

AGREEMENT IN PRINCIPLE (“AIP”)

THIS AGREEMENT is made as of August 18th, 2022 between **NUNAVUT HOUSING CORPORATION (“NHC”)** and **NCC DEVELOPMENT LIMITED (“NCC”)**

WHEREAS, NCC is a wholly owned subsidiary of NCC Investment Group Inc., an Inuit Firm as defined in the Nunavut Agreement that is 100% Inuit owned by Nunasi Corporation, Sakku Investments Corporation, Kitikmeot Corporation and Qikiqtaaluk Corporation;

AND WHEREAS, Nunasi Corporation, Sakku Investments Corporation, Kitikmeot Corporation and Qikiqtaaluk Corporation are development corporations that are 100% owned by the Kitikmeot Inuit Association, Kivalliq Inuit Association and Qikiqtani Inuit Association, being public bodies and land claims organizations representing the Inuit of Nunavut under the Nunavut Agreement;

AND WHEREAS, NHC and NCC have a number of shared values that support the development of a strategic partnership to achieve specific goals for Nunavut, including –

- Developing Inuit workforce capacity and providing Inuit with opportunities for meaningful employment and careers in the building sector
- Delivering high quality housing solutions for Nunavummiut that achieve high customer and tenant satisfaction
- Generating healthy economic and social returns, as well as, supporting local Nunavut communities;

AND WHEREAS, both parties see the importance of developing strong relationships between the Government of Nunavut and land claim organizations such as NCC to leverage our collective strengths in the delivery of more housing to Nunavummiut;

AND WHEREAS, Nunavut’s housing market is under extreme pressure, facing high demand and inadequate supply;

AND WHEREAS, according to the 2018 National Housing Survey, about 35% of all homes in Nunavut are overcrowded, require major repairs and/or are unaffordable; in addition the estimated number of housing units required in 2022 is in the range of 3500 to 4000 units;

AND WHEREAS, traditional NHC procurement and project delivery approaches have been resulting in unsustainably high costs, and alternate procurement approaches are being explored to try and find more affordable housing options;

AND WHEREAS, the Katujjiluta mandate was developed in collaboration with all members of the Legislative Assembly, as well as, representatives from the three Regional Inuit Associations and Nunavut Tunngavik Inc. (NTI). The mandate highlighted the importance of housing and the key performance target to increase the housing supply in Nunavut by a minimum of 1000 new units by Fall 2025;

AND WHEREAS, the NHC is currently developing a longer term vision to continue with this level of new housing supply and target in the range of potentially as many as 3000 new housing units by 2030;

AND WHEREAS, NHC and NCC wish to enter into this AIP to confirm their respective intentions and the principles that will govern the process of collaboration towards development of the proposed definitive agreement between NHC and NCC (together, the “**Parties**”) as described under section 2 below.

NOW THEREFORE the Parties agree as follows:

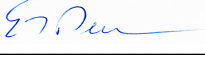
1. The following principles shall govern the process of collaboration to work towards a potential definitive agreement:
 - (a) the Parties will negotiate in good faith to pursue the potential execution of a definitive agreement describing their strategic partnership and that defines the processes and timelines for NHC’s annual construction expectations and requirements (the “**Definitive Agreement**”) as described in section 2 below;
 - (b) the Parties recognize that the affordability of housing for Nunavummiut is a critical component to the success of the territory;
 - (c) the sustainability of affordable housing in Nunavut depends on the development and training of Inuit and Nunavummiut who can find employment in the construction industry;
 - (d) Inuit Firms and Nunavut Businesses, as per the NNI Regulations and Article 24 of the Nunavut Agreement, shall, where applicable, benefit from the business opportunities arising from the delivery of housing units;
 - (e) transparency and accountability between NHC and NCC will be a critical component of the proposed agreement between the two parties; and
 - (f) the contents of this AIP will be publicly disclosed.
2. The proposed Definitive Agreement will include, among other terms and conditions to be agreed by the Parties, provisions for the following:
 - (a) the volume of housing units (including transitional housing, public housing, affordable housing and market housing units) to be constructed by NCC for purchase and/or lease by NHC, as well as, funding from NHC to NCC for affordable and market housing units to be constructed by NCC for purchase or rental by affordable and/or market housing clients over the term of the agreement;
 - (b) a fixed time frame/term with annual amendments or separate agreements to be negotiated and entered into for pricing of units to be constructed each year;
 - (c) the date by which, each year, NHC shall notify NCC of the number, type (eg. public housing, affordable housing, market housing, etc) and location of units planned to be built the following year;

- (d) the date by which, each year, NCC shall provide projected costs for the units planned for the following year;
 - (e) the process in which, each year, the respective parties would review and consider execution of the annual agreements for construction of new units beginning in the subsequent year;
 - (f) specific key performance indicators related to Inuit and Nunavummiut training in the construction pre-trades, apprenticeship and trades areas;
 - (g) a dispute resolution mechanism;
 - (h) permissive termination rights for the Parties;
 - (i) plans for joint public communications and mutual consent for media releases; and
 - (j) protection of confidential and/or proprietary information of the Parties and their respective agents and contractors, subject to applicable law.
3. The Parties agree to work collaboratively on the negotiation and potential execution of the Definitive Agreement targeted for the Fall 2022.
 4. Each of the Parties acknowledge and agree that each is responsible for its own expenses incurred in connection with the Definitive Agreement, including without limitation, legal and accounting expenses, regardless of whether the Definitive Agreement is consummated.
 5. The recitals in this Agreement form an integral part of this Agreement and will when required be considered in interpreting the scope, meaning and intent of this Agreement.
 6. This Agreement is not intended to create binding legal obligations nor confer any rights between the Parties. Accordingly, none of the Parties are obligated to complete any transaction unless and until the parties have signed and delivered the Definitive Agreement.
 7. This Agreement will be effective upon signing and may be terminated by any Party upon written notice to the other Parties of the same.
 8. This Agreement shall be governed by the laws of Nunavut and the federal laws of Canada applicable herein. The Parties hereby irrevocably attorn to the exclusive jurisdiction of the courts of Nunavut.
 9. This Agreement may be executed by electronic transmission and in several counterparts, each of which so executed will be considered to be an original and such counterparts together shall constitute one and the same instrument.


[Execution Page to Follow]

IN WITNESS WHEREOF the parties have executed this Agreement as of the date first above written.

NUNAVUT HOUSING CORPORATION

Per: 
Name: Eiryn Devereaux
Title: President

NCC DEVELOPMENT LIMITED

Per: 
Name: Clarence Synard
Title: President