

September 23, 2025

CENTRETOWN CITIZENS OTTAWA CORPORATION
415 Gilmour St, Suite 200,
Ottawa, ON K2P 2M8

TO WHOM IT MAY CONCERN:

**Re: Investing in Series D Housing Forever Community Bonds from a
Registered Retirement Savings Plan (RRSP) or Tax Free Savings Account (TFSA)**

I have been requested by Centretown Citizens Ottawa Corporation (CCOC) to provide an Opinion as to whether an investment in Series D Housing Forever Community Bonds ("Series D Bonds") would be a qualified investment for the purposes of the *Income Tax Act* R.S.C., 1985, c.1 (5th Supp.) (the "Act") and the *Income Tax Regulations* C.R.C., c. 945 (the "Regulations").

The Relevant Statutory Framework

I have reviewed the relevant provisions of the Act and the Regulations. The terms in bold font (which is not found in the original) are defined terms on which this Opinion hinges.

Subsections 146(1) and 207.01(1) of the Act provide that certain investments are **qualified investments** for purposes of an RRSP or TFSA, respectively. More specifically, ss. 146(1) and 207.01(1) of the Act provide that investments prescribed by regulation are qualified investments for the purposes of investments made from RRSPs and TFSAs.

Subsection 4900(1)(j) of the Regulations provides that the definitions of qualified investment in s. 146(1)(d) of the Act pertaining to a RRSP and s. 207.01(1)(c) pertaining to a TFSA include a debt obligation of a debtor, or an interest, or for civil law a right, in that debt obligation, where

- (i) the debt obligation is fully secured by a mortgage, charge, hypothec or similar instrument in respect of real or immovable property situated in Canada, or would be fully secured were it not for a decline in the fair market value of the property after the debt obligation was issued, and
- (ii) the debtor (and any partnership that does not deal at arm's length with the debtor) is not a **connected person** under the governing plan of the plan trust.

Subsection 4900(2) of the Regulations provides that a "connected person under a governing plan of a plan trust means a person who is an annuitant, a beneficiary, an employer or a subscriber under, or a holder of, the governing plan and any person who does not deal at arm's length with that person".

Adverse tax consequences can arise for holders purchasing bonds through RRSPs and TFSAs where doing so would constitute a **prohibited investment**. Subsection 207.01(1) of the Act defines a prohibited investment for this purpose as property that is

- (a) a debt of the controlling individual of the registered plan;
- (b) a share of the capital stock of, an interest in, or a debt of
 - (i) a corporation, partnership or trust in which the controlling individual has a **significant interest**, or
 - (ii) a person or partnership that does not deal at arm's length with the controlling individual;
- (c) an interest (or, for civil law, a right) in, or a right to acquire, a share, interest or debt described in paragraph (a) or (b); or
- (d) prescribed property.

The combined effects of ss. 207.01(4) and 248(1) of the Act mean that an individual has a significant interest in a corporation if at any time the individual directly or indirectly owns not less than 10 percent of the issued shares of any class of the corporation or a related corporation.

Further Review and Analysis

In addition to conducting a review of the relevant provision of the Act and the Regulations, I have

1. examined CCOC's Letters Patent, Supplementary Letters Patent and Articles of Amalgamation,
2. reviewed CCOC's Offering Statement for Housing Forever Community Bonds dated September 17, 2025;
3. reviewed the trust agreement dated September 17, 2025 between CCOC and Sue Lott, Trustee (the "Trustee");
4. reviewed the Insurance Appraisal for 20 Robinson Avenue., Ottawa Ontario ("20 Robinson") dated June 11, 2025 prepared by Normac; and,
5. received, reviewed and relied upon the September 22, 2025 representations from management of CCOC attached hereto as Schedule "A".

Series D Bonds are debt obligations within the meaning of the Act.

CCOC will offer a maximum of \$2,000,000 in Series D Bonds; CCOC's equity in 20 Robinson at June 11, 2025 is well in excess of the maximum offering of Series D Bonds. Provided that the Trustee registers a charge/mortgage in the amount of the maximum offering amount for Series D Bonds, such bonds will be fully secured at the time of issuance.

CCOC is not a connected person under the governing plan of the plan trust for Series D Bonds.

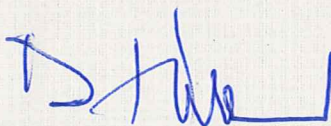
CCOC is incorporated as a corporation without share capital in Ontario and has been since the time of incorporation. While this corporate status precludes the issuance of share capital and therefore also precludes any person having a significant interest in CCOC within the meaning of the Act, a CCOC relationship with a corporation or co-operative with share capital or continuance as a corporation or co-operative with share capital is not similarly precluded. In such circumstances, investors would have to determine whether they held less than 10 percent of the issued shares of any class of CCOC or a related corporation.

Opinion

I am of the opinion that Series D Housing Forever Community Bonds, when issued, will be qualified investments for the purposes of RRSPs further to s. 146(1) and for the purposes of TFSAs further to s. 207.01(1) of the Act provided that the debt is fully secured by a charge over 20 Robinson Avenue, Ottawa Ontario and provided that CCOC is not a connected person under the governing plan of the plan trust.

While it is patently apparent that no person can hold a significant interest in CCOC as a corporation without share capital since its inception, and that the Series D Community Bonds cannot therefore be rendered a prohibited investment by virtue of shareholdings, this is a factual matter subject to change. Investors should satisfy themselves that this remains the case or, if not, that they hold less than 10 percent of the issued shares of any class of CCOC or a related corporation at the time of investment.

Yours very truly,



Dale A. Holland,
Barrister and Solicitor

Schedule A

MANAGEMENT REPRESENTATION

To: Dale A. Holland, Barrister and Solicitor

Centretown Citizens Ottawa Corporation (CCOC) has requested that you provide an Opinion as to whether Housing Forever Bonds, Series D described in our Offering Statement dated on or about September 19, 2025 (the "Series D bonds") are qualified investments for Registered Retirement Savings Plans and Tax Free Savings Accounts further to the *Income Tax Act* and regulations made pursuant to it.

We understand that your Opinion is necessarily subject to certain qualifications including that it is based on representations that we have made, and hereby confirm. Specifically, I certify in my capacity as an Officer of CCOC, and not in my personal capacity, that

1. CCOC has entered, or will imminently enter, into a Trust Agreement with Sue Lott as Trustee (the "Trustee");
2. CCOC holds the estate in the real property at 20 Robinson Ave., Ottawa Ontario ("20 Robinson") in fee simple, unencumbered by other interests or estates;
3. CCOC obtained a June 11, 2025 Insurance Appraisal Report for 20 Robinson indicating an insurable value of \$8,950,000 for the building situated thereon; because the Insurance Appraisal Report did not take the value of the land into consideration, it is CCOC's opinion that \$8,950,000 represents a conservative indication of the real property's market value;
4. The Trustee has registered or caused the registration of, or prior to the issuance of Series D Community Bonds will register or cause the registration of, a first mortgage/charge against the title to 20 Robinson in a principal amount of no more than \$2,000,000 and with terms sufficient to fully secure the Series D Community Bonds;
5. Further to provisions of the Trust Agreement and Offering Statement with respect to amendment or postponement of the first mortgage/charge, or the transfer of equivalent security in whole or in part to other real properties in which CCOC holds or will hold the estate in fee simple, CCOC represents that it is its intention to ensure that the Series D Community Bonds will at all times remain fully secured;
6. CCOC is not an annuitant, beneficiary, employer or subscriber under, or a holder of, the governing plan of the plan trust and any person who does not deal at arm's length with that person; and,
7. CCOC is a corporation without share capital and there is no corporation with share capital related to CCOC. Accordingly, no bondholder directly or indirectly owns 10 percent or more of the issued shares of any class of CCOC or a related corporation.

Dated at Ottawa Ontario this 22nd day of September, 2025.

Signed by:



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Sarah Button, Executive Director