



SPECIAL MEETING OF COUNCIL

AGENDA

Tuesday July 10, 2018
10:00 am in the Classroom

1. **CALL TO ORDER**
2. **DISCLOSURE OF PECUNIARY INTEREST**
3. **ADOPTION OF MINUTES – NONE**
4. **DEPUTATIONS, PRESENTATIONS, PETITIONS & PUBLIC MEETINGS - NONE**
5. **COMMENT PERIOD**

“A fifteen (15) minute session wherein persons in attendance at the Regular Meeting of Council have an opportunity to make a comment pertaining to items that are listed on the agenda to be dealt with by Council. Comments will be received for Council consideration but will not be discussed or debated at this time.”
6. **UNFINISHED BUSINESS – to be reviewed at the next Regular Council Meeting**
7. **CORRESPONDENCE - NONE**
8. **COMMITTEE, BOARDS & STAFF REPORTS**
 - a) **Special Committee of the Whole – July 6, 2018**

Recommendation: That Council receive the Special Committee of the Whole Report of July 6, 2018 as circulated and approves all actions contained therein.

Note: Letter of Intent (LOI) pertaining to FRAM Building Group Ltd. attached.
9. **NOTICES OF MOTION – NONE**
10. **MOTIONS WHERE NOTICE HAS BEEN PREVIOUSLY GIVEN – to be reviewed at the next Regular Council Meeting**
11. **BY-LAWS AND CONFIRMATORY BY-LAW**
 - a) 2018-60 A By-law to confirm the proceedings of the Council of the Corporation of the Town of Wasaga Beach at its Special Council meeting held Tuesday July 10, 2018.

12. CALLING OF COMMITTEE MEETINGS - NONE**13. QUESTION PERIOD**

“A fifteen (15) minute session wherein persons in attendance at the Regular Meeting of Council have an opportunity to raise questions pertaining to items that were dealt with by Council on the evening’s Agenda.”

14. CLOSED SESSION

- a) Director of Economic Development and Tourism’s Confidential Verbal Report Re: Main Street and Spruce Street Properties – Section 239 (2) (c) a proposed or pending acquisition or disposition of land by the Municipality.

15. REPORTS FROM CLOSED SESSION

- a) Special Committee of the Whole – July 6, 2018 – Closed Session Minutes

16. ADJOURNMENT

COMMITTEE CHAIR REPORT

TO: Council

FROM: Mayor Brian Smith, Chair
Committee of the Whole

SUBJECT: Actions from the July 6, 2018 Special Committee of the Whole Meeting

DATE: July 10, 2018



RECOMMENDATION

That Council adopt the Special Committee of the Whole Report dated July 10, 2018, as circulated, and approve all the actions contained therein.

BACKGROUND

Listed below are the actions resulting from the Special Committee of the Whole Meeting held on July 6, 2018. They are before Council for consideration.

ACTIONS

CAO's Report dated July 6, 2018 Re: Appraisals of Main Street Properties as part of the Community Hub

RESOLUTION NO. 2018-06-01A

RESOLVED THAT Committee of the Whole recommend that Council authorize the CAO issue an RFP to conduct appraisals on seven properties identified as part of lands required for the recreation, twin-pad, community service and retail components of the Community Hub.

CARRIED

RESOLUTION NO. 2018-06-01B

RESOLVED THAT Committee of the Whole recommend that Council authorize the CAO to enter into a contract with Andrew Thompson & Associates Ltd. Land Appraisers to conduct appraisals on seven properties identified as part of lands required for the recreation, twin-pad, community service and retail components of the Community Hub at an upset limit of \$49,000, plus 5% disbursements and HST as a single source purchasing action.

RESOLVED THAT Committee of the Whole recommend that Council amend the original motion to authorize the CAO issue an RFP to conduct appraisals on seven properties identified as part of lands required for the recreation, twin-pad, community service and retail components of the Community Hub.

CARRIED

RESOLUTION NO. 2018-06-02

RESOLVED that Committee of the Whole recommend Mr. Frank Giannone of FRAM Building Group Ltd. be permitted to remain in the Closed Session portion of the July 7, 2018 Special Committee of the Whole meeting to discuss components of the proposed Letter of Intent.

CLOSED SESSION

RESOLUTION NO. 2018-06-03

RESOLVED THAT Pursuant to Section 239 (c) and (f) of The Municipal Act, 2001, as amended, the next portion of the Special Committee of the Whole meeting of July 6, 2018 be closed to the public to discuss a proposed or pending acquisition or disposition of land by the Municipality and to receive advice that is subject to solicitor-client privilege.

CARRIED

REPORTS FROM CLOSED SESSION

RESOLUTION NO. 2018-06-05

RESOLVED that Committee of the Whole confirms the direction provided to the CAO in Closed Session regarding a Main Street Property Matter.

CARRIED

RESOLUTION NO. 2018-06-06

RESOLVED that Committee of the Whole recommends that Council authorize the Mayor and Clerk to execute the proposed non-binding LOI submitted by FRAM;

Further that Committee directs Staff and Legal Counsel to prepare a binding Letter of Intent for consideration at a future Special Committee of the Whole or Coordinated Committee meeting that maintains the substantive components of the proposed LOI, taking into account the comments made in Closed Session;

Further that Committee directs Legal Counsel to consider the authority that Council may wish to delegate to staff to implement the LOI over the period that Council may be in a lame duck situation.

Respectfully submitted,
Brian F. Smith, Mayor
Chair, Committee of the Whole.



COMMITTEE OF THE WHOLE (Special Meeting) Report

**Friday July 6, 2018
at 2:00 p.m. held in the Classroom**

PRESENT:	B. Smith	Mayor
	N. Bifulchi	Deputy Mayor
	S. Bray	Councillor
	R. Ego	Councillor
	B. Smith	Councillor
	B. Stockwell	Councillor
	G. Vadeboncoeur	CAO
	L. Borland	Deputy Clerk
	A. McNeill	Director of Economic Development & Tourism
	J. Lee	Director, Finance and Treasurer
	F. Giannone	President, FRAM Building Group Ltd.
REGRETS:	J. Belanger	Councillor

1. CALL TO ORDER

Mayor Smith called the meeting to order at 2:00 p.m.

2. DISCLOSURE OF PECUNIARY INTEREST - None

3. DEPUTATIONS, PETITIONS AND PUBLIC MEETINGS

Deputation:

- a) Mr. McNeill provided an introduction of Mr. Giannone and a brief background on the plan before Committee. Mr. Frank Giannone, President of FRAM Building Group Ltd., was in attendance to make a deputation to Committee in regards to the Draft Letter of Intent (LOI). Mr. Giannone informed Committee that this project is a great opportunity to the Town and spoke to the highlights of this plan. An architect has been retained and has some impressive designs to provide that will be conducive to the Town. Mr. Giannone noted he is comfortable with the LOI as it is presented to Committee and is willing to answer any questions of Committee.

Presentation:

- b) Mr. Andrew McNeill, Director of Economic Development and Tourism, was in attendance to make a presentation to Committee in regards to the purpose of the LOI, the next steps involved, and the high level components of the LOI. Mr. McNeill provided information pertaining to similar and larger scale projects that

relate to this proposal. Once a Master Plan is complete, the Town can look to Mr. Giannone to bring this plan to life. The Town is not getting involved in the development aspect, and will be looking at selling land to FRAM on a phased basis. The intention is that the Town can capture value for the development. The First phase will capture a town square, mixed use buildings, potential for library, and on the beachfront a resort or residential area. Phase 1 is estimated to bring in approximately \$3.7 million. Mr. Giannone added that communities have benefited significantly from the addition of town squares.

Mr. McNeill advised that developers are working within the boundary of town owned lands only and placed emphasis that the taxpayers of this town are not paying for private development, the Town is only paying for public components.

