for a single item, piece of equipment, project or service must be approved in writing by the City, prior to a purchase or goods or services being made or work commencing.

D. OPERATIONAL REVIEW

1. At least annually (as part of the annual Operating Budget review process), the City may conduct an onsite operational review of the Society's compliance with statutory requirements and the terms of this Agreement.
2. The City will provide the Society with at least 45 days 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, collecting licenses and inspection reports).

E. PERFORMANCE PLAN

1. The Society will submit performance plans in accordance with the requirements of Schedule F.

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SCHEDULE D - TENANT ELIGIBILITY

A. TENANT SELECTION AND TENANCY AGREEMENTS

1. Tenant Mix.

The Society will at all times ensure that there's a right mix of tenants to comply with the objectives of the City. *[Note to Proponents: Please provide a target % of your Market Tenants vs. Below-Market Tenants.]*

2. Market Tenants. In respect of the Residential Units set aside for occupancy by Market Tenants, the Society will focus as much as possible on providing units to members whose work is in Vancouver with an emphasis on those serving citizens of Vancouver in the areas of public healthcare, education and safety.

3. Below Market Tenants. Unless otherwise agreed by the City, Below Market Tenants will be selected from:

i. first, approximately (11) eleven tenants from a nearby city owned SRO, which is scheduled for demolition have expressed interest in relocating to the Yale Hotel and all must be accommodated. Most of the tenants will be on Shelter Assistance or disability pension (PWD);

ii. second, the former tenants of the Yale Hotel that have been given an opportunity to return to the building and granted a first right of refusal by the City. *[Note to Proponents: Sixteen (16) former tenants from the Yale Hotel have expressed interest in returning, although this may fluctuate prior to occupancy]*

iii. third, names on lists maintained by the Society.

4. Tenancy Agreements. All Tenancy Agreements entered into by prospective Tenants will be, in compliance with the *Residential Tenancy Act* (British Columbia), and will contain additional clauses as set out in *Schedule E - Tenancy Agreement*.

5. Security Deposits. The Society collects and keeps security deposits in accordance with the *Residential Tenancy Act* (British Columbia). All funds collected and held by the Society must be handled in accordance with the *Residential Tenancy Act* (British Columbia) and the Tenancy Agreement.

6. Tenant Selection. The Society will use its best efforts to maintain full occupancy of the Yale Hotel.

7. Below Market Tenants Household Size. All Below Market Tenants must be placed in a Residential Unit appropriate to their household size in accordance with the Tenancy Guidelines. Exceptions may be made for persons designated by mutual agreement between the City and the Society.

8. Selection Intent. Where the Society is unable to find Below Market Tenants for all the Residential Units agreed to be set aside for such Tenants, the Society will work with the City to select Tenants in such a way as to maintain the intent of housing persons in need in such Units.

9. Declaration of Income and Assets. The Society will obtain:

- a. from each prospective Below Market Tenant, a Declaration of Income and Assets; and
- b. from each prospective Market Tenant a Declaration of Income in advance of accepting his/her as a resident.

Each year the Society will update this information to confirm ongoing eligibility of the Tenant.

SCHEDULE E - TENANCY AGREEMENT

A. TENANCY AGREEMENTS

A Tenancy Agreement in form and contents acceptable to the City will be entered into between the Society and each Tenant. Each such Tenancy Agreement will, at a minimum, include the following terms and conditions:

- a. standard *Residential Tenancy Act* terms and conditions;
- b. house rules;
- c. a move-in checklist, including energy billing information; and
- d. a welcome package.

The City reserves the right to review and audit all Tenancy Agreements and related documentation, and the Society agrees to make copies of the same available for inspection promptly and in any case within not more than 30 days of receiving a request to review/audit.

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SCHEDULE F - PERFORMANCE STANDARDS

The Society is required to operate the Yale Hotel to a professional standard that is acceptable to the City. The City may request performance plans from the Society on an annual basis or as deemed necessary if an Event of Default occurs in respect of the Society and the City elects to intervene as contemplated by *Schedule A, Clause 1.3*, rather than to terminate this Agreement. The management areas to be included in the annual performance plan will include, but are not limited, to:

A. RISK MANAGEMENT

1. Establish conflict of interest and standards of conduct policies.
2. Maintain business continuation plan for the Society and for the Yale Hotel.
3. Establish telecommunications with reliable message and response capabilities during regular 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 the Yale Hotel ;
 - b. property maintenance and inspection of emergency equipment;
 - c. control of combustibles in storage and housekeeping;
 - d. laundry lint trap, room and vent cleaning; and
 - e. assistance for the Yale Hotel residents who cannot self-rescue.

B. MANAGEMENT OF THE YALE HOTEL

1. Manage and operate the Yale Hotel in a proper, efficient and timely manner as would a prudent owner 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 British Columbia 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 Code, Residential Tenancy Act* and associated regulations, and obligations under all contracts the Society enters into in connection with the Yale Hotel and the requirements of any insurer of the Yale Hotel.
3. Ensure that the Yale Hotel 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 all Residential Units and select the Yale Hotel residents as set out in *Schedule D - Tenant Eligibility*.
5. Administer annual and routine inspection of all Residential Units in compliance with the *Residential Tenancy Act* (British Columbia), City and municipal bylaws, and cyclical requirements using standardized forms.

