

Staff Report



To Council
Department Corporate Services, Strategy and Innovation Department
Meeting Date Council and Committee of the Whole Meetings - 25 Nov 2025
Subject Surplus Land Donation and Preparation for Development
Report Number SR- 3051
Prepared by David Roewade

Recommendation

1. That the report from the Corporate Services, Strategy and Innovation Department, dated November 25, 2025 re: Surplus Land Donation and Preparation for Development, be received;
2. That Council approve the recommended approach for preparing the surplus lands at Church Street in Bath for donation and development, including the retention of a consultant to undertake a rezoning, subdividing, and servicing study funded by HAF;
3. That Council authorize the Mayor and CAO to execute the attached Affordable Housing Grant and Development Agreement of Purchase and Sale for donating a portion of the Church Street land to the County of Lennox and Addington for an affordable and purpose-built rental project, subject to the final terms to the satisfaction of the County and Township CAOs; and
4. That Council direct staff to return with a staff report and recommendations with respect to the Habitat for Humanity request for the donation of serviced land.

Executive Summary

Purpose of Report

On May 13, 2025, through Resolution 2025-103, Council directed that the Township offer lands to the County of Lennox and Addington for the purpose of constructing an affordable housing project. The County has confirmed its interest in acquiring up to 2 acres of the surplus Church Street property north of Bath Public School for this purpose. Staff recommend that Council consider a draft Agreement of Purchase and Sale accordingly.

Staff are also seeking direction with regard to Habitat for Humanity's contribution requests for a complementary affordable home ownership project on another portion of the same surplus land parcel in alignment with the Township's Strategic Plan Balanced Growth Objective to support more affordable and attainable local housing. Both potential developments would advance two of the Township's Housing Accelerator Fund (HAF) initiatives included within the approved action plan to meet the HAF targets for new affordable housing units permitted by December 2027.

Initial background studies to review opportunities for future development on the surplus property in Bath have commenced. Staff recommends that a third-party be retained to conduct a re-zoning, subdividing and servicing study. Internal staff does not generally possess the capacity or expertise to undertake this type of planning and engineering work. The estimated timelines for advancing development also include gauging interest on the open market for any remaining portions of the surplus property to be sold and a review of the need to replace the parkland originally contributed as part of a development process.

Report Highlights

- Staff are advancing the process to donate vacant or underutilized Township-owned surplus lands for housing projects as previously described in the Township's Housing Accelerator Fund (HAF) Workplan ([SR-2867](#) dated February 11, 2025) and the Surplus Declaration of Township-owned Lands report ([SR-2930](#) dated May 13, 2025).
- Progress to date includes obtaining fair market value land appraisals, discussions with Lennox and Addington County and Habitat for Humanity regarding affordable rental and home ownership options and, initiation of seasonally sensitive background studies for natural (ecological) heritage and archaeological assessments that are necessary to prepare for the upcoming development process.
- The County has confirmed its interest in acquiring up to 2 acres of the surplus Church Street property north of Bath Public School for up to two low-rise rental apartment style buildings, including some affordable rental units, that they would build, own and operate. The terms of the proposed donation are outlined in this report with full details included in the attached draft Affordable Housing Grant and Development Agreement of Purchase and Sale.
- Habitat for Humanity has also approached Township staff with a request to donate another portion of the surplus land in Bath for an affordable home ownership project involving up to two blocks of four townhouses. Based on the outline of their project and contribution requests included in this report and their accompanying presentation, Staff are seeking direction from Council with respect to this request.
- Both of these potential housing projects are in alignment with the Township's Strategic Plan Balanced Growth Objective to support more affordable and attainable local housing and would also advance two of the Township's Housing Accelerator Fund initiatives included within the approved action plan.

- With consideration of previous direction from Council regarding the future sale of the Church street property, the overall development of the 5.5 acre parcel could also potentially involve a mixed-use commercial and residential development on the east side along Church Street. Staff propose an expression of interest and/or request for proposal process to determine other interest in the parcel in addition to the County's two low-rise affordable rental housing buildings and, potentially, additional lower density options such as townhouse blocks (includes the two townhouse blocks desired by Habitat for Humanity). The size, location, servicing requirements, and zoning of subdivided land parcels required for these types of developments would be determined by a rezoning, subdividing, and servicing study.
- As previously described in the Surplus Declaration of Township-owned Lands report (SR-2930 dated May 13, 2025), staff are recommending that the Township initiate an RFP for the re-zoning, subdividing, and servicing study to identify the appropriate land uses required for the aforementioned high-level concept along with lot plan and the necessary access and servicing requirements as a pre-requisite to finalizing the potential land transfers for donation and sale on the open market.
- Procuring a third-party study recognizes that internal planning and engineering stack lack the capacity and expertise to undertake this type of work and enables Loyalist's Development Services staff to stay at arms-length when reviewing the necessary ZBA and OPA required for this potential development. If this overall approach is approved, staff will also issue a concurrent preliminary Expression of Interest to gauge interest from other developers for the portions of the Church Street land parcel which could be sold on the open market to inform the zoning and servicing needs.
- Estimated timelines are included to outline potential next steps if both the County and Township Councils support the attached Affordable Housing Grant and Development Agreement of Purchase and Sale, and the donation requests from Habitat for Humanity in principle, towards reaching the building permit stage by the HAF December 2027 target deadline.
- All donations and third-party studies referenced within this report would be supported through allocations of HAF money should Council approve staff recommendations.
- Mandatory Public Consultations will be required as part of the ZBA/OPA process. These will be managed in accordance with the Township's Engagement Framework and to meet the requirements of the Planning Act in collaboration with the consultant and Corporate Communications.

