

**REAL ESTATE & DEVELOPMENT SERVICES
INDUSTRIAL ENGINEERING & SERVICING REQUIREMENTS**

PURCHASER'S RESPONSIBILITIES & REQUIREMENTS

1. Architectural Control/Design Guidelines

The Purchaser has been provided an opportunity to review the architectural control/design guidelines for the applicable industrial park. Prior to being given authorization to apply for a Development Permit ("DP"), the Purchaser must submit all preliminary drawings to The City of Calgary Real Estate & Development Services business unit (RE&DS), which will review submissions to ensure that they conform to the applicable architectural design guidelines. Please contact your RE&DS sales agent (403-268-8979) for further information.

2. Lot Grading and Storm Drainage

- (a) The Purchaser must contact their RE&DS sales agent for detailed information on lot grading and storm drainage criteria for the applicable industrial park.
- (b) All lots are designed on a lot by lot basis. The Vendor does not represent or warrant that the existing grades on the Purchaser's lot, or the grades as they exist at closing, meet the applicable grade requirements.
- (c) The Purchaser shall, at its sole cost and expense, ensure that:
 - (i) the Purchaser's development meets the minimum floor slab grade for the applicable industrial park and that it complies with the requirements of The City of Calgary Lot Grading Bylaw 32M2004, as may be amended from time to time; and
 - (ii) the grade elevations at the property lines of the Purchaser's lot match the finished lot property line grade approved for the applicable industrial park, unless the Purchaser has obtained approval for grade elevations that match any previously approved and/or finished grades on adjacent lots.
- (d) If the Purchaser wants to change the grade elevations at the property lines of the Purchaser's lot, the Purchaser shall obtain the consent of RE&DS. RE&DS will not unreasonably object provided the Purchaser's proposed changes:
 - (i) do not conflict with RE&DS' obligations as developer within the industrial park;
 - (ii) do not impair the original design of onsite storm water drainage and storage for the industrial park;
 - (iii) have been agreed to by all adjoining land owners; and
 - (iv) are approved by the applicable Government Authority.
- (e) If there is a grade elevation difference along the property line that has been pre-approved by RE&DS, the Purchaser will be obligated to either build a retaining wall or provide for backsloping within its lot to provide the necessary support for the grade elevation difference. All grade elevation differences are subject to the review and approval of the applicable Government Authority.

- (f) If, at any time, there are drainage issues or concerns within the applicable industrial park, RE&DS may require the Purchaser to modify the grade on its lot to address such drainage issues or concerns.
- (g) If any lot owner changes the grade on its lot and such change in grade results in a cost to RE&DS (for example, for having to modify grades elsewhere within the industrial park to compensate), RE&DS will seek recovery of such costs directly from the offending lot owner, without prejudice to any other rights and remedies available to RE&DS in law.
- (h) Concrete drainage swales assist with grade control in some locations and cannot be altered or removed by the Purchaser.
- (i) If the Purchaser consolidates or subdivides its lot, the final grades of the newly consolidated or subdivided lot(s) must conform to the above-mentioned lot grading requirements. The Purchaser shall be solely responsible for any and all risks, losses, liabilities, negative impacts and costs associated with the consolidation or subdivision of its lot, including, but not limited to, all expenses associated with having to re-grade to meet the specified requirements.