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6. Maintain the level of staff presence in the Yale Hotel appropriate to the needs of the Yale Hotel Residents.
7. Administer a pest management program and respond to resident requirements for Residential Unit specific applications in compliance with current legislation.
8. Snow and Ice Removal:
 - a. Comply with City bylaws for snow removal and ice treatment.
9. Building Maintenance:
 - a. Maintain routine building maintenance and preventive maintenance programs for the Yale Hotel which will include items listed in *Schedule H - Service Level Agreement*.
 - b. Comply with government regulated waste management practices.
10. Janitorial:
 - a. Provide routine and cyclical cleaning to common areas to achieve the objectives of the City's cleaning standards.
 - b. Comply with legislated standards governing storage, usage of products and equipment, and personal protection equipment.
 - a. Ensure regular inspections of work areas to ensure safety hazards are identified and corrected.
11. Building Services:
 - a. Maintain common area laundry room service contracts/equipment including ventilation systems.
 - b. Maintain cablevision, telephone and internet service.

C. MAINTENANCE CAPITAL REPAIR & REPLACEMENT

1. Maintain the Yale Hotel in a satisfactory state of repair fit for habitation and perform all maintenance and repair work described in but not limited to *Schedule H - Service Level Agreement* and in accordance with the Annual Maintenance Plan and Capital Maintenance Plan.
2. Update the Annual Maintenance Plans and Capital Maintenance Plan every year, to maintain the value and prolong the life of the Yale Hotel, reduce replacement costs and eliminate/reduce safety hazards.
3. Prepare and deliver a Replacement Reserve Study as and when required by this Agreement.
4. Ensure that the necessary skills and tools are available to clean and maintain the Yale Hotel adequately and safely.
5. Ensure that all tenders or bids that it calls for work on the Yale Hotel in the amount of \$30,000.00 or more are received in writing and records of all bids and tenders are maintained. Tenders and bids under the amount \$30,000.00 may be called for verbally but written records of the quotations so obtained must be maintained and made available to the City upon reasonable request.
6. Advise the City immediately if the Society becomes aware of any structural deficiency in the Yale Hotel , which requires the intervention of the City.

D. HUMAN RESOURCES

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1. Comply with all employment standards Acts including provisions relating to the hiring of minors, the *Workers Compensation Act* (British Columbia), *Human Rights Code* (British Columbia) and other applicable Acts governing employment.
2. Ensure the workforce providing services to the Yale Hotel or the residents of either thereof maintains required licences to provide service as applicable.
3. Ensure that Society 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. For all staff working with residents in the Yale Hotel , 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* (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 standards related to the management of the Yale Hotel , and training for:
 - i. handling resident complaints and a dispute resolution process;
 - ii. maintaining the security and confidentiality of resident data; and
 - iii. critical incident response, including: (1) loss of essential services in the event of unforeseen interruption; (2) fire and other emergency evacuation; (3) pest infestation; (4) medical emergencies; and (5) resident 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 - Financial*.

F. RESIDENT MANAGEMENT

1. The Society will comply with Schedules *D and E*.

SCHEDULE G - RENT SCALE

A. TENANT INCOME

1. The Below Market Tenant Rent will be based upon the Tenants' Income, their income source(s), and their eligibility for subsidies from other source(s). The Tenant's Income for these purposes includes the Income of any person residing in a Residential Unit who is not named in the Tenancy Agreement, and the following will apply:
 - a. "Income" is defined in *Schedule A, Clause A*;
 - b. A Tenant's (or prospective Tenant's) Income will be determined from his/her Declaration of Income and Assets;
2. The collective Income, divided by 12, of a Market Tenant (where "Tenant" includes all persons for whom the Residential Unit serves as the principal residence) does not exceed the income maximums set by the City, which as of the Commencement Date is set at not more than six times the Rent payable, as of the date of occupancy, for the unit occupied by such Market Tenant(s). The City may increase the income maximums from time to time, and if it does so, will communicate this to the Society.

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;
 - c. the earnings of a person aged 18 and under;
 - d. student loans, student loan equalization payments and student grants (Note: non-repayable training allowances, research fellowships or similar grants are not excluded);
 - e. living out or traveling allowances;
 - f. Shelter Aid for Elderly Renters ("SAFER") or Rental Assistance Program ("RAP") payments received prior to moving into the building (Note: Tenants where the Rent Scale applies are not eligible for SAFER or RAP);
 - g. Goods and Services Tax (GST) and Harmonized Sales Tax (HST) rebates;
 - h. government provided daycare allowance; and
 - i. payments for foster children, or Child in Home of Relative (CIHR) income under the *Employment and Assistance Act* (British Columbia), except for the housing allowance portion.

C. ASSETS

1. "Assets" is defined in *Schedule A, Clause A*.
2. A Tenant's (or prospective Tenant's) Assets will be determined from his/her Declaration of Income and Assets.

D. DETERMINATION OF BELOW MARKET TENANT RENT

1. **For Tenants Receiving Income Assistance.** The Below Market Tenant Rent for each Residential Unit where the Tenant is in receipt of Income Assistance for the applicable family size will be set at:
 - a. the amount of the current maximum Provincial monthly shelter allowance calculated in accordance with Schedule A of the *Employment and Assistance Regulation* passed

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pursuant to the *Employment and Assistance Act* (British Columbia), as amended or replaced from time to time;

- b. minus an allowance for utility costs, the amount of which allowance will be determined by the Society from time to time.