Report Details

Background and Analysis

Staff are advancing the process to donate vacant or underutilized Township-owned Surplus Lands for housing projects or housing-supportive uses as previously described

in the Township's Housing Accelerator Fund (HAF) Workplan (SR-2867 dated February 11, 2025) and the Surplus Declaration of Township-owned Lands report (SR-2930 dated May 13, 2025).

Within the Surplus Declaration report, Township staff had indicated that a portion of the Church Street property in Bath is of interest to the County of Lennox and Addington for an affordable and purpose-built rental housing project, and another portion of the property that could be sold on the open market, with preference for a mixed-use project (commercial and residential) to uphold direction provided previously by Council but also allow for residential development on the property. The report also acknowledged the requirement for rezoning from the property's current Open Space designation to allow for the above uses and that a Township initiated Zoning By-law and Official Plan amendment (ZBA/OPA) is recommended to be undertaken before the parcel is offered for sale which would require a variety of studies.

In efforts to advance this process, staff have:

- obtained a fair market land value appraisal in accordance with the Township's By-law 2004-33 regarding Procedures for Sale of Real Property;
- had discussions with Lennox and Addington County and Habitat for Humanity regarding options that are in alignment with the Township's Strategic Plan Balanced Growth Objective to support more affordable and attainable local housing; and,
- initiated seasonally sensitive background studies for natural heritage and archaeological assessments that are necessary to prepare for the upcoming development process.

Land Donations and High-level vision for Development

Lennox and Addington County staff presented recent reports to their Council regarding building and operating an affordable and purpose-built rental housing project on a portion of the Township's Church Street property (dated [September 11, 2025](#) and [November 10, 2025](#)). Determination of size requirements for the potential County-owned and operated development were deferred at the initial meeting until a decision was made on the number of units and housing form by the County in consultation with Township staff.

A staff report to County Council was received on November 19th and County Council approved that, subject to zoning changes, up to two low-rise apartment style rental housing buildings would be built over the next six years. The first building proposed to be up to 12 rental units including 8 affordable units that aims to achieve a building permit issuance by December 2027 to satisfy HAF requirements, and the second building on County option by December 2032. If the County has not applied for a building permit for the second phase of construction by that time, the portion of the lands related to the second phase of construction would be returned to the Township and could be sold on the open market. Moving forward with the first unit would also see the Township granting flow-through HAF funding to the County to support the construction of affordable units. These terms are captured in the attached Affordable

Housing Grant and Development Agreement of Purchase and Sale for Council consideration. The County's resolution approving the project is included below.

Building High-Density Social Housing

Moved by: Councillor Richardson

Seconded by: Councillor Wise

That the November 10, 2025 – staff report re: Building High-Density Social Housing – Church Street Loyalist (Director, Infrastructure Services) be noted and received; and further,

That Council direct staff to enter into an agreement with Loyalist Township to construct a 12 unit social housing property and secure an option on an additional property for a potential second social housing building in Bath (Church Street); and further,

That Council direct staff to include \$350,000 in the 2026 budget for Engineering and Architectural Services for the Loyalist Social Housing Project – Church Street.

CC-25-271 CARRIED

Recent discussions with Habitat for Humanity have also identified an option to utilize the property for a gentler density project on the west side of the property near the existing low-density housing along Abbey Dawn Drive. This could potentially involve two affordable home ownership blocks of four townhomes. Staff are seeking direction from Council regarding Habitat's request for contributions towards their proposed affordable housing project. Together, the two affordable and attainable housing developments proposed by the County and Habitat for Humanity would meet and exceed the Township's affordable unit target under the HAF Agreement with CMHC.

The estimated space required for the affordable projects would still leave approximately 2.5 to 3 acres, potentially for a mixed-use commercial and residential project and/or additional market townhouse blocks to be sold through an expression of interest and/or request for proposal process. The proposed development study for the lands will recommend the appropriate use of these lands and any replacement parkland for Council's consideration.

This will include consideration for replacement parking for the Canada Day event.

Staff are recommending that the Township initiate a re-zoning study to allow for the development of the Church Street surplus property along with lot plan and the necessary access and servicing requirements. This would be a pre-requisite to finalizing the land transfers for donation and sale on the open market. Procuring a third-party study enables Loyalist's Development Services Division to stay at arms-length when reviewing the necessary ZBA and OPA required for this potential development.

If this plan is approved, staff will issue an RFP to retain a consultant for the rezoning, subdividing, and servicing study as well as a preliminary Expression of Interest to gauge interest from other developers for the portions of the Church Street land parcel that could be sold on the open market which would inform the study. The costs of the land

donations and related studies are all within the HAF budget and have been included within the Township's 2026 budget accordingly (further details included within the financial implications section).

Estimated Timelines

If both the County and Township Councils support the attached Affordable Housing Grant and Development Agreement of Purchase and Sale, with additional consideration of the donation requests from Habitat for Humanity in principle, the following timelines are estimated to reach the building permit stage for the initial affordable housing projects described above in relation to the HAF December 2027 target deadline:

- December 2025
 - Finalize Agreement with the County
 - Issue RFP for the retention of a consultant to undertake rezoning, subdividing and servicing study
- January – June 2026
 - Engage consultant and begin rezoning study
 - Provide Habitat for Humanity donation agreement for Council consideration
 - Issue an Expression of Interest (EOI) from other developers for the portions of the surplus property to be sold on open market and use results of EOI to inform preliminary design
 - Conduct public open houses and consultations with Indigenous communities, neighbouring residents, and other interested parties
- July – Sept. 2026
 - Statutory ZBA/OPA meeting at Council
 - Report to Council for final ZBA/OPA approval
 - Fulfill mandatory appeal period
- Sept. 2026 – June 2027
 - Servicing and subdividing process by Township and County
 - Transfer of donated land to County and, possibly, Habitat for Humanity
 - Re-engage EOI participants for opportunity to buy portion of land slated for sale on open market (e.g. via RFP)
 - Complete construction of the Township's portion of servicing requirements
- July 2027 – December 2027
 - Attain building permits for the affordable County and, possibly, Habitat for Humanity housing projects

Financial Implications

The costs of the land donations and related studies can all be accommodated within the HAF budget and have been included within the Township's 2026 budget accordingly. The County is also contributing \$75,000 to supporting studies.

Staff are recommending the allocation of HAF grant money to enable the aforementioned land donation to the County valued at a total of approximately \$250,000 to be transferred to the Township's Parkland Reserve. The Township's portion of the third-party zoning study (\$75,000 - \$125,000 of the total estimated \$150,000 - \$200,000) and servicing costs (estimated at up to \$800,000) to prepare for the housing developments are also recommended to be supported by utilizing the HAF grant.

It is expected that the portion of the surplus land on Church Street to be sold on the open market would help recoup some of the Township's costs in preparation for development. Land sale proceeds could be used, along with HAF funding, to fund the servicing required for the Church Street lands and/or be added to the Township's parkland or land sales reserve subject to legal recommendations to be determined. Recommendations will be made as part of the subdividing and servicing study.

Risks or Stakeholder Implications

There may be concerns expressed by existing residents in the area of any new development on the Township's Church Street property. Public consultations will be managed accordingly to provide a forum for the concerns to be expressed and considered in the final development designs. A stage 1 Archaeological Study has already been initiated by the Township which includes engagement of Indigenous communities.

There are risks associated with donating land for housing purposes which can be addressed by including options for buyback in the Township's favor if the terms of the agreement are not met. In this case, Township staff would have to re-start the process to find appropriate partners to build affordable and attainable housing. This would likely not be achieved by the HAF deadline and could result in receiving less of the total expected funding from CMHC.

There is also risk that there may be insufficient interest from other developers in the open market that could delay sale of the other portion of the same surplus property which may be needed to recoup preliminary servicing and development costs borne by the Township. The use of the EOI should help gauge interest from the open market in this regard.

Communication and Consultation Plan

Mandatory public consultations will be required as part of the ZBA/OPA process. These will be managed in accordance with the Township's Engagement Framework in collaboration with the consultant and Corporate Communications.

Alternatives

No other suitable alternatives for the land donation to the County were identified by staff that could fulfill all eight (8) of the HAF affordable housing units target in terms of reaching the building permit stage by the December 2027 deadline. Other alternatives do exist for a partnership with Habitat for Humanity but are either smaller in size or will not become available for development for several more years.

Attachments

[County of LA - Purchase and Sale Agreement - Final Draft](#)

Approved by

Approved by	Status:
Jenna Campbell, Director of Corporate Services	Approved - 20 Nov 2025
David Clazie, Director of Finance/Treasurer	Approved - 20 Nov 2025
Rebecca Murphy, Chief Administrative Officer	Approved - 20 Nov 2025

AFFORDABLE HOUSING GRANT AND DEVELOPMENT

AGREEMENT OF PURCHASE AND SALE

BETWEEN:

**THE CORPORATION OF THE
COUNTY OF LENNOX AND ADDINGTON**

(the "County")

OF THE FIRST PART

AND:

THE CORPORATION OF LOYALIST TOWNSHIP

(the "Township")

OF THE SECOND PART

RECITALS

WHEREAS the Township received a grant under the Housing Accelerator Fund ("HAF") from the Canadian Mortgage and Housing Corporation ("CMHC") for the purpose of facilitating the construction of 615 permitted housing units including 218 missing middle housing units and eight (8) affordable housing units;

AND WHEREAS the Township, in its HAF program, committed to working with the County to support its affordable housing project, including the donation of land and provision of a grant to facilitate the construction of affordable housing units;

AND WHEREAS the Township owns lands which has been evaluated by the County as suitable for such a housing development;

AND WHEREAS the County wishes to build their affordable housing project in two phases with up to XX units per phase;

AND WHEREAS the HAF requires that construction of additional units, including the affordable housing units be permitted by December 31, 2027;

AND WHEREAS the parties wish to set out the terms of their arrangement to meet the HAF deadline;

NOW THEREFORE in consideration of the mutual covenants and agreements herein contained, the County and the Township agree as follows:

1.1 DEFINITIONS

1.1.1 In this agreement,

"Additional Terms" shall mean those additional terms to this Agreement as set out on Schedule "C" to this Agreement and that shall form a part of this Agreement;

"Affordable Housing Project" shall mean the project being undertaken on the Lands by the County and will include the construction of XX housing units through phased construction, of which XX of units will be Affordable Housing Units;

"Affordable Housing Units" shall have the same meaning as the definition of

"Affordable" in the County of Lennox and Addington Official Plan;

"Closing Date" shall mean the date more particularly described in Schedule "A" on which the purchase and sale of the Lands is to be completed;

"County's Conditions" means those conditions as more particularly set out in Schedule "B" inserted in this agreement for the sole benefit of the County;

"Deposit" shall mean the sum more particularly described in Schedule "A" to be tendered with this offer on account of the Purchase Price;

"Irrevocable Date" shall mean the date more particularly described in Schedule "A" until this offer to purchase is open for acceptance by the Township;

"Lands" shall mean those lands owned by the Township more particularly described in Schedule "A";

"Option to Repurchase Agreement" means the agreement between the County and Township in the form of agreement more particularly described in the Schedule "D";

"Permitted Encumbrances" means those agreements, easements, rights of way, or other restrictions, limitations, conditions or encumbrances affecting title to the Lands more particularly described in Schedule "A" that are now or will be at the Closing Date registered against title to the Lands;

"Purchase Price" shall mean the price to be paid by the County for the Lands as more particularly described in Schedule "A";

"Schedules" means Schedules "A", "B", "C" and "D" to this agreement that are to be read with and form a part hereof;

"Table of Critical Dates" means the following table of dates:

EVENT	TIMING	SECTION
Irrevocable Date	Minimum 14 days from date of agreement	Section 1.3.1 and Schedule A
County applies for Building Permit(s) for the first phase of construction	By the earliest of November 1, 2027 or a maximum of 60 days after the rezoning and subdividing of the Lands is completed	Section 1.6.1
County applies for Building Permit(s) for second phase of construction (if applicable)	By December 31, 2032	Section 1.6.1

Date for examining title	7 days prior to Closing date	Section 1.12.2
Closing Date	21 days after submission of the Building Permit for the first phase of the County's Affordable Housing Project	Schedule A
Occupancy Permit	Maximum twenty-four (24) months after Closing Date	Section 1.10.1(h)

1.2 OFFER TO PURCHASE

1.2.1 The County hereby offers to purchase the Lands from the Township for the Purchase Price and to build the Affordable Housing Project.

1.3 IRREVOCABLE OFFER

1.3.1 This offer to purchase shall be irrevocable by the County and remain open for acceptance by the Township until 4:00 p.m. on the Irrevocable Date

1.3.2 If this offer to purchase is not accepted by the Township on or before 4:00 p.m. on the Irrevocable Date, it shall immediately terminate and the County shall be entitled to the return of the Deposit in full without interest or deduction.

1.4 PAYMENT OF PURCHASE PRICE

1.4.1 The County shall pay the Purchase Price as follows:

- (a) the Deposit shall be tendered with this offer to purchase, payable to the Seller and shall be credited on account of the Purchase Price on the Closing Date; and
- (b) the balance of the Purchase Price shall be paid on the Closing Date, subject to all usual and proper adjustments, with the day of closing apportioned to the County.

1.4.2 All payments on account of the Purchase Price shall be made in lawful money of Canada, payable to the Township, or as it may otherwise direct in writing, and shall be by wire transfer, bank draft or cheque certified by a chartered bank, trust company, Province of Ontario Savings Office, credit union or caisse populaire.

1.5 HARMONIZED SALES TAX ("HST")

1.5.1 The County acknowledges that this transaction is subject to HST and that such tax and any other type of value-added or sales tax payable in connection therewith shall be in addition to the Purchase Price and shall be paid by the County.

1.5.2 The Township will not collect HST if the County provides to the Township on the Closing Date a warranty that the County is registered under the Excise Tax Act ("ETA"), together with a copy of the County's ETA registration, a warranty that the County shall self-assess, remit the HST payable and file the prescribed form, and shall indemnify the Township in respect of any HST payable. The foregoing

warranties shall not merge but shall survive the completion of the transaction.

1.6 CONDITIONAL ON BUILDING PERMIT

- 1.6.1 This agreement shall be conditional on the County filing with the Township an application for building permit(s) for the first phase of the Affordable Housing Project, which must include a minimum of eight (8) Affordable Housing Units, within the time prescribed on the Table of Critical Dates at which time the appropriate sized parcel for both phases of construction will be transferred to facilitate the County's Affordable Housing Project.
- 1.6.2 If this condition is not satisfied within the time or times prescribed on the Table of Critical Dates and if both parties do not agree in writing to an extension, this agreement shall automatically terminate and neither party shall have any further obligations under this agreement, save and except the Deposit that shall be forfeited to the Township and not refunded to the County; provided that the Township shall agree to such reasonable requests from the County for extensions to the times prescribed above if the Township, acting reasonably, determines that the County is making a diligent effort to satisfy the condition and has been delayed for reasons beyond the County's control. This condition cannot be waived by either party.
- 1.6.3 The County agrees to filing with the Township an application for building permit(s) for the second phase of the Affordable Housing Project within the time prescribed on the Table of Critical Dates, failing which the provisions in the Option to Repurchase Agreement shall be triggered.
- 1.6.4 The County shall have the right at any time or times prior to the Closing Date to enter on the whole of the Lands owned by the Township, by itself or with its contractors or agents, to conduct at its own expense and risk such further investigations or assessments of the Lands as the County deems necessary for the purpose of completing the building permit process, provided the County restores the Lands to their original condition upon completion of such investigations.

1.7 COUNTY'S CONDITIONS

- 1.7.1 This Agreement shall be conditional on the County's Conditions being satisfied within the time and in the manner described therein. The County's Conditions are inserted for the sole benefit of the County and may be waived by the County in writing at any time. If the County fails or refuses to waive the County's Conditions approval within the time prescribed on the Table of Critical Dates, this agreement shall be at an end and the County shall be entitled to the return of the Deposit without interest or deduction and neither the County nor the Township shall have any further obligations under it.

1.8 ADDITIONAL TERMS

- 1.8.1 The Additional Terms set out on Schedule "C" to this Agreement shall form part of this Agreement and shall be enforceable by the parties in accordance with

the terms and conditions set out therein.

1.9 TOWNSHIP'S REPRESENTATIONS AND WARRANTIES

1.9.1 The Township represents and warrants to the County as follows:

- (a) The Township has the lawful authority to sell the Lands and all Council approvals have been given and all corporate authority exists for the Township to complete the transaction in accordance with its terms, further that the Township has complied with By-Law No. 2004-33, "A By-law to Establish Procedures Governing the Sale of Real Property";
- (b) That to the best of the Township's knowledge and belief, during the period of its ownership of the Lands all environmental laws and regulations have been complied with, no hazardous conditions or substances exist on the Lands, no limitations or restrictions affecting the continued use of the Lands exist, other than those specifically provided for herein, no pending litigation respecting environmental matters, no outstanding Ministry of Environment and Energy Orders, investigations, charges or prosecutions regarding environmental matters exist, and there has been no prior use of the Lands as a waste disposal site; and
- (c) The Township shall provide to the County upon request, all documents, records and reports relating to environmental matters that are in the possession of the Township, and the Township shall provide such further authorizations as the County may reasonably require for the Ministry of the Environment and Energy to release to the County, its agent or solicitor, any and all information that may be on record in the Ministry office with respect to the Lands.
- (d) The Township will undertake the rezoning and subdividing of the Lands to facilitate the construction of the Affordable Housing Project, recognizing that up to two (2) acres will be transferred to the County to facilitate the Affordable Housing Project and that time is of the essence.
- (e) The Township will provide a grant to the County the sum of \$204,000 from its Housing Accelerator Fund funding as a contribution toward the first phase of construction of the County's Affordable Housing Project.

1.9.2 All of the Township's representations and warranties shall survive closing.

1.10 COUNTY'S REPRESENTATIONS AND WARRANTIES

1.10.1 The County represents and warrants to the Township as follows:

- (a) The County will construct the Affordable Housing Project with a minimum of eight (8) Affordable Housing Units in its first phase;
- (b) The size of the parcel(s) required to be transferred will be the minimum size

required by the County, acting reasonably, to facilitate the Affordable Housing Project; where the final size and location of the Lands will be determined through a subdividing process to be led by the Township;

- (c) the County will furnish all information, documentation, and approvals reasonably requested by the Township or its agents to facilitate the work required to determine the appropriate size and location of the County's parcel(s) within the Lands, recognizing that up to two (2) acres will be transferred to the County to facilitate the Affordable Housing Project and that time is of the essence.
- (d) The County will contribute 50% to a maximum of \$75,000 toward the costs incurred by the Township associated with the rezoning, subdividing, and servicing design of the Lands, such payment to be deducted from the Housing Accelerator Fund grant from the Township to facilitate the Affordable Housing Project.
- (e) The County has inspected the Lands and agrees that upon acceptance of this offer there shall be a binding agreement of purchase and sale between County and Township;
- (f) The County has made such inquiries and conducted such investigations as the County deems necessary and is satisfied that:
 - (i) the County will work with the Township to facilitate rezoning of the Lands such that the intended use of the Lands for the Affordable Housing Project is a permitted use;
 - (ii) there are now or will be at such time as the County requires them such services available to the Lands having sufficient capacity as needed for the County's intended use of the Lands;
- (g) The County will be responsible for any present and/or future costs required to upgrade the existing services as may be required to satisfy the County's particular needs;
- (h) The County will be responsible for the cost of connecting all services from the front lot line of the Lands to any building constructed on the Lands;
- (i) The County will be responsible for obtaining the approval of any other utility needed to service the Lands;
- (j) The County shall submit an application to the Township for a building permit for the Lands within the time prescribed on the Table of Critical Dates;
- (k) If the building permit is approved, the County shall substantially complete construction of a building or buildings on the Lands in accordance with the zoning for the Lands and obtain an occupancy permit therefor within twenty-four (24) months of the date of registration of the Transfer for the Lands to the County;

- (l) Prior to obtaining an occupancy permit for the building or buildings, the County shall not transfer the Lands or any part thereof to any third person without the prior written consent of the Township, which consent may be arbitrarily refused unless such transfer is for the purpose of securing the Lands in favour of a *bona fide* commercial lender in connection with a builder's mortgage; and
- (m) The County shall not transfer any portion of the Lands unencumbered by a building to any third person prior to the 10-year anniversary of the date of registration of the Transfer for the Lands without the prior written consent of the Township, which consent may be arbitrarily refused.

1.10.2 All of the County's representations and warranties shall survive closing.

1.11 OPTION TO REPURCHASE AGREEMENT

1.11.1 This agreement shall be conditional on the County and Township entering into the Option to Repurchase Agreement prior to the Closing Date and the Option to Repurchase Agreement being registered against title to the Lands immediately following registration of the Transfer for the Lands from the Township to the County with no intervening registrations or the creation of any intervening rights in the Lands. This condition is inserted for the sole benefit of the Township and may be waived by it in writing at any time prior to the Closing Date.

1.12 TITLE TO THE LANDS

1.12.1 Title to the Lands as at the Closing Date shall be good and marketable and free from encumbrances of every nature or kind, except for:

- (a) any restrictions, limitations or conditions contained in the original grant from the Crown;
- (b) any restrictions, limitations or conditions imposed by any applicable building and zoning by-laws;
- (c) any minor easements for hydro, gas, telephone or like services to the Lands;
- (d) the Option to Repurchase Agreement; and
- (e) the Permitted Encumbrances.

1.12.2 The County shall have until 4:00 p.m. on the date for examining title to the lands as prescribed on the Table of Critical Dates within which to examine the title of the Lands and to submit requisitions with respect thereto. If the Township is unable or unwilling to remove or remedy any requisition, and if the County will not waive the requisition, then this agreement, despite any intermediate acts or negotiations in respect of any such objections, shall be at an end and the Deposit shall be returned to the County without interest or deduction and neither the Township nor the County shall be liable to the other for any matter

in connection with this agreement. Save as to any valid objection made within the times above limited, and except for any objection going to the root of the title of the Township, the County shall be conclusively deemed to have accepted the Township's title to the Lands.

1.12.3 The County shall not call for the production of any title deed, abstract of title, proof or evidence of title, or survey, except as may be expressly permitted or required under the terms of this agreement.

1.13 CLOSING

1.13.1 This transaction shall be completed by no later than 5:00 p.m. on the Closing Date, provided that if on such day the Registry or Land Titles Office is not open, closing shall occur on the next day thereafter on which such office is open. Upon completion, vacant possession of the Lands shall be given to the County unless otherwise provided in this agreement.

1.14 TENDER

1.14.1 Any tender of documents or money required by this agreement may be made upon either of the parties or their respective solicitors on the Closing Date.

1.15 DOCUMENT PREPARATION

1.15.1 The Transfer shall be prepared in registerable form by and at the expense of the Township. The County at the County's expense shall prepare the land transfer tax affidavit. Unless any reasonable objection to doing so is made by the Township or Township's solicitor, the Township and Township's solicitor shall complete, at the request of the County, the statements contemplated by Section 50(22) of the *Planning Act*, R.S.O. 1990, as it may be amended and renumbered from time to time.

1.16 NOTICE

1.16.1 Any notice required by or permitted to be given under this agreement shall be in writing. Any notice to the County shall be given to the County at the address or facsimile number hereafter set forth, and any notice to the Township shall be given to the Township's solicitor at the address or facsimile number hereafter set forth.

1.16.2 Any notice forwarded by mail shall, if posted in Ontario, be deemed to have been received on the fourth day, excluding Saturdays, Sundays and statutory holidays, after its post mark and any notice forwarded by facsimile shall be subject to actual receipt by the party to whom it is directed, with evidence of confirmation of transmission by the sender of such notice being sufficient evidence of receipt by the party to whom it is addressed. If transmission is

completed on a Saturday, Sunday or statutory holiday, or after 5:00 P.M. on any other day, it shall be deemed to have been received on the next day which is not a Saturday, Sunday or statutory holiday.

1.17 TIME OF THE ESSENCE

1.17.1 Time shall be of the essence of this agreement provided that any day established by or pursuant to this agreement for the doing of an act by any party or by which a condition is to be satisfied which falls on a Saturday, Sunday or statutory holiday shall be extended to the next day thereafter which is not a Saturday, Sunday or statutory holiday.

1.18 PLANNING ACT

1.18.1 This Agreement shall be effective to create an interest in the property only if Township complies with the subdivision control provisions of the Planning Act by completion and Township covenants to proceed diligently at its expense to obtain any necessary consent by completion.

1.19 ENTIRE AGREEMENT

1.19.1 The parties agree that there is no representation, warranty, collateral agreement or condition affecting this agreement or the Lands or other assets referred to herein nor is there any such representation, warranty, collateral agreement or condition which induced the County to enter into this agreement, other than expressed herein in writing. Severability.

1.20 SEVERABILITY

1.20.1 Any Article, Section, Subsection or other subdivision of this Agreement or any other provision of this Agreement which is, or becomes, illegal, invalid or unenforceable shall be severed from this Agreement and be ineffective to the extent of such illegality, invalidity or unenforceability and shall not affect or impair the remaining provisions hereof or thereof.

22.0 AMENDMENTS

1.22.1 This Agreement may only be amended, modified or supplemented by a written agreement signed by all the parties to such agreement.

23.0 WAIVER

1.23.1 No waiver of any of the provisions of this Agreement shall be deemed to constitute a waiver of any other provision (whether or not similar), nor shall such waiver constitute a waiver or continuing waiver unless otherwise expressly provided in writing duly executed by the party to be bound thereby.

24.0 **ENUREMENT**

1.24.1 This agreement shall enure to the benefit of and be binding upon the parties hereto and their respective personal representatives, successors and assigns.

[THIS SECTION INTENTIONALLY LEFT BLANK]

Executed under seal by the County at Napanee, Ontario on the day of ,
2025.

**THE CORPORATION OF THE COUNTY OF
LENNOX AND ADDINGTON**

Name: Nathan Townend
Title: Warden

Name: Brenda Orchard
Title: Chief Administrative Officer

We have authority to bind the Corporation.

The Township accepts this offer by executing the same under seal at Odessa,
Ontario on the day of , 2025.

THE CORPORATION OF LOYALIST TOWNSHIP

Per:

Name: Jim Hegadorn
Officer: Mayor

Name: Rebecca Murphy
Officer: Chief Administrative Officer

We have authority to bind the Corporation.

ADDRESSES FOR NOTICES

County:

Township:

Clerk

Loyalist Township

PO Box 70

263 Main Street

Odessa, ON KOH

2H0

Telephone No: 386-7351

Facsimile No: 386-3833

Telephone No:

Facsimile No:

County Solicitor:

Township Solicitor:

David C. Munday

Cunningham, Swan,

Smith Robinson Building

Suite 300 - 27 Princess Street

Kingston Ontario K7L 1A3

Facsimile No: 542-9814

Telephone

No Facsimile

No::

SCHEDULE "A"

Lands:

Frontage: To be determined

Depth: To be determined

Area: Up to 2 acres

Municipal Street: Church Street (County Road 7)

Legal Description Up to 2 acres as part of Part 3, Plan 29R-7212, Loyalist Township, County of Lennox and Addington. Exact location and size to be determined through a subdividing process and legal survey to be undertaken before final transfer of the property.

Rights-of way/Easements: To be determined through the subdividing process

Purchase Price: Two Dollars (\$2.00)

Deposit: One Dollar (\$1.00), which the County acknowledges will be non-refundable if the County fails to satisfy the condition in Section 1.6.2 of this Agreement.

Irrevocable Date: December 1, 2025

Closing Date: If the Closing Date falls on a Saturday, Sunday or statutory holiday, the Closing Date shall be on the next business day.

Permitted Encumbrances: *list other agreements, easements, rights of way, or other*

restrictions, limitations, conditions or encumbrances affecting title and surviving closing

1. Option to Repurchase Agreement
2. Any municipal utility easements required as a condition of the rezoning and subdividing process

SCHEDULE "B"

County's Conditions

[INSERT IF ANY]

SCHEDULE "C"
ADDITIONAL TERMS

[INSERT IF
ANY]

SCHEDULE "D"
Option to Repurchase Agreement
(For information purposes only)

THIS OPTION TO REPURCHASE AGREEMENT made this . day of
----- 2025.

BETWEEN:

**THE CORPORATION OF THE COUNTY OF LENNOX AND
ADDINGTON**

(the "Optionor")

OF THE FIRST PART

AND:

THE CORPORATION OF LOYALIST TOWNSHIP

(the Township")

OF THE SECOND PART

WHEREAS the Optionor purchased from the Township those lands more particularly described in Schedule "A" to this Agreement (the "Lands");

AND WHEREAS for the purpose of selling the Lands, the Township relied on representations made by the Optionor that:

- (i) the Optionor would apply for a building permit for phase one of the Affordable Housing Project on the Lands by November 1, 2027;
- (ii) the Optionor would apply for a building permit for phase two of the Affordable Housing Project on the Lands by December 31, 2032; or
- (iii) the Optionor would not sell, transfer or otherwise dispose of all or any part of the Lands prior to completion of the building or buildings without the prior written consent of the Township, except for the purpose of securing the Lands in favour of a *bona fide* commercial lender in connection with a builder's mortgage;

AND WHEREAS for the purpose of securing its obligations, the Optionor has agreed to grant an option to repurchase the Lands or a portion thereof to the Township in accordance with the terms of this agreement.

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

In this agreement,

1. The Optionor hereby grants to the Township an option to repurchase the Lands (the "Option").
2. The Township may exercise the Option if:
 - (a) Within twenty-four (24) months of the date of registration of the Transfer of the Lands to the County, the County fails to obtain an occupancy permit for a building on the Lands in accordance with an approved building permit; or
 - (b) The County does not submit a building permit application for phase two of the Affordable Housing Project by December 31, 2032; or
 - (c) Prior to obtaining an occupancy permit, the County sells, transfers or otherwise disposes of the Lands or any part thereof to any third person without the prior written consent of the Township, except for the purpose of securing the Lands in favour of a *bona fide* commercial lender in connection with a builder's mortgage.
3. If the Township has the right to exercise the Option in accordance with Clause 2 above, it may exercise its right by written notice delivered to the Optionor and any other person who may appear from the abstract of title for the Lands to have an interest in the Lands as follows:
 - (a) If the Optionor has failed to obtain an occupancy permit as required in sub-clause 2(a) above, at any time prior to the earlier of
 - i. the date on which an occupancy permit is issued; or
 - ii. the ten (10) year anniversary of the date of registration of the Transfer for the Lands to the Optionor; or
 - (b) If the Optionor has failed to submit a building permit contrary to clause 2(b) above, the Option shall be for that portion of the Lands not used for phase one of the Affordable Housing Project;
 - (c) In the case of a sale, transfer or other disposition of the Lands contrary to sub-clause 2(c) above, at any time within 60 days from the date on which the Township is notified in writing that the Optionor has sold, transferred or otherwise disposed of the Lands.
4. The purchase price to be paid by the Township if it exercises the Option shall be an amount equal to ninety percent (90%) of the purchase price paid by the Optionor to originally acquire the Lands from the Township.
5. The purchase transaction shall close 30 days following the date the Township delivers notice exercising the Option (the "Closing Date").
6. The Township shall have the right, subsequent to delivery of notice exercising the Option to enter onto the Lands, by itself or by its agents or contractors, to conduct such environmental assessment of the Lands as the Township may, at its cost, determine necessary or prudent and, if dissatisfied with the results of such

assessment, the Township shall have the right to not proceed with the purchase of the Lands.

7. The Optionor shall indemnify and save harmless the Township from any and all claims of every nature and kind which may be made against the Township whether for damages or otherwise as a result of the Lands containing as at the Closing Date any contaminant or pollutant within the meaning of the *Environmental Protection Act* (Ontario), or any other substances which may be considered hazardous or dangerous to the health of persons or to the environment under any other legislation of the Province of Ontario or Canada applicable therein. Without limiting the obligation of the Optionor aforesaid, such obligation to indemnify shall exist with respect to claims against the Township for damages to persons or property or for the costs of complying with any orders for clean up of the Lands which may be issued under any legislation or by any Court of competent jurisdiction in respect of any contamination existing at the Closing Date. This obligation of the Optionor to indemnify the Township shall survive the Closing Date.
8. The Township shall take title to the Lands at the time of closing free of all mortgages, liens and encumbrances existing against the Lands that were registered subsequent to the registration of this Option to Repurchase Agreement; provided that the Township shall pay the Option Price,
 - (a) Firstly, on account of any unpaid property taxes, interest and penalties for the Lands
 - (b) Secondly, to all persons, other than the Optionor, having an interest in the Lands according to their priority at law; and
 - (c) Thirdly, to the Optionor.
9. The Transfer of Land shall, except for the Land Transfer Tax Affidavit, be prepared in registerable form by and at the expense of the Optionor.
10. If the Township tenders the Option Price on the Closing Date and the Optionor fails or refuses for any reason to deliver to the Township a deed to the Lands in registerable form, the Township may deposit the Option Price with the solicitors for the Township for and on behalf of and in the name of the Optionor. Upon the deposit being made, the Township shall be deemed conclusively to be the owner of the land, and the Optionor hereby irrevocably constitutes and appoints the Chief Administrative Officer of the Township as its lawful attorney to execute all deeds and other documents necessary to complete the purchase and sale of the Lands.
11. It is the intention of the parties that the foregoing rights to re-purchase in favour of the Township shall create an interest in the Lands and, despite any decision by the

Township to not exercise its right at a particular time, shall continue and be binding on all subsequent owners of the land until the rights expire at the prescribed time.

12. This agreement shall enure to the benefit of and be binding upon the parties hereto and their respective personal representatives, successors and assigns.

IN WITNESS WHEREOF the parties hereto have entered into this agreement as at the date first set out above.

SIGNED, SEALED AND DELIVERED

in the presence of :

**THE CORPORATION OF THE COUNTY OF
LENNOX AND ADDINGTON**

Name:

Title: Warden

Name:

Title: Chief Administrative Officer

We have authority to bind the Corporation.

THE CORPORATION OF LOYALIST TOWNSHIP

Per:

Name:

Officer: Mayor

Name:

Officer: Chief Administrative Officer

We have authority to bind the Corporation.

SCHEDULE "A"

THE LANDS

[Insert legal description of Lands or portion thereof that were transferred.]