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Infrastructure
Ontario

Options International
478 Queen Street East
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February 10, 2020

Attention: Mike Labbé, President & CEO

Dear Mr. Labbé,

Thank you for your interest in pursuing financing through Infrastructure Ontario (IO) for Options International's new innovative affordable home ownership model.

As discussed, Ontario housing providers may apply for an IO loan for the purposes of financing capital investments. Eligible organizations include:

- An organization incorporated as a local housing corporation under Part III of the Social Housing Reform Act, 2000
- A non-profit housing provider or co-operative housing provider that provides (or will provide) housing under a municipally, provincially or federally funded housing program in Ontario.

Loan applications from eligible organizations are adjudicated pursuant to IO's Credit Risk Management Policy and sector lending guidelines. In protecting the province's capital, IO has a low tolerance for credit risk and loan losses when providing infrastructure financing to eligible borrowers. Principal to IO's credit review to confirm a low risk conclusion is a thorough analysis of a borrower's financial position and ability to service the proposed loan. Once an organization's eligibility is confirmed, our Commercial Underwriting team reviews the organization's historical financials, as well as the project fundamentals and revenue projections, to determine if the application will meet IO's credit risk threshold.

In the event that an organization is not able to meet IO's credit risk thresholds, obtaining a municipal guarantee or CMHC insurance can be an effective way to structure the loan proposal as low risk. Municipally guaranteed loans also receive a significant discount on the interest rate over the life of the loan, which can increase the affordability of the project. A municipal guarantee or CMHC insurance will typically be required for projects that do not have a stable revenue stream from government funding agreements for the entire length of the loan term.

IO would be pleased to continue discussions with your organization as you pursue options to become eligible to apply to the Loan Program. If you have any further questions, please don't hesitate to contact me.

Sincerely,

A handwritten signature in black ink, appearing to read 'JHutcheon', written over a horizontal line.

Jennifer Hutcheon