

THE CORPORATION OF THE CITY OF PETERBOROUGH

BY-LAW NUMBER 05-243

**BEING A BY-LAW TO AUTHORIZE THE EXECUTION OF AN
MEMORANDUM OF UNDERSTANDING WITH THE PETERBOROUGH
CLINIC GENERAL PARTNERSHIP AND THE MEDICAL CENTRE
PARTNERSHIP RESPECTING LANDS ON HOSPITAL DRIVE, IN THE
CITY OF PETERBOROUGH**

THE CORPORATION OF THE CITY OF PETERBOROUGH BY THE COUNCIL
THEREOF HEREBY ENACTS AS FOLLOWS:

1. That the Mayor and Clerk be and they are hereby authorized to execute a Memorandum of Understanding with The Peterborough Clinic General Partnership and The Medical Centre Partnership respecting lands on Hospital Drive in the City of Peterborough, attached hereby as Schedule "A", and to affix the Seal of the Corporation thereto.

By-law read a first, second and third time this 15th day of November, 2005

(Sgd.) Henry Clarke, Deputy Mayor

(Sgd.) Nancy Wright-Laking, City Clerk

Memorandum of Understanding

The Peterborough Clinic (PC)

And

The Medical Centre (MC)

And

The City of Peterborough (City)

Background

The City issued a Request for Proposals (RFP P-16-04) under the title 'Physician Recruitment Initiative' dated November 26, 2004 (the "RFP"). The purpose of the RFP was to invite proposals for the development of a "Medical Clinic" facility utilizing surplus municipal property on the north side of Hospital Drive, in close proximity to the Peterborough Regional Health Centre.

The City has established as a public policy priority its support for initiatives that would provide relief from the shortage of family physicians in the City.

It was the objective of the City that the strategic location of the surplus property would create an attractive opportunity for the development of medical clinic facilities and further, that these new facilities would be particularly effective in attracting new family physicians to the City and in creating infrastructure to extend primary care coverage through the implementation of the Peterborough Family Health Teams initiative.

Through the RFP process only two (2) parties expressed formal interest in the opportunity: The Peterborough Clinic (The PC) and The Medical Centre (The MC). The RFP process has provided a forum for both parties, in cooperation with the City, to pursue mutually satisfactory development objectives consistent with the intent of the RFP. The parties have agreed that the completion of the RFP process on a competitive basis is not in the interests of improving the access to primary care. Rather, through a negotiation process The PC, The MC and the City have reached agreement concerning the principles presented in this Memorandum of Understanding, subject to the completion of the requisite *Planning Act* approvals.

Terms of Agreement

The Terms of the Agreement are as follows:

1. Parcel 'A'

- 1.1 The PC shall purchase Parcel 'A' (as shown on Schedule "1") from the City for a price of \$155,000 per acre.
- 1.2 The PC shall prepare a site plan in accordance with instructions of the City of Peterborough Planning Division with respect to road allowances, building and parking set backs and landscaping.
- 1.3 The PC shall complete the purchase of Parcel 'A' on the earlier of the date they commence construction on the premises or the date of the acquisition of the Peterborough County-City Health Unit site (PCCHU) by the MC.
- 1.4 The City will allow the PC to acquire an interest (ownership and/or leasehold) in the surplus Parkway corridor lands situated between the road allowance reservation of 120' and the Synagogue property. The land will be valued at \$155,000 per acre.
- 1.5 The City will allow the PC the opportunity to lease from the City, on an interim basis, a portion of the Future Road Corridor east of Parcel 'A' for temporary parking.
- 1.6 The obligations of the PC hereunder are conditional upon the following:
 - (a) The PC and the City entering into a lease or purchase agreement for the strip of land between the east limit of the Parkway corridor and the Synagogue lands, and the PC and the Synagogue entering into a lease or purchase agreement for a portion of the adjacent Synagogue lands for parking purposes, including access to the north half of Parcel B in the event the PC acquires same, and
 - (b) The PC entering into a site plan agreement satisfactory to both the City and the PC.

