

PROJECT FRAMEWORK AGREEMENT

This Agreement made as of the ____ day of _____ 2021.

Between:

CANADA MORTGAGE AND HOUSING CORPORATION

A federal corporation established pursuant to
the *Canada Mortgage and Housing Corporation Act* and
having its head office in Ottawa, Ontario

hereinafter called "**CMHC**"

and

CITY OF OTTAWA

A corporation incorporated under the
laws of the Province of Ontario

hereinafter called the "**City**"

WHEREAS:

- A. The City has proposed to purchase the Property situated in Ottawa, Ontario from Her Majesty the Queen in right of Canada acting by the Minister of Public Services and Procurement Canada (hereafter called "**Canada**" or "**PSPC**");
- B. Canada is willing to sell and transfer the Property to the City on the terms and conditions set out in a Sale and Purchase Agreement to be entered into or entered into between the City and PSPC, including the condition that the transfer of the Property by Canada is subject to CMHC providing confirmation to Canada that the City has met the requirements set out in this Agreement to be satisfied prior to the transfer of the Property; and
- C. CMHC is the lead agency under the Federal Lands Initiative and is a party to this Agreement in its capacity as lead agency and lender.

NOW THEREFORE in consideration of the mutual covenants and agreements set forth in this Agreement and the sum of Ten Dollars (\$10.00) of lawful money of Canada now paid by each of the City and CMHC to the other and for other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged), the parties hereby covenant and agree as follows:

ARTICLE 1 INTERPRETATION

1.1 Definitions

In this Agreement, including in the Schedules hereto, the following terms shall have the meanings hereunder set forth unless the context or subject matter is inconsistent therewith:

“Accessibility Requirements” means the accessibility requirements for the Project described in Schedule “B”;

“Affordability Period” means a minimum period of fifty (50) years from the date first occupancy of the first residential housing unit within Gladstone Village is permitted by the relevant government authorities;

“Affordability Requirements” means the affordability requirements for the Project described in Schedule “B”;

“Agreement” means this Project Framework Agreement, together with all Schedules annexed hereto and forming part thereof, as the same may be amended from time to time in writing by the parties hereto;

“Article”, **“Section”** and **“Subsection”** mean and refer to the specified article, section and subsection of this Agreement;

“Building Work” means the construction of multiple buildings on Gladstone Village comprising a minimum of one thousand one hundred fifty (1,150) residential housing units (**“Total Units”**) set out in accordance with the Project Details attached hereto as Schedule “B”, that meet the Energy Efficiency Requirements, the Affordability Requirements, the Accessibility Requirements and otherwise meets the requirements of the Program Agreements;

“Business Day” means any day, other than a Saturday or Sunday or a statutory or civic holiday in Ontario, on which chartered banks are open for the transaction of business with the public;

“City” means the City of Ottawa;

“Claims” means any claims, suits, proceedings, liabilities, obligations, losses, damages, penalties, orders, judgments, costs, expenses, fines, disbursements, legal fees on a substantial indemnity basis, interest, demands and actions of any nature or any kind whatsoever;

“Closing” means the closing and consummation of the Sale and Purchase Agreement, including, without limitation, the payment of the purchase price and registration of a transfer/deed of land with respect to the Property in favour of the City;

“Closing Date” means the “closing date” as defined in, and pursuant to the Sale and Purchase Agreement;

“Collateral Mortgage” means the form of collateral mortgage used by CMHC for the Federal Lands Initiative that will be registered against the Property to secure the Forgivable Loan, subject to such reasonable amendments as the parties may agree;

“Condition Date” means July 5, 2022;

“Development Plan” means the written plan with respect to the housing portions of the Phase One portion of the Project (except as noted in (ix) and (x) below), delivered by the City to CMHC detailing:

- (i) draft building plans and specifications including but not limited to unit layouts and details/specifications regarding finishes and amenities in respect of the housing portions of the Phase One portion of the Project;
- (ii) confirmation that the Property is zoned to permit for the development of the Project;
- (iii) draft budget(s) associated with all costs for the development of the housing portions of the Phase One portion of the Project;
- (iv) estimated Project timelines outlining all milestones in development from the date of acquisition of the Property to the anticipated date of occupancy and the estimated construction schedule in respect of the housing portions of the Phase One portion of the Project;
- (v) any signed contracts and/or draft contracts between and/or among the City, OCH and/or construction/service providers and/or contractors with respect to the Building Work relating to the housing portions of the Phase One portion of the Project, along with confirmation that the aforementioned providers and contractors have at least five (5) years of past experience with projects of a similar size and scope;
- (vi) an accessibility report by a qualified independent expert confirming the Accessibility Requirements in respect of the housing portions of the Phase One portion of the Project;
- (vii) an energy efficient modelling report from a qualified independent expert confirming the Energy Efficiency Requirements in respect of the housing portions of the Phase One portion of the Project;
- (viii) financing/funding confirmation with respect to the development of the housing portions of the Phase One portion of the Project;
- (ix) if available, any of the above documents pertaining to Phase Two and/or Phase Three; and
- (x) conceptual and/or preliminary plans or similar documentation pertaining to Phase Two and Phase Three.

and all such work/plans are to result in the development of the Property such that it can operate as intended and as set out in the Project Details attached hereto as Schedule “B”;

“Energy Efficiency Requirements” means the energy efficiency requirements for the Project described in Schedule “B”;

“Forgivable Loan” means the loan granted by CMHC on behalf of the Government of Canada as lead agency in respect of the Federal Lands Initiative, on the terms and conditions set out in the Loan Agreement;

“Forgivable Loan Amount” means the amount of Eight Million Five Hundred Eighty Thousand Dollars (\$8,580,000.00);

“Gladstone Property” means those lands and premises municipally known and legally described in Schedule “A” of this Agreement that is legally and beneficially owned by OCH;

“Gladstone Village” means the Property and the Gladstone Property;

“Integrity Confirmation” means confirmation from Public Works and Government Services Canada that the purchaser in the Sale and Purchase Agreement has not been determined to be “ineligible” under the Integrity Regime;

“Integrity Regime” means the Government of Canada’s integrity regime as may be updated from time to time;

“Land Value Contribution” has the meaning set out in Section 4.2(a);

“Loan Agreement” means the form of loan agreement used by CMHC for the Federal Lands Initiative, subject to such reasonable amendments as the parties may agree, which documents the terms of the Forgivable Loan;

“Median Market Rental Rate” means the median market rental rate as described in CMHC’s rental market survey or any successor publication published from time to time;

“OCH” means the Ottawa Community Housing Corporation;

“Operating Agreement” means the form of operating agreement used by CMHC for the Federal Lands Initiative, subject to such reasonable amendments as the parties may agree;

“Option to Purchase” means the form of option to purchase used by CMHC for the Federal Lands Initiative, subject to such reasonable amendments as the parties may agree;

“Person” means an individual, partnership, corporation, government or any department or agency thereof, a trustee, and an unincorporated organization and the heirs, executors, administrators or other legal representatives of individuals, and words importing “persons” have similar meanings;

“Phase One”, “Phase Two” and “Phase Three” has the meaning set out in Schedule “B” of this Agreement”;

“Program Agreements” means the Loan Agreement, the Collateral Mortgage, the Operating Agreement, the Option to Purchase and such other documents as CMHC may reasonably require from time to time;

“Project” means the housing project to be developed and operated on Gladstone Village by the City, as more particularly described in the Project Details attached as Schedule “B” and referred to in the Program Agreements;

“Project Details” means the description of the Project as set out in Schedule “B”;

“Property” means those lands and premises municipally known and legally described in Schedule “A” of this Agreement;

“Sale and Purchase Agreement” means the agreement for the sale by PSPC and the purchase by the City of the Property on such terms and conditions as PSPC and the City may or have agreed;

1.2 Schedules

The following Schedules are attached to and form part of this Agreement:

Schedule “A”	Property - Legal Description
Schedule “B”	Project Details

1.3 Reference to Legislation

Reference in this Agreement to any legislation and/or regulation includes any subsequent amendment, revision, substitution, and consolidation notwithstanding when it occurs and whether or not it has a retroactive effect.

1.4 Headings

The division of this Agreement into separate Articles, Sections and Schedules and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement.

1.5 Extended Meanings

Grammatical variations of any terms defined in this Agreement have similar meanings to such defined terms; words imparting number include the singular and the plural; words imparting gender include all genders.

ARTICLE 2 CONDITIONS

2.1 Conditions for CMHC

Without limiting any conditions in the Sale and Purchase Agreement, the following conditions must be satisfied by the City, to CMHC’s sole and absolute satisfaction and discretion, by the applicable date referenced:

- (a) on or before 5:00 p.m. on the Condition Date, delivery of the Development Plan by the City to CMHC. CMHC has until 5:00 p.m. on the day that is ten (10) Business Days following the Condition Date to review the Development Plan and confirm that same is acceptable;
- (b) on or before 5:00 p.m. five (5) Business Days prior to the Closing Date, execution and delivery of all of the Program Agreements, to be delivered by the City to CMHC;
- (c) on or before 5:00 p.m. on the last Business Day prior to the Closing Date, delivery of any and all signed contracts and/or draft contracts between and/or among the City and/or OCH and any construction/service provider and/or contractors with respect to the Building Work not already included within the Development Plan, along with confirmation that the aforementioned providers/contractors have at least five (5) years past experience with projects of a similar size and scope; and
- (d) on Closing, all of the terms, covenants and conditions of this Agreement to be complied with or performed by the City shall have been complied with or performed in all material respects as contemplated herein.

The conditions set forth in this Section 2.1 are for the sole benefit of CMHC and may be waived in whole or in part by CMHC by notice in writing to the City prior to the applicable date for the satisfaction of each of them; provided that any one or more of the said conditions may be waived in whole or in part by CMHC without prejudice to its rights in the event of the non-fulfillment of any other condition or conditions.

2.2 Conditions for City

Without limiting any conditions in the Sale and Purchase Agreement, the following conditions must be satisfied by the applicable date referenced:

- (a) on or before 5:00 p.m. on April 30, 2021, the City shall have obtained the approval from the elected council of the City to enter into this Agreement and the Sale and Purchase Agreement and any and all signed contracts and/or draft contracts between and/or among the City and/or OCH; and
- (b) on or before 5:00 p.m. on April 30, 2021, PSPC shall have obtained the approval from the Treasury Board Secretariat to enter into the Sale and Purchase Agreement;

and these conditions are for the sole benefit of the City and if the City is unwilling, unable or otherwise fails to satisfy this condition then this Agreement shall be rendered null and void and of no legal effect.

2.3 Failure to Satisfy Conditions

If the City is unwilling, unable or otherwise fails to satisfy each of the conditions set forth in Section 2.1 and CMHC does not waive satisfaction of any unsatisfied condition or if the City is unwilling, unable or otherwise fails to satisfy the condition in Section 2.2 then this Agreement shall be rendered null and void and of no legal effect.

2.4 Progress Reports on Satisfaction of Conditions

The City covenants to provide CMHC with an update (which may be provided in-person or via video conference) on its progress toward satisfying the conditions set forth in Section 2.1 as and when reasonably requested by CMHC and no less frequently than every six (6) months following the date of this Agreement. Furthermore, the City covenants to provide CMHC with any drafts/documents/reports/plans/specifications or the like that it receives with respect to the Development Plan as and when obtained.

ARTICLE 3 REPRESENTATIONS AND WARRANTIES

3.1 CMHC's Representations and Warranties

CMHC has not made and makes no representations or warranties to the City as to:

- (a) the condition of the Property or its fitness for use for the Project;
- (b) the lawful authority or ability of PSPC to dispose of the Property or to transfer good title to the Property to the City; and/or
- (c) the existence or lack thereof of any third party Claims pertaining to or threatened with respect to Gladstone Village or to the occupation or use of it.

3.2 The City's Representations and Warranties

The City represents and warrants to CMHC (and acknowledges that CMHC is relying on same) that as of the date hereof and as of the Closing Date;

- a) the City has full power and authority to execute and deliver this Agreement and each of the Program Agreements, to carry out the Sale and Purchase Agreement (subject to and without limiting the conditions set out therein), and to perform all of its obligations contained in each of these aforementioned agreements (subject to and without limiting the conditions set out therein);
- b) the City is a body corporate existing pursuant to the *City of Ottawa Act*, 1999, S.O 1999 c 14, Sched. E;
- c) the City is entering into this Agreement and the Sale and Purchase Agreement, and subject to the satisfaction or waiver of the conditions in this Agreement and the Sale and Purchase Agreement, will acquire beneficial and registered title to the Property for its own account and not as agent, trustee or nominee, or any other capacity, for or on behalf of any other Person;
- d) subject to the satisfaction of the conditions set out herein, this Agreement and the obligations of the City hereunder and under the Program Agreements, have been or will be

authorized by all requisite proceedings and constitute legal, valid and binding obligations of the City, enforceable against the City in accordance with their terms; and

e) the City has not filed for bankruptcy and is not insolvent, and has not made any assignment for the benefit of creditors, has not applied for protection from its creditors pursuant to applicable laws, and is not subject to any executions.

3.3 Survival of Representations and Warranties

The representations and warranties of the City described above shall be true and accurate in all material respects on the date of the Closing and shall survive and not merge on the completion of that transaction. The City shall deliver to CMHC a certificate confirming the truth and accuracy of the representations and warranties contained in Section 3.2 hereof, effective as of the Closing.

ARTICLE 4 NATIONAL HOUSING STRATEGY

4.1 Federal Lands Initiative Program – Program Agreements

The City acknowledges and agrees that PSPC is making the Property available to the City for purchase under the authority of the Government of Canada's National Housing Strategy, Federal Lands Initiative. CMHC has selected the City to develop the Project as described in Schedule "B". The Property is being sold to the City on the express condition that the City enter into and comply with the terms and conditions of the Program Agreements. The City acknowledges that the terms and conditions of the Program Agreements will be binding on the City as of Closing. The City acknowledges and agrees that CMHC is the lead agency for the Federal Lands Initiative and will be entering into the Program Agreements with the City.

4.2 Forgivable Loan Amount and Collateral Mortgage

(a) The City acknowledges and agrees that PSPC is selling the Property to the City for a purchase price of Eleven Million Dollars (\$11,000,000.00). The City will pay a portion of the purchase price in cash to PSPC on Closing (Two Million Four Hundred Twenty Thousand Dollars (\$2,420,000.00)) (the "**Cash Amount**"), as same may be adjusted pursuant to the terms of the Sale and Purchase Agreement. CMHC will pay the balance of the purchase price (Eight Million Five Hundred Eighty Thousand Dollars (\$8,580,000.00)) to PSPC from Government of Canada appropriations on Closing. The Forgivable Loan Amount will be secured against title to the Property by means of the Collateral Mortgage. The City will be entitled to have the Forgivable Loan Amount forgiven in its entirety upon the expiry of the Affordability Period in accordance with the terms of the Loan Agreement.

(b) The City may increase (beyond the Total Units) the total number of residential units to be built on Gladstone Village prior to the Closing Date, in which case the City may be entitled to a further reduction in the Cash Amount thereby increasing the amount of money paid by CMHC to PSPC on Closing. Any decrease total number of residential units to be built on Gladstone Village less than the Total Units, prior to the Closing Date, with CMHC's prior consent, may result in an increase in the Cash Amount, thereby reducing the amount of money paid by CMHC to PSPC on Closing.

(c) CMHC agrees that, provided that the City is not then in default of its obligations under the Program Agreements and provided the City remains responsible to deliver the Project (provided that it is acknowledged that the City may enter into arrangements with OCH whereby OCH agrees to deliver parts of the Project pursuant to the arrangements contemplated hereunder), not to unreasonably withhold its consent to requests by the City to:

- (i) partially discharge the Collateral Mortgage where the City wishes to sell, lease or transfer part of the Property to an entity that commits to delivering its respective part of the Building Work;
- (ii) partially discharge the Collateral Mortgage in favour of CMHC where the City wishes to sell a stratified fee simple interest in part of the Property; or
- (iii) postpone the Collateral Mortgage in favour of CMHC to the interest of a third party lender where the City is obtaining construction financing to deliver affordable housing in accordance with Schedule “B”, provided that such third party lender agrees to cause any transferee of the Property to assume the Program Agreements.

4.3 Affordability Period

The City will be required to operate the Project in accordance with the Accessibility Requirements, Affordability Requirements and Energy Efficiency Requirements and in accordance with the Program Agreements for the duration of the Affordability Period.

4.4 Building Work

- (a) The City acknowledges that the completion of the Building Work is a condition of the transfer of the Property to the City and a fundamental requirement of the Federal Lands Initiative. Accordingly, the City agrees that it will commence parts of the Building Work no later than December 1, 2023 and will complete the Building Work such that the Project is ready for occupancy by March 31, 2038. The parties acknowledge and agree that the Building Work is comprised of three (3) phases as further set out in Schedule “B”. The City acknowledges that the requirements to commence and complete the Building Work by the foregoing dates will be requirements of the Loan Agreement, breach of which will give rise to CMHC’s mortgage remedies. Without limiting the reporting obligations in the Loan Agreement, the City will provide CMHC with updates on the progress of the Building Work as and when requested by CMHC and no less frequently than once every twelve (12) months provided that the City shall promptly notify CMHC of any event that would materially adversely impact the progress of the Building Work. For the purpose of this section, a “material adverse impact to the progress of the Building Work” is any event that would cause a delay to any milestone dates or materially change the scope of the Project.
- (b) In the case of any proposed changes to the Building Work that results in the construction of less than the Total Units, the City agrees to provide CMHC with written notice of this proposed change that is subject to CMHC’s review and consent, in its sole and absolute discretion, which will be provided within a reasonable period of time.

4.5 Indemnity

The City hereby releases and forever discharges and agrees to indemnify and save harmless CMHC from and against all Claims relating to the breach of the City of its obligations under this Agreement and the Program Agreements and any matters arising from the transfer of the Property to the City including without limitation the environmental condition of the Property, but save an except CMHC's obligation to pay a portion of the Purchase Price pursuant to section 4.2. The City shall provide to CMHC on Closing a written acknowledgment in respect of this release and indemnity.

ARTICLE 5 INTEGRITY PROVISIONS

5.1 Interpretation

The Ineligibility and Suspension Policy (the "**Policy**") in effect on Closing, and all Directives related to the Policy in effect on that date, are incorporated by reference into, and form a binding part of, this Agreement. The purchaser set out in the Sale and Purchase Agreement and any permitted assignee must comply with the provisions of the Policy and Directives that are available on Public Works and Government Services Canada's Web site at Ineligibility and Suspension Policy (<http://www.tpsgc-XXXX.gc.ca/ci-if/politique-policy-eng.html>). Notwithstanding anything herein contained to the contrary, this provision does not apply to the City but will apply to any party to whom the City assigns the Sale and Purchase Agreement who is not exempt from compliance with the Policy, and in such cases this Agreement will be conditional upon CMHC receiving the Integrity Confirmation on or before Closing.

ARTICLE 6 CONFIDENTIALITY AND ANNOUNCEMENTS

6.1 Confidentiality

(a) The City and its agents, advisors, consultants and employees shall keep confidential this Agreement, its terms and all information, documentation and records obtained from CMHC or its employees, consultants, agents, advisors or solicitors with respect to the Property and the Forgivable Loan (the "**Confidential Information**"). The City shall not use any Confidential Information for any purposes not related to this transaction or in any way detrimental to CMHC. Nothing herein contained shall restrict or prohibit the City from disclosing the Confidential Information to its employees, consultants, agents, OCH, advisors and solicitors, provided that the City shall be responsible for ensuring that such permitted persons to whom it discloses such information also comply with this confidentiality obligation.

(b) The Confidential Information shall not include: (i) public information or information in the public domain at the time of receipt by, and through no action of, the City or its employees, consultants, agents, advisors and solicitors; (ii) information which later becomes public through no fault or act of the City or its employees, consultants, agents, advisors and solicitors; (iii) information required to be disclosed by law; (iv) information received in good faith from a third party lawfully in possession of the information and not in breach of any confidentiality obligations; or (v) such information that the City reasonably requires to disclose to its Council of elected officials for the purposes of satisfying the conditions hereunder or performing and observing the terms and conditions of this Agreement.

(c) If this Agreement is terminated for any reason, the City shall promptly return to CMHC all Confidential Information provided to the City by CMHC or its employees, consultants, agents, advisors or

solicitors and shall destroy all other Confidential Information in the City's custody or control, including all notes and due diligence materials related to this transaction, and shall provide a statutory declaration of an offer of the City that it has complied in this regard.

(d) Without limitation to Section 6.2, the City shall not issue any press release or other public announcement or release information with respect to this Agreement to the press or the public unless the same has been approved by CMHC in its sole and absolute discretion or such disclosure is in the good faith opinion of the City, on the basis of legal advice, required in order to comply with any applicable laws or the rules, orders or regulations of any stock exchange and then only after prior consultation with the other party hereto, if it is reasonably possible in the circumstances to do so.

(e) Notwithstanding the foregoing, the parties acknowledge that:

(i) information that is in the custody or under the control of the City is subject to the access provisions of the *Municipal Freedom of Information and Protection of Privacy Act* (Ontario) ("**MFIPPA**") and accordingly that those parties cannot guarantee that the confidentiality of such information will be maintained if a request for access is made under MFIPPA; and

(ii) the City shall inform CMHC of any request made for access to information supplied to it, permit CMHC an opportunity to make representations on the disclosure of such information, and consider any such representations prior to disclosing or permitting access to the information.

(f) The obligations in this Section 6.1 shall survive the termination of this Agreement and shall not merge on Closing.

6.2 Announcements

(a) No announcement or public disclosure relating to this Agreement, the Project or the Program Agreements may be made by the City or any of its proponents prior to receiving written approval from CMHC.

(b) If the City plans to announce or publicly disclose, or publish, any reports and/or materials relating to the Agreement, the Project or the Program Agreements, the City shall (i) notify CMHC in writing of any such announcement, disclosure or publication at least fifteen (15) Business Days prior to the same; and (ii) if so requested by CMHC in writing, acknowledge CMHC's financial support of the Project or aspects of the Project in such publication in the following manner:

"This project received financing from Canada Mortgage and Housing Corporation (CMHC); however, the views expressed are the personal views of the author and CMHC accepts no responsibility for them. / Ce projet est financé en partie par la Société canadienne d'hypothèques et de logement (SCHL), cependant, les opinions exprimées sont les opinions personnelles de l'auteur et la SCHL n'accepte aucune responsabilité pour ces opinions."

(c) If requested by CMHC, the City shall publicly acknowledge the making of the Forgivable Loan in a manner acceptable to CMHC, acting reasonably, which may include the erection of one or more signs at the Project with the name and logo of CMHC, PSPC and/or the federal government in a form approved by CMHC.

(d) If requested by CMHC, the City agrees to participate in surveys and other research approaches such as case studies conducted by CMHC or its agents, in respect of the Project, the Federal Lands Initiative and Canada's National Housing Strategy.

(e) Notwithstanding the provisions of this Section 6.2, CMHC acknowledges that the City will be required to prepare and publish certain reports to the City's Finance and Economic Development Committee and the Council of elected representatives regarding the Project that will be made available to the public and the provisions of this Section 6.2 shall not be construed as to prohibit the City from doing so.

(e) This Section shall survive and not merge on Closing or any termination of this Agreement.

ARTICLE 7 GENERAL

7.1 Further Assurances

The City covenants to execute promptly all such further documents or instruments and to provide such assurances as may be necessary to give effect to this Agreement and to carry out the Project. The covenants of the City contained in this Section 7.1 shall survive and not merge on Closing.

7.2 Survival

Except as otherwise provided for in this Agreement, the covenants and obligations set forth in this Agreement shall merge on Closing.

7.3 Notice

Any notice, demand, approval, consent, information, agreement, offer, request or other communication (hereinafter referred to as a "**Notice**") to be given under or in connection with this Agreement shall be in writing and shall be given by personal delivery during regular business hours on any Business Day or by electronic communication which results in a written or printed notice being given, addressed or sent as set out below or to such other address or electronic number as may from time to time be the subject of a Notice:

(a) to CMHC at:

CANADA MORTGAGE AND HOUSING CORPORATION
700 Montreal Road
Ottawa, Ontario K1A 0P7
Attention: **Rick Ilnycki**
Email: **fli-itf@cmhc-schl.gc.ca**

(b) to the City at:

City of Ottawa
Corporate Real Estate Office

110 Laurier Avenue West
Ottawa, ON K1P 1J1
Attention: **Derrick Moodie, Director**
Email: derrick.moodie@ottawa.ca

with a copy to its solicitors:

BORDEN LADNER GERVAIS LLP
World Exchange Plaza
100 Queen Street, Suite 1300
Ottawa ON K1P 1J9
Attention: **Jessica Sheridan**
Phone: **613-369-4771**
Email: **JSheridan@blg.com**

Any Notice, if personally delivered, shall be deemed to have been validly and effectively given and received on the date of such delivery and if sent by electronic communication with confirmation of transmission prior to 5:00 p.m. (Eastern Standard Time), shall be deemed to have been validly and effectively given and received on the Business Day it was sent unless the confirmation of transmission was after 5:00 p.m. (Eastern Standard Time) in which case it shall be deemed to have been received on the next following Business Day.

7.4 Registration Costs and Legal Costs

- (a) The City shall be responsible for the cost of registering the Collateral Mortgage and the Option to Purchase on title to the Property.
- (b) Each party shall pay its own fees with respect to this transaction.

7.5 Entire Agreement

This Agreement (including the Schedules hereto) embodies the entire agreement between the parties with respect to the subject matter hereof and there are no representations, warranties, guarantees, promises or collateral or past agreements existing between the City and CMHC with respect to the Property which are not expressly set forth herein.

7.6 No Interference with Existing Agreements

Nothing in this Agreement shall limit or affect the City's commitments under any existing agreements with CMHC with respect to Gladstone Village, including without limitation the National Housing Co-Investment Fund.

7.7 Dates

If the date for the making of any payment hereunder or the date for the doing of any act hereunder shall fall on a day other than a Business Day, such date shall be extended to the first Business Day following such day.

7.8 Jurisdiction

This Agreement shall be governed by, and construed and interpreted in accordance with firstly, the applicable laws of Canada and, secondly, the laws of the Province of Ontario.

7.9 Time

Time shall be of the essence of this Agreement.

7.10 Enurement

This Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective successors and permitted assigns.

7.11 Currency

All amounts stated herein are stated in Canadian currency.

7.12 No Assignment

The City shall not assign this Agreement or any portion of it or otherwise grant any of its rights hereunder without the prior written consent of CMHC, which consent may not be unreasonably withheld. Notwithstanding the foregoing, CMHC acknowledges and agrees that the City may require OCH to observe and perform all or part of the obligations hereunder insofar as they relate to Gladstone Village, without CMHC's written consent. In the event of any assignment, including to OCH, the City shall continue to remain liable under this Agreement and the Program Agreements and the assignee shall be bound by all the terms and conditions contained herein. Any purported assignment made without such consent, except to OCH, shall be null and void and of no effect and shall entitle CMHC to take any and all enforcement proceedings as provided in any or all of the Program Agreements.

7.13 Gladstone Property

The City acknowledges that it is responsible for ensuring the delivery of the Total Units in accordance with Schedule "B". CMHC and the City agree that some of the Total Units will be constructed on the Gladstone Property which is owned by OCH. The City agrees to cause OCH to deliver a covenant to CMHC and the City on or prior to Closing in which OCH and any assignee agree to assume and comply with the covenants in this Agreement and Program Agreements with respect to the Total Units to be constructed on the Gladstone Property.

7.14 Partial Invalidity

If any immaterial term, covenant or condition of this Agreement shall, to any extent be invalid or unenforceable, the remainder of this Agreement or application of such immaterial term, covenant or agreement shall not be affected thereby and shall be valid and enforceable to the full extent permitted by law.

7.15 Counterparts and Electronic Delivery

This Agreement may be executed in several counterparts, each of which, when so executed, shall be deemed to be an original and all of which together shall constitute one and the same Agreement. Execution and delivery of this Agreement by electronic mail or other electronic transmission, including portable document format (“pdf”), shall have the same legal effect as physical delivery of this Agreement bearing original signatures and any signature on a pdf form of this Agreement shall be deemed to be equivalent to an original signature for all purposes.

7.16 Interpretation

The words “herein”, “hereto”, “hereunder”, “heretofore”, “herewith”, and similar expressions, refer to this Agreement and not to any clause, section or portion thereof, unless the context or subject matter otherwise so requires.

7.17 No Bribes

The City warrants that no bribe, gift, or other inducement has been paid, given, promised, or offered to any CMHC or other government official or employee for the obtaining of this Agreement.

7.18 No Waiver

No omission by CMHC to enforce the strict performance of this Agreement shall operate as a waiver of such rights, and no waiver by CMHC of the performance by the City of any covenant or provision of this Agreement, which can only be done in writing, shall, of itself, constitute a waiver of any subsequent breach of such covenant or provision or any other covenant or provision.

7.19 Right to Legislate

Nothing in this Agreement shall prohibit, restrict or affect the right or power of the Parliament of Canada to enact any laws whatsoever with respect to any area of law for which the Parliament of Canada has legislative jurisdiction, even if the enactment of any such law affects this Agreement, its interpretation or the rights of either party

7.20 Conflict with Program Agreements

In the event of any conflict between the terms of this Agreement and the terms of any of the Program Agreements, the terms of the Program Agreements will take precedence and prevail to the extent of such conflict.

7.21 Crown Liability and Proceedings Act

Notwithstanding any other provision of this Agreement, this Agreement is subject to the *Crown Liability and Proceedings Act* (Canada). In no event shall the liability of the vendor, Canada, Her officers, employees, servants and agents exceed or conflict with the provisions of the *Crown Liability and Proceedings Act* (Canada), as amended. If there is a conflict between this Agreement and the provisions of the *Crown Liability and Proceedings Act* (Canada), the provisions of the *Crown Liability and Proceedings*

Act (Canada) shall prevail and the terms within this Agreement that are inconsistent with the *Crown Liability and Proceedings Act (Canada)* shall be superseded or varied to the extent necessary to give full effect to the *Crown Liability and Proceedings Act (Canada)*.

7.22 Termination

In the event that all of the conditions set out in the Sale and Purchase Agreement are not waived or satisfied on or before December 31, 2022, the City may, but is not obligated to, terminate this Agreement by giving written notice to CMHC to that effect in which case this Agreement shall be null and void.

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IN WITNESS WHEREOF this Agreement has been executed by the parties, under the hands of their proper respective signing officers duly authorized in that behalf on the date first above written.

CITY OF OTTAWA

Per: _____

Name:

Title:

Per: _____

Name:

Title:

I/We have authority to bind the Corporation

**CANADA MORTGAGE AND HOUSING
CORPORATION**

Per: _____

Name: Brad Fischer

Title: Director, Financing Solutions

Per: _____

Name: Patrice N'guessan

Title: Senior Manager, Financing Operations

We have authority to bind the Corporation

Schedule "A"

Property - Legal Description

1010 Somerset Street West, Ottawa Ontario:

(Firstly) Lots 1-7, Block B, Plan 73, W/S Champagne Avenue; Lots 1-3 and Part of Lots 4-5, Block B, Plan 73, E/S Loretta Avenue (formerly Second Avenue); Part of Lot A, Block B, Plan 73, N/S Oak Street, Parts 4-6, Plan 5R-4993; City of Ottawa, being all of PIN 04107-0030(LT);

(Secondly) Lots 2-5, Block B, Plan 73, S/S Somerset Street; Lots 1-5, Block B, Plan 73, N/S Ash Street; Lots 1-5, Block B, Plan 73, N/S Oak Street; Ash Street, Plan 73 closed by CR574103 as in CR230283 and CR607830; and Part of Oak Street, Plan 73 closed by CR574103; subject to an easement over Part of Lot 5, S/S Somerset being Part 1 Plan 4R-13627 in favour of the City of Ottawa, as in LT1183058, City of Ottawa, being all of PIN 04107-0289(LT); and

(Thirdly) Part Lot B Block B, Plan 73, N/S Oak St, As in CR42631 except CR69836; Ottawa/Nepean, being all of PIN 04107-0029(LT).

Gladstone Property – Municipal Address and Legal Description

933 Gladstone Avenue, Ottawa Ontario:

(Firstly) PT LT 8, BLK B, PL 73, PT LT 9, BLK B, PL 73, PT LT 10, BLK B, PL 73, W/S CHAMPAGNE AV, PTS 8, 9 & 10, 5R4993; OTTAWA/NEPEAN, being all of PIN 04107-0032(LT); and (Secondly) PART OF OAK STREET, PLAN 73, CLOSED BY CR574103; LOTS 1 TO 5, BLOCK B, PLAN 73, SOUTH OF OAK STREET; LOTS 1 TO 5, BLOCK B, PLAN 73, NORTH OF LAUREL STREET, DESIGNATED AS PART 11 ON PLAN 4R28806; PART OF LAUREL STREET, PLAN 73, CLOSED BY CR574103; LOTS 1 TO 5, BLOCK C, PLAN 73, SOUTH OF LAUREL STREET; LOTS 1 TO 4 AND PART OF LOT 5, BLOCK C, PLAN 73, NORTH OF LARCH STREET; PART OF LARCH STREET, PLAN 73, CLOSED BY CR574103; LOTS 2, 3 AND 4 AND PART OF LOTS 1 AND 5, BLOCK C, PLAN 73, SOUTH OF LARCH STREET; LOTS 2 AND 3 AND PART OF LOTS 1 AND 4, BLOCK C, PLAN 73, NORTH OF WALNUT STREET; PART OF WALNUT STREET, PLAN 73, CLOSED BY CR179807; LOT 2 AND PART OF LOTS 1 AND 3, BLOCK C, PLAN 73, SOUTH OF WALNUT STREET; PART OF LOTS 1, 2 AND 3, BLOCK C, PLAN 73, NORTH OF GLADSTONE AVENUE; DESIGNATED AS PARTS 11 TO 19 (INCLUSIVE) ON PLAN 5R4993; SUBJECT TO AN EASEMENT OVER PART OF LAUREL STREET, PLAN 73, CLOSED BY CR574103 DESIGNATED AS PART 3 ON PLAN 4R28807 IN FAVOUR OF THE CITY OF OTTAWA, being all of PIN 04107-0288(LT).

Schedule “B” Project Details

- The Building Work is comprised of three phases:
 - “**Phase One**” being the substantial completion of a minimum of 340 residential housing units such that the units are ready for occupancy by November 30, 2025;
 - “**Phase Two**” being the substantial completion of a minimum of 100 residential housing units such that the units are ready for occupancy by November 30, 2029; and
 - “**Phase Three**” being the substantial completion of a minimum 720 residential housing units such that the units are ready for occupancy by March 31, 2038.
- Affordability: Throughout the Affordability Period, a minimum of 30% of the Total Units must have rents at or below 80% of the Median Market Rental Rate.
- Energy Efficiency: A minimum range of 31%-45% reduction in energy consumption; and a minimum range of a 31-45% decrease in greenhouse gas emissions, for residential housing units constructed on the Property, in each case as at the date of substantial performance (as that term is defined in the *Construction Act* (Ontario)), relative to performance levels achievable by a building equivalent to the building that is being constructed on the Property, except that it is designed to meet the requirements of the National Energy Code of Canada for Buildings – 2017 NECB.
- Accessibility: A minimum of 20% of the residential housing units constructed on the Property will be accessible as per the accessibility plans developed with City guidelines (i.e. 10% of units could be designed to be barrier free, while 10% are designed with partial accessibility or be constructed to be easily converted if required under the *Accessibility for Ontarians with Disabilities Act*). All remaining units constructed on the Property will be designed with the minimum visitable design standards and/or designed to be as adaptable as possible. These accessibility guidelines do not apply to the other properties associated within Gladstone Village (i.e. accessibility parameters as per any existing agreements in force with CMHC with respect to Gladstone Village, including without limitation the National Housing Co-Investment Fund, will remain in force).