Kingston Municipal Non-Profit Housing Corporation

2009 Annual General Meeting

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Notice of the Annual General Meeting of the General Membership
Kingston Municipal Non-Profit Housing Corporation
(Town Homes Kingston)
7:00 p.m., Tuesday, June 1, 2010
Council Chambers, City Hall

Robert Trentadue, President, Board of Directors

1. Approval of the Agenda
   **MOVED** by seconded by
   That the Agenda be approved.

2. Approval of Annual General Meeting Minutes
   **MOVED** by seconded by
   That the minutes of the Annual General Meeting of May 19, 2009 be approved.

3. Public Board Meeting Resolutions 2009
   **MOVED** by seconded by
   That the issues dealt with and actions taken by the Board of Directors from January 2009 to December 2009 be received and adopted.

4. Repeal of By-Law
   **MOVED** by seconded by
   That the current indemnification policy be repealed and replaced with appendix #2

5. Amendment to By-Law
   **MOVED** by seconded by
   That By-Law 1 be amended to state that the term of office for two (2) councillors is one (1) year.

6. Acceptance of Audited Financial Statements
   **MOVED** by seconded by
   That the Audited Financial Statements for the period ending December 31, 2009 For Kingston Municipal Non-Profit Housing Corporation be accepted.

7. Appointment of Auditors
   **MOVED** by seconded by
   That the firm of Secker, Ross & Perry is confirmed as the auditors for 2010 for Kingston Municipal Non Profit Housing Corporation.

8. Annual Report
   **MOVED** by seconded by
   That the 2009 Annual Report be accepted.

9. Adjournment
   **MOVED** by seconded by
   That the meeting be adjourned.
MEETING TO ORDER

The Chair called the meeting to order and introduced the Board Members.

APPROVAL OF AGENDA

Moved by Councillor Hector
Seconded by Ms. Gazeley

THAT the agenda be amended to include the approval of the 2008 financial statements; approval of a resolution whereby, if possible, at least one member of the Board of Directors be a resident tenant of the Corporation; and the appointment of auditors for 2009, and as amended, be approved.

CARRIED

APPROVAL OF ANNUAL GENERAL MEETING MINUTES

Moved by Councillor Schmolka
Seconded by Councillor Hutchison

THAT the Minutes of the Annual General Meeting of Kingston Municipal Non-Profit Housing Corporation, dated February 19, 2008, be approved.

CARRIED

PUBLIC BOARD MEETING RESOLUTIONS 2007 - 2008

Moved by Councillor Hector
Seconded by Councillor Foster

THAT the issues dealt with and actions taken by the Directors and Officers of Kingston Municipal Non-Profit Housing Corporation January 2007 and December 2008 be received and adopted.

CARRIED
AMENDMENTS TO BY-LAW

Moved by Councillor Matheson
Seconded by Councillor Osanic

THAT if at all possible, at least one member of the Board of Directors be a resident tenant of the Corporation. CARRIED

Moved by Councillor Matheson
Seconded by Councillor Osanic

THAT the first by-law be amended to state that the office of a director shall automatically be vacated, if a director misses three consecutive board meetings without just cause, or fails to inform the Chair. CARRIED

Moved by Councillor Hector
Seconded by Councillor Smith

THAT the first by-law be amended to state that the Board is composed of two (2) councillors and five (5) members of the public. CARRIED

Moved by Councillor Osanic
Seconded by Councillor Foster

THAT the first by-law, as amended, be approved. CARRIED

ACCEPTANCE OF AUDITED FINANCIAL STATEMENTS

Moved by Councillor Hector
Seconded by Councillor Matheson

THAT the Audited Financial Statements for the period ending December 31 2007 for the Kingston Municipal Non-Profit Housing Corporation be accepted. CARRIED

Moved by Councillor Hector
Seconded by Councillor Osanic

THAT the Audited Financial Statements for the period ending December 31 2008 for the Kingston Municipal Non-Profit Housing Corporation be accepted. CARRIED

APPOINTMENT OF AUDITORS

Moved by Councillor Hector
Seconded by Councillor Matheson

THAT the firm of Seckor Ross and Perry, Chartered Accountants, be confirmed as the Auditors for 2009 for the Kingston Municipal Non-Profit Housing Corporation. CARRIED
ANNUAL REPORT

Moved by Councillor Schmolka
Seconded by Councillor Smith

That the 2007-2008 Annual Report for the Kingston Municipal Non-Profit Housing Corporation be accepted. CARRIED

DATE OF NEXT ANNUAL GENERAL MEETING

The date for the next Annual General Meeting will be determined.

ADJOURNMENT

Moved by Councillor Hector
Seconded by Councillor Glover

The meeting was adjourned at 7:20 p.m. CARRIED
Kingston Municipal Non Profit Housing Corporation
Record of Public Board Meeting Resolutions – 2009

MEETING DATE: JANUARY 27, 2009

MOVED by Dorothy Hector, seconded by Linda Jacques
That Town Homes Kingston implements the changes necessary to have the tenants at Patrick Street, Rideau Street and Division Street pay for water and sewer usage.  CARRIED

MEETING DATE: FEBRUARY 24, 2009

MOVED by Dorothy Hector, seconded by Gillian Moss
That Town Homes Kingston proceeds to submit application for Seed Funding through CMHC. (One opposing vote)  CARRIED

MOVED by Gillian Moss seconded by Joyce MacLeod-Kane
That By-Law 1 be amended to state that the term of office for two (2) councillors is one (1) year. (Two opposing votes)  CARRIED

MEETING DATE: MARCH 17, 2009

MOVED by Gillian Moss, seconded by Dorothy Hector
That the available two bedroom accessible unit at Rideau Crest Tower be offered to Mr. Carter.  CARRIED

MEETING DATE: APRIL 28, 2009

MOVED by Joyce MacLeod-Kane, seconded by Dorothy Hector
That the Corporation will charge $30 per month for each air conditioner installed in summer 2009 to offset the hydro costs where the Corporation pays hydro.  CARRIED

MOVED by Dorothy Hector, seconded by Alice Gazeley
That Town Homes Kingston to write the City and request the $200,000.00 loan for Rideau Street be forgivable due to the deficient building inherited by the Corporation from the City.  CARRIED

MEETING DATE: MAY 19, 2009

MOVED by Gillian Moss, seconded by Linda Jacques
That “Beautiful Blossoms by Town Homes Kingston” be accepted as the new name for the Garden Contest.  CARRIED
MOVED by Alice Gazeley, seconded by Linda Jacques
That we select the Community Voices Consulting Firm to facilitate and report on our
strategic planning exercises.  

MOVED by Gillian Moss, seconded by Alice Gazeley
That the Audited Financial Statements for 2008 be accepted.

MEETING DATE: JUNE 23, 2009

ELECTION OF OFFICERS:

The President, Robert Trentadue, passed the chair to the General Manager.

The General Manager, Barb Butler called for nomination for the office of Secretary. Dorothy Hector’s
name was put forward.

MOVED by Alice Gazeley, seconded by Robert Trentadue
That nomination for the office of Secretary be closed.

MOVED by Alice Gazeley, seconded by Gary Bennett
That Dorothy Hector be acclaimed Secretary.

The General Manager, Barb Butler called for nomination for the office of Treasurer.
Gillian Moss’s name was put forward.

MOVED by Alice Gazeley, seconded by Dorothy Hector
That nomination for the office of Treasurer be closed.

MOVED by Alice Gazeley, seconded by Dorothy Hector
That Gillian Moss be acclaimed Treasurer.

The General Manager, Barb Butler called for nomination for the office of Vice-President.
Alice Gazeley’s name was put forward.

MOVED by Dorothy Hector, seconded by Robert Trentadue
That the nomination for the office of Vice-President be closed.

MOVED by Robert Trentadue, seconded by Dorothy Hector
That Alice Gazeley be acclaimed Vice-President.

The General Manager, Barb Butler called for nomination for the office of President and Chair of the
Board of Directors. Robert Trentadue’s name was put forward.
MOVED by Dorothy Hector, seconded by Alice Gazeley
That nomination for the office of President and Chair of the Board of Directors be closed.  CARRIED

MOVED by Dorothy Hector, seconded by Alice Gazeley
That Robert Trentadue be acclaimed President and Chair of the Board of Directors.  CARRIED

The General Manager, Barb Butler returned the chair back to the President, Robert Trentadue.

MEETING DATE: JULY 28, 2009

MOVED by Gary Bennett, seconded by Linda Jacques
That Town Homes Kingston wishes to have potential partnership with City of Kingston for developing affordable housing in the location of 362 Montreal Street, and is willing to discuss possible opportunities with other organizations. Town Homes Kingston would also be interested in developing Byron Street, shall the agreement not be reached for development in the location of 362 Montreal.  CARRIED

MOVED by Gillian Moss, seconded by Linda Jacques
That Joseph’s Power Vacuum service be awarded the contract to clean the dryer vents at 37 Cassidy Street, provided they are able to supply WSIB verification and Certificate of Insurance. CARRIED

MOVED by Gillian Moss seconded by Linda Jacques
That the vacation time and sick leave are only earned if the employee is actively employed.  CARRIED

MOVED by Gillian Moss, seconded by Gary Bennett
That after six (6) months illness the cost of benefits is shared 50/50 between the employer and the employee.  CARRIED

MOVED by Gary Bennett seconded by Linda Jacques
That all market rents for the social portfolio be increased by 2.1%  CARRIED

MOVED by Gillian Moss seconded by Linda Jacques
That rent for current tenants at Eldon Hall and Notch Hill be increased by 2.1%  CARRIED

MOVED by Gary Bennett seconded by Linda Jacques
That for new tenants moving in to Eldon Hall and Notch Hill the rent be $950.00 for a three (3) bedroom and $995.00 for a (four) 4 bedroom. This would be effective immediately.  CARRIED

MOVED by Gillian Moss, seconded by Gary Bennett
That new tenants renting at Eldon Hall and Notch Hill be required to pay last months rent as well as first months rent. This would be effective immediately.  CARRIED
MEETING DATE: AUGUST 25, 2009

MOVED by Dorothy Hector, seconded by Joyce MacLeod-Kane
That the Board is extending interest in project development planning by Precambrian and hereby waives the present policy for obtaining three (3) written quotes. CARRIED

MOVED by Dorothy Hector, seconded by Linda Jacques
That the board will move forward with the present project development planning related to Montreal/Patrick Street site, and the Building Committee will be meeting with Dave Jackson for further Discussions. CARRIED

MOVED by Dorothy Hector, seconded by Linda Jacques
That Town Homes Kingston will proceed with Seed Application process for Montreal/Patrick Street project. CARRIED

MEETING DATE: SEPTEMBER 22, 2009

MOVED by Joyce MacLeod-Kane, seconded by Alice Gazeley
That in principle the Board approves the Seed Funding Application as presented. Dave Jackson is to continue to gather information from the General Manager. CARRIED

MOVED by Alice Gazeley, seconded by Dorothy Hector
That in December the Board will proceed with making a written submission directed to the City Council requesting more support for the tenants. CARRIED

MOVED by Alice Gazeley, seconded by Linda Jacques
That Shaw’s Landscaping be awarded the snow removal contract at the cost of $2,625.00 for Country Pines and $17,535.00 for the Family Projects including GST for 2009/2010. CARRIED

MOVED by Alice Gazeley, seconded by Dorothy Hector
That the Board support the General Manager, Barb Butler to advocate for the tenant at Eldon hall Place and proceed with requesting information on the appeal process. CARRIED

MOVED by Dorothy Hector, seconded by Gary Bennett
That in light of recommendation of the General Manager, the Board repeals the current indemnification and adopts the more comprehensive indemnification as attached CARRIED

MOVED by Joyce MacLeod-Kane, seconded by Alice Gazeley
That the Board supports the General Manager’s continuation on the Affordable Housing Committee for the City of Kingston for the next term. CARRIED
MEETING DATE: NOVEMBER 24, 2009

MOVED by Joyce MacLeod-Kane, seconded by Gillian Moss
That McCoys Plumbing and Heating be awarded the contract for Toilet and Tap Replacement at Cassidy St. and Patrick St. at the cost of $41,420.00. CARRIED

MOVED by Alice Gazeley, seconded by Dorothy Hector
That Fort Glass be awarded the contract for Accessible Doors at Cassidy St. at the cost of $2,956.26. CARRIED

MOVED by Dorothy Hector, seconded by Linda Jacques
That Londry Alarm be awarded the contract for Intercom at the cost of $2,200.00 CARRIED

MOVED by Dorothy Hector, seconded by Linda Jacques
That Thyssen-Krupp be awarded the contract for Elevator Modifications at Cassidy St. at the cost of $82,288. CARRIED

MOVED by Dorothy Hector, seconded by Alice Gazeley
That the Board authorizes the General Manager to spend the allocated $110,000.00 on elevator repairs and upgrades if allowable under SHRRP guideline. CARRIED

MOVED by Dorothy Hector, seconded by Alice Gazeley
That the Board is supporting the General Manager’s plan to collect the rent arrears. CARRIED
Repeal of By-Law

By-Law # 1 (see appendix #1)

Section 2.0 The Organization
Subject 2.1 By-Law # 1
Item # 34 Indemnities to Directors and Others

Action: That section 2.0, subject 2.1, item # 34 of By-Law # 1 be amended to include the following:

Moved by Dorothy Hector, seconded by Gary Bennett
That in light of recommendation of the General Manager, the Board repeals the current indemnification and adopts the more comprehensive indemnification as attached (Appendix #2) CARRIED
INDEMNIFICATION

1.1 Except as otherwise provided in the Act, no director or officer for the time being of the Corporation shall be liable for the acts, receipts, neglects or defaults of any other director or officer or employee or for joining in any receipt or act for conformity or for any loss, damage or expense happening to the Corporation through the insufficiency or deficiency of title to any property acquired by the Corporation or for or on behalf of the Corporation or for the insufficiency or deficiency of any security in or upon which any of the moneys of or belonging to the Corporation shall be placed out or invested or for any loss or damage arising from the bankruptcy, insolvency or tortious act of any persons, firm or corporation including any person, firm or corporation with whom or which any moneys, securities or effects shall be lodged or deposited for any loss, conversion, misapplication or misappropriation of or any damage resulting from any dealings with any moneys, securities or other assets belonging to the Corporation or for any other loss, damage or misfortune whatever which may happen in the execution of the duties of his respective office or trust or in relation thereto unless the same shall happen by or through his failure to exercise the powers and to discharge the duties of his office honestly, in good faith and in the best interests of the Corporation and in connection therewith to exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. The directors for the time being of the Corporation shall not be under any duty or responsibility in respect of any contract, act or transaction whether or not made, done or entered into in the name or on behalf of the Corporation, except such as shall have been submitted to and authorized or approved by the board. If any director or officer of the Corporation shall be employed by or shall perform services for the Corporation otherwise than as a director or officer or shall be a member of a firm or a shareholder, director or officer of a company which is employed by or performs services for the Corporation, the fact of his being a director or officer of the Corporation shall not disentitle such director or officer or such firm or company, as the case may be, from receiving proper remuneration for such services.

