

THIS AGREEMENT MADE THIS DAY OF 2025

B E T W E E N:

THE CORPORATION OF THE CITY OF CAMBRIDGE

(hereinafter called the "City")

OF THE FIRST PART,

-and-

THE TOWNSHIP OF NORTH DUMFRIES

(hereinafter called the "Township")

OF THE SECOND PART,

IN CONSIDERATION OF THE MUTUAL COVENANTS HEREIN CONTAINED AND THE PROVISION OF OTHER GOOD AND VALUABLE CONSIDERATION BY EACH PARTY TO THE OTHER (THE RECEIPT AND ADEQUACY OF WHICH IS ACKNOWLEDGED) THE PARTIES HAVE AGREED AS FOLLOWS

BOUNDARY ADJUSTMENT AGREEMENT

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PART I
INTERPRETATION

ARTICLE 1
PURPOSE

1.01 Purpose of Agreement

The City and the Township have entered into this Agreement in order to set forth the terms under which they shall request that a Restructuring Order for a 'minor restructuring' be issued, pursuant to which certain lands currently within the jurisdiction of the Township shall be annexed to the geographical area of the City of Cambridge, and to agree upon other matters respecting the development and growth of the two municipalities.

ARTICLE 2

INTERPRETATION

2.01 Organization of Agreement

- (a) This Agreement is divided into Parts, Articles, Sections, and Subsections.
- (b) Part I of this Agreement and the Schedules shall apply to all parts of this Agreement.
- (c) Part II of this Agreement is intended to separate those elements of the Agreement that are properly contained within a Restructuring Order issued pursuant to the provisions of the *Municipal Act, 2001*, as amended. The parties each agree to enact the necessary instruments in order to formally support and request the issuance of the said Restructuring Order so that the Restructuring Order may be issued in sufficient time to permit it to become operative on the Effective Date.
- (d) Part III of this Agreement is intended to include those elements of the Agreement that, although significant to the parties, are not properly part of a Restructuring Order issued pursuant to the provisions of the *Municipal Act, 2001*.
- (e) If there are any matters inadvertently included in the Restructuring Proposal or Part II of this Agreement that the Minister does not have the power to implement, each municipality will itself implement those matters that are within its jurisdiction.
- (f) Despite Section 2.01(e), if the Minister refuses to issue a Restructuring Order then this Agreement shall become null and void in its entirety.

2.02 Definitions

In this Agreement:

“Annexed Area” means the geographical area depicted on the map in Schedule “A”, comprising the Blair and Esther Lands, the West Lands and the South Lands, as more particularly described in the legal description in Schedule “B”.

“Blair and Esther Lands” means the geographical area depicted on the map in Schedule “A” and more particularly described in Schedule “B”.

“City of Cambridge” means the geographical boundaries contained within the municipality The Corporation of the City of Cambridge as of the Effective Date of this Agreement.

“Effective Date” means, [_____, 2025] or such other date that the Minister’s Restructuring Order provides for the Lands becoming annexed to the geographical area of the City of Cambridge.

“Minister” means the Minister of Municipal Affairs and Housing.

“Municipal portion of the real property taxes” means the real property taxes of a parcel of land less any amounts levied in respect of school support, less any applicable Tax Adjustment given or recognized in respect of the said parcel.

“Lands” means the combined geographic area of the Annexed Area, specifically, the Blair and Esther Lands, the South Lands and the West Lands as depicted on the map in Schedule A and more particularly described in Schedule “B”.

“Restructuring Order” means the restructuring order to be requested by the parties pursuant to the provisions of the *Municipal Act, 2001* to implement the matters set forth in Part II of this Agreement.

“South Lands” means the geographic area depicted on the map in Schedule “A” and more particularly described in Schedule “B”.

“Tax Adjustment” means a real property tax adjustment that may or shall be made in respect of particular properties or classes of property including, but not limited to, adjustments pursuant to sections 357, 358 and 359 of the *Municipal Act, 2001*, the implementation of Assessment Review Board decisions, adjustments arising from requests for reconsideration, vacancy rebates, charity rebates, and capping and clawback adjustments.

“Township of North Dumfries” means geographical boundaries contained within the municipality The Corporation of the Township of North Dumfries as of the Effective Date of this Agreement.

“West Lands” means the geographic area depicted on the map in Schedule “A” and more particularly described in Schedule “B”.

2.03 Legal Descriptions

The legal descriptions of the Annexed Area are pending as of the date of this Agreement, but are to be completed and agreed upon by the parties’ solicitors and submitted to the Minister without further approval by the Council of either party for inclusion within the proposed Restructuring Order of the Minister.