Mr. McNeill advised that a new Facebook page called “Building Downtown Wasaga Beach”, a site for the development of a Downtown in Wasaga Beach. It will be monitored by staff and we urge the community to visit this Facebook page and ask questions or leave comments.

Mr. McNeill and Mr. Giannone answered questions and addressed concerns of Committee members pertaining to the Downtown Master Plan and the proposed LOI.

4. UNFINISHED BUSINESS – to be reviewed at the next Regular scheduled COW

5. NEW BUSINESS

a) CAO’s Report dated July 6, 2018 Re: Appraisals of Main Street Properties as part of the Community Hub

The CAO spoke to the highlights of his report and addressed questions and concerns of Committee.

The current motion before Committee reads:

RESOLVED THAT Committee of the Whole recommend that Council authorize the CAO to enter into a contract with Andrew Thompson & Associates Ltd. Land Appraisers to conduct appraisals on seven properties identified as part of lands required for the recreation, twin-pad, community service and retail components of the Community Hub at an upset limit of \$49,000, plus 5% disbursements and HST as a single source purchasing action.

Deputy Mayor Bifulchi noted that she would like to see an amendment to the motion that the appraisals go out for a Request for Proposal (RFP). It was then;

MOVED BY N. BIFOLCHI

SECONDED BY S. BRAY

RESOLUTION NO. 2018-06-01A

RESOLVED THAT Committee of the Whole recommend that Council authorize the CAO issue an RFP to conduct appraisals on seven properties identified as part of lands required for the recreation, twin-pad, community service and retail components of the Community Hub.

Deputy Mayor Bifulchi	Yea
Councillor Bray	Yea
Councillor Ego	Yea
Councillor Smith	Yea
Councillor Stockwell	Yea
Mayor Smith	Yea

CARRIED

The original motion having been read was now on the table with the amendment. It was then;

MOVED BY B. STOCKWELL
 SECONDED BY R. EGO

RESOLUTION NO. 2018-06-01B

RESOLVED THAT Committee of the Whole recommend that Council authorize the CAO to enter into a contract with Andrew Thompson & Associates Ltd. Land Appraisers to conduct appraisals on seven properties identified as part of lands required for the recreation, twin-pad, community service and retail components of the Community Hub at an upset limit of \$49,000, plus 5% disbursements and HST as a single source purchasing action.

RESOLVED THAT Committee of the Whole recommend that Council amend the original motion to authorize the CAO issue an RFP to conduct appraisals on seven properties identified as part of lands required for the recreation, twin-pad, community service and retail components of the Community Hub.

Deputy Mayor Bifulchi	Yea
Councillor Bray	Yea
Councillor Ego	Yea
Councillor Smith	Yea
Councillor Stockwell	Yea
Mayor Smith	Yea

CARRIED

6. ITEMS FOR FUTURE MEETINGS (new items) - None

Committee took a break at 3:02 p.m.

Committee resumed the meeting at 3:14 p.m.

Deputy Mayor Bifulchi requested to Committee to allow Mr. Giannone to come into Closed Session to clarify any further LOI questions and concerns. It was then;

MOVED BY N. BIFOLCHI
 SECONDED BY S. BRAY

RESOLUTION NO. 2018-06-02

RESOLVED that Committee of the Whole recommend Mr. Frank Giannone of FRAM Building Group Ltd. be permitted to remain in the Closed Session portion of the July 7, 2018 Special Committee of the Whole meeting to discuss components of the proposed Letter of Intent.

Deputy Mayor Bifulchi	Yea
Councillor Bray	Yea
Councillor Ego	Yea
Councillor Smith	Yea
Councillor Stockwell	Yea
Mayor Smith	Yea

CARRIED

7. CLOSED SESSION

- a) Director of Economic Development and Tourism's Confidential Verbal Update Re: Main Street/Beachfront Development – FRAM Letter of Intent – Section 239 (2) (c) and (f) a proposed or pending acquisition or disposition of land by the Municipality and to receive advice that is subject to solicitor-client privilege.

MOVED BY R. EGO

SECONDED BY B. STOCKWELL

RESOLUTION NO. 2018-06-03

RESOLVED THAT Pursuant to Section 239 (c) and (f) of *The Municipal Act, 2001*, as amended, the next portion of the Special Committee of the Whole meeting of July 6, 2018 be closed to the public to discuss a proposed or pending acquisition or disposition of land by the Municipality and to receive advice that is subject to solicitor-client privilege.

Deputy Mayor Bifulchi	Yea
Councillor Bray	Yea
Councillor Ego	Yea
Councillor Smith	Yea
Councillor Stockwell	Yea
Mayor Smith	Yea

CARRIED

Committee moved into Closed Session at 3:16 p.m.

Committee moved back into Open Session at 5:17 p.m.

It is noted that Mr. Giannone was only present in Closed Session to clarify information for members of Council. He left the room at 3:27 p.m.

8. REPORTS FROM CLOSED SESSION

- a) Director of Economic Development and Tourism's Confidential Verbal Update Re: Main Street/Beachfront Development – FRAM Letter of Intent – Section 239 (2) (c) and (f) a proposed or pending acquisition or disposition of land by the Municipality and to receive advice that is subject to solicitor-client privilege.

Mayor Smith advised the public that Committee members spoke to their comments and concerns pertaining to the Main Street/Beachfront Development and FRAM LOI agreement and potential or pending acquisition or disposition of land by the town in Closed Session. It

was then;

MOVED BY B. SMITH
 SECONDED BY N. BIFOLCHI

RESOLUTION NO. 2018-06-05

RESOLVED that Committee of the Whole confirms the direction provided to the CAO in Closed Session regarding a Main Street Property Matter.

Deputy Mayor Bifulchi	Yea	
Councillor Bray		Nay
Councillor Ego	Yea	
Councillor Smith	Yea	
Councillor Stockwell	Yea	
Mayor Smith	Yea	

CARRIED

MOVED BY R. EGO
 SECONDED BY B. STOCKWELL

RESOLUTION NO. 2018-06-06

RESOLVED that Committee of the Whole recommends that Council authorize the Mayor and Clerk to execute the proposed non-binding LOI submitted by FRAM;

Further that Committee directs Staff and Legal Counsel to prepare a binding Letter of Intent for consideration at a future Special Committee of the Whole or Coordinated Committee meeting that maintains the substantive components of the proposed LOI, taking into account the comments made in Closed Session;

Further that Committee directs Legal Counsel to consider the authority that Council may wish to delegate to staff to implement the LOI over the period that Council may be in a lame duck situation.

Deputy Mayor Bifulchi		Nay
Councillor Bray		Nay
Councillor Ego	Yea	
Councillor Smith	Yea	
Councillor Stockwell	Yea	
Mayor Smith	Yea	

CARRIED

9. ADJOURNMENT

Mayor Smith adjourned the meeting at 5:20 p.m.

LETTER OF INTENT

June 25, 2018

To: The Corporation of the Town of Wasaga Beach (the "Town")

Re: Offer by Fram Building Group Ltd. (the "Developer") to acquire and develop various lands and property within the Town's downtown area of the Town of Wasaga Beach, in the Province of Ontario

The purpose of this non-binding letter of intent ("**Letter of Intent**") is to confirm the details of discussions to date between the Town and the Developer relating to the proposed redevelopment of certain lands within the Town's downtown area ("**Downtown Area**") as broadly outlined in the "Town of Wasaga Beach Downtown Development Master Plan" report dated March, 2017, and in response to the "Downtown Development Opportunity, Request for Expressions of Interest", that was issued by the Town on April 26, 2017. This Letter of Intent describes in broad terms the basis upon which the Town and the Developer are prepared to negotiate and enter into the Project Agreements (defined below).