2. The PCCHU Site

- 2.1 The PC shall execute and deliver in a form reasonably acceptable to the MC a non-competition covenant, undertaking not to compete directly or indirectly in the negotiations between the MC and the Peterborough County-City Health Unit for the purchase of the PCCHU Site, for a period of three years from September 1st, 2005 to August 31st, 2008. A copy of the Non-Competition Covenant is annexed to this MOU as Schedule "2".

3. Parcel 'B'

- 3.1 In the event the MC acquires the PCCHU Site, or has entered into an unconditional agreement to acquire same, prior to August 31st, 2008, the City shall sell to the MC and the PC the lands shown on Schedule "1" as Parcel 'B', at a price of \$155,000 per acre. The City will facilitate the severance of the property. The PC (provided it has acquired Parcel "A") shall acquire the northern half of Parcel 'B', and the MC shall acquire the southern half.
- 3.2 The sale of Parcel 'B' pursuant to clause 3.1 shall take place on the earlier of the date of the acquisition of the PCCHU Site by the MC, if prior to August 31st, 2008, or on or before Sept.30th, 2008 in the event the MC has entered into an unconditional agreement to acquire the PCCHU Site prior to August 31st, 2008.
- 3.3 In the event the MC fails to acquire the PCCHU Site prior to August 31st, 2008, or has failed to enter into an agreement of purchase and sale to purchase the PCCHU Site, with any conditions having been waived or satisfied, prior to August 31st, 2008, the MC shall acquire ownership of Parcel 'B' as shown on Schedule "1", for a price of \$155,000 per acre, no later than 120 days following the expiration of the Non-Competition Covenant.

4. General

- 4.1 The City agrees to forgive the payment of Development Charges by the PC or the MC for new medical facilities developed on Parcels 'A' and 'B', the PCCHU Site and 68 Hospital Drive, provided that building permits for such development have been issued within 5 years from the date this Memorandum of Understanding is signed.
- 4.2 If it is determined that the right of way width for the Future Road Corridor between Hospital Drive and Weller Street can be reduced, the PC and the MC will each have the first right to acquire the surplus property abutting its ownership.