2.04 Recognition of Provincial Legislation

The terms and provisions of this Agreement shall be interpreted and applied in compliance with any applicable Provincial legislation, regulations, orders, and directives. In the event of an inconsistency between this Agreement and the provisions of any such Provincial legislation, regulation, order or directive, this Agreement shall be deemed to have been automatically amended to the minimum extent required to eliminate such inconsistency.

2.05 Headings

The headings in this Agreement are for ease of reference only, and are not part of the text of this Agreement.

2.06 Severability

If one or more of the phrases, sentences, clauses or articles contained in this Agreement are declared invalid by a final and unappealable order or decree of any court of competent jurisdiction, and the same cannot be corrected through the operation of Section 2.04, this Agreement shall be construed

as if the same were not present in this Agreement.

2.07 Provisions for Notice

Any notices required or permitted to be given pursuant to this Agreement shall be given to the City Clerk and the Township Clerk, respectively, to be delivered personally, by prepaid ordinary mail, or email as follows:

in the case of the City, to:

50 Dickson Street
Cambridge ON N1R 8S1
Attn: City Clerk
clerks@cambridge.ca; and

in the case of the Township, to:
106 Earl Thompson Road, 3rd Floor
P.O. Box 1060
Ayr, Ontario N0B1E0
Attn: Township Clerk
Tel. (519) 632 8800
Fax (519) 632-8700
Email clerk@northdumfries.ca

Where notice is given by prepaid ordinary mail, it shall be deemed to have been received five (5) days following posting; however, where notice has been given personally, or by email it shall be deemed to have been received immediately upon delivery. Either party may change its address by giving notice of such change in accordance with the foregoing.

2.08 Time of the Essence

Time is of the essence of this Agreement and all parts thereof.

2.09 Entire Agreement

This Agreement constitutes the complete and exclusive statement of the agreement between the parties, and supersedes all proposals, discussions, and all other communications or representations between the parties (whether oral or written), relating to the subject matter of this Agreement.

2.10 Further Assurances

In addition to the mechanisms specifically set forth in this Agreement for the implementation of the matters described in this Agreement, the parties shall generally cooperate with one another and perform such further and other actions, share information and give such further and better assurances in relation to this Agreement, as may be reasonably necessary to achieve the objectives of this Agreement.

2.11 Dispute Resolution

The dispute resolution processes set forth in Part II of this Agreement shall be applied with necessary modifications to disputes involving the remaining portions of this Agreement. Before resorting to any of the formal dispute resolution mechanisms in this Agreement, the staff of the parties and/or designated members of the parties' Councils shall first meet with one another to attempt to resolve any differences through informal means. Despite the foregoing, either party may invoke the formal dispute resolution mechanisms if either it or the other party is unwilling to engage in such informal means of dispute resolution.

2.12 Retroactive Tax Adjustments

The parties acknowledge that the basis of some payments made pursuant to Article 11 of this Agreement may be altered by retroactive Tax Adjustments made following the date on which the payments were calculated. In such cases, the parties shall make the necessary adjustments and recalculations to ensure that the state of the account between the parties accurately reflects the effect of such retroactive Tax Adjustments.

2.13 Council Meetings

- a) The Parties agree that the Restructuring Proposal will be presented to the public for comment in a Joint Public Meeting of the City and Township Councils on or before [Insert Date]. And
- b) The Parties agree that the details of the Restructuring Proposal will also be before Regional Council for consideration on or before [Insert Date]

2.14 Enforcement

The parties agree that this Agreement may be enforced by a court of competent jurisdiction.

2.15 List of Schedules

The following Schedules are an integral part of this Agreement:

"A"	Map of Annexed Area
"B"	Legal Description of Annexed Area
"C"	Proposed Ward Boundaries within Annexed Area
"D"	Proposed reduced Township Ward Boundaries resulting from the Annexation

PART II
MATTERS TO BE INCLUDED IN THE FORMAL RESTRUCTURING
PROPOSAL

ARTICLE 3
EFFECTIVE DATE AND DESCRIPTION OF ANNEXED AREA

3.01 Effective Date

The annexation of the Annexed Area to the City of Cambridge shall occur as defined in Section 2.02.

3.02 Annexed Area

The Annexed Area is divided into three (3) areas, the Blair and Esther Lands, the West Lands and the South Lands each of which are to become part of the City of Cambridge pursuant to the conditions set out in this Agreement. The Lands shall form part of the City of Cambridge after the Effective Date.

