CHECKLIST FOR PROPERTY TRANSACTIONS

The purchase, rental and sale of a property involve inherent environmental risks arising out of both past and future uses at the property itself and also from adjacent properties. Prior to being fully committed, it is up to the purchaser or renter to undertake a certain level of assessment towards investigating the environmental quality of the real estate that is being looked at. What is commonly known as “environmental due diligence”.

Purchasers may find that in addition to acquiring a property, they may also inherit expensive contamination problems, legal obligations and/or potential law suits. An asset acquired may be subject to regulatory controls and Ministry’s orders which can effectively put a halt to a proposed activity before a purchaser even has the chance to conduct it. Like the purchaser, a tenant should establish the “baseline” environmental condition of the property. The risk for a purchaser and tenant derives from environmental law in Ontario as it pertains to owners of property and those having charge, management and control of a property. These factors should affect decisions about whether to purchase, rent or sell a property at all, and if so, at what conditions and price.

As part of due diligence, it is important the University explore the history and current uses of a property and its surroundings, as well as evaluate the feasibility of a potential future use. While historical, current or future on-site operations may not present environmental concerns, neighbouring sites may be contaminated or have the potential for contamination to migrate onto the site of interest. Conversely, the property contemplated could be a historical or new source of contamination, migrating to surrounding properties, leading to significant potential liability concerns or other legal requirements.

The assessment and investigations must be made prior to the transaction being completed. The goal is to determine whether or not the transaction makes fiscal sense. Inquiries should be made during the planning stage before the transaction starts to take shape in order to determine potential issues, how significantly they may impact the goals of the University and whether all parties involved are willing to negotiate.

The Office of risk Management (ORM) is pleased to conduct property assessments and investigations to provide planners and facility managers with critical information to make decisions. Our goal is to identify baseline conditions, potential risks and liabilities early in the due diligence period to identify environmental concerns and provide recommendations for solutions.

ORM suggests the following checklist to be used as a starting point for due diligence towards property transactions and is for internal uses only. The checklist is meant to assist the University’s Planning and Client Engagement Department and is not an exhaustive list of all matters which may or should be considered in connection with property transactions. The checklist also is not intended to summarize the many searches that may need to be undertaken.

Please contact ORM prior to the onset of any project involving property transactions for assistance with due diligence measures and to assist in the quantification of potential risks associated with real estate acquisitions.
## CHECKLIST FOR LAND TRANSACTIONS

The following checklist is intended to assist in due diligence with respect to property transactions. The checklist should be completed prior to a transaction taking place so any environmental issues can be identified.

<table>
<thead>
<tr>
<th>Prior to any property transaction, all environmental reports pertaining to the property should be requested and received from the owner. Please forward copies of all environmental reports to the Office of Risk Management.</th>
<th></th>
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</thead>
</table>
| **Has a Phase I Environmental Site Assessment (ESA) been completed for the property in question?** | **No** ➔ If no, a Phase I ESA should be completed immediately. Contact ORM for more info.  
Yes ➔ Did the Phase I ESA identify suspected contamination on site? Contact ORM for more info. |
| **Has a Phase II ESA been completed for the property in question?** | **No** ➔ If the Phase I ESA identified suspected contaminants on site, a Phase II ESA should be completed. Contact ORM for more info.  
Yes ➔ If contamination was found in the Phase II ESA, was it properly and fully delineated? Contact ORM for more info. |
| **Has a Phase III ESA been completed for the property in question? Has a Risk Assessment been completed for the property in question?** | **No** ➔ If the Phase II ESA identified contaminants on site, a Phase III ESA or Risk Assessment should be completed. Contact ORM for more info.  
Yes ➔ Was the contamination completely removed? Did the Risk Assessment place restrictions on property use? Contact ORM for more info. |
| **Has a Designated Substance/Hazardous Materials Survey been completed for the property?** | **No** ➔ Is the property vacant? Are buildings on the property newly constructed?  
Yes ➔ Have the designated substances/hazardous materials been removed? |
| **Has a Record of Site Condition been filed for the property?** | No Yes |

