

April 1, 2019

George Vadeboncoeur
Chief Administrative Officer
Town of Wasaga Beach
30 Lewis Street
Wasaga Beach, On
L9Z 1A1

Dear George,

Further to our recent conversations, I wanted to take this brief opportunity to clarify the role of the municipality within the context of the modernization process established and set forth by the Ontario Lottery & Gaming Corporation.

The Town of Wasaga Beach ("Town") has indeed complied with Regulation 81-12 which sets out the steps to establish a new gaming facility in Ontario. We appreciate the efforts the Town took between 2012 and 2015 to comply with the above regulation to become a willing host municipality for a new gaming facility and note that the Town identified four potential zoned site locations and then subsequently added a fifth zoned site location for a new gaming facility.

Our understanding is that the sites that were identified by the Town as suitable locations for a new gaming facility did not require re-zoning as they all fit the municipality's existing definition under its zoning by-law for such entertainment utilization. I also understand that Mayor and Council did deliberately and finally approve five sites. In doing so, Council agreed at that time that those were the potential five sites that would be identified in OLG's procurement for the Central gaming bundle. OLG included these five potential sites for the new gaming facility in the Wasaga Beach/Collingwood area in its Request for Proposal ("RFP") process for the Central gaming bundle.

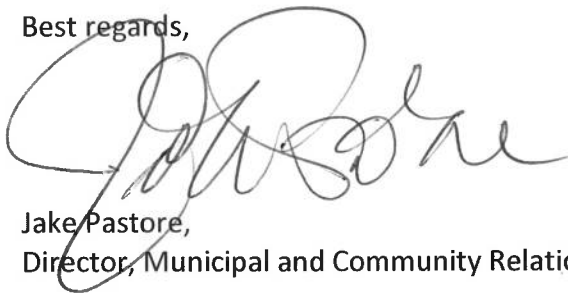
In March 2018, OLG awarded the contract for the Central gaming bundle, including the opportunity to build a new gaming facility in either Wasaga Beach or Collingwood, to Gateway Casinos & Entertainment Limited (“Service Provider”). Pursuant to the municipal resolution, the Service Provider can select one of the five zoned sites identified by Council for a new gaming facility in Wasaga Beach.

In October 2018, it was announced that the Service Provider had selected Wasaga Beach to build a new gaming facility. The Service Provider may now pick one of the five sites that are properly zoned for the gaming facility. Once the Service Provider has identified a potential site, it is required to prepare and submit to OLG a casino proposal in order to obtain the required approval of the Minister of Finance under Regulation 81-12 for the establishment of a new gaming facility.

Once the Regulation 81-12 approval is obtained, the Service Provider is responsible under its contract with OLG for obtaining all other required legislative and regulatory governmental consents (including any local approvals) to develop and open the new gaming facility (for example, site plan approvals, building permits).

Should you have any further questions or concerns, please feel free to contact me directly. All the best and we look forward to working closely with you, Mayor and Council towards the establishment of a new Municipality Contribution Agreement.

Best regards,

A handwritten signature in black ink, appearing to read 'Jake Pastore', written over a large, stylized circular flourish.

Jake Pastore,
Director, Municipal and Community Relations

Cc: Rob Mitchell
Director, Communications & Public Affairs, Gateway Casinos & Entertainment Limited