1.2 Subject to the Business Corporations Act, the Corporation shall indemnify a Director or Officer of the Corporation, a former director or officer of the Corporation or a person who acts or acted at the Corporation's request as a director or officer of a body corporate of which the Corporation is or was a Member or creditor, and his or her heirs and legal representatives, against all costs, charges and expenses, including an amount paid to settle an action or satisfy a judgment, reasonably incurred by him or her in respect of any civil, criminal or administrative action or proceeding to which they are made a party by reason of being or having been a director or officer of such corporation or body corporate if,

(a) he or she acted honestly and in good faith with a view to the best interests of the Corporation; and

(b) in the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, he or she had reasonable grounds for believing that his or her conduct was lawful.

The Corporation shall indemnify such person in all such other matters, actions, proceedings and circumstances as may be permitted by the Business Corporations Act or the law.
Amendment to By-Law

By-Law # 1 (see appendix #1)

Section 2.0 The Organization
Subject 2.1 By-Law # 1
Item # 8 Election and Term

Action: That section 2.0, subject 2.1, item #8 of By-Law No.1 be amended to include the following:

Moved by Gillian Moss seconded by Joyce MacLeod-Kane
That By-Law No. 1 be amended to state that the term of office for two (2) councillors is one (1) year. (Two opposing votes) CARRIED
SECTION: 2.0

SUBJECT 2.1

BY-LAW # 1

Created: 1 January 1999

Last Revised: 19 May, 2009

BY-LAW NO. 1

Being the General By-law of

KINGSTON MUNICIPAL NON-PROFIT HOUSING CORPORATION

(the "Corporation")

INTERPRETATION

1. Definitions in this By-law, unless the context otherwise specifies or requires:

   (a) "Act" means the Corporations Act, R.S.O. 1990, chap. C. 38 as from time to time amended and every statute that may be substitutes for that act and, in the case of such substitution, any references to the substituted provisions therefore in the new statute or statutes;

   (b) "By-law" means any By-law of the Corporation from time to time in force and effect;

   (c) "Letters Patent" means the Letters Patent and any Supplementary Letters Patent of the Corporation;

   (d) "Regulations" means the regulations made under the Act as from time to time amended and every regulation that may be substituted for those regulations and, in the case of such substitution, any references in the By-laws of the Corporation to provisions of the regulations shall be read as references to the substituted provisions of those regulations in the new regulations;

   (e) "Special Resolution" means a resolution passed by the directors and confirmed with or without variation by at least two-thirds (2/3) of the votes cast at a general meeting of the members of the Corporation duly called for that purpose or at an annual meeting, or, during the first year of the existence of the Corporation, in lieu of such confirmation, by the consent in writing of all the members entitled to vote at such meeting.
2. Interpretation. This By-law shall be, unless the context otherwise requires, construed and interpreted in accordance with the following:

   (a) all terms which are contained in the By-laws of the Corporation and which are defined in the Act or the Regulations shall have the meanings given to such terms in the Act or the Regulations;

   (b) words importing the singular number only shall include the plural and vice-versa; and the word “person” shall include bodies corporate, corporations, companies, partnerships, syndicates, trusts and any number or aggregate of persons;

   (c) the headings used in the By-laws are inserted for reference purposes only and are not to be considered or taken into account in construing the terms or provisions thereof or to be deemed in any way to clarify, modify or explain the effect of any such terms or provisions.
HEAD OFFICE

3. Head Office. The head office of the Corporation shall be in the City of Kingston in the Province of Ontario (unless changed by Special Resolution) and at such place within the municipality in Ontario where the head office is from time to time situated as the directors of the Corporation may from time to time by resolution fix.

SEAL

4. Seal. The seal, an impression of which is stamped in the margin of this page, shall be the seal of the Corporation.

DIRECTORS

5. Duties and Number. The affairs of the Corporation shall be managed by a board of directors who may be known and referred to as directors, trustees or governors. The board of directors shall consist of seven (7) directors, or such other number of directors as may be determined from time to time by Special Resolution, but at no time shall the number of directors be fixed at fewer than three (3). If at all possible, at least one member of the board of directors shall be a resident tenant of the corporation. Two (2) of the directors, or such other number as the directors shall determine from time to time, shall be Members of Council of the Corporation of the City of Kingston, who shall be voting ex-officio directors.

6. Qualifications.
   (a) Every director shall be eighteen (18) or more years of age and shall be a member of the Corporation, or shall become a member of the Corporation within ten (10) days after election or appointment as a director and no undischarged bankrupt shall be a director.
   (b) No person shall be elected or appointed as a director unless his or her election has been approved by the Council of the Corporation of the City of Kingston.

7. First Directors. The applicants of incorporation shall become the first directors of the Corporation whose term of office on the board of directors shall continue until their successors are elected at the first meeting of members.

8. Election and Term.
   (a) The directors, other than the ex-officio directors, shall, subject as provided below, be elected for terms of three (3) years, to hold office until the close of the third (3rd) annual meeting of members following their election.
   (b) Notwithstanding (a) above, one-third of the directors, other than the ex-officio directors, elected effective on or after January 1, 1999, shall retire at the close of the first (1st) annual meeting thereafter and one-third (1/3) of those directors shall retire at the close of the second (2nd) annual meeting thereafter.
   (c) Ex-officio directors shall be elected by the members and have a term of office for a period of one (1) year from the date of the meeting at which they are elected until the annual meeting next following or until their successors are elected. Nothing herein shall prohibit a Member of Council of the Corporation of the City of Kingston from standing for election as a director who is not an ex-officio director.
(d) In any year the number of directors, excluding ex-officio directors, shall be a whole number divisible by three (3), and the number of directors, including ex-officio directors, who retire shall not be fewer than three. Any retiring director, who otherwise qualifies, shall be eligible for re-election.

9. Vacancies. The office of a director shall automatically be vacated:
   (a) if the director does not within ten (10) days after election or appointment as a director become a member, or ceases to be a member of the Corporation;
   (b) if the director becomes bankrupt or suspends payments of debts generally or compounds with creditors or makes an authorized assignment or is declared insolvent;
   (c) if the director is found to be a mentally incompetent person or becomes of unsound mind;
   (d) if the director by notice in writing to the Corporation resigns office which resignation shall be effective at the time it is received by the Secretary of the Corporation or at the time specified in the notice, whichever is later;
   (e) if at a special meeting of members, a resolution is passed by at least two-thirds (2/3) of the votes cast by the members at the special meeting removing the director before the expiration of the director’s term of office;
   (f) if the director dies.
   (g) if a director misses three consecutive board meetings without just cause, or fails to inform the Chair.

10. Filling Vacancies. A vacancy occurring in the board of directors shall be filled as follows:
   (a) if the vacancy occurs as a result of the removal of any director by the members in accordance with paragraph 9(e) above, it may be filled upon the vote of a majority of the members and any director elected to fill a removed director’s place shall hold office for the remainder of the removed director’s term;
   (b) any other vacancy in the board of directors may be filled for the remainder of the term by the directors then in office, if they shall see fit to do so, so long as there is a quorum of directors in office, provided that if there is not a quorum of directors, the remaining directors shall promptly call a meeting of the members to fill the vacancy and, in default or if there are no directors then in office, the meeting may be called by any member; and
   (c) otherwise such vacancy shall be filled at the next annual meeting of the members at which the directors for the ensuing year are elected.

If the number of directors is increased during a term, the vacancy or vacancies arising from such authorized increase shall thereby be deemed to have occurred upon such increase becoming effective, and may be filled in the manner provided above.

11. Executive Committee. Subject to Section 70 of the Act and in the event that the number of directors on the board is greater than six (6), the directors may elect from among their number an executive committee consisting of not fewer than three (3) directors and may delegate to such executive committee any of the powers of the board of directors, subject to the restrictions, if any, contained in the By-laws or imposed from time to time by the board of directors. Subject to the By-laws and any resolution of the board of directors, the executive committee may meet for the transaction of business, adjourn and otherwise regulate its meetings as it sees fit and may from time to time adopt, amend or repeal rules or procedures in this regard, provided, however, that if the executive committee is authorized to fix its quorum, such quorum shall not be less than a majority of its members. Subject to the Act, except to the extent otherwise determined by the board of directors or, failing such determination, as determined by the executive committee, the provisions of paragraphs
14 to 21 of this By-law, inclusive, shall apply, with necessary modifications to the executive committee.

12. Other Committees. The board of directors may from time to time appoint any other committee or committees, as it deems necessary or appropriate for such purposes and with such powers as the board shall see fit. Any such committee may formulate rules of procedure, subject to such regulations or directions as the board may from time to time make. Any committee member may be removed by resolution of the board of directors. The board of directors may fix any remuneration for committee members who are not also directors of the Corporation.

13. Remuneration of Directors. The directors, and those directors who also serve as officers, shall serve as such without remuneration and no director shall directly or indirectly receive any profit from occupying the position of director or in any other capacity; provided that a director, including those who are also officers, may be reimbursed for reasonable expenses incurred by the director in the performance of the director’s duties.

MEETINGS OF DIRECTORS

14. Place of Meeting. Meetings of the board of directors may be held either at City Hall, 216 Ontario Street, Kingston, Ontario, or at any other place within Ontario.

15. Notice. A meeting of directors may be convened by the Chair of the board (if any and if so authorized by Special Resolution of the Corporation), the President, a Vice-President who is a director, or any two directors at any time. The Secretary, when directed or authorized by any of such officers or any two directors, shall convene a meeting of directors. The notice of meeting convened as provided above need not specify the purpose of or the business to be transacted at the meeting. Notice of any such meeting shall be served in the manner specified in paragraph 56 of this By-law not less than two (2) days (exclusive of the day on which the notice is delivered or sent, but inclusive of the day for which notice is given) before the meeting is to take place; provided always that a director may in any manner and at any time waive notice of a meeting of directors and attendance of a director at a meeting of directors shall constitute a waiver of notice of the meeting except where a director attends a meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called; provided further that meetings of directors may be held at any time without notice if all the directors are present (except where a director attends a meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called) or if all of the absent director waive notice before or after the date of such meeting.

If the first meeting of the board of directors following the election of directors by the members is held immediately after the members’ meeting, then for such meeting or for a meeting of the board of directors at which a director is appointed to fill a vacancy in the board, no notice shall be necessary to the newly elected or appointed directors or director in order to legally constitute the meeting, provided that a quorum of the directors is present.

16. Error or Omission in Giving Notice. No error or accidental omission in giving notice of any meeting of directors shall invalidate such meeting or make void any proceedings taken at such meeting.

17. Adjournment. Any meeting of directors may be adjourned from time to time by the chair of the meeting, with the consent of the meeting, to a fixed time and place. Notice of any
adjourned meeting is announced at the original meeting. Any adjourned meeting shall be duly constituted if held in accordance with the terms of the adjournment and a quorum is present at the meeting. The directors who formed a quorum at the original meeting are not required to form the quorum at the adjourned meeting. If there is no quorum present at the adjourned meeting, the original meeting shall be deemed to have terminated immediately after its adjournment. Any business may be brought before or dealt with at any adjourned meeting which might have been brought before or dealt with at the original meeting in accordance with the notice calling the same.

18. Regular Meeting. The board of directors may appoint a day or days in any month or months for regular meetings of the board of directors at a place or hour to be named by the board of directors and a copy of any resolution of the board of directors fixing the place and time of regular meetings of the board of directors shall be sent to each director forthwith after being passed, but no other notice shall be required for any such regular meetings.

19. Quorum. The number of directors which shall form a quorum for the transaction of business shall be that which is set out in the Letters Patent or a Special Resolution of the Corporation and, in the event of no such provision, a majority of the directors shall form a quorum for the transaction of business. Despite any vacancy among the directors, a quorum of directors may exercise all the powers of directors.

20. Voting. Each director is authorized to exercise one (1) vote. Questions arising at any meeting of directors shall be decided by a majority of votes. In case of an equality of votes, the Chair of the meeting in addition to an original vote shall have a second or casting vote.

21. Electronic Board Meeting. If a majority of the directors of the Corporation consent, a meeting of directors may be held by means of such telephone, electronic or other communication facilities as permit all persons participating in the meeting to hear each other simultaneously and instantaneously, and a director participating is such meeting by such means is deemed to be present at that meeting.