For greater clarity:

- c. only one allowance for utilities per Residential Unit can be used in calculation of the Below Market Tenant Rent;
 - d. if the Tenant is a single person, the Below Market Tenant Rent will be based on the Income Assistance shelter component for a single person;
 - e. if the Tenant consists of two related persons (e.g. married, common-law relationships), the Below Market Tenant Rent will be based on the Income Assistance shelter component provided for two related persons;
 - f. if the Tenant consists of two unrelated persons, the Below Market Tenant Rent will be based on two times the Income Assistance shelter component for single persons;
 - g. if the Tenant consists of more than two persons, the Below Market Tenant Rent will be calculated based on the number of Tenants and their relationship as per *Clauses E.4 and E.5* above; and
 - h. if the maximum shelter component of Income Assistance changes, the Below Market Tenant Rent will be changed at the same time after reasonable notice to the Tenant.
- 2. **For Tenants With Low Income, Who Are Not Eligible For Other Subsidies.** The Below Market Rent for each Residential Unit where the Tenant has a Low Income will be set at an amount not to exceed a set percentage, as determined by the City from time to time (30% as of the Commencement Date), of the Tenant's Income as defined in *Clause A* above.
 - 3. **For Tenants With Low Income, Who Are Eligible For Other Subsidies.** The Below Market Rent for each Residential Unit where the Tenant has a Low Income will be set at an amount that utilizes the subsidy program (e.g., the SAFER program), to maximize the subsidy available to offset the rent payable by the Tenant.

E. DETERMINATION OF MARKET RENT

- 1. Rent payable by a Market Tenant will be based on the rental rates charged to market tenants for similar rental units in other similar developments.

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SCHEDULE H - MAINTENANCE AND REPAIR OBLIGATIONS/RESPONSIBILITIES

SERVICE LEVEL AGREEMENT MODEL

DRAFT

AIR SPACE PARCEL (ASP)

NPO CAPACITY MODEL

For purposes of this document, the parties are identified as follows:

Adjacent Landlords:	owners of Air Space Parcels or designated As the “Remainder”	Other ASP
Landlord:	City of Vancouver	CoV
Tenant:	Non-profit Operator	NPO

Generally the Tenant will pay their portion of *common costs* which may be both development-wide and/or building-specific common costs, including contingency reserve funds. Further, where these categories of costs relate only to the portion of costs associated with the tenant’s area - by ratio established in the Air Space Parcel Agreement - NPO (proportionate share) is outlined below.

Where the party is identified as “Other ASP”, this refers to the party usually referred to as the Remainder and which remains responsible for planning and implementing work on common systems or common areas. With respect to tenants of the City, this is provided for information purposes only. The City is responsible for contacting the “Other ASP” not the tenant.

Shared Costs:

The split of costs associated with the shared costs of the Yale Hotel is approximately 60% for the NPO and 40%, based on the below analysis, but have yet to be finalized between the parties to the Reciprocal Easement Agreements.

Item	Description	Party to Perform the Work	Party Responsible To Pay for Work
1.	Heating, Ventilation and Air Conditioning exclusive to or within the Tenant’s Space (excluding common equipment/systems)		
a	- annual inspection	NPO	NPO
b	- routine maintenance and repair	NPO	NPO
c	- provision & replacement of filter material	NPO	NPO
d	- cleaning of ducts	NPO	NPO

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Item	Description	Party to Perform the Work	Party Responsible To Pay for Work
e	- life cycle replacement (Capital Maintenance)	NPO	NPO
2. Common Heating, Ventilation and Air Conditioning (systems serving more than the Tenant's Space)			
a	- annual inspection, maintenance and repair	Other ASP	NPO (proportionate share)
b	- life cycle replacement	Other ASP	NPO (proportionate share)
3. Plumbing Systems exclusive to or within the Tenant's Space (excluding common systems/equipment)			
a	-preventive maintenance and repairs to hot water heating systems	NPO	NPO
b	- major repairs and replacement of hot water heating systems	NPO	NPO
c	- repairs to all fixtures including faucets, unplugging toilets and all other routine repairs	NPO	NPO
d	- life cycle replacement of hot water systems, fixtures and piping	NPO	NPO
4. Common Plumbing Systems (systems serving more than the Tenant's Space)			
a	- annual inspection, maintenance and repair	Other ASP	NPO (proportionate share)
b	- life cycle replacement	Other ASP	NPO (proportionate share)
5. Mechanical Systems exclusive to or within the Tenant's space (excluding common systems/equipment)			
a	- preventive maintenance and repairs	NPO	NPO
b	- life cycle replacement	NPO	NPO
c	- installation, maintenance and replacement of additional equipment provided and installed by the occupant	NPO	NPO

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Item	Description	Party to Perform the Work	Party Responsible To Pay for Work
6.	Common Mechanical Systems (systems serving more than the Tenant's Space)		
a	- annual inspection, maintenance and repair	Other ASP	NPO (proportionate share)
b	- life cycle replacement	Other ASP	NPO (proportionate share)
7.	Fire Protection & Suppression exclusive to the Tenant's Space		
a	- monthly inspection of fire extinguishers and smoke detectors within the premises	NPO	NPO
b	- annual inspection of fire extinguishers within premises	NPO	NPO
c	- repairs/recharging of fire extinguishers within premises	NPO	NPO
8.	Common Fire Protection & Suppression (systems serving more than the Tenant's Space)		
a	- annual inspection, maintenance and repairs of the fire alarm system	Other ASP	NPO (proportionate share)
b	- life cycle replacement of fire alarm system	Other ASP	NPO (proportionate share)
c	- annual inspection, maintenance and repair of fire sprinkler system	Other ASP	NPO (proportionate share)
d	- life cycle replacement of fire sprinkler system	Other ASP	NPO (proportionate share)
9.	Security Systems dedicated to or within the Tenant's Space		
a	- system monitoring, inspection, maintenance and repair	NPO	NPO
b	- life cycle replacement	NPO	NPO
c	- repair, replacement, re-keying of all locks	NPO	NPO
10.	Common Security Systems (systems serving more than the Tenant's space)		
a	- system monitoring, inspection, maintenance and repair	Other ASP	NPO (proportionate share)
b	- life cycle replacement	Other ASP	NPO (proportionate share)

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Item	Description	Party to Perform the Work	Party Responsible To Pay for Work
11.	Electrical Distribution Systems exclusive to or within the Tenant's Space (excluding common systems/equipment)		
a	- repairs and upgrades required by Code	NPO	NPO
b	- inspection, maintenance and repair of wiring, breakers and electrical panels	NPO	NPO
c	- life cycle replacement of wiring, breakers and panels	NPO	NPO
d	- repair or replacement of switches, receptacles, cover plates	NPO	NPO
12.	Common Electrical Distribution Systems (systems serving more than the Tenant's Space)		
a	- inspection, maintenance and repair of electrical distribution systems to the leased premises	Other ASP	NPO (proportionate share)
b	- life cycle replacement of electrical distribution systems to the leased premises	Other ASP	NPO (proportionate share)
13.	Lighting Systems within the Tenant's Space		
a	- bulb/tube replacement for interior lighting	NPO	NPO
b	- annual inspection and maintenance of interior emergency/exit lighting	NPO	NPO
c	- interior lighting ballast replacement	NPO	NPO
d	- life cycle replacement of fixtures - except specialty fixtures such as theatrical lighting.	NPO	NPO
e	- life cycle replacement of specialty fixtures	NPO	NPO
f	- cleaning of interior light fixtures	NPO	NPO
g	- provision, maintenance, repair and replacement of portable lighting fixtures	NPO	NPO
14.	Common Lighting Systems (systems serving more than the Tenant's Space)		
a	- inspection, maintenance, repair, and cleaning	Other ASP	NPO (proportionate share)
b	- life cycle replacement	Other ASP	NPO (proportionate share)

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Item	Description	Party to Perform the Work	Party Responsible To Pay for Work
15.	Interior and Exterior Windows within the Tenant's Space		
a	- breakage, routine repair and replacement of interior windows	NPO	NPO
b	- breakage, routine repairs and replacement of exterior windows, not caused by occupant or operations	Other ASP	NPO (proportionate share)
c	- cleaning of interior windows and interior surfaces of exterior windows	NPO	NPO
d	-breakage and routine repairs of exterior windows caused by occupant or operations	Other ASP	NPO
16.	Common Area Windows		
a	- breakage and routine repair	Other ASP	NPO (proportionate share)
b	- cleaning (of exterior surfaces)	Other ASP	NPO (proportionate share)
c	- cleaning (of interior surfaces)	Other ASP	NPO (proportionate share)
d	- life cycle replacement	Other ASP	NPO (proportionate share)
17.	Interior and Exterior Doors within the Tenant's Space		
a	- maintenance and repair of interior doors	NPO	NPO
b	- life cycle replacement of interior doors	NPO	NPO
c	- maintenance and repair of exterior doors	NPO	NPO
d	- life cycle replacement of exterior doors	NPO	NPO
18.	Common Area Doors		
a	- maintenance and repair	Other ASP	NPO (proportionate share)
b	- life cycle replacement	Other ASP	NPO (proportionate share)
19.	Interior Surfaces within the Tenant's Space		
a	- interior life cycle repainting	NPO	NPO

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Item	Description	Party to Perform the Work	Party Responsible To Pay for Work
b	- maintenance and cleaning of window applications including, but not limited to blinds and curtains	NPO	NPO
c	- repairs to interior walls and ceilings, including minor painting	NPO	NPO
d	- life cycle replacement of ceiling tiles	NPO	NPO
e	- interior repairs due to building system failures such as roof leaks, exterior walls and foundation leaks not caused by the occupant or operations	Other ASP	NPO
f	- maintenance and repairs of floor coverings, including carpet and tile	NPO	NPO
g	- life cycle replacement of flooring	NPO	NPO
h	- maintenance, repair, and replacement of millwork	NPO	NPO
20.	Common Area Interior Surfaces		
a	- all maintenance and repairs	Other ASP	NPO (proportionate share)
b	- all capital maintenance or replacements	Other ASP	NPO (proportionate share)
21.	Major Structural Systems included within the Tenant's Space		
a	- repairs or replacements of foundations, flooring sub-structure, building envelope including bearing walls and roofing	Other ASP	NPO (proportionate share)
b	- repairs and painting of exterior surfaces including windows, trim, fascia and soffits	Other ASP	NPO (proportionate share)
c	- cleaning of exterior surfaces	Other ASP	NPO (proportionate share)
22.	Major Structural Systems external to the Tenant's Space		
a	- all repairs and replacements	Other ASP	NPO (proportionate share)
23.	Common Site Services		
a	- landscaping repairs and maintenance	Other ASP	NPO (proportionate share)
b	- grass cutting	Other ASP	NPO (proportionate share)
c	- general cleaning of grounds, litter disposal	Other ASP	NPO (proportionate share)

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Item	Description	Party to Perform the Work	Party Responsible To Pay for Work
d	- snow and ice removal from steps, walkways, entrances including the provision of de-icing materials	Other ASP	NPO (proportionate share)
e	- removal of snow from entrance to parking areas	Other ASP	NPO (proportionate share)
f	- snow and ice removal from roof areas	Other ASP	NPO (proportionate share)
g	- repairs of water and sewage systems (beyond the building perimeter)	Other ASP	NPO (proportionate share)
h	- maintenance, repair and replacement of gates and fences (excluding tenant specific gates and fences)	Other ASP	NPO (proportionate share)
i	- maintenance and repair of parking areas	Other ASP	NPO (proportionate share)
24.	Signage exterior to the Tenant Space		
a	- maintenance, repair, and replacement (subject to prior approval of the CoV and Other ASP)	NPO	NPO
25.	Interior Signage within the Tenant Space		
a	- maintenance, repair and replacement of interior signage	NPO	NPO
26.	Janitorial Services within the Tenant's Space		
a	- routine janitorial/custodial services	NPO	NPO
b	- pest control services (interior)	NPO	NPO
c	- provision of all washroom supplies	NPO	NPO
27.	Appliances, Program and Other Non-Installed Equipment within the Tenant's Space		
a	- inspection, maintenance and repair of all non-building equipment including stoves, refrigerators, microwaves, coolers, free standing cabinets, track lighting	NPO	NPO
b	- replacement of all appliances, program and non-installed equipment	NPO	NPO
c	- maintenance, repair and replacement of furniture	NPO	NPO

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Item	Description	Party to Perform the Work	Party Responsible To Pay for Work
28.	Renovations and Upgrades within the Tenant's Space		
a	- any upgrades, additions, enhancements or improvements beyond what was originally provided during construction (subject to prior approval by CoV and if required, other ASP owners)	NPO	NPO
29.	Utilities		
a	- electricity	NPO	NPO
b	- gas	NPO	NPO
c	- water and sewer	NPO	NPO
30.	Business Operations		
a	- staff costs	NPO	NPO
b	- telephone, internet & cable services	NPO	NPO
c	- insurance (CGL, business interruption, contents, etc.)	NPO	NPO
d	- supplies and equipment, including for bathroom and kitchen	NPO	NPO
e	- security services related directly to tenant's space	NPO	NPO

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SCHEDULE I - INSURANCE

A. INSURANCE

1. **Commercial General Liability Insurance.** At all times during the Term, the Operator will effect and keep in force commercial general liability insurance with limits of not less than Ten Million Dollars (\$10,000,000), or such other amount as the City may require from time to time, per occurrence, against public liability claims for bodily injury, death and property damage (including loss of use) arising from the Operator's use and occupancy of the Facility and from any occurrence or accident on the Facility. Such insurance will be written on an occurrence basis and will provide for blanket contractual liability, including liability assumed by the Operator under this Agreement. The policy will also contain a cross liability or severability of interests clause and will name the City and the City Personnel as additional insured with respect to third party claims arising out of the Operator's operations pursuant to this Agreement.

[Note to Proponents: Once Reciprocal Easement Agreement is finalized, the owners of the other Strata Plans will need to be added as additional insured with respect to third party claims arising out of the Society/Lessee's operations pursuant to the Lease.]

2. **All Risk Property, Pressure Vessel and Business Interruption (Rental Income) Insurance.** At all times thereafter during the Term, the Operator will effect and maintain property insurance in the name of the City to the full replacement value of the Facility and fixtures on the Lands, protecting it against "All Perils" of loss or damage including flood, sewer backup and earthquake, and will include:
 - a. business interruption (rental income) insurance in an amount equal to the maximum gross rental income insurance of the Facility pursuant to this Agreement for a period of not less than 24 months; and
 - b. boilers and pressure vessels, protecting against usual and unusual perils, including damage caused by rupture of steam pipes.

The policies described in this Clause 2 will contain a clause directing insurers to make losses payable to the Operator and the City as their interests may appear.

[Note to Proponents: Once Reciprocal Easement Agreement is finalized, the owners of the other Strata Plans will need to be added as additional insured and loss payees.]

3. **Automobile Liability Insurance.** At all times during the Term, the Lessee will effect and keep in force automobile liability insurance for vehicles owned by or leased or licensed to it and used in connection with services rendered by it pursuant to this Agreement, with limits not less than \$5,000,000, or such other amounts as the Lessor's Director of Risk Management may require from time to time, for accidental injury to or death of one or more persons or damage to or destruction of property as a result of any one accident or occurrence.
4. **Employee Dishonesty Form 1A Insurance.** At all times during the Term, the Lessee will effect and keep in force employee dishonesty insurance in Form 1A covering loss of money, securities and other property which the Lessee may sustain, in an amount of not less than \$150,000 aggregate for any one loss, resulting from fraudulent or dishonest acts committed by an employee of the Lessee, acting alone or in collusion with others.
5. **Insurance - Additional Provisions.** The following provisions will apply to all policies of insurance which are referred to in this *Schedule I*:

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- a. the policies will be primary and non-contributing with respect to any policy or self-insured fund otherwise held or established on behalf of the City;
- b. the stated amount of value insured under property policies will be of sufficient amount that neither the Operator nor the City will become co-insurers with respect to any loss claimed against the insurance;
- c. each policy will be written on a form acceptable to the City and with insurers licensed to do business in the province of British Columbia and acceptable to the City;
- d. any deductible amounts applying to a claim against a policy will be of an amount approved by the City;
- e. each policy will contain a clause requiring that the insurers provide to the City a minimum of sixty (60) days prior written notice of any cancellation (except for cancellation resulting from non-payment of premiums, in which case applicable statutory provisions will apply); and;
- f. all premiums and deductibles required under said policies will be paid by the Operator to the insurers and proof of such payment will be submitted to the City forthwith.

