

MEMORANDUM OF UNDERSTANDING

Dated: September 4, 2014

BETWEEN:

THE CORPORATION OF THE CITY OF STRATFORD

(the "City")

- and -

RIVERSEDGE DEVELOPMENTS INC.

("Riversedge")

WHEREAS:

- A. This Memorandum of Understanding ("**MOU**") is made and entered into between the City, having its principal municipal offices at 1 Wellington Street, P.O. Box 818, Stratford, Ontario, N5A 6W1 and Riversedge, having its principal place of business at 332789 Plank Line, Tillsonburg, Ontario, N4G 4H1.
- B. Riversedge is a restorative development company specializing in the integrated revitalization of distressed industrial properties.
- C. The City is a municipality that owns approximately 11.42 acres of brownfield lands, located at 350 Downie Street, in the City of Stratford known as the "**Cooper Site**", and other contiguous lands.
- D. The Cooper Site is adjacent to the land formerly known as the St. Patrick Street parking lot and the Downie Street parking lot, the YMCA and a 42,000 square foot university building which is the first phase of a University of Waterloo satellite campus. Collectively, these lands, which comprise approximately 18 acres, were the site of the former Canadian National Railway locomotive repair and service shops. A context map is attached as Schedule "A".
- E. The 2009 agreement between the City and the University of Waterloo, which relates to the first phase of the satellite campus, contemplates the possible expansion of the satellite campus on the Cooper Site and/ or contiguous lands, in a subsequent phase or phases.¹
- F. The City has been carrying out a due diligence and public consultation process regarding the future role and use of the Cooper Site. To this end, the City has commissioned various reports, including with respect to the structural integrity of the

¹ See Stratford Campus Agreement between University of Waterloo and the Corporation of the City of Stratford, dated November 23, 2009 and, in particular, sections 1 and 4.

building on the Cooper Site; heritage considerations; costs for various forms of rehabilitation, preservation and/or commemoration; and other land use planning and master plan considerations. For further information, reference may be had to City staff reports, Council Minutes, and the following public documents:

- a. "City of Stratford Cooper Site Building: Community Workshop and Recommendations", Malone Given Parsons Ltd. (October 2013);
 - b. "Building Condition Assessment Report", Read Jones Christoffersen Consulting (June 25, 2012);
 - c. "The Cooper Site (locomotive repair sheds) Public Consultation Report", Goldsmith Borgal & Company Ltd. Architects (June 20, 2012);
 - d. "Land Use Evaluation", Malone Given Parsons Ltd. (September, 2009);
 - e. "Potential Remedial Costs Related to the Redevelopment of the Cooper Site Property", R.J. Burnside and Associates Limited (May 2009); and
 - f. Peer Review of "Potential Remedial Costs Related to the Redevelopment of the Cooper Site Property", Conestoga-Rovers & Associates (May 25, 2009).
- G. A portion of the Cooper Site was acquired by the City from the previous owner, 1353837 Ontario Inc. ("135"), through expropriation proceedings in 2009, for municipal purposes including, but not limited to, economic development purposes. The related compensation hearing before the Ontario Municipal Board (Case No. LC120027) is ongoing.
- H. Pursuant to Minutes of Settlement between 135, its principal Lawrence Ryan, and the City, 135 and Mr. Ryan have agreed not to interfere with the City's future plans for the Cooper Site.
- I. The Cooper Site and certain contiguous lands are also the subject of a 2002 court action (Superior Court of Justice File No. 02-726) between the City, 135 and Mr. Ryan.

NOW THEREFORE:

1. In the context of the above recitals, which are true, and further to recital "F", the City has an interest in exploring different options for the future role and use of the Cooper Site.
2. Riversedge has approached the City and expressed interest in submitting a proposal to the City, for the City's consideration, including for the potential acquisition of the Cooper Site, or a portion of it, and for the development of the site and adaptive re-use of the building. The City, therefore, has agreed that Riversedge may submit a proposal for the future role and use of the Cooper Site (the "**Proposal**").
3. The Proposal may include, but will not necessarily be limited to, details relating to:
 - a. Riversedge's vision for the redevelopment and future use of the Cooper Site, including a business plan, which shall (i) take into account the 2009 agreement between the University of Waterloo and the City; and (ii) be consistent with the

City's approved strategic plan dated January 2014 and entitled "City of Stratford Strategic Priorities Final Report";

- b. Background information related to Riversedge's experience with brownfield redevelopments, including its role and involvement in development projects in Ontario and the associated circumstances, costs, financing and timing of each; and
 - c. Any proposal shall be consistent with and in accordance with any applicable environmental, health and safety, and building standards regulations.
4. Any Proposal by Riversedge shall be submitted to the City on or before December 10, 2014 (the "**Submission Date**"). The Submission Date may be adjusted if both parties agree.
 5. Any Proposal by Riversedge shall be submitted to the City on a confidential basis and, at Council's discretion, may be considered at a closed session of Council in accordance with the *Municipal Act, 2001*, subsections 239(2)(c), (e), (f) and/or (g).
 6. Notwithstanding Article 5, if the City deems it appropriate, any Proposal by Riversedge may be received for information and considered by City Council at a public meeting during which Council gives consideration to the future use and role of the Cooper Site. If the City elects to consider the Riversedge Proposal at a public meeting, Riversedge will be provided with advance notice of the meeting date and time, and an opportunity to make a deputation with respect to the Proposal.
 7. In the event that the City elects to consider the Riversedge Proposal at a public meeting, pursuant to Article 6, the City agrees not to disclose to the public any sensitive/confidential financial information, including any such third party information, except with Riversedge's permission.
 8. The City makes no commitment and has no obligation whatsoever to Riversedge, financial or otherwise, except to receive any Proposal that Riversedge may submit in accordance with Article 4, and to provide it to City Council for its consideration as part of an *in camera* or public process associated with Council's consideration of the future use and role of the Cooper Site. For greater certainty, the City makes no representations or assurances to Riversedge of any future business or dealings with Riversedge arising from or in connection with the subject matter of this MOU.
 9. In the event that City Council decides to proceed with the possible implementation of Riversedge's Proposal, the parties shall negotiate a further Memorandum of Understanding which articulates the rights, obligations and expectations of the parties with respect to same.
 10. Riversedge shall retain ownership of any studies, reports, drawings, plans or drawings ("**Documents**") which may be commissioned, supplied or paid for by Riversedge in support of the Proposal, but such Documents may form part of the public record if and when Council considers same, in open session.
 11. Riversedge shall be solely responsible for any costs it may incur with respect to the submission of any Proposal to the City.

12. Subject to satisfying the condition set out in Article 13, nothing in this MOU prohibits or prevents the City from soliciting and/or accepting and/or considering options or proposals for the future role and use of the Cooper Site, including from other third parties.
13. In the event that a third party approaches the City, between the date this MOU is executed and the Submission Date, regarding a proposal for the future role and use of the Cooper Site, the City shall first direct them to meet with Riversedge.
14. Any notice, including the submission of any Proposal, pursuant to this MOU shall be provided as follows, by either mail, personal delivery, or email transmission:

To the City:

The City of Stratford
c/o Aird & Berlis LLP
181 Bay Street, Suite 1800, Box 754
Toronto, ON M5J 2T9

Attention: Christopher Williams (cwilliams@airdberlis.com)
Andrea Skinner (askinner@airdberlis.com)

Copied to: Ron Shaw, CAO (rshaw@stratfordcanada.ca)

To Riversedge:

332789 Plank Line
Tillsonburg, ON N4G 4H1

Attention: Paul Veldman (paulveldman@blueforestventures.com)


15. Any request by Riversedge to meet with City staff, agents or consultants in connection with the submission, or planned submission, of any Proposal, shall be coordinated, by email, through Ron Shaw, CAO with a copy to Christopher Williams and Andrea Skinner.
16. In addition to providing Riversedge with the reports listed in recital "F" and the University of Waterloo agreement noted in recital "E", the City will cooperate with Riversedge to provide Riversedge with any other documents or reports that Riversedge may request, so long as they are in the City's possession and on the public record.
17. The parties expressly disclaim any intention to create a partnership or joint venture or to constitute the other party as its agent. Nothing in this MOU shall constitute the parties partners or joint venturers, nor constitute one party the agent of the other party.
18. The parties acknowledge that this MOU is subject to the *Municipal Freedom of Information and Protection of Privacy Act*, R.S.O. c. M.56 which governs, among other matters, records of the City which may or must be disclosed upon request by any person.
19. This MOU shall be governed by the laws of the Province of Ontario only, without regard to principles of conflicts of laws.

- 20. This MOU is not assignable.
- 21. Nothing in this MOU is intended to operate, nor shall have the effect of operating in anyway, to fetter Council in the exercise of any discretionary powers.

IN WITNESS WHEREOF:

The parties hereto have caused duplicate originals of this MOU to be executed by their respective duly authorized representatives.

The Corporation of the City of Stratford



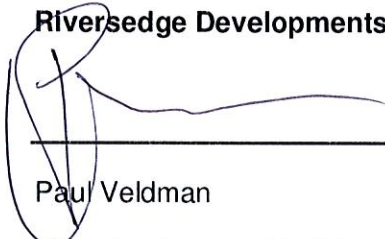
Daniel B. Mathieson, Mayor



Joan Thomson, Clerk

Authorized by By-law No. 108-2014

Riversedge Developments Inc.



Paul Veldman

I have authority to bind the corporation.