

Draft Development Memorandum of Understanding

A. INTENDED PARTIES

1. The Corporation of the Township of Southgate ("Southgate")
2. Flato Development Incorporated the parent company of Flato Green Inc. ("Flato")

B. BACKGROUND

1. Southgate is the registered owner of the property shown as the Township of Southgate, former Proton Conc 1 SWTSR Parts 239, 240 and Pt Lot 238 (the "Property") as partially identified in the attached GIS mapping Schedule "A" document, less the Conc. 2 SWTSR lands.
2. The attached draft reference plan of survey (the "Survey") depicts certain lands situated on the west side of Highway #10, in the geographic former Township of Proton, in the Township of Southgate, Grey County.
3. The legal plan of survey is 16R_____, represents the legal survey of the property (the "Survey") to be included in this MOU document as Schedule "B".

C. ROAD CONSTRUCTION & DEVELOPMENT PLAN

1. The Parties intends to create a municipal servicing and development plan agreement from this MOU document to:
 - i. Share the construction costs of the roadway and water-wastewater servicing on the property on a cost share 50-50 basis as designed by the Township Engineer's Triton; and
 - ii. Cooperatively construct the roadway, traffic circle and water-wastewater servicing on the property from Hwy #10 at the intersection of Sideroad #140 to the boundary of Conc. 2, SWTSR, at Lot 238 and 237 proper line as shown in the design layout in attached Schedule "C" document; and
 - iii. Cooperatively construct a wastewater trunk force main outlet from the pumping station if required or from the closest point of the constructed roadway to the Dundalk Wastewater Facility, Cell #1 inlet; and
 - iv. Share the construction costs to complete the paving of the roadway from Hwy #10 at the intersection of Sideroad #140

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to the boundary of Conc. 2, SWTSR, at Lot 238 and 237 proper line at future time when property development and site construction has neared completion.

2. Southgate will be responsible for the construction of roadway and the placement of watermain services from the property line of Conc. 2, SWTSR Lot 238 and 237 to the east end of the existing Eco Park Way roadway on the Conc. 2, SWTSR, at Lot 237 and 236 proper line.
3. Southgate will be responsible for the construction of a Wastewater Pumping Station if required to located on the property identified as Conc. 1, SWTSR on Lot 239, Lot 240 or Pt Lot 238 with the location to be determined to best service the future regional sewer service development requirements to the north on the west and east side of Hwy #10. This project will be included in the next Development Charges By-law in 2022 as this project design and construction costs will also benefit future commercial, industrial and residential developments.
4. Southgate will be responsible the construction costs to complete the paving of the roadway from from the property line of Conc. 2, SWTSR Lot 238 and 237 to the east end of the existing Eco Park Way roadway on the Conc. 2, SWTSR, at Lot 237 and 236 proper line.
5. Flato will be responsible for the construction of a roadway, the placement of watermain and sewer services on part of their 90 acres of Flato owned lands to connect to their adjacent property in the Township of Melancthon, Conc.1, SWTSR, Lot 241
6. The specific land parcels will be determined and identified in the final property survey document to create the lot parcels for the development for both Flato and Southgate.

D. UTILITY SERVICING DEVELOPMENT PLAN

1. The Parties shall share the cost of the installation of Hydro One electrical servicing requirements to include but not limited to:
 - i. Preparation of application and design layout work by the Township's Engineers; and
 - ii. Hydro One application fees; and
 - iii. Hydro One contestable fees or an electrical contractor bid costs to install electrical services (poles and wire) from either a connection on Hwy #10 service or from the east end of Eco Park Way electrical service. This servicing decision will be

- determined by Hydro One Subdivision Design Group; and
 - iv. Hydro One non-contestable connection fees.
2. The Parties shall share the cost of installation of Enbridge Natural Gas servicing requirements to include but not limited to:
- i. Preparation of application and design layout work by the Township's Engineers; and
 - ii. Enbridge application fees if applicable; and
 - iii. Natural Gas main installation cost based on load demand analysis by Enbridge.

E. LAND SALE, OWNERSHIP & DEVELOPMENT PLAN

1. The Parties intends to create a property sale agreement from this MOU document.
2. The transaction of part of the property will sell 90 acres of Southgate owned land to Flato for the purpose of the following:
 - i. Highway Commercial Development between Hwy #10 and the to be constructed service road;
 - ii. Industrial employments land development being 30 acres plus or minus located west of the Hwy #10 service road; and
 - iii. The balance of property being 40 acres plus or minus to be developed as mixed residential use construction located west of the Hwy #10 service road.
3. Southgate will retain the remaining lands for their purposes to sell as industrial development employment lands.

F. DEVELOPMENT TIMELINES

Estimated Road and Servicing Construction Plan

1. Summer 2022 – Start and completion of earth works for construction of the roadway, open drainage ditching and preparation of water-wastewater servicing.
2. Fall of 2022 – Start installation of sewer collection system and water main, as well as placement of B gravel for road base.
3. 2023 Construction Season:
 - i. Complete construction water and wastewater main installation in roadway and servicing;

- ii. Complete installation of fire hydrants;
- iii. Complete construction of roadway with placement of granular "B" and "A" gravel;
- iv. Complete installation of sewer force main from new Sewage Pumping Station or a gravity main from the newly constructed roadway to wastewater plant Cell #1 outlet; and
- v. Start and complete the construction of the new Sewage Pumping Station.

G. GENERAL TERMS & RESPONSIBILITIES

Responsibility of Southgate

- 1. Cost of the original property survey of Hwy #10 property to complete the property sale of lands to Flato.
- 2. Cost of the original property survey of Hwy #10 property to identify the lands to be retained as Southgate for sale as industrial employment lands.
- 3. Cost of the road, servicing and traffic circle design to an rural design standard as a County Roadway.
- 4. Payment of legal costs incurred and for benefit by the Southgate in relation to completing the land transfer, finalizing the development agreement and the land purchase and sale agreement.

Responsibility of the Flato

- 1. Cost of the property survey of their Hwy #10 owned property to complete any property sale(s) of lands to their customers or developer partners for commercial, industrial or residential subdivision developments.
- 2. Payment of legal costs incurred and for benefit by the Flato in relation to completing the land transfer, finalizing the development agreement and the land purchase and sale agreement.
- 3. Costs of any future roadway service connection(s) to the water and sewer mains not provided in the original construction designs.

H. LEGAL PROVISIONS

- 1. The preparation of these draft terms for an MOU do not represent a legally binding offer or contract on the part of the Flato or Southgate. Legal documentation to give effect to the intended transactions will be prepared and agreed in good faith following the signing of the MOU.

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2. The MOU will be binding on the parties with respect to issues of:
- i. Responsibility of for costs incurred in respect of project requirements (e.g. legal and survey costs, etc.)
 - ii. Confidentiality of information (if applicable).

IN WITNESS WHEREOF the parties have executed this MOU document.

FLATO GREEN INCORPORATED

Per: _____
Name Shakir Rematullah
Title: President
I have the authority to bind the
Corporation