In addition to the notification obligations of the insurers required by *Clause A.3(e)* above, the Operator will provide to the City a minimum of 60 days prior written notice of any cancellation, lapse or material change resulting in reduction of coverage, either in whole or in part, in respect of any of the policies of insurance which are referred to in this *Clause A*.

6. **Evidence of Insurance.** Prior to the Commencement Date the Operator must provide the City with evidence of all insurance required to be taken out pursuant to this Agreement, in the form of one or more detailed certificates of insurance, in such form(s) and contents as the City requests. Each certificate of insurance must identify this Agreement, the policy holder and the subject matter, and must not contain any disclaimer. Thereafter, and throughout the Term, forthwith upon request by the City, similar evidence of renewals, extensions or replacement of such insurance will be provided in the form of such certificate(s) of insurance. In addition, if requested by the City at any time, the Operator will forthwith deliver to the City a certified copy of each insurance policy requested.
7. **Workers Compensation Coverage.** At all times during the Term, the Operator will, and will cause its Personnel and all others engaged by it in or upon any work on the Facility to comply with the *Workers Compensation Act* (British Columbia) (the "WCA") and the requirements and regulations of WorkSafeBC in respect of the Facility. Without limiting the generality of the foregoing, the Operator will, in respect of any such work require as a condition of any agreement made with respect to construction, repair or renovation of the Facility, whether with contractors, materialmen or otherwise, that there is full workers compensation insurance coverage in place in respect of all workmen, employees, servants and others engaged in or upon any work, and that all workmen, contractors or other workers require the same of their workmen and subcontractors. The Operator will immediately notify the City of any dispute involving third parties that arises in connection with obtaining and maintaining the workers compensation insurance coverage required hereby if such dispute results or may result in the required insurance coverage not being in place, and the Operator will take all reasonable steps to ensure resolution of such dispute forthwith. The Operator will further ensure that no amount payable pursuant to the WCA is left unpaid so as to create a lien on the Lands or the Facility. If the workers compensation insurance coverage required by this *Clause A.5* is not in place, the City will be entitled to have recourse to all remedies specified in this Agreement or at law or equity.

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8. **Release of City from Liability for Insured Loss or Damage.** The Operator hereby releases the City and the City Personnel, whether or not the City and/or the City Personnel have been negligent, from any and all liability for loss or damage caused by any of the perils against which the Operator will have insured or is obligated to insure pursuant to the terms of this Agreement or any applicable law.

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SCHEDULE 1 - DETAILED REQUIREMENTS**

1. Background and Context

The “*Housing and Homelessness Strategy 2012-2021*”, (the “Strategy”) is the guiding document for addressing housing solutions in Vancouver. Of particular relevance for this RFP is the direction to protect existing housing stock by providing incentives for upgrades.

The City envisions that a successful Proponent will take a long-term lease of and enter into an operating agreement for the Yale Hotel SRO. The City will provide oversight to the renovation of the hotel and its heritage upgrades which are currently underway and expected to be complete by the end of October 2013. It is anticipated that the lease the City will grant to a successful Proponent for the operation of the affordable rental housing facility will be provided at a below-market-value rental rate in order to maximize the level of rental affordability to be achieved in the project. It should be noted that, because a below-market-value rental rate for a lease of City property is considered to be a grant under the *Vancouver Charter*, the City may enter into a lease agreement in these circumstances only with a not-for-profit housing provider which can qualify as a grant recipient under the *Vancouver Charter*.

2. City Objectives

The City seeks to continue to implement innovative solutions to address the need for affordable rental housing in Vancouver through the creation of below-market-rate rental housing. As such, key objectives of this RFP are to identify an interested party to provide:

- (a) rental housing with a deep and protected level of affordability for Vancouver residents, without operating subsidies from the City;
- (b) an innovative approach for deep levels of affordability, across a maximum number of unit at the welfare rate of \$375.00 per month.

3. Project Overview

The Yale Hotel site is located at 1300 Granville at Drake Street. The property is located in the Downtown South neighbourhood, on an arterial street with transit service and is close to the Gathering Place, Three Bridges Community Health Centre and Emery Barnes Park.

On September 16, 2008, City Council approved a rezoning at 1300-1336 Granville Street from DD to CD-1 to allow for the development of a mixed use tower with a two-storey commercial podium and 21 storeys of residential floor area above (166 dwelling units). This site included the Yale Hotel, a Single Room Occupancy (SRO) building. As part of the site redevelopment, The Yale Hotel will be seismically upgraded in accordance with the City’s building specifications, and be maintained as permanent low-income housing on the top two floors in perpetuity and pub on the ground floor as it had previously operated. Upon completion of the upgrade, the residential units on the second and third floors of the Yale Hotel would be transferred to the City through a subdivision of the site as an Air Space Parcel (ASP) as illustrated in the attached Schedule 3 - Proposed Air Space Plans. Schedule 4 to this RFP shows the building floor plans.

The unit type and interior amenities are:

- *2nd floor* (512.59 sq. m. residential area): 22 units including 7 with washrooms and 15 w/o washrooms. One unit has mechanical and electrical rough-in for a kitchen which can be used for on-site care taker.
- *3rd floor* (477.15 sq. m. residential area): 21 room including 8 with washrooms and 13 w/o washrooms

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SCHEDULE 1 - DETAILED REQUIREMENTS

- 43 units total. Rooms without a washroom have a sink and a microwave shelf
- Common washroom including two 3-piece bathrooms and two 2-piece toilets on 2nd floor and one 3-piece bathrooms and two 2-piece toilets on 3rd floor.
- Common laundry area on each floor
- Storage and garbage holding area on each floor
- Janitor's closet on each floor
- There are no other interior or exterior amenity space associated with the building
- No parking spaces are associated with the building
- There is no elevator

The City will not provide any operating subsidies or financial guarantees to the project. Unless eligible for property tax relief (e.g. Class 3 Supportive Housing), all Proposals should take into account the fact that property taxes or additional rent in lieu of property taxes will be payable under the lease.

4. Tenant Population

There are twenty-seven (27) interested tenants who have expressed interest in staying at the Yale Hotel and may need to be accommodated. Details will be provided to the successful Proponent.

5. Lease Overview

The City will own the residential units on the second and third floors of the renovated Yale Hotel and will provide the facility to a successful Proponent operator by way of a long-term lease. Typically, leases for City property used for non-market rental housing purposes are provided for terms of 60 years. To facilitate housing affordability, the lease will be at nominal value. Please note that, unless the housing project as contemplated by the proponent Proposal is eligible for property tax relief (e.g. Class 3 Supportive Housing), the lease will require the successful Proponent to pay property taxes or additional rent in lieu of property taxes.

The terms of a lease will include a representation by the City that the leased parcel is not contaminated, and the City will provide copies of Certificates of Compliance by the BC Ministry of Environment, as applicable.

6. Submission Evaluation

The evaluation of proposals will also include but may not be limited to, consideration of the following:

- tenants to be served, including income levels;
- rental affordability achievements to be realized
- operational viability proposal;
- funding or equity contribution;
- proponent operational capability.

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 SCHEDULE 2 - ESTIMATED OPERATING EXPENSES AND REVENUE PROJECTIONS

Estimated Operating Expenses and Revenue Projections

PART 1 - Estimated Operating Expenses and Capital Replacement Reserve

Description	Estimated Annual Cost
1. Property Taxes & Licenses	\$
2. Insurance	\$
3. Utilities:	\$
• Heating & Domestic Hot Water	\$
• Electricity other than Heat	\$
• Water & Sewer	\$
• Garbage Removal	\$
4. Maintenance:	\$
• Salaries, Wages & Benefits	\$
• Building Maintenance, Materials/Repair, Small Equipment	\$
• Grounds Maintenance, Materials/Repair, Small Equipment	\$
• Service Contracts (attach list)	\$
5. Administration:	\$
• Salaries, Wages & Benefits	\$
• Office Overhead i.e. Supplies & Small Equipment, Rental Equipment.	\$
• Telephone & Other Communication Services	\$
• Accounting Fees	\$
6. Audit & Legal Fees	\$
7. Contingency for Vacancy Loss	\$
8. Mortgage Principal & Interest	\$
9. BCNPHA Member Dues & Conference Fees	\$
10. Other Expenses:	\$
• Marketing	\$
• Tenant Involvements	\$
TOTAL OPERATING EXPENSES	\$
Capital Replacement Reserve Provision (43 units x \$45 per unit per month)	\$ 23,220.00
TOTAL ANNUAL EXPENSES	\$