ARTICLE 4
DESCRIPTION OF THE RESTRUCTURING PROPOSAL

4.01 Type of Restructuring

The variety of restructuring contemplated by this Agreement is the annexation of land from the Township into the City in the form of a 'minor restructuring' as set out in the *Municipal Act* and any applicable regulations.

4.02 Name and Status of Parties

The parties acknowledge that they are both separately incorporated and established municipalities operating in the province of Ontario and that their legal names are as set forth in this Agreement.

ARTICLE 5
REPRESENTATION

5.01 Expansion of City Ward Boundaries

As of the Effective Date, existing Wards 5, 6, and 7 of the City shall be enlarged as required to include Lands annexed in accordance with the exact boundaries as defined in Schedule "C". Except for the enlargement of the said Wards 5, 6, and 7, there shall be no other changes to the boundaries of the said Wards 5, 6, and 7 or to any other Ward boundaries within the City of Cambridge.

5.02 Representation in the Annexed Area after Effective Date

As of the Effective Date the areas represented by the City Councillors representing Wards 5, 6, and 7 of the City shall include the enlarged boundaries of each ward in accordance with the added areas

defined in Schedule “C”.

5.03 Reduction of Township Ward Boundaries

As of the Effective Date, the existing Township Wards 3 and 4 will be reduced commensurately by the entirety of the Lands annexed to the City in accordance with the exact boundaries, as defined in Schedule “D”.

ARTICLE 6 **LOCAL BOARDS**

6.01 Expansion and Diminution of Geographic Jurisdiction

Except for the expansion or diminution of their geographical jurisdiction occasioned by the annexation of the Annexed Area from the Township into the City, none of the Local Boards of either the Township or the City require adjustment or amendment as a result of this Agreement.

ARTICLE 7 **FINANCIAL ISSUES**

7.01 Assessment

For the purposes of the assessment roll to be prepared for the City under the *Assessment Act*, as amended, for taxation in the year that the annexation take effect, the annexed areas shall be deemed to be part of the City and the annexed area shall be assessed on the same basis that the assessment roll for the City is prepared.

7.02 Taxes

- (a) All real property taxes under any general or special Act levied and uncollected in an Annexed Area that are due and unpaid as of the Effective Date shall be deemed on and after the Effective Date to be taxes, charges and rates payable to the City and may be collected by the City.
- (b) The Clerk of the Township shall prepare and furnish forthwith to the Clerk of the City a special collector’s roll showing all arrears of real property taxes or special rates assessed against the lands up to and including December 31st of the year prior to the year the annexation takes effect, and the persons assessed for them.
- (c) On the first day of the month following the month in which the City has received the special collector’s roll from the Clerk of the Township under Subsection 7.02(b), the City shall pay to the Township an amount equal to all arrears of real property taxes or special rates assessed against the land in the annexed area, including outstanding penalty and interest charges.

7.03 Tax Phase-in

Once the lands have been annexed to the geographical area of the City of Cambridge, and a roll update processed by MPAC, the taxpayers in any portion of the Lands will have their municipal portion of real property taxes levied by the City at the Township's municipal tax rate for the previous current tax year (the "**Base Rate**"). The Township will be responsible for issuing both an interim and adjusted tax bill based on the Effective Date, and the City will issue current year taxation bills for the balance of the taxation year. Thereafter, in the following taxation year, the Land will be taxed at one hundred percent (100%) of the City's municipal tax rate.

7.04 Tax Sales

If the Township has commenced procedures under Part XI of the *Municipal Act, 2001* and Ontario Regulation 181/03 (Municipal Tax Sales Rules) made thereunder, for the Annexed Area, and the procedures are not completed by the Effective Date for the annexation of that land, the City may continue the procedures.

ARTICLE 8
MUNICIPAL BY-LAWS

8.01 Application of By-laws

From and after the Effective Date, the by-laws of the City extend to the Annexed Area and the by-laws of the Township cease to apply to such area, with the following exceptions:

(a) by-laws of the Township,

- (i) that were passed under section 17, 34, 38, 39 or 41 of the *Planning Act*, as amended, or predecessors of those sections; or
- (ii) conferring rights, privileges, franchises, immunities, or exemptions that could not have been lawfully repealed by Township Council;

which by-laws shall remain in force until repealed or amended by the Council of the City; and

(b) development charges in the Annexed Area shall be paid at the City rate, paid to the City.

8.02 Official Plan

The Official Plan of the Township, as it applies to any Annexed Area and approved under the *Planning Act*, as amended, or a predecessor of that Act, becomes the Official Plan of the City and shall remain in force and effect until repealed or amended to provide otherwise by the Council of the City.

8.03 Transition – Planning Matters

If the Township has commenced procedures to enact a by-law or to adopt an Official Plan or an amendment thereto under the *Planning Act*, as amended, or a predecessor of that Act, and that by-law, Official Plan or amendment is not in force on the Effective Date, City Council may continue the procedures to enact the by-law or adopt the Official Plan or amendment to the extent that it applies to the Annexed Area and the Township council remain the Approval Authority for such applications until the Effective Date.

8.04 Planning Matters in Progress at Date of Agreement

Without restricting the generality of Section 8.03:

(a) During the period preceding the Effective Date for each Phase, the Planning Staff of the Township shall ensure that their City counterparts are fully apprised of any and all development applications and other planning approvals (whether the same are merely anticipated, in pre-consultation or other informal discussions, or if a formal application has been made) affecting the Annexed Area, with a view to ensuring that any ongoing planning processes may continue from and after the Effective Date.

(b) Nothing in Section 8.04(a) shall have the effect of restricting or limiting the jurisdiction of the City in relation to any planning matter that may hereinafter be considered.

ARTICLE 9
ASSETS AND LIABILITIES

9.01 Assets transferred to the City

- (a) All real property and all other assets of the Township, including, but not limited to, any highway, street fixture, waterline, easements, rights, or restrictive covenants, located in the Annexed Area vest in the City on the Effective Date.
- (b) Without limiting the generality of Subsection 9.01(a), any reserve fund, trust fund, or other account of any nature held by the Township on the Effective Date, which is held for the sole purpose of the maintenance, improvement or operation of any of the assets referenced in Subsection 9.01(a), shall be transferred to the City on the Effective Date.

9.02 Liabilities Retained by the Township

Despite Section 9.01, any liability of the Township in respect of:

- (a) causes of action relating to acts or omissions of the Township where such acts or omissions occurred prior to the Effective Date;
- (b) litigation commenced against the Township prior to the Effective Date;
- (c) any obligations or other arrangements of the Township under which any promise shall have been made to a third party in exchange for the inclusion of particular lands within the Annexed Area;
- (d) debentures or other similar obligations that bind all of the assets of the Township; or
- (e) debentures or other similar obligations that bind assets of the Township including assets of the Township within the Annexed Area, but which are not limited to assets of the Township within the Annexed Area,

shall remain liabilities and obligations of the Township.

ARTICLE 10
DISPUTE RESOLUTION

10.01 Joint City/Township Liaison Committee

If a dispute arises with respect to any issue arising out of the interpretation of this Agreement or of the Restructuring Order, the matter may be referred:

- (a) in the first instance, to the City/Township Liaison Committee for discussion, said Committee will consist of three (3) members each of City and Township Staff;

(b) in the second instance, to the CAO's of the City and Township; and

(c) in the final instance, to a joint meeting of the Council of the City and the Council of the Township, if resolution of the dispute is not effected following discussion by the City/Township Liaison Committee or the CAO's.

10.02 Mediation

If a dispute arises with respect to any issue arising out of the interpretation of this Agreement or of the Restructuring Order, the matter in dispute may be referred for resolution through mediation. The mediator shall be agreed upon by all parties.

10.03 Arbitration

If the parties cannot agree upon a mediator pursuant to Section 10.01 or the dispute is not resolved through mediation, the matter may be referred to arbitration to be conducted in accordance with the provisions of the *Arbitration Act, 1991*, as amended. Where a dispute is referred to arbitration pursuant to the foregoing, the decision of the arbitrator(s) shall be final.

10.04 Costs

The costs of mediation pursuant to this Article shall be shared equally between the parties. The costs of arbitration proceedings pursuant to this Article shall be as determined by the arbitrator(s), with the intention that the costs shall generally follow the result in the case.

ARTICLE 11
FINANCIAL ARRANGEMENTS

11.01 Compensation

- a) The City shall make a one-time payment to the Township in the amount of \$3.2M as compensation for the West Lands thirty days (30) following the Effective Date of the Restructuring Order.
- b) The City shall pay the Township compensation for every new residential unit or units for which a building permit is issued for in the South Lands for the period of time commencing after McQueen Shaver Blvd from Fountain Avenue to Dundas Street is constructed and open for vehicular traffic as a public highway and ending seven (7) years thereafter. The compensation shall be equal to Two Hundred Dollars (\$200.00) per unit without indexing and will be based on the number of units created through issuance of a building permit or, if a permit is obtained in stages, a foundation permit. For clarity, the City will only pay \$200 per unit, and not per permit issued, if the permit is issued in parts. The per unit payment shall be made annually, no later than January 31st of the following year.

11.02 Legal Description Surveying Costs

The Township agrees to pay the City 50% of the City's reasonable costs incurred obtaining a legal survey of the Annexed Area as needed for this Agreement, up to a maximum of \$25,000.

The City agrees to track and record any information required for it to meet the compensation and financial requirements set out in this Agreement at its own cost and to provide the Township with that information thirty days (30) prior to the Township making a compensation payment or as requested by the Township.

11.03 Transitional Matters

From the date of this Agreement to the Effective Date, unless the consent of the City is first obtained in writing, the Township shall not:

- (a) sell, transfer, mortgage, charge or otherwise encumber any of the assets to be transferred to the City pursuant to Article 9; or
- (b) reduce, make expenditures from, or otherwise encroach upon the assets referred to in Subsection 9.01(b).

11.04 Other Compensation

Except for the payment and compensation specifically set forth and agreed upon in this Agreement, the Township shall not be entitled to any compensation in respect of the Annexed Area and its annexation to the geographical area of the City of Cambridge.

11.05 Other Assets to be Transferred to City

All relevant and applicable documents, memoranda, financial statements, Public Sector Accounting Board tangible capital asset or asset management plan data, and other records of the

Township in relation to the assets in Subsections 9.01(a) and (b) shall be transferred and given to the City on the Effective Date for each Phase.

ARTICLE 12

MINISTER'S FAILURE TO IMPLEMENT THE RESTRUCTURING PROPOSAL

12.01 Minister's Failure to Implement the Restructuring Proposal

The City and the Township agree that if either party believes the Minister has failed to implement the parties' proposals for adjusting the boundary between the City and Township exactly in accordance with this Agreement, whether by failing to include an agreed upon matter, changing a matter agreed upon in this Agreement or by adding a matter or condition not contemplated by this Agreement or the parties, that party shall give written notice to the other party and the Minister and the City and Township shall, following the dispute resolution provisions set out in Article 10, reach an agreement or have the arbitrator determine how that matter should be resolved, or enter into an agreement amending this Agreement (the "Amending Agreement"). Accordingly, both the City and Township shall together make a further proposal or proposals to the Minister for a further Restructuring Order to implement that Amending Agreement. The parties agree that they shall continue to follow this process until both parties are satisfied.

IN WITNESS WHEREOF THE PARTIES HAVE EXECUTED THIS AGREEMENT

**THE CORPORATION OF THE CITY OF
CAMBRIDGE, PER:**

MAYOR

CITY CLERK

I, We have authority to bind the Corporation

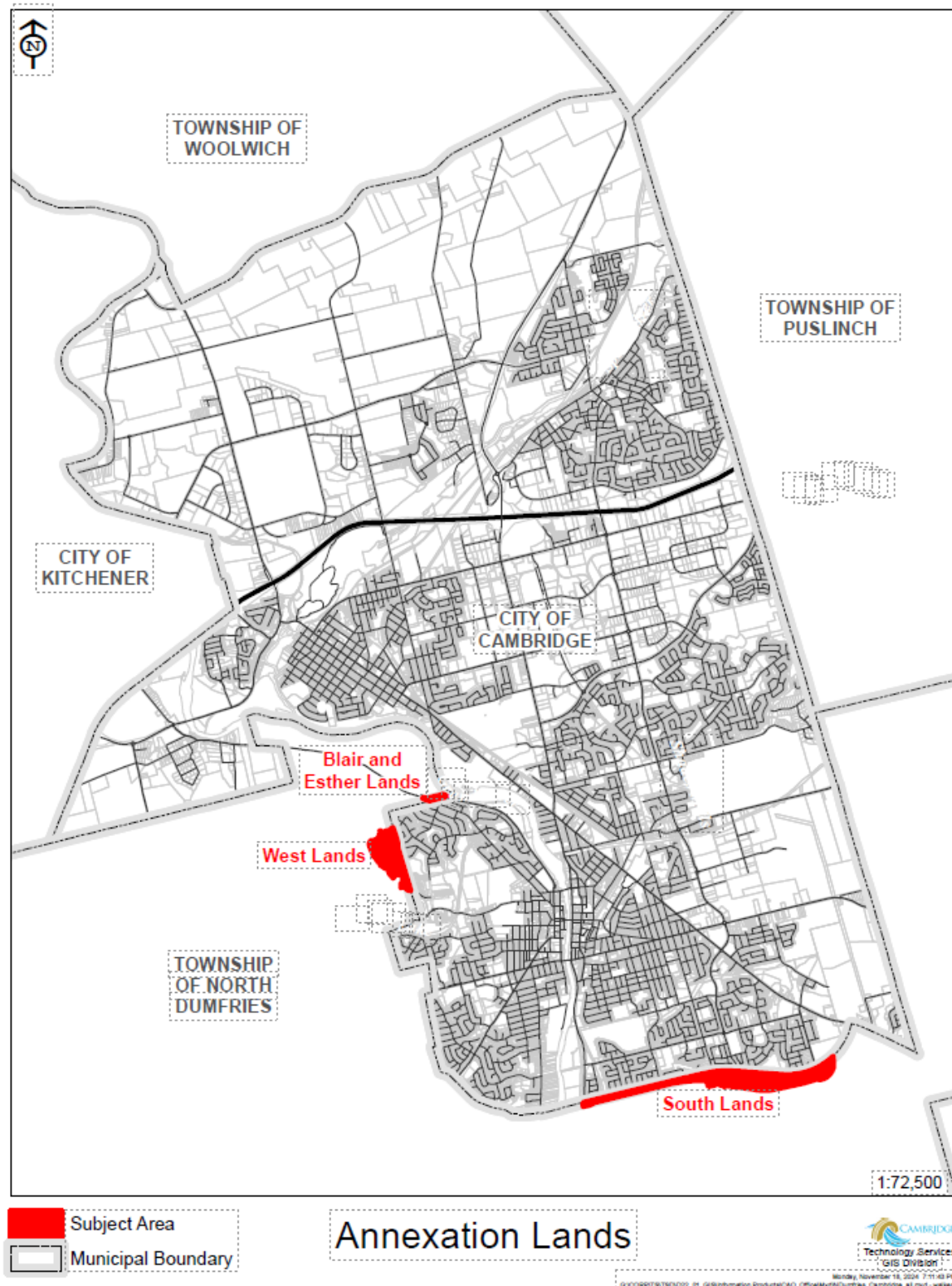
