

Development Charges Deferral Agreement

THIS AGREEMENT made this ___ day of _____, 2025.

BETWEEN:

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

– and –

Ken Bodnar Enterprises (Spy Cider House & Distillery)
(hereinafter referred to as the "Owner")

RECITALS

WHEREAS the *Development Charges Act, 1997*, S.O. 1997, Chapter 27, as amended (the "Act") authorizes municipalities to pass a by-law for the imposition of development charges against land to pay for increased capital costs required because of increased needs for services arising from development of the area to which the by-law applies;

AND WHEREAS the Council of the Town of the Blue Mountains ("Council"), pursuant to the Act, has enacted By-Law No. 2024-29 (the "By-law"), which imposes development charges and provides for the payment of development charges;

AND WHEREAS the Town may, pursuant to section 27 of the Act, enter into an agreement with an owner to require an owner to pay the applicable development charges at a date later than it would otherwise be payable, upon and in accordance with the terms of an agreement entered into by the owner with the Town (a "Deferral Agreement");

WHEREAS the Owner is the registered owner of the lands municipally known as 808108 24th Sideroad, CON 10 PT LOT 23 PT LOT 24 (the "Lands");

AND WHEREAS the Owner has received or is in the process of receiving Site Plan Approval to construct an event centre on the Lands (the "Development");

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 XXXXXXXX, 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 3.5%;

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 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 on the date of building permit issuance.

1.3 “Deferral Period Commencement Date” means the date of Building Permit Issuance.

1.4 “Interest Rate” means a fixed annual rate of 3.5%, calculated on the outstanding balance of the deferred Development Charges, **accruing daily and not in advance**, 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 \$109,746.25 (Inclusive of the Town and the County DCs), subject to confirmation at the time of building permit issuance.

2.2 The Owner shall pay the sum of \$10,000 by the 30th of November 2025.

2.3 The remaining balance of the Development Charges, (the “Deferred Amount”) shall be deferred in accordance with the terms of this Agreement.

3. DEFERRAL TERMS

3.1 The Deferral Period shall commence on the date of Building Permit Issuance and shall continue for a period of three (3) years following that date.

3.2 Following the initial payment of \$10,000 pursuant to Section 2.2, the remaining balance of the Development Charges shall be paid in three (3) equal annual instalments,

each due on the anniversary of the Building Permit issuance date during the Deferral Period.

3.3 Interest shall accrue on the outstanding balance at the rate of 3.5% per annum, calculated daily and not in advance, from the Deferral Period Commencement Date until the date the balance is paid in full. In the event of partial or early repayment, interest shall be payable up to the date of such repayment on the outstanding amount being repaid.

3.4 Any remaining balance, together with accrued interest, shall be due and payable in full on the final anniversary date (the third instalment).

3.5 The Owner may, at its discretion, prepay the Remaining Balance in whole or in part at any time, together with any interest accrued by the time of repayment, prior to the last day of the Deferral Period, without penalty.

4. SECURITY AND ENFORCEMENT

4.1 In the event that the Owner fails to meet any obligation under this Agreement, the entirety of the Development Charges owing will immediately become payable to the Town.

4.2 In the event of non-payment by the Owner under any term of this Agreement, 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.

4.3 The Owner acknowledges that no Letter of Credit or other financial security is otherwise required.

5. GENERAL TERMS

5.1 Prior to the issuance of any Building Permit, this Agreement shall be registered on title to the Lands by the Owner, at the Owner's sole cost and shall run with the Lands.

5.2 The Owner shall provide to the Town written confirmation from the Owner's solicitor that this Agreement has been so registered, together with a copy of the registered instrument.

5.2 Upon the payment in full of the Deferred Amount and/or Remaining Balance, together with any accrued interest, upon the written request of the Owner, the Town shall execute a consent to the discharge of this Agreement from title to the Lands.

5.3 This Agreement shall be binding upon and shall enure to the benefit of the Town and the Owner and their respective successors, executors, heirs and assigns. The Owner may not assign or transfer its rights and obligations under this Agreement without the prior written consent of the City.

5.4 If the Lands are sold, transferred, or otherwise conveyed to a new owner prior to full repayment of the Deferred Amount and/or Remaining Balance, together with any 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.

5.5 The Owner acknowledges and confirms that they have been advised by the Town to consult a lawyer before executing this Agreement. The Owner further acknowledges and agrees that independent legal advice has been obtained with respect to the terms of this Agreement or independent legal advice has been declined. Nevertheless, the Owner herein acknowledges that they have read this Agreement, understand the terms and conditions and the Owner's rights and obligations under this Agreement and agree to be bound by same.

5.6 This Agreement is made entirely for the convenience and benefit of the Owner and 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.

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

5.8 If any of the provisions of this Agreement or their application to any person or circumstance are to any extent illegal, invalid or unenforceable, the remainder of this Agreement shall be construed as if such illegal, invalid or unenforceable provision had never been contained in it.

5.9 Any notice under this Agreement shall be deemed to have been given if delivered personally, e-mailed or mailed by registered mail to:

The Town of the Blue Mountains

32 Mill Street, Thornbury, ON N0H 2P0

Attention: Monica Quinlan

mquinlan@thebluemountains.ca

Ken Bodnar Enterprises (Spy Cider House & Distillery)

Insert Owner Contact Information

or to such other address which the Parties to be notified shall have given written notice to the other Parties.

5.10 Any notice given or delivered pursuant to this paragraph shall be deemed to have been given and received on the day on which it was delivered (or if such day is not a business day, on the next following business day) or three (3) days following the date of mailing, as the case may be.

5.11 This Agreement contains the entire and only understanding between the Parties and supersedes all prior agreements, arrangements, promises, representations or other understandings, whether written or oral. This Agreement may only be amended by written agreement signed by both parties.

5.12 This Agreement may be executed in any number of counterparts (including counterparts delivered electronically) and all such counterparts taken together will be deemed to constitute one and the same instrument.

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:

Name:

Title:

Per:

Name:

Title:

We have authority to bind the Corporation.

Ken Bodnar Enterprises (Spy Cider House & Distillery)

Per:

Name:

Title:

Per:

Name:

Title:

I/We have authority to bind the Corporation.

DRAFT