

Agreement

This Agreement is effective the 18th day of January, 2023.

Between:

City of Saskatoon, a municipal corporation pursuant to the provisions of *The Cities Act*, S.S. 2002, c. C-11.1 (the "**City**")

- and -

Arbutus Meadows Partnership, a Partnership registered under the laws of the Province of Saskatchewan consisting of *George Family Holdings Ltd.*, a Saskatchewan corporation, *Meadows SK Development Inc.*, a British Columbia corporation and *Weldon Meadows Inc.*, a British Columbia corporation, collectively carrying on business in the City of Saskatoon, in the Province of Saskatchewan ("**Arbutus**")

- and -

Meadows Rental (A) G.P. Ltd., a British Columbia Corporation carrying on business in the City of Saskatoon, in the Province of Saskatchewan

- and -

Meadows Rental (B) G.P. Ltd., a British Columbia Corporation carrying on business in the City of Saskatoon, in the Province of Saskatchewan

Introduction

- A. Arbutus is the developer of Parcel J, Plan 102361968, NE ¼ 17-36-4 W3, 2775 Meadows Parkway (the "Property") and intends to develop the property as a rental apartment building.
- B. Meadows Rental (A) G.P. Ltd. and Meadows Rental (B) G.P. Ltd. are the registered owners of the Property, which was subdivided into Condo Plan No. 102361968 and Condo Plan No. 102361968.
- C. The City and Arbutus have entered into a number of agreements with respect to the Property over several years.

- D. Further development on the Property is currently restricted and a Holding Symbol has been placed on the Property by the City which was intended to be removed upon the construction of a lift station and forcemain by Arbutus, and the fulfillment of other obligations by Arbutus as currently required by agreements entered into by the parties.
- E. Arbutus applied to the City to lift the Holding Symbol from the Property, and on October 31, 2022 City Council at a public hearing refused to remove the Holding Symbol from the Property. Arbutus appealed that decision to the Development Appeals Board (the "DAB"). The DAB allowed the appeal of Arbutus on January 3, 2023 and directed Council to remove the Holding Symbol from the Property with Arbutus paying all outstanding levies with respect to the Property within 7 days thereafter.
- F. The City could appeal the decision of the DAB to the Saskatchewan Municipal Board ("SMB") and has identified several possible grounds of appeal on which to do so.
- G. Arbutus has agreed to the terms and conditions detailed in this Agreement with respect to further development on the Property and the City has agreed to recommend to City Council that the Holding Symbol be removed from the Property rather than appeal the DAB decision subject to the terms and conditions outlined in this Agreement.

Construction of Lift Station and Forcemain

1. The City has agreed to allow Arbutus, at their request, to construct temporary services in the form a lift station and forcemain to allow for further development in the Rosewood neighbourhood of the City of Saskatoon, at Arbutus' sole cost.
2. Arbutus agrees that the lift station and forcemain must be constructed in accordance with the City's standards and specifications except as previously agreed to by the City in writing. Any further amendments to the City's standards and specifications will be at the sole discretion of the City and only as agreed upon in writing by the City.
3. Arbutus agrees that it will promptly obtain all permits and approvals as required for construction of the lift station and forcemain.
4. Without derogating from Arbutus' responsibilities under Section 3, the City agrees, with respect to approvals required with respect to the construction of the lift station and force main, to issue the final design approval for the lift station and forcemain or to provide comments with respect to the design and/or construction of the lift station and forcemain on an expedited basis upon receipts of documents from

Arbutus and/or the subcontractors or agents of Arbutus. For further clarity, an expedited basis means not more than five working days.

5. Without derogating from Arbutus' responsibilities under Section 3, the City agrees that a foundation/shell permit for the lift station shall be issued upon execution of this Agreement. Arbutus shall apply for a building permit for the final phase of the lift station by February 1, 2023. This building permit will be reviewed and issued by the City as per the City's usual practices and in accordance with *The Building Bylaw, 2017* of the City of Saskatoon which will also require Arbutus to pay the relevant building permit fees.
6. Arbutus agrees that the City may take over and complete construction of the lift station and forcemain if Arbutus has not completed construction on or before November 30, 2023.
7. Arbutus agrees that if construction of the lift station and forcemain is not completed by November 30, 2023, the City may take all reasonable and necessary measures to protect businesses and residents and to ensure no sewage from the site enters into the sanitary sewage system. This may include, but is not limited to, not providing water or water meters to any buildings on the Property, a plug being inserted into the sewer connection for the building, physically disconnecting any building on the Property from the City's sanitary sewage system or refusing to issue an occupancy permit for any building on the Property.
8. Arbutus acknowledges and agrees that the lift station and forcemain must be fully constructed and fully operational before any building on the Property can be occupied and it will not apply for an occupancy permit until the lift station and forcemain are constructed and fully operational.
9. Subject to Section 8, the parties agree that no interim manual operation of the lift station shall be required during construction of the lift station and forcemain.

Letter of Credit

10. Upon execution of this Agreement or no later than January 24, 2023, whichever is earlier, Arbutus shall provide the City with a letter of credit in the amount of \$2.047 million (the "LOG") to secure completion of the lift station and forcemain to the City's standards and specifications.
11. The parties agree that the LOG shall be irrevocable during the Term of this Agreement, but may be reduced from time to time in accordance with the following schedule:

Milestone	Lift Station(47% of LOG)	Forcemain(53% of LOG)

90% Construction Completion	50%	50%
Commissioning	30%	30%
Deficiencies/warranty	20%	20%

Arbutus shall keep the LOC current until completion of construction of the lift station and forcemain provided for in this Agreement and until full payment of all development charges and levies have been received by the City. The LOC shall be in a form acceptable to the City.

12. The completion percentages identified in Section 11 will be determined by inspection through Arbutus' engineering consultant, Catterall & Wright. Catterall & Wright shall provide a sealed progress report to the City after each inspection for review and approval. The report is subject to the final approval of the City, acting reasonably. Arbutus shall be provided with a copy of the report upon approval by the City.
13. Further to Section 6, if the City takes over and completes construction of the lift station and forcemain, the parties agree that the City may use any remaining funds in the LOC to pay for completion of the construction. If the LOC is insufficient to complete the construction of the lift station and forcemain, any outstanding amounts shall constitute additional capital costs incurred by the City to allow for development of other lands owned by Arbutus and the costs incurred by the City shall be incorporated into future servicing agreements for other lands owned by Arbutus in the Rosewood neighbourhood of the City of Saskatoon. The City shall provide invoices for any costs incurred to Arbutus along with appropriate background information.

Notice

14. Arbutus agrees that it will provide notice of this Agreement and the requirements that must be completed before any building on the Property can be occupied to any purchaser or other party that may have an interest in the Property.

Holding Symbol

15. Subject to receipt of the LOC as outlined in Section 10, the City shall prepare a report to be taken to the January 25, 2023 meeting of City Council recommending the immediate removal of the Holding Symbol from the Property. A bylaw will be attached to the report which makes the necessary amendments to remove the Holding Symbol from the Property. Removal of the Holding Symbol is subject to the approval of City Council.
16. Provided City Council passes the bylaw to remove the Holding Symbol from the Property, Arbutus shall pay to the City on or before February 1, 2023, the

outstanding development levies owing with respect to the Property plus interest to the date of payment which as of December 31, 2022, was \$1,410,435.00.

17. Arbutus acknowledges and agrees that the sanitary sewer system is at capacity and that they will make no further applications for removal of the Holding Symbol from other lands owned by Arbutus until the lift station and forcemain are constructed and fully operational.

Building Permits

18. Provided City Council passes the bylaw to remove the Holding Symbol from the Property, the City shall issue the building permit on January 26, 2023 for the foundation only of any building to be built on the Property upon receipt of the necessary documents from Arbutus.
19. Subject to payment of the outstanding development levies as outlined in Section 16 and compliance with *The Building Bylaw, 2017* of the City of Saskatoon, the City shall issue any remaining building permits for the construction of buildings on the Property which will also require Arbutus to pay the relevant building permit fees. Arbutus acknowledges and agrees that no further building permits other than the foundation permit as contemplated by Section 18 shall be issued by the City for the Property until the outstanding development levies plus interest for the Property are fully paid, and that the issuance of any final building permits to allow for occupancy of any buildings on the Property is subject to the provisions of Section 8.

Term of Agreement

20. The term of this Agreement shall be two years commencing on the effective date and ending on the day two years from the effective date (the "Term").

Transfer of Utility Parcel

21. Arbutus agrees to transfer title to the utility parcel on which the lift station and forcemain will be constructed to the City at no cost to the City as part of the subdivision process.

Assignment

22. During the Term of this Agreement, Arbutus shall not assign this Agreement without the prior express written consent of the City being first obtained, such consent shall not be unreasonably withheld or delayed by the City.

Dispute Resolution

23. In the case of any dispute between the City and Arbutus arising out of the performance of this Agreement, or afterwards as to any matter contained in this Agreement, either party shall be entitled to give to the other notice of such dispute and demand arbitration thereof. Such notice and demand being given, each party shall at once appoint an arbitrator and these shall jointly select a third. The decision of any two of the three arbitrators shall be final and binding upon the parties, who covenant that their dispute shall be so decided by arbitration alone, and not by recourse to any court or action of law. If the two arbitrators appointed by the parties do not agree upon a third, or a party who has been notified of a dispute fails to appoint an arbitrator, then the third arbitrator and/or the arbitrator to represent the party in default shall be appointed by a Judge of the Court of King's Bench at the Judicial Centre of Saskatoon. *The Arbitration Act, 1992* of the Province of Saskatchewan shall apply to any arbitration hereunder, and the costs of arbitration shall be apportioned equally between the parties hereto.

Applicable Law

24. The laws of the Province of Saskatchewan shall apply and bind the parties in any and all questions pertaining to this Agreement.

Force and Effect

25. This Agreement shall remain in full force and effect until such time as both the City and Arbutus have fully completed their respective obligations hereunder, and, for greater certainty, until such time as all development charges, fees, levies and other charges payable by Arbutus to the City pursuant to the terms of this Agreement have been paid.

Agreement Runs With the Land

26. Arbutus acknowledges and agrees that this Agreement runs with the land, and binds it, and subject to Section 21, its successors and assigns.

Notices

27. (1) Any notice or consent (including any invoice, statement, request or other communication) required or permitted to be given by any party to this Agreement to the other party shall be in writing and shall be delivered or sent by registered mail (except during a postal disruption or threatened postal disruption) or facsimile transmission, email or other electronic communication to the applicable address set forth below:
- (a) in the case of Arbutus to:

c/o Arbutus Meadows Partnership
Suite 204, 1529 West 6th Avenue
Vancouver BC V6J 1R1
Attention: Jeff Drexel
Phone: (604) 742-1211
Email: jdrexel@arbutusproperties.com; and

(b) in the case of the City to:

City of Saskatoon
c/o Office of the City Clerk
222 - 3rd Avenue North
Saskatoon SK S7K 0J5
Attention: Jeff Jorgenson, City Manager
Email: Jeff.Jorgenson@saskatoon.ca

- (2) Any notice delivered personally shall be deemed to have been validly and effectively given and received on the date of such delivery provided same is on a business day (Monday to Friday, other than a statutory holiday).
- (3) Any notice sent by registered mail shall be deemed to have been validly and effectively given and received on the fifth business day following the date of mailing.
- (4) Any notice sent by facsimile, email or other electronic communication shall be deemed to have been validly and effectively given and received on the business day next following the date on which it was sent (with confirmation of transmittal received).
- (5) Either party to this Agreement may, from time to time by notice given to the other party, change its address for service under this Agreement.

Entire Agreement

28. This Agreement constitutes the complete and exclusive statement of the Agreement between the parties, which supersedes all proposals, oral or written, and all other communications or representations between the parties, relating to the subject matter of this Agreement with the exception of the relevant Servicing Agreement(s), but only as pertaining to Parcel J, Plan 102361968, NE ¼ 17-36-4 W3, 2775 Meadows Parkway. The parties acknowledge there are other agreements with respect to development in the Rosewood neighbourhood that are not part of this Agreement.

Illegality

29. If one or more of the phrases, sentences, clauses or articles contained in this Agreement is declared invalid by a final and unappealable order or decree of any court of competent jurisdiction, this Agreement shall be construed as if such phrase, sentence, clause or paragraph had not been inserted in this Agreement.

Amendment

30. This Agreement may be changed only by written amendment signed and sealed by authorized representatives of the parties.

Headings

31. The headings contained in this Agreement are inserted for convenience of reference only and are not to be considered when interpreting this Agreement.

Covenants

32. Each obligation of the City or of Arbutus in this Agreement, even though not expressed as a covenant, is considered to be a covenant for all purposes.

Time of Essence

33. Time shall be of the essence of this Agreement and every part of this Agreement.

Further Assurances

34. Arbutus and the City shall, at their own expense, promptly execute such further documentation to give effect to this Agreement as Arbutus and the City, as the case may be, may reasonably require from time to time.

Remainder of page left intentionally blank. See next page for execution.

In Witness Whereof the parties hereto have affixed their corporate seals, duly attested by the hands of their proper officers in that behalf, as of the day and year first above written.


City of Saskatoon

City Manager

c/s

City Clerk

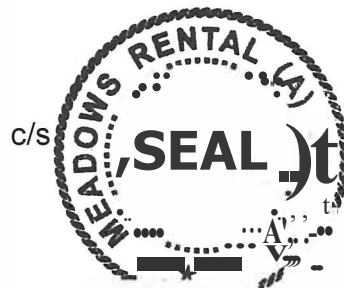
Arbutus Meadows Partnership





Meadows Rental (A) G.P. Ltd.





Meadows Rental (B) G.P. Ltd.