3. Service Connections and Curbs and Crossings – Fees & Invoicing

- (a) The Purchaser must contact their RE&DS sales agent for detailed information on storm, sanitary and water service connections from the main lines in the road right of way to the property line of the Purchaser's lot (the "Service Connections") and the driveway curbs, sidewalk curbs and crossings, gutters, and concrete aprons required for the Purchaser's lot (collectively, the "Curbs and Crossings").
- (b) The Purchaser is responsible, at its sole cost and expense, for:
 - (i) the cost of the Service Connections (to be arranged by the Purchaser and completed by RE&DS);
 - (ii) extending storm, sanitary and water service connections from the property line of the Purchaser's lot to any building or other location on its lot (to be arranged by and completed by the Purchaser);
 - (iii) the cost of construction, removal and replacement of the Curbs and Crossings as well as the removal and replacement of any existing sidewalk or roadway (to be arranged by the Purchaser and completed by RE&DS); and
 - (iv) extending any surface asphalt and/or concrete from the RE&DS-installed concrete curb or sidewalk onto its lot, even though a small portion of such extension may be located in the road right of way (to be arranged by and completed by the Purchaser).
- (c) On closing, the Purchaser is required to pay to the Vendor a fee of \$95,000.00 or \$135,000.00 per lot purchased (the "Fee"), which represents a portion of the estimated cost of completing the Service Connections and the Curbs and Crossings. The amount of the Fee will depend on the extent of construction, removal and replacement of the Curbs and Crossings required.
- (d) If the Purchaser's lot is subdivided on or after closing, an additional fee of \$95,000.00 per lot created (the "Additional Fee") will be payable to the Vendor. The Additional Fee represents a portion of the estimated cost of completing the Service Connections and the Curbs and Crossings for each additional lot created by the Purchaser's subdivision.

RE&DS will not commence work on the Service Connections or the Curbs and Crossings for any additional lot(s) prior to receipt of the Additional Fee.

- (e) After completion of the Service Connections, RE&DS will provide an invoice to the Purchaser reflecting the cost of the Service Connections and any other costs incurred by RE&DS pursuant to Subsection 3(b). The invoice will also outline the estimated cost of the Curbs and Crossings, which have yet to be completed. All invoices are payable upon receipt.
- (f) If the cost of the Service Connections and any costs incurred by RE&DS pursuant to Subsection 3(b) are:
 - (i) more than the Fee and any Additional Fee, the Purchaser shall pay the difference and the estimated cost of the Curbs and Crossings to RE&DS. If the Purchaser has not paid the difference to RE&DS within 30 DAYS after receipt of the invoice, interest will begin to accrue at the rate of 1.5% per month until payment is received by RE&DS;
 - (ii) less than the Fee and any Additional Fee, the surplus will be applied to the estimated cost of the Curbs and Crossings. If the surplus does not cover the entire estimated cost of the Curbs and Crossings, the Purchaser shall pay the balance to RE&DS. RE&DS shall not commence work on the Curbs and Crossings prior to receiving payment for the entire estimated cost of the Curbs and Crossings.
- (g) Upon completion of the Curbs and Crossings, RE&DS shall provide a final invoice to the Purchaser. If there is:
 - (i) an outstanding balance, the Purchaser shall pay the outstanding balance to RE&DS. If the Purchaser has not paid the outstanding balance to RE&DS within 30 days after receipt of the invoice, interest will begin to accrue at the rate of 1.5% per month until payment is received by RE&DS;
 - (ii) if there is any surplus, RE&DS shall refund the surplus amount to the Purchaser within 60 days of the Purchaser completing its post-construction inspection and post-landscaping inspection pursuant to Subsections 6(b) and 8(d), respectively, whichever is later.
- (h) The Purchaser acknowledges and agrees that the costs outlined in Table 1 are based on estimated rates and are for reference only. Costs are subject to change. The Purchaser agrees to accept the updated costs in effect at the time of construction.

4. Service Connections and Curbs and Crossings - Procedure for Initiation of Construction

- (a) The Purchaser acknowledges that if the Vendor consents to or approves any drawings, plans and specifications, it shall have no responsibility or liability as to the adequacy or accuracy of such drawings, plans and specifications.
- (b) Step 1 – The Purchaser shall submit a draft Development Site Servicing Plan (“DSSP”) and DP site plan to RE&DS before they are finalized for submission to the applicable Government Authority. RE&DS will review the draft DSSP and DP site plan and provide general comments to the Purchaser.
- (c) Step 2 – After approval of the finalized DSSP and DP site plan by the applicable Government Authority, the Purchaser shall submit to RE&DS:

- (i) Two copies of each of the stamped, approved DSSP and DP site plan in a scalable, hard-copy format; and
 - (ii) One PDF of each of the stamped, approved DSSP and DP site plan.
- (d) The Purchaser shall, at its sole cost and expense, comply with all conditions of its DP, including, but not limited to, constructing any sidewalks or other surface improvements, all to the required standards of the applicable Government Authority.
- (e) Within 45 days of receipt of the stamped, approved DSSP and DP site plan (or at the earliest time they can reasonably be scheduled after the beginning of frost free conditions) and provided that all applicable fees have been paid in accordance with Article 3, RE&DS shall:
 - (i) construct the Service Connections; and
 - (ii) construct the Curbs and Crossings that are not impacted the by Service Connection trenches. It is the Purchaser's obligation to lay out driveway locations and to advise RE&DS on the site readiness.
- (f) Curbs and Crossings that are unavoidably impacted by the Service Connection trenches will be temporarily rehabilitated with asphalt by RE&DS at the cost outlined in Table 1 at the end of Service Connection installation and shall be maintained by the Purchaser until the time comes for permanent reconstruction by RE&DS. Permanent reconstruction of these Curbs and Crossings will be delayed for two full construction seasons (at least 18 months) to allow for backfill settlement/consolidation.

5. Service Connections and Curbs and Crossings Design Suggestions/Requirements

- (a) The Vendor does not represent, warrant or guarantee that the Purchaser shall be permitted to tie into and use the existing storm, sanitary and water services. The Purchaser has been provided with an opportunity to conduct its own independent due diligence to determine whether the applicable Government Authority will permit the Purchaser to tie into and use the existing storm, sanitary and water services and the Purchaser has executed this Agreement based solely on its own independent due diligence and investigation.
- (b) Absolutely no utility service connections will be permitted into a major standard roadway if an alternative option exists into an adjacent minor street frontage. RE&DS may reject a service connection into a major standard roadway even if such connection was approved through the DSSP process by the applicable Government Authority.
- (c) The Purchaser should advise its DSSP designers to have all storm, sanitary and water services located in a single common trench, with a maximum spacing between each utility of 3 metres. If additional trenches are required, the Purchaser will be charged for the cost of each additional trench, as outlined in Table 1. If possible, storm and sanitary utility tie-ins should be made directly into existing manholes. Vertical bends should be considered in situations where one utility is "hidden" from an adjacent utility.
- (d) It is strongly suggested that the Purchaser wait until RE&DS has completed the Service Connections before the Purchaser commences installation of utility tie-ins. If utility tie-ins are installed by the Purchaser before RE&DS has completed the Service Connections, the Purchaser will be solely responsible for any additional costs to alter the grade or alignment of the utility tie-ins, if required.

- (e) For mutual access driveways, RE&DS will normally only construct the portion of the driveway needed to access the Purchaser's lot. However, if:
 - (i) there is a mutual access easement registered on title to the Purchaser's lot at the time of closing, RE&DS will construct the entire mutual access driveway and the Purchaser will only be charged for the cost of its half of the driveway; or
 - (ii) there is no mutual access easement registered on title, but the Purchaser requests that the entire mutual access driveway be constructed, RE&DS will construct the entire driveway and the Purchaser will be charged and solely responsible for the cost of the entire driveway.
 - (iii) The City of Calgary is the adjacent owner, RE&DS normally will not consider any request to construct a mutual access driveway.
- (f) The Purchaser shall design its driveway(s) around all power poles, pole anchors, street lights, hydrants, communication pedestals, electrical pull boxes, catch basins and any other surface utility improvements, some of which may not yet be constructed at the time of closing. RE&DS will not permit the relocation of such utility improvements unless completely unavoidable. If the relocation of existing utility improvements is required, the Purchaser must:
 - (i) obtain consent from RE&DS prior to showing the new location for such utility improvement on the DSSP;
 - (ii) obtain consent from the applicable utility provider for such relocation and arrange for the relocation;
 - (iii) obtain any and all necessary permits from the applicable Government Authority and/or utility provider; and
 - (iv) cover all costs of the relocation of the utility improvements. The costs for such relocation are not included in the Fee or any Additional Fee.

6. Pre- and Post-Construction Inspection

- (a) Prior to commencing any construction activities whatsoever on the Purchaser's lot, the Purchaser must contact the RE&DS construction coordinator (403-268-1916) to arrange for a pre-construction inspection. The construction coordinator will document the current condition of all infrastructure and improvements adjacent to the Purchaser's lot, including, but not limited to, sidewalks, roads, curbs & gutters, poles, communication pedestals, electrical pull boxes, fire hydrants, catch basins and landscaping. If the Purchaser fails to arrange for a pre-construction inspection, all adjacent infrastructure and improvements existing as of closing will be deemed to have been in new condition.
- (b) Once the Purchaser has completed construction and landscaping on its lot, the Purchaser must contact the RE&DS construction coordinator to request a post-construction inspection. Any damage to the adjacent infrastructure or improvements noted in the post-construction inspection, which was not noted in the pre-construction inspection, shall be repaired by RE&DS and the costs of such repairs will be included in the final invoice for the Service Connections or the Curbs and Crossings.

7. Shallow Utilities – Electricity, Natural Gas, Internet and Phone

- (a) The Vendor does not represent, warrant or guarantee that shallow utilities, including the electrical distribution system, natural gas lines, internet and phone lines, will be available to the Purchaser's lot at the time of closing. The Purchaser has been provided with an opportunity to conduct its own independent due diligence and has executed this Agreement based solely on its own independent due diligence and investigation.
- (b) RE&DS will construct the electrical distribution system for the industrial park, which may include a combination of overhead and underground lines. Pole anchor easements (typically 3 metres x 12 metres) may be located within the industrial park on some Purchasers' lots. A 3.5 metre utility right of way may be required inside the property line of the Purchaser's lot to allow for cabinets and pedestals used by underground electrical utility infrastructure.
- (c) All costs associated with connecting shallow utilities to the Purchaser's lot are the sole responsibility of the Purchaser. All shallow utilities and related improvements servicing the Purchaser's lot must be installed via underground connections and any utilities extending into the road right of way must be cored beneath the road right of way and sidewalks. RE&DS will charge the Purchaser for the cost to repair any infrastructure or improvements within the road right of way that are damaged as a result of the connection of shallow utilities to the Purchaser's lot. It is the Purchaser's responsibility to reimburse RE&DS immediately for any such costs.
- (d) Utility right of ways may exist or may be required on the Purchaser's lot to accommodate shallow utility infrastructure. RE&Ds will not relocate or adjust the location of such utility right of ways, whether they are registered against title to the Purchaser's lot on closing or have yet to be registered.

8. Boulevard Construction and Purchaser Obligations

- (a) The Purchaser is responsible for loaming and seeding/sodding all boulevard areas within the road right of way adjacent to its lot(s) including the subgrade preparation work. The Purchaser will be required to include this work on its DP plans and complete such work in accordance with The City of Calgary Parks Department's specifications. The Purchaser is also responsible for the regular upkeep of the boulevard and for any rehabilitation of landscaped boulevard areas required as a result of damage during development of the Purchaser's lot.
- (b) Underground watering systems must have piping installed no closer than 0.3 metres from the curb or sidewalk as it is likely to be damaged should concrete rehabilitation be required. RE&DS will not be responsible for any damage to irrigation systems installed too close to the curb or sidewalk, and the Purchaser will be solely responsible for the cost to repair any such damage.
- (c) Prior to commencing boulevard landscaping, the Purchaser shall contact the RE&DS construction coordinator to set up a pre-landscaping inspection of the existing utility improvements in and around the boulevard, including but not limited to fire hydrants, sanitary test manholes, curb boxes, and shallow utilities. During the pre-landscaping inspection, the current condition of such improvements will be reviewed and recorded and the requirements for landscaping around such improvements will be discussed with the Purchaser. If the Purchaser fails to arrange for a pre-landscaping inspection, all above-noted improvements existing as of closing will be deemed to have been in new condition.

- (d) Once the Purchaser has completed landscaping of the boulevard, the Purchaser must contact the RE&DS construction coordinator to request a post-landscaping inspection. Any damage to the utility improvements in and around the boulevard noted in the post-landscaping inspection, which was not noted in the pre-landscaping inspection, shall be repaired by RE&DS and the costs of such repairs will be included in the final invoice for the Service Connections or the Curbs and Crossings.

9. Erosion and Sedimentation Control

The Purchaser shall address all matters of erosion and sedimentation control (ESC) in a manner consistent with the current version of The City of Calgary's ESC Standard Specifications and Erosion and Sediment Control Field Manual. As such, the Purchaser is obligated to control the inadvertent tracking of dirt, mud and water runoff from its lot onto adjacent roadways and the Purchaser shall be responsible for the clean-up of any such material as deemed necessary by The City of Calgary. The Purchaser shall also be responsible for any damage that the Purchaser or its agents cause as a result of violating any of The City of Calgary's policies. If RE&DS is required to incur any costs to clean up any material originating from the Purchaser's lot or to repair any damage caused by the Purchaser or its agents, RE&DS may deduct such costs from the Fee and/or any Additional Fee paid by the Purchaser to the Vendor.

10. Signage

The Purchaser shall indicate the location of any signage, if applicable, on its DP site plan and shall comply with all other signage requirements in the architectural design guidelines for the applicable industrial park.

11. Geotechnical, Environmental and Soil Due Diligence

- (a) RE&DS makes no representations, warranties or guarantees regarding the subsurface or environmental condition of the Purchaser's lot. The Purchaser has been provided with an opportunity to conduct its own independent due diligence and has executed this Agreement based solely on its own independent due diligence and investigation.
- (b) Prior to accessing the lot to perform any due diligence, the Purchaser must notify their RE&DS sales agent of those dates and ensure that the proper approvals are in place.

Table 1
2021 SERVICE CONNECTION & DRIVEWAY CROSSING INSTALLATION CHARGES

Service Connection Charges		Minor Road (less than 25m RW)	Major Road (more than 25m RW)
Basic service charge including road restoration (assuming storm, sanitary, and water in a single common trench and includes supply and installation of a 5A sanitary test manhole and 50mm water service)		\$50,000	\$62,500
Additional charges	Each additional trench	\$8,500	\$12,000
	Rehab. additional trench	\$5,500	\$9,500
	Water larger than 50mm	\$9,500	\$11,000
	Each additional manhole		
	- Type 5A	\$9,500	\$11,000
	- Type 1-S (1.2m x 1.2m)	\$17,000	\$19,000
	Each hydrant relocation	\$18,000	\$25,000
	Catch basin installation and modification due to driveway location		
	- New installation	\$6,500	\$6,500
	- Modification	\$700	\$700
Additional charges to tie street sides service pipes to match lot services installed in advance		At cost	At cost
Construction of Temporary Access with Asphalt		At cost	At cost
Driveway Crossing Charges		Minor Road (less than 25m RW)	Major Road (more than 25m RW)
Curb Crossing	13 m crossing	\$5,000	
	16 m crossing	\$6,000	
	22 m crossing	\$8,500	
1.2m Mono. walk Crossing	13 m crossing	\$6,000	
	16 m crossing	\$8,000	
	22 m crossing	\$10,500	
1.2m Mono. walk (non-reinforced sidewalk portion only)	Dowelled to existing curb & gutter	\$200 / meter	
Full commercial crossing (includes depressed curb and reinforced sidewalk & apron)	13 m crossing		\$24,000
	16 m crossing		\$30,000
	22 m crossing		\$40,000
Shared access road for mutual driveway crossing	300mm thick of recycled asphalt c/w oiling	\$5,000	\$5,000

1. All charges include a mark up to cover administration, surveying, testing, inspection and maintenance. GST is not included in the above-noted charges and will be added to the final invoice.
2. These rates are applied to the current construction season only and assume frost free conditions. Stamped, approved plans that are received after September 01 may have a 25% winter work premium applied. This premium may be applied at the Engineer's sole discretion against any installation where winter conditions occur at the time of installation. Any construction deferred to a subsequent construction season may also be subject to an increase in the installation rates identified in this Table.
3. Should any of the above-referenced work be split into multiple times and/or locations or rescheduled without providing adequate notice to RE&DS, the Purchaser may be required to pay for additional mobilization fees at cost.
4. The Purchaser will be solely responsible for the cost of any special admixtures, formwork, extra grading, or other miscellaneous additions that are required in connection with concrete work.