Signed at Peterborough this _____ day of _____, 2005

The Corporation of the City of Peterborough

Per: _____

Per: _____

The Medical Centre Partnership

Per: _____

Per: _____

The Peterborough Clinic General Partnership

Per: _____

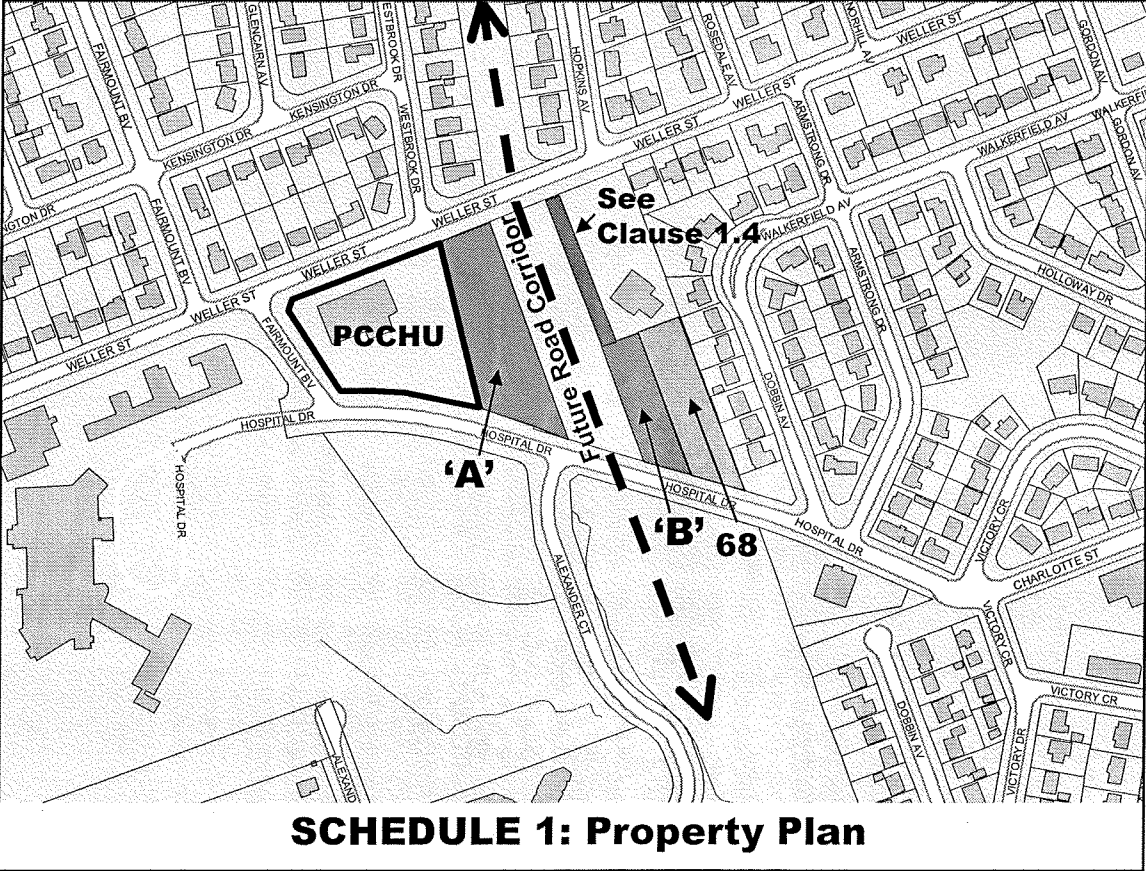
Per: _____

Schedules:

Schedule 1 Property Plan

Schedule 2 Non-Competition Covenant

SCHEDULE 1



SCHEDULE 1: Property Plan

SCHEDULE 2

COVENANT OF NON-COMPETITION/INTERFERENCE

BETWEEN

PETERBOROUGH CLINIC ("PC")

- and -

PETERBOROUGH MEDICAL CENTRE ("MC")

WHEREAS

1. MC, PC and the Corporation of the City of Peterborough (the "City") have entered into an agreement respecting the acquisition, development and use of certain lands located on Hospital Drive in the City of Peterborough, which agreement is dated _____, 2005 (the "Agreement");
2. The Agreement provides in paragraph 2.1, that PC will not compete, interfere or influence the ability of MC to negotiate for the purchase of certain other lands and buildings located on Hospital Drive and owned by the Peterborough County-City Health Unit (the "PCCHU Lands"), which lands are described in Schedule "A" hereto;

Therefore, PC and MC, for good and valuable consideration including the consideration given under the Agreement agree as follows:

1. PC will not, for a period of three (e) years, from September 1st, 2005 (the "Exclusive Period") jointly, severally, solely or with others, directly or indirectly as principal, partner, co-venturer or agent, make any offers of purchase, or solicit offers of sale, to or from, or negotiate with Peterborough County-City Health Unit ("PCCHU"), its successors or assigns, for the PCCHU Lands. Nothing herein shall preclude or limit the ability of PC to negotiate with PCCHU with respect to the potential sale or lease of the property know as 327 Charlotte St., Peterborough, Ontario.
2. PC agrees MC will have during the Exclusive Period, the sole right, free of competing interest, influence, intervention or offers to purchase from PC, to negotiate the purchase of the PCCHU Lands on such terms and conditions as it shall consider appropriate.
3. MC shall have, until the expiry of the Exclusive Period, the sole right to reach an agreement of purchase and sale for the PCCHU Lands. If, on the last day of the Exclusive Period, MC and PCCHU have entered into an agreement (the "Acquisition Agreement") for the sale of the PCCHU Lands to MC, and all conditions thereto have been waived or satisfied prior to