It is understood and agreed that upon the Town's acceptance of this Letter of Intent, an agreement (or agreements) of purchase and sale, a development management agreement, a construction management agreement and such other ancillary documentation and other agreements necessary for the transactions contemplated herein (collectively, the "**Project Agreements**") shall be prepared by the Town's legal counsel and the parties agree to negotiate in good faith with each other to finalize mutually acceptable terms of the Project Agreements for authorization, execution, and delivery of same in a timely manner. Accordingly, with the exception of the confidentiality provisions set out in Section 19 below, which are intended to be binding, this letter of intent is not intended to be, nor should it be construed as, a binding agreement between the parties.

1. TERM OF LETTER OF INTENT

Upon execution and delivery of this Letter of Intent and until 5:00 p.m. on July 27, 2018 (the "**Negotiation Period**"), the parties agree to negotiate in good faith with each other to finalize mutually acceptable terms of the Project Agreements, and to settle the purchase price for each of the components of the Lands (defined below) to be sold as contemplated herein (such amounts, the "**Purchase Price Determinations**"). The parties agree that the Negotiation Period may be extended by mutual agreement, in writing, by the parties.

In the event the Project Agreements have not been entered into and the Purchase Price Determinations are not completed prior to the end of the Negotiation Period, the parties shall have no further obligations pursuant to this Letter of Intent, other than pursuant to Section 19.

2. LANDS

For the purposes herein, the Downtown Area consists of the following four different areas within the Town of Wasaga Beach (collectively, the "**Lands**"):

- (a) the lands located at the southwest quadrant of the intersection of Main Street and Beck Street in the approximate location as identified on the sketch attached hereto as Schedule A (the "**Town Square Lands**");

- (b) the lands adjacent to Nottawasaga Bay, with frontage on Spruce Street and Festival Square, in the approximate location as identified on the sketch attached hereto as Schedule B (the **“Beach/Festival Square Lands”**);
- (c) the lands located within the area bound by Mosley Street, Beach Drive, between 1st Street and 3rd Street, but excluding the Beach/Festival Square Lands in the approximate location as identified on the sketch attached hereto as Schedule B (the **“Beachfront Amenity Lands”**); and
- (d) four parcels of lands adjacent to Nottawasaga Bay and located west of Mosley Street between 3rd Street and 6th Street in the approximate location as identified on the sketch attached hereto as Schedule B (**“Beachfront Residential/Resort Lands”**) and identified as Phase B7, Phase B8, Phase B9 and Phase B10 thereon (**“Phase B7”**, **“Phase B8”**, **“Phase B9”** and **“Phase B10”**, respectively).

3. TOWN SQUARE PROJECT

It is intended that the Town Square Lands will be developed to contain:

- (a) one or more stand-alone buildings, which will contain:
 - (i) an area of approximately 30,000 square feet to be utilized as retail or community amenity or civic office space for the Town (the **“Town Square Commercial Component”**), and which is currently proposed to contain a public library;
 - (ii) an area of approximately 25,000 square feet, over approximately three floors, which may be constructed above the Town Square Commercial Component, and which shall be registered as a condominium, and which shall contain approximately ten residential condominium units (the **“Town Square Residential Condo Component”**);
- (b) approximately ten indoor (below grade and/or at-grade) and/or outdoor (at-grade) parking spaces (the **“Town Square Residential Parking Component”** and together with the Town Square Residential Condo Component, the **“Town Square Residential Components”**);
- (b) an open square space of approximately 32,000 square feet (the **“Town Square Component”**); and
- (c) additional indoor (below grade and/or at-grade) and/or outdoor (at-grade) parking spaces (the **“Town Square Parking Component”**, and together with the Town Square Commercial Component and the Town Square Component, the **“Town Components”**). The number of parking spaces provided will be determined following a shared-parking analysis undertaken as part of the preparation of the Design Plans, that may lead, if required, to an amendment to the Town’s Zoning By-Law, to be approved by Council.

The design, development and construction of the foregoing is referred to herein as the **“Town Square Project”**.

4. **AGREEMENT FOR PURCHASE AND SALE OF THE TOWN SQUARE RESIDENTIAL COMPONENTS**

The Town shall take steps to sell, and the Developer (or a wholly-owned subsidiary of the Developer, as provided in Section 12(f)) shall agree to purchase, the Town Square Residential Components (the “**Town Square Purchase Transaction**”) on the following terms and conditions:

- (a) **Purchase Price.** The purchase price (“**Town Square Residential Components Purchase Price**”) for the Town Square Residential Components shall be equal to the portion of the Purchase Price Determinations allocated to the Town Square Residential Components, it being expected that such price shall be in a range between \$500,000 and the fair market value of the Town Square Residential Components assuming any required rezoning has been completed (such fair market value as determined by the Town’s duly appointed and qualified independent appraiser).
- (b) **Conditions.** The closing of the Town Square Purchase Transaction shall be conditional upon, and for the benefit of the Developer securing a binding commitment for construction financing of the Town Square Residential Components, it being agreed that such commitment will include requirements with respect to condominium pre-sales, budgets, time lines for construction and required equity, within three years of the date of the execution of the Project Agreements (in this Section 4(b), the “**Condition**”), failing which such Project Agreements, as they relate to the Town Square Purchase Transaction, shall be at an end, unless the Developer is not satisfied, acting reasonably, that market conditions are favourable for the successful completion of the Town Square Purchase Transaction, including but not limited to: (i) the project achieving a reasonable rate of residential sales; and (ii) the ability to obtain financing at reasonable rates and terms, in which case the Developer may delay expiration of the Condition by an amount of time as deemed appropriate by agreement of the Developer and the Town, each acting reasonably, or reasonably necessitated by market conditions. If the Parties disagree on whether a delay is necessitated by market conditions, or on the appropriate amount of time to delay, the parties shall within 30 days of ascertaining such disagreement appoint an arbitrator to resolve the disagreement. The arbitration shall take place in Ontario during the 30 days following the arbitrator’s appointment, depending on the arbitrator’s availability. The arbitrator shall be appointed by the parties together and the fee of the arbitrator shall be paid equally by the parties. The arbitration shall be binding on the parties.
- (c) **Timing of Closing.** The closing of the Town Square Purchase Transaction shall occur within 15 business days after the later of: (i) the date on which the conditions in Section 4(b) have been satisfied or waived; (ii) the date that requisite municipal approvals for the Town Square Project have been obtained in non-appealable form; and (iii) the date that severances of the Town Square Residential Components, where necessary, have been obtained in final non-appealable form and transfers evidencing such severances have been duly registered in respect thereof (for clarity, such registrations to take place within 10 business days following the issuance of certificates of severance in respect of such severances). For greater certainty, the closing of the Town Square Purchase Transaction is intended to occur after the pre-development of the Town Square Project has been completed but, in any event, prior to commencement of any construction in respect thereof;
- (d) **Payment of Purchase Price.** The Town Square Residential Components Purchase Price shall be payable in full at closing; and

- (c) **Compliance with By-law.** The purchase and sale of the Town Square Residential Components will be subject to the Town's By-Law No. 2014-21, being a By-Law to establish a policy and procedures governing the sale and disposition of land.

5. DEVELOPMENT OF THE TOWN SQUARE PROJECT

In connection with the development of the Town Square Project, the parties agree as follows:

- (a) The Town will be responsible, as its sole cost, for taking such steps as are required to seek to implement zoning of the Town Square Lands to permit the development of the Town Square Project;
- (b) The Town will be responsible, at its sole cost, for obtaining, with the full cooperation of the Developer, all required approvals and consents of the Local Planning Appeal Tribunal to permit the development of the Town Square Project;
- (c) The Developer will be responsible for obtaining site plan approval, the costs of obtaining such approval shall be allocated proportionately between the Town Components and the Town Square Residential Components, based on relative square footage or fair market value or some other manner to be determined by the parties hereto, acting reasonably, such allocation mechanism to be specified in the Project Agreements;
- (d) At the Town's sole option, the Developer shall provide or cause to be provided, any guarantees required in connection with any financing of the construction of the Town Components, and if such guarantee is provided, the Town will pay an annual guarantee fee of 1% of the value of the Guarantee, or a proportionate share thereof for a part year, for the term of such financing, as it may be extended or until such guarantees have been released, and the Town agrees to indemnify, on a proportionate basis, the guarantor in respect thereof, on standard market terms and conditions;
- (e) The Developer (or its wholly-owned subsidiary, as applicable) will be responsible for all Tarion obligations, fees and expenses and all other obligations related to the ownership and development of a residential condominium on the Town Square Residential Components; and
- (f) The Developer will post all letters of credit as would normally be posted through the Site Plan approval process to ensure completion of the Town Square Project; and
- (g) Any roads which are part of the Town Square Project and prescribed by law to be "public" roads (inclusive of underground services and utilities), including by virtue of such roads being conveyed to the Town will be paid for by the Town, and all other roads which are part of the Town Square Project will be paid for by the Developer (or its wholly-owned subsidiary, as appropriate).

6. APPOINTMENT OF DEVELOPER AND CONTRACTOR FOR THE TOWN SQUARE PROJECT

The Town and the Developer (or its wholly-owned subsidiary, as applicable), in its capacity as owner of the Town Square Residential Components, will take steps required to appoint the Developer to act as development and construction manager and contractor for the Town Square Project, on such terms and conditions as are customary for the development and construction of mixed use developments such as the Town Square Project, including, without limitation, such terms and conditions as are set out below:

- (a) **Project Design.** The Developer will prepare, or cause to be prepared, the proposed concept, design and phasing of the construction of the Town Square Project, and the preliminary design drawings and specifications for the Town Square Project (the “**Design Plans**”), and when such Design Plans have been approved by the Town and the Developer, the Developer will cause the architect for the Town Square Project to prepare the working plans and specifications necessary in order to ensure the construction of the Town Square Project in accordance with the approved Design Plans, for approval by the Town and the Developer (collectively, the “**Working Plans**”);
- (b) **Consultants, Contractors and Suppliers.** Subject to any Major Matter (described below) and provided the Developer complies with the Town’s procurement policies, the Developer will (i) select and retain all consultants, subcontractors and suppliers required for the Town Square Project, each phase and each building, as the case may be, ensuring that each such consultant, subcontractor and supplier is qualified and has the expertise and resources to provide the services or supplies it is hired to provide, (ii) negotiate and finalize all contracts with all such consultants, subcontractors and suppliers, in each case before such person begins to provide any services or supplies pursuant to the applicable contract, (iii) deal with such persons and administer such contracts and (iv) co-ordinate the activities, where necessary or appropriate, of all such consultants, subcontractors and suppliers;
- (c) **Project Budget.** The Developer will prepare, or cause to be prepared, a development and construction budget for the Town Square Project (the “**Budget**”), setting forth, in detail, the estimated costs of development and construction, including related fees, interest expenses and applicable taxes. In addition to including all such line items as are customarily included in budgets such as the Budget, the Budget will identify such other specific costs attributed to such components of the development and construction of the Town Square Project as may be reasonably specified by the Town. The Budget will expressly address and comply with the Town’s requirements related to public finance policy/municipal capital budgeting/financing elements, and at a minimum will reflect that that the cost of the public component and related infrastructure (i.e. the Town Components, and any related water, sewer, road improvements that may be necessary) are tied to the Town’s statutory financial rules and financial policies (i.e. capital budgets, development charges etc.);
- (d) **Project Schedule.** The Developer will prepare or cause to be prepared a development and construction schedule for the Town Square Project (the “**Schedule**”), setting forth the estimated commencement and completion date of each stage or component of the development and construction of the Town Square Project and the estimated final completion date. In addition to including all such line items as are customarily included in development and construction schedules such as the Schedule, the Schedule will identify the estimated timing of such other specific stages and components may be reasonably specified by the Town;
- (e) **Construction Management.** The Developer will manage, operate and co-ordinate all aspects of the construction of the Town Square Project, including the following:

- (i) monitor and administer of the construction of the Town Square Project in accordance with the approved Design Plans, Working Plans, Budget and Schedule;
 - (ii) negotiate all the terms and conditions of the engagement of all subcontractors;
 - (iii) approve the contract documents for the supply of labour, services or materials;
 - (iv) negotiate all change orders with contractors;
 - (v) manage any contract disputes which may arise with subcontractors;
 - (vi) arrange for the enforcement and correction of any construction deficiencies;
 - (vii) liaise with all subcontractors under all contracts to ensure due compliance with the terms and provisions of their obligations, including in respect of adhering to the Design Plans, Working Plans, Budget and Schedule; and
 - (viii) use commercially reasonable efforts to protect the Town Square Project or cause the Town Square Project to be protected, from all liens arising from time to time at common law or under the provision of any applicable law, including liens for labour or materials under the *Construction Lien Act, 1990* (Ontario)
- (f) **Standard of Care.** The Developer will at all times act on a basis which is fair and reasonable and shall exercise its powers and discharge its duties competently, diligently, honestly, efficiently, in good faith and in the best interests of the Town Square Project, and, in connection therewith, the Developer shall exercise that degree of care, diligence and skill that a reasonable and prudent development manager dealing with the property of another person would exercise in comparable circumstances. The Developer will provide its services in accordance with all applicable municipal, provincial and federal laws (including all environmental laws) and all requirements of the insurance policies related to the Town Square Project;
- (g) **Other Development Management Terms and Conditions.** The Developer will also undertake the following:
- (i) arrange for all appropriate insurance for the Town Square Project and maintain its own insurance policies, in compliance with the requirements of the owners of the Town Square Project;
 - (ii) prepare and provide annual, quarterly and monthly reports on the progress of the Town Square Project;
 - (iii) maintain books of account for the Town Square Project;
 - (iv) be responsible for all Town Square Project banking;
 - (v) be solely responsible for its own employees and personnel; and
 - (vi) co-ordinate all appraisals of the Town Square Project.
- (h) **Fees.** The Town will pay the Developer the following fees:

- (i) for all services to be provided by the Developer as described in this Section 6 (other than as described in Section 6(e)), a fee of \$1.50 per square foot of net floor area of the portion of the Town Square Project as the parties may agree during the Negotiation Period, to reflect a reasonable application of the fee to the Town Components (subject to a minimum of \$100,000), payable, subject to any construction lender's approval, on a staged basis, from time to time; and
 - (ii) for the services described in Section 6(e), a construction management fee of 4.5% of hard construction costs (it being agreed that compensation in respect of matters related to soft costs shall be addressed in the fee outlined in Section 6(h)(i)) attributable to the construction of the Town Components, it being agreed that the Developer shall be responsible for any construction management fees attributable to the construction of the Town Square Residential Components. Such fee shall be payable in monthly instalments during the construction period for the Town Square Project.
- (i) **Expenses.** The Town shall reimburse the Developer for all expenses incurred by the Developer in the performance of its duties, on a proportionate basis, provided that such expenses are either included in the approved Budget, otherwise approved by the Town or reasonably expensed in an emergency. It is agreed that the Developer's expenses will be allocated between the Town Components and the Town Square Residential Components, based on relative square footage or fair market value or some other manner to be determined by the parties hereto, and the Town will be responsible only for expenses allocated to the Town Components.
- (j) **Approvals.** The Developer shall not have the authority to make any decision or take any action in respect of any Major Matter without the approval of the Town, nor shall the Developer take any action to implement a Major Matter unless such Major Matter has been approved by the Town. "**Major Matter**" includes:
- (i) the adoption of any Design Plan, Budget or Schedule, and any amendments or supplements thereto;
 - (ii) all construction financing or other financing for the Town Square Project, and granting any mortgage, charge or other encumbrance on or affecting the Town Square Project or any part thereof;
 - (iii) the decision to commence the construction of any buildings or any other improvements forming part of the Town Square Project;
 - (iv) the direct or indirect sale or other disposition of all or any part of the Town Square Project or any Project lands;
 - (v) initiating, defending or settling any insurance or litigation claim in excess of a specific amount to be determined and set out in the Project Agreements;
 - (vi) entering into any agreement with municipal authorities (other than the Town);
 - (vii) entering into any agreement with any landowner of land adjacent to the lands comprising the Town Square Project. For greater certainty, the Developer and its affiliates shall be entitled to freely acquire any lands which are not directly adjacent

to the lands comprising the Town Square Project and any lands which are directly adjacent to the lands comprising the Town Square Project, but which in no way impact the development of the Town Square Project;

- (viii) entering into any contracts with any architect, general contractor or consultant providing services in respect of the Town Square Project and any amendments thereto, where such contract provides for payments to such person of an amount to be determined and specifically set out in the Project Agreements;
 - (ix) entering into any agreement, or otherwise dealing with, any person that does not deal at arm's length with the Developer;
 - (x) committing to or incurring expenditures not provided for in the approved Budget or which will result in total expenditures for the applicable line item in the Budget exceeding the budgeted amount by more than the lesser of (i) a percentage of such line item to be determined and specifically set out in the Project Agreements; and (ii) a specific amount to be determined and set out in the Project Agreements; and in any event any such expenditure which, when aggregated with all prior such expenditures would result in total expenditures for the Town Square Project exceeding the total budgeted amount by more than the lesser of (i) a percentage to be determined and specifically set out in the Project Agreements; and (ii) a specific amount to be determined and set out in the Project Agreements;
 - (xi) committing to any change order(s) in respect of the Town Square Project or any part(s) thereof;
 - (xii) any modification, supplement, amendment or termination of any item that is the subject of a Major Matter; and
 - (xiii) any other decision that could reasonably be expected to have a material impact upon the Town Square Project or any part thereof, or any adjoining property, or the interests of the Town.
- (k) **Funding Process.** The Developer, the Town and the owner of the Town Square Residential Components will agree to a schedule/draw process for the Town and the owner of the Town Square Residential Components to each fund their portion of development/construction costs.

7. BEACHFRONT RESIDENTIAL/RESORT LANDS

It is intended that the Beachfront Residential/Resort Lands will be developed in the following phases:

- (a) Phase B7, being a mix of residential dwelling units that might include townhouses and/or stand-alone building(s) to be registered as a condominium, which may include the following: approximately 37,000 square feet, 37 units, 37 indoor (at-grade) and/or outdoor (at-grade) parking spaces and four storeys;
- (b) Phase B8, being a mix of residential dwelling units that might include townhouses and/or stand-alone building(s) to be registered as a condominium, which may include the following: approximately 78,000 square feet, 78 units, 78 indoor (at-grade) and/or outdoor (at-grade) parking spaces and four storeys;

- (c) Phase B9, being a mix of residential dwelling units that might include townhouses and/or stand-alone building(s) to be registered as a condominium, which may include the following: approximately 64,000 square feet, 64 units, 64 indoor (at-grade) and/or outdoor (at-grade) parking spaces and four storeys; and
- (d) Phase B10, being a mix of residential dwelling units that might include townhouses and/or stand-alone building(s) to be registered as a condominium, which may include the following: approximately 97,000 square feet, 37 units, 64 indoor (at-grade) and/or outdoor (at-grade) parking spaces and two and one half storeys.

The design, development and construction of the foregoing is referred to herein as the “**Beachfront Residential Project**”.

8. AGREEMENT FOR PURCHASE AND SALE OF THE BEACHFRONT RESIDENTIAL/RESORT LANDS

The Town shall take steps to sell, and the Developer (or a wholly-owned subsidiary of the Developer, as provided in Section 12(f)) shall agree to purchase, on a phase-by-phase, the Beachfront Residential/Resort Lands (such transaction being, the “**Beachfront Purchase Transaction**”) on the following terms and conditions:

- (a) **Purchase Price.** The purchase price (“**Beachfront Purchase Price**”) for each phase of the Beachfront Residential/Resort Lands shall be equal to the portion of the Purchase Price Determinations allocated to the applicable phase, it being expected that:
 - (i) the price for Phase B7 shall in a range between \$500,000 and the fair market value of Phase B7 assuming any required rezoning has been completed (such fair market value as determined by the Town’s duly appointed and qualified independent appraiser);
 - (ii) the price for Phase B8 shall be in a range between \$1,560,000 and the fair market value of Phase B8 assuming any required rezoning has been completed (such fair market value as determined by the Town’s duly appointed and qualified independent appraiser);
 - (iii) the price for Phase B9 shall be in a range between \$1,350,000 and the fair market value of Phase B9 assuming any required rezoning has been completed (such fair market value as determined by the Town’s duly appointed and qualified independent appraiser);
 - (iv) the price for Phase B10 shall be in a range between \$9,500,000 and the fair market value of Phase B10 assuming any required rezoning has been completed (such fair market value as determined by the Town’s duly appointed and qualified independent appraiser).
- (b) **Conditions.** The closing of each phase of the Beachfront Purchase Transaction shall be conditional upon, and for the benefit of the Developer securing a binding commitment for construction financing of the Beachfront Residential Project, it being agreed that such commitment will include requirements with respect to condominium pre-sales, budgets, time lines for construction and required equity, within five years of the date of the Project Agreements (in this Section 8(b), the “**Condition**”), failing which such Project

Agreements, as they relate to the Beachfront Purchase Transaction, shall be at an end, unless the Developer is not satisfied, acting reasonably, that market conditions are favourable for the successful completion of the Beachfront Purchase Transaction, including but not limited to: (i) the prospect of achieving a reasonable rate of residential sales; and (ii) the ability to obtain financing at reasonable rates and terms, in which case the Developer may delay expiration of the Condition by an amount of time as deemed appropriate by agreement of the Developer and the Town, each acting reasonably, or reasonably necessitated by market conditions. If the parties disagree on whether a delay is necessitated by market conditions, or on the appropriate amount of time to delay, the parties shall within 30 days of ascertaining such disagreement appoint an arbitrator to resolve the disagreement. The arbitration shall take place in Ontario during the 30 days following the arbitrator's appointment, depending on the arbitrator's availability. The arbitrator shall be appointed by the parties together and the fee of the arbitrator shall be paid equally by the parties. The arbitration shall be binding on the parties.

- (c) **Timing of Closing.** The closing of the Beachfront Purchase Transaction shall occur within 15 business days after the later of: (i) the date on which the conditions in Section 8(b) have been satisfied or waived; (ii) the date that requisite municipal approvals for the Beachfront Residential Project have been obtained in non-appealable form; and (iii) the date that severances of the Beachfront Residential/Resort Lands have been obtained in final non-appealable form and transfers evidencing such severances have been duly registered in respect thereof (for clarity, such registrations to take place within 10 business days following the issuance of certificates of severance in respect of such severances). For greater certainty, the closing of each phase of the Beachfront Purchase Transaction is intended to occur after the pre-development of such phase of the Beachfront Residential Project has been completed but, in any event, prior to commencement of any construction in respect thereof.
- (d) **Payment of Purchase Price.** The Beachfront Purchase Price for each phase shall be payable in full upon the closing of such phase.
- (e) **Compliance with By-law.** The purchase and sale of each phase of the Beachfront Residential Project shall be subject to the Town's By-Law No. 2014-21, being a By-Law to establish a policy and procedures governing the sale and disposition of land.
- (f) **Zoning.** The Town will be responsible, at its sole cost, for taking such steps as are required to seek to implement zoning of the Beachfront Residential/Resort Lands to permit the development of the Beachfront Residential Project as is intended by the Developer as set out in the Project Agreements; and
- (g) **Site Plan Approvals.** The Developer will be responsible, at its sole cost, for obtaining site plan approval for the development of the Beachfront Residential Project to permit the development of the Beachfront Residential Project as is intended by the Developer as set out in the Project Agreements and for all other costs and expenses related to the development and construction of the Beachfront Residential Project.

9. BEACH/FESTIVAL SQUARE LANDS

The parties hereto agree to work together to prepare a strategic plan (the "**Festival Square Strategic Plan**") for the location, acquisition, planning, development and construction of a festival square facility on the Beach/Festival Square Lands or on such other location within the Beachfront Amenity Lands as the parties

may determine appropriate, which Festival Square Strategic Plan shall reflect the objectives of the Town with respect to same as set out in the Town of Wasaga Beach Downtown Development Master Plan and takes into account the ownership of the lands adjacent to and near both the Beach/Festival Square Lands and the Beachfront Amenity Lands by persons other than the Town.

10. FUTURE DEVELOPMENT OF DOWNTOWN LANDS

As broadly outlined in the Town of Wasaga Beach Downtown Development Master Plan, the Town intends to develop the Beach/Festival Square Lands and the Beachfront Amenity Lands. In connection therewith, the Town will grant to the Developer a right of first offer to purchase and develop the Beach/Festival Square Lands and/or the Beachfront Amenity Lands and/or any portion thereof, all as may be designated by the Town, subject to the following conditions, and subject to any additional terms and condition required to ensure that the Town remains in compliance with its regulatory requirements, including the prohibition on fettering the discretion of the Town Council:

- (a) If, at any time from the date on which the Project Agreements are executed and for five years thereafter, the Town wishes to sell any of the lands owned by it which comprise Beach/Festival Square Lands and/or the Beachfront Amenity Lands:
 - (i) The Town shall deliver a notice to this effect to the Developer setting out the price in cash and the other terms and conditions upon which the Town is prepared to sell such lands. Such notice shall be open for acceptance by the Developer for a period of 90 days, during which time the Developer shall be permitted to undertake due diligence.
 - (ii) If the Developer elects to accept the offer contained in the notice, the Town shall sell and the Developer shall purchase such lands on the terms and conditions set out in the notice within 30 days from the acceptance of the notice by the Developer.
 - (iii) If the Developer does not accept the offer contained in the notice within the 90 day period referred to above, the Town shall have the right to sell all or a portion of such lands on terms not materially more favourable to the purchaser than the terms and conditions offered to the Developer (and provided the price payable will be not less than 90% of the price offered to the Developer) to any third party within one year of the initial notice. If no sale is so completed within one year period, the Town shall not proceed with any sale of the same lands without again complying with the right of first offer.
- (b) The right of first offer to purchase and develop either the Beach/Festival Square Lands or the Beachfront Amenity Lands or any portion thereof will exclude any lands designated by the Town for the development of a casino and/or hotel.
- (c) All transactions described in this Section 9 shall comply with the Town's By-Law No. 2014-21, being a By-Law to establish a policy and procedures governing the sale and disposition of land.

Until the end of the Negotiation Period, the parties agree to negotiate in good faith with each other to finalize mutually acceptable terms of the right of first offer described above.

11. DUE DILIGENCE

- (a) Immediately following execution of this Letter of Intent by the parties, the Developer shall be entitled, at its sole cost, to commence its due diligence investigations in respect of the Town Square Project and Beachfront Residential Project, including customary real property due diligence matters, the current status of planning and infrastructure, environmental remediation status, and financial viability of such projects.
- (b) Subject to its obligation to comply with the *Municipal Freedom of Information and Protection of Privacy Act* (Ontario), the Town shall fully cooperate and shall provide (or cause to be provided) all materials, documents, reports, and studies relating to the Town Square Lands and the Beachfront Residential/Resort Lands that are requested by the Developer and are within in the Town's control to provide, including any phase 1 and phase 2 environmental reports. All such material provided to the Developer shall be subject to the confidentiality agreement described in Section 19.
- (c) Subject to the terms and conditions as herein provided, during the Negotiation Period, the Developer and each of its employees, agents, advisors or consultants (each, a "**Representative**") shall have access to each of the Town Square Lands and the Beachfront Residential/Resort Lands during normal business hours upon not less than 2 business days' prior written notice to the Town, at the Developer's sole risk and expense, pursuant to an inspection schedule to be agreed upon with the Town, for the purpose of inspecting the said lands and satisfying itself as to all matters related to such lands and the Town Square Project and the Beachfront Residential Project related thereto, respectively. Such inspections may include, without limitation, the performance of physical and structural inspections, soil tests and environmental audits. Such inspections, tests and audits shall be conducted in a manner that minimizes interference with the existing use of the said lands and shall be performed in compliance with all federal, provincial and municipal laws, by-laws, rules and regulations affecting the subject lands. The Town and any of its employees, agents, advisors or consultants shall have the right to accompany the Developer and any of its Representatives on any inspections. The Town shall have the right, acting reasonably, to approve, or to refuse approval for, invasive or intrusive inspections, tests and audits, if any are proposed by the Developer, prior to such inspections, tests and audits being undertaken. The Developer shall provide to the Town, at no cost to the Town, copies of all test, inspection and audit results and reports obtained by the Developer with respect to the said lands or any part(s) thereof forthwith upon receipt of same by the Developer.
- (d) The Developer shall immediately and without delay fully repair and restore, to the original condition they were in prior to commencing its inspections, tests and audits, at its sole cost and expense, in a good and workmanlike manner, any damage or disturbance to any of the said lands and improvements thereon caused by any inspections, tests and audits performed by, or on behalf of, the Developer or any of its Representatives. The foregoing obligations of the Developer shall survive and not merge upon the termination of this Letter of Intent or the execution and delivery of any Project Agreements.
- (e) The Developer shall defend, indemnify and save the Town and its employees, agents, advisors or consultants (collectively, the "**Town Parties**") harmless from and against any and all actions, causes of action, claims, demands, proceedings, injuries, losses, liens, claims, judgments, liabilities, costs, expenses and/or damages (including reasonable legal fees and court costs) of any kind sustained by or threatened against the Town Parties which result from or arise out of any inspections, tests and audits performed by, or on behalf of, the Developer or any of its Representatives pursuant to this Letter of Intent. The foregoing

obligations and indemnifications shall survive and not merge upon the termination of this Letter of Intent or the execution and delivery of any Project Agreements.

- (f) The Developer shall further ensure that each of its Representatives pursuing or conducting tests, inspections or audits as herein provided are qualified experts and adequately insured for any damages that they may cause to the subject lands. In such regard, prior to the Developer or any of its Representatives entering the subject lands, the Developer shall deliver to the Town a certificate of insurance from an insurance company licensed to conduct business in the Province of Ontario evidencing insurance coverage of such parties in compliance with the terms hereof. The Developer and the said Representatives shall maintain and keep in effect, at their sole expense, at all times during their period(s) of permitted due diligence and so long thereafter as necessary to cover any claims for damages suffered by persons or property resulting from any acts or omissions of the Developer and/or any of its Representatives until the closing of the subject transactions, a commercial liability insurance policy having a combined liability limit of at least \$5,000,000 and property damage limits of at least \$5,000,000. Each insurance policy shall be primary and non-contributing with any insurance which may be carried by the Town and shall name the Town as additional insured. Each insurance policy shall also provide that it may not be cancelled or modified without at least 30 days' prior written notice to the Town.
- (g) The Developer will not conduct any interviews, excluding with realtors, without the prior written consent of the Town. The Town agrees to respond to any such request for consent within 7 days. The Developer acknowledges that it shall not be entitled to engage in public consultation without the prior written consent of the Town. The Town shall be entitled to attend and participate in any consultation process undertaken by the Developer in respect of any of the Downtown Area.