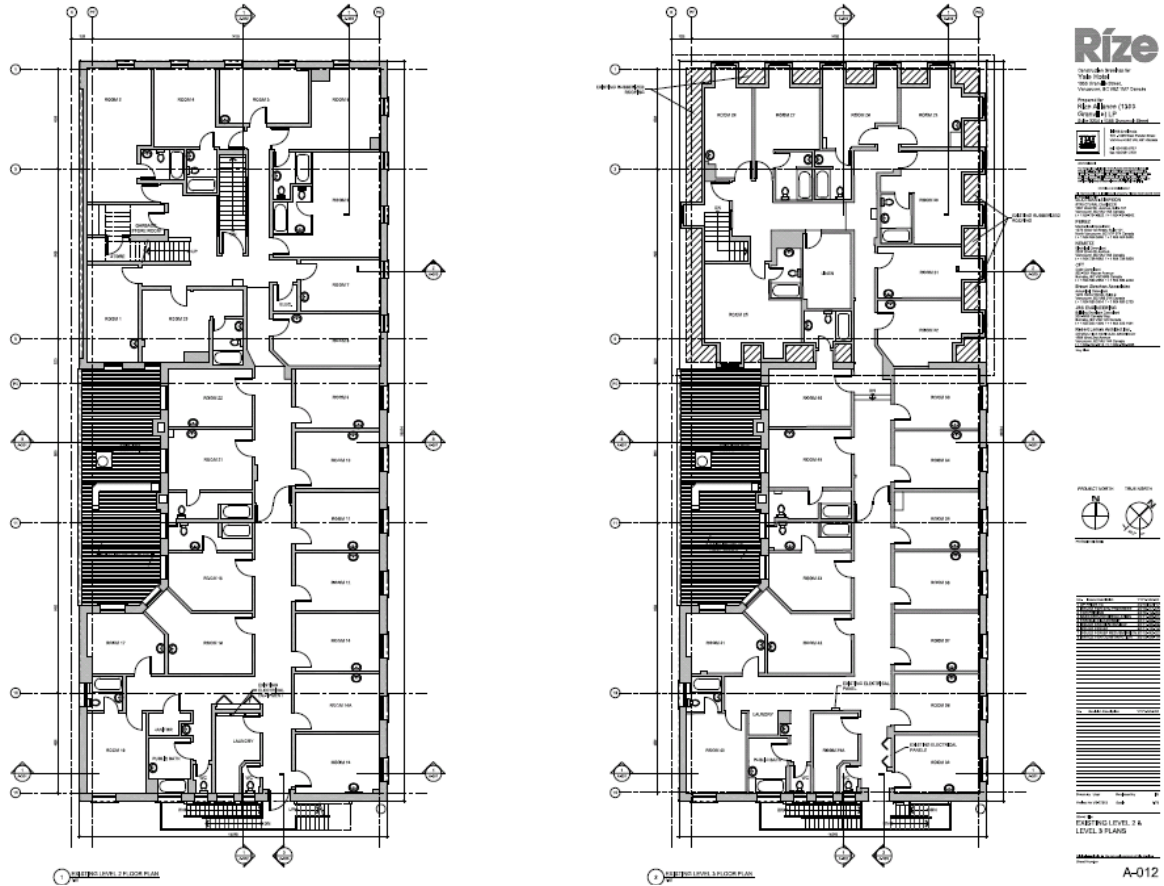
PART 2 - Estimated Income

Description	Estimated Annual Income
1. Rent:	\$
Shelter unit rents	\$
RGI unit rents	\$
Market unit rent	\$
2. Other - Please specify	\$
	\$
	\$
TOTAL INCOME	\$

REQUEST FOR PROPOSAL NO. PS20131034
OPERATOR FOR AFFORDABLE RENTAL HOUSING AT THE YALE HOTEL
SCHEDULE 3 - AIR SPACE PLAN

Please refer to attached **Proposed Air Space Plans**. There are **8 pages** in this **Schedule 3**.

REQUEST FOR PROPOSAL NO. PS20131034
OPERATOR FOR AFFORDABLE RENTAL HOUSING AT THE YALE HOTEL
SCHEDULE 4 - FLOOR PLANS



FLOOR PLANS - 2nd and 3rd Floor

REQUEST FOR PROPOSAL NO. PS20131034
SCHEDULE 5



CERTIFICATE OF EXISTING INSURANCE
TO BE COMPLETED AND APPENDED TO THE PROPOSAL/TENDER

Section 2 through 8 – to be completed and executed by the Insurer or its Authorized Representative

THIS CERTIFICATE IS ISSUED TO: City of Vancouver, 453 W 12th Avenue, Vancouver, BC, V5Y 1V4
and certifies that the insurance policy (policies) as listed herein has/have been issued to the Named Insured and is/are in full force and effect.

NAMED INSURED (*must be the same name as the proponent/bidder and is either an individual or a legally incorporated company*)

BUSINESS TRADE NAME or DOING BUSINESS AS

BUSINESS ADDRESS

DESCRIPTION OF OPERATION

PROPERTY INSURANCE (All Risks Coverage including Earthquake and Flood)

INSURER _____	Insured Values (Replacement Cost) -
TYPE OF COVERAGE _____	Building and Tenants' Improvements \$ _____
POLICY NUMBER _____	Contents and Equipment \$ _____
POLICY PERIOD From _____ to _____	Deductible Per Loss \$ _____

COMMERCIAL GENERAL LIABILITY INSURANCE (Occurrence Form)

Including the following extensions:

INSURER _____	_____
√ Personal Injury	POLICY NUMBER _____
√ Property Damage including Loss of Use	POLICY PERIOD From _____ to _____
√ Products and Completed Operations	Limits of Liability (Bodily Injury and Property Damage Inclusive) -
√ Cross Liability or Severability of Interest	Per Occurrence \$ _____
√ Employees as Additional Insureds	Aggregate \$ _____
√ Blanket Contractual Liability	All Risk Tenants' Legal Liability \$ _____
√ Non-Owned Auto Liability	Deductible Per Occurrence \$ _____

AUTOMOBILE LIABILITY INSURANCE for operation of owned and/or leased vehicles

INSURER _____	Limits of Liability -
POLICY NUMBER _____	Combined Single Limit \$ _____
POLICY PERIOD From _____ to _____	<i>If vehicles are insured by ICBC, complete and provide Form APV-47.</i>

UMBRELLA OR EXCESS LIABILITY INSURANCE **Limits of Liability (Bodily Injury and Property Damage Inclusive) -**

INSURER _____	Per Occurrence \$ _____
POLICY NUMBER _____	Aggregate \$ _____
POLICY PERIOD From _____ to _____	Self-Insured Retention \$ _____

PROFESSIONAL LIABILITY INSURANCE

INSURER _____	Limits of Liability
POLICY NUMBER _____	Per Occurrence/Claim \$ _____
POLICY PERIOD From _____ to _____	Aggregate \$ _____
	Deductible Per Occurrence/Claim \$ _____

If the policy is in a "CLAIMS MADE" form, please specify the applicable Retroactive Date: _____

OTHER INSURANCE

TYPE OF INSURANCE _____	Limits of Liability
INSURER _____	Per Occurrence \$ _____
POLICY NUMBER _____	Aggregate \$ _____
POLICY PERIOD From _____ to _____	Deductible Per Loss \$ _____
TYPE OF INSURANCE _____	Limits of Liability
INSURER _____	Per Occurrence \$ _____
POLICY NUMBER _____	Aggregate \$ _____
POLICY PERIOD From _____ to _____	Deductible Per Loss \$ _____

SIGNED BY THE INSURER OR ITS AUTHORIZED REPRESENTATIVE

Dated _____

PRINT NAME OF INSURER OR ITS AUTHORIZED REPRESENTATIVE, ADDRESS AND PHONE NUMBER