

# Development Charges Deferral Agreement

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THIS AGREEMENT made this \_\_\_ day of \_\_\_\_\_, 2025.

BETWEEN:

THE CORPORATION OF THE TOWN OF THE BLUE MOUNTAINS  
(hereinafter referred to as the “Town”)

– and –

LEEWARD HOUSE INC. – 53 Bruce Street, Thornbury  
(hereinafter referred to as the “Owner”)

## RECITALS

WHEREAS the Owner is the registered owner of the lands municipally known as 53 Bruce Street South, Thornbury, Ontario, and legally described as [Insert Legal Description] (the “Lands”);

AND WHEREAS the Owner has received or is in the process of receiving Site Plan Approval to construct an 8-unit boutique hotel on the Lands (the “Development”);

AND WHEREAS Development Charges (“DCs”) are payable to the Town pursuant to the Town’s Development Charges By-law 2024-29 and the Development Charges Act, 1997, S.O. 1997, c.27, as amended (the “Act”);

AND WHEREAS the Owner has requested a deferral of the payment of Development Charges otherwise due at the time of building permit issuance;

AND WHEREAS by resolution dated June 2, 2025, Council for the Town authorized staff to proceed with the preparation of a Development Charges Deferral Agreement for a term of three (3) years, with interest applied at a rate of 3.75%;

NOW THEREFORE in consideration of the mutual covenants herein and other good and valuable consideration, the parties agree as follows:

## 1. DEFINITIONS

**1.1 “Occupancy”** means the earlier of:

(a) the date on which an occupancy permit is issued under the Building Code Act, 1992

## Attachment 1 – CFS.25.039

for any portion of the Development; or

(b) the date on which the Development or any part thereof is first occupied or used for any purpose.

**1.2 “Deferral Period”** means the three (3) year period commencing six (6) months following the date of Occupancy.

**1.3 “Interest Rate”** means a fixed annual rate of **3.75%**, calculated annually and not in advance, applied to the outstanding balance of deferred Development Charges for the duration of the Deferral Period.

### **2. DEVELOPMENT CHARGES PAYABLE**

2.1 The total estimated Development Charges payable in respect of the Development are to be no greater than \$876,547 less the demolition credit, subject to confirmation at the time of building permit issuance.

2.2 The Owner shall pay the sum of \$50,000 to the Town upon building permit issuance.

2.3 The remaining balance of the Development Charges, shall be deferred in accordance with the terms of this Agreement.

### **3. DEFERRAL TERMS**

3.1 The Deferral Period shall commence six (6) months after Occupancy and shall continue for a period of three (3) years.

3.2 The deferred amount shall accrue interest at a fixed rate of 3.75% per annum, calculated annually and not in advance, beginning on the first day of the Deferral Period.

3.3 The full balance of the deferred Development Charges, together with all accrued interest, shall be due and payable in full on the last day of the Deferral Period.

3.4 The Owner may, at its discretion, prepay the deferred amount in whole or in part at any time without penalty. Interest shall accrue only on the outstanding balance at the time of prepayment.

3.5 In addition to the upfront payment set out in Section 2.2, the Owner shall make a second payment of \$50,000 to the Town on the date that the Deferral Period commences, being six (6) months following the date of Occupancy. This payment shall be applied against the outstanding balance of deferred Development Charges, and interest shall be calculated only on the remaining balance thereafter.

#### **4. SECURITY AND ENFORCEMENT**

4.1 In the event of non-payment by the Owner by the due date, the Town may add the unpaid amount, including accrued interest, to the tax roll for the Lands and collect it in the same manner as municipal taxes, in accordance with Section 32(1) of the Act.

4.2 The Owner acknowledges that no Letter of Credit or other financial security is required, as the Town's authority to recover charges through the tax roll provides adequate protection.

#### **5. GENERAL TERMS**

5.1 This Agreement shall be registered on title to the Lands at the Owner's sole cost and shall run with the Lands. The obligations under this Agreement shall be binding upon the Owner and all subsequent owners until such time as the deferred Development Charges and any accrued interest are paid in full, unless otherwise agreed to by the Town through a new Development Charges Deferral Agreement.

5.2 Nothing in this Agreement shall be construed as a waiver of the Town's rights under the Development Charges Act, 1997, the Municipal Act, 2001, or any applicable Town by-law.

5.3 This Agreement may be amended only by written agreement signed by both parties.

5.4 This Agreement shall be governed by and interpreted in accordance with the laws of the Province of Ontario.

5.5 If the Lands are sold, transferred, or otherwise conveyed to a new owner prior to full repayment of the deferred Development Charges and accrued interest, the outstanding balance shall be immediately added to the property tax roll for collection, unless a new Development Charges Deferral Agreement is entered into with the Town at its sole discretion.

IN WITNESS WHEREOF the parties have executed this Agreement as of the date first written above.

THE CORPORATION OF THE TOWN OF THE BLUE MOUNTAINS

Per:

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Name:

Title:

Attachment 1 – CFS.25.039

Per:

\_\_\_\_\_

Name:

Title:

We have authority to bind the Corporation.

LEEWARD HOUSE INC.

Per:

\_\_\_\_\_

Name:

Title:

Per:

\_\_\_\_\_

Name:

Title:

I/We have authority to bind the Corporation.