**THE CORPORATION OF THE TOWNSHIP OF
NORTH DUMFRIES, PER:**

MAYOR

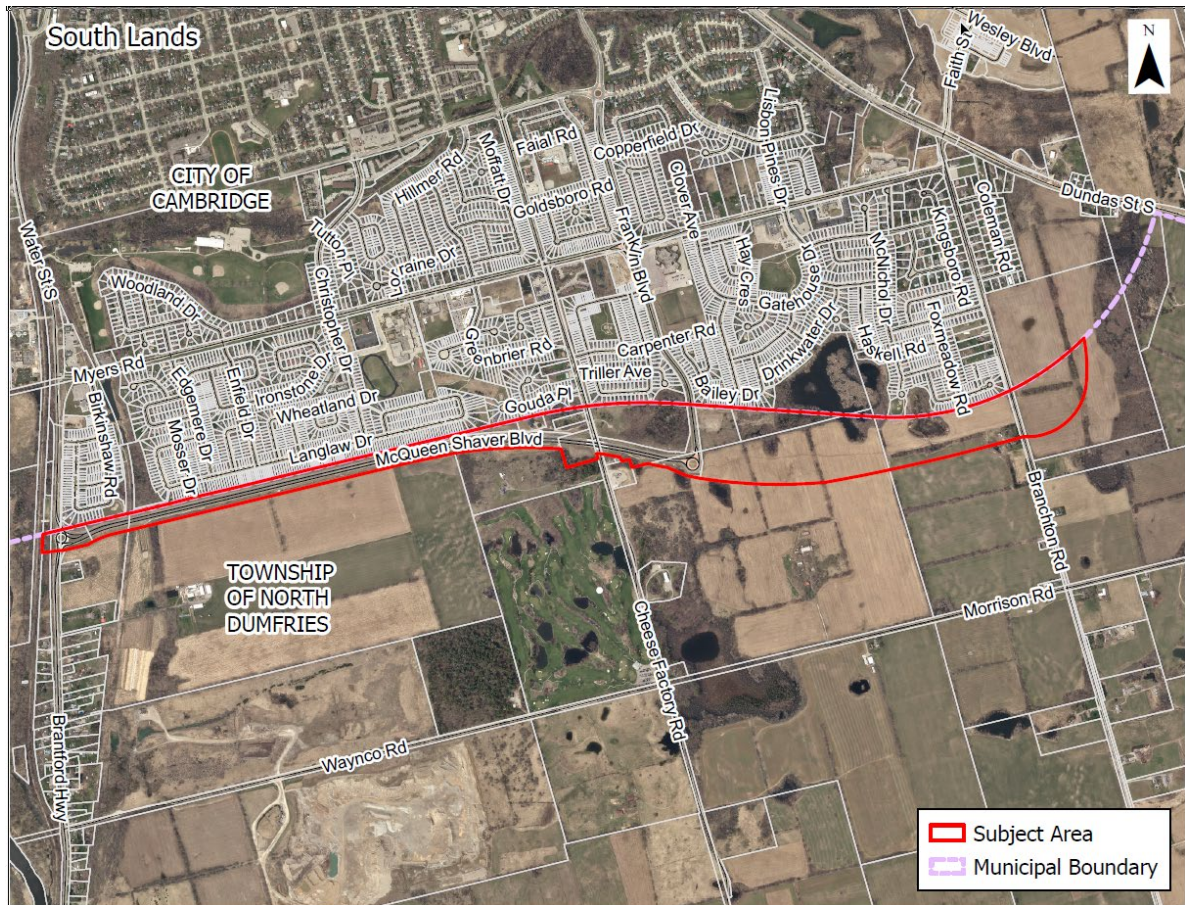
TOWNSHIP CLERK

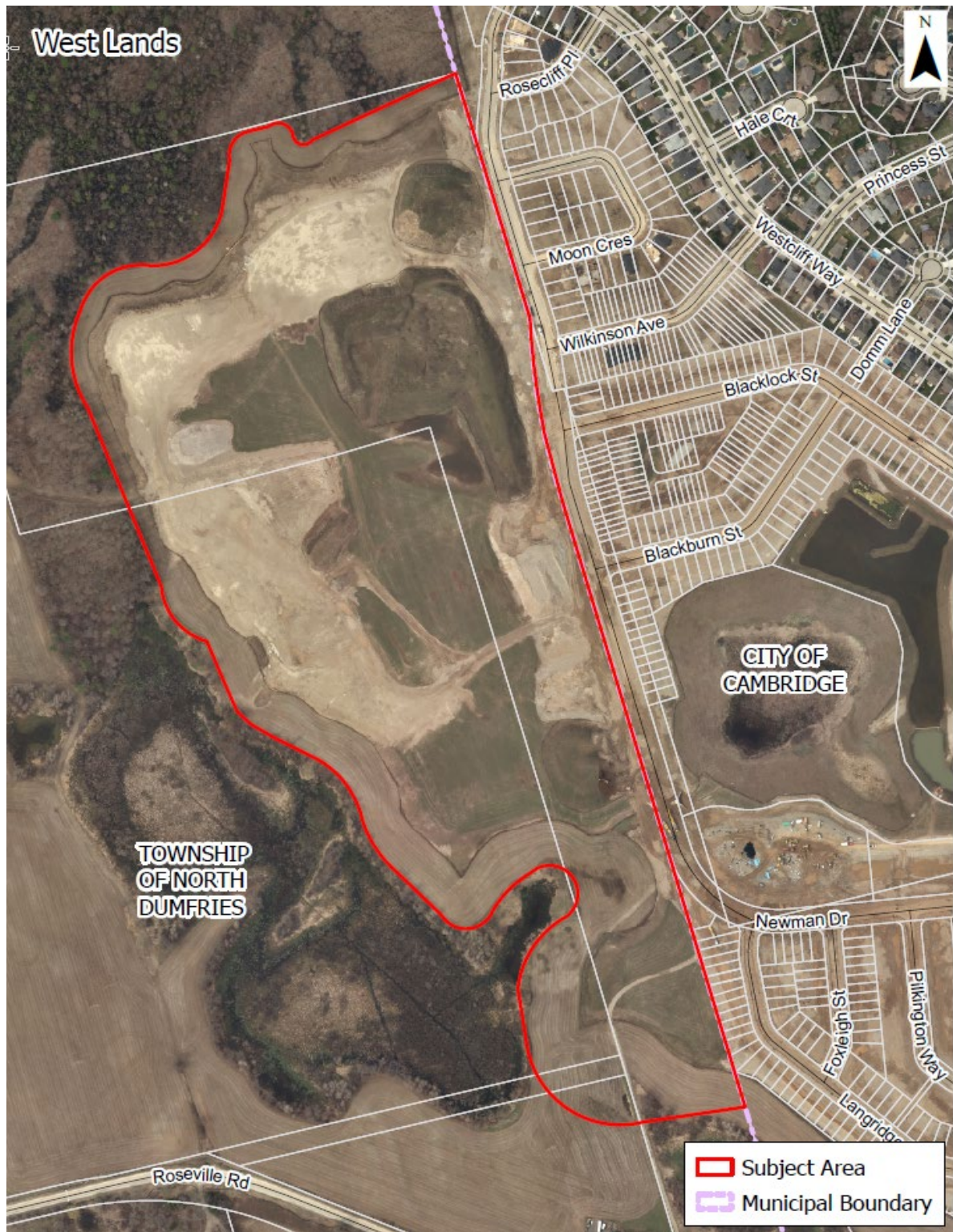
I, We have authority to bind the Corporation

Schedule "A" Map of Annexed Area









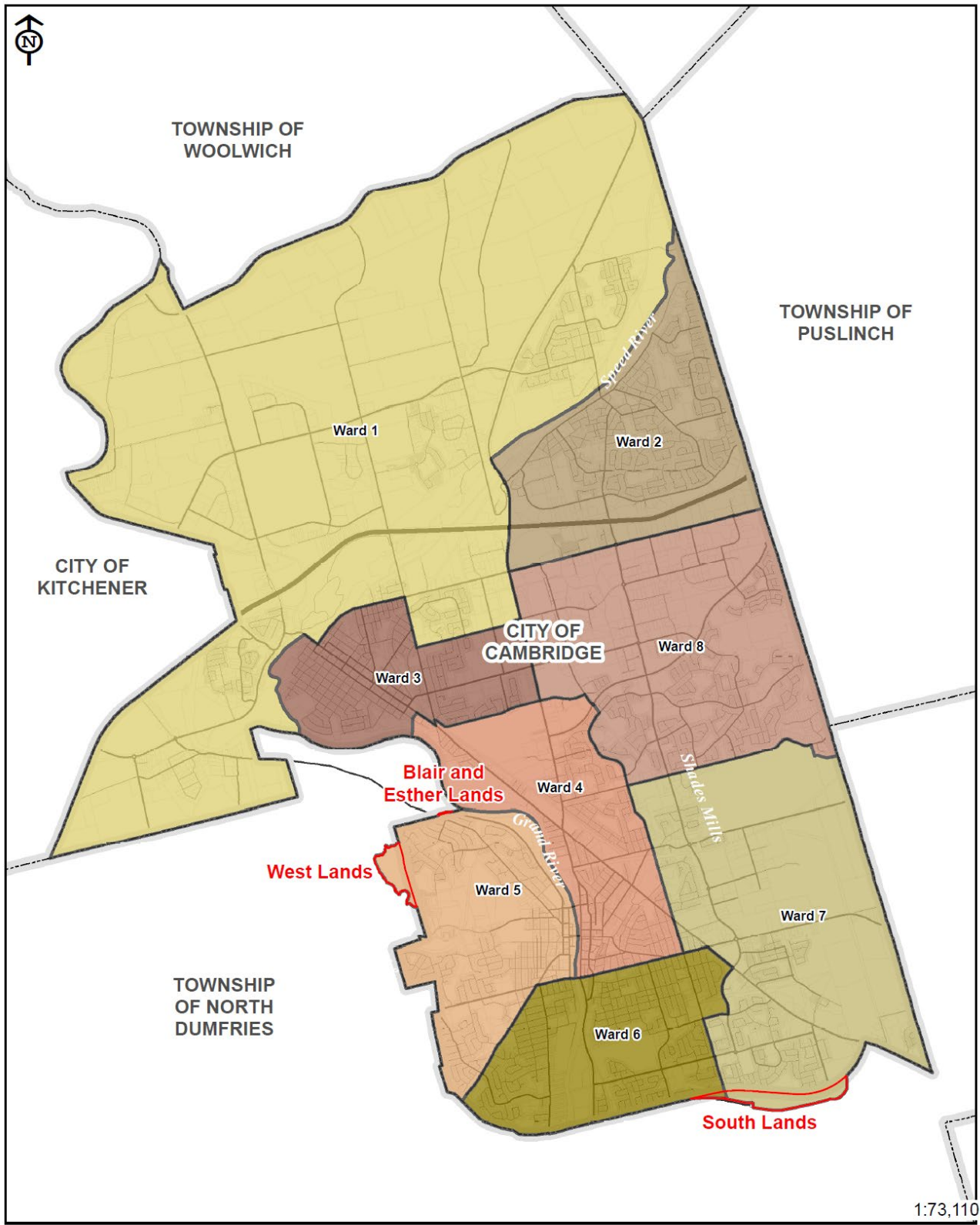
Schedule “B”

Legal Description of Annexed

Area To be determined.

Schedule “C”

Proposed Ward Boundaries within Annexed Area



- Subject Area
- Municipal Boundary

City Ward Boundary Expansion

Schedule “D”

**Proposed reduced Township Ward Boundaries resulting from the
Annexation**

