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File: [REDACTED]

Date: June 3, 2021

City of Victoria  
1 Centennial Square  
Victoria, BC V8W 1P6

Dear [REDACTED]

**Re: Michigan Square Redevelopment (330-336 Michigan Street, Victoria) DPV00122**  
**Letter of Indemnity for Landscape**

The Capital Region Housing Corporation (the “Society”) is the registered owner of property located at 330-336 Michigan Street, Victoria and legally described as: PID 001-225-197 Lot A of Lots 1864, 1871, 1872, 1873, 1874, 1875 and 1876, Victoria City, Plan 42136 (the “Lands”).

The Society, in partnership with British Columbia Management Commission (“BCHMC”), intends to construct not for profit housing on the Lands (the “Project”) as per Development Permit 00122 issued by the City on October 22, 2020 (the “Development Permit”). The Project will deliver 97 units of rental housing for a range of household incomes.

The Society agrees to complete the design and construction of certain on-site landscaping work relating to the Project as set out in the Development Permit (the “Works”). To ensure completion of the Works in accordance with the Development Permit, the Society has, amongst other things, agreed to secure the completion of the Works with an irrevocable letter of credit in favour of the City (the “LOC”).

In lieu of the Society providing the LOC in favour of the City, thereby allowing such saved costs to be used to better fund the Project, BCHMC has requested and the City has agreed, that BCHMC indemnify the City with respect to the installation of the Works in accordance with the Development Permit and the timelines set out therein.

In consideration of the City (i) permitting the construction of the Project, including the Works and (ii) waiving the City's right that the Society provide the LOC, BCHMC hereby agrees to indemnify and save harmless the City against any liabilities, claims, judgments, losses, damages, costs and expenses incurred by the City as a result of the non-completion of the Works in accordance with the Development Permit within the timelines set out therein.

The Society and BCHMC agree that should the Works, or any portion of the Works, not be completed in accordance with the Development Permit within the timelines set out therein, the City may, in its sole discretion, provide written notice to the Society and BCHMC ("Notice") ordering that the Society and BCHMC immediately comply with the Development Permit and complete the Works in the timeline specified therein, and to provide the City with an irrevocable letter of credit in accordance with the next paragraph.

Upon provision of the Notice, the Society and BCHMC further agree to provide an irrevocable letter of credit for 150% of the value of the Works that remain to be completed in the approved landscape plans (the "**Outstanding Works**") within the timeline set out in the Notice. The City, the Society and BCHMC agree to act reasonably in determining the scope and value of the Outstanding Works. Despite the preceding sentence, if the City, the Society and BCHMC do not agree on the scope and value of the Outstanding Works, the City may, in its sole discretion, engage a qualified professional at the expense of the Society and BCHMC to determine both the scope and the value of the Outstanding Works.

BCHMC and the Society agree that where the City considers that:

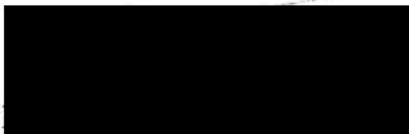
- (a) the Outstanding Works has not been satisfied; or
- (b) where, as a result of the contravention of a condition in the Development Permit, an unsafe condition or damage to the natural environment has resulted,

the City may undertake and complete the Outstanding Works required to satisfy the landscaping condition in the Development Permit or carry out any construction required to correct the unsafe condition or damage to the environment, at the cost of the Society, and may apply the security in payment of the cost of the Outstanding Works with any excess to be returned to the permit holder. Any expense incurred by the City beyond the value of the security may be recovered in the manner as municipal taxes.

Upon completion of the Works or the Outstanding Works as the case may be, the Society shall provide the City with a British Columbia Society of Landscape Architects (BCSLA) Landscape Schedule L-3 signed and sealed by a registered landscape architect to confirm that the Works have been completed in accordance with the drawings approved by the City.

We trust you will find the foregoing acceptable.

Yours truly,



Director of Regional Development - Vancouver Island  
British Columbia Housing Management Commission

By executing this letter agreement, BCHMC commits itself to be bound by the terms set out in this letter agreement.

[Redacted]

Authorized Signatory

[Redacted]

By executing this letter agreement, the Society commits itself to be bound by the terms set out in this letter agreement.

[Redacted]

Authorized Signatory

[Redacted]