
INVITATION TO SUBMIT A RESPONSE TO REHABILITATE THE PROPERTY MUNICIPALLY
KNOWN AS 171 - 181 BANK STREET, 140 O'CONNOR STREET AND 300 LAURIER AVENUE
WEST IN THE CITY OF OTTAWA (5225-2-2015-7)

PUBLIC WORKS AND
GOVERNMENT SERVICES
CANADA

QUESTIONS/ANSWERS NO. 7

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REAL ESTATE SERVICES
NATIONAL CAPITAL AREA

PROJECT NO. 5225-2-2015-7
OTTAWA

DATE: SEPTEMBER 21, 2015

The following addresses questions from interested parties to this invitation and provides clarification.

1. Clarifications, Questions and Answers

Q1. The respondent has extensive experience developing and rehabilitating projects of a similar size and scale as the proposed project at L'Esplanade Laurier. The respondent would meet the requirements of Development Expertise (along with Property Management Expertise). For past projects of the respondent that would meet the requirements of the Development Expertise, the respondent has teamed up with a financial partner that was best suited based on the specifics of the project. As specifics of the rehabilitation program are not defined at this stage of the process (as an example, would the rehabilitation include the facade or not?), we believe the process should allow a financial partner (be it joint venture or partnership) to be identified once specifics of the rehabilitation have been provided. Can/does the process allow for a "team member of the respondent" be identified during the RFQ stage?

A1. The Invitation provides that PWGSC may only invite to such stage or stages, as the case may be, the individual(s) or group(s) that responded to this Invitation and that were compliant with the requirements contained herein (the "Responding Parties", with each individual or group responding being a "Responding Party"). PWGSC then:

- (a) further acknowledges and agrees that a Responding Party may be a person, corporation, trust, partnership, limited partnership, joint venture, other association or other legal entity (in the case of a trust, partnership, limited partnership, joint venture, or other association each member, partner, trustee thereof shall be called a "member" and all such members, partners, trustees thereof shall be called jointly "members"); and

- (b) allows in substitution of a Responding Party, a legal entity (such as a single purpose corporation) that is solely owned and controlled by a Responding Party.

This said, the foregoing does not address subcontracting and the otherwise retention of additional parties by a Responding Party. Such subcontracting and retention shall be further described in the RFQ.

- Q2. Is the property going to be provided free and clear?
- A2. PWGSC is not making representations or warranties regarding the title of the property being ground leased.
- Q3. The first paragraph on the second page mentions "... (e) the Ground Lease, the Head Lease and the Sublease shall each be between the same legal parties and shall have restrictions regarding changes of the non-Crown ownership and control".... can you please clarify PWGSC's intent regarding this statement;
- A3. The intention of this phrase was to provide that the Responding Party or a legal entity (such as a single purpose corporation) that is solely owned and controlled by a Responding Party would be required to enter into the Ground Lease, the Head Lease and the Sublease with the Crown and that such Responding Party or entity cannot change ownership or control during a limited hold period and thereafter without the specified Crown consent. This restriction regarding change of ownership and control shall not extend to such changes of certain publically traded corporations. PWGSC also recommends that the reader review amendment 5225-2-2015-7-en-final-a3.pdf.
- Q4. Can you please explain why the Ground Lease is intended to be for 35 years and the head lease/sublease is only 30 years? Why the discrepancy with the terms?
- A4. This discrepancy was inserted to provide PWGSC the ability to have the rehabilitation of the building prior to the commencement of the Lease/Sublease. PWGSC has not made a final determination in this regard.
- Q5. Is conveyance of freehold ownership available?
- A5. No. The invitation specifically provides that "PWGSC is considering entering into: - a ground lease (the "Ground Lease"), as landlord, for the Property".