

THIS MEMORANDUM OF UNDERSTANDING made in duplicate

COPY

BETWEEN:

UNIVERSITY OF WATERLOO

(hereinafter called the "University")

-and-

THE CORPORATION OF THE CITY OF WATERLOO

(hereinafter called the "City")

WHEREAS the City has identified a need to acquire lands for the purpose of erecting a combined Library and Recreation facility with construction to commence during the year 2007. The City has determined that a parcel of land at the intersection of Laurelwood Drive and Fischer-Hallman Road, on the University's north campus, being approximately 7 acres in area, would be a desirable location for the said facility. The said parcel is Block 9 shown outlined in red on a plan marked as Schedule "A" attached hereto.

AND WHEREAS the City has also identified a need to construct playing fields with ancillary washrooms, lighting, parking areas, and shade structures, and has determined that a 23 acre parcel of land located within the environmental reserve owned by the University would be a desirable location for the said facility. The said parcel is shown outlined in red on a plan marked as Schedule "B" attached hereto.

AND WHEREAS the policy of the Board of Governors of the University is not to sell University lands, and accordingly, a lease arrangement will be entered into between the parties.

AND WHEREAS the City and the University, subject to compliance with certain terms and conditions set out hereunder, confirm they are in substantial agreement with the said proposals.

NOW THEREFORE the parties express their intentions, subject to reaching a formal agreement at a later date, as follows:

1. THE UNIVERSITY agrees:

- i) To lease to the City, for a period of 49 years at a yearly rental of \$1.00, the parcel of land shown outlined in red on Schedule "A" attached hereto for the construction, to commence during the year 2007, of the Library part of the complex. It is anticipated construction will commence on the library portion of the facility on or before July 1, 2007 and the lease will commence as of July 1, 2007 or sooner if construction begins prior to that date. The University acknowledges that construction of the entire Library and Recreation complex may be phased over several years. If the lease is in good standing at the end of the 49 year period, the City shall have the right and option to renew the said lease for another 49 years on the same terms and conditions save and except for the right of renewal. Provided however, if the City exercises its option to renew the lease for a further 49 years following the expiration of the original term of 49 years, and if after the expiration of the 98 year period, the City wishes to renew the lease for a further term or terms, the University will consider a further renewal or renewals if

the parties, negotiating between themselves, are able to mutually agree upon the terms and conditions of a possible renewal or renewals.

- ii) To lease to the City 23 acres of land within the environmental reserve for development of playing fields with ancillary facilities, at \$1.00 a year for 49 years. It is estimated that after buffer areas are respected, approximately 19 acres of development lands will be available. The University agrees that if the leased lands are required by the University, it will give the City 5 years notice in writing of that requirement, the earliest effective date of such notice will be the expiry date of the lease period, namely 49 years from the commencement date of the lease. It being the intention of the parties that the City will always have a period of at least 5 years from the date of the notice until the termination of the lease period or any extensions of that period. The University acknowledges that it is the City's desire that the lease be extended for the purposes of retaining the lands for recreational purposes. The University shall at the City's discretion have the option of using the playing fields and ancillary facilities during non-prime time periods on a fee for use basis.
- iii) To commence within a reasonable period, following the satisfaction or waiver of all conditions contained herein, the planning process for the west side of the University's north campus. The said planning process will facilitate the City letting tenders for the design and construction, at the City's expense, for the infrastructure to service the south end of the 180 acre west campus, within a period of 5 years, at an estimated cost in 2006 of \$9,000,000.00 (as outlined in the Stantec, University of Waterloo North West Campus Site, Preliminary Site Servicing Report, March 2006); the said period shall be subject to extension by mutual agreement of the parties. The University proposes to proceed with an application for a plan of subdivision with respect to the lands shown outlined in green on Schedule "A" attached hereto, comprising approximately 180 acres of the west campus and the University will be responsible for all planning components for the said 180 acre west campus parcel. The University acknowledges that the erection of the Library part of the complex may proceed in advance of the registration of the said plan of subdivision and that Block 9 hereinbefore referred to may be excluded from the said plan of subdivision. The University also acknowledges that the City may be required to partially construct Street B shown on Schedule "A" to allow for construction prior to the registration of a plan of subdivision, and this may necessitate a transfer by the University to the City of Street B in order that the City may by bylaw open Street B as a public highway.
- iv) To fund any incremental west side servicing costs associated with relocating the storm water management facilities from the west side to the east side of Westmount Road which said servicing costs are in excess of the March 2006 Stantec estimates referred to above. The University understands that a temporary storm management pond may be constructed for temporary servicing of Block 9 until services are extended. The City will construct the servicing to the standard of construction consistent with the Stantec report dated March 2006, and assume responsibility for any cost variances relating to Block 9 due to an increase in construction standards or otherwise.

2. THE CITY agrees:

- i) To lease from the University the parcels of land shown outlined in red on Schedules "A" and "B" attached hereto, for a period of 49 years at a yearly rental of \$1.00 for each parcel. The other terms and conditions of the said leases are set out under paragraphs

- 1(i) and 1(ii) above.
- ii) To construct, or cause to be constructed, the structures referred to under paragraphs 1(i) and 1(ii) above.
 - iii) To grade the entire lands shown as Phase A and B on Schedule "A" and install the infrastructure for servicing the lands on Phase A (86.5 acres), at an estimated cost (in 2006 dollars) of \$9,000,000.00 as provided for under paragraph 1(iii) above. The City agrees to install the infrastructure notwithstanding the real cost of the work exceeds the estimated cost of \$9,000,000.00. The City agrees to construct the services within a period of 5 years to the standard outlined in the Stantec report of March 2006. The said period shall be subject to extension by mutual agreement of the parties.
 - iv) To provide the University with an indemnity agreement saving the University harmless for any claims made against the University by reason of the development, construction, and use by the City or its subleasees of the said lands.
 - v) The City shall not assign the leases to any third parties without the prior written consent of the University.
 - vi) To proceed with the required steps for final approval of a Class EA addendum to allow for the installation of the playing fields and ancillary facilities on the lands shown on Schedule "B".

3. THE UNIVERSITY AND THE CITY agree:

- i) That the costs for grading the entire lands shown as Phases A and B on Schedule A, and the servicing costs for the lands described as Phase A (86.5 acres) referred to under paragraphs 1(iii) and 2(iii) for which the City will be responsible, and which have been estimated to cost \$9,000,000.00, will be limited to \$9,000,000.00 plus the cumulative percentage increase during the 5 year construction period in the appropriate construction index published by Statistics Canada. In the event the said servicing costs exceed the sum arrived at by the said calculations, the parties agree, working together, to identify if possible creative design solutions to bring the actual servicing costs within the estimated budgeted figure. In these negotiations, the University may make a contribution to the said servicing costs.
- ii) To use their best efforts so that the University can maximize the amount of storm water facilities located on the environmental reserve so as to service the west side of the University's north campus, subject to confirmation by engineering studies of the feasibility of the said proposal while not reducing the viability of the playing fields and ancillary facilities.
- iii) That all services to be installed by the City shall either be on public roads or lands where the City has easement rights for access and the construction, maintenance and use of the municipal services.
- iv) That any building(s) to be constructed on Block 9 are subject to design review by the City and the University.

- v) That it is the intention of the City to use the 7 acre site (Block 9) for the construction of a Library and Recreation facility which said recreation facility may be operated by the City or YMCA or another sports organization. If the City no longer requires the buildings to be used for a Library and Recreation facility the City shall have the right to change the use to other uses compatible with a Library and Recreation uses. Notwithstanding the generality of the foregoing, such uses may include municipal office use, community centres, a civic centre, museum, art gallery or other similar governmental uses. It is acknowledged that the Library and Recreation facility will be a "gateway building" which will earmark a main entrance to the 180 acre west campus subdivision and any construction and use of the property shall be compatible with such high profile location.
- vi) The within transaction shall be conditional upon a successful environmental assessment for the environmental reserve and conditional upon a zoning bylaw amendment, if required for use by the YMCA, the University agrees to support such zoning bylaw amendment.
- vii) The parties agree that if the lands being leased by the University to the City under this Memorandum of Understanding are taxed, the City will assume responsibility for any such taxes levied upon the University by reason of its ownership of the said lands.
- viii) The parties agree that to assist in the financing of the projects described in this Memorandum, the City may pursue funding opportunities from other levels of government (Regional, Provincial and Federal), provided such funding requests by the City do not prevent or limit in any way, the University's opportunities to apply for funding from the same levels of government.
- ix) That the within Memorandum of Understanding and formal legal contract to follow shall be expressly subject to the approval of the Board of Governors of the University of Waterloo and the municipal council of The Corporation of the City of Waterloo.

IN WITNESS WHEREOF the parties hereto have executed the within Memorandum on the dates shown hereunder.

Dated at Waterloo, Ontario this 20th day of September, 2006.

UNIVERSITY OF WATERLOO

per: [Signature]

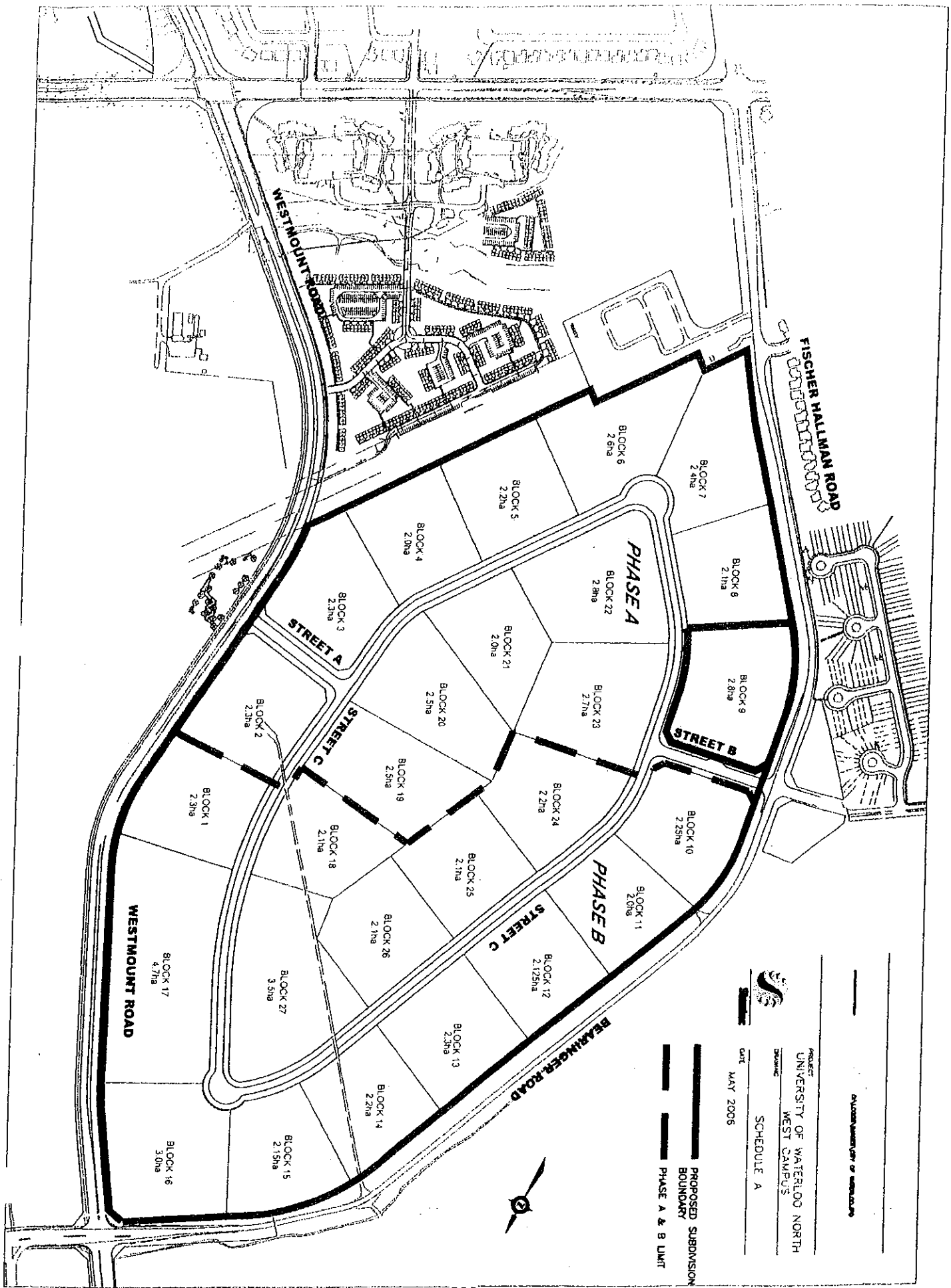
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Approval	Date	Authorized By	Initials
CAO	Sept 20/06	S. FARREOTHER	[Initials]
Legal	Sept 20/06	W.H. WHITE	[Initials]
Financial	Sept 29/06	R. MAVIN	[Initials]

THE CORPORATION OF THE CITY OF WATERLOO

per: [Signature]
H. Epo, Mayor

per: [Signature]
SUSAN GREATRIX
CITY CLERK



Author/Author/Author of information



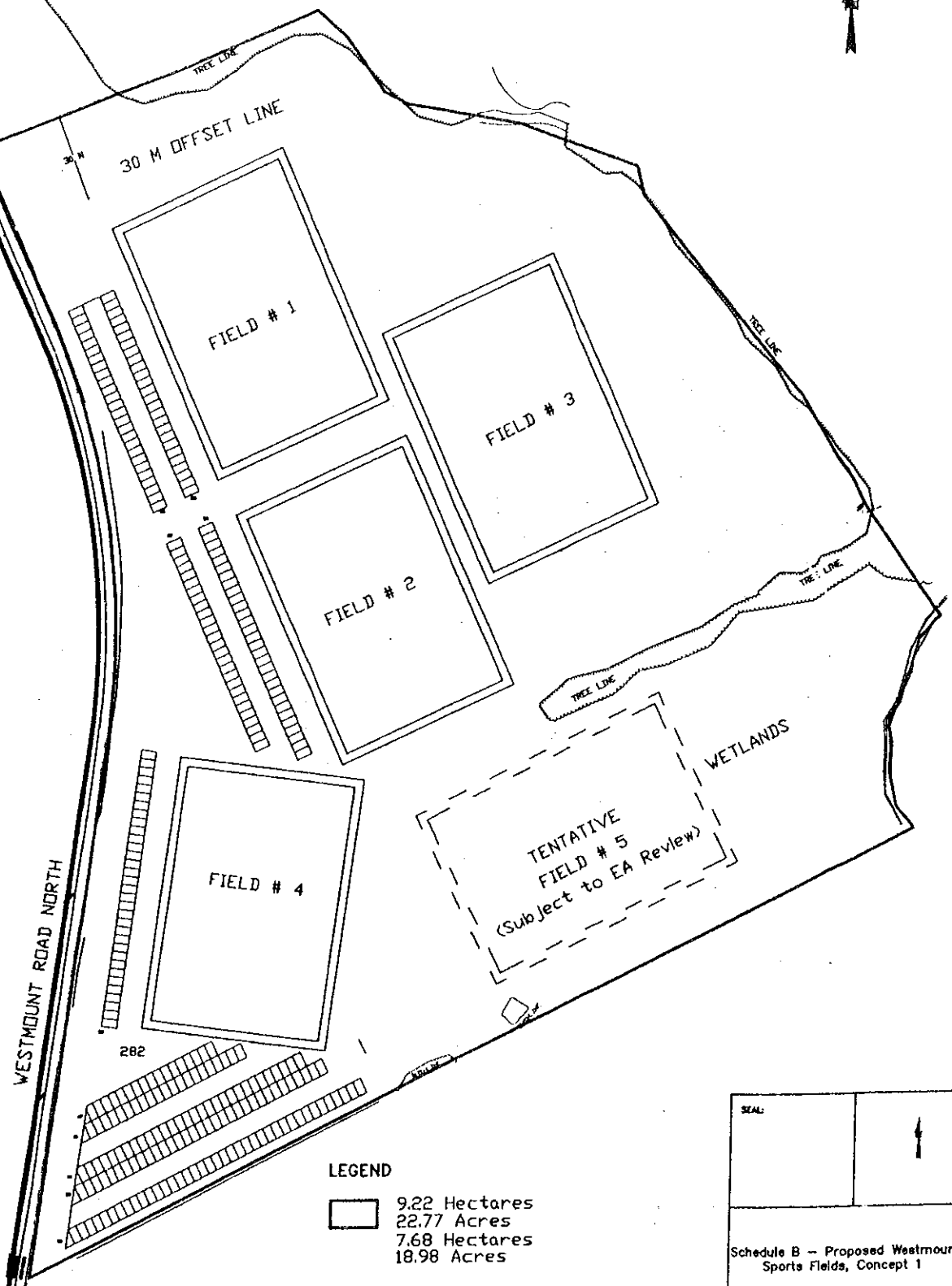
PROJECT
UNIVERSITY OF WATERLOO NORTH
WEST CAMPUS

DATE
MAY 2006

SCHEDULE A

PROPOSED SUBDIVISION
BOUNDARY
PHASE A & B LIMIT

SCHEDULE B



LEGEND

- 9.22 Hectares
22.77 Acres
- 7.68 Hectares
18.98 Acres

SEAL:	
Schedule B -- Proposed Westmount Sports Fields, Concept 1	
DATE: MAY 9, 2008	DESIGNED BY:
SCALE :	DRAWN BY: TLL
FILE NO:	CHECKED BY:
	DRAWING NO: