

## Notice of Meeting and Meeting Agenda Hospitals and Housing Committee

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Wednesday, February 3, 2021

1:30 PM

6th Floor Boardroom  
625 Fisgard St.  
Victoria, BC V8W 1R7

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L. Helps (Chair), D. Screech (Vice Chair), D. Blackwell, S. Brice, F. Haynes, G. Holman, J. Loveday, K. Murdoch, G. Orr, C. Plant(Board Chair, ex officio)

The Capital Regional District strives to be a place where inclusion is paramount and all people are treated with dignity. We pledge to make our meetings a place where all feel welcome and respected.

### 1. Territorial Acknowledgement

### 2. Approval of Agenda

### 3. Adoption of Minutes

#### 3.1. [21-113](#) Minutes of the January 6, 2021 Hospitals and Housing Committee Meeting

**Recommendation:** That the minutes of the Hospitals and Housing Committee meeting of January 6, 2021 be adopted as circulated.

**Attachments:** [Minutes - January 6, 2021](#)

### 4. Chair's Remarks

### 5. Presentations/Delegations

*In keeping with directives from the Province of BC, this meeting will be held by Live Webcast without the public present.*

*To participate electronically, complete the online application for "Addressing the Board" on our website. Alternatively, you may email the CRD Board at [crdboard@crd.bc.ca](mailto:crdboard@crd.bc.ca).*

### 6. Committee Business

#### 6.1. [21-090](#) Award of Contract RFP No. CRHD.2020-03 - Construction Management Services for the Demolition of Oak Bay Lodge

**Recommendation:** The Hospitals and Housing Committee recommends to the Capital Regional Hospital District Board:

That Contract RFP No. CRHD.2020-03 for Oak Bay Lodge Construction Management Services for Demolition be awarded to Unitech Construction Management for \$43,000 plus a contingency of \$3,000 for additional services if warranted.

**Attachments:** [Staff Report: Award Contract RFP No. CRHD.2020.3 - Oak Bay Lodge](#)  
[Appendix A: RFP No. CRHD.2020-03 Proposal Summary](#)  
[Appendix B: Construction Management Contract Template](#)

**6.2.**      [21-091](#)      Hockley House Development Mortgage Registration: 830 Hockley Avenue

**Recommendation:** The Hospitals and Housing Committee recommends to the Capital Region Housing Corporation Board:  
a) That the resolution attached as Appendix A and required by BC Housing Management Commission to authorize the execution of the Section 219 Covenant and the Loan and Mortgage documents for 830 Hockley Avenue be approved; and  
b) That staff be authorized to sign any documents related to the Loan and Mortgage and Section 219 Covenant registration and to take steps necessary to conclude the purchase of 830 Hockley Avenue, Langford, BC.

**Attachments:** [Staff Report: Hockley House Dev't Mortgage Reg'n-830 Hockley Ave](#)  
[Appendix A: Hockley House Resolution of Directors](#)

**6.3.**      [21-092](#)      Hockley House Mortgage - Tri-Partite Agreement and Landlord Estoppel Certificate: 830 Hockley Avenue

**Recommendation:** The Hospitals and Housing Committee recommends to the Capital Regional District Board:  
That staff be authorized to execute any agreements with Capital Region Housing Corporation and BC Housing Management Commission and to take steps necessary to conclude the purchase of 830 Hockley Avenue, Langford, BC.

**Attachments:** [Staff Report: Hockley House Mortgage Tri-Partite Agreement](#)

**6.4.**      [21-093](#)      Royal Oak Square Refinancing

**Recommendation:** The Hospitals and Housing Committee recommends to the Capital Region Housing Corporation Board:  
That staff be authorized to apply for, accept and execute all documents related to a \$4,500,000 Canada Mortgage and Housing Corporation insured mortgage with the Toronto-Dominion Bank.

**Attachments:** [Staff Report: Royal Oak Square Refinancing](#)

**6.5.**      [21-013](#)      1114 Rockland Housing Agreement and Bylaw

**Recommendation:** The Hospitals and Housing Committee recommends to the Capital Regional District Board:  
a) That Bylaw No. 4398, "Resale Control and Housing Agreement Bylaw (1114 Rockland Avenue), 2021" be introduced and read a first, second and third time; and  
b) That Bylaw No. 4398 be adopted.

**Attachments:** [Staff Report: 1114 Rockland Housing Agreement and Bylaw](#)  
[Appendix A: Bylaw No. 4398](#)

**6.6.**      [21-076](#)      Previous Minutes of Other CRD Committees and Commissions for Information

**Recommendation:** That the following minutes be received for information:  
a) Tenant Advisory Committee minutes - September 28, 2020

**Attachments:** [Minutes: Tenant Advisory Committee - September 28, 2020](#)

**7. Notice(s) of Motion**

**8. New Business**

**9. Motion To Close**

**9.1. [21-114](#) Motion to Close the Meeting**

**Recommendation:** That the meeting be closed for Appointments in accordance with Section 90(1)(a) of the Community Charter.

**10. Adjournment**

The next meeting is March 3, 2021.

To ensure quorum, please advise Tamara Pillipow (tpillipow@crd.bc.ca) if you or your alternate cannot attend.

## Meeting Minutes

### Hospitals and Housing Committee

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Wednesday, January 6, 2021

1:30 PM

6th Floor Boardroom  
625 Fisgard St.  
Victoria, BC V8W 1R7

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#### PRESENT

Directors: L. Helps (Chair), D. Screech (Vice Chair), D. Blackwell, S. Brice, F. Haynes (EP), G. Holman (EP), J. Loveday (EP), K. Murdoch, G. Orr

Staff: R. Lapham, Chief Administrative Officer; N. Chan, Chief Financial Officer; K. Lorette, General Manager, Planning and Protective Services; M. Barnes, Senior Manager, Health and Capital Planning Strategies; D. Elliott, Senior Manager, Regional Housing; S. Henderson, Manager, Real Estate; M. Lagoa, Acting Deputy Corporate Officer; T. Pillipow, Committee Clerk (Recorder)

EP - Electronic Participation

Guest(s): L. Lee, Lead Audit Engagement Partner, KPMG; S. Burden, Auditor, KPMG

Regrets: Director C. Plant

The meeting was called to order at 1:31 pm.

#### 1. Territorial Acknowledgement

Chair Helps provided a Territorial Acknowledgement.

#### 2. Approval of Agenda

**MOVED** by Director Brice, **SECONDED** by Director Orr,  
That the agenda for the January 6, 2021 Hospitals and Housing Committee meeting be approved with the following amendment:  
That Item 5.4. be moved to before Item 5.3.  
**CARRIED**

#### 3. Adoption of Minutes

3.1. [21-025](#) Minutes of the December 02, 2020 Hospitals and Housing Committee Meeting

**MOVED** by Director Blackwell, **SECONDED** by Director Brice,  
That the minutes of the Hospitals and Housing Committee meeting of December 02, 2020 be adopted as circulated.  
**CARRIED**

#### 4. Chair's Remarks

Chair Helps welcomed members. The Chair acknowledged the work to be done over the next year, and her confidence in committee members and staff to complete that work.

## 5. Presentations/Delegations

- 5.1. [21-011](#) Capital Region Housing Corporation & Capital Regional Hospital District Audit Planning Presentation (Verbal), Lenora Lee, Lead Audit Engagement Partner, KPMG
- N. Chan introduced L. Lee from KMPG to present the Audit Planning Report.
- L. Lee spoke to CRD 2020 Audit Planning Presentation.
- Discussion ensued on whether any evaluations of rental rates were completed during the audit.
- 5.2. [21-041](#) Delegation - Kathy Gillis; Resident of Victoria: Re: Agenda Item 6.4.: Summit Noise Concerns Update
- Kathy Gillis spoke in favour of Item 6.4.
- 5.4. [21-042](#) Delegation - Joanne Newell; Resident of Victoria: Re: Agenda Item 6.4.: Summit Noise Concerns Update
- Joanne Newell spoke in favour of Item 6.4.
- 5.3. [21-040](#) Delegation - Laura Taylor; Resident of Victoria: Re: Agenda Item 6.4.: Summit Noise Concerns Update
- Laura Taylor spoke in favour of Item 6.4.

## 6. Committee Business

- 6.1. [21-017](#) 2021 Hospitals and Housing Committee Terms of Reference
- K. Lorette spoke to Item 6.1.
- MOVED by Director Blackwell, SECONDED by Director Screech,  
That the Hospitals and Housing Committee receive the 2021 Terms of Reference attached as Appendix A.  
CARRIED**
- 6.2. [21-010](#) Capital Regional Hospital District 2020 Audit Planning Discussion
- N. Chan spoke to Item 6.2.
- MOVED by Director Screech, SECONDED by Director Blackwell,  
The Hospitals and Housing Committee recommends to the Capital Regional Hospital District Board:  
That the Capital Regional Hospital District 2020 Audit Plan developed by KPMG be approved.  
CARRIED**

**6.3.**     [21-009](#)     Capital Region Housing Corporation 2020 Audit Planning Discussion

**MOVED** by Director Blackwell, **SECONDED** by Director Screech,  
The Hospitals and Housing Committee recommends to the Capital Region  
Housing Corporation Board:  
That the Capital Region Housing Corporation 2020 Audit Plan developed by  
KPMG be approved.  
**CARRIED**

**6.4.**     [21-012](#)     Summit Noise Concerns Update

K. Lorette spoke to Item 6.4.

Discussion ensued on the following:

- staff follow-up with residents once the work is completed and temperatures rise
- available funds for additional testing in the warmer months
- whether mitigation measures taken will satisfy residents
- thanks to staff for taking steps to deal with this frustrating noise

**MOVED** by Director Blackwell, **SECONDED** by Director Murdoch,  
The Hospitals and Housing Committee recommends to the Capital Regional  
Hospital District Board:

That the Chief Administrative Officer be authorized to approve up to \$30,000 in  
expenditures related to resolving noise concerns at the Summit.

**MOVED** by Director Loveday, **SECONDED** by Director Blackwell,  
That the motion be amended to add the words "And that staff monitor the  
effectiveness of these mitigation measures, continue to engage with the  
neighbourhood, and report back to the committee with any further action that is  
required to mitigate these noise concerns." after the words "...noise concerns at  
the Summit."

**CARRIED**

**MOVED** by Director Blackwell, **SECONDED** by Director Murdoch,  
The Hospitals and Housing Committee recommends to the Capital Regional  
Hospital District Board:

That the Chief Administrative Officer be authorized to approve up to \$30,000 in  
expenditures related to resolving noise concerns at the Summit.

And that staff monitor the effectiveness of these mitigation measures, continue to  
engage with the neighbourhood, and report back to the committee with any  
further action that is required to mitigate these noise concerns.

**CARRIED**

**6.5.**     [21-019](#)     Previous Minutes of Other CRD Committees and Commissions for  
Information

**MOVED** by Director Murdoch, **SECONDED** by Director Screech,  
That the following minutes be received for information:

- a) Regional Housing Advisory Committee minutes - September 24, 2020

**CARRIED**

**7. Notice(s) of Motion**

There were no Notice(s) of Motion.

**8. New Business**

There was no new business.

**9. Motion to Close**

**9.1. [21-028](#) Motion to Close the Meeting**

**MOVED by Director Blackwell, SECONDED by Director Murdoch,  
That the meeting be closed for Land Acquisition in accordance with Section 90(1)  
(e) of the Community Charter.  
CARRIED**

**MOVED by Director Blackwell, SECONDED by Director Murdoch,  
That such disclosures could reasonably be expected to harm the interests of the  
Regional District.  
CARRIED**

**MOVED by Director Blackwell, SECONDED by Director Murdoch,  
That the meeting be closed for Appointments in accordance with Section 90(1)(a)  
of the Community Charter.  
CARRIED**

**MOVED by Director Blackwell, SECONDED by Director Murdoch,  
That the meeting be closed for Intergovernmental Negotiations in accordance  
with Section 90(2)(b) of the Community Charter.  
CARRIED**

The meeting went into closed session at 2:27 pm and rose without report at 2:57 pm.

**10. Adjournment**

**MOVED by Director Brice, SECONDED by Director Screech,  
That the January 6, 2021 Hospitals and Housing Committee meeting be adjourned  
at 2:57 pm.  
CARRIED**

\_\_\_\_\_  
Chair

\_\_\_\_\_  
Recorder

**REPORT TO HOSPITALS AND HOUSING COMMITTEE  
MEETING OF WEDNESDAY, FEBRUARY 03, 2021**

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**SUBJECT**     **Award of Contract RFP No. CRHD.2020-03 - Construction Management Services for the Demolition of Oak Bay Lodge**

**ISSUE SUMMARY**

To seek approval for award of Contract RFP No. CRHD.2020-03 for Construction Management Services for Demolition of the Oak Bay Lodge property.

**BACKGROUND**

The Capital Regional Hospital District (CRHD) took over ownership of Oak Bay Lodge (2251 Cadboro Bay Road) from Vancouver Island Health Authority (VIHA) on August 14, 2020. On December 8, 2020, CRHD issued a Request for Proposals for Construction Management Services to oversee the hazardous materials remediation and demolition of Oak Bay Lodge. The Request for Proposals was listed on BC Bid and closed on December 22, 2020 at 4pm.

Proposals that met all requirements contained in the Request for Proposals were evaluated. Seven proposals were evaluated. Technical proposals were evaluated on construction management experience, demolition knowledge, project manager experience, qualifications and local government experience, methodology, proposed work plan, reporting format and references. Once scored, the financial proposals were evaluated based on CRHD policy. Two proposals were evaluated. The lowest financial proposal was submitted by Unitech Construction Management.

Unitech Construction Management has extensive construction management experience, experience working with local government, and managing projects on time and on budget. See Appendix A and B for proposal summary and construction management contract template.

**ALTERNATIVES**

*Alternative 1*

The Hospitals and Housing Committee recommends to the Capital Regional Hospital District Board:

That Contract RFP No. CRHD.2020-03 for Oak Bay Lodge Construction Management Services for Demolition be awarded to Unitech Construction Management for \$43,000 plus a contingency of \$3,000 for additional services if warranted.

*Alternative 2*

That the Award of Contract RFP No. CRHD.2020-03 - Construction Management Services for the Demolition of Oak Bay Lodge report be referred back to staff for further information based on Hospitals and Housing Committee direction.

**IMPLICATIONS**

*Financial Implications*

The development of the Oak Bay Lodge property is a priority project for the CRHD and is the subject of high community interest. The lowest quote was \$43,000. A contingency of \$3,000 is requested for additional services if warranted. Consultant fees will be funded from the CRHD Administration and Feasibility Studies Reserve.

*Timing Implications*

The redevelopment of the Oak Bay Lodge property is a highly-anticipated priority project. CRHD staff will begin working with Unitech to procure necessary services and make applications to the City of Oak Bay as soon as possible. The demolition is anticipated to take around eight months to complete.

*Intergovernmental Implications*

Staff will work with the District of Oak Bay staff throughout the process to ensure all permits are in place as needed.

*Next Steps*

This contract award is for construction management services. The construction manager will aid in the tendering of contract documents, trade packages, site management, and reporting. Next steps will include public tending and future contracts for general conditions, hazardous material remediation and demolition.

**CONCLUSION**

Awarding a Construction Management contract will allow CRHD to proceed with the remediation and demolition of the building which is past its useful life and pave the way for the redevelopment of the property.

**RECOMMENDATION**

The Hospitals and Housing Committee recommends to the Capital Regional Hospital District Board:

That Contract RFP No. CRHD.2020-03 for Oak Bay Lodge Construction Management Services for Demolition be awarded to Unitech Construction Management for \$43,000 plus a contingency of \$3,000 for additional services if warranted.

Submitted by:	Michael Barnes, MPP, Senior Manager, Health & Capital Planning Strategies
Concurrence:	Kevin Lorette, P. Eng., MBA, Acting Chief Administrative Officer

**ATTACHMENTS**

- Appendix A: RFP No. CRHD.2020-03 Proposal Summary
- Appendix B: Construction Management Contract Template

**Recommended Award of Construction Management Services  
for the Demolition of Oak Bay Lodge  
RFP No. CRHD.2020-03**

<b>No.</b>	<b>Trade Contractor Name</b>	<b>Total Tendered Amount (excl. GST)</b>
1	Unitech Construction Management*	\$43,000
2	Knappett Projects Inc.	\$55,580
3	City Engineering Inc.	
4	Redwood Engineering Ltd.	
5	Island Pro.	
6	Casman Projects (BC) Inc.	
7	Century Group Inc. Constructors	

Note: \* = recommended

CRD evaluation policy requires that financial proposals be opened and evaluated for proposals whose technical scores are within 15% of the proposal awarded the highest technical score, and if not, the second ranked proposal is opened.



CCDC 5A


**CCDC 5A**

# Construction Management Contract – for Services

# 2010

This agreement is protected by copyright and is intended by the parties to be an unaltered version of CCDCSA -ZQ.10 except to the extent that any alterations, additions or modifications are set forth in supplementary conditions.




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CANADIAN CONSTRUCTION DOCUMENTS COMMITTEE

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### SCHEDULES

A1	Services and Compensation
A2	Reimbursable Expenses Applicable to Schedule A1
B1	Additional Services and Compensation
B2	Reimbursable Expenses Applicable to Schedule B1
C	Time-Based Rates for Personnel Employed by the Construction Manager

### DEFINITIONS

Class A Construction Cost Estimate
Class B Construction Cost Estimate
Class C Construction Cost Estimate
Class D Construction Cost Estimate
Construction Cost
Construction Cost Estimate
Construction Documents
Construction Manager
Consultant
Contract
Contract Documents
Contract Time
Notice in Writing
Owner
Payment Certifier
Place of the Project
Project
Project In-Use Date
Services
Substantial Performance of Work
Supplier
Temporary Work
Trade Contractor

Value Added Taxes
Work
Working Day

## GENERAL CONDITIONS

### Part 1 General Provisions

GC 1.1	Contract Documents
GC 1.2	Law of the Contract
GC 1.3	Rights and Remedies
GC 1.4	Assignment
GC 1.5	Project Representatives

### Part 2 Construction Manager's Responsibilities

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### Part 3 Owner's Responsibilities

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### Part 8 Insurance

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### Part 9 Indemnification and Waiver of Claims

GC 9.1	Indemnification
GC 9.2	Waiver of Claims

CCDC 5A is the product of a consensus-building process aimed at balancing the interests of all parties on the construction project. It reflects recommended industry practices. CCDC 5A can have important consequences. The CCDC and its constituent member organizations do not accept any responsibility or liability for loss or damage which may be suffered as a result of the use or interpretation of CCDC 5A.

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**AGREEMENT BETWEEN OWNER AND CONSTRUCTION MANAGER – FOR SERVICES**

This agreement made on the \_\_\_\_\_ day of \_\_\_\_\_ in the year \_\_\_\_\_  
by and between

\_\_\_\_\_  
hereinafter called the *Owner*  
and

\_\_\_\_\_  
hereinafter called the *Construction Manager*

The *Owner* and *Construction Manager* agree as follows:

**ARTICLE A-1 THE SERVICES**

The *Construction Manager* shall

1.1 perform the *Services* for

“Facility Name”

\_\_\_\_\_  
*insert above the title of the Project*

located at

“Address of Project”

\_\_\_\_\_  
*insert above the Place of the Project*

and as further described in Article A-3 – DESCRIPTION OF THE PROJECT, for which the Agreement has been signed  
by the parties, and for which

\_\_\_\_\_  
*insert above the name of the Consultant*

is acting as and is hereinafter called the “*Consultant*”, and

1.2 do and fulfill everything indicated by the *Contract Documents*, and

1.3 commence the *Services* by the \_\_\_\_\_ day of \_\_\_\_\_ in the year \_\_\_\_\_ and continue in  
accordance with any schedule provided in Article A-3 – DESCRIPTION OF THE PROJECT. The *Construction  
Manager’s* obligation to provide *Services* shall end no later than one year after the *Project In-Use Date*.

**ARTICLE A-2 AGREEMENTS AND AMENDMENTS**

- 2.1 This *Contract* supersedes all prior negotiations, representations or agreements, either written or oral, relating in any manner to the *Services*.
- 2.2 This *Contract* may be amended as provided in the *Contract Documents*.

ARTICLE A-3 DESCRIPTION OF THE PROJECT

3.1 The following is a description of the *Project* including intended use, scope, budget, schedule, phases if applicable, the anticipated *Project In-Use Date*, and any other information which further generally describes the nature of the *Project*:

The Construction Budget, including Construction Management fees and all contingencies, is \$XXX,XXX.XX

The draft schedule is as follows:

Project integrated team assembled:

Pre-schematic design complete:

Schematic Design complete:

Design Development complete:                      Construction

Documents complete :

Early bid packages tendered :

Main bid packages tendered :

Substantial Performance:

Commissioning complete:

Occupancy/ Closeout commencing:

The project will benchmark LEED Gold or equivalent as determined by the Owner in consultation with the integrated team.

**ARTICLE A-4 CONTRACT DOCUMENTS**

4.1 The following are the *Contract Documents* referred to in Article A-1 of the Agreement – THE SERVICES:

- the Agreement Between *Owner* and *Construction Manager* (including the Schedules to the Agreement)
- the Definitions
- the General Conditions

\*

\* The Supplementary Conditions to the Contract.

\* The Construction Manager's Proposal submission including post RFP negotiated revisions

\* *(Insert here, attaching additional pages if required, a list identifying all other Contract Documents)*

## ARTICLE A-5 COMPENSATION FOR SERVICES

- 5.1 The *Construction Manager's* compensation shall be equal to the sum of the *Construction Manager's* fee as specified in paragraph 5.2 and the reimbursable expenses as described in paragraph 5.3.
- 5.2 The *Construction Manager's* fee is comprised of one or more of the following:
- .1\* A fixed amount of \_\_\_\_\_; and
  - .2\* A percentage amount of [not applicable] \_\_\_\_\_ percent (\_\_\_\_ %) of the *Construction Cost*. In the event that the *Owner* furnishes labour or material below market cost or materials are re-used beyond that anticipated in the original scope of the *Project*, the *Construction Cost* for purposes of establishing the *Construction Manager's* fee is the cost of all materials and labour necessary to complete the *Project* as if all materials had been new and as if all labour had been paid for at market prices at the time of construction or, in the event that the construction does not proceed, at existing market prices at the anticipated time of construction. Where the actual cost has not been determined for all or part of the *Project*, the *Construction Cost* shall be the *Construction Cost Estimate*, as agreed by the *Owner* and the *Construction Manager*, at market rates at the anticipated time of construction; and
  - .3\* An amount based on the time-based rates for personnel employed by the *Construction Manager* as described in Schedule C to the Agreement and engaged in performing the *Services* to the level of effort agreed prior to the commencement of the *Services*.
- \* *Strike out inapplicable paragraph(s).*
- 5.3 The reimbursable expenses are the actual expenses, supported by receipts or invoices, that the *Construction Manager* incurred in performing the *Services*, and as identified in Schedules A2 and B2 to the Agreement plus the administrative charge of zero \_\_\_\_\_ percent ( 0 %). If there are no receipts or invoices, the expenses shall be at rates prevailing in the area of the *Place of the Project* and supported with suitable documentation.
- 5.4 The *Owner* may by written request require the *Construction Manager* to:
- .1 provide prior to commencement of the *Services* an estimate of the total amount of the *Construction Manager's* fee for the *Services* as described in paragraph 5.2.3;
  - .2 provide prior to commencement of the *Services* an estimate of the total amount of the reimbursable expenses as described in paragraph 5.3 for evaluation and verification purposes; and
  - .3 inform the *Owner* in writing prior to incurring reimbursable expenses as described in paragraph 5.3.
- 5.5 All amounts are in Canadian funds.

## ARTICLE A-6 PAYMENT

- 6.1 Where required by provincial or territorial legislation, payments shall be subject to the lien legislation applicable to the *Place of the Project*. The *Owner* shall pay the *Construction Manager*:
- .1 payments on account of the compensation described in Article A-5 of the Agreement – COMPENSATION FOR SERVICES together with such *Value Added Taxes* as may be applicable to such payments, and
  - .2 upon completion of the *Services*, the unpaid balance of the compensation together with such *Value Added Taxes* as may be applicable to such payments.
- 6.2 Should the *Owner* fail to make payments as they become due under the terms of the *Contract* or in an award by arbitration or court, interest at the following rates on such unpaid amounts shall also become due and payable until payment:
- .1 2% per annum above the prime rate for the first 60 days.
  - .2 4% per annum above the prime rate after the first 60 days.
- Such interest shall be compounded on a monthly basis. The prime rate shall be the rate of interest quoted by

Royal Bank of Canada

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(Insert name of chartered lending institution whose prime rate is to be used)

for prime business loans as it may change from time to time.

**ARTICLE A-7 RECEIPT OF AND ADDRESSES FOR NOTICES IN WRITING**

- 7.1 *Notices in Writing* will be addressed to the recipient at the address set out below.
- 7.2 The delivery of a *Notice in Writing* will be by hand, by courier, by prepaid first class mail, or by facsimile or other form of electronic communication during the transmission of which no indication of failure of receipt is communicated to the sender.
- 7.3 A *Notice in Writing* delivered by one party in accordance with this *Contract* will be deemed to have been received by the other party on the date of delivery if delivered by hand or courier, or if sent by mail it shall be deemed to have been received five calendar days after the date on which it was mailed, provided that if either such day is not a *Working Day*, then the *Notice in Writing* shall be deemed to have been received on the *Working Day* next following such day.
- 7.4 A *Notice in Writing* sent by facsimile or other form of electronic communication shall be deemed to have been received on the date of its transmission provided that if such day is not a *Working Day* or if it is received after the end of normal business hours on the date of its transmission at the place of receipt, then it shall be deemed to have been received at the opening of business at the place of receipt on the first *Working Day* next following the transmission thereof.
- 7.5 An address for a party may be changed by *Notice in Writing* setting out the new address delivered to the other party in accordance with this Article.

**Owner**

\_\_\_\_\_

*name of Owner\**

\_\_\_\_\_

*address*

\_\_\_\_\_

*facsimile number*                      *email address*

**Construction Manager**

\_\_\_\_\_

*name of Construction Manager\**

\_\_\_\_\_

*address*

\_\_\_\_\_

*facsimile number*                      *email address*

*\* If it is intended that the notice must be received by a specific individual, that individual's name shall be indicated.*

**ARTICLE A-8 LANGUAGE OF THE CONTRACT**

- 8.1 When the *Contract Documents* are prepared in both the English and French languages, it is agreed that in the event of any apparent discrepancy between the English and French versions, the English/French# language shall prevail.
  - 8.2 This Agreement is drawn in English at the request of the parties hereto. La présente convention est rédigée en anglais à la demande des parties.
- # Complete this statement by striking out inapplicable term.

ARTICLE A-9 SUCCESSION

9.1 This Contract shall enure to the benefit of and be binding upon the parties hereto, their respective heirs, legal representatives, successors and assigns.

In witness whereof the parties hereto have executed this Agreement by their respective hands or by the hands of their duly authorized representatives.

SIGNED AND DELIVERED  
in the presence of:

WITNESS

OWNER

*name of Owner*

*signature*

*signature*

*name of person signing*

*name of the person signing*

*signature*

*signature*

*name of person signing*

*name and title of person signing*

WITNESS

CONSTRUCTION MANAGER

*name of person signing*

*signature*

*signature*

*signature*

*name of person signing*

*name and title of person signing*

- N 8 Where legal jurisdiction, local practice, or Owner or Construction Manager require it for:
- (a) proof of authority to execute this document, attach such proof of authority in the form of a certified copy of a resolution naming the representative(s) authorized to sign the Agreement, for and on behalf of the corporation or partnership, or
  - (b) affixing of a corporate seal, this Agreement should be properly sealed.

**SCHEDULE A1 TO THE AGREEMENT – SERVICES AND COMPENSATION**

<p><b>1. PRECONSTRUCTION</b></p> <p>(*Note:                      F1 Included in the fixed amount as described in paragraph 5.2.1 of Article A-5 – COMPENSATION FOR SERVICES.                      F2 Included in the percentage amount as described in paragraph 5.2.2 of Article A-5 – COMPENSATION FOR SERVICES.                      F3 Fee to the <i>Construction Manager</i> based on time-based rates as described in paragraph 5.2.3 of Article A-5 – COMPENSATION FOR SERVICES.)</p>	<p>Performed by the Owner or Someone Other Than the Construction Manager</p>	<p>Performed by the Construction Manager (*F1/F2/F3)</p>	<p>Not Applicable</p>
<p><b>1.1 General Services</b></p> <p>.1 Attend regular <i>Project</i> meetings with the <i>Owner</i> and the <i>Consultant</i>.</p> <p>.2 Provide advice to the <i>Owner</i> and the <i>Consultant</i> with respect to construction and market conditions.</p>			
<p><b>1.2 Predesign</b></p> <p>.1 <b>Estimating:</b></p> <p>(1) Confirm or prepare a <i>Class D Construction Cost Estimate</i>.</p> <p>(2) Advise the <i>Owner</i> if it appears that the <i>Construction Cost Estimate</i> may exceed the <i>Project</i> budget, and make recommendation for corrective action.</p> <p>.2 <b>Scheduling:</b> Prepare a preliminary overall <i>Project</i> schedule.</p>			
<p><b>1.3 Schematic Design Phase</b></p> <p>.1 <b>Constructability:</b> Provide advice on site use and possible improvements, selection of materials, assembly systems, and, equipment and provide recommendations on construction feasibility, availability of materials and labour, time requirements for installation and construction, and factors related to alternative designs and possible economies.</p> <p>.2 <b>Estimating:</b></p> <p>(1) Prepare a <i>Class C Construction Cost Estimate</i> at the end of the Schematic Design Phase.</p> <p>(2) Advise the <i>Owner</i> if it appears that the <i>Construction Cost Estimate</i> may exceed the <i>Project</i> budget, and make recommendation for corrective action.</p> <p>.3 <b>Scheduling:</b> Prepare in consultation with the <i>Consultant</i> and the <i>Owner</i> a preliminary <i>Project</i> schedule for the <i>Owner's</i> review; such <i>Project</i> schedule shall take into consideration the sequence and timing of the required basic program decisions, including anticipated design time, approval period, preparation of documentation, bid calls and subsequent evaluations, trade contract awards, on-site construction activities, and the <i>Project-In-Use Date</i>.</p> <p>.4 <b>Other Services:</b> Assist in providing liaison and coordination among government authorities, utility companies, and other authorities having jurisdiction over the <i>Place of the Project</i>.</p>			
<p><b>1.4 Design Development Phase</b></p> <p>.1 <b>Constructability:</b></p> <p>(1) Provide updates as necessary regarding the availability of materials and labour, building systems, and possible economies.</p> <p>(2) Make recommendations to the <i>Owner</i> and the <i>Consultant</i> regarding the scope of <i>Work</i> packages, to help facilitate the subsequent bidding and awarding of trade and supply contracts.</p> <p>(3) Review the specifications and drawings and at the end of the Design Development Phase, make recommendations to the <i>Owner</i> and the <i>Consultant</i> as to constructability and coordination among the <i>Trade Contractors</i>.</p> <p>(4) Prepare general functional layout of construction site access and organization and <i>Temporary Work</i>.</p> <p>.2 <b>Estimating and Cost Control:</b></p> <p>(1) Prepare a <i>Class B Construction Cost Estimate</i> at the end of the Design Development Phase.</p> <p>(2) Advise the <i>Owner</i> if it appears that the <i>Construction Cost Estimate</i> may exceed the <i>Project</i> budget, and make recommendations for corrective action.</p> <p>(3) Establish a cost control program, and prepare a cash flow forecast for the <i>Project</i>.</p> <p>.3 <b>Scheduling:</b></p> <p>(1) Review and update the <i>Project</i> schedule with appropriate details.</p> <p>(2) Advise the <i>Owner</i> if it appears that the <i>Project</i> schedule may vary from that specified in Article A-3 of the Agreement – DESCRIPTION OF THE PROJECT or otherwise agreed with the <i>Owner</i>, update the <i>Project</i> schedule, and make recommendations for corrective action.</p> <p>(3) Make recommendations to the <i>Owner</i> regarding any equipment or materials, which should be pre-ordered to meet the <i>Project</i> schedule.</p>			

**SCHEDULE A1 TO THE AGREEMENT – SERVICES AND COMPENSATION**

<p><b>1. PRECONSTRUCTION</b></p> <p>(*Note:                      F1 Included in the fixed amount as described in paragraph 5.2.1 of Article A-5 – COMPENSATION FOR SERVICES.                      F2 Included in the percentage amount as described in paragraph 5.2.2 of Article A-5 – COMPENSATION FOR SERVICES.                      F3 Fee to the <i>Construction Manager</i> based on time-based rates as described in paragraph 5.2.3 of Article A-5 – COMPENSATION FOR SERVICES.)</p>	<p>Performed by the Owner or Someone Other Than the Construction Manager</p>	<p>Performed by the Construction Manager (*F1/F2/F3)</p>	<p>Not Applicable</p>
<p><b>1.5 Construction Document Phase</b></p> <p><b>.1 Constructability:</b></p> <p>(1) Provide updates as necessary regarding the availability of materials and labour, building systems, and possible economies.</p> <p>(2) Review the specifications and drawings and make recommendations to the <i>Owner</i> and the <i>Consultant</i> as to clarity, consistency, constructability, and coordination among the <i>Trade Contractors</i>.</p> <p>(3) Assist the <i>Owner</i> and the <i>Consultant</i> in preparing bid documents for <i>Trade Contractors</i>.</p> <p>(4) Assist the <i>Owner</i> in determining the contract security requirements of <i>Trade Contractors</i>.</p> <p><b>.2 Estimating and Cost Control:</b></p> <p>(1) Update the <i>Class B Construction Cost Estimate</i> at defined intervals of <i>Construction Documents</i> completion.</p> <p>(2) Prepare a <i>Class A Construction Cost Estimate</i> at the end of the Construction Document Phase.</p> <p>(3) Update the cash flow forecasts for the <i>Project</i>.</p> <p>(4) Advise the <i>Owner</i> if it appears that the <i>Construction Cost Estimate</i> may exceed the <i>Project</i> budget and make recommendations for corrective action.</p> <p><b>.3 Scheduling:</b></p> <p>(1) Review and update the <i>Project</i> schedule with appropriate details.</p> <p>(2) Advise the <i>Owner</i> if it appears that the <i>Project</i> schedule may vary from that specified in Article A-3 of the Agreement – DESCRIPTION OF THE PROJECT or otherwise agreed with the <i>Owner</i>, and make recommendations for corrective action, including changes to <i>Project</i> scope, schedule or budget.</p> <p><b>.4</b> Make recommendations to the <i>Owner</i> regarding any equipment or materials which should be pre-ordered to meet the <i>Project</i> objective.</p> <p><b>.5</b> Prepare general requirements.</p> <p><b>.6</b> Collate, assemble and distribute bid documents.</p>			
<p><b>1.6 Construction Procurement Phase</b></p> <p><b>.1 Scheduling:</b></p> <p>(1) Review and update the <i>Project</i> schedule with appropriate details.</p> <p><b>.2 Contracting:</b></p> <p>(1) Develop methods of solicitation for <i>Trade Contractors</i> and the distribution of addenda.</p> <p>(2) Prepare the prequalification criteria for <i>Trade Contractors</i> and <i>Suppliers</i> as required by the <i>Owner</i>.</p> <p>(3) Review for completeness and coordinate all bid documents for the solicitation of competitive bids for the <i>Work</i> of each <i>Trade Contractor</i>.</p> <p><b>.3</b> Solicit bids.</p> <p><b>.4</b> Assist the <i>Owner</i> in the evaluation and awarding of contracts.</p> <p><b>.5</b> Update the cash flow forecasts for the <i>Project</i>.</p>			

**SCHEDULE A1 TO THE AGREEMENT – SERVICES AND COMPENSATION**

<p><b>2. CONSTRUCTION</b></p> <p>(*Note:  F1 Included in the fixed amount as described in paragraph 5.2.1 of Article A-5 – COMPENSATION FOR SERVICES.  F2 Included in the percentage amount as described in paragraph 5.2.2 of Article A-5 – COMPENSATION FOR SERVICES.  F3 Fee to the <i>Construction Manager</i> based on time-based rates as described in paragraph 5.2.3 of Article A-5 – COMPENSATION FOR SERVICES.)</p>	Performed by the Owner or Someone Other Than the Construction Manager	Performed by the Construction Manager (*F1/F2/F3)
<p><b>2.1 General Services</b></p> <p><b>.1</b> Chair and minute regular <i>Project</i> meetings with the <i>Owner</i>, the <i>Consultant</i> and <i>Trade Contractors</i>.</p> <p><b>.2</b> Organize and distribute all documents related to the performance of the contract and execution of the <i>Work</i> of each <i>Trade Contractor</i>.</p> <p><b>.3</b> Provide administration as described in the trade contract documents including.</p> <p>(1) Facilitate all communications among the <i>Owner</i>, the <i>Consultant</i>, the <i>Payment Certifier</i>, and <i>Trade Contractors</i> that relate to the <i>Project</i>.</p> <p>(2) In the first instance, receive all questions in writing by the <i>Owner</i> or <i>Trade Contractors</i> for interpretations and findings relating to the performance of the <i>Work</i> or the interpretation of the trade contract documents except with respect to financing information required of the <i>Owner</i>.</p> <p>(3) In the first instance, give interpretations and make findings on matters in question relating to the performance of any <i>Work</i> or the requirements of the trade contract documents, except with respect to any and all architectural and engineering aspects of the <i>Project</i> or financing information required of the <i>Owner</i>.</p> <p>(4) During the progress of the <i>Work</i>, issue supplemental instructions to <i>Trade Contractors</i> with reasonable promptness or in accordance with a schedule for such instructions agreed to by the <i>Construction Manager</i> and <i>Trade Contractors</i>.</p> <p>(5) Promptly investigate, make findings and inform the <i>Owner</i>, <i>Trade Contractors</i> and the <i>Consultant</i> concerning all concealed or unknown conditions which are discovered by the <i>Construction Manger</i> or of which <i>Notice in Writing</i> is given to the <i>Construction Manager</i>.</p> <p>(6) Make findings upon all claims for a change in any trade contract price, and provide <i>Notice in Writing</i> of such findings to all parties within 30 <i>Working Days</i> after receipt of such claim or within such other time period as may be agreed by the parties.</p> <p>(7) Give instructions necessary for the proper performance of <i>Work</i> of each <i>Trade Contractor</i> during any dispute so as to prevent delays pending settlement of such dispute.</p> <p>(8) Investigate the impact on <i>Work of each Trade Contractor</i> of the discovery of any fossils, coins, articles of value or antiquity, structures and other remains or things of scientific or historic interest discovered at the <i>Place of the Project</i>, and advise the <i>Owner</i> concerning the issuance of appropriate instructions for any change in <i>Work</i> as a result of such discovery.</p> <p>(9) Act on behalf of the <i>Owner</i>, <i>Trade Contractors</i> and the <i>Consultant</i> for the purpose of adjusting the amount of any loss or damage payment with insurers under property or boiler and machinery policies affecting any <i>Work</i>.</p>		
<p><b>2.2 Project Control and Scheduling</b></p> <p><b>.1</b> (1) Establish and implement organization and procedures with respect to all aspects of the <i>Project</i>.</p> <p>(2) Provide to <i>Trade Contractors</i> the <i>Project</i> schedule that indicates the timing of major activities of the <i>Project</i> in sufficient detail for <i>Trade Contractors</i> to schedule their <i>Work</i>.</p> <p>(3) Provide coordination and general direction for the progress of the <i>Project</i>.</p> <p>(4) Monitor the <i>Work</i> of each <i>Trade Contractor</i>.</p> <p>(5) Coordinate all <i>Trade Contractors</i> in the performance of their respective <i>Work</i>, with one another and with the activities and responsibilities of the <i>Owner</i> and the <i>Consultant</i>.</p> <p>(6) Review the performance of <i>Trade Contractors’</i> personnel and equipment and the availability of materials and supplies to meet the <i>Project</i> schedule and recommend courses of action to the <i>Owner</i> when requirements of a trade contract are not being met.</p> <p>(7) Provide regular monitoring of the schedule as construction progresses. Identify potential variances to planned completion dates. Review schedule for work not started or incomplete and recommend to the <i>Owner</i> and <i>Trade Contractors</i> adjustments in the schedule to achieve the <i>Project In-Use Date</i>. Provide summary reports of each monitoring and document all changes in schedule.</p>		

<p><b>2. CONSTRUCTION</b></p> <p>(*Note:  F1 Included in the fixed amount as described in paragraph 5.2.1 of Article A-5 – COMPENSATION FOR SERVICES.  F2 Included in the percentage amount as described in paragraph 5.2.2 of Article A-5 – COMPENSATION FOR SERVICES.  F3 Fee to the <i>Construction Manager</i> based on time-based rates as described in paragraph 5.2.3 of Article A-5 – COMPENSATION FOR SERVICES.)</p>	<p>Performed by the Owner or Someone Other Than the Construction Manager</p>	<p>Performed by the Construction Manager (*F1/F2/F3)</p>
<p><b>2.3 Common Construction Facilities and Services</b>  .1 Arrange for the required <i>Temporary Work</i>.</p>		
<p><b>2.4 Cost Control and Accounting</b>  .1 (1) Prepare and update the <i>Construction Cost</i> cash flow forecasts in accordance with the <i>Project</i> budget as specified in Article A-3 of the Agreement – DESCRIPTION OF THE PROJECT or otherwise agreed with the <i>Owner</i>.  (2) Develop, implement and maintain a system of <i>Project</i> cost control and accounting.  (3) Advise the <i>Owner</i> and the <i>Consultant</i> on the variances between actual cost and <i>Construction Cost Estimate</i>.  (4) Provide reasonable assistance and information to permit recovery of all tax rebates where applicable.  (5) Jointly with each <i>Trade Contractor</i>, prepare a schedule showing when items called for under cash allowances must be ordered to avoid delaying the progress of <i>Work</i>.  (6) Provide recommendations to the <i>Owner</i> for necessary changes to maintain <i>Project</i> budget and <i>Project</i> schedule.</p>		
<p><b>2.5 Changes in Work</b>  .1 (1) Develop and implement a system for processing changes in any <i>Work</i>.  (2) Recommend appropriate changes in any <i>Work</i> to the <i>Owner</i> and the <i>Consultant</i>.  (3) Review requests for changes in any <i>Work</i> and provide recommendations to the <i>Owner</i> and the <i>Consultant</i> and, if necessary, assist in negotiation.  (4) Prepare and issue to <i>Trade Contractors</i> change orders and change directives, including written descriptions of proposed changes in <i>Work</i>, all of which are to be prepared in consultation with the <i>Consultant</i> when they are related to the specifications and drawings.</p>		
<p><b>2.6 Payments to Trade Contractors and Suppliers</b>  .1 (1) Develop and implement a procedure for timely process of payments to <i>Trade Contractors</i> and <i>Suppliers</i>.  (2) Promptly inform the <i>Owner</i> of the date of receipt of the <i>Trade Contractors</i>' applications for payment.  (3) Promptly forward to the <i>Payment Certifier</i> the applications for payment received from the <i>Trade Contractors</i>.  .2 (1) Determine the amounts owing to <i>Trade Contractors</i> and issue certificates for payment based on the <i>Construction Manager</i>'s observations and evaluation of <i>Trade Contractors</i>' applications for payment.</p>		
<p><b>2.7 Field Review</b>  .1 (1) Develop, implement and maintain a system for quality assurance and quality control.  (2) Reject work that in the opinion of the <i>Construction Manager</i> or the <i>Consultant</i> does not conform to the requirements of the trade contract documents and whenever it is considered necessary or advisable, require inspection or testing of work.</p>		
<p><b>2.8 Health and Construction Safety</b>  .1 (1) Subject to paragraph 3.1.2 of GC 3.1 – PROVISION OF INFORMATION AND OBLIGATIONS, be responsible for establishing, initiating, maintaining, and overseeing the health and safety precautions and programs required to be put in place at the <i>Place of the Project</i> and review with the <i>Owner</i> all safety programs for adequacy.  (2) Review with the <i>Owner</i> the <i>Trade Contractors</i>' safety programs for compliance.</p>		

**SCHEDULE A1 TO THE AGREEMENT – SERVICES AND COMPENSATION**

<p><b>2. CONSTRUCTION</b></p> <p>(*Note:                      F1 Included in the fixed amount as described in paragraph 5.2.1 of Article A-5 – COMPENSATION FOR SERVICES.                      F2 Included in the percentage amount as described in paragraph 5.2.2 of Article A-5 – COMPENSATION FOR SERVICES.                      F3 Fee to the <i>Construction Manager</i> based on time-based rates as described in paragraph 5.2.3 of Article A-5 – COMPENSATION FOR SERVICES.)</p>	<p>Performed by the Owner or Someone Other Than the Construction Manager</p>	<p>Performed by the Construction Manager (*F1/F2/F3)</p>
<p><b>2.9 Submittals</b></p> <p>.1 (1) Establish procedures for processing submittals.                      (2) Coordinate all relevant information required to perform any <i>Work</i>.                      (3) Upon request by any <i>Trade Contractor</i> or the <i>Consultant</i>, jointly prepare a schedule of the dates for provision, review and return of shop drawings.                      (4) Forward to the <i>Consultant</i> for review all shop drawings that are considered to be complete.                      (5) Indicate in writing the <i>Consultant's</i> acceptance or rejection of all deviations in the shop drawings from the requirements of the trade contract documents.                      (6) Return all shop drawings in accordance with the agreed schedule, or in the absence of such agreed schedule, with reasonable promptness so as to cause no delay in the performance of any <i>Work</i>.</p>		
<p><b>2.10 Reports and Project Site Documents</b></p> <p>.1 (1) Keep a daily log available to the <i>Owner</i> and the <i>Consultant</i>.                      (2) Maintain copies of all necessary documents at the <i>Place of the Project</i>.                      (3) Collate and compile record documents and operating and maintenance manuals in accordance with the <i>Owner's</i> requirements.</p>		
<p><b>2.11 Start-up</b></p> <p>.1 (1) Assist the <i>Owner</i> in coordinating and monitoring initial start-up and testing conducted by <i>Trade Contractors</i>.                      (2) Coordinate the commissioning of utilities, systems and equipment.</p>		
<p><b>2.12 Substantial Performance of the Work</b></p> <p>.1 (1) Subject to applicable legislation, arrange for the issuance of the necessary certificates respecting <i>Substantial Performance of the Work</i> of each <i>Trade Contractor</i> or designated portions thereof, lists of incomplete or unsatisfactory items, and schedules for their completion.                      (2) Distribute certificates of <i>Substantial Performance of the Work</i> and final certificates for payment of <i>Work</i> of each <i>Trade Contractor</i>.                      (3) Arrange with <i>Trade Contractors</i> to finish <i>Work</i> to be completed or corrected.</p>		
<p><b>2.13 Project In-Use Date</b></p> <p>.1 (1) Determine, in consultation with the <i>Owner</i> and the <i>Consultant</i>, and advise <i>Trade Contractors</i> in writing of, the <i>Project In-Use Date</i>.</p>		
<p><b>2.14 Handover</b></p> <p>.1 (1) Inform the <i>Owner</i> and the <i>Consultant</i> in writing when <i>Work</i> of each <i>Trade Contractor</i> is ready for final review prior to issuance of final certificate for payment.                      (2) Seek, obtain and transmit to the <i>Owner</i> warranties (in consultation with the <i>Consultant</i>, if applicable), affidavits, releases, bonds, insurances, and waivers received from <i>Trade Contractors</i>.                      (3) Turn over to the <i>Owner</i> all keys and maintenance stocks.                      (4) Arrange for the issuance of the final certificate for payment for each <i>Trade Contractor</i>.                      (5) Assist the <i>Owner's</i> operating staff to facilitate a smooth and proper takeover of <i>Work</i> of each <i>Trade Contractor</i> and the <i>Project</i>, including all necessary training and instruction of the <i>Owner's</i> operating staff.</p>		

<p><b>3. POST-CONSTRUCTION</b></p> <p>(*Note:  F1 Included in the fixed amount as described in paragraph 5.2.1 of Article A-5 – COMPENSATION FOR SERVICES.  F2 Included in the percentage amount as described in paragraph 5.2.2 of Article A-5 – COMPENSATION FOR SERVICES.  F3 Fee to the <i>Construction Manager</i> based on time-based rates as described in paragraph 5.2.3 of Article A-5 – COMPENSATION FOR SERVICES.)</p>	Performed by the Owner or Someone Other Than the Construction Manager	Performed by the Construction Manager (*F1/F2/F3)
<p><b>3.1 General Services</b></p> <p>.1 (1) Chair and minute <i>Project</i> meetings with the <i>Owner</i>, the <i>Consultant</i>, and <i>Trade Contractors</i>.  (2) Prepare final <i>Construction Cost</i> report.</p>		
<p><b>3.2 Occupancy Review</b></p> <p>.1 Assist the <i>Owner</i> in conducting post-construction occupancy review.</p>		
<p><b>3.3 Warranties</b></p> <p>.1 Assist the <i>Owner</i> in administering warranties.</p>		

**SCHEDULE A2 – REIMBURSABLE EXPENSES APPLICABLE TO SCHEDULE A1**

Unless otherwise agreed to by the parties or as indicated in the following table, all expense items relating to *Services* are included in the *Construction Manager’s* fee as described in paragraph 5.2 of Article of the Agreement A-5 – COMPENSATION FOR SERVICES.

	Costs Included in the Construction Manager’s Fee (A5.2)	Reimbursable Expenses (A5.3)
1. Travel and subsistence expenses of the <i>Construction Manager’s</i> personnel outside a radius of 50km from the <i>Place of the Project</i> .	<input type="checkbox"/>	<input type="checkbox"/>
2. Charges for long distance telephone and facsimile communications, courier services, and reproduction of trade contract documents incurred in relation to the performance of this <i>Contract</i> .	<input type="checkbox"/>	<input type="checkbox"/>
3. The cost of <i>Project</i> specific information technology support in accordance with the method determined by the parties.	<input type="checkbox"/>	<input type="checkbox"/>
4. Deposits lost, provided that they are not caused by negligent acts or omissions of the <i>Construction Manager</i> and the <i>Services</i> are performed in accordance with this <i>Contract</i> .		
5. The costs to the <i>Construction Manager</i> that result from any <i>Trade Contractor’s</i> insolvency or failure to perform.		
6. Charges levied by authorities having jurisdiction at the <i>Place of the Project</i> .		
7. Royalties, patent licence fees and damages for infringement of patents and cost of defending suits therefore.		
8. Any adjustment in taxes and duties directly related to the <i>Project</i> for which the <i>Construction Manager</i> is liable.		
9. Losses and expenses sustained by the <i>Construction Manager</i> for matters which are the subject of the insurance coverages obtained pursuant to GC 8.1 – INSURANCE when such losses and expenses are not recoverable because the amounts are in excess of collectible amounts, within the deductible amounts or are not insurable.		
10. The costs incurred due to emergencies affecting the safety of persons or property.		
11. Legal costs incurred by the <i>Construction Manager</i> in relation to the performance of the <i>Services</i> provided that they are not caused by negligent acts or omissions of the <i>Construction Manager</i> and the <i>Services</i> are performed in accordance with this <i>Contract</i> .		
12. Such other costs directly incurred by the <i>Construction Manager</i> in the performance of this <i>Contract</i> as follows:		

**SCHEDULE B1 – ADDITIONAL SERVICES AND COMPENSATION**

The *Construction Manager* will provide the following additional services and *Temporary Work* that are within the scope of the *Services*:

	Method of Compensation (*F1/F2/F3)

**SCHEDULE B2 – REIMBURSABLE EXPENSES APPLICABLE TO SCHEDULE B1**

Unless otherwise agreed to by the parties or as indicated in the following table, all expense items relating to additional services are included in the *Construction Manager’s* fee as described in paragraph 5.2 of Article of the Agreement A-5 – COMPENSATION FOR SERVICES.

	Costs Included in the Construction Manager’s Fee (A5.2)	Reimbursable Expenses (A5.3)
1. Travel and subsistence expenses of the <i>Construction Manager’s</i> personnel outside a radius of 50km from the <i>Place of the Project</i> .	<input type="checkbox"/>	<input type="checkbox"/>
2. Charges for long distance telephone and facsimile communications, courier services, reproduction of trade contract documents incurred in relation to the performance of this <i>Contract</i> .	<input type="checkbox"/>	<input type="checkbox"/>
3. Deposits lost provided that they are not caused by negligent acts or omissions of the <i>Construction Manager</i> and the <i>Services</i> are performed in accordance with this <i>Contract</i> .	<input type="checkbox"/>	<input type="checkbox"/>
4. The costs to the <i>Construction Manager</i> that result from any <i>Trade Contractor’s</i> insolvency or failure to perform.	<input type="checkbox"/>	<input type="checkbox"/>
5. The cost of all products purchased by the <i>Construction Manager</i> for the <i>Project</i> , including cost of transportation thereof.	<input type="checkbox"/>	<input type="checkbox"/>
6. The cost of all equipment and services required for the <i>Construction Manager’s</i> field office.	<input type="checkbox"/>	<input type="checkbox"/>
7. The amounts of all contracts between the <i>Construction Manager</i> and subcontractors and suppliers.	<input type="checkbox"/>	<input type="checkbox"/>
8. The cost of quality assurance such as independent inspection and testing services.	<input type="checkbox"/>	<input type="checkbox"/>
9. Any adjustment in premiums for insurance which the <i>Construction Manager</i> is required, by this <i>Contract</i> , to purchase and maintain.	<input type="checkbox"/>	<input type="checkbox"/>
10. If applicable, the cost of time-based rate for labour in the direct employ of the <i>Construction Manager</i> in performing the additional services described in Schedule B1.	<input type="checkbox"/>	<input type="checkbox"/>
11. Charges levied by authorities having jurisdiction at the <i>Place of the Project</i> .		
12. Royalties, patent licence fees and damages for infringement of patents and cost of defending suits therefore.		
13. Any adjustment in taxes and duties directly related to the <i>Project</i> for which the <i>Construction Manager</i> is liable.		
14. Losses and expenses sustained by the <i>Construction Manager</i> for matters which are the subject of the insurance coverages obtained pursuant to GC 8.1 – INSURANCE when such losses and expenses are not recoverable because the amounts are in excess of collectible amounts, are within the deductible amounts or are not insurable.		
15. The costs incurred due to emergencies affecting the safety of persons or property.		
16. Legal costs, incurred by the <i>Construction Manager</i> in relation to the performance of the <i>Project</i> provided that they are not caused by negligent acts or omissions of the <i>Construction Manager</i> and the <i>Services</i> are performed in accordance with this <i>Contract</i> .		
17. Such other costs directly incurred by the <i>Construction Manager</i> in performing the additional services as follows:		

**SCHEDULE C – TIME-BASED RATES FOR PERSONNEL EMPLOYED BY THE CONSTRUCTION MANAGER**

Personnel employed by the Construction Manager in the performance of the Services	Unit	Rate
Senior Estimator		
Estimator		
Trade coordinator		
Superintendent		
Safety Manager		
Safety Officer		
Project Coordinator		
Construction Manager		
Field Manager		
[add/edit as appropriate to your proposal]		

## DEFINITIONS

The following Definitions apply to the *Contract Documents*. References in the definition to the singular shall be considered to include the plural as the context requires.

### **Class A Construction Cost Estimate**

The *Class A Construction Cost Estimate* is an estimate of the *Construction Cost* based on the completed *Construction Documents*. *Class A Construction Cost Estimate* is the final estimate before the bid or proposal call. *Class A Construction Cost Estimate* shall be presented in elemental format and include labour and material costs, allowance for all costs resulting from the *Project* schedule, all actual associated costs, including cash allowances, contingencies, allowances for design, escalation, market conditions and anticipated amendment amounts as applicable.

### **Class B Construction Cost Estimate**

The *Class B Construction Cost Estimate* is an estimate of the *Construction Cost* with a level of precision that is based on the degree of completion of the *Construction Documents* at the time of preparation of the estimate. The *Class B Construction Cost Estimate* is typically prepared when all site or installation investigations are completed and the design of the major systems and sub-systems of the *Project* (including outline specifications and preliminary drawings and models) are well underway. *Class B Construction Cost Estimate* shall be presented in elemental format and include labour and material costs, allowance for all costs resulting from the *Project* schedule, all actual associated costs, including cash allowances, contingencies, allowances for design, escalation, market conditions and anticipated amendment amounts as applicable.

### **Class C Construction Cost Estimate**

The *Class C Construction Cost Estimate* is an estimate of the *Construction Cost* based on updated *Owner* requirements, general description of the *Project*, preliminary site information and existing conditions, and takes into consideration market conditions as well as basic implementation logistics. *Class C Construction Cost Estimate* shall include labour and material costs and the *Owner's* construction contingencies and allowances.

### **Class D Construction Cost Estimate**

The *Class D Construction Cost Estimate* is an estimate of the *Construction Cost* based on the *Owner's* functional requirements to the degree known at the time. The *Class D Construction Cost Estimate* shall as a minimum be based on historical cost data for similar projects, suitably adjusted for such factors as inflation, location, risk, quality, size, and time. All related factors affecting cost are considered to the extent possible. The *Class D Construction Cost Estimate* provides the *Owner* an indication of the order of magnitude of the *Construction Cost* for a project completed within the estimated completion date, and shall include labour and material costs and the *Owner's* construction contingencies and allowances.

### **Construction Cost**

*Construction Cost* means the actual cost of all elements of the *Project* including all applicable taxes but excluding the applicable value added taxes, whether recoverable or not. *Construction Cost* does not include the compensation of the *Construction Manager* and the *Consultant*.

### **Construction Cost Estimate**

*Construction Cost Estimate* is either a *Class A Construction Cost Estimate*, a *Class B Construction Cost Estimate*, a *Class C Construction Cost Estimate*, or a *Class D Construction Cost Estimate*, as the context shall require and is prepared with a level of precision commensurate with the level of detail of information available at the time.

### **Construction Documents**

The *Construction Documents* consist of the specifications and drawings that are consistent with the *Contract Documents* and are prepared by the *Consultant* and accepted by the *Owner* after execution of the Agreement for the performance of the *Project*.

### **Construction Manager**

The *Construction Manager* is the person or entity identified as such in the Agreement.

### **Consultant**

The *Consultant* is the person or entity engaged by the *Owner* and identified as such in the Agreement. The *Consultant* is the Architect, the Engineer or entity licensed to practise in the province or territory of the *Place of the Project*.

### **Contract**

The *Contract* is the undertaking by the parties to perform their respective duties, responsibilities and obligations as prescribed in the *Contract Documents* and represents the entire agreement between the parties.

### **Contract Documents**

The *Contract Documents* consist of those documents listed in Article A-4 of the Agreement – CONTRACT DOCUMENTS and amendments agreed upon between the parties.

**Contract Time**

The *Contract Time* is the time stipulated in paragraph 1.3 of Article A-1 of the Agreement – THE SERVICES.

**Notice in Writing**

A *Notice in Writing*, where identified in this *Contract*, is a written communication between the parties that is transmitted in accordance with the provisions of Article A-7 of the Agreement – RECEIPT OF AND ADDRESSES FOR NOTICES IN WRITING.

**Owner**

The *Owner* is the person or entity identified as such in the Agreement.

**Payment Certifier**

The *Payment Certifier* is either the *Construction Manager* or the *Consultant* identified as such in a trade contract.

**Place of the Project**

The *Place of the Project* is the designated site or location of the *Project* identified in this Agreement.

**Project**

The *Project* means the total construction as described in Article A-3 of the Agreement – DESCRIPTION OF THE PROJECT contemplated by the *Owner*.

**Project In-Use Date**

*Project In-Use Date* shall have been reached when the *Project* is ready for use or is being used for the purpose intended and is so confirmed in writing by the *Construction Manager* in consultation with the *Consultant* and the *Owner*.

**Services**

The *Services* means all services described in Schedule A1 to the Agreement – SERVICES AND COMPENSATION and Schedule B1 to the Agreement – ADDITIONAL SERVICES AND COMPENSATION to be performed by the *Construction Manager* under this *Contract*.

**Substantial Performance of the Work**

*Substantial Performance of the Work* is defined in the lien legislation applicable to the *Place of the Project* with respect to each *Trade Contractor*. If such legislation is not in force or does not contain such definition, or if the *Work* is governed by the Civil Code of Quebec, *Substantial Performance of the Work* shall have been reached when the *Work* of each *Trade Contractor* is ready for use or is being used for the purpose intended and is so certified by the *Payment Certifier*.

**Supplier**

A *Supplier* is a person or entity having a direct contract with the *Owner* to supply products.

**Temporary Work**

*Temporary Work* means temporary supports, structures, facilities, services, and other temporary items required for the execution of *Work* but not incorporated into *Work*.

**Trade Contractor**

*Trade Contractor* is the person or entity identified as such in a trade contract between the *Owner* and the *Trade Contractor* to perform *Work*.

**Value Added Taxes**

*Value Added Taxes* means such sums as shall be levied upon the *Owner's* payment to the *Construction Manager* by the Federal or any Provincial or Territorial government and is computed as a percentage of such payment and includes the Goods and Services Tax, the Quebec Sales Tax, The Harmonized Sales Tax, and any other similar tax, the collection and payment of which have been imposed on the *Construction Manager* by tax legislation.

**Work**

*Work* means the construction and related services required to be performed by a *Trade Contractor*.

**Working Day**

*Working Day* means a day other than a Saturday, Sunday, statutory holiday, or statutory vacation day that is observed by the construction industry in the area of the *Place of the Project*.

## **GENERAL CONDITIONS**

### **PART 1 GENERAL PROVISIONS**

#### **GC 1.1 CONTRACT DOCUMENTS**

1.1.1 If there is a conflict within the *Contract Documents*:

- .1 the order of priority of documents, from highest to lowest, shall be
  - the Agreement between the *Owner* and the *Construction Manager* (including the Schedules to the Agreement),
  - the Definitions,
  - Supplementary Conditions, if any
  - the General Conditions.
- .2 later dated documents shall govern over earlier documents of the same type.
- .3 amendments to documents shall govern over documents so amended.

#### **GC 1.2 LAW OF THE CONTRACT**

1.2.1 The law of the *Place of the Project* shall govern the interpretation of this *Contract*.

#### **GC 1.3 RIGHTS AND REMEDIES**

- 1.3.1 Except as expressly provided in the *Contract Documents*, the duties and obligations imposed by the *Contract Documents* and the rights and remedies available thereunder shall be in addition to and not a limitation of any duties, obligations, rights, and remedies otherwise imposed or available by law.
- 1.3.2 No action or failure to act by the *Owner* or the *Construction Manager* shall constitute a waiver of any right or duty afforded either of them under this *Contract*, nor shall any such action or failure to act constitute an approval of or acquiescence in any breach thereunder, except as may be specifically agreed in writing.

#### **GC 1.4 ASSIGNMENT**

1.4.1 Neither party to this *Contract* shall assign this *Contract* or a portion thereof without the written consent of the other, which consent shall not be unreasonably withheld.

#### **GC 1.5 PROJECT REPRESENTATIVES**

1.5.1 The *Owner*, *Construction Manager* and *Consultant* may appoint one or more project representatives to assist in carrying out their responsibilities under this *Contract*. The duties, responsibilities and limitations of authority of such project representatives shall be as set forth in writing.

### **PART 2 CONSTRUCTION MANAGER'S RESPONSIBILITIES**

#### **GC 2.1 SERVICES**

- 2.1.1 The *Construction Manager* shall provide the basic services identified in Schedule A1 to the Agreement and additional services identified in Schedule B1 to the Agreement.
- 2.1.2 The *Construction Manager* shall retain the personnel named in the Agreement in their designated roles for the duration of the assignment and promptly inform and obtain approval by the *Owner* of any change.
- 2.1.3 In providing the *Services*, the *Construction Manager* assumes no responsibility for, nor offers any professional advice with respect to, any and all architectural or engineering aspects of the *Project* or the *Consultant's* services.
- 2.1.4 The authority of the *Construction Manager* as agent of the *Owner* is expressly limited to the provision of the *Services* more particularly described in Schedules A1 and B1 to the Agreement.
- 2.1.5 Interpretations and findings of the *Construction Manager* shall be consistent with the intent of the *Contract Documents* as they relate to the *Work*. In making such interpretations and findings the *Construction Manager* will not show partiality to either the *Owner* or *Trade Contractors*.

### **PART 3 OWNER'S RESPONSIBILITIES**

#### **GC 3.1 PROVISION OF INFORMATION AND OBLIGATIONS**

3.1.1 The *Owner* shall:

- .1 retain the *Consultant* who shall be responsible for the design and design-related services required for the *Project*;
- .2 inform the *Construction Manager* of the scope and terms of the *Consultant's* services;

- .3 inform the *Consultant* of the scope and terms of the *Services*;
- .4 coordinate and facilitate the services of the *Construction Manager* and the *Consultant*;
- .5 enter into contracts or written agreements with *Trade Contractors* to perform the *Work*. Such agreements shall be consistent with the requirements of CCDC 17 – STIPULATED PRICE CONTRACT BETWEEN OWNER AND TRADE CONTRACTOR FOR CONSTRUCTION MANAGEMENT PROJECTS;
- .6 inform the *Construction Manager* of the scope and terms of each trade contract;
- .7 upon request by the *Construction Manager*, furnish to the *Construction Manager* reasonable evidence that financial arrangements have been made and that adequate financing is available in order to ensure the completion of the *Project*;
- .8 communicate with *Trade Contractors* through the *Construction Manager* except:
  - (1) for direct communications with the *Payment Certifier*,
  - (2) with respect to formal notices in writing, or
  - (3) when expressly specified in a trade contract.
- .9 pay *Trade Contractors* in accordance with the terms and conditions of each trade contract;
- .10 furnish promptly to the *Construction Manager* all information that is required for the *Project* regarding the *Place of the Project* including surveys as to the physical characteristics of the site, soils reports, subsurface investigations, legal limitations, utility locations, and legal description. The *Construction Manager* shall be entitled to rely on such information;
- .11 provide full and timely information and approvals regarding the requirements of the *Project* for the orderly progress of the *Services*;
- .12 review documents submitted by the *Construction Manager* and give the *Construction Manager* timely decisions for the orderly progress of the *Services*;
- .13 obtain and pay for development approvals, building permit, permanent easements, rights of servitude, and all other necessary approvals and permits;
- .14 provide, maintain and pay for the insurance coverages required for the *Project* in accordance with Part 8 of the General Conditions – INSURANCE;
- .15 immediately notify the *Construction Manager* if the *Owner* observes or otherwise becomes aware of any fault or defect in the *Work*, the *Project* or any non-conformity with the requirements of the *Contract*;
- .16 designate in writing a representative who shall be fully acquainted with the *Project* and shall have the authority to act on the *Owner's* behalf in relation to all duties and responsibilities of the *Owner* under this *Contract*; and
- .17 designate in writing a *Payment Certifier* and advise the *Construction Manager* and the *Consultant*.

3.1.2 The *Owner* shall be responsible for construction health and safety at the *Place of the Project* in compliance with the rules, regulations and practices required by the applicable health and construction safety legislation.

## **PART 4 PAYMENT**

### **GC 4.1 APPLICATIONS FOR PAYMENT**

- 4.1.1 The *Construction Manager's* applications for payment shall be made monthly as the *Services* progress or in accordance with such other period agreed to by the *Owner* and the *Construction Manager*.
- 4.1.2 The amount claimed shall be in accordance with a schedule agreed to by the *Owner* and the *Construction Manager*, or in the absence of such a schedule, equal to the value of the *Services* provided as of the last day of the payment period.

### **GC 4.2 PAYMENT**

- 4.2.1 The *Owner* shall make payment to the *Construction Manager* on account in accordance with the provisions of Article A-6 of the Agreement – PAYMENT no later than 20 calendar days following the date of receipt of an application for payment.
- 4.2.2 No deductions shall be made by the *Owner* from amounts payable to the *Construction Manager* other than those for which the *Construction Manager* is proven to be responsible as in accordance with Part 7 – DISPUTE RESOLUTION or has agreed to pay.
- 4.2.3 Variance from the *Construction Cost Estimate* established under this *Contract* shall not constitute grounds for the *Owner* to withhold fees due to the *Construction Manager*.
- 4.2.4 Where required by provincial or territorial legislation, payments shall be subject to the lien legislation applicable to the *Place of the Project*.

## **PART 5 CHANGES**

### **GC 5.1 CHANGES TO THE PROJECT**

- 5.1.1 The *Owner*, without invalidating this *Contract*, may make changes in the *Project* provided they are within the general scope of the *Project* and of the *Services*.
- 5.1.2 The *Construction Manager* shall promptly advise the *Owner* if a change contemplated by the *Owner* under paragraph 5.1.1 will change the *Construction Manager's* compensation or the *Project In-Use Date*.
- 5.1.3 If the *Owner* and the *Construction Manager* agree on an adjustment to the *Construction Manager's* compensation or *Contract Time*, such agreement shall be recorded in writing.
- 5.1.4 If the *Owner* and *Construction Manager* cannot agree on the change in *Construction Manager's* compensation, the matter shall be determined in accordance with the provisions of Part 7 of the General Conditions – DISPUTE RESOLUTION.
- 5.1.5 If the *Contract Time* is exceeded or extended through no fault of the *Construction Manager*, the *Construction Manager's* compensation shall be adjusted accordingly to cover the *Construction Manager's* additional costs.

### **GC 5.2 CHANGES IN SERVICES**

- 5.2.1 Any agreement between the *Owner* and the *Construction Manager* on a change to the *Services* shall be recorded in writing.

## **PART 6 DEFAULT NOTICE**

### **GC 6.1 OWNERS' RIGHT TO TERMINATE THE CONTRACT**

- 6.1.1 If a party is adjudged bankrupt, or makes a general assignment for the benefit of creditors because of its insolvency, or a receiver is appointed because of its insolvency, the other party may, without prejudice to any other right or remedy it may have, terminate this *Contract* by giving the party or receiver or trustee in bankruptcy *Notice in Writing* to that effect.
- 6.1.2 If the *Construction Manager* neglects to properly perform the *Service* or otherwise fails to comply with the requirements of this *Contract* to a substantial degree, the *Owner* may, without prejudice to any other right or remedy the *Owner* may have, give the *Construction Manager Notice in Writing* that the *Construction Manager* is in default of the *Construction Manager's* contractual obligations and instruct the *Construction Manager* to correct the default in the 5 *Working Days* immediately following the receipt of such *Notice in Writing*.
- 6.1.3 If the default cannot be corrected in the 5 *Working Days* specified or in such other time period as may be subsequently agreed in writing by the parties, the *Construction Manager* shall be in compliance with the *Owner's* instructions if the *Construction Manager*:
  - .1 commences the correction of the default within the specified time, and
  - .2 provides an acceptable schedule to the *Owner* for such correction, and
  - .3 corrects the default in accordance with the *Contract* terms and with such schedule.
- 6.1.4 If the *Construction Manager* fails to correct the default in the time specified or in such other time period as may be subsequently agreed in writing by the parties, without prejudice to any other right or remedy the *Owner* may have, the *Owner* may:
  - .1 correct such default and deduct the cost thereof from any payment then or thereafter due to the *Construction Manager*, or
  - .2 terminate the *Construction Manager's* right to continue with the *Services* in whole or in part or terminate this *Contract*.
- 6.1.5 If the *Owner* terminates this *Contract* as provided in paragraphs 6.1.1 and 6.1.4, the *Owner* shall pay the *Construction Manager* within 30 calendar days of the date that an invoice is submitted for all *Services* properly performed to the effective termination date, including reimbursable expenses and applicable taxes then due.
- 6.1.6 The *Owner* may, if conditions arise which make it necessary for reasons other than as provided in paragraphs 6.1.1 and 6.1.4, terminate this *Contract* by giving *Notice in Writing* to that effect to the *Construction Manager*.
- 6.1.7 Suspension of the *Project* shall be deemed to have occurred if:
  - .1 the *Project* has been stopped at the *Owner's* request or due to no fault of the *Construction Manager*, and
  - .2 such stoppage or stoppages have continued individually for a period of 30 calendar days or collectively for a period of 60 calendar days.

- 6.1.8 If the *Owner* terminates this *Contract* as provided in paragraph 6.1.6 or suspends the *Project* as described in paragraph 6.1.7:
- .1 the *Owner* shall pay the *Construction Manager* within 30 calendar days of the date that an invoice is submitted for all *Services* performed to the effective termination date, including reimbursable expenses and applicable taxes then due; and
  - .2 the *Construction Manager* shall be entitled to reasonable termination costs and an amount for anticipated loss of profit.

## **GC 6.2 CONSTRUCTION MANAGER'S RIGHT TO TERMINATE THE CONTRACT**

- 6.2.1 If the *Owner* fails to comply with the requirements of this *Contract* to a substantial degree, including but not limited to the non-payment of compensation for *Services* described in Article A-5 – COMPENSATION FOR SERVICES, the *Construction Manager* may, without prejudice to any other right or remedy the *Construction Manager* may have, give the *Owner Notice in Writing* that the *Owner* is in default of the *Owner's* contractual obligations and notify the *Owner* to correct the default in the 5 *Working Days* immediately following the receipt of such *Notice in Writing*.
- 6.2.2 If the *Owner* fails to correct the default in the time specified or in such other time period as may be subsequently agreed in writing by the parties, without prejudice to any other right or remedy the *Construction Manager* may have, the *Construction Manager* may terminate this *Contract*.
- 6.2.3 If the *Construction Manager* terminates this *Contract* as described in paragraph 6.2.2:
- .1 the *Owner* shall pay the *Construction Manager* within 30 calendar days of the date that an invoice is submitted for all *Services* performed to the effective termination date, including reimbursable expenses and applicable taxes then due; and
  - .2 the *Construction Manager* shall be entitled to reasonable termination costs and an amount for anticipated loss of profit.

## **PART 7 DISPUTE RESOLUTION**

### **GC 7.1 NEGOTIATION, MEDIATION AND ARBITRATION**

- 7.1.1 Differences between the parties to this *Contract* as to the interpretation, application or administration of this *Contract* or any failure to agree where agreement between the parties is called for, herein collectively called disputes, shall be settled in accordance with the requirements of this General Condition.
- 7.1.2 The parties shall make all reasonable efforts to resolve their dispute by amicable negotiations and agree to provide, without prejudice, frank, candid and timely disclosure of relevant facts, information and documents to facilitate these negotiations.
- 7.1.3 If the parties so agree the dispute shall be submitted to mediation or arbitration in accordance with the provisions of the Rules for Mediation and Arbitration of Construction Disputes as provided in CCDC 40 in effect as at the date of this *Contract*.
- 7.1.4 If no agreement is made for mediation or arbitration as described in paragraph 7.1.3, the parties may refer the unresolved dispute to the courts or to any other agreed form of dispute resolution.

## **PART 8 INSURANCE**

### **GC 8.1 INSURANCE**

- 8.1.1 The *Owner* shall obtain, maintain and pay for 'wrap-up' general liability insurance in the joint names of the *Owner*, the *Construction Manager*, the *Consultant*, all *Trade Contractors*, all subconsultants, and all trade subcontractors with limits of not less than \$10,000,000 per occurrence and a deductible not more than \$10,000. The insurance coverage shall be primary to all other insurance policies and shall not be substantially less than the insurance provided by IBC Form 2100 (including an extension for a standard provincial and territorial form of non-owned automobile liability policy) and IBC Form 2320, except for liability arising from damage to the *Project* during construction, which shall be limited to the completed operations period. The insurance shall be maintained from the date of commencement of the *Project* until 90 calendar days after the *Project In-Use Date*. The *Owner* is responsible to provide coverage for completed operations hazards from the *Project In-Use Date* for a period of 2 years.

- 8.1.2 The *Owner* shall obtain, maintain and pay for ‘broad form’ property insurance in the joint names of the *Owner*, the *Construction Manager*, the *Consultant*, and all *Trade Contractors*. The policy shall have limits of not less than the sum of 1.1 times the *Construction Cost Estimate* with a deductible not more than \$10,000. The “Broad Form” property insurance shall be provided from the date of commencement of the *Project* until the earliest of:
- .1 10 calendar days after the *Project In-Use Date*;
  - .2 on the commencement of use or occupancy of any part or section of the *Work* of any *Trade Contractors* unless such use or occupancy is for construction purposes, habitational, office, banking, convenience store under 465 square metres in area, or parking purposes, or for the installation, testing and commissioning of equipment forming part of the *Project*;
  - .3 when the *Place of the Project* is left unattended for more than 30 consecutive calendar days or when construction activity has ceased for more than 30 consecutive calendar days.
- 8.1.3 The *Owner* shall or cause to obtain, maintain and pay for an Aircraft or Watercraft Liability Insurance when owned or non-owned aircraft or watercraft are used directly or indirectly in the performance of the *Project*. The policy shall have limits of not less than \$10,000,000 inclusive per occurrence for bodily injury, death, and damage to property including loss of use thereof and limits of not less than \$5,000,000 for aircraft passenger hazard.
- 8.1.4 The *Construction Manager* shall provide, maintain and pay for general liability insurance that has limits of not less than \$5,000,000 per occurrence and a deductible not more than \$5,000. The policy shall be maintained from the date of commencement of the *Project* until the *Construction Manager* completes the *Services*. Liability coverage shall be provided for completed operations hazards on an ongoing basis for a period of 6 years following the *Project In-Use Date*.
- 8.1.5 The *Construction Manager* shall provide, maintain and pay for Automobile Liability Insurance in respect of vehicles that are required by law to be insured under a contract by a Motor Vehicle Liability Policy. The policy shall have limits not less than \$5,000,000 inclusive per occurrence for bodily injury, death, and damage to property, covering all vehicles owned or leased by the *Construction Manager*. Where the policy has been issued pursuant to a government-operated automobile insurance system, the *Construction Manager* shall provide the *Owner* with confirmation of automobile insurance coverage for all automobiles registered in the name of the *Construction Manager*.
- 8.1.6 Prior to commencement of the *Project* and upon the placement, renewal, amendment, or extension of all or any part of the insurance, the parties shall promptly provide each other with confirmation of coverage that they are responsible for and, if required, a certified true copy of the policies certified by an authorized representative of the insurer together with copies of any amending endorsements applicable to the *Project*.
- 8.1.7 The parties shall pay their share of the deductible amounts in direct proportion to their responsibility in regards to any loss for which the above policies are required to pay, except where such amounts may be excluded by the terms of this *Contract*.
- 8.1.8 All required insurance policies shall be with insurers licensed to underwrite insurance in the jurisdiction of the *Place of the Project*.

## **PART 9 INDEMNIFICATION AND WAIVER OF CLAIMS**

### **GC 9.1 INDEMNIFICATION**

- 9.1.1 The *Owner* and the *Construction Manager* shall each indemnify and hold harmless the other from and against all claims, demands, losses, costs, damages, actions, suits, or proceedings whether in respect to losses suffered by them or in respect to claims by third parties that arise out of, or are attributable in any respect to, their involvement as parties to this *Contract*, provided such claims are:
- .1 caused by:
    - (1) the negligent acts or omissions of the party from whom indemnification is sought or anyone for whose acts or omissions that party is liable, or
    - (2) a failure of the party to the *Contract* from whom indemnification is sought to fulfill its terms or conditions; and
  - .2 made by *Notice in Writing* within a period of 6 years from the date of *Project In-Use Date* or within such shorter period as may be prescribed by any limitation statute of the province or territory of the *Place of the Project*.
- The parties expressly waive the right to indemnify for claims other than those provided for in this *Contract*.
- 9.1.2 The obligation of either party to indemnify as set forth in paragraph 9.1.1 shall be limited as follows:
- .1 In respect to losses suffered by the *Owner* and the *Construction Manager* for which insurance is to be provided by either party pursuant to GC 8.1 – INSURANCE, the insurance limit for the loss so covered as prescribed in GC 8.1 – INSURANCE.

- .2 In respect to losses suffered by the *Owner* and the *Construction Manager* for which insurance is not required to be provided by either party in accordance with GC 8.1 – INSURANCE, the *Construction Manager*'s compensation as recorded in Article A-5 of the Agreement – COMPENSATION FOR SERVICES.
  - .3 In respect to claims by third parties for direct loss resulting from bodily injury, sickness, disease or death, or to injury to or destruction of tangible property, the obligation to indemnify is without limit. In respect to all other claims for indemnity as a result of claims advanced by third parties, the limits of indemnity set forth in paragraphs 9.1.2.1 and 9.1.2.2 shall apply.
- 9.1.3 The obligation of either party to indemnify the other as set forth in paragraphs 9.1.1 and 9.1.2 shall be inclusive of interest and all legal costs.
- 9.1.4 In respect to any claim for indemnity or to be held harmless by the *Owner* or the *Construction Manager*:
- .1 *Notice in Writing* of such claim shall be given within a reasonable time after the facts upon which such claim is based became known to the party required to give such *Notice in Writing*;
  - .2 should either party be required as a result of its obligation to indemnify the other pay or satisfy a final order, judgment or award made against the party entitled by this *Contract* to be indemnified, then the indemnifying party, upon assuming all liability for any costs that might result, shall have the right to appeal in the name of the party against whom such final order or judgment has been made until such rights of appeal have been exhausted.

## GC 9.2 WAIVER OF CLAIMS

- 9.2.1 As of the date of one year from the *Project In-Use Date*, the *Construction Manager* waives and releases the *Owner* from all claims which the *Construction Manager* has or reasonably ought to have knowledge of that could be advanced by the *Construction Manager* against the *Owner* arising from the *Construction Manager*'s involvement in the *Project*, including, without limitation, those arising from negligence or breach of contract in respect to which the cause of action is based upon acts or omissions which occurred prior to or on the *Project In-Use Date*, except as follows:
- .1 claims arising prior to or on the *Project In-Use Date* for which *Notice in Writing* of claim has been received by the *Owner* from the *Construction Manager* no later than 20 days after the *Project In-Use Date*;
  - .2 indemnification for claims advanced against the *Construction Manager* by third parties for which a right of indemnification may be asserted by the *Construction Manager* against the *Owner* pursuant to the provisions of this *Contract*;
  - .3 claims resulting from acts or omissions which occur after the *Project In-Use Date*.
- 9.2.2 The *Construction Manager* waives and releases the *Owner* from all claims referenced in paragraph 9.2.1.3 except for those referred in paragraph 9.2.1.2 and claims for which *Notice in Writing* of claim has been received by the *Owner* from the *Construction Manager* within 395 calendar days following the *Project In-Use Date*.
- 9.2.3 As of the date of one year from the *Project In-Use Date*, the *Owner* waives and releases the *Construction Manager* from all claims which the *Owner* has or reasonably ought to have knowledge of that could be advanced by the *Owner* against the *Construction Manager* arising from the *Owner*'s involvement in the *Project*, including, without limitation, those arising from negligence or breach of contract in respect to which the cause of action is based upon acts or omissions which occurred prior to or on the *Project In-Use Date*, except as follows:
- .1 claims arising prior to or on the *Project In-Use Date* for which *Notice in Writing* of claim has been received by the *Construction Manager* from the *Owner* no later than 20 days from the *Project In-Use Date*;
  - .2 indemnification for claims advanced against the *Owner* by third parties for which a right of indemnification may be asserted by the *Owner* against the *Construction Manager* pursuant to the provisions of this *Contract*;
  - .3 damages arising from the *Construction Manager*'s actions which result in substantial defects or deficiencies in the *Project*. "Substantial defects or deficiencies" mean those defects or deficiencies in the *Project* which affect the *Project* to such an extent or in such a manner that a significant part or the whole of the *Project* is unfit for the purpose intended by this *Contract*;
  - .4 claims arising from acts or omissions which occur after the *Project In-Use Date*.
- 9.2.4 The *Owner* waives and releases the *Construction Manager* from all claims referred to in paragraph 9.2.3.3 except for those referred in paragraph 9.2.3.2 and claims for which *Notice in Writing* of claim has been received by the *Construction Manager* from the *Owner* within a period of six years from *Project In-Use Date* should any limitation statute of the Province or Territory of the *Place of the Project* permit such agreement. If the applicable limitation statute does not permit such agreement, within such shorter period as may be prescribed by:
- .1 any limitation statute of the Province or Territory of the *Place of the Project*; or
  - .2 the Civil Code of Quebec if the *Place of the Project* is the Province of Quebec.

- 9.2.5 The *Owner* waives and releases the *Construction Manager* from all claims referenced in paragraph 9.2.3.4 except for those arising from claims for which *Notice in Writing* has been received by the *Construction Manager* from the *Owner* within 395 calendar days following the *Project In-Use Date*.
- 9.2.6 *Notice in Writing* of claim as provided for in GC 9.2 – WAIVER OF CLAIMS to preserve a claim or right of action which would otherwise, by the provisions of GC 9.2 – WAIVER OF CLAIMS, be deemed to be waived, must include the following:
- .1 a clear and unequivocal statement of the intention to claim;
  - .2 a statement as to the nature of the claim and the grounds upon which the claim is based; and
  - .3 a statement of the estimated quantum of the claim.
- 9.2.7 The party giving *Notice in Writing* of claim as provided for in GC 9.2 – WAIVER OF CLAIMS shall submit within a reasonable time a detailed account of the amount claimed.
- 9.2.8 Where the event or series of events giving rise to a claim made under paragraphs 9.2.1 or 9.2.3 has a continuing effect, the detailed account submitted under paragraph 9.2.7 shall be considered to be an interim account and the party making the claim shall submit further interim accounts, at reasonable intervals, giving the accumulated amount of the claim and any further grounds upon which it is based. The party making the claim shall submit a final account after the end of the effects resulting from the event or series of events that gave rise to the claim.
- 9.2.9 If a *Notice in Writing* of claim pursuant to paragraph 9.2.1.1 is received on the 18th or 19th calendar day after the *Project In-Use Date*, the period within which *Notice in Writing* of claim shall be received pursuant to paragraph 9.2.3.1 shall be extended to 24 calendar days after the *Project In-Use Date*.
- 9.2.10 If a *Notice in Writing* of claim pursuant to paragraph 9.2.3.1 is received on the 18th or 19th calendar day after the *Project In-Use Date*, the period within which *Notice in Writing* of claim shall be received pursuant to paragraph 9.2.1.1 shall be extended to 24 calendar days after the *Project In-Use Date*.

## CCDC 5A Supplementary Conditions

### Pre-Construction and Construction Management

These *Supplementary Conditions* (SC's) form part of the *Contract Documents*. The CCDC Document 5A [2010] - Construction Management Contract – for Services”, including “Articles of Agreement”, “Schedule A1”, “Schedule A2”, “Schedule B1”, “Schedule B2”, “Schedule C”, “Definitions” and “General Conditions”, are supplemented, modified and amended as set out in these *Supplementary Conditions*. The accompanying appendices and any attachments form part of these *Supplementary Conditions*. In case of any variance or discrepancy, the provisions of these *Supplementary Conditions* shall govern.

Article A-4 4.1 is amended by adding after “• the General Conditions” a new item: “•Supplemental Conditions”

#### SC1. AGREEMENT BETWEEN OWNER AND CONSTRUCTION MANAGER – FOR SERVICES

SC1.1 The *Construction Manager* shall carry out and perform the *Services* in a proficient and diligent manner, and in accordance with any directions and instructions from time to time given by the *Owner*. The *Construction Manager* shall provide comprehensive construction management services for the *Project*, except as otherwise expressly stipulated in the *Contract Documents*, shall at all times shall be forthright and candid with the *Owner* and act in the best interests of the *Owner*. The *Construction Manager*, along with the *Owner* and the *Consultant*, shall strive to achieve *Substantial Performance of the Project* by the target date specified therefor by the *Owner* in the preliminary *Project* schedule approved by the *Owner* as it may be varied or amended from time to time with the approval of the *Owner*.

SC1.2 Delete paragraph 5.3 of ARTICLE A-5 [COMPENSATION FOR SERVICES] and replace with:

“5.3 The reimbursable expenses are the actual expenses, supported by receipts or invoices, that the *Construction Manager* incurred in performing the *Services*, and as identified in Schedules A2 and B2 to the Agreement plus the administrative charge of NIL percent. If there are no receipts or invoices, the expenses shall be at rates prevailing in the area of the *Place of the Project* as demonstrated and supported with suitable documentation to the satisfaction of the *Owner* acting reasonably.”

SC1.2 Add paragraphs 5.6 and 5.7 to ARTICLE A-5 [COMPENSATION FOR SERVICES] as follows:

“5.6 The portion of the *Construction Manager's* fee that is stipulated under paragraph 5.2.1 or paragraph 5.2.2 (*as applicable*) of ARTICLE A-5 [COMPENSATION FOR SERVICES] shall, except as otherwise agreed in writing by the *Owner* and the *Construction Manager*, be pro-rated over the number of months of the period for the *Services* to be performed as stipulated in paragraph 1.3 of Article A-1 [THE SERVICES] of the Agreement and the schedule provided in Article A-3 [DESCRIPTION OF THE PROJECT], and for the purpose of GC 4.1 [APPLICATIONS FOR PAYMENT] this is the schedule for payment thereof agreed to by the *Owner* and the *Construction Manager*.

5.7 If the *Owner* is required to pay any sums to the *Construction Manager* pursuant to GC 6.1 [OWNERS' RIGHT TO TERMINATE THE CONTRACT] or GC 6.2 [CONSTRUCTION MANAGER'S RIGHT TO TERMINATE THE CONTRACT], then, for the invoice to submitted for “all *Services*

performed to the effective termination date” the amount to be paid by the *Owner* shall be based on this monthly pro-rated calculation, and the *Owner* will not be required to pay the balance (except as stipulated in SC8.11.2, if applicable).”

SC1.3 Regarding ARTICLE A-7 [RECEIPT OF AND ADDRESSES FOR NOTICES IN WRITING], for any *Notice in Writing* required to be given to the *Owner* under the *Contract*, notice in writing delivered by courier shall be required (mail or facsimile or other electronic communication will not suffice, for the *Owner*).

## **SC2. SCHEDULE A1 [SERVICES AND COMPENSATION] TO THE AGREEMENT**

SC2.1 In item 1.3.4 [Schematic Design Phase], replace the expression “Assist in providing” with the word “Provide”.

SC2.2 Add to item 2.1 [General Services] the following:

“.4 The *Construction Manager* shall if required by the *Owner* develop a construction Traffic Management Plan (TMP), and may require that the *Construction Manager* work with representatives of the *Owner* (which may include a traffic management consultant engaged or designated from time to time by the *Owner*) for this purpose. The *Construction Manager* shall on behalf of the *Owner* stipulate in each of the contracts with the *Trade Contractors* that the *Trade Contractor* comply with all requirements which may from time to time be prescribed by the *Owner* relative to traffic management.”

SC2.3 Add to item 2.8 [Health and Construction Safety] the following:

“.2 (1) The *Construction Manager* shall be responsible for construction safety at the *Place of the Project* and for compliance with the rules, regulations, and practices required by the applicable construction health and safety legislation and for initiating, maintaining, and supervising the safety precautions and programs for the *Project*.

(2) The *Construction Manager* shall, for the purpose of Section 118 of the Workers Compensation Act, R.S.B.C. 1996, c. 492, as amended from time to time, and regulations thereto (the “*Workers Compensation Act*”), be the “prime contractor” as defined in the *Workers Compensation Act*. Without limiting the foregoing:

(a) the *Construction Manager* shall comply with and ensure compliance by all *Trade Contractors*, subcontractors and suppliers with all requirements of the *Workers Compensation Act* including (i) the Occupational Health and Safety Regulation of the Province of British Columbia, B.C. Regulation 296/97 (the “*OHS Regulation*”) and any amendments or successors thereto; and (ii) all WHMIS Requirements (as defined in the *OHS Regulation*);

(b) the *Construction Manager* will deliver the Notice of Project required under Section 20.2 of the *OHS Regulation*, in accordance with the requirements from time to time prescribed thereunder; and

(c) the *Construction Manager* shall pay on behalf of the *Owner* all assessments or compensation required to be paid under the applicable statutes and regulations

(which shall, for greater certainty, be included (i.e. recoverable from the *Owner*) under Schedule A2 [REIMBURSABLE EXPENSES APPLICABLE TO SCHEDULE A1] to the Agreement).

(3) the *Construction Manager* shall from time to time, as the *Owner* may reasonably require, demonstrate and substantiate, to the satisfaction of the *Owner*, compliance by the *Construction Manager* and *Trade Contractors*, subcontractors and suppliers with applicable workers' compensation legislation and requirements, including payment of assessments or compensation required."

SC2.4 Add to item 2.10.1(1) [Reports and Project Site Documents] the following:

"The *Construction Manager* shall include the following information in the daily log: (A) the date; (B) the weather conditions at the *Place of the Project*; (C) the identity of the employees of the *Construction Manager* present at the *Place of the Project*; (D) the identity of the *Trade Contractors* and the respective numbers of their workers at the *Place of the Project*; and (E) any and all pertinent information regarding events or incidents, in accordance with industry practices and Workers Compensation Board requirements.

### **SC3. SCHEDULE A2 [REIMBURSABLE EXPENSES APPLICABLE TO SCHEDULE A1] TO THE AGREEMENT**

As to Schedule A2 [REIMBURSABLE EXPENSES APPLICABLE TO SCHEDULE A1] to the Agreement:

SC3.1 For item 1, such travel and subsistence expenses may be charged only with the prior written approval of the *Owner*, and provided that: (1) if the *Construction Manager's* place of business is located in Victoria, B.C., then reasonable travel and related expenses incurred by the *Construction Manager* for travel between the *Construction Manager's* place of business and the *Place of the Project* shall be reimbursed by the *Owner*; and (2) if the *Construction Manager's* place of business is not located in Victoria, B.C., then no expenses will be reimbursed by the *Owner* in connection with travel between the *Construction Manager's* place of business and the *Place of the Project*.

SC3.2 Item 9 shall not operate to make the *Owner* liable to the *Construction Manager* for any losses or expenses resulting from the negligence or tortious acts of the *Construction Manager* or any failure, breach or default of the *Construction Manager* under this *Contract*.

SC3.3 Item 10 is subject to substantial performance by the *Construction Manager* with its obligations under SC2.3 above.

SC3.4 Item 11 does not apply to legal costs relating to settling this *Contract*, or in connection with any request for proposals or the *Construction Manager's* proposal or related matters, or in connection with any dispute or issue between the *Owner* and the *Construction Manager*.

#### SC4. SCHEDULE B1 [ADDITIONAL SERVICES AND COMPENSATION] TO THE AGREEMENT

SC4.1 The following would be additional services, if required by the *Owner*, for which Schedule B2 [REIMBURSABLE EXPENSES APPLICABLE TO SCHEDULE B1] to the Agreement would apply:

- .1 services related to investigation, appraisals or valuations of existing conditions, facilities or equipment, or verifying the accuracy of existing drawings or other *Owner* furnished information;
- .2 services related to *Owner*-furnished equipment, furniture and furnishings which are not a part of this *Contract*;
- .3 services for tenant or rental spaces not a part of this *Contract*;
- .4 obtaining or training maintenance personnel or negotiating maintenance service contracts;
- .5 services after the *Project In-Use Date* related to the resolution of claims, adjudication of disputes or litigation; and
- .6 Own Forces Work.

SC4.2 The *Construction Manager* may, subject to the prior written approval by the *Owner* as provided in SC4.3, perform minor work (defined herein to be *Own Forces Work*) with the *Construction Manager's* own forces. Such work shall be performed in accordance with the terms of this *Contract*. The *Owner* shall pay to the *Construction Manager* the cost of such work, plus (subject to SC4.3) a mark-up percentage being:

0%

of that cost. For the purposes of this provision, the cost of such work shall include and be limited to the reimbursable expenses, as provided for in Schedule B2 [REIMBURSABLE EXPENSES APPLICABLE TO SCHEDULE B1] to the Agreement as amended by these *Supplementary Conditions*, being the actual expenses, supported by receipts or invoices, that the *Construction Manager* incurred, including, as to item 10 of Schedule B2 [REIMBURSABLE EXPENSES APPLICABLE TO SCHEDULE B1] to the Agreement, the cost for labour in the direct employ of the *Construction Manager* in performing such work, at the labour rates for "on tools" personnel as set out in Schedule C to the Agreement.

SC4.3 To be valid for the purposes of SC4.2, the approval of the *Owner* for the *Construction Manager* to carry out any work as *Own Forces Work* must: (1) specifically refer to SC4.2 and this SC4.3; (2) describe the work and its scope and specifically confirm that the work shall be recognised as *Own Forces Work* under this *Contract*; and (3) confirm that the mark-up percentage stated in SC4.2 (or such other rate as may then be agreed upon by the *Owner* and the *Construction Manager*, for such work) shall apply. If work is carried out by the *Construction Manager* without compliance with this SC4.3, then no mark-up percentage shall apply.

**SC5. SCHEDULE B2 [REIMBURSABLE EXPENSES APPLICABLE TO SCHEDULE B1] TO THE AGREEMENT**

As to Schedule B2 [REIMBURSABLE EXPENSES APPLICABLE TO SCHEDULE B1] to the Agreement:

SC5.1 For item 1, the same applies as set out in SC3.1 above.

SC5.2 For item 14, the same applies as set out in SC3.2 above.

SC5.3 For item 15, the same applies as set out in SC3.3 above.

SC5.4 For item 16, the same applies as set out in SC3.4 above.

SC5.5 No other costs are to be reimbursed by the *Owner*, unless expressly stipulated and agreed by the *Owner*. For greater certainty:

.1 for the items identified as reimbursable expenses in Schedule B2 [REIMBURSABLE EXPENSES APPLICABLE TO SCHEDULE B1] to the Agreement, only the incremental additional amount resulting from the additional services shall be subject to reimbursement. To the extent otherwise already covered elsewhere in this *Contract*, or addressed in any exclusions, exceptions or stipulations in this *Contract*, the charges or other expenses shall not be reimbursable by the *Owner* under Schedule B2 [REIMBURSABLE EXPENSES APPLICABLE TO SCHEDULE B1] to the Agreement; and

.2 as to item 10:

(1) there shall be no duplication with the time-based charges for personnel employed by the *Construction Manager* pursuant to paragraph 5.2.3 of ARTICLE A-5 [COMPENSATION FOR SERVICES]; and

(2) the rates set out in Schedule C to the Agreement shall apply (or, for personnel for which rates are not set out in Schedule C to the Agreement, the most favoured rates offered by the *Construction Manager* to its clients shall apply, or any other rates from time to time approved by the *Owner* and the *Construction Manager*).

SC5.6 See also SC9.3 below.

**SC6. SCHEDULE C [TIME-BASED RATES FOR PERSONNEL EMPLOYED BY THE CONSTRUCTION MANAGER] TO THE AGREEMENT**

See Schedule C attached to these *Supplemental Conditions*. All references in the *Contract* to "Schedule C to the Agreement" refer to Schedule C attached to these *Supplemental Conditions*.

**SC7. DEFINITIONS**

SC7.1 The following definitions are added:

**“Builders Lien Act**

*Builders Lien Act* refers to the Builders Lien Act, S.B.C. 1997, c. 45 and amendments thereto.

**Own Forces Work**

*Own Forces Work* refers to *Own Forces Work* as defined in SC4.2.

**Supplementary Conditions**

*Supplementary Conditions* refers to these Supplementary Conditions, and SC is sometimes used as an abbreviation therefor.”

**SC8. GENERAL CONDITIONS**

SC8.1-A In GC 1.1.1.1, move the item “• Supplementary Conditions” to the first position in the list.

SC8.1 Delete paragraph 1.4.1 of GC 1.4 [ASSIGNMENT] and replace with:

“1.4.1 Neither party to this *Contract* shall assign this *Contract* or a portion thereof without the prior written consent of the other. The *Construction Manager* shall not subcontract the *Services* or any portion thereof without the prior written consent of the *Owner*. [Provided that this is not intended to restrict or preclude the *Construction Manager* from engaging personnel as dependent or independent contractors.] No purported assignment or subcontracting shall be operative or effective if in contravention of this GC 1.4 [ASSIGNMENT].”

SC8.2 For paragraph 2.1.2 of GC 2.1 [SERVICES], the following personnel of the *Construction Manager* shall be retained in their designated roles until the *Project In-Use Date*:

Role/ Position	Name
Superintendent(s)	_____
Project Manager(s)	_____
CSO(s)	_____
Other(s)	_____

If a change or changes occur, then the *Construction Manager* shall at its expense take such measures as the *Owner* may from time to time reasonably direct to mitigate or address any resulting issues and to put in place a successor and effect transition with minimal disruption.

SC8.3 Delete paragraph 3.1.1.7 under PART 3 [OWNER’S RESPONSIBILITIES].

- SC8.4 Delete paragraph 3.1.1.17 under PART 3 [OWNER'S RESPONSIBILITIES] and add:
- “.17 designate in writing that the *Consultant* shall be the “payment certifier” for the purposes of the *Builders Lien Act* in respect of amounts due to the *Trade Contractors*; and
- .18 acting alone be the “payment certifier” in respect of amounts due to the *Construction Manager*.”
- SC8.5 Delete paragraph 3.1.2 under PART 3 [OWNER'S RESPONSIBILITIES]. (See SC2.3.)
- SC8.6 In paragraph 4.2.1 of GC 4.2 [PAYMENT], delete “20 calendar days” and replace with “20 *Working Days*”.
- SC8.7 Delete paragraph 4.2.2 of GC 4.2 [PAYMENT] and replace with:
- “4.2.2 No deductions shall be made by the *Owner* from amounts payable to the *Construction Manager* other than those for which the *Construction Manager* is proven to be responsible in accordance with Part 7 – DISPUTE RESOLUTION or has agreed to pay, or as set out in SC8.11 or elsewhere in the *Contract Documents*.”
- SC8.8 In paragraph 6.1.2 of GC 6.1 [OWNERS' RIGHT TO TERMINATE THE CONTRACT], immediately after “to a substantial degree,” insert “or in case of a material breach or default by the *Construction Manager*,”.
- SC8.9 In paragraph 6.1.6 of GC 6.1 [OWNERS' RIGHT TO TERMINATE THE CONTRACT], delete “, if conditions arise which make it necessary for reasons other than as provided in paragraphs 6.1.1 and 6.1.4,” and replace with “in its sole and unfettered discretion”.
- SC8.10 In paragraph 6.1.8 of GC 6.1 [OWNERS' RIGHT TO TERMINATE THE CONTRACT], delete 6.1.8.2 and add:
- “.2 the *Construction Manager* shall be entitled to reasonable termination costs and an amount for anticipated loss of profit; and
- “.3 the reasonable termination costs and amount for anticipated loss of profit, in aggregate, shall in no case exceed the sum equal to 10% of the portion of the *Construction Manager's* fixed fee as stipulated under paragraph 5.2.1 of ARTICLE A-5 [COMPENSATION FOR SERVICES] earned to the time of termination.
- SC8.11 The *Construction Manager* will not be entitled to give *Notice in Writing* to the *Owner* under GC 6.2.1 for non-payment of compensation for *Services* in case of a bona fide disagreement or dispute and provided that amounts not in dispute are paid by the *Owner* when due. In case of any non-payment of compensation for *Services* where there is bona fide disagreement or dispute: (i) the *Owner* shall be given a reasonable opportunity (not to exceed 60 days) to address the issue, and in that period GC 7.1.2 under PART 7 [DISPUTE RESOLUTION] shall operate; and (ii) nothing in the *Contract Documents* will negate or abrogate the *Owner's* entitlement to legal and equitable set-off, which shall apply.

SC8.13 In GC 8.1 [INSURANCE]:

.1 in the third sentence of paragraph 8.1.1, delete "90 calendar days after"; and

.2 in the second sentence of paragraph 8.1.2, delete "the sum of 1.1 times the *Construction Cost Estimate* with a deductible not more than \$10,000" and replace with "the *Construction Cost Estimate*, with a deductible not more than \$10,000 or as otherwise reasonably determined from time to time by the *Owner*."

SC8.14 Delete GC 9.1 and 9.2 and add a new GC 9.1 as follows:

:

"9.1 The *Construction Manager* shall indemnify and save harmless the *Owner*, its Board of Directors, elected officials, appointed officers, agents, employees and contractors from and against all claims, costs, losses, damages, actions, causes of action and expenses arising from an error, omission or negligent or willful act of the *Construction Manager* in the performance of the *Services* by the *Construction Manager* or its agents, employees, subcontractors or subconsultants or from a breach of this Agreement by the *Construction Manager*."

SC9. Add a new General Condition as follows:

**"GC 10 – ADDITIONAL PROVISIONS**

- 10.1 The *Construction Manager* will provide and implement a complete accounting and bookkeeping system for the *Project* utilizing the appropriate accounting software to code, record and provide reports on the financial transaction of the *Project*.
- 10.2 For all charges made by the *Construction Manager* to the *Owner* including reimbursable expenses, or for which the *Construction Manager* applies for payment, the *Construction Manager* shall keep time and usage records and otherwise provide documentary evidence (including receipts or invoices, wherever practicable) satisfactory to the *Owner*, acting reasonably, to demonstrate that such charges are reasonable and the work done and usage were properly charged to and allocable to the *Project*.
- 10.3 The *Owner* may at any time or from time to time, by written directive to the *Construction Manager*, accelerate the time for performance or completion of the *Project* or any part thereof and for this purpose may require the *Construction Manager* to take such action as may be reasonable and practical in the circumstances. If this requires the provision of additional resources by the *Construction Manager*, then the *Construction Manager* shall be entitled to the charges resulting directly therefrom according to Schedule B2 [REIMBURSABLE EXPENSES APPLICABLE TO SCHEDULE B1] to the Agreement.
- 10.4 Freedom of Information and Protection of Privacy

The *Owner* is subject to the Freedom of Information and Protection of Privacy Act, R.S.B.C. 1996 c.165 ("*FIPPA*"). Disclosure or release of information may be required under this legislation.

The *Owner* may choose, in the interest of public accountability, to make public or disclose this *Contract* and associated records and information, in whole or in part. The *Construction Manager* agrees that the *Owner* shall be entitled to do so and consents thereto (except only for any specific information isolated and identified by the *Construction Manager* as confidential, and for which, if requested by the *Owner*, The *Construction Manager* establishes that disclosure is excluded under *FIPPA*).

If the *Construction Manager* falls within the meaning of "service provider" as that term is defined under *FIPPA*, then the *Construction Manager* shall comply with applicable requirements of *FIPPA* relative to personal information.

10.5 In case of any conflict between the *Construction Manager's* proposal and the provisions of the rest of the *Contract*, the latter will govern (unless expressly adopted and approved by the *Owner*).

10.6 The *Owner* may convert paper records of this *Contract* and all other associated documentation (each, a "Paper Record") into electronic images (each, an "Electronic Image"). Each such *Electronic Image* shall be considered as an authoritative copy of the *Paper Record* and shall be legally binding on the parties and admissible in any legal, administrative or other proceeding as conclusive evidence of the contents of such document in the same manner as the original *Paper Record*. "

SC10. Add a new General Condition as follows:

#### **"GC 11 – TRADE CONTRACTS**

11.1 It is understood that the *Owner* and the *Consultant* will consider and take into account the input and recommendations of the *Construction Manager*, as to the selection of *Trade Contractors*, subcontractors and suppliers; but, for greater certainty, the *Construction Manager* does not have a right of approval or a right of veto for the contracts to be entered into with proposed *Trade Contractors*, subcontractors and suppliers, and the *Owner* has the right to proceed regardless.

11.2 The *Construction Manager* shall, for the contracts with the *Trade Contractors*, use a suitable form of stipulated price construction contract, which shall:

(1) unless otherwise approved by the *Owner*, be based on the document titled “Stipulated Price Contract between Owner and Trade Contractor for Construction Management Projects” published by the Canadian Construction Documents Committee and identified as “CCDC 17 [2010]”, as revised by supplementary conditions provided by the *Owner* (or if none have been provided by the *Owner*, then suitable supplementary conditions provided by the *Construction Manager*, and approved by the *Owner*, for the purpose);

(2) contain provisions for “payment certifier” consistent with SC8.4 above;

(3) include the following:

“1. The *Trade Contractor* agrees that any term or provision of the *Contract Documents* that provides for a release or indemnification of the *Owner* will extend to and be interpreted to apply to and for the benefit of the *Construction Manager* and the directors, officers, employees and authorized representatives of the *Construction Manager*.

2. The *Trade Contractor* agrees that any term or provision of the *Contract Documents* that provides for insurance to be placed by the *Trade Contractor* for the benefit or protection of the *Owner* will extend to and be interpreted to apply to and for the benefit of the *Construction Manager* and the directors, officers, employees and authorized representatives of the *Construction Manager*.

3. For the purposes of paragraphs 1. and 2. above, the *Owner* is deemed to be acting as agent or trustee on behalf of the *Construction Manager* and its directors, officers, employees and agents and for their benefit to the extent necessary for them to receive and be entitled to the benefit of the provisions of paragraphs 1. and 2. above.”

[ END OF SUPPLEMENTARY CONDITIONS ]



**REPORT TO HOSPITALS AND HOUSING COMMITTEE  
MEETING OF WEDNESDAY, FEBRUARY 03, 2021**

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**SUBJECT**     **Hockley House Development Mortgage Registration: 830 Hockley Avenue**

**ISSUE SUMMARY**

BC Housing Management Commission (BCHMC) requires a resolution from the Capital Region Housing Corporation (CRHC) Board of Directors to authorize the execution of the Hockley House mortgage documents.

**BACKGROUND**

In November 2018, the Regional Housing First Program (RHFP) partnership approved the Hockley House development project, located at 830 Hockley Avenue, Langford, BC. At the same time the CRHC Board of Directors agreed that the CRHC would be the operator of this property.

The Capital Regional District (CRD) will purchase this property and hold 100% ownership. Canada Mortgage and Housing Corporation (CMHC) will provide a grant for 20% of the units through CMHC's contribution to the RHFP to the CRD. The CRHC will enter into a 60-year prepaid lease agreement with the CRD equal to the amount of the mortgage. The CRHC will also enter into an operator agreement with the CRD to ensure that the CRHC meets the terms of the RHFP. The CRHC will operate 100% of the units and will be responsible for financing the remaining 80% of the cost of the project. This will be financed through the BC Housing Community Partnership Initiative (CPI) Financing Program. Operations and debt financing will be paid for through the tenant rent revenue. No ongoing subsidy is required.

The final project budget is \$32,775,610. The approved project budget included a \$7,200,000 RHFP equity contribution, and a repayable \$25,575,610 mortgage. BC Housing approved this project using the projected interest rate of 2.25%.

At closing (March 2021), the repayable mortgage will be provided initially as short-term financing by BC Housing. BC Housing will undertake a procurement process to place the debt with a lender, and the mortgage will convert to take-out financing in June 2021. From March until June, a variable rate will be charged by BC Housing, and once placed with the lender the rate will become fixed for a term. At the time of take-out financing, the mortgage documents will be modified to reflect the final amount, term, and interest rate.

Mortgage registration requires registration of a Section 219 Covenant granted in favour of BCHMC and registered on title. A Section 219 Covenant is a means of preserving a property's special attribute; in this case, the use of the building for affordable housing. The conditions of the Section 219 covenant are set out in the CPI Operating Agreement. The CPI Operating Agreement states that the CRHC will provide housing to households with low-to-moderate incomes.

The Tri-Partite Agreement, which forms part of the mortgage documents, is an agreement between the CRD, the CRHC, and BCHMC. This agreement overlaps with the Landlord Estoppel Certificate and is in place because the land and improvements will be leased to the CRHC by the CRD. As a condition of making the loan, the lender wishes to use this Tri-Partite Agreement to set out rights and obligations relating to the lease and mortgage. The agreement will ensure that

the lease remains in force and in effect, and the parties agree to keep the lease in good standing. It also prevents the CRHC and the CRD from terminating their lease agreement without written consent of BCHMC.

## **ALTERNATIVES**

### *Alternative 1:*

The Hospitals and Housing Committee recommends to the Capital Region Housing Corporation Board:

- a) That the resolution attached as Appendix A and required by BC Housing Management Commission to authorize the execution of the Section 219 Covenant and the Loan and Mortgage documents for 830 Hockley Avenue be approved; and
- b) That staff be authorized to sign any documents related to the Loan and Mortgage and Section 219 Covenant registration and to take steps necessary to conclude the purchase of 830 Hockley Avenue, Langford, BC.

### *Alternative 2:*

That staff be directed to review other financing options based on Hospitals and Housing Committee direction.

## **IMPLICATIONS**

### *Financial Implications*

Short-term financing and take-out financing must be secured in order to advance the purchase 830 Hockley Avenue. The repayable mortgage of \$25,575,610 will bear interest at a variable rate until the interest adjustment date, which is the second month following final advancement of the principal amount. A fixed rate mortgage will commence after the interest adjustment date.

BCHMC will obtain a fixed mortgage through a competitive bidding process. BCHMC approved this project with an estimated fixed interest rate of 2.25%; however the actual rate may end up lower than the estimate given current market rates and recent issues (i.e., Spencer Close at 1.519%).

The loan commitment fee of 1% and insurance fee of \$75/unit up to \$5,000 is accounted for in the project budget.

## **CONCLUSION**

CRHC must secure short-term and take-out financing to purchase the Hockley House development project. BCHMC has provided a repayable \$25,575,610 mortgage. The repayable mortgage rate uses the Ministry of Finance's rate plus a spread of up to 9/16%, which is among the lowest in the market. BCHMC's most recent take-out financing rate was 1.519% for the Spencer Close project. BCHMC has committed to securing take-out financing fixed rates through a competitive process.

**RECOMMENDATION**

The Hospitals and Housing Committee recommends to the Capital Region Housing Corporation Board:

- a) That the resolution attached as Appendix A and required by BC Housing Management Commission to authorize the execution of the Section 219 Covenant and the Loan and Mortgage documents for 830 Hockley Avenue be approved; and
- b) That staff be authorized to sign any documents related to the Loan and Mortgage and Section 219 Covenant registration and to take steps necessary to conclude the purchase of 830 Hockley Avenue, Langford, BC.

Submitted by:	Don Elliott, Senior Manager, Regional Housing & CRHC
Concurrence:	David Hennigan, CPA, CMA, Acting Chief Financial Officer
Concurrence:	Kevin Lorette, P.Eng., MBA, Acting Chief Administrative Officer

**ATTACHMENTS:**

Appendix A: Hockley House Resolution of Directors

**CAPITAL REGION HOUSING CORPORATION**  
(the "Borrower")  
CERTIFIED COPY OF  
RESOLUTION OF DIRECTORS

"WHEREAS the Borrower has leased or will be leasing the property at 830 HOCKLEY AVE., VICTORIA, BC legally described as:

**PID: 030-609-062, LOT A SECTION 5 ESQUIMALT DISTRICT PLAN EPP84776** (the "Property") and will be operating a housing project on the Property (the "Project") under the British Columbia Housing Management Commission ("BCHMC") Community Partnership Initiative Program; and

WHEREAS the Borrower needs to borrow money in order to facilitate the leasing of the Project;

BE IT RESOLVED THAT:

1. The Borrower borrow monies as required to facilitate the leasing of the Project and grant to BCHMC a covenant restricting the use of the Property in accordance with the Loan Commitment Letter;
2. The Borrower execute and deliver all documents required by BCHMC or the lender of the monies, including any takeout lender, in such form and containing such terms, covenants, provisos and conditions as are satisfactory to or required by them, including without limitation a lease, section 219 covenant, mortgage, assignment of rents, security agreement (and any assignments, modifications and assumptions thereto as approved by BCHMC) and affordable housing agreement (if applicable) and operator/ operating agreement; and
3. Any two officers or directors of the Borrower for and on behalf of the Borrower be and are hereby authorized to execute and deliver under the seal of the Borrower or otherwise, all such deeds, documents and other writings and to do such acts and things in connection with the Property and the Project as they, in their discretion, may consider to be necessary or desirable for giving effect to this resolution and for the purpose of fulfilling the requirements of BCHMC or the lender of the monies."

I, \_\_\_\_\_, THE UNDERSIGNED, \_\_\_\_\_ of **CAPITAL REGION HOUSING CORPORATION** hereby certify the above to be a true copy of a resolution duly passed by the Directors of the Borrower at a meeting held on the \_\_\_ day of \_\_\_\_\_, 20\_\_ (and sanctioned by a special resolution of the Borrower if such sanction is required), and that such resolution has not been rescinded, amended or modified and is now in full force and effect.

WITNESS my hand this \_\_\_ day of \_\_\_\_\_, 20\_\_.

\_\_\_\_\_  
Witness

\_\_\_\_\_  
(Secretary or President)



Making a difference...together

## REPORT TO HOSPITALS AND HOUSING COMMITTEE MEETING OF WEDNESDAY, FEBRUARY 03, 2021

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**SUBJECT**     **Hockley House Mortgage – Tri-Partite Agreement and Landlord Estoppel Certificate: 830 Hockley Avenue**

### **ISSUE SUMMARY**

BC Housing Management Commission (BCHMC) requires that the Capital Regional District (CRD) Board of Directors authorize the execution of the Tri-Partite Agreement and Landlord Estoppel Certificate in order for the Capital Region Housing Corporation (CRHC) to execute the Hockley House mortgage documents.

### **BACKGROUND**

In November 2018, the Regional Housing First Program (RHFP) partnership approved the Hockley House development project, located at 830 Hockley Avenue, Langford, BC. At the same time the CRHC Board of Directors agreed that the CRHC would be the operator of this property.

The CRD will purchase this property and hold 100% ownership. Canada Housing and Mortgage Corporation (CMHC) will provide a grant for 20% of the units through CMHC's contribution to the RHFP to the CRD. The CRHC will enter into a 60-year prepaid lease agreement with the CRD equal to the amount of the mortgage. The CRHC will also enter into an operator agreement with the CRD to ensure that the CRHC meets the terms of the RHFP. The CRHC will operate 100% of the units and will be responsible for financing the remaining 80% of the cost of the project. This will be financed through the BC Housing Community Partnership Initiative (CPI) Financing Program. Operations and debt financing will be paid for through the tenant rent revenue. No ongoing subsidy is required.

The final project budget is \$32,775,610. The approved project budget included a \$7,200,000 RHFP equity contribution, and a repayable \$25,575,610 mortgage. BC Housing approved this project using the projected interest rate of 2.25%.

At closing (March 2021), the repayable mortgage will be provided initially as short-term financing by BC Housing. BC Housing will undertake a procurement process to place the debt with a lender, and the mortgage will convert to take-out financing in June 2021. From March until June, a variable rate will be charged by BC Housing, and once placed with the lender the rate will become fixed for a term. At the time of take-out financing, the mortgage documents will be modified to reflect the final amount, term, and interest rate.

Mortgage registration requires registration of a Section 219 Covenant granted in favour of BCHMC and registered on title. A Section 219 Covenant is a means of preserving a property's special attribute; in this case, the use of the building for affordable housing. The conditions of the Section 219 Covenant are set out in the CPI Operating Agreement. The CPI Operating Agreement states that the CRHC will provide housing to households with low-to-moderate incomes.

The Tri-Partite Agreement, which forms part of the mortgage documents, is an agreement between the CRD, the CRHC, and BCHMC. This agreement overlaps with the Landlord Estoppel Certificate and is in place because the land and improvements will be leased to the CRHC by the CRD. As a condition of making the loan, the lender wishes to use this Tri-Partite Agreement to set out rights and obligations relating to the lease and mortgage. The agreement will ensure that the lease remains in force and in effect, and the parties agree to keep the lease in good standing. It also prevents the CRHC and the CRD from terminating their lease agreement without written consent of BCHMC.

### **ALTERNATIVES**

#### *Alternative 1:*

The Hospitals and Housing Committee recommends to the Capital Regional District Board: That staff be authorized to execute any agreements with Capital Region Housing Corporation and BC Housing Management Commission and to take steps necessary to conclude the purchase of 830 Hockley Avenue, Langford, BC.

#### *Alternative 2:*

That staff be directed to review other financing options based on Hospitals and Housing Committee direction.

### **IMPLICATIONS**

#### *Financial Implications*

Short-term financing and take-out financing must be secured in order to advance the purchase of 830 Hockley Avenue. The Tri-Partite Agreement and Landlord Estoppel Certificate forms part of the mortgage agreement and is a condition of financing.

### **CONCLUSION**

CRHC must secure short-term and take-out financing to purchase the Hockley House development project. The Tri-Partite Agreement and Landlord Estoppel Certificate must be in place in order to secure financing.

### **RECOMMENDATION**

The Hospitals and Housing Committee recommends to the Capital Regional District Board: That staff be authorized to execute any agreements with Capital Region Housing Corporation and BC Housing Management Commission and to take steps necessary to conclude the purchase of 830 Hockley Avenue, Langford, BC.

Submitted by:	Don Elliott, Senior Manager, Regional Housing & CRHC
Concurrence:	David Hennigan, CPA, CMA, Acting Chief Financial Officer
Concurrence:	Kevin Lorette, P.Eng., MBA, Acting Chief Administrative Officer

**REPORT TO HOSPITALS AND HOUSING COMMITTEE  
MEETING OF WEDNESDAY, FEBRUARY 03, 2021**

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**SUBJECT     Royal Oak Square Refinancing**

**ISSUE SUMMARY**

The Capital Region Housing Corporation's (CRHC) commitment to mortgage financing requires the approval of the CRHC Board of Directors, and the authorization of the Board to permit any two members of the Executive Committee to sign all documentation required to fund the mortgage.

**BACKGROUND**

The Regional Housing First Program (RHFP) was established in 2016 to facilitate the creation of suitable affordable rental housing in the capital region through a Partnering Agreement with the Capital Regional District (CRD), BC Housing Management Commission (BCHMC) and Canada Mortgage and Housing Corporation (CMHC). Each party committed an initial \$30 million (M) in 2016 and an additional \$10M in 2020 to address escalating land acquisition and construction costs.

As part of the \$40M CRD commitment to the RHFP, the CRHC is contributing \$4.5M to be sourced through refinancing existing properties whose mortgages have matured. On August 12, 2020, the CRD Board approved the \$4.5M allocation through the RHFP towards the redevelopment of Michigan Square that will see 97 new affordable rental units developed within two – 4 storey apartments in James Bay.

The CRHC sought mortgage financing proposals from seven financial institutions. The proponents were requested to submit their financing proposals based on a pledge of collateral from the Royal Oak Square and Portage Place properties as required. Mortgage financing was targeting a 25 year amortization with a 5 year initial term. In addition, all fees and document requirements were requested so that CRHC would be able to calculate the overall cost of the mortgage.

All proponents submitted responses. The responses were assessed based on a total cost of financing basis. The most competitive total cost of financing submission came from the Toronto-Dominion Bank, whose proposed terms are as follows (rates are subject to change based on future general economic conditions):

**Toronto-Dominion Bank**

CMHC-insured mortgage: \$4,500,000

25 years with a 5 year initial term

Proposed financing rate: 1.25%

Total Cost of Financing - Effective Rate (includes impact of all fees): 1.27%

TD application fee: \$6,750

CMHC insurance premium: \$76,500

## **ALTERNATIVES**

### *Alternative 1*

The Hospitals and Housing Committee recommends to the Capital Region Housing Corporation Board:

That staff be authorized to apply for, accept and execute all documents related to a \$4,500,000 Canada Mortgage and Housing Corporation insured mortgage with the Toronto-Dominion Bank.

### *Alternative 2*

That the Royal Oak Square Refinancing report be referred back to staff for additional information based on Hospitals and Housing Committee direction.

## **IMPLICATIONS**

The Toronto-Dominion Bank CMHC-insured mortgage is the most competitively priced option based on an assessment of the mortgage interest rate, although these interest rates are estimates only and will not be confirmed until the loan application is submitted and processed closer to the date of funding in mid-2021. Also the application fee is a key component of the cost of procuring funding impacting the total cost of financing. After detailed review of all submissions, the Toronto-Dominion Bank is considerably more competitive compared to all other proposals submitted on a total cost of financing basis. The CMHC application process takes approximately four to six months to complete. The application process is led by the bank selected to fund this project.

The approximate mortgage payments required by this refinancing are anticipated to be \$215,000 per year. Royal Oak Square had operating cashflows in 2019 of \$288,000, which would represent a debt servicing ratio of 1.3, and should satisfy the lender's requirements. If operating cashflows at Royal Oak Square do not meet lender requirements, CRHC may be required to encumber Portage Place as additional collateral. Portage Place had operating cashflows of \$120,000 in 2019.

By pursuing a CMHC-insured mortgage, the Royal Oak Square and Portage Place (if required) properties' equity will be encumbered and hence not available for other uses. The benefits of the CMHC-insured mortgage are access to extremely low interest rates and more forgiving debt covenants governing the mortgage contract. The proceeds of the mortgage on these properties will be available to finance the construction of the Michigan Square project.

## **CONCLUSION**

CRHC has committed to allocating \$4.5M as part of the CRD's overall contribution to the RHFP. Staff have obtained competitive bids from a variety of financial institutions to borrow the equity from the Royal Oak property. The Toronto-Dominion Bank CMHC-insured mortgage option is the most financially competitive option received on a total cost of financing basis.

**RECOMMENDATION**

The Hospitals and Housing Committee recommends to the Capital Region Housing Corporation Board:

That staff be authorized to apply for, accept and execute all documents related to a \$4,500,000 Canada Mortgage and Housing Corporation insured mortgage with the Toronto-Dominion Bank.

Submitted by:	Don Elliott, Senior Manager, Regional Housing & CRHC
Concurrence:	Rianna Lachance, BCom, CPA, CA, Acting Chief Financial Officer
Concurrence:	Kevin Lorette, P.Eng., MBA, Acting Chief Administrative Officer



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## REPORT TO HOSPITALS AND HOUSING COMMITTEE MEETING OF WEDNESDAY, FEBRUARY 03, 2021

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**SUBJECT**    1114 Rockland Housing Agreement and Bylaw

### **ISSUE SUMMARY**

The *Local Government Act* requires a bylaw to enable the Capital Regional District (CRD) to enter into a developer-initiated housing agreement to administer two below-market home ownership units at a housing development proposed for 1114 Rockland Avenue in Victoria.

### **BACKGROUND**

The CRD currently administers the resale control agreements on a number of below-market home ownership units within existing and proposed housing developments throughout the region.

The CRD's Regional Housing Division has been in discussions with the City of Victoria and RTR Properties (the Developer) regarding a proposed housing development that will include two price-restricted, below-market one-bedroom units as part of the project. The City of Victoria and the Developer have requested the CRD administer resales of the below-market units.

The units are part of a proposed development located at 1114 Rockland Avenue in the City of Victoria. The terms of the Bylaw and Housing Agreement (Appendix A) require all sales of below-market units be restricted to a sale price no higher than 90% of market value, as determined by an appraisal. Initial and subsequent sales will require a qualifying income level, which can be responsive to market conditions as they relate to increases in cost of living as determined by Statistics Canada.

A resale control and administrative procedure based on best practice has been prepared within the Agreement to ensure the units may only be sold as described, and, in cases of hardship, may be rented at a below-market rate for up to two years at which time they must be re-occupied with an approved occupant or relisted for sale. The Agreement provides for cost-recovery measures to pay for the CRD's administrative services. Staff are taking the same resale control approach consistent with projects previously approved by the CRD Board whereby, in the event the owner is in default with the terms of the agreement, the CRD may take control in its own name in order to most effectively administer the provisions for any below-market unit.

The City of Victoria and the Developer have requested the CRD adopt this Agreement as a covenant and housing agreement within Section 483 of the *Local Government Act*, which further requires the CRD to do so by way of bylaw.

In this case, the Developer does not yet have ownership of the property being considered for rezoning. In order to provide assurance to the current property owner, the CRD has provided the Developer with a letter of assurance that the CRD will remove the covenant should the City of Victoria decide not to approve the rezoning application.

### **ALTERNATIVES**

#### *Alternative 1*

The Hospitals and Housing Committee recommends to the Capital Regional District Board:

- a) That Bylaw No. 4398, "Resale Control and Housing Agreement Bylaw (1114 Rockland Avenue), 2021" be introduced and read a first, second and third time; and
- b) That Bylaw No. 4398 be adopted.

*Alternative 2*

The 1114 Rockland Avenue Housing Agreement and Bylaw report be referred back to staff with alternative direction from the Hospitals and Housing Committee.

**IMPLICATIONS**

*Financial Implications*

The CRD is assessing a one-time \$3,500 fee to the Developer to cover CRD costs associated with setting up the Housing Agreement and facilitating the approval of the bylaw. Administration of the resale control function and ensuring compliance with the terms of use of the affordable units has a cost associated with it, which is factored into the program by charging the buyer a fee of 0.5% of the gross selling price of the unit at time of completion (e.g., \$1,500 on a \$300,000 sale). Staff review and monitor the administration of previously approved projects on the basis of the amount of staff time and other resources in order to ensure full cost recovery for the provided service. It should be noted that the administration fee will change with market fluctuations, where required.

*Social Implications*

For the households who become able to purchase and occupy these units through a discounted price, the economic implications of home ownership will be significant. The measure of resale control allows the homeowner the opportunity to build a modest level of equity while also providing them with security of tenure.

**CONCLUSION**

The CRD has experience unique in the region, and the potential to enter into agreements with developers to administer the sale of affordable home ownership units aligns with the goals and objectives of the Regional Housing Affordability Strategy. The Developer and CRD staff have negotiated the Agreement and the Developer has recommended a household income limit that has been identified as acceptable and will be presented to City of Victoria Council within the rezoning application. The Agreement includes the terms of use and matters related to the resale of units, and the Developer has executed the Agreement. The CRD has developed administrative procedures that ensure unit use conforms to the Agreement terms, provides reasonable authority for the CRD to act when use is non-conforming and provides the CRD adequate cost recovery for the administration of the program.

**RECOMMENDATION**

The Hospitals and Housing Committee recommends to the Capital Regional District Board:

- a) That Bylaw No. 4398, “Resale Control and Housing Agreement Bylaw (1114 Rockland Avenue), 2021” be introduced and read a first, second and third time; and
- b) That Bylaw No. 4398 be adopted.

Submitted by:	Don Elliott, MUP, Senior Manager, Regional Housing
Concurrence:	Kevin Lorette, P. Eng., MBA, General Manager, Planning & Protective Services
Concurrence:	Kristen Morley, J.D., General Manager, Corporate Services & Corporate Officer
Concurrence:	Kevin Lorette, P. Eng., MBA, Acting Chief Administrative Officer

**ATTACHMENT**

Appendix A – Bylaw No. 4398 “Resale Control and Housing Agreement Bylaw (1114 Rockland Avenue), 2021”

**CAPITAL REGIONAL DISTRICT  
BYLAW NO. 4398**

\*\*\*\*\*

**A BYLAW TO AUTHORIZE A HOUSING AGREEMENT (1114 ROCKLAND AVENUE)**

\*\*\*\*\*

**WHEREAS:**

- A. The owner of land legally described as Lot 1576, Victoria City, PID: 005-212-332 wishes to develop it in the City of Victoria to provide, among a strata development of market housing, two (2) units of affordable housing;
- B. Under the *Local Government Act*, RSBC 2015, c 1, section 483, the Capital Regional District may enter into an agreement, by bylaw, to ensure the availability of the housing units to certain classes of persons identified in the agreement, the administration and management of the units, rents, leases, and sale prices that may be charged, and the rates at which these may be increased over time as specified in the agreement or as determined by a formula; and under the *Land Title Act*, RSBC 1996, c 250, section 219, it may place a covenant on property to restrict its use and alienation; and
- C. Whereas the Capital Regional District Board wishes to enter into such a housing agreement and covenant to secure the affordable housing;

**NOW THEREFORE**, the Capital Regional District Board in open meeting enacts as follows:

- 1 The Capital Regional District is authorized to enter into the *Local Government Act* section 483 housing agreement and *Land Title Act* section 219 covenant attached to this Bylaw as Appendix 1 (the "Housing Agreement").
- 2 The Chair of the Capital Regional District is authorized to execute the Housing Agreement and the Corporate Officer or designate is authorized to sign and file in the Land Title Office a notice of the Housing Agreement, as required by the *Local Government Act*.
- 3 This bylaw may be cited for all purposes as "Resale Control and Housing Agreement Bylaw (1114 Rockland Avenue), 2021".

READ A FIRST TIME THIS	___	day of	2021
READ A SECOND TIME THIS	___	day of	2021
READ A THIRD TIME THIS	___	day of	2021
ADOPTED THIS	___	day of	2021

\_\_\_\_\_  
CHAIR

\_\_\_\_\_  
CORPORATE OFFICER

**LAND TITLE ACT**  
**FORM C (Section 233) CHARGE**  
**GENERAL INSTRUMENT - PART 1 Province of British Columbia**

PAGE 1 OF 22 PAGES

Your electronic signature is a representation that you are a designate authorized to certify this document under section 168.4 of the *Land Title Act*, RSBC 1996 c.250, that you certify this document under section 168.41(4) of the act, and that an execution copy, or a true copy of that execution copy, is in your possession.

--

1. APPLICATION: (Name, address, phone number of applicant, applicant's solicitor or agent)

**Farris LLP****Barristers and Solicitors****3rd Floor-1005 Langley Street****Victoria****BC V8W 1V7**

Telephone: (250) 382-1100

File: 43510-0008

Deduct LTSA Fees? Yes 

2. PARCEL IDENTIFIER AND LEGAL DESCRIPTION OF LAND:

[PID]

[LEGAL DESCRIPTION]

**005-212-332 LOT 1576 VICTORIA CITY**STC? YES 

3. NATURE OF INTEREST

CHARGE NO.

ADDITIONAL INFORMATION

**SEE SCHEDULE**

4. TERMS: Part 2 of this instrument consists of (select one only)

(a)  Filed Standard Charge Terms D.F. No.(b)  Express Charge Terms Annexed as Part 2

A selection of (a) includes any additional or modified terms referred to in Item 7 or in a schedule annexed to this instrument.

5. TRANSFEROR(S):

**RTR PROPERTIES LTD. (INC. NO. BC0707996)**

6. TRANSFEREE(S): (including postal address(es) and postal code(s))

**CAPITAL REGIONAL DISTRICT****625 FISGARD STREET****VICTORIA****BRITISH COLUMBIA****V8W 1R7****CANADA**

7. ADDITIONAL OR MODIFIED TERMS:

n/a

8. EXECUTION(S): This instrument creates, assigns, modifies, enlarges, discharges or governs the priority of the interest(s) described in Item 3 and the Transferor(s) and every other signatory agree to be bound by this instrument, and acknowledge(s) receipt of a true copy of the filed standard charge terms, if any.

Officer Signature(s)

\_\_\_\_\_

**Execution Date**

Y	M	D
21		

Transferor(s) Signature(s)

**RTR Properties Ltd.**  
 by its authorized signatory(ies):

 \_\_\_\_\_  
 Print name:

 \_\_\_\_\_  
 Print name:
**As to all signatures**

OFFICER CERTIFICATION:

Your signature constitutes a representation that you are a solicitor, notary public or other person authorized by the *Evidence Act*, R.S.B.C. 1996, c.124, to take affidavits for use in British Columbia and certifies the matters set out in Part 5 of the *Land Title Act* as they pertain to the execution of this instrument.

**LAND TITLE ACT  
FORM D**

**EXECUTIONS CONTINUED**

Officer Signature(s)

**Execution Date**

Transferor / Borrower / Party Signature(s)

\_\_\_\_\_

**Y M D**

21

CAPITAL REGIONAL DISTRICT  
by its authorized signatory(ies):

\_\_\_\_\_  
Print name:

\_\_\_\_\_  
Print name:

as to all signatures

\_\_\_\_\_

\_\_\_\_\_

**OFFICER CERTIFICATION:**

Your signature constitutes a representation that you are a solicitor, notary public or other person authorized by the *Evidence Act*, R.S.B.C. 1996, c.124, to take affidavits for use in British Columbia and certifies the matters set out in Part 5 of the *Land Title Act* as they pertain to the execution of this instrument.

**LAND TITLE ACT  
FORM E****SCHEDULE**

PAGE 3 OF 22 PAGES

NATURE OF INTEREST

CHARGE NO.

ADDITIONAL INFORMATION

Covenant

Section 219  
Page 8, paragraph 2.1

NATURE OF INTEREST

CHARGE NO.

ADDITIONAL INFORMATION

Rent Charge

Page 12, paragraph 2.4

NATURE OF INTEREST

CHARGE NO.

ADDITIONAL INFORMATION

Option to Purchase

Page 14, paragraph 3.1

NATURE OF INTEREST

CHARGE NO.

ADDITIONAL INFORMATION

NATURE OF INTEREST

CHARGE NO.

ADDITIONAL INFORMATION

NATURE OF INTEREST

CHARGE NO.

ADDITIONAL INFORMATION

## TERMS OF INSTRUMENT – PART 2

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### SECTION 219 COVENANT AND HOUSING AGREEMENT

#### WHEREAS:

- A. RTR Properties Ltd. (the “**Developer**”) is the registered owner of the Lands described in Item 2 of Part 1 of this General Instrument and the Developer intends to complete a 22 unit condominium project on the Lands (the “**Strata Development**”) and shall designate two (2) Affordable Units of the strata lots to be created by the strata plan for the Strata Development as the Affordable Units to which strata lots this Agreement will apply.
- B. The Developer intends to build the Affordable Unit to ensure the availability of affordable housing in Victoria British Columbia.
- C. To ensure that the Affordable Unit continues to be available as affordable housing, the Developer has agreed to grant the Capital Regional District (“**CRD**”):
- (a) a covenant under Section 219 of the *Land Title Act* (the “**Covenant**”) and a housing agreement under Section 483 of the Local Government Act setting out, amongst other things, the procedure to be followed in connection with any sale of an Affordable Unit as well as restrictions on the sale price on use and rental of the Affordable Unit;
  - (b) an option to purchase an Affordable Unit if it is sold, rented or used in breach of the Covenant; and
  - (c) Notice of Housing Agreement:

For clarity, the Owner acknowledges and agrees that:

- (i) this Agreement constitutes both a covenant under Section 219 of the *Land Title Act* and a housing agreement entered into under Section 483 of the *Local Government Act*;
- (ii) the CRD is required to file a notice of housing agreement in the Land Title Office against title to the Land; and
- (iii) once such notice is filed, this Agreement binds all persons who acquire an interest in the Land as a housing agreement under Section 483 of the *Local Government Act*.

NOW THEREFORE in consideration of the mutual covenants set out below and other good and valuable consideration (the receipt and sufficiency of which are acknowledged by each of the parties), the parties agree as follows:

## **SECTION 1. INTERPRETATION**

### **1.1 Definitions.** In this Agreement:

- 1.1.1 “Affordable Unit” or “Affordable Units” shall mean the two (2) strata lots to be designated by the Developer within the Strata Development as the strata lots to which this Agreement shall apply;
- 1.1.2 “Affordable Rate” means a rate determined from time-to-time by the NPO in its sole discretion with reference to BC Government guidelines, if any;
- 1.1.3 “Agreement” means Parts 1 and 2 of this General Instrument;
- 1.1.4 “Appraisal” has the meaning stated in Section 2.2;
- 1.1.5 “Appraisal Review Period” has the meaning stated in Section 2.2.4.1;
- 1.1.6 “Appraiser” means an appraiser accredited by the Appraisal Institute of Canada and duly qualified to appraise an Affordable Unit and on an approved list maintained by the NPO, if any;
- 1.1.7 “Approved Lender” means an “approved lender” (as defined in the *National Housing Act*, R.S.C. 1985, c. N-11) which holds an Insured Mortgage of an Affordable Unit;
- 1.1.8 “Below Market Value” means 90% of the Fair Market Value of the Affordable Unit from time to time;
- 1.1.9 “Business Day” means any day other than Saturday, Sunday or a statutory holiday in the Province of British Columbia;
- 1.1.10 “Closing Date” means the 30th day after the Notice Date, or the first Business Day thereafter that the LTO is open for business to the public;
- 1.1.11 “CMHC” means Canada Mortgage and Housing Corporation or any successor thereto;
- 1.1.12 “Covenant” has the meaning stated in Recital C and is the covenant set out in Section 2.1;
- 1.1.13 “CRD” has the meaning stated in Recital C;
- 1.1.14 “Developer” has the meaning stated in Recital A;
- 1.1.15 “Environmental Law” means any applicable federal, provincial or municipal laws pertaining to the presence, handling, release or removal of Hazardous Substances;
- 1.1.16 “Fair Market Value” of an Affordable Unit means the purchase price from time to time which a willing purchaser would pay to a willing vendor, dealing at arm’s length from

- each other, for an Affordable Unit, unencumbered with the exception of Permitted Encumbrances and without the benefit of a parking stall or other parking entitlement;
- 1.1.17 “General Instrument - Part 1” means the General Instrument - Part 1 to which this Terms of Instrument - Part 2 is attached;
- 1.1.18 “Hazardous Substances” collectively means contaminants, pollutants or other substances which are hazardous or dangerous to the health of humans, animals or plants or to the environment and includes substances defined as hazardous substances or special waste under any law, regulation or order of a Statutory Authority;
- 1.1.19 “Immediate Family” means grandparent, parent, sibling, spouse, common-law partner, son or daughter;
- 1.1.20 “Insured Mortgage” means a mortgage insured pursuant to the *National Housing Act*, R.S.C. 1985, c. N-11;
- 1.1.21 “LTO” means the Land Title Office for the jurisdiction in which an Affordable Unit is located;
- 1.1.22 “Notice” means any written notice which CRD may deliver to the Owner under Section 3.3, exercising the Option;
- 1.1.23 “Notice Date” means the day on which the Owner is deemed by Section 6.2 to have received the Notice;
- 1.1.24 “NPO” means the Capital Region Housing Corporation or other non-profit housing organization or Person retained by CRD from time to time to administer the sale of the Affordable Units and to manage the rental of the Affordable Units;
- 1.1.25 “NPO Appraisal” has the meaning stated in Section 2.2.4.1;
- 1.1.26 “Offer” has the meaning stated in Section 2.2;
- 1.1.27 “Option” means the option to purchase granted by the Developer and the Owner to CRD under Section 3.1;
- 1.1.28 “Option Purchase Price” means:
- (1) 90% of the Below Market Value; or
  - (2) if the Owner has granted a bona fide arm’s length mortgage or mortgages of the Affordable Unit to an Approved Lender which, as at the Closing Date, secures in aggregate an amount which exceeds 95% of the Below Market Value, the amount owing under and required to discharge the mortgage or mortgages to the Approved Lender as at the Closing Date;
- 1.1.29 “Owner” means the registered owner of an Affordable Unit from time to time and includes the Developer in its capacity as developer of the Affordable Units until the first

conveyance to a Qualified Buyer, and their respective heirs, legal representatives, successors and assigns;

- 1.1.30 "Permitted Encumbrances" means those charges or encumbrances stated in Schedule "A" and any other encumbrances approved as required by the City of Victoria or Developer from time to time to complete the Strata Development or as in writing by CRD but shall not include any mortgage or other financial encumbrance and shall not include this Agreement;
- 1.1.31 "Person" means any individual, society, corporation, partnership, trustee, administrator, legal representative, Statutory Authority or other legal entity;
- 1.1.32 "Personal Property" means all lighting fixtures, appliances, equipment, cabinetry, affixed carpeting, drapes and blinds located within an Affordable Unit (except to the extent otherwise agreed in writing by CRD) but does not include an Owner's personal effects;
- 1.1.33 "Proceeding" has the meaning stated in Section 2.3.1;
- 1.1.34 "Project" means the Strata Development of which the Affordable Units will be a part and comprises all of the Lands referred to in Item 2 of the General Instrument – Part 1;
- 1.1.35 "Property" means the Affordable Unit and all Personal Property within the Affordable Unit;
- 1.1.36 "Qualified Buyer" means an individual who meets the criteria stated in Schedule "B";
- 1.1.37 "Statutory Authority" means any federal, provincial or municipal governmental authority which has jurisdiction over any matter referred to in this Agreement;
- 1.1.38 "Term" means the period commencing on the date of registration of this Agreement in the LTO and ending on the earlier of (a) the date which is ninety- nine (99) years thereafter, and (b) the date of any destruction or statutorily deemed destruction of the Project;
- 1.1.39 "Transaction" means the transfer of an Affordable Unit from the Owner to CRD;
- 1.1.40 "Transfer" means an instrument in a statutorily prescribed form by which the Owner transfers title to the Affordable Unit to CRD.

1.2 **Time.** Time will be of the essence of this Agreement. If any party expressly or impliedly waives this requirement, that party may reinstate it by delivering notice to the other party. If a time is specified in this Agreement for observing or performing any obligation, such time will be local time in Victoria, British Columbia.

1.3 **Governing Law.** This Agreement will be governed by and construed and enforced in accordance with the laws of British Columbia and the laws of Canada applicable in British Columbia.

- 1.4 **References.** In this Agreement, words importing the singular include the plural and vice versa, and words importing gender include all genders.
- 1.5 **Construction.** The division of this Agreement into sections and the use of headings are for convenience of reference only and are not intended to govern, limit or aid in the interpretation of this Agreement. The wording of this Agreement will be construed simply, according to its fair meaning, and not strictly for or against any party.
- 1.6 **Validity of Provisions.** If a Court of competent jurisdiction finds that any provision contained in this Agreement is invalid, illegal or unenforceable, such invalidity, illegality or unenforceability will not affect any other provision of this Agreement which will be construed as if such invalid, illegal or unenforceable provision had never existed and such other provisions will be enforceable to the fullest extent permitted at law.
- 1.7 **No Waiver.** Failure by either party to exercise any of its rights, powers or remedies hereunder or its delay to do so, will not be interpreted as a waiver of those rights, powers or remedies except in the case of a written waiver. No waiver of a particular right will be deemed to be a waiver of that right in any other instance or a waiver of any other right.
- 1.8 **Statutes.** Any reference to a statute and to any regulations under that statute means the statute and regulations as amended or replaced from time to time.
- 1.9 **Remedies.** Any party to this Agreement, in addition to its rights under this Agreement or at law, will be entitled to all equitable remedies including specific performance, injunction and/or declaratory relief, to enforce its rights under this Agreement. No reference to or exercise of any specific right or remedy under this Agreement or at law or in equity by any party will prejudice or preclude that party from exercising any other such right or remedy. No such right or remedy will be exclusive or dependent upon any other such right or remedy, but any party, from time to time, may exercise any one or more of such rights or remedies independently, successively or in combination. The Owner acknowledges that specific performance, injunctive relief (mandatory or otherwise) or other equitable relief may be the only adequate remedy for a default by the Owner under this Agreement.
- 1.10 **Schedules.** The following Schedules are attached to and form integral parts of this Agreement:

Schedule "A" Permitted Encumbrances  
Schedule "B" Qualified Buyer Criteria

## **SECTION 2. SECTION 219 COVENANT**

- 2.1 **Covenant.** The Owner hereby covenants with CRD that:
- (a) the Affordable Unit will not be sold, assigned or otherwise transferred otherwise than:
    - (i) to a Qualified Buyer;
    - (ii) for a selling price not greater than the Below Market Value;

- (iii) subject to the Covenant and the Option; and
- (iv) in a way which complies with Section 2.2, or to CRD under Section 3;
- (b) the Affordable Unit will not at any time be subject to a conventional high ratio mortgage or mortgages which, in total, secure an amount which exceeds 95% of the Below Market Value; and
- (c) the Owner shall not permit (whether by renting or otherwise) any person other than the Owner and members of the owner's Immediate Family to occupy the Affordable Unit, and shall not use or permit the premises to be used solely for conducting a business or profession,

and the Owner and CRD agree that, subject to Section 2.3 the covenant set out above will be registered as a charge against the Affordable Unit and run with the Affordable Unit for the Term.

## 2.2 **Procedure for Sale of Affordable Unit.**

### 2.2.1 **Owner Notifies NPO of Intention to Sell.**

If at any time after the first conveyance of an Affordable Unit by the Developer, the Owner wishes to sell, assign or otherwise transfer the Affordable Unit, the Owner will do so in accordance with a bona fide arm's length agreement of purchase and sale (or as a court may order in a proceeding to enforce a mortgage of the Affordable Unit) and the Owner will, prior to:

- (a) listing or offering the Affordable Unit for sale; or
- (b) accepting an offer to purchase the Affordable Unit,

deliver to the NPO written notice of their intention to sell an Affordable Unit, such notice to be in the form required by the NPO.

### 2.2.2 **Owner Retains Appraiser.**

Within 7 days after the Owner notifies the NPO of their intention to sell an Affordable Unit, the Owner will select an Appraiser to be retained by the Owner to undertake an appraisal (the "Owner Appraisal") of the Fair Market Value of the Affordable Unit. The Owner will deliver a copy of the Owner Appraisal to the NPO within 7 days after the Owner receives the Owner Appraisal.

### 2.2.3 **Owner and NPO Agree on Maximum Selling Price.**

If the Owner and the NPO agree within 7 days after the Owner Appraisal is delivered to the NPO that the Fair Market Value of the Affordable Unit is as stated in the Owner Appraisal, the Fair Market Value stated in the Owner Appraisal, less 10%, will be the

maximum price at which the Owner will be permitted to sell the Affordable Unit during a period of 6 months commencing on the effective date of the Owner Appraisal.

**2.2.4 Owner and NPO Do Not Agree on Maximum Selling Price.**

2.2.4.1 If the Owner and the NPO do not agree within 7 days (the “Appraisal Review Period”) after the Owner Appraisal is delivered to the NPO that the Fair Market Value of the Affordable Unit is as stated in the Owner Appraisal, the NPO will retain its own Appraiser to undertake an appraisal (the “NPO Appraisal”) of the Fair Market Value of the Affordable Unit in which case the average of the Fair Market Value stated in the Owner Appraisal and the NPO Appraisal, less 10%, will be the maximum price at which the Owner will be permitted to sell the Affordable Unit during a period of 6 months commencing on the effective date of the NPO Appraisal.

2.2.4.2 The NPO will deliver a copy of the NPO Appraisal to the Owner within 7 days after the NPO receives the NPO Appraisal.

2.2.4.3 If the NPO Appraisal is not delivered to the Owner within 30 days after the end of the Appraisal Review Period, the Fair Market Value stated in the Owner Appraisal, less 10%, will be the maximum price at which the Owner will be permitted to sell the Affordable Unit during a period of 6 months commencing on the effective date of the Owner Appraisal.

**2.2.5 Owner Responsible for Appraisal Costs.**

The Owner will be responsible for the cost of both the Owner Appraisal and the NPO Appraisal. If the cost of the NPO Appraisal is initially paid by the NPO, the Owner will reimburse the NPO for the cost of the NPO Appraisal within 30 days after demand by the NPO. If any amount owed by the Owner to the NPO with respect to the NPO Appraisal is not paid prior to the completion of the sale of the Affordable Unit by the Owner, a portion of the sale proceeds equal to the amount owing to the NPO will be deemed to have been irrevocably assigned by the Owner to the NPO.

**2.2.6 NPO Notifies Owner of Maximum Selling Price.**

Within 7 days after the Fair Market Value of the Affordable Unit has been determined under Section 2.2.3 or 2.2.4, the NPO will notify the Owner of the maximum price, determined under Section 2.2.3 or 2.2.4, at which time the Owner will be permitted to offer to sell the Affordable Unit, which price shall be deemed to be its Below Market Value.

**2.2.7 Owner to Deliver True Copy of Sale Contract to NPO.**

The Owner will immediately deliver a true copy of any contract of purchase and sale which the Owner may enter into with respect to the sale of the Affordable Unit or any interest therein (the “Sale Contract”). The Owner will deliver to the NPO with the Sale Contract, or upon the request of the NPO, such information with respect to the buyer

named in the Sale Contract as the NPO may reasonably require to determine whether the buyer is a Qualified Buyer.

**2.2.8 Terms to be Included in Sale Contract.**

The Sale Contract will be in writing and will:

- (a) be for a selling price not greater than the Below Market Value of the Affordable Unit;
- (b) be subject to the NPO determining and notifying the Owner in writing (within a period of 10 Business Days after the NPO receives a true copy of the Sale Contract) that (1) the Owner has complied with the requirements of this Section 2.2, and (2) the buyer is a Qualified Buyer, failing which the Sale Contract will be null and void; and
- (c) include a statement that the buyer agrees to purchase the Affordable Unit subject to the Covenant, the Option and all other terms of this Agreement.

**2.2.9 No Sale after 6 Months Without New Appraisal.**

The NPO will not be obligated to review or make any determination with respect to a Sale Contract as stated in subsection 2.2.8(b) above if the date of receipt by the NPO of a true copy of the Sale Contract and any other information required by the NPO under Section 2.2.7 is after the expiry of the 6 month period during which the Owner is permitted to sell the Affordable Unit. If the 6 month period has expired, the process under Section 2.2 will begin again, with the Owner giving fresh notice to the NPO of their intention to sell the Affordable Unit.

**2.2.10 CRD Will Notify Owner of Change in NPO.**

CRD will notify the Owner in writing of any appointment or replacement of an NPO and of the address to which notices to the NPO will be sent.

**2.2.11 Fee to NPO**

The NPO will be entitled to payment of a fee equal to 0.5% of the gross selling price of an Affordable Unit, such fee to be paid on closing of the sale of such Affordable Unit by the Owner and a portion of the sale proceeds equal to the amount owing to the NPO will be deemed to have been irrevocably assigned by the Owner to the NPO.

**2.3 Procedure for Foreclosure.**

**2.3.1 CRD Right to Market and Sell.**

If the Approved Lender or CMHC commences a foreclosure proceeding (the "Proceeding") under an Insured Mortgage of the Affordable Unit the Owner covenants and agrees with CRD that:

- (a) the Owner shall notify CRD of the Proceeding;
- (b) at the time which is the midpoint of any redemption period (the "Redemption Period") ordered in the Proceeding, CRD shall have the right and may apply for an order in the Proceeding, unopposed by the Owner, to market and sell the Affordable Unit in accordance with Section 2.1(a)(i), (ii), (iii) and (iv);
- (c) on receipt of the order in the Proceeding under Section 2.3.1(b) CRD shall have the right to enter into an agreement with a licensed realtor to market and sell the Affordable Unit at the prevailing commission or fee; and
- (d) the Owner shall provide reasonable access to the Affordable Unit by CRD, the licensed realtor and any prospective purchaser of the Affordable Unit for the purpose of repairing, cleaning, appraising, marketing and selling the Affordable Unit.

### **2.3.2 CMHC Notice to CRD.**

In the event that CRD does not sell the Affordable Unit pursuant to Section 2.3.1, CMHC or the Approved Lender may, 120 days after expiry of the Redemption Period ordered in the Proceeding, issue a 30 day notice (the "Notice Period") to CRD to redeem the Insured Mortgage. In the event that CRD does not redeem the Insured Mortgage within the Notice Period, CRD shall cause this Agreement to be discharged from title to the Affordable Unit at the LTO within 7 days of expiry of the Notice Period.

### **2.3.3 CMHC Sale.**

In the event that the Affordable Unit is sold by the Approved Lender or CMHC after discharge of this Agreement from title to the Affordable Unit and such sale generates funds in excess of the balance owing under the Insured Mortgage and related costs, including charges, taxes, commissions and utilities regarding the Affordable Unit, such excess funds shall forthwith be paid to CRD, for its own use absolutely. This Section 2.3.3 shall bind the Owner, the Approved Lender, CMHC (where CMHC has a mortgage loan insurance policy in force for the Affordable Unit) and CRD both before and after discharge of this Agreement from title to the Affordable Unit.

## **2.4 Procedure for Rental and Recovery of Rent Charges.**

### **2.4.1 Rental Prohibited.**

2.4.1.1 All rentals of the Affordable Units are prohibited except:

- (a) In the case of hardship, as decided by the NPO in its sole discretion, and on making an application to the NPO in the form provided by the NPO, if any, an Affordable Unit may be rented at an Affordable Rate for a period no shorter than six months; or
- (b) If a qualified buyer cannot be located, as decided by the NPO in its sole discretion, and on making an application to the NPO in the form

provided by the NPO, if any, an Affordable Unit may be rented at an Affordable Rate for a period no shorter than six months.

2.4.1.2 The maximum term of any rental shall be two years, at which point the Affordable Unit must be listed for sale in accordance with section 2.2. Rental may continue at an Affordable Rate at the discretion of the NPO. If hardship continues or a qualified buyer cannot be located after this listing, additional sales listings may be required at any time at intervals decided by the NPO at its discretion.

2.4.1.3 Any tenancy shall be governed by an agreement under the *Residential Tenancy Act* (BC) which shall include the following provisions:

- (a) permitting the Owner to terminate the tenancy agreement in accordance with the *Residential Tenancy Act* if the tenant uses or occupies, or allows use or occupation of, the Affordable Unit in breach of the use or occupancy restrictions contained in this Agreement;
- (b) explicitly prohibiting the assignability, sub-letting, and use of the Affordable Unit for short term vacation rentals;
- (c) explicitly specifying that only persons named in the tenancy agreement may occupy the Affordable Unit;
- (d) providing that the Owner will have the right, at its option, to terminate the tenancy agreement should the tenant remain absent from the Affordable Unit for three consecutive months or longer, notwithstanding the timely payment of rent;
- (e) prohibiting guests residing in the Affordable Unit for more than 30 days, whether or not consecutive, in any 12 month period without the prior written consent of the Owner; and
- (f) prohibiting use of the Affordable Unit for non-residential rentals, assignments, sub-lets, licenses and uses, such as vacation rentals, including such services as AirBNB or Vacation Rental By Owner, short term licenses, or short-stay use of any kind, and business-only premises.

2.4.1.4 The Owner will terminate the tenancy if the tenant uses or occupies, or allows use or occupancy in breach of the use and occupancy restrictions in this Agreement.

## **2.4.2 Rent Charge and Acknowledgement.**

2.4.2.1 The Owner acknowledges that the CRD requires affordable housing to ensure prosperity and economic growth for the residents of the Capital Region. The Owner acknowledges the purpose of the Affordable Unit is to provide affordable housing to residents of the Capital Region, and it is not to be used for a short

term vacation rental or left as a vacant home. The Owner therefore agrees that for each day an Affordable Unit is occupied in breach of this Agreement, the Owner will pay to the CRD \$150 for each day on which the breach has occurred and continues to occur, as liquidated damages and not as a penalty, due and payable at the offices of the CRD on the last day of the calendar month in which the breach occurred. The \$150 per day amount will increase on January 1 of each year by the amount calculated by multiplying the amount per day payable on the previous January 1 by the percentage increase between that previous January 1 and the immediately preceding December 31 in the CPI.

2.4.2.2 The Owner hereby grants to the CRD a rent charge under s. 219 of the *Land Title Act* (British Columbia), and at common law, securing payment by the Owner to the CRD of the amount payable by the Owner pursuant to section 2.4.2 of this Agreement. The Owner agrees that the CRD, at its option, may enforce payment of such outstanding amount in a court of competent jurisdiction as a contract debt, by an action for and order for sale, by proceedings for the appointment of a receiver, or in any other method available to the CRD in law or in equity.

### **SECTION 3. OPTION TO PURCHASE**

- 3.1 **Option to Purchase**. The Owner hereby grants CRD an exclusive and irrevocable option to purchase the Affordable Unit during the Term at the Option Purchase Price in accordance with Sections 3 and 4.
- 3.2 **Exercise of Option**. CRD may exercise the Option only if the Owner:
- (a) defaults in its obligations under Sections 2.1 or 2.2; or
  - (b) acquired the Affordable Unit from a previous Owner for a price which was, as of the date of closing of that transaction, greater than the Below Market Value or if the Owner was not, as of that date, a Qualified Buyer; or
  - (c) defaults in its obligations under any mortgage of the Affordable Unit.
- 3.3 **Method of Exercise of Option**. CRD may exercise the Option by delivering Notice of exercise of the Option to the Owner.
- 3.4 **Effect of Exercise of Option**. From and after the Notice Date, this Agreement and the Notice will together constitute a binding and enforceable contract between the Owner and CRD for the purchase and sale of the Affordable Unit in accordance with the terms and conditions of Section 4.

### **SECTION 4. PURCHASE AND SALE**

- 4.1 **Purchase and Sale**. Subject to the terms and conditions of this Section 4 and relying on the warranties and representations herein set out, the Owner agrees to sell and CRD agrees to

purchase the Affordable Unit on the Closing Date for the Option Purchase Price, and the Owner agrees that, at the request of CRD, it will transfer registered title to the Affordable Unit to CRD or such other Person as CRD may designate.

- 4.2 **Option Purchase Price.** CRD will pay the Option Purchase Price, subject to adjustment pursuant to Section 4.10, to the Owner on the Closing Date.
- 4.3 **Repair and Maintenance.** From and after the Notice Date to the Closing Date, the Owner will take good care of the Property, will carry out all necessary repairs, maintenance, and replacements, will take reasonable care to protect and safeguard the Property and will in all other respects deal with the Property so that the warranties and representations of the Owner set out in this Agreement remain true and correct.
- 4.4 **Insurance.** From and after the Notice Date to the Closing Date, the Owner will ensure that all policies of insurance with respect to the Property remain in full force and effect.
- 4.5 **Risk.** The Property will be at the risk of the Owner up to the time the Transfer is submitted for registration at the LTO on the Closing Date and will be at the risk of CRD after the time the Transfer is submitted for registration at the LTO on the Closing Date.
- 4.6 **Damage.** If, prior to the time the Transfer is submitted for registration at the LTO, any damage occurs to the Property or any of the assets comprising the Property, CRD, by notice to the Owner, may elect to postpone the Closing Date for a period of not more than 30 days and may also elect:
- (a) not to acquire the Affordable Unit, in which case neither party will have any further obligation to the other under this Section 4 pertaining to that particular Notice; or
  - (b) that the Owner assign to CRD the Owner's right to receive any and all insurance proceeds payable with respect to the damage, subject to any bona fide loss payee designation, in which case the Owner will execute and deliver to CRD an assignment satisfactory to CRD.
- 4.7 **Construction Warranties.** From and after the Closing Date, the Owner will assign to CRD all the Owner's rights under all warranties, guarantees or contractual obligations against any contractor or supplier who was engaged in the construction, renovation, or repair of all or any part of the Affordable Unit or any improvement to the Affordable Unit. CRD's acceptance of this assignment will not represent a waiver by CRD of the Owner's covenants, agreements, representations and warranties set out in this Agreement.
- 4.8 **Owner's Covenants.** The Owner will:
- (a) take all proper actions and proceedings on its part to enable the Owner to transfer a good and marketable title to the Affordable Unit to CRD or such Person as CRD may designate, free and clear of all encumbrances other than Permitted Encumbrances;
  - (b) deliver vacant possession of the Property to CRD or such Person as CRD may designate on the Closing Date, subject to prior receipt of the Option Purchase Price by the Owner;

- (c) not, from and after the Notice Date to the Closing Date, sell, transfer, dispose of or remove from the Affordable Unit any Personal Property; and
- (d) both before and after the Closing Date do such other things as CRD may reasonably require for transferring to and vesting in CRD or such Person as CRD may designate title to the Affordable Unit as contemplated by this Section 4.

4.9 **Documents.** CRD will prepare the documents necessary to complete the Transaction which will be in a form and substance reasonably satisfactory to CRD and its lawyers.

4.10 **Adjustments and Credits.** The Owner and CRD will adjust, as at the Closing Date, all usual adjustments for a property similar to the Property including taxes, utility rates and any moneys owing to the strata corporation formed in respect of the Project.

4.11 **Closing.** The Owner and CRD will complete the Transaction on the Closing Date at the offices of CRD or its lawyers.

4.12 **Owner's Closing Documents.** At the closing, the Owner will deliver to CRD the following duly executed documents:

- (a) the Transfer;
- (b) a vendor's statement of adjustments;
- (c) a bill of sale for the Personal Property and all other deeds, transfers, assignments, resolutions, consents, estoppels and other certificates and assurances as CRD may reasonably require;
- (d) a certificate in confirmation that the sale of the Affordable Unit to CRD is exempt from taxes under the *Excise Tax Act* (the "GST") or, alternately, a certified cheque or bank draft payable to CRD in an amount equal to the GST payable by CRD on the Option Purchase Price; and
- (e) unless waived in writing by CRD, a certified cheque or bank draft payable to CRD in the amount, if any, by which the moneys owing under and required to discharge any mortgage or mortgages of the Affordable Unit exceed the Option Purchase Price (calculated in accordance with Section 1.1.28(2)), as adjusted under Section 4.10.

4.13 **CRD's Closing Documents.** At the closing, CRD will deliver to the Owner:

- (a) a purchaser's statement of adjustments; and
- (b) a cheque for the Option Purchase Price, as adjusted under Section 4.10.

4.14 **Tabling.** Except for the Transfer, all documents and cheques will be tabled at the closing. CRD will cause its lawyers, on the Closing Date, to conduct a pre-registration index search of the Affordable Unit at the LTO. If that search indicates that no liens, charges or encumbrances have been registered or filed in respect of the Affordable Unit except for Permitted

Encumbrances and encumbrances which the lawyers for the Owner have undertaken to discharge, the lawyers for CRD or their agents shall submit the Transfer for registration and then conduct a post-filing registration index search. If that search indicates that no liens, charges or encumbrances have been registered or filed in respect of the Affordable Unit since the pre-filing registration index search, all documents and payments will be released to each of the Owner and CRD according to the entitlement of each of them.

- 4.15 **Reimbursement.** If CRD waives payment on the Closing Date of the amount referred to in Section 4.12(e), the Owner shall pay such amount to CRD, on demand, with interest thereon at the rate of eighteen percent (18%) per annum, compounded monthly, from the Closing Date to the date of payment.
- 4.16 **Survival.** All the representations, warranties, covenants and agreements of the Owner and CRD contained in this Agreement will survive the Closing Date, registration of documents, and the payment of the Option Purchase Price.

## **SECTION 5. RELEASE**

- 5.1 **Release.** The Owner releases CRD and its officers, directors, employees and agents and their respective heirs, executors, administrators, personal representatives, successors and assigns absolutely and forever, from any claims the Owner may have against all or any of them for costs, expenses or damages the Owner may suffer, incur or be put to arising out of or in connection with this Agreement and from all claims arising out of advice or direction respecting the sale of the Affordable Unit or use of the Property given to the Owner by any of them or by the NPO.

## **SECTION 6. GENERAL PROVISIONS**

- 6.1 **Discharge of Covenant and Option to Purchase on Strata Lots not designated as Affordable Units.** The parties agree that this Agreement is intended to only apply to the two (2) strata lots to be designated by the Developer as the Affordable Units upon the filing of the strata plan for the Strata Development and concurrently with filing of the strata plan for the Strata Development this Covenant, the Rent Charge and the Option to Purchase shall be discharged from title to all of the strata lots and the common property except for the two (2) Affordable Units designated by the Developer, and this Agreement will only charge the Affordable Units. The parties will execute all such documents as may be required to complete the foregoing discharges.
- 6.2 **Notices.** Unless otherwise specified, each notice to the Owner must be given in writing and delivered personally or by courier to the Owner at its address shown on title to the Affordable Unit as registered in the LTO from time to time. Unless otherwise specified, each notice to CRD must be given in writing and delivered personally or by courier to CRD, Attention: Manager Real Estate Services, at the address shown on the General Instrument - Part 1 or to such other address or addresses or person or persons as CRD may designate. Notices will be deemed to have been received when delivered.

- 6.3 **Fees**. Each of the Owner and CRD will pay its own legal fees. CRD will pay all fees in connection with registration of the Transfer.
- 6.4 **Enuring Effect**. This Agreement will enure to the benefit of and be binding upon the respective heirs, executors, administrators, successors and permitted assigns as the case may be of the Owner and CRD, provided that the Owner shall not be liable for any breach of the covenant contained in Section 2.1 except as such liability relates to the period of ownership of an Affordable Unit by the Owner. If, by operation of statute or otherwise, the Option becomes or will within a period of three months become void or unenforceable as the result of the passage of time, the Owner or their heir, legal representative, successor or permitted assign, as the case may be, will, at the request of CRD, execute and deliver to CRD a replacement agreement substantially in the form of this Agreement.
- 6.5 **Registration**. This Agreement will be registered against title to the Lands initially and then shall be restricted to the titles to the Affordable Units upon filing of a strata plan of the Lands in the LTO subject only to Permitted Encumbrances.
- 6.6 **Discharge**. On expiry of the Term, the Owner may require that CRD execute and deliver to the Owner a release in registrable form of the Covenant and the Option.
- 6.7 **Amendment**. This Agreement may only be amended by written agreement of the parties.
- 6.8 **Counterparts**. This Agreement and any amendment, supplement, restatement or termination of any provision of this Agreement may be executed and delivered in any number of counterparts, each of which, when executed and delivered is an original, but all of which taken together constitute one and the same instrument.

IN WITNESS WHEREOF the parties have duly executed this Agreement by signing the General Instrument - Part 1.

**CONSENT AND PRIORITY AGREEMENT**

N/A

**SCHEDULE "A"**  
**PERMITTED ENCUMBRANCES**

Legal Notations:

CA1719880 Notice of Interest Builders Lien Act

Charges, Liens and Interests:

M76301 Undersurface Rights

**SCHEDULE “B”**  
**QUALIFIED BUYER CRITERIA**

**1. Sale of an Affordable Unit by the Developer:**

In the case of the sale of an Affordable Unit by the Developer, a Qualified Buyer means:

- (a) a first time home buyer, being a buyer who has not owned a principal residence for at least 5 years immediately prior to the date of purchase of an Affordable Unit;
- (b) a resident of the Capital Regional District from time to time, for at least one year immediately prior to the date of purchase of an Affordable Unit;
- (c) A person who provides Proof of Income that annual gross Income is between the range set from time-to-time by the NPO in its sole discretion (which shall not be appealed) for at least one year immediately prior to the date of purchase of an Affordable Unit; and
- (d) a person who intends to immediately use and occupy the Affordable Unit as their principal residence and not rent or lease the Affordable Unit to any other person, nor leave the unit vacant, use it solely for a business or profession, or use it as a short-term vacation rental property of any kind

it being understood and agreed that preferential consideration may be given to a person who meets all of the above criteria and all or some of the following criteria:

- (a) a person who does not own a vehicle; and
- (b) a person who satisfies such other criteria as may be applied by the NPO and CRD from time to time.

**2. Sale of an Affordable Unit by an Owner other than the Developer:**

In the case of the sale of an Affordable Unit by an Owner other than the Developer, a Qualified Buyer means:

- (a) a first time home buyer, being a buyer who has not owned a principal residence for at least 5 years immediately prior to the date of purchase of an Affordable Unit;
- (b) a resident of the Capital Regional District from time to time, for at least one year immediately prior to the date of purchase of an Affordable Unit;
- (c) a person who provides Proof of Income that annual gross Income is between the range set from time-to-time by the NPO in its sole discretion (which shall not be appealed) for at least one year immediately prior to the date of purchase of an Affordable Unit, it being understood and agreed that the NPO may, from time to time, grant an exemption from or vary such requirement if, in the opinion of the NPO and having regard to

- prevailing market conditions, such exemption or variation is consistent with the continued use and availability of the Affordable Unit as affordable housing; and
- (d) a person who intends to immediately use and occupy the Affordable Unit as their principal residence and not rent or lease the Affordable Unit to any other person, nor leave the unit vacant, use it solely for a business or profession, or use it as a short-term vacation rental property of any kind.

For the purpose of Schedule B:

“Income” means the total income before income tax from all sources of all persons intending to live in an Affordable Unit including, without limitation:

- (a) all income from earnings, including commissions and tips;
- (b) all income from all public and private pension plans, old age security and guaranteed income supplement;
- (c) all income received under the *Employment and Assistance Act* and the *Employment and Assistance for Persons with Disabilities Act*;
- (d) disabled veteran’s allowance;
- (e) alimony;
- (f) child support;
- (g) workers’ compensation benefits;
- (h) employment insurance; and
- (i) Income from Assets,

but excluding the following:

- (a) child tax benefit;
- (b) capital gains, such as insurance settlement, inheritances, disability awards and sale of effects in the year they are received;
- (c) the earnings of a person aged 18 and under;
- (d) student loans, student loan equalization payments and student grants but excluding non-repayable training allowances, research fellowships or similar grants;
- (e) shelter aid for elderly renters (SAFER) or rental assistance program (RAP) payments received prior to purchasing an Affordable Unit;
- (f) GST rebates;

- (g) taxable benefits received through employment;
- (h) government provided daycare allowance; and
- (i) payments for foster children, or child in home of relative (CIHR) income under the *Employment and Assistance Act*.

"Income from Assets" means computing income from assets of all persons intending to live in an Affordable Unit at a percentage per annum as determined by CRD, excluding the first \$62,051.00 in assets of such persons, based on November 1, 2018 dollars, indexed over time by reference to changes from time to time in the consumer price index (all items, British Columbia) or if such consumer price index is no longer published, such substitute and comparable index as the NPO may designate.

"Proof of Income" means a tax return filed with Canada Revenue Agency or a notice of assessment from Canada Revenue Agency under the *Income Tax Act*.



Making a difference...together



## **Tenant Advisory Committee**

Minutes of a Meeting of September 28, 2020

Room 652, CRD Boardroom, 625 Fisgard Street, Victoria, BC

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**Present:** L. Reid, E. Syring

**Guests:** Mayor K. Murdoch (in place of Mayor L. Helps)

**Regrets:** Mayor L. Helps, K. Young, E. Ngongo, K. Bedard, C. Simpson, N. Thompson

**Staff:** C. Culham, S. Grigg, K. Lambert, C. Work (recorder)

The meeting was called to order at 3:43 p.m.

### **1. Welcome and Introductions**

Co-chair Reid welcomed Mayor Murdoch, the committee and staff, and introductions were held around the table.

### **2. Adoption of Minutes of February 24, 2020 Meeting**

It was moved by E. Syring, seconded by L. Reid, that the minutes from February 24, 2020 be adopted as circulated.

CARRIED

### **3. Business Arising from the Minutes**

- Online Banking Update: CRD Finance department confirms RBC will allow CRHC to join with other CRD departments. Finance is reviewing processes of how CRHC manages intake of money; once complete, they will know what is required to make it available. Staff will provide a 'go-live' date at the December 14, 2020 TAC meeting or provide an update.

### **4. Advisory Committee Website Representation**

We now have a TAC landing page on the CRD's Boards, Committees & Commissions website page, which Legislative Services has set up. Past Agendas and Minutes have been uploaded, as well as the Terms of Reference and list of appointed members.

### **5. Tenant Handbook Update Presentation**

Kate Lambert presented a PowerPoint on the updated Tenant Handbook, with improved icons, colours and readability. General discussion on how to get the handbook out to new and existing tenants; it was decided that it would be linked in the seasonal newsletter. It is also posted on the CRD Regional Housing website under Tenant Resources in the Tenant Updates section.

## **6. Pride of Place Discussion**

Given the small number of committee members present, Co-chair Reid indicated we should table this item for the next TAC meeting.

It was moved by L. Reid, seconded by K. Murdoch, that the Pride of Place Discussion be tabled to the next TAC meeting on December 14, 2020.

CARRIED

## **7. Roundtable**

Due to Covid-19, the committee wasn't able to meet with regular frequency this year. As a result, Sharon Grigg said we would like to go to the Hospitals and Housing Committee to ask if the list of current committee members could sit for an additional two year term. Both Co-chair Reid and E. Syring confirmed their willingness to stay on the committee for another two year term. The remaining committee members will be contacted to confirm whether they are amenable to another two year term.

Christine Culham asked the members for their Covid-19 experiences and feedback in the context of housing. General discussion of how, if we go back to banning playground equipment, we need better deterrents as children were still using equipment during the last lockdown phase; also exterior carports sometimes full of junk and recyclables. It was noted that sometimes there are ongoing health issues in the case of the carport storage, and that volunteers were possibly prioritizing the delivery of food as essential over support roles.

There was discussion about how staff are addressing clean up at sites. Often, we are working with tenants but the progress isn't noticeable. Tenants should make caretakers aware of any issues as they arise. These items tie to the Pride of Place discussion as well; we are working on engagement on unwanted items and are expanding our staff-tenant engagement and community workers.

Elizabeth touched on her challenges with not having internet at home, trying to use UVic computers, and needing text-to-speech capabilities. Kate will connect with Elizabeth offline to provide more assistance to access materials.

## **8. Adjournment**

The meeting was adjourned at 4:35 p.m.