<table>
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<tr>
<th>If none of the aforementioned reports are available for the property in question, please consider the questions below.</th>
<th></th>
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</thead>
</table>
| **Has a site visit been completed by a University representative?** | **No** ➔ Consider completing a site visit with a member of ORM to identify potential environmental issues.  
Yes ➔ Proceed to questions below. |
| **Is the property and/or adjoining properties used for industrial use? If unknown, is there any evidence that the property or adjacent properties have been used for an industrial use in the past?** | Property: No Yes Describe:  
Adjoining properties: No Yes Describe:  
________________________________________________________________  
________________________________________________________________ |
| **Is/was the property and/or adjoining properties used as a gas station; motor repair facility; printing facility; dry cleaners; landfill; waste treatment, storage, disposal and/or processing facility?** | Property: No Yes Describe:  
Adjoining properties: No Yes Describe:  
________________________________________________________________  
________________________________________________________________ |
| **Is there any waste on site? Is there any fill on site? Are there any drums on site? Are there any pits, ponds or lagoons on site?** | Describe:  
________________________________________________________________  
________________________________________________________________ |
| **Are there any storage tanks on site (above or below ground)? Are there any fill pipes or vent pipes on site? Are there any transformers on site?** | Describe:  
________________________________________________________________  
________________________________________________________________ |
| **Are there any wells on site?** | **No** ➔ Is the site serviced with municipal water?  
Yes ➔ What type of well (water, monitoring, etc)? Is the well water potable? |
| **Does the property discharge waste-water (not sanitary or storm) onto or adjacent to the property or into storm water/sanitary sewer system?** | No Yes Describe:  
________________________________________________________________  
________________________________________________________________ |
<table>
<thead>
<tr>
<th>Question</th>
<th>Answer</th>
</tr>
</thead>
<tbody>
<tr>
<td>What is the property currently zoned?</td>
<td>Describe: ______________________________________________________</td>
</tr>
<tr>
<td>Is the current zoning different from the proposed future zoning?</td>
<td>Yes → Will the timeline for development accommodate the zoning change application process? No</td>
</tr>
<tr>
<td>Will future land use become more sensitive (i.e. industrial or commercial to agricultural, institutional, parkland or residential)?</td>
<td>Yes → Will the timeline for development accommodate the time required to file a Record of Site Condition? No</td>
</tr>
<tr>
<td>Do you have knowledge of any past, threatened or pending lawsuits or administrative proceedings concerning a release or threatened release of any hazardous substance or petroleum products on the property?</td>
<td>Yes → Please notify ORM. No → Have you confirmed with the owner? Describe: ______________________________________________________</td>
</tr>
<tr>
<td>Are or were there any current or past environmental violations with respect to the property?</td>
<td>Yes → Please notify ORM. No → Have you confirmed with the owner? Describe: ______________________________________________________</td>
</tr>
<tr>
<td>Do you have knowledge of any environmental liens or governmental notifications related to past or recurrent violations of environmental law with respect to the property?</td>
<td>Yes → Please notify ORM. No → Have you confirmed with the owner? Describe: ______________________________________________________</td>
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<tr>
<td>Is the site considered an environmentally sensitive site for any of the reasons listed adjacent? For areas of natural significance consult the Ottawa Official Plan and, if possible, the Conservation Authority or MNR.</td>
<td>Includes or is within 30 m of an area of natural significance ________ Surface soil pH less than 5 or greater than 9 ________ Includes or is within 30 m of a water body ________ Has surficial soils less than 2 m in depth ________</td>
</tr>
<tr>
<td>Has a certificate of property use (CPU) been issued for the property? If so, has it placed restrictions on land use?</td>
<td>Yes → Do the restrictions discourage the proposed future land use? No</td>
</tr>
<tr>
<td>Do you have any concerns of any kind with the purchase of the property in question? If so, please describe.</td>
<td>__________________________________________________________________________________</td>
</tr>
</tbody>
</table>

Please contact the Office of Risk Management for information on how the answers above may affect current transaction costs and/or future development.

Completion Date: ________________________
Completed By: ________________________
Title: ________________________
Submitted to ORM on: ________________________