12. OTHER TERMS AND CONDITIONS

The parties agree as follows:

- (a) The Town is required to comply with the *Municipal Act, 2001* (Ontario), and as such, notwithstanding any other provision of this Letter of Intent, the Town shall not agree to undertake or refrain from undertaking any action not in compliance with the forgoing legislation, including the prohibition on fettering the discretion of the Town Council.
- (b) In the event of changes in the composition of Town Council or any other circumstance which results in cancellation of the development of the Lands, the Project Agreements shall provide that the Developer shall be entitled to recover all costs incurred between the signing of the Project Agreements and its cancellation.
- (c) Town Council may consider any development charge reductions/grants/incentives that will make the Town Square Project and Beachfront Residential Project viable for the Developer, subject to the conditions outlined in the Town's Community Improvement Plan.
- (d) The Town and/or Developer may strategically acquire adjacent lands in order to pursue the development of the Town Square Project, Beachfront Residential Project or any future development of the downtown lands.

- (e) The Developer shall pay any and all real estate commissions or fees to brokers or agents retained by it with respect to any portion of the Town Square Project or the Beachfront Residential Project.
- (f) The Developer shall be entitled to assign its right to purchase the Town Square Residential Components and the Beachfront Residential/Resort Lands under the Project Agreements to one or more wholly-owned subsidiaries, provided that the Developer shall not be released from any of its obligations thereunder. Except as provided in the preceding sentence, neither this Letter of Intent nor the Project Agreements shall be assignable by the Developer either in whole or in part to any other party without the prior written consent of the Town, provided that, in any event, the Developer shall not be released from any of its obligations thereunder. For greater certainty, the Developer shall not be entitled to assign its rights and obligations to act as developer of any of the Lands without the prior written consent of the Town.

13. TOWN'S CONDITION

The obligation of the Town to proceed with the transactions contemplated by the Project Agreements shall be conditional upon:

- (a) approval of such transactions by the Town Council; and
- (b) at the Town's sole option, the implementation of the transactions and agreements contemplated herein through an economic development corporation, to be formed by the Town.

14. DEVELOPER AN INDEPENDENT CONTRACTOR

The obligations to be performed by the Developer under the Project Agreements shall be performed by it as an independent contractor and, except as otherwise expressly provided in this Agreement, not as agent or in any other way as representative of the Town. Nothing in this Agreement shall be construed so as to create or constitute a partnership or joint venture between the Town and the Developer. The parties hereto further agree not to assert, for any purpose, that a partnership or joint venture relationship exists between them or that, except as otherwise expressly provided in any Project Agreement, a principal and agent relationship exists between them.

15. REPRESENTATIONS AND WARRANTIES

The Developer acknowledges that the Lands or any portion thereof shall be sold on an "as is where is" basis without representations or warranties by the Vendor with the exception of those relating to corporate capacity and similar matters. The Lands and any portion thereof, shall be purchased without any express or implied agreement, representation or warranty of any kind whatsoever as to, among other things, the condition, suitability for development, physical characteristics, profitability, title to the Lands or any portion of such lands, the existence of latent defects or the quality thereof etc.

16. DISPUTE RESOLUTION

The Project Agreements will contain a dispute resolution mechanism to be negotiated by the parties during the Negotiation Period.

17. NOTICES

Any notice, request or demand herein provided or permitted to be given shall be sufficiently given if delivered or mailed by post, facsimile, or electronic mail as follows:

- (a) to the Town: The Corporation of the Town of Wasaga Beach
30 Lewis Street,
Wasaga Beach, Ontario, L9Z 1A1
Attention: Andrew McNeill
F: 705-429-6732
E: a.mcneill@wasagabeach.com
- (b) to the Developer: Fram Building Group Ltd.
c/o Frank Giannone
141 Lakeshore Road East, 2nd Floor
Mississauga, Ontario, L5G 1E8
F: 416-747-9899
E: fgiannone@framgroup.com

Any notice delivered as aforesaid by electronic mail shall be deemed to have been given when electronic receipt received, if sent by facsimile or by e-mail, shall be deemed to have been given the following business day on which the notice was faxed, and if mailed as aforesaid shall be deemed to have been given 3 business days following the day on which such notice was mailed. Either party may at any time give written notice to the other of any change of address, and after the giving of such notice, the address therein specified shall be deemed to be the address of such party for the purpose of giving notices hereunder.

18. GENERAL

(a) Time of the Essence

Time will be of the essence of this Letter of Intent and every part hereof, provided that if the parties establish a new time for the performance of an obligation, time will again be of the essence of the new time established.

(b) Waiver

No party to this Letter of Intent will be deemed or taken to have waived any provision of this Agreement unless such waiver is in writing, and such waiver will be limited to the circumstances set forth in such written waiver.

(c) Governing Law

This Letter of Intent will be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein. Each party attorns to the jurisdiction of the courts of the Province of Ontario.

(d) Amendment

This Letter of Intent will not be amended, altered or qualified except by a memorandum in writing signed by the parties.

(e) Counterparts

This Letter of Intent may be executed in one or more counterparts, each of which will be deemed an original, but all of which together will constitute one and the same agreement.

- (f) Discretion

Nothing in this Letter of Intent fetters the discretion of Council or binds the Town to any action, decision or matter under any legislation not specifically provided for herein.

19. CONFIDENTIALITY

- (a) Each of the parties hereto acknowledge and agree that certain confidential information has been and will be exchanged during the negotiation and documentation of the Project Agreements and each of the parties hereto hereby covenant and agree, notwithstanding whether this Letter of Intent has been executed or not, or whether any Project Agreements are entered into or not, to keep any such confidential information confidential. If the transactions contemplated by the Project Agreements are not completed for any reason, all confidential information shall continue to be kept in confidence and not disclosed.
- (b) However, parties acknowledge this Letter of Intent itself is not a confidential document, and the Town is subject to the *Municipal Freedom of Information and Privacy Act* (Ontario), pursuant to which additional information may be publicly disclosed.
- (c) In addition, the Developer acknowledges and agrees that it shall continue to be bound by the terms of the confidentiality agreement between the Developer and the Town dated June 20, 2018. This Section 19 shall survive and not merge upon the termination of this Letter of Intent or the execution and delivery of any Project Agreements.

20. NON-BINDING

- (a) While the provisions of this Letter of Intent may contain essential parts of the agreement between the parties, each of the parties hereto understands and agrees that, except as provided in the following paragraph, the contents of this Letter of Intent represent a non-binding proposal only and this Letter of Intent is not intended as a legally binding agreement on any party or an obligation of either party to enter into any Project Agreements, as contemplated herein. A binding commitment with respect to the transactions proposed by this Letter of Intent will result only from the execution and delivery of Project Agreements.
- (b) Notwithstanding the foregoing, each of the parties hereto understands, confirms and acknowledges that the obligations set forth in Section 19 of this Letter of Intent shall be legally binding on the parties hereto regardless of whether the transactions proposed by this Letter of Intent take place or not.

21. ACCEPTANCE

This Letter of Intent shall be open for acceptance by the Town until 5:00 p.m. on the 20th day of July, 2018, after which time, if not accepted, this Letter of Intent shall be null and void and of no further effect and neither party shall have any claim against the other with respect thereto. This Letter of Intent may be accepted by signing and returning one duplicate copy or facsimile of this Letter of Intent.