POWERS OF DIRECTORS

22. Administer Affairs. The board of directors of the Corporation may administer the affairs of the Corporation in all things and make or cause to be made for the Corporation, in its name, any kind of contract which the Corporation may lawfully enter into and, except as provided below, generally, may exercise all such other powers and do all such other acts and things as the Corporation is by its Letters Patent or otherwise authorized to exercise and do.

23. Expenditures. The board of directors shall have power to authorize expenditures on behalf of the Corporation from time to time for the purpose of furthering the objects of the Corporation. The board of directors shall have the power to enter into a trust arrangement with a trust company or other financial institution for the purpose of creating a trust fund in which the capital and interest may be made available for the benefit of promoting the interest of the Corporation in accordance with such terms as the board of directors may fix.

24. Borrowing Power. The board of directors of the Corporation may from time to time:
(a) borrow money on the credit of the Corporation;
(b) issue, sell or pledge debt obligations (including bonds, debentures, debenture stock, notes or other like liabilities whether secured or unsecured) of the Corporation;
(c) charge, mortgage, hypothecate or pledge all or any currently owned or subsequently acquired real or personal, movable or immovable property of the Corporation,
including book debts, rights powers, franchises and undertakings, to secure any debt obligations or any money borrowed, or other debt or liability of the Corporation; and

(d) delegate the powers conferred on the board of directors under this paragraph to such officer or officers of the Corporation and to such extent and in such manner as the directors shall determine.

The powers conferred in this Section shall be deemed to be in addition to and not in substitution for any powers to borrow money for the purposes of the Corporation possessed by its directors or officers independently of this By-law.

25. Agents and Employees. The board of directors may appoint such agents and engage such employees (and may delegate this function to an officer or officers of the Corporation) as it shall deem necessary from time to time and such persons shall have such authority and shall perform such duties as shall be prescribed at the time of such appointment.

26. Remuneration of Agents and Employees. The remuneration of agents and employees shall, subject to the other provisions of this By-law, be fixed by the board of directors by resolution, provided that the board of directors may delegate this function to an officer or officers of the Corporation.

OFFICERS

27. Appointment. The board of directors shall annually or more often as may be required, elect a President and Secretary from among themselves and if deemed advisable may appoint annually or more often as may be required one or more Vice-Presidents, a General Manager, a Treasurer and such other officers as the board of directors may determine, including one or more assistants to any of the officers to be elected or appointed. A director may be appointed to any office of the Corporation but subject to Section 291 of the Act, none of the said officers except the Chair of the board and the President need be a director or member of the Corporation. Two or more of the above offices of Secretary and Treasurer may be held by the same person. In case and whenever the same person holds the offices of Secretary and Treasurer That person may but need not be known as the Secretary-Treasurer. The board of directors may from time to time appoint such other officers and agents as it shall deem necessary who shall have such authority and shall perform such duties as may from time to time be fixed by the board of directors.

28. Vacancies. Despite the above provisions, each incumbent officer shall continue in office until the earlier of:

(a) that officer’s resignation, which resignation shall be effective at the time the written resignation is received by the Secretary of the Corporation or at the time specified in the resignation, whichever is late:
(b) the appointment of a successor;
(c) the officer ceasing to be a director or member if such is a necessary qualification of appointment;
(d) the meeting at which the directors annually appoint the officers of the Corporation;
(e) that officer’s removal; and
(f) that officer’s death.

If the office of any officer of the Corporation shall be or become vacant, the directors by resolution may appoint a person to fill such vacancy.
29. Remuneration of Officers. The remuneration of all officers appointed by the board of directors shall be determined from time to time by resolution of the board of directors except that no office who is also a director shall be entitled to receive remuneration for acting as such. All officers shall be entitled to be reimbursed for reasonable expenses incurred in the performance of the officer's duties.

30. Removal of Officers. All officers, in the absence of agreement to the contrary, shall be subject to removal by resolution of the board of directors at any time, with or without cause.

31. Duties of Officers may be Delegated. In case of the absence or inability to act of any officer of the Corporation or for any other reason that the board of directors may deem sufficient, the board of directors may delegate all or any of the powers of any such officer to any other officer or to any director for the time being.

32. Powers and Duties. All officers shall sign such contracts, documents or instruments in writing as require their respective signatures and shall respectively have and perform all powers and duties incident to their respective offices and such other powers and duties respectively as may from time to time be assigned to them by the board of directors. The duties of the officers shall include:

(a) Chair of the board. Where the Corporation by Special Resolution provides for the election by the directors of a Chair of the board from among themselves, the President shall be the Chair of the board.

(b) President. The President shall be the chief executive officer of the Corporation unless otherwise determined by resolution of the board of directors. The President shall be a director and shall be vested with and exercise all of the powers and perform all of the duties of the Chair of the board where the Corporation by Special Resolution provides for the election by the directors of a Chair of the board from among themselves.

(c) Vice-President. The Vice-President or, if more than one, the Vice-Presidents, in order of seniority, shall be vested with all the powers and shall perform all the duties of the President in the absence or inability or refusal to act of the President; provided, however, that a Vice-President who is not a director shall not preside as chair at any meeting of the board of directors or of committees of directors, if any, and that a Vice-President who is not a director and member shall not, subject to paragraph 46 of this By-law, preside at any meeting of members.

(d) Secretary. The Secretary shall give or cause to be given notices for all meetings of the board of directors or the executive committee, if any, and members when directed to do so and have charge of the corporation seal of the Corporation, the minute books of the Corporation and of the documents and registers referred to in Section 300 of the Act.

(e) Treasurer. Subject to the provisions of any resolution of the board of directors, the Treasurer shall have the care and custody of the Corporation in such bank or banks or with such depository or depositories as the board of directors may direct. The Treasurer shall keep or cause to be kept the requisite books of account and accounting records. The Treasurer may be required to give such bond for the faithful performance of the Treasurer's duties as the board of directors in their uncontrolled discretion may require but no director shall be liable for failure to require any bond or for the insufficiency of any bond or for any loss by reason of the failure of the Corporation to receive any indemnity thereby provided.

(f) Assistant Secretary and Assistant Treasurer. The Assistant Secretary or, if more than one, the Assistant Secretaries in order of seniority, and the Assistant Treasurer or, if more than one, the Assistant Treasurers in order of seniority, shall respectively perform all the duties of the Secretary and the Treasurer, respectively, in the absence or inability or refusal to act of the Secretary or the Treasurer, as the case may be.
(g) General Manager. The board of directors may from time to time appoint a General Manager and may delegate to that person full power to manage and direct the business and affairs of the Corporation (except such matters and duties as by law must be transacted or performed by the board of directors and/or by the members) and to employ, settle the terms of employment and remuneration and discharge agents and employees of the Corporation or may delegate to that person any lesser authority. The General Manager shall conform to all lawful orders given by the board of directors of the Corporation and shall at all reasonable times give to the directors or any of them all information they may require regarding the affairs of the Corporation. The General Manager, if appointed, shall become the ex-officio Treasurer of the Corporation and shall cease to be the ex-officio Treasure when he or she ceases to be the General Manager.

FOR THE PROTECTION OF DIRECTORS AND OFFICERS

33. For the Protection of Directors and Officers. Except as otherwise provided in the Act, no director or officer for the time being of the Corporation shall be liable for the acts, receipts, neglects or defaults of any other director or officer or employee or for any loss, damage or expense happening to the Corporation through the insufficiency or deficiency of title to any property acquired by the Corporation or for or on behalf of the Corporation or for the insufficiency or deficiency of any security in or upon which any of the moneys of or belonging to the Corporation shall be placed out or invested or for any loss or damage arising from the bankruptcy, insolvency or tortuous act of any person including any person with whom any moneys, securities or effects shall be lodged or deposited or for any loss conversion, misapplication or misappropriation of or any damage resulting from any dealings with any moneys, securities or other assets belonging to the Corporation or for any other loss, damage or misfortune whatever which may happen in the execution of the duties of the director’s or officer’s respective office or trust or in relation to the same unless the same shall happen by or through the director’s or officer’s own wilful neglect or default.

INDEMNITIES TO DIRECTORS AND OTHERS

34. Indemnities to Directors and Others. Every director or officer of the Corporation, and his or her heirs, executors and administrators, respectively, shall from time to time and at all times, be indemnified and saved harmless out of the funds of the Corporation only from and against:

(a) all costs, charges and expenses whatsoever which such director or officer sustains or incurs in or about any action suit or proceeding that is brought, commenced or prosecuted against him or her for or in respect of any act, deed matter or thing whatever, made, done or permitted by him or her, in or about the execution of the duties of his or her office; and

(b) all other costs, charges and expenses which he or she sustains or incurs in or about or in relation to the affairs of the Corporation, except such costs, charges or expenses as are occasioned by his or her own negligence or default, or failure to act honestly and in good faith with a view to the best interests of the Corporation.

CONFLICT OF INTEREST

35. This is a summary of the Conflict-of-Interest rules set out in Ontario Regulation 339/01, for all Non-Profit Housing Providers subject to the Social Housing Reform Act, 2000.
SCHEDULE “A”
To the Conflict of Interest By-Law No.1

Summary of Obligations

1) A Conflict of Interest is defined as a situation where:
   (i) the personal or business interests of a director, officer, agent or employee of a Housing Provider are in conflict with the interests of the Housing Provider; or
   (ii) a personal gain, benefit, advantage or privilege is directly or indirectly given to or received by a director, officer, agent, employee, or a person related to them as a result of a decision by the Housing Provider.

2) “A person related to a director, officer, agent, employee” includes a parent, spouse, same-sex partner, child, household member, sibling, uncle, aunt, nephew, niece, mother-in-law, father-in-law, sister-in-law, brother-in-law, grandparent, a person with whom the director, officer, agent or employees has a business relationship.

3) A director, officer, agent or employee of the Housing Provider shall not enter into any situation, arrangement or agreement that results in a Conflict of Interest.

4) Directors, officers, agents and employees of the Housing Provider must notify the Chair of the Board of Directors of the Housing Provider of every potential or actual Conflict of Interest no later than the first meeting of the Board after the director, officer, agent or employee becomes aware that he or she has entered into a situation, arrangement or agreement that results in or may result in a Conflict of interest.

5) The Board of Directors shall consider any notice given under paragraph 4 no later than the second meeting of the Board after the notice is given. The consideration of the notice must be reflected in the minutes of the meeting.

6) The Chair of the Board of Directors shall notify the Service Manager in writing of the receipt of every notice under paragraph 4, and the Board of Directors shall resolve every Conflict of Interest or potential Conflict of Interest to the satisfaction of the Service Manager.

7) Despite paragraph 3, a director, officer, agent, employee or a person related to one of them may directly or indirectly receive a gain, benefit, advantage, privilege or remuneration from the Housing Provider if both the following conditions are satisfied:
   a) a notice of the Conflict of Interest or potential Conflict of Interest is given in accordance with paragraph 4; and
   b) the Service Manager agrees that there is no reasonable alternative for the Housing Provider other than entering into the situation, arrangement or agreement that results in or may result in the Conflict of Interest.

8) The Conflict of Interest provisions set out above may be replaced for a Housing Provider by rules agreed to by the Housing Provider and the Service Manager for all areas in which its housing projects that are subject to the Social Housing Reform Act, 2000 are located.
SCHEDULE "B"
To Conflict of Interest By-Law No. 1

Notification of a Potential, Perceived or Actual Conflict of Interest

Part 1: Name of Non-Profit

Contact Person:
Address:

Part 2: To be completed by the director, officer, agent or employee with the conflict

Name:
Address:

Briefly describe the potential, perceived or actual conflict (add any relevant supporting documentation)

Signature

Date

Part 3: To be completed by the Chair of the Board or designate

Date of Receipt of Notice
Date of Meeting at which the conflict was considered

Did the Board decide a Conflict of Interest existed as set out in Part 2 above?

No
Yes

(go to part a) (go to part b)

a) If no, complete the following declaration:

I certify that the Board of Directors of Kingston Municipal Non-Profit Housing Corporation, after considering the declared Conflict of Interest described above, decided that in fact no Conflict of Interest exists. I request ratification by the Service Manager (The City of Kingston) of this decision of the Non-Profit.

Signature

Date
b) Was the conflict resolved in accordance with the Non-Profit's By-Laws and O. Reg. 339/01.

Complete only one of the two boxes below

<table>
<thead>
<tr>
<th>Yes</th>
<th>Briefly describe the resolution of the conflict (add any relevant supporting documentation)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

"I certify this is a true record of the Conflict of Interest and its resolution. I request ratification by the City of Kingston, as Service Manager, of the decision of the Non-Profit."

Signature ___________________________ Date ___________________________

<table>
<thead>
<tr>
<th>No</th>
<th>Briefly describe why the conflict could not be resolved (add any relevant supporting documentation)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
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</table>

"I certify this is a true record of the Conflict of Interest and that the Non-Profit was unable to bring about a resolution. I hereby request instruction from the City of Kingston, as Service Manager, regarding resolution of this Conflict of Interest."

Signature ___________________________ Date ___________________________
Schedule “C”

To Conflict of Interest By-Law No. 1

Acknowledgement of Receipt/Review of the Conflict of Interest By-Law

Part 1: Non-Profit Information

Name of Non-Profit:

Contact Person:

Address/Phone/Phone Number:

Part 2: To be completed by the director, officer, agent, or employee

Name:

Position:

This will acknowledge and confirm that I have received, read and understand the Non-Profit Conflict of Interest By-Law and Directive H-08-01 and acknowledge that as a board member, officer, agent, employee, [choose one] I am required to comply with all terms, and conditions of the Conflict of Interest By-Law and of O. Reg. 330/01, s 4, of the Social Housing Reform Act, 2000 and Directive H-08-01

I further acknowledge my responsibility to disclose to the Non-Profit and Service Manager all potential or actual Conflicts of Interest, which, may arise or exist while acting in my role with the Non-Profit, in accordance with the approved Conflict of Interest By-Law.

_________________________________________  __________________________
Signature                                      Date

NOTE: This declaration should be signed when a director, officer, agent or employee first takes a position with the Non-Profit or begins their employment with the Non-Profit or when the By-Law comes into effect. A copy the declaration must be retained on Conflict of Interest file for the full period of the director, officer, agent, employee’s involvement or employment with the Non-Profit.
Conflict of Interest By-Law

BY-LAW NO. 1

OF

KINGSTON MUNICIPAL NON-PROFIT HOUSING CORPORATION (the "Non-Profit")

CONFLICT OF INTEREST BY-LAW

BE IT ENACTED as a By-Law of the Non-Profit to repeal and replace By-law No. 1, Conflict of Interest, as follows:

1. BACKGROUND
   a) The Non-Profit recognizes it is good business practice to avoid Conflicts of Interest.
   b) The Government of Ontario, pursuant to the Social Housing Reform Act 2000, has issued Ontario Regulation 339/01, which includes the Government's rules relating to Conflict of Interest and other business practices. Schedule "A" contains a summary of these rules.
   c) This By-law sets out how the Non-Profit addresses Conflicts of Interest, including implementing the requirements of Ontario Regulation 339/01.

2. DEFINITIONS – In this By-law:

   2.1 "Conflict of Interest" means a situation where:
      i. the personal or business interests of a director, officer, agent, or employee of a Non-Profit are in conflict with the interests of the Non-Profit; or
      ii. a personal gain, benefit, advantage or privilege is directly or indirectly given to or received by a director, officer, agent or employee or a person related to any one of them as a result of a decision by the Non-Profit;

   and includes

   a) the Non-Profit giving a direct or indirect gain, benefit, advantage or privilege to a director, officer, agent or employee or a person related to any one of them;
   b) a director, officer, agent or employee or a person related to any one of them receiving a direct gain, benefit, advantage or privilege from the Non-Profit as a result of the person's position within the Non-Profit;
   c) the Non-Profit, in offering housing accommodation or in setting rents or other occupancy charges, giving any advantage or privilege to directors who are tenants that is not available to tenants who are not directors.
2.2 "Declaration" means a declaration in the form attached as Schedule "B" to this By Law.

2.3 "Director" means a member of the Board of Directors of the Non-Profit.

2.4 "Officer" means the president, chair, vice-president, secretary, treasurer, manager and anyone else designated as an officer in the By-Laws of the Non-Profit.

2.5 "Person related to any one of them" means a parent, spouse, same-sex partner, child, household member, sibling, uncle, aunt, nephew, niece, mother-in-law, father-in-law, sister-in-law, brother-in-law, grandparent of the director, officer, agent, employee, a person with whom the director, officer, agent, or employee has a business relationship.

2.6 "Service Manager" means a Service Manager as defined in Section 2 of The Social Housing Reform Act, 2000, and includes any person exercising the powers of the Service Manager under Section 16 of The Social Housing Reform Act, 2000.

2.7 "Threshold" means more than an amount, accepted as such by the Service Manager, which is lesser of:

The appropriate monetary level is determined by the number of units under administration. Under 250 units, the thresholds are $2,000 and $14,999. Where there are 250 units or more, the thresholds are $5,000 and $19,999, as indicated below.

<table>
<thead>
<tr>
<th>Housing Provider – No. of Units</th>
<th>Minimum Threshold</th>
<th>Maximum Threshold</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt; 250 units</td>
<td>$2,000</td>
<td>$14,999.99</td>
</tr>
<tr>
<td>&gt;250 units</td>
<td>$5,000</td>
<td>$19,999.99</td>
</tr>
</tbody>
</table>

3. AVOIDING CONFLICT OF INTEREST

3.1 Exceptions – The Non-Profit shall not enter into a relationship, arrangement, contract or agreement with any person in a way that creates a Conflict of Interest, except that:

a. provided that a notice of potential, perceived or actual or Conflict of Interest has been delivered to the Service Manager and the Service Manager agrees there is no reasonable alternative, the Non-Profit may enter into a relationship, arrangement, contract or agreement that normally would be the Conflict of Interest, given specific conditions to limit the Conflict of Interest as set out by the Non-Profit and approved by the Service Manager;

b. a Director who lives in the Non-Profit may be employed by the Non-Profit on a part-time basis to perform routine tasks such as administrative, maintenance or operational tasks with respect to the Non-Profit’s project/portfolio
c. a Director may be employed by the Non-Profit in a non-managerial or non-supervisory position [provided that where the Board of Directors consists of not more than five Directors, there shall not be more than one Director so employed at any one time. If there are more than five Directors, the total number of Directors so employed may not exceed one-fifth of the board]

d. some or all of the Directors may also sit as Directors of an organization that supplies essential support services for special-needs clients residing in the Non-Profit's project/portfolio, where the project/portfolio exists specifically so that residents can live in the community with the support services provided; and

e. the Directors may be paid a modest *per diem* or an honorarium if a provision allowing such remuneration is contained in the Letters Patent or Articles of Incorporation for the Non-Profit.

3.2 Duty to Monitor and Avoid Conflict of Interest -- The Non-Profit shall closely monitor its relationships, arrangements, contracts and agreements, and not engage in any that may result in a Conflict of Interest. The Directors, individually and collectively, shall ensure compliance with this requirement.

3.3 Termination -- Subject to employment law in force in Ontario and any collective-bargaining agreements to which the Non-Profit is party, all relationships, arrangements, contracts or agreements of the Non-Profit, which exceed the Threshold in any one fiscal year of the Non-Profit, shall include a clause permitting the Non-Profit to terminate the relationship, arrangement, contract or agreement if the Non-Profit or Service Manager requires such termination in order to resolve a Conflict of Interest.

3.4 Directors Must Resign -- Except as set out in subsection 3.1, a Director shall resign from her/his position before the Non-Profit's Board of Directors deliberates, issues a tender, or votes on a contract or employment position for which the Director intends to compete.

3.5 Former Directors and Officer -- Except in the circumstances set out in subsection 3.1, no former director or officer may apply for employment with the Non-Profit or seek to enter into a contract to supply services to the Non-Profit directly or indirectly for a period of one (1) year following the date she/he ceases to be a Director or Officer.

3.6 Purchase or Lease of Land -- Where the Non-Profit purchases or leases land, it shall not purchase or lease such land from:

a. an individual; or
b. a corporation which has a shareholder, director or officer;

who is a director, officer, agent, employee, development consultant/resource group, architect or other technical consultant, real estate agent, or environmental consultant of the Non-Profit or any person related to one of them.
4. **BOARD PROCEDURES**

4.1 **Conflict of Interest** – The board shall have Conflict of Interest as a regular agenda item at the beginning of each meeting of the Directors, general members meeting or annual general meeting. Any director, officer, agent, member or employee who has a Conflict of Interest must submit their Declaration (or declare their conflict) at that time.

4.2 **Declaration of Conflict of Interest** – Directors, officers, agents and employees of the Non-Profit must notify the Chair of the Board of Directors of the Non-Profit of every potential, perceived or actual Conflict of Interest no later than the first meeting of the Board after the director, officer, agent or employee becomes aware that he or she has entered into a situation, arrangement or agreement that results in or may result in a Conflict of Interest. The form of such declaration is attached as Schedule "B".

4.3 **Potential or Perceived Conflict of Interest** – When an actual or potential Conflict of Interest is raised before or during a board meeting, then:

   a. the party to the conflict must leave the meeting; and
   b. the board shall decide if there is a Conflict of Interest and how best to resolve the conflict.

4.4 **Consideration of Notice** – The Board of Directors shall consider any declaration given under subsection 4.2 no later than the second meeting of the Board after the notice is given. The consideration of the notice must be reflected in the minutes of the meeting.

4.5 **Resolution of a Conflict of Interest** – The board shall notify the Service Manager of any declaration received under subsection 4.2. The notification to the Service Manager shall include one of the following:

   a. if a person filed a declaration of an actual or potential Conflict of Interest and the Board decided there was in fact no such Conflict, a declaration to that effect and a request that the Service Manager ratify this decision; or
   b. if a Conflict of Interest exists which may be resolved in accordance with this Policy/By-Law and Ontario Regulation 339/01, notification of how the Non-Profit has resolved the Conflict of Interest and a request that the Service Manager ratify such resolution, or
   c. if a Conflict of Interest exists which the Board is unable to resolve in accordance with this Policy/By-Law and Ontario Regulation 339/01, or the Conflict of Interest is of "on-going" nature, a request that the Service Manager issue instructions for resolving the Conflict of Interest.

These requests are part of the attached Schedule "B".

4.6 **Conflict to be Resolved to the Service Manager's Satisfaction** – If the Service Manager issues instructions regarding an alternative to a decision made by the Board under subsection 4.5 a) or b) or a resolution under subsection 4.5 c) the Non-Profit will act in accordance with the Service Manager's instructions.
4.7 On-Going Conflict of Interest – Where the Conflict of Interest is on-going or not easily resolved, the Non-Profit is required to have clear, concise and written procedures detailing how an on-going Conflict of Interest is declared, isolated and resolved which is approved by the Board and the Service Manager.

4.8 Record-keeping – The Non-Profit shall maintain a Conflict of Interest file containing all declarations, reports and minutes pertaining to Conflict of Interest and any actual or potential conflict situations.

4.9 Requirement to Confirm Receipt and Knowledge of the Conflict of Interest By-Law – The Non-Profit is required to have all directors, officers, agents and employees sign a form acknowledging that the individual has been provided with a copy of the Conflict of Interest Policy/By-Law, has read it and fully understands their responsibility to declare a potential or actual Conflict of Interest in accordance with the approved Policy/By-Law. The declaration should be signed when a director, officer, agent or employee first takes a position with the Non-Profit or begins their employment with the Non-Profit or when the revised Conflict of Interest Policy/By-Law comes into force. A copy the declaration must be retained on the Conflict of Interest file for the full period of the director, officer, agent or employee’s involvement or employment with the Non-Profit. A copy of the declaration is attached as Schedule “C”.

5. PROMOTING FAIR AND OBJECTIVE BUSINESS PRACTICES (Purchasing Policy)

5.1 Tenders – The Non-Profit shall invite responses from at least three qualification bidders, or publicly tender all contracts costing over $14,999.99. [For Non-Profits with 250 units or more, the tender limit may be increased from $14,999.99 to $19,999.99]

5.2 Considering Tenders – In considering tenders, the Non-Profit shall:

a. consider the quality of goods and services to be provided; and

b. base its decision on written specifications outlining resources, timing, cost and fees.

5.3 Not Choosing Low Bid – Where the lowest bid is not chosen by the Board of Directors (or the person ordinarily responsible for making this decision), the Non-Profit shall ensure that the reasons are documented and approved by the Board in the form of a Board resolution.

5.4 Contracts Under $15,000 – The Non-Profit shall obtain a minimum of three written quotes for any single or on-going contract costing between $2,000.00 and $14,999.99 in any fiscal year, and adopt clear, fair and written procedures for the awarding of contracts under $2,000.00. [For Non-Profits with 250 units or more, the limit to obtain a minimum of three written quotes may be increased from $2,000.00 to $5,000.00].

5.5 Participation in Cooperative Purchasing Programs – Where the Non-Profit participates in a cooperative purchasing program, the procedures of the cooperative purchasing program shall replace the Non-Profit’s internal
procedures for competitive acquisition of goods and services for the duration of
the Non-Profit's participation in the cooperative purchasing program. The Non-
Profit shall confirm its participation in such programs to the Service Manager, if
requested.

5.6 Recommended Purchasing/Tendering Processes — A Non-Profit will follow the
recommended Purchasing and Tendering processes as outlined in the Policy/Law, including:

a. For contracts with an estimated value of between $2,000.00 (or $5,000.00) and
   $14,999.99 (or $19,999.99) related to a specific project with a limited
time-frame and which can be clearly defined, the Non-Profit shall seek an
appropriate supplier by:

   (i) preparing terms of reference for the work,

   (ii) seeking three competitive bids with associated fixed-price quotations,
and

   (iii) awarding the contract based on an assessment of the qualifications of
       the supplier, the information provided in the proposal, and the price.

b. For contracts with an estimated value exceeding $15,000.00 (or
   $20,000.00) which require ongoing provision of professional advice or
   specified goods and services to the Non-Profit, requiring knowledge of
   matters specific to the Non-Profit (such as legal advice, audit services or
   specialized technical advice), the Non-Profit shall seek an appropriate
   supplier by:

   (i) preparing terms of reference for the work,

   (ii) inviting offers of service by:

       1. giving notice by public advertisement of the requirement to engage
          the services (Public Tender);
       and/or

       2. inviting submissions from those individuals or firms who appear
          best qualified to meet the requirement of the engagement or to pre-
          qualified firms (Invitational Tender);

   (iii) rating the offers of service against the terms of reference to identify
       the offer of service which represents the best value for money
       based on the qualifications of the supplier, the information provided
       in the proposal, and the price; and

   (iv) selecting the firm offering the best value for money.

c) The Non-Profit shall keep records of all contracts and tenders, the list of
   bidders, their submissions and fees, the decisions of the Non-Profit, and
any other related materials in a Purchasing/Tender file for later reference by the Housing Provider's Auditor or the Service Manager.

5.7 **Purchase of Professional Services** – Where the Corporation is purchasing professional or consulting services the same monetary limitations identified under Section 5.1, 5.4 and 5.7 will apply to all professional fee for service contracts or consulting contracts.

5.8 **Emergencies** – Where an emergency prevents the Non-Profit from following other provisions of this Policy\By-law, the Non-Profit shall:

   a. employ without a call for proposals the individual or firm in whom the Non-Profit has the greatest confidence in regard to a particular requirement of the Non-Profit in dealing with this emergency;
   b. ensure the employment of the individual or firm lasts no longer than necessary to deal with the emergency; and
   c. keep records of the appointment of the employment and remuneration of the individual or firm.

5.9 **Employment Contracts** – The Non-Profit shall implement documented, open and competitive practices for employment opportunities which are not inconsistent with:

   a. any collective bargaining agreement of the Non-Profit; and
   b. other fair labour practices as set out in the Personnel Policy of the Non-Profit.

6.0 **Management Contracts** – The property manager/management or operational services company/development consultant of the Non-Profit shall not have a direct or indirect interest in any other business that provides advice, goods or services to the Non-Profit.

6.1 **Housing Provider Staff** – As a general rule, any Housing Provider staff person who is responsible to assign contracted work, approve contracted work, authorize payment for contracted work and who may also be a payment authority for the Housing Provider, should not use these same contractors for personal purposes or engage the services of these same contractors for work of a personal nature, if the value of personal work is material in nature (e.g. over $1000.00 per transaction). This should include any contractor on an approved standing list of contractors or regularly working for the Housing Provider. Where this occurs, staff must declare the nature of the Conflict of Interest and the Conflict must be resolved to the satisfaction of the Board of Directors and the Service Manager in accordance with Section 4 of O. Reg. 339/01 and the Housing Providers Conflict of Interest Policy or By-Law.
PASSED by the Board of Directors and sealed with the corporate seal of the Corporation on the 22nd day of January, 2008. c/s

PRESIDENT

SECRETARY

CONFIRMED at a general meeting of the Members on the 19th day of February, 2008. c/s

PRESIDENT

SECRETARY
36. **Entitlement.** Every person who becomes a Member of Council of the City of Kingston shall become a member of the Corporation and such person shall cease being a member as soon as he or she ceases to be a Member of Council of the City of Kingston. Membership in the Corporation shall also be available to those person who are interested in furthering the objectives of the Corporation and whose application for admission as a member had received the approval of the board of directors of the Corporation, however, such resolution in not effective until it has been confirmed by members in general meeting. The board of directors may also pass membership rules, providing for, among other things, the admission of members by the Secretary of the Corporation. Each member shall be promptly informed by the Secretary of their admission as a member.

37. **Resignation.** Any member may withdraw from the Corporation by delivering to the Corporation a written resignation and lodging a copy of same with the Secretary of the Corporation. A resignation shall be effective from its acceptance by the board of directors.

38. **Termination of Membership.** The interest of a member in the Corporation is not transferable, and will lapse and cease to exist:
   - (a) upon death or dissolution of the member;
   - (b) when the member's period of membership expires (if any);
   - (c) when the member ceases to be a member by resignation or otherwise in accordance with the By-laws;
   - (d) if at a special meeting of members, a resolution is passed to remove the member by at least two-thirds (2/3) of the votes cast at the special meeting provided that the member shall be granted the opportunity to be heard at such meeting.

**MEMBERS’ MEETINGS**

39. **Annual Meeting.** Subject to compliance with Section 293 of the Act, the annual meeting of the members shall be held on such day in each year and at such time as the directors may by resolution determine at any place within Ontario or, in the absence of such determination, at City Hall, Ontario Street, in the City of Kingston.

40. **General Meetings.** Other meetings of the members may be convened by order of the Chair of the board, or a Vice-President who is a director and member, or by the board of directors at any date and time and at any place within Ontario or, in the absence of such determination, at the place where the head office of the Corporation is located. The board of directors shall call a general meeting of members on written requisition of not less than one-tenth of the members.

41. **Notice.** Subject to Section 133(2) of the Act, 10 days’ written notice shall be given in the manner specified in paragraph 56 to each voting member of any annual or special general meeting of members. Notice of any meeting where special business will be transacted should contain sufficient information to permit the member to form a reasoned judgement of the decision to be taken. The auditor of the Corporation is entitled to attend any meeting of members of the Corporation and to receive all notices and other communications relating to any such meeting that any member is entitled to receive and to be heard at any such meeting that the auditor attends on any part of the business of the meeting that concerns the auditor as auditor.
42. Waiver of Notice. A member and any other person entitled to attend a meeting of members may in any manner waive notice of a meeting of members and attendance of any such person at a meeting of members shall constitute a waiver of notice of the meeting except where such person attends a meeting for the express purposes of objecting to the transaction of any business on the grounds that the meeting is not lawfully called.

43. Error or Omission in Giving Notice. No error or omission in giving notice of any annual or special meeting or any adjourned meeting of the members of the Corporation shall invalidate any resolution passed or any proceedings taken at any meeting of members.

44. Quorum. A quorum at any meeting of the members (unless a greater number of members and/or proxies are required to be present by the Act, Letters Patent or By-law) shall be a majority of the members of the Corporation, present, in person or by proxy. No business shall be transacted at any meeting unless the requisite quorum be present at the time of the transaction of such business. If a quorum is not present at the time appointed for a meeting of members or within such reasonable time after the time so appointed for a meeting of members or within such reasonable time after the time so appointed as the members present may determine, the persons present and entitled to vote may adjourn the meeting to a fixed time and place but may not transact any other business and the provisions of paragraph 52 with regard to notice shall apply to such adjournment.

45. Attendance at Meetings. The only persons entitled to attend a meeting of the members shall be the members, the auditor of the Corporation and those who, although not entitled to vote, are entitled or required under any provisions of the Act or the articles or by-laws to be present at the meeting. Any other person may be admitted only on the invitation of the Chair of the board of directors or with the consent of the meeting.

46. Chair of the Meeting. In the event that the Chair of the board, if any, is, by Special Resolution of the Corporation, entitled or required to act as chair of the meeting and is absent, and there is no Vice-President present who is a director and a member, then the Secretary, if a director, shall act as chair, but if the Secretary is unable or unwilling to act, then the Mayor of the City of Kingston shall act as chair, but if the Mayor of the City of Kingston is unable or unwilling to act, then the persons who are present and entitled to vote shall choose another director as chair of the meeting and if no director is present or if all the directors present decline to take the chair then the persons who are present and entitled to vote shall choose one of their number to be chair.

47. Adjournment. The chair of any meeting may with the consent of the meeting adjourn the same from time to time to a fixed time and place and no notice of such adjournment need be given to the members. Any business may be brought before or dealt with at any adjourned meeting which might have been brought before or dealt with at the original meeting in accordance with the notice calling the same.

48. Votes. Every question submitted to any meeting of members shall be decided in the first instance by a show of hands and in the case of an equality of votes, the chair of the meeting shall both on a show of hands and at a poll have a second or casting vote in addition to the vote or votes to which the chair may be otherwise entitled.

At any meeting, unless a poll is demanded a declaration by the chair of the meeting that a resolution has been carried or carried unanimously or by a particular majority or lost or not carried by a particular majority shall be conclusive evidence of the fact.
A poll may be demanded either before or after any vote by show of hands by any person entitled to vote at the meeting. If at any meeting a poll is demanded on the election of a chair or on the question of adjournment it shall be taken immediately without adjournment. If at any meeting a poll is demanded on any other question or as to the election of directors, the vote shall be taken by ballot in such manner and either at once, later in the meeting or after adjournment as the chair of the meeting directs. The result of a poll shall be deemed to be the resolution of the meeting at which the poll was demanded. A demand for a poll may be withdrawn.

49. Proxies. Votes at meetings of the members may be given either personally or by proxy or, in the case of a member who is a body corporate or association, by an individual authorized by a resolution of the board of directors or governing body of the body corporate or association to represent it at meetings of members of the Corporation. At every meeting at which a member is entitled to vote, every member and/or person appointed by proxy to represent one or more members and/or individual so authorized to represent a member who is present in person shall have one vote on a show of hands. Upon a poll and subject to the provisions, if any, of the Letters Patent, every member who is entitled to vote at the meeting and who is present in person or represented by an individual so authorized shall have one vote and every person appointed by proxy shall have one vote for each member who is entitled to vote at the meeting and who is represented by such proxy holder.

A proxy shall be executed by the member or the member's attorney authorized in writing or, if the member is a body corporate or association, by an appropriate officer or attorney duly authorized.

A person appointed by proxy must be a member.

A proxy may be in the following form:

The undersigned member of (name of Corporation) hereby appoints of or failing the person appointed above, as the proxy of the undersigned to attend and act at the meeting of the members of the said Corporation to be held on the day of , 20 , and at any adjournment or adjournments of such meeting in the same manner, to the same extent and with the same power as if the undersigned were present at the said meeting or such adjournment or adjournments of such meeting.

DATED the day of , 20 .

Signature of member

The directors may from time to time make regulations regarding the lodging of proxies at some place or places other than the place at which a meeting or adjourned meeting of members to be held and for particulars of such proxies to be cabled or telegraphed or sent by facsimile or in writing before the meeting or adjourned meeting to the Corporation or any agent of the Corporation for the purpose of receiving such particulars and providing that proxies so lodged may be voted upon as though the proxies themselves were produced at the meeting or adjourned meeting and votes given in accordance with such regulations shall be valid and
shall be counted. The chair of any meeting of members may, subject to any regulations made as provided above, in the chair's discretion accept telegraphic or cable or facsimile or written communication as to the authority of any person claiming to vote on behalf of and to represent a member despite that no proxy conferring such authority has been lodged with the Corporation, and any votes given in accordance with such telegraphic or cable or facsimile or written communication accepted by the chair of the meeting shall be valid and shall be counted.

EXECUTION OF INSTRUMENTS

50. Execution of Instruments. Contracts, documents or instruments in writing requiring the signature of the Corporation may be signed by:

   (a) any one of the President, Vice-President or General Manager, together with any one of the Secretary or the Treasurer; or
   (b) any one of the aforementioned officers together with any one director, and all contracts, documents and instruments in writing so signed shall be binding upon the Corporation without any further authorization or formality.

The board of directors shall have power from time to time by resolution to appoint any officer or officers or any person or persons on behalf of the Corporation either to sign contracts, documents and instruments in writing generally or to sign specific contracts, document or instruments in writing.

The term "contracts, documents or instruments in writing" as used in this By-law shall include but not be limited to deeds, mortgages, hypothecs, charges, conveyances, transfers and assignments of property real or personal, immovable or movable, agreements, releases, receipts and discharges for the payment of money or other obligations, conveyances, transfers and assignments of shares, share warrants, stocks, bonds, debentures or other securities and all paper writings.

The seal of the Corporation when required may be affixed to any instruments in writing signed as provided above or by any officer or officers appointed by resolution of the board of directors.

CHEQUES, DRAFTS, NOTES, ETC.

51. Cheque, Drafts, Notes, Etc. All cheques, drafts or orders for the payment of money and all notes and acceptances and bills of exchange shall be signed by two (2) officers of the Corporation, of whom at least one shall be the President, Vice-President, Treasurer or Secretary of the Corporation.
NOTICES

52. Service. Any notice or other document required by the Act, the Regulations, the Letters Patent, or the By-laws to be sent to any member or director or to the auditor shall be delivered personally or sent by prepaid mail or by telegram or cable or facsimile to any such member or director at their latest address as shown in the records of the Corporation and to the auditor at its business address, or if no address be given therein then to the last address of such member or director known to the Secretary; provided always that notice may be waived or the time for the notice may be waived or abridged at any time with the consent in writing of the person entitled to notice.

53. Signature to Notices. The signature of any director or officer of the Corporation to any notice or document to be given by the Corporation may be written, stamped, typewritten or printed or partly written, stamped, typewritten or printed.

54. Computation of Time. Where a given number of days’ notice or notice extending over a period is required to be given under the By-laws, letters patent of the Corporation, the day of service or posting of the notice shall not, unless it is otherwise provided, be counted in such number of days or other period.

55. Proof of Service. With respect to every notice or other document sent by post it shall be sufficient to prove that the envelope or wrapper containing the notice or other document was properly addressed as provided in paragraph 52 of this By-law and put into a Post Office or into a letter box. A certificate of an officer of the Corporation in office at the time of the making of the certificate as to facts in relation to the sending or delivery of any notice or other document to any member, director, office or auditor or publication of any notice or other document shall be conclusive evidence of such facts and shall be binding on every member, director, officer or auditor of the Corporation as the case may be.

AUDITORS

56. Auditors. The members shall at each annual meeting appoint an auditor to audit the accounts of the Corporation for report to members who shall hold office until the next following annual meeting; provided, however, that the directors may fill any casual vacancy in the office of the auditor. If an appointment is not so made, the auditor in office must continue until a successor is appointed. The remuneration of the auditor shall be fixed by the members or by the directors if they are authorized to do so by the members and the remuneration of an auditor appointed by the directors shall be fixed by the directors. The members may by resolution passed by at least two-thirds of the votes cast at a general meeting of which notice of intention to pass the resolution has been given, remove any auditor before the expiration of the auditor’s term of office and shall by a majority of the votes cast at that meeting appoint another auditor in such auditor’s stead for the remainder of the term.

FINANCIAL YEAR

57. Financial Year. The financial year of the Corporation shall terminate on the 31st day of December in each year or on such other date as the directors may from time to time by resolution determine.
58.  (a) Head of Institution. The President is designated as Head for the purpose of the Municipal Freedom of Information and Protection of Privacy Act.
(b) Delegation of Powers and Duties. The powers and duties of the President are delegated to the Executive Clerk.
(c) Consideration of Requests for Information. All requests for information under the Municipal Freedom of Information and Privacy Act shall be considered jointly by the City Solicitor, the Housing Development Coordinator, the Executive Clerk and the Records manager.

CONFLICT WITH OTHER BY-LAWS

59. Conflict with other By-law. In the event of conflict, provisions of By-law No. 1 containing the requirements of the City of Kingston shall prevail over any other By-laws enacted by the Corporation.

60. Effective Date. This By-law shall come into force and effect on the 1st day of January, 1999.

PASSED by the Board of Directors this 3rd of November 1998

WITNESS the seal of the Corporation.
KINGSTON MUNICIPAL NON-PROFIT HOUSING CORPORATION

FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2009

Auditors' Report
Statement of Financial Position
Replacement Reserve Fund - Municipal
   Statement of Financial Position
   Statement of Continuity
Replacement Reserve Fund - Eldon Hall
   Statement of Financial Position
   Statement of Continuity
Statement of Operations and Surplus
Statement of Cash Flow
Notes to Financial Statements
Schedules:
   A  Administrative Overhead
   B  Materials and Services
   C  Utilities
To the Board of Directors of Kingston Municipal Non-Profit Housing Corporation

We have audited the statement of financial position of Kingston Municipal Non-Profit Housing Corporation (the "Corporation") as at December 31, 2009, the replacement reserve fund statements of financial position and statements of reserve fund continuity, statement of operations and surplus and statement of cash flow for the year then ended. These financial statements have been prepared to comply with the operating agreement between the Corporation and the Ministry of Municipal Affairs and Housing and guidance in its application issued by the Department of Community Services Housing Division of the City of Kingston. These financial statements are the responsibility of the Corporation’s management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Corporation as at December 31, 2009 and the results of its operations and cash flow for the year then ended in accordance with the basis of accounting described in note 2 to the financial statements.

These financial statements, which have not been, and were not intended to be, prepared in accordance with Canadian generally accepted accounting principles, are solely for the information and use of the Directors of the Corporation and the City of Kingston to comply with the operating agreement between the Corporation and the Ministry of Municipal Affairs and Housing and guidance in its application issued by the Department of Community Services Housing Division of the City of Kingston. The financial statements are not intended to be and should not be used by anyone other than the specified users or for any other purpose.

Chartered Accountants
Licensed Public Accountants
Kingston, Ontario
March 17, 2010
# KINGSTON MUNICIPAL NON-PROFIT HOUSING CORPORATION
## STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2009

### Assets

<table>
<thead>
<tr>
<th>Description</th>
<th>Municipal</th>
<th>Eldon Hall</th>
<th>Marguerite Fund</th>
<th>2009</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current Assets</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash</td>
<td>$880,902</td>
<td>$36,706</td>
<td>$251,706</td>
<td>$880,902</td>
<td>$538,779</td>
</tr>
<tr>
<td>Short-term investments</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>36,706</td>
<td>336,572</td>
</tr>
<tr>
<td>Accounts receivable</td>
<td>48,586</td>
<td>8,311</td>
<td>-</td>
<td>56,897</td>
<td>63,901</td>
</tr>
<tr>
<td>GST recoverable</td>
<td>30,172</td>
<td>6,804</td>
<td>-</td>
<td>36,976</td>
<td>40,223</td>
</tr>
<tr>
<td>Receivable from replacement reserve fund</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Eldon Hall</td>
<td>66,992</td>
<td>-</td>
<td>-</td>
<td>66,992</td>
<td>116,992</td>
</tr>
<tr>
<td>Municipal</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>5,927</td>
</tr>
<tr>
<td>Prepaid expenses</td>
<td>57,192</td>
<td>91,188</td>
<td>-</td>
<td>148,380</td>
<td>145,784</td>
</tr>
<tr>
<td>Receivable from Eldon Hall</td>
<td>181,350</td>
<td>-</td>
<td>-</td>
<td>181,350</td>
<td>233,782</td>
</tr>
<tr>
<td>Receivable from Municipal</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>1,265,194</td>
<td>106,303</td>
<td>351,706</td>
<td>1,723,203</td>
<td>1,481,960</td>
</tr>
<tr>
<td><strong>Capital Assets (note 3)</strong></td>
<td>17,720,931</td>
<td>1,959,724</td>
<td>-</td>
<td>19,680,655</td>
<td>20,388,207</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$18,986,125</td>
<td>$2,066,027</td>
<td>$351,706</td>
<td>$21,403,858</td>
<td>21,870,167</td>
</tr>
</tbody>
</table>

### Liabilities

<table>
<thead>
<tr>
<th>Description</th>
<th>Municipal</th>
<th>Eldon Hall</th>
<th>Marguerite Fund</th>
<th>2009</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current Liabilities</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts payable and accrued liabilities</td>
<td>$152,592</td>
<td>$30,168</td>
<td>-</td>
<td>$182,760</td>
<td>$165,898</td>
</tr>
<tr>
<td>Deferred revenue</td>
<td>184,167</td>
<td>9,131</td>
<td>-</td>
<td>193,298</td>
<td>198,723</td>
</tr>
<tr>
<td>Accrued interest</td>
<td>70,428</td>
<td>9,925</td>
<td>-</td>
<td>80,353</td>
<td>83,088</td>
</tr>
<tr>
<td>Payable to replacement reserve fund</td>
<td>6,895</td>
<td>-</td>
<td>-</td>
<td>6,895</td>
<td>-</td>
</tr>
<tr>
<td>City of Kingston subsidy payable (note 5)</td>
<td>148,051</td>
<td>-</td>
<td>-</td>
<td>148,051</td>
<td>206,731</td>
</tr>
<tr>
<td>Payable to Municipal</td>
<td>-</td>
<td>181,350</td>
<td>-</td>
<td>181,350</td>
<td>233,782</td>
</tr>
<tr>
<td>Payable to Marguerite fund</td>
<td>315,000</td>
<td>-</td>
<td>-</td>
<td>315,000</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>877,133</td>
<td>230,574</td>
<td>-</td>
<td>1,107,707</td>
<td>888,222</td>
</tr>
</tbody>
</table>

### Long-Term Debt

<table>
<thead>
<tr>
<th>Description</th>
<th>Municipal</th>
<th>Eldon Hall</th>
<th>Marguerite Fund</th>
<th>2009</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mortgages payable (note 6)</td>
<td>17,720,931</td>
<td>1,723,585</td>
<td>-</td>
<td>19,444,516</td>
<td>20,152,068</td>
</tr>
<tr>
<td>Capital loan payable to City of Kingston (note 9)</td>
<td>100,000</td>
<td>-</td>
<td>-</td>
<td>100,000</td>
<td>150,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>17,820,931</td>
<td>1,723,585</td>
<td>-</td>
<td>19,544,516</td>
<td>20,302,068</td>
</tr>
</tbody>
</table>

### Net Assets

<table>
<thead>
<tr>
<th>Description</th>
<th>Municipal</th>
<th>Eldon Hall</th>
<th>Marguerite Fund</th>
<th>2009</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equity on designated fund</td>
<td>-</td>
<td>56,198</td>
<td>-</td>
<td>56,198</td>
<td>56,198</td>
</tr>
<tr>
<td>Accumulated operating surplus</td>
<td>288,061</td>
<td>55,670</td>
<td>-</td>
<td>343,731</td>
<td>287,107</td>
</tr>
<tr>
<td>Marguerite fund (note 10)</td>
<td>288,061</td>
<td>111,868</td>
<td>351,706</td>
<td>351,706</td>
<td>336,572</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$18,986,125</td>
<td>$2,066,027</td>
<td>$351,706</td>
<td>$21,403,858</td>
<td>$21,870,167</td>
</tr>
</tbody>
</table>

### Contingent Liabilities (note 11)

### Commitment (note 14)

Approved on behalf of the Board

Director: [Signature]

Director: [Signature]

See accompanying notes to financial statements
## REPLACEMENT RESERVE FUND - MUNICIPAL

### STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2009

<table>
<thead>
<tr>
<th></th>
<th>2009</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investments</td>
<td>$449,129</td>
<td>$397,831</td>
</tr>
<tr>
<td>Receivable from operating fund</td>
<td>$6,895</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td>$456,024</td>
<td>$397,831</td>
</tr>
<tr>
<td><strong>Liabilities and Reserves</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Payable to operating fund</td>
<td>-</td>
<td>$5,927</td>
</tr>
<tr>
<td>Replacement reserve fund</td>
<td>456,024</td>
<td>391,904</td>
</tr>
<tr>
<td><strong>Total Liabilities and Reserves</strong></td>
<td>456,024</td>
<td>391,904</td>
</tr>
</tbody>
</table>

See accompanying notes to financial statements
KINGSTON MUNICIPAL NON-PROFIT HOUSING CORPORATION

REPLACEMENT RESERVE FUND - ELDON HALL

STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2009

<table>
<thead>
<tr>
<th></th>
<th>2009</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash</td>
<td>$25,308</td>
<td>$25,287</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Liabilities and Reserves</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Payable to operating fund</td>
<td>$66,992</td>
<td>$116,992</td>
</tr>
<tr>
<td>Replacement reserve fund (deficiency)</td>
<td>(41,684)</td>
<td>(91,705)</td>
</tr>
<tr>
<td></td>
<td>$25,308</td>
<td>$25,287</td>
</tr>
</tbody>
</table>

REPLACEMENT RESERVE FUND - ELDON HALL

STATEMENT OF CONTINUITY

YEAR ENDED DECEMBER 31, 2009

<table>
<thead>
<tr>
<th></th>
<th>2009</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deficiency at beginning of year</td>
<td>$(91,705)</td>
<td>$(151,115)</td>
</tr>
<tr>
<td>Interest income</td>
<td>20</td>
<td>455</td>
</tr>
<tr>
<td>Capital expenses</td>
<td>(5,396)</td>
<td>(11,601)</td>
</tr>
<tr>
<td>Transfer from operating fund</td>
<td>30,000</td>
<td>27,556</td>
</tr>
<tr>
<td>Surplus transfer from operating fund</td>
<td>25,397</td>
<td>43,000</td>
</tr>
<tr>
<td>Deficiency at end of year</td>
<td>$(41,684)</td>
<td>$(91,705)</td>
</tr>
</tbody>
</table>

See accompanying notes to financial statements
## KINGSTON MUNICIPAL NON-PROFIT HOUSING CORPORATION

### STATEMENT OF OPERATIONS AND SURPLUS

#### YEAR ENDED DECEMBER 31, 2009

<table>
<thead>
<tr>
<th></th>
<th>2009 Municipal</th>
<th>2009 Eldon Hall</th>
<th>2009 Marguerite Fund Actual</th>
<th>2009 Total Budget (unaudited)</th>
<th>2008 Total Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rental</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Market tenants</td>
<td>$536,725</td>
<td>$693,442</td>
<td>$ -</td>
<td>$1,220,167</td>
<td>$1,222,272</td>
</tr>
<tr>
<td>Highest need</td>
<td>972,692</td>
<td>10,569</td>
<td>-</td>
<td>983,261</td>
<td>983,648</td>
</tr>
<tr>
<td>Government rent subsidies (note 5)</td>
<td>1,509,417</td>
<td>704,011</td>
<td>-</td>
<td>2,213,428</td>
<td>2,205,920</td>
</tr>
<tr>
<td>Non-rental revenue</td>
<td>1,967,507</td>
<td>5,325</td>
<td>-</td>
<td>1,972,832</td>
<td>2,012,736</td>
</tr>
<tr>
<td>Interest income</td>
<td>75,926</td>
<td>2,867</td>
<td>-</td>
<td>78,793</td>
<td>76,101</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Expenses</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Administrative overhead (schedule A)</td>
<td>297,071</td>
<td>53,999</td>
<td>-</td>
<td>351,070</td>
<td>349,478</td>
</tr>
<tr>
<td>Amortization</td>
<td>656,430</td>
<td>51,122</td>
<td>-</td>
<td>707,552</td>
<td>707,552</td>
</tr>
<tr>
<td>Insurance</td>
<td>56,904</td>
<td>13,566</td>
<td>-</td>
<td>70,470</td>
<td>95,170</td>
</tr>
<tr>
<td>Interest on mortgages</td>
<td>850,352</td>
<td>120,735</td>
<td>-</td>
<td>971,087</td>
<td>1,007,079</td>
</tr>
<tr>
<td>Transfer to replacement reserve fund</td>
<td>236,383</td>
<td>30,000</td>
<td>-</td>
<td>266,383</td>
<td>259,782</td>
</tr>
<tr>
<td>Maintenance wages and benefits</td>
<td>132,750</td>
<td>22,787</td>
<td>-</td>
<td>155,537</td>
<td>188,595</td>
</tr>
<tr>
<td>Materials and services (schedule B)</td>
<td>370,658</td>
<td>40,846</td>
<td>-</td>
<td>411,504</td>
<td>447,765</td>
</tr>
<tr>
<td>Municipal taxes</td>
<td>572,409</td>
<td>156,057</td>
<td>-</td>
<td>728,466</td>
<td>726,547</td>
</tr>
<tr>
<td>Utilities (schedule C)</td>
<td>356,265</td>
<td>143,621</td>
<td>-</td>
<td>499,886</td>
<td>471,473</td>
</tr>
<tr>
<td>Bad debts</td>
<td>18,624</td>
<td>6,934</td>
<td>-</td>
<td>25,558</td>
<td>12,843</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Excess of revenues over expenses before undernoted items</strong></td>
<td>5,537</td>
<td>72,055</td>
<td>15,134</td>
<td>93,276</td>
<td>46,026</td>
</tr>
<tr>
<td>City of Kingston subsidy adjustment (note 5)</td>
<td>5,699</td>
<td>-</td>
<td>-</td>
<td>5,699</td>
<td>-</td>
</tr>
<tr>
<td>Strategic Plan</td>
<td>(1,820)</td>
<td>-</td>
<td>-</td>
<td>(1,820)</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>3,879</td>
<td>-</td>
<td>-</td>
<td>3,879</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Excess of revenues over expenses</strong></td>
<td>9,416</td>
<td>72,055</td>
<td>15,134</td>
<td>97,155</td>
<td>46,026</td>
</tr>
<tr>
<td>Accumulated operating surplus at beginning of year</td>
<td>278,645</td>
<td>8,462</td>
<td>336,572</td>
<td>623,679</td>
<td>600,270</td>
</tr>
<tr>
<td>Transfer to replacement reserve fund</td>
<td>-</td>
<td>(25,397)</td>
<td>-</td>
<td>(25,397)</td>
<td>(43,000)</td>
</tr>
<tr>
<td><strong>Accumulated operating surplus at end of year</strong></td>
<td>$288,061</td>
<td>$55,670</td>
<td>$351,706</td>
<td>$695,437</td>
<td>$669,705</td>
</tr>
</tbody>
</table>

See accompanying notes to financial statements
KINGSTON MUNICIPAL NON-PROFIT HOUSING CORPORATION

STATEMENT OF CASH FLOW

YEAR ENDED DECEMBER 31, 2009

<table>
<thead>
<tr>
<th>Description</th>
<th>2009</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cash Flow from (used in) Operating Activities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Excess of revenues over expenses</td>
<td>$ 97,155</td>
<td>$ 66,409</td>
</tr>
<tr>
<td>Add (deduct) items not affecting cash</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Amortization</td>
<td>707,552</td>
<td>663,228</td>
</tr>
<tr>
<td>City of Kingston subsidy adjustment</td>
<td>($ 5,699)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>799,008</td>
<td>729,637</td>
</tr>
<tr>
<td><strong>Changes in non-cash working capital balances</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts receivable</td>
<td>7,004</td>
<td>14,963</td>
</tr>
<tr>
<td>GST recoverable</td>
<td>3,247</td>
<td>11,589</td>
</tr>
<tr>
<td>Advances to replacement reserve fund</td>
<td>62,822</td>
<td>71,648</td>
</tr>
<tr>
<td>Prepaid expenses</td>
<td>(2,596)</td>
<td>(48)</td>
</tr>
<tr>
<td>Accounts payable</td>
<td>16,862</td>
<td>(61,280)</td>
</tr>
<tr>
<td>Deferred revenue</td>
<td>(5,425)</td>
<td>15,822</td>
</tr>
<tr>
<td>City of Kingston subsidy payable</td>
<td>(52,981)</td>
<td>109,127</td>
</tr>
<tr>
<td>Accrued interest</td>
<td>(2,735)</td>
<td>(8,839)</td>
</tr>
<tr>
<td></td>
<td>825,206</td>
<td>882,619</td>
</tr>
<tr>
<td><strong>Cash Flow from (used in) Financing and Investing Activities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Repayment of mortgages payable</td>
<td>(707,552)</td>
<td>(663,228)</td>
</tr>
<tr>
<td>Capital loan payable to City of Kingston</td>
<td>(50,000)</td>
<td>(50,000)</td>
</tr>
<tr>
<td>Net change in short-term investments</td>
<td>299,866</td>
<td>(15,240)</td>
</tr>
<tr>
<td>Transfer to replacement reserve fund</td>
<td>(25,397)</td>
<td>(43,000)</td>
</tr>
<tr>
<td></td>
<td>(483,083)</td>
<td>(771,468)</td>
</tr>
<tr>
<td><strong>Net increase in cash</strong></td>
<td>342,123</td>
<td>111,151</td>
</tr>
<tr>
<td><strong>Cash at beginning of year</strong></td>
<td>538,779</td>
<td>427,628</td>
</tr>
<tr>
<td><strong>Cash at end of year</strong></td>
<td>$ 880,902</td>
<td>$ 538,779</td>
</tr>
</tbody>
</table>

**Supplementary Cash Flow Information**

Interest paid

<table>
<thead>
<tr>
<th></th>
<th>2009</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest paid</td>
<td>$ 973,822</td>
<td>$ 1,037,011</td>
</tr>
</tbody>
</table>

See accompanying notes to financial statements
NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2009

1. Purpose of the Organization

The Corporation is incorporated without share capital under the laws of Ontario. Its principal activity is the provision of non-profit housing.

2. Significant Accounting Policies

These financial statements have been prepared in accordance with the significant accounting policies to comply with the operating agreement between the Corporation and the Ministry of Municipal Affairs and Housing and guidance in its application issued by the Social Housing Division of the City of Kingston. The basis of accounting used in these financial statements materially differs from Canadian generally accepted accounting principles as described in notes (a) to (c) below.

(a) Capital Assets

Land, buildings and equipment includes only the original cost incurred at the time of construction and included in the approved final capital cost of the project.

All replacements and refurbishments of assets are charged against the replacement reserve and expensed during period in which they are incurred.

(b) Amortization of Capital Assets

Capital assets are not amortized over the estimated useful lives of the related assets but rather at a rate equal to the annual principal reduction of the mortgage.

(c) Transfers to Replacement Reserve

Appropriations to/from replacement reserves are reported on the statement of operations and surplus. Expenditures made from replacement reserves are reported within these funds and not on the statement of operations and surplus. Interest income earned on investments of the replacement reserve are credited directly to the replacement reserve and are not reported on the statement of operations and surplus. To the extent that the replacement reserves receives funding directly from the Ministry of Municipal Affairs and Housing, or any other bodies, such funding is recognized as revenue in the replacement reserves when it becomes receivable.

Other Significant Accounting Policies

(d) Revenue Recognition - Rental Revenue

Rental revenue for both market tenants and highest-need tenants is recognized on a monthly basis, as rent becomes due. In most cases, revenue recognition under a lease begins once the tenant has taken possession of the unit and ends when the tenant has vacated. For market tenants, the amount of rental revenue recognized each month is based on terms set out in the tenant’s lease. For highest-need tenants, rental revenue is recognized based on monthly amounts due from the tenant, which are established by the Ministry of Municipal Affairs and Housing.
2. Significant Accounting Policies (continued)

(e) Government Subsidies

The Social Housing Reform Act administered by the City of Kingston forms the basis for the operations of the Corporation and the subsidy payments received.

The City of Kingston approves the final subsidy after the financial statements and the annual information return have been submitted for the year.

Revenues and accounts receivable could change depending upon final review and approval by the City of Kingston. Any year-end adjustment resulting from the City of Kingston review will be reflected in the year of approval.

(f) Investments

Investments are designated as held for trading and are measured at fair market value. Realized investment income and unrealized gains or losses from the change in fair market value are recorded in the replacement reserve funds. Fair value is determined at quoted market prices. Purchases and sales of investments are recorded on the settlement date.

Transaction costs related to the acquisition of marketable securities are recorded as a reduction of investment income.

(g) Allocation of Expenses

The Corporation is engaged in the management of various multi-tenant residential properties. The Corporation’s portfolio includes various rent-geared-to-income units that are administered by the City of Kingston as service manager (“Municipal”) and others that are not (“Eldon Hall”). The majority of units in the Eldon Hall properties are market rent units. The revenues and expenses related to these two segments of the Corporation’s tenancy base are presented separately on its financial statements.

There are certain expenses, including administrative salaries, insurance, maintenance wages and benefits and certain materials and services that are common to both segments. The maintenance wages and benefits costs and insurance expenses are allocated between the two segments in proportion to the number of rental units in each segment. Materials and services are allocated based on estimated effort incurred by vendors or contractors. Administrative salaries are allocated based on budgeted amounts.

In addition, the Corporation incurs wages and benefits costs for individuals who are tasked with administering the affairs of the Corporation as well as participating in the maintenance of its properties. The wages and benefits costs relating to these specific individuals are allocated between the administrative overhead and maintenance wages and benefits line items of the financial statements based on the estimated amount of time that these individuals spend addressing each function.
2. Significant Accounting Policies (continues)

(h) Use of Estimates

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

3. Capital Assets

(a) Capital Assets

<table>
<thead>
<tr>
<th></th>
<th>2009</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Cost</td>
<td>Accumulated Amortization</td>
</tr>
<tr>
<td>Land</td>
<td>$ 2,175,415</td>
<td>$ -</td>
</tr>
<tr>
<td>Fees and charges</td>
<td>2,364,738</td>
<td>-</td>
</tr>
<tr>
<td>Building</td>
<td>22,789,784</td>
<td>6,997,741</td>
</tr>
<tr>
<td>Landscaping</td>
<td>48,704</td>
<td>-</td>
</tr>
<tr>
<td>Furniture and equipment</td>
<td>150,154</td>
<td>-</td>
</tr>
<tr>
<td>Less: capital grants and donations</td>
<td>850,399</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>$26,678,396</td>
<td>$6,997,741</td>
</tr>
</tbody>
</table>

Amortization of capital costs by property

<table>
<thead>
<tr>
<th>Property</th>
<th>Accumulated amortization of capital costs at beginning of year</th>
<th>Amortization of capital costs for the year</th>
<th>Accumulated amortization of capital costs at end of year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rideau Street/Division Street</td>
<td>$1,029,933</td>
<td>$115,363</td>
<td>$1,145,296</td>
</tr>
<tr>
<td>Patrick Street</td>
<td>1,518,518</td>
<td>170,711</td>
<td>1,689,229</td>
</tr>
<tr>
<td>Cassidy Street</td>
<td>1,063,843</td>
<td>116,321</td>
<td>1,180,164</td>
</tr>
<tr>
<td>Rideaucrest Towers</td>
<td>1,242,972</td>
<td>155,343</td>
<td>1,398,315</td>
</tr>
<tr>
<td>Country Pines</td>
<td>919,387</td>
<td>98,692</td>
<td>1,018,079</td>
</tr>
<tr>
<td>Eldon Hall</td>
<td>515,536</td>
<td>51,122</td>
<td>566,658</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$6,290,189</strong></td>
<td><strong>$707,552</strong></td>
<td><strong>$6,997,741</strong></td>
</tr>
</tbody>
</table>
NOTES TO FINANCIAL STATEMENTS (continued)

YEAR ENDED DECEMBER 31, 2009

3. Capital Assets (continued)

(b) Municipal

<table>
<thead>
<tr>
<th></th>
<th>2009</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Accumulated</td>
<td>Net book</td>
</tr>
<tr>
<td></td>
<td>amortization</td>
<td>Value</td>
</tr>
<tr>
<td></td>
<td>of capital</td>
<td></td>
</tr>
<tr>
<td></td>
<td>costs</td>
<td></td>
</tr>
<tr>
<td>Land</td>
<td>$ 2,145,781</td>
<td>$ 2,145,781</td>
</tr>
<tr>
<td>Fees and charges</td>
<td>2,364,738</td>
<td>2,364,738</td>
</tr>
<tr>
<td>Building</td>
<td>20,314,173</td>
<td>6,431,083</td>
</tr>
<tr>
<td>Landscaping</td>
<td>48,704</td>
<td>48,704</td>
</tr>
<tr>
<td>Furniture and equipment</td>
<td>129,017</td>
<td>129,017</td>
</tr>
<tr>
<td></td>
<td>25,002,413</td>
<td>6,431,083</td>
</tr>
<tr>
<td></td>
<td>$850,399</td>
<td></td>
</tr>
<tr>
<td></td>
<td>$24,152,014</td>
<td>$17,720,931</td>
</tr>
</tbody>
</table>

(c) Eldon Hall

<table>
<thead>
<tr>
<th></th>
<th>2009</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Accumulated</td>
<td>Net book</td>
</tr>
<tr>
<td></td>
<td>amortization</td>
<td>Value</td>
</tr>
<tr>
<td></td>
<td>of capital</td>
<td></td>
</tr>
<tr>
<td></td>
<td>costs</td>
<td></td>
</tr>
<tr>
<td>Land</td>
<td>$ 29,634</td>
<td>$ 29,634</td>
</tr>
<tr>
<td>Building</td>
<td>2,475,611</td>
<td>1,908,953</td>
</tr>
<tr>
<td>Furniture and equipment</td>
<td>21,137</td>
<td>21,137</td>
</tr>
<tr>
<td></td>
<td>$2,526,382</td>
<td>$1,959,724</td>
</tr>
</tbody>
</table>

4. Overdraft

The Corporation has arranged an overdraft facility in the amount of $250,000 with its chartered bank. The facility bears interest at the bank's prime rate plus 0.5%. At December 31, 2009 the facility is undrawn.

5. Government Subsidy Payable

The Corporation is funded by the City of Kingston as Service Manager.

The net subsidy payable to the City of Kingston is as follows:

<table>
<thead>
<tr>
<th></th>
<th>2009</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Year-end subsidy adjustment payable</td>
<td>$148,051</td>
<td>$206,731</td>
</tr>
</tbody>
</table>

At year-end, subsidies are adjusted to reflect the difference between actual results and estimates as approved in the budget. A subsidy adjustment of $5,699 (2008 - $Nil) was received as a result of the adjustment review of the 2008 Annual Information Return and has been reported on the statement of operations and surplus.
6. Mortgages Payable

3.90% Mortgage, payable $16,321 monthly including interest, due March 1, 2013 secured by a first charge on land and buildings (Rideau Street and Division Street) $ 2,018,141 $2,133,504

4.161% Mortgage, payable $29,386 monthly including interest, due January 1, 2012, secured by a first charge on land and buildings (Patrick Street) 4,318,514 4,489,225

5.972% Mortgage, payable $29,594 monthly including interest, due May 1, 2028, secured by a first charge on land and buildings (Cassidy Street) 3,984,867 4,101,188

3.16% Mortgage, payable $23,450 monthly including interest, due June 1, 2013, secured by a first charge on land and buildings (Rideaucrest Towers) 3,931,795 4,087,138

6.49% Mortgage, payable $27,018 monthly including interest, due January 1, 2026, secured by a first charge on land and buildings (Country Pines) 3,467,614 3,566,305

7.01% Mortgage, payable $14,346 monthly, including interest, due January 1, 2022 (Eldon Hall) 1,723,585 1,774,708

Principal repayments on mortgages in place for each of the next five years and thereafter are as follows:

<table>
<thead>
<tr>
<th>Year</th>
<th>2009</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>$ 741,349</td>
<td></td>
</tr>
<tr>
<td>2011</td>
<td>766,973</td>
<td></td>
</tr>
<tr>
<td>2012</td>
<td>4,576,577</td>
<td></td>
</tr>
<tr>
<td>2013</td>
<td>5,421,685</td>
<td></td>
</tr>
<tr>
<td>2014</td>
<td>364,084</td>
<td></td>
</tr>
<tr>
<td>Thereafter</td>
<td>7,573,848</td>
<td>$19,444,516</td>
</tr>
</tbody>
</table>

7. Budget Figures

The budget figures included in the statement of operations and surplus are included for comparative purposes only. These figures are unaudited.

8. Insurance Coverage

Insurance coverage for the current year was as follows:

Blanket amount on property insured $35,000,000
9. Capital Loan Payable to City of Kingston

In December 2007, the City of Kingston made a subsidy payment in advance in the amount of $200,000 to the Corporation for the purpose of capital repairs to the Rideau Street property. The City has reduced monthly subsidy payments in the amount of $4,166 until the aggregate amount of the advance has been recovered. The balance of the interest-free loan at December 31, 2009 was $100,000 (2008 - $150,000).

10. Marguerite Fund

During 2007, the Corporation received a donation of $315,000 from the Congregation of Notre Dame Visitation Province Inc. The Marguerite fund was established with this donation and the amount has been internally restricted. The Corporation intends to only use the investment income earned on the original capital for programs that enhance the quality of life of its residents.

<table>
<thead>
<tr>
<th></th>
<th>2009</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance at beginning of year</td>
<td>$336,572</td>
<td>$321,332</td>
</tr>
<tr>
<td>Interest earned</td>
<td>15,134</td>
<td>15,240</td>
</tr>
<tr>
<td>Balance at end of year</td>
<td>$351,706</td>
<td>$336,572</td>
</tr>
</tbody>
</table>

11. Contingent Liabilities

The nature of the Corporation's activities is such that there may be litigation pending at any time. With respect to claims as at December 31, 2009, management believes that the Corporation has valid defences and appropriate insurance coverage in place. In the opinion of management, the aggregate amount of any potential liability is not expected to have a material effect on the Corporation's financial position.

12. Allocation of Expenses

The significant allocated expenses recorded are:

<table>
<thead>
<tr>
<th></th>
<th>2009</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Insurance</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Municipal</td>
<td>$56,904</td>
<td>$63,086</td>
</tr>
<tr>
<td>- Eldon Hall</td>
<td>13,566</td>
<td>19,362</td>
</tr>
<tr>
<td></td>
<td>$70,470</td>
<td>$82,448</td>
</tr>
<tr>
<td>Wages and benefits</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Administrative overhead, salary component</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Municipal</td>
<td>$241,954</td>
<td>$218,038</td>
</tr>
<tr>
<td>- Eldon Hall</td>
<td>48,800</td>
<td>43,919</td>
</tr>
<tr>
<td></td>
<td>$446,291</td>
<td>$414,655</td>
</tr>
<tr>
<td>Maintenance wages and benefits</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Municipal</td>
<td>132,750</td>
<td>129,870</td>
</tr>
<tr>
<td>- Eldon Hall</td>
<td>22,787</td>
<td>22,828</td>
</tr>
<tr>
<td></td>
<td>$446,291</td>
<td>$414,655</td>
</tr>
</tbody>
</table>
13. Fair Value of Financial Instruments

The carrying values of cash, accounts receivable, GST recoverable and accounts payable and accrued liabilities approximate their fair values due to the expected short term maturity of these items.

The carrying value of short-term investments approximates their fair value.

The fair value of amounts payable to the Corporation of the City of Kingston cannot be determined in the absence of current market comparables due to the non-arm’s length nature of the arrangement.

The fair value of the long-term debt cannot be determined due to the special nature of the underlying security and the absence of market comparables.

14. Commitment

The Corporation has entered into an arrangement with a contractor to overhaul the elevators located at 37 Cassidy Street. The work, which will be completed in fiscal 2010, is expected to cost approximately $88,900. This work will be funded from proceeds of the Social Housing Renovation and Retrofit Program.

15. Capital Disclosure

The Corporation’s objectives with respect to capital management are to maintain a minimum capital base that allows it to continue with and execute its overall purpose as outlined in note 1. The Corporation’s board performs periodic reviews of its capital needs to ensure they remain consistent with the risk tolerance that is acceptable. The Corporation is not subject to any externally imposed capital requirements.

16. Comparative Figures

The prior year’s figures were audited by another firm of Chartered Accountants.
## KINGSTON MUNICIPAL NON-PROFIT HOUSING CORPORATION

### ADMINISTRATIVE OVERHEAD

#### YEAR ENDED DECEMBER 31, 2009

<table>
<thead>
<tr>
<th></th>
<th>Municipal</th>
<th>Eldon Hall</th>
<th>Actual</th>
<th>Budget (unaudited)</th>
<th>Actual</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries and benefits</td>
<td>$241,954</td>
<td>$48,800</td>
<td>$290,754</td>
<td>$304,000</td>
<td>$261,957</td>
<td></td>
</tr>
<tr>
<td>Transportation and communication</td>
<td>6,013</td>
<td>-</td>
<td>6,013</td>
<td>6,400</td>
<td>5,711</td>
<td></td>
</tr>
<tr>
<td>Materials and services</td>
<td>5,395</td>
<td>-</td>
<td>5,395</td>
<td>6,500</td>
<td>9,407</td>
<td></td>
</tr>
<tr>
<td>Professional fees</td>
<td>13,617</td>
<td>-</td>
<td>13,617</td>
<td>2,700</td>
<td>5,752</td>
<td></td>
</tr>
<tr>
<td>Supplies and equipment</td>
<td>20,464</td>
<td>-</td>
<td>20,464</td>
<td>19,774</td>
<td>20,012</td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td>9,628</td>
<td>5,199</td>
<td>14,827</td>
<td>10,104</td>
<td>8,799</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$297,071</strong></td>
<td><strong>$53,999</strong></td>
<td><strong>$351,070</strong></td>
<td><strong>$349,478</strong></td>
<td><strong>$311,638</strong></td>
<td></td>
</tr>
</tbody>
</table>
KINGSTON MUNICIPAL NON-PROFIT HOUSING CORPORATION

MATERIALS AND SERVICES

YEAR ENDED DECEMBER 31, 2009

<table>
<thead>
<tr>
<th></th>
<th>2009</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Municipal</td>
<td>Eldon Hall</td>
</tr>
<tr>
<td>Roofing</td>
<td>$ -</td>
<td>$ -</td>
</tr>
<tr>
<td>Building, general</td>
<td>130,733</td>
<td>13,040</td>
</tr>
<tr>
<td>Electrical systems</td>
<td>11,871</td>
<td>1,004</td>
</tr>
<tr>
<td>Elevators</td>
<td>16,291</td>
<td>-</td>
</tr>
<tr>
<td>Grounds</td>
<td>34,826</td>
<td>8,041</td>
</tr>
<tr>
<td>Heating and plumbing</td>
<td>43,556</td>
<td>6,291</td>
</tr>
<tr>
<td>Energy conservation</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Social and recreation</td>
<td>514</td>
<td>210</td>
</tr>
<tr>
<td>Painting</td>
<td>3,408</td>
<td>203</td>
</tr>
<tr>
<td>Waste removal</td>
<td>18,422</td>
<td>1,893</td>
</tr>
<tr>
<td>Security</td>
<td>16,800</td>
<td>4,800</td>
</tr>
<tr>
<td>Other</td>
<td>40,811</td>
<td>5,364</td>
</tr>
<tr>
<td>Contract cleaning</td>
<td>34,121</td>
<td>-</td>
</tr>
<tr>
<td>Water system</td>
<td>19,305</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>$370,658</td>
<td>$40,846</td>
</tr>
</tbody>
</table>

SCHEDULE C

UTILITIES

YEAR ENDED DECEMBER 31, 2009

<table>
<thead>
<tr>
<th></th>
<th>2009</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Municipal</td>
<td>Eldon Hall</td>
</tr>
<tr>
<td>Electricity</td>
<td>$138,681</td>
<td>$ 80,102</td>
</tr>
<tr>
<td>Water</td>
<td>68,632</td>
<td>326</td>
</tr>
<tr>
<td>Sewer commodity charge</td>
<td>81,996</td>
<td>89</td>
</tr>
<tr>
<td>Gas</td>
<td>66,956</td>
<td>63,104</td>
</tr>
<tr>
<td></td>
<td>$356,265</td>
<td>$143,621</td>
</tr>
</tbody>
</table>
The new Mission Statement: January 2010

Replacing the original Mission Statement

The Mission of Town Homes Kingston (Kingston Municipal Non-Profit Housing Corporation) is to provide and maintain a high standard of affordable, suitable, and community-integrated non-profit housing in Kingston.

To achieve this mission, we strive...

- To provide and maintain affordable and accessible non-profit housing, suitable to the needs of qualified tenants, in a variety of settings that are safe and secure;
- To work toward ensuring that non-profit housing is well integrated into the community;
- To work toward a high standard of cost-efficient maintenance for non-profit buildings;
- To encourage tenants to take an active part in maintaining their non-profit housing and their living environment;
- To facilitate tenant awareness of rights and responsibilities and awareness of support services and resources in the community;
- To maintain community support and awareness of non-profit housing;
- To strive toward and maintain a high standard of administration to ensure it is efficient, cost-effective and operates with professional ethics, current business practices, and within government legislation and policy.
THE MISSION OF Kingston Municipal Non-Profit Housing Corporation operating as TOWN HOMES KINGSTON

Town Homes Kingston strives for excellence in providing appropriate mixed income non-profit homes within the greater community of Kingston
A MESSAGE FROM THE PRESIDENT AND STAFF

TO THE MEMBERSHIP AND COMMUNITY

I am pleased to submit this report on behalf of the Board of Directors of Kingston Municipal Non Profit Housing Corporation (Town Homes Kingston) for the year ending December 31, 2009.

Some of the highlights of 2009 for Town Homes Kingston were:

- We assumed the management and operations of Tipi Moza the Urban Native Non Profit Housing Program for the City of Kingston.
- Town Homes Kingston also replaced the furnaces and hot water tanks at Country Pines, one of our accessible senior's buildings. This project was funded through the use of Replacement Reserve and Social Housing Capital Repair Funding at a cost of $297,000.00.
- Under the Social Housing Renovation Retrofit Program (SHRRP) administered by the City of Kingston and the Toilet Rebate Program administered by Utilities Kingston, we were able to change 150 toilets and 90 taps in three of our family housing communities. These changes have enabled Town Homes Kingston to be more energy efficient and environmentally friendly.
- In 2009 the Board and Staff in association with Community Voices Consulting, undertook an effective and comprehensive strategic planning process to more fully enable the organization to meet its mission to "Provide and maintain a high standard of affordable, suitable and community integrated Non Profit Housing in the City of Kingston". We now have a strategic plan in place.

The year 2009 was a busy and productive year and we are anticipating the same for 2010.

In closing, I want to sincerely thank all our staff and my fellow Board Members both past and present for their commitment, energy and support over the past year.

Respectfully Yours

Robert Trentadue, President
Apartments

Rideaucrest Towers at 205 Rideau Street

This beautiful 70 unit, 7 storey seniors/disabled apartment building opened in May of 1993. A common corridor attaches the apartment building to a long-term care facility. The building consists of 43 one bedrooms, and 27 two bedrooms. Eighteen of these units are designated for market rents. We have 14 modified apartments for the physically challenged. The rent subsidy is funded by the Municipality.

Country Pines Apartments at 2075 Battersea Road

This 60 unit senior/disabled apartment building opened in January of 1993. It is located in a beautiful country setting in Glenburnie. The building consists of 48 one bedrooms, and 12 two bedrooms. Ten of these units are designated for market rents. We have three modified apartments for the physically challenged. The rent subsidy program is funded by the Municipality.
37 Cassidy Street

This 62 unit apartment building opened in May 1993. The building consists of 31 two bedroom, 28 three bedroom, and 3 four bedroom multi-level apartments. Eight of these units are designated for market rents. We have 1 modified three bedroom apartment for the physically challenged. The rent for this complex is all inclusive. The rent subsidy is funded by the Municipality.

Townhouses

375 Patrick Street

This complex consists of 80 townhouses which opened in January 1992. We have 1 one bedroom, 28 two bedrooms, 41 three bedrooms, and 10 four bedrooms. Eight of these units are designated for market rents. We have four modified units for the physically challenged. The rent subsidy is funded by the Municipality.
275 Rideau Street

This complex consists of 39 townhouses which opened in February 1988. There are 5 two bedrooms, 30 three bedrooms, and 4 four bedrooms. Sixteen of these units are designated for market rents. We have one two bedroom modified unit for the physically challenged. The rent subsidy is funded by the Municipality.

710 Division Street

This complex consists of 11 stacked townhouses which opened in February 1988. There are 10 two bedrooms, and 1 three bedrooms. The rent subsidy is funded by the Municipality.
This development was the first Municipal Housing developed by the City of Kingston, through Canada Mortgage and Housing Corporation. This complex consists of 56 three bedrooms, and 20 four bedrooms.