

PROMISSORY NOTE

BETWEEN:

THE MANITOBA HOUSING AND RENEWAL CORPORATION

(in this Agreement called the "MHRC")

OF THE FIRST PART

- and -

LEGAL NAME OF PROPONENT.

(in this Agreement called the "PROMISOR")

OF THE SECOND PART

WHEREAS MHRC has approved the Promisor for an interest free loan to assist in the development of affordable housing under a program known as **Proposal Development Funding** (in this Agreement called "PDF");

AND WHEREAS PDF is an initial loan to assist in **describe project in one sentence** in **[insert town name]**, Manitoba (in this Agreement called the "PROJECT");

AND WHEREAS the proposed site on which the Project will be developed is described as follows:

Legal description of land (include civic address as well, if available) (in this Agreement called the "LAND");

AND WHEREAS the Promisor has obtained, or will obtain, mortgage financing on the security of the Land or other funding (in this Agreement called the "FINANCING") from a lender (in this Agreement called the "LENDER") to be used in furtherance of the Project.

For value received, **LEGAL NAME OF PROPONENT.** hereby promises to pay to the order of **THE MANITOBA HOUSING AND RENEWAL CORPORATION** at 202 – 280 Broadway in Winnipeg, Manitoba R3C 0R8, the sum of up to **approved PDF loan amount in writing** dollars (**\$XX,XXX.XX**) (in this Agreement called the "PRINCIPAL SUM"), with interest chargeable thereon at the rate of 0% per annum, on demand.

This Promissory Note is made by the Promisor as security for a loan of the Principal Sum made by the MHRC to the Promisor and the Promisor represents that:

- a) it is the owner of the Land or will become the owner of the Land, and
- b) it will endeavour to forthwith arrange Financing through a Lender to be used in furtherance of the Project.

The Promisor does undertake and agree:

- i) that the Principal Sum and any part thereof will be a first charge on and will be repayable from any Lender in furtherance of the Project,
- ii) the Promisor will complete the Order to Pay and Assignment of Financing Proceeds attached as Schedules "A" and "B" (in this Agreement called the "ORDER TO PAY" and the "ASSIGNMENT" respectively) and upon arranging for Financing from any Lender, it will deliver the Order to Pay and the Assignment to such Lender who shall acknowledge receipt of same. The Promisor shall then immediately return one duly executed copy of each of the Order to Pay and Assignment upon which the Lender has acknowledged receipt, to MHRC at 202 – 280 Broadway in Winnipeg, Manitoba R3C 0R8, and
- iii) if the Promisor fails to comply with the requirements of the preceding i) and ii), then the Principal Sum, or such part thereof which has been advanced, along with any costs, fees, interest or charges relating thereto, will become immediately due and payable, on demand.

In the event the Promisor is approved for capital funding through MHRC or any other funding/lending source, the Promisor hereby irrevocably and unconditionally authorizes MHRC to deduct as a first charge from the Promisor's project funding commitment all sums necessary to repay in full the Principal Sum.

The Promisor shall not assign or transfer this Agreement or any of the rights or obligations under this Agreement without first obtaining the written permission of MHRC.

The Promisor understands and agrees that the preamble hereto forms an integral part of this Promissory Note.

IN WITNESS WHEREOF the Parties have hereunto affixed their corporate seals duly attested to by their proper signing officers on that behalf on the dates noted below.

LEGAL NAME OF PROPONENT

Name:
Position:

Name:
Position:
Dated _____

THE MANITOBA HOUSING AND RENEWAL CORPORATION

Name:
Position:

Name:
Position:
Dated: _____

**THIS IS SCHEDULE "A" TO THE PROMISSORY NOTE
ORDER TO PAY**

TO: _____ (the "LENDER")

RE: **LEGAL NAME OF PROPONENT** (the "PROMISOR")

The Promisor, being the recipient of Proposal Development Funding from **THE MANITOBA HOUSING AND RENEWAL CORPORATION**, hereby irrevocably authorizes you to deduct as a first charge from the Promisor's mortgage/loan proceeds:

All sums necessary to repay in full the Proposal Development Funding the Promisor received from **THE MANITOBA HOUSING AND RENEWAL CORPORATION**, including any costs, fees, interest or charges relating thereto, to be sent at the Promisor's risk addressed as follows:

THE MANITOBA HOUSING AND RENEWAL CORPORATION
202 – 280 Broadway
Winnipeg, MB, R3C 0R8

and for doing so, this shall constitute your full and sufficient authority.

IN WITNESS WHEREOF **LEGAL NAME OF PROPONENT** has hereunto affixed its corporate seal duly attested to by its proper officers on that behalf on the date noted below.

LEGAL NAME OF PROPONENT

Name:

Position:

Name:

Position:

Dated: _____

We _____ (the "LENDER") do hereby

acknowledge receipt of this Order to Pay and agree to be bound by the terms contained therein.

DATED at the _____ of _____, this _____ day of _____, 200____.

(the Lender)

Per: _____

Per: _____

THIS IS SCHEDULE “B” TO THE PROMISSORY NOTE ASSIGNMENT OF FINANCING PROCEEDS

WHEREAS **THE MANITOBA HOUSING AND RENEWAL CORPORATION** (the “CORPORATION”), has approved **LEGAL NAME OF PROPONENT** (the “BORROWER”) for an interest free loan under a program known as **Proposal Development Funding** (in this Agreement called “PDF”).

AND WHEREAS PDF is an initial loan to assist in **describe project in one sentence in [insert town name]**, Manitoba (in this Agreement called the “PROJECT”);

AND WHEREAS the proposed site on which the Project will be developed is described as follows:

Legal description of land (include civic address as well, if available) (in this Agreement called the “LAND”);

AND WHEREAS the Borrower has agreed to obtain, or attempt to obtain, mortgage financing on the security of the Land or other funding (in this Agreement called the “FINANCING”) from a lender (in this Agreement called the “LENDER”) to be used in furtherance of the Project.

AND WHEREAS the Lender has requested from the Borrower additional and continuing security for the due payment of the sums owing under PDF and the Borrower has agreed, inter alia, to assign by way of a first specific assignment any and all proceeds from the Financing arranged by the Borrower through a Lender, as may be necessary to repay in full the PDF to the Corporation.

NOW THEREFORE this Agreement witnesses that, in consideration of the foregoing and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by the Borrower, the parties hereto covenant and agree as follows:

1. Assignment:

As additional security for payment in full of the PDF, the Borrower hereby unconditionally assigns in favour of the Corporation as and by way of a first specific assignment all of the Borrower’s rights, title and interest in the proceeds of the Financing arranged by the Borrower with the Lender, as may be necessary to repay in full the PDF to the Corporation including any costs, fees, interest or charges relating thereto.

2. Performance and Obligations:

The Borrower covenants to observe and perform or cause to be observed and performed, all of its covenants, obligations, agreements and undertakings as may be required by the Lender with respect to the Financing.

3. No Liability:

Nothing herein contained shall render the Corporation liable to any person for the fulfillment or nonfulfillment of any of the obligations, covenants, agreements or undertakings, including but not limited to the payment of money, under any of the requirements of the Financing by the Lender. The Borrower hereby indemnifies and agrees to save and to hold harmless the Corporation from and against all claims, demands, actions, cause of action, damage or costs whatsoever arising directly or indirectly from the requirements of the Financing or this Agreement.

4. Registration:

The Corporation shall have the right at any time and without notice to the Borrower to cause the present Agreement to be registered or filed in any place or office which the Corporation or its counsel deems advisable or necessary.

5. Authority for the Borrower:

In the event the Borrower fails to repay in full the PDF to the Corporation as required, the Corporation is authorized to receive the proceeds from any and all Financing arranged for between the Borrower and the Lender as may be required to repay in full the PDF the Borrower received from the Corporation, including any costs, fees, interest or charges relating thereto.

6. Consents:

At the request of the Corporation, the Borrower will cause any Lender who has agreed to provide Financing to the Borrower in furtherance of the Project to consent to and acknowledge the rights of the Corporation to the proceeds of the Financing by virtue of this Agreement in such form as the Corporation may reasonably require.

7. Discharge:

Upon payment in full of all amounts owing under the PDF, this Agreement shall be and become fully ended and terminated.

8. No Partnership:

Nothing herein contained shall be deemed by the parties hereto or by any third party as creating a relationship or principle and agent, partnership or joint venture between the Corporation and the Borrower.

IN WITNESS WHEREOF the parties contained hereto have affixed their corporate seal under the hands of their duly authorized signing officers as of the dates noted below.

LEGAL NAME OF PROPONENT

Name:
Position:

Name:
Position:
Dated:_____

THE MANITOBA HOUSING AND RENEWAL CORPORATION

Name:
Position:

Name:
Position:
Dated:_____

The undersigned Lender hereby consents to the registration of the annexed Assignment of Financing Proceeds in the Land Titles Office and/or Personal Property Security Registry for the Province of Manitoba and hereby agrees to be bound by the terms contained herein.

(the Lender)

Per:_____

Per:_____

Dated:_____