Developer:

FRAM BUILDING GROUP LTD.

Per



Name: Frank Giannone
Title: President

Town:

**THE CORPORATION OF THE TOWN OF
WASAGA BEACH**

Per:

Name: Brian Smith
Title: Mayor

Per:

Name: George Vadeboncoeur
Title: CAO

SCHEDULE A

- Sketch showing approximate location of the Town Square Lands -

[NTD: To be attached]

- see attached -

SCHEDULE B

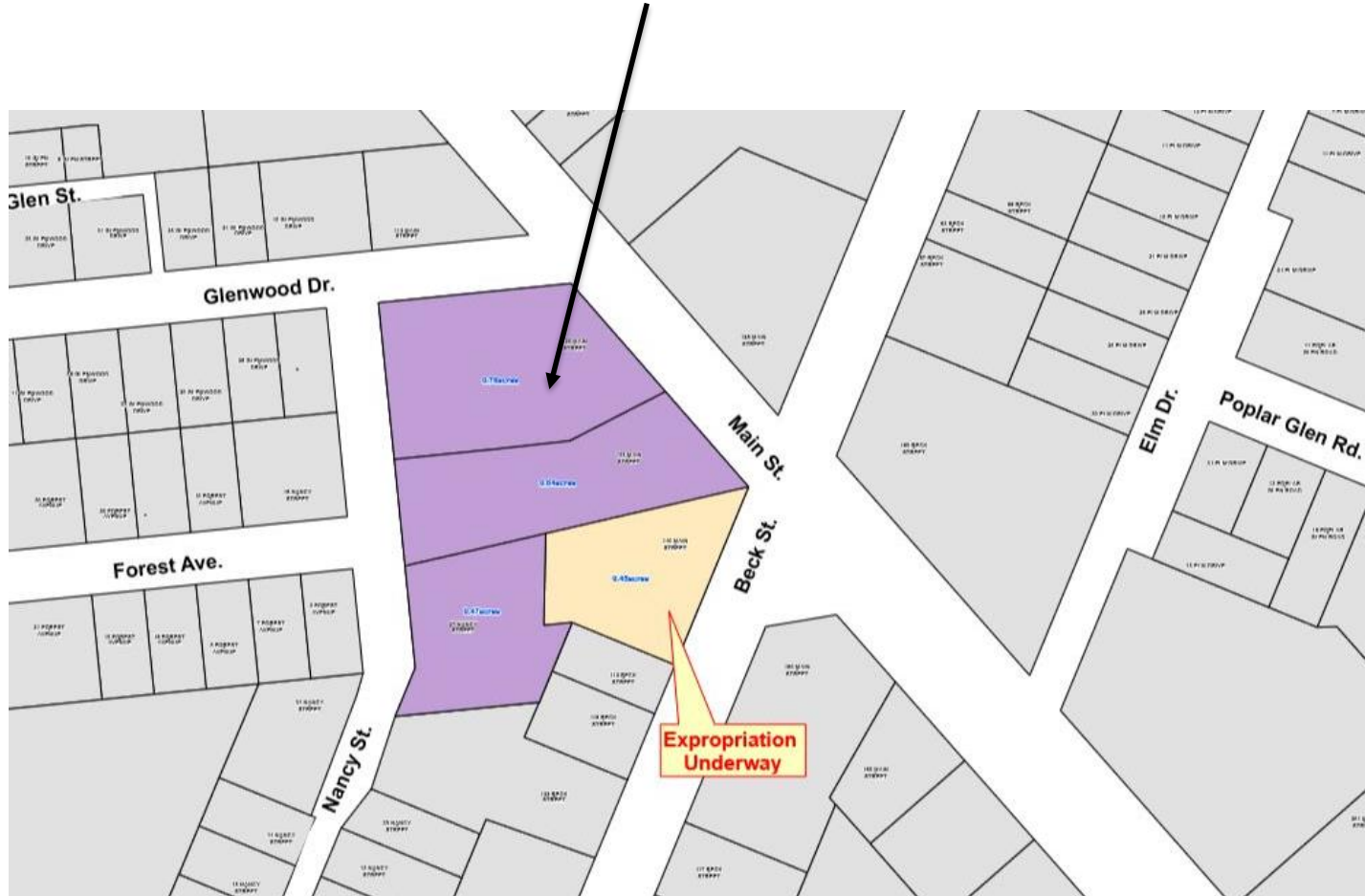
- Sketch showing approximate location of the Beach/Festival Square Lands, the Beachfront Amenity Lands and the Beachfront Residential/Resort Lands –

[NTD: To be attached]

- see attached -

SCHEDULE A

Town Square Lands



THE CORPORATION OF THE TOWN OF WASAGA BEACH

BY-LAW 2018- 60

A By-law to confirm the proceedings of the Council of the Corporation of the Town of Wasaga Beach at its Special meeting held Tuesday July 10, 2018

WHEREAS Section 5(1) of the *Municipal Act*, 2001, provides that the powers of a municipality shall be exercised by its council;

AND WHEREAS Section 5(3) of the *Municipal Act*, 2001, provides that municipal power, including a municipality's capacity, rights, powers and privileges under Section 9 of the *Municipal Act*, 2001, shall be exercised by by-law unless the municipality is specifically authorized to do otherwise;

AND WHEREAS in many cases, action which is taken or authorized to be taken by the council does not lend itself to the passage of an individual by-law;

AND WHEREAS the Council of The Corporation of the Town of Wasaga Beach adopted By-Law 2016-101, as amended, establishing rules of order and procedures for the Council;

AND WHEREAS provision was made in By-Law 2016-101, as amended, for enactment of a Confirmatory By-Law at the end of each Regular or Special Council Meeting to confirm recommendations and actions approved at that meeting;

AND WHEREAS the Council of the Town of Wasaga Beach deems it advisable and expedient that the proceedings of this meeting be confirmed and adopted by by-law;

NOW THEREFORE THE COUNCIL OF THE CORPORATION OF THE TOWN OF WASAGA BEACH HEREBY ENACTS AS FOLLOWS:

1. That the actions of the Council of the Corporation of the Town of Wasaga Beach, at its meeting held on the date listed above in respect of every report, motion, resolution, declaration or other action passed, taken or adopted by Council at this meeting, including the exercise of natural person powers, except where approval of another authority is required by law or where implementation is subject to other legislation, are hereby adopted, ratified, and confirmed as if each report, motion, resolution or other action was adopted, ratified, and confirmed by a separate by-law.

2. That where no individual by-law has been or is passed with respect to the taking of any action authorized in or by the above-mentioned minutes or with respect to the exercise of any powers by the Town of Wasaga Beach in the above-mentioned minutes, then this By-Law shall be deemed for all purposes to be the by-law required for approving and authorizing and taking of any action authorized therein and thereby or required for the exercise of any powers therein by the Town of Wasaga Beach.
3. That any a member of Council who dissented from any action or proceeding or has abstained from discussion and voting thereon shall be deemed to have dissented or abstained, as the case may be, in respect to this By-Law as it applies to such action or proceeding.
4. That the Mayor or designate and the proper officials of the Town of Wasaga Beach are hereby authorized and directed to do all things necessary to give effect to the said actions or to obtain approvals where required and are to execute all documents as may be necessary in that behalf, and the Clerk or designate is hereby authorized and directed to affix the Corporate Seal to all such documents.
5. That this By-Law shall come into force and effect on the final passage thereof

BY-LAW READ A FIRST, SECOND AND THIRD TIME AND FINALLY PASSED THIS 10TH DAY OF JULY, 2018.

THE CORPORATION OF THE TOWN OF WASAGA BEACH

Brian Smith, Mayor

Laura Borland, Deputy Clerk