**THE CORPORATION OF THE
TOWNSHIP OF SOUTHGATE**

Per: _____
Name John Woodbury
Title: Mayor

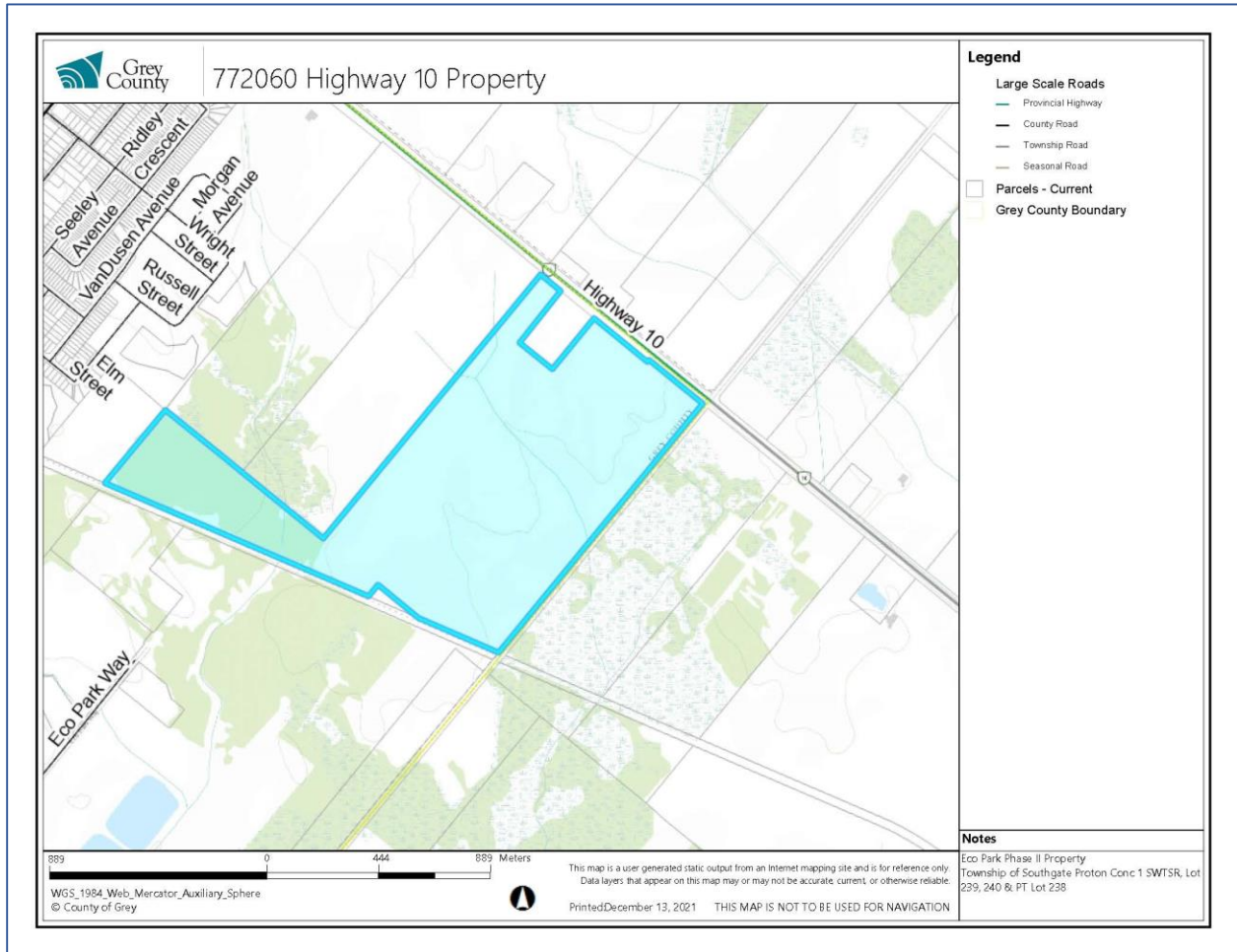
Per: _____
Name Lindsey Green
Title: Clerk

We have the authority to bind The
Corporation of the Township of
Southgate.

Attachment 1

Schedule "A"

Eco Park Phase II Property GIS Map for Southgate-Proton Conc 1 SWTSR Lot 239, 240 & Pt Lot 238 Lands



Attachment 1

Schedule "B"

Eco Park Phase II Property Survey 16R_____ for
Southgate-Proton Conc 1 SWTSR Lot 239, 240 & Pt Lot 238 Lands

Eco Park Phase II Property with Roadway Layout

