

~~Employees' Retirement System Plan and Hospitals of Ontario Plan, such increase to be effective January 1, 1981, if that pensioner was alive on such date and continuing until such pensioner's death, and where a spouse's pension is being paid on January 1, 1981, or becomes payable thereafter in respect of such former employees an increase of 50% of the amount of increase that would otherwise have been paid to the pensioner effective January 1, 1981, or from the commencement of such spouse's pension.~~

~~g(iv) That retirement allowances presently being paid to former employees of the City who retired prior to the 1974 improvements with pensions from the OMERS Plan be increased by 8% to a maximum of \$37.00 per month effective January 1, 1981, if that pensioner was alive on such date and continuing until such pensioner's death and where a spouse's pension is being paid on January 1, 1981, excluding spouses of former members who died in the service and who were members of OMERS, or becomes payable thereafter in respect of such former employees, an increase of 50% of the amount of increase that would otherwise have been paid to the pensioner effective January 1, 1981, or from the commencement of such spouse's pension.~~

~~g(v) That retirement allowances presently being paid to former employees other than those who receive an increase under recommendation 1(a) to 1(f), g(i) and g(iv) above, be increased by \$37.00 per month effective January 1, 1981, if the employee was alive on such date and continuing until such former employee's death, and where a spouse's pension is being paid on January 1, 1981, or becomes payable thereafter in respect of such former employees, an increase of \$18.50 per month effective January 1, 1981, or from the commencement of such spouse's pension.~~

Clause 29

MEMORANDUM OF UNDERSTANDING - S.T.O.L.

The Executive Committee submits the report (June 10, 1981) from the City Solicitor:

Origin: City Solicitor. (c06exec81057:76)

Comments: At its meeting held on February 12 and 13, 1981, Council requested me to submit for approval the draft agreements required to implement Council's recommendations respecting S.T.O.L. which were adopted on that date. I am of the view that the only document required is a lease.

Having regard for the fact that Council at its meeting held on June 4, 1981 authorized the Memorandum of Understanding and the lease will merely give effect thereto, Council approval of the lease is not required.

The lease however will be submitted to Council at its meeting on June 18, 1981 for information. Unfortunately, the constraints of time are not expected to be met.

ted to permit the obtaining of comments on the form of the lease by the other parties thereto prior to that date.

It would be appropriate for your Committee at this stage to recommend to Council that authority be granted for the execution of the lease in the form or substantially in the form of the lease submitted to Council.

**The Executive Committee recommends that authority be granted for the execution of the lease in the form, or substantially in the form, of the lease submitted to Council on June 18, 1981.**

*During consideration of this matter, Council also had before it the following report (dated June 17, 1981) from the City Solicitor.*

*Subject: Lease to give effect to Memorandum of Understanding - S.T.O.L.  
- Clause 29 of Executive Committee Report No. 34*

*Origin: City Solicitor (c06cnc181010:59)*

*Comments: In accordance with my report dated June 10, 1981, contained in the above-mentioned clause, I submit for information the lease which gives effect to the Memorandum of Understanding authorized by Council at its meeting held on June 4, 1981.*

*THIS INDENTURE made in quadruplicate this            day of            , one thousand nine hundred and eighty-one*

*IN PURSUANCE OF THE SHORT FORMS OF LEASES ACT*

*BETWEEN:*

*THE CORPORATION OF THE  
CITY OF TORONTO*

*(hereinafter called "the Lessor")*

*OF THE FIRST PART*

*- and -*

*THE TORONTO HARBOUR COMMISSIONERS,  
a corporation constituted under The Toronto  
Harbour Commissioners' Act, 1911,*

*(hereinafter called "the Lessee")*

*OF THE SECOND PART*

*- and -*

*HER MAJESTY THE QUEEN in right of  
Canada, