



Housing Delivery

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manitoba.ca/housing

John Hoehn

A/Manager, New Project Delivery

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December 10, 2014

Recipient's or Developer's Lawyer name and address

Attention: Recipient's or Developer's Lawyer name

Re: The Manitoba Housing and Renewal Corporation ("MHRC") and XXXX (the "Recipient" or the "Developer") - Financial Assistance Agreement, Dated XX X, XXXX (the "Financial Assistance Agreement"), for the Construction of an XXXX unit affordable housing complex at Street address, town (the "Property")

Enclosed is a cheque, dated, in the amount of \$, drawn by MHRC in favour of your firm "in trust" representing a progress advance by MHRC to the Recipient pursuant to the Financial Assistance Agreement referred to above. Also enclosed is a copy of the disbursement spreadsheet.

The enclosed cheque is sent to you in trust upon the following trust conditions:

1. That your office will, just prior to release of any of the funds represented by the enclosed cheque and before the commencement of registrations at the Land Titles Offices the next business day, conduct "after 3:00 p.m." Land Titles Office searches to ensure that there are no builders' liens or other registrations affecting the Property which would or might affect MHRC's mortgage security. Further, at this same time, you shall make inquiry and satisfy yourself that neither your office, your client, nor the MHRC has received any Notice of Lien Claim under the Builder's Lien Act of any lien claim against the property or project. (You may contact the Acting Director of Legal Services for Manitoba Housing, Jack Fryatt at (204) 945-7495, e-mail; jack.fryatt@gov.mb.ca, and his assistant, Pamela Deabanico at (204) 945-4688, e-mail; pamela.deabanico@gov.mb.ca, to make inquiry to the MHRC.) If the results of your searches or inquiries reveal any builder's lien or other registration or lien claim which would or might affect MHRC's mortgage security, the enclosed funds shall not be released by your office, you shall immediately notify this office of such registrations or claim, and the funds shall, upon demand, be returned immediately to MHRC through this office;
2. That you will, prior to release of any funds represented by the enclosed cheque, make any and all necessary holdbacks (if any) in connection with this advance, in accordance with *The Builders' Liens Act* (Manitoba) (the "Act") and, in particular, the provisions of sections 24 and 25 of the Act relating to lien holdbacks; and
3. That you will confirm that there are no real property taxes, arrears or penalties outstanding with respect to the Property as of the date of release of the funds represented by the enclosed cheque. If any such amount is outstanding you shall contact our office and advise of same and seek further instructions agreeable to both this office and your client, failing which such funds will be returned to this office unused, upon request.

Letter to (XXXX Law Office)
DATE

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If you are unwilling or unable to comply with any or all of the foregoing trust conditions, please contact me in an attempt to resolve same. If the matter of our trust conditions cannot be agreed upon, then the enclosed cheque is to be immediately returned to this office, unused.

Please feel free to contact me if you have any questions or concerns.

Yours truly,

John Hoehn

enc.

copy to: The Manitoba Housing and Renewal Corporation
 Attention: Jack Fryatt
 A/Director, Legal Services
 and
 A/Corporate Secretary for the Manitoba Housing and Renewal Corporation (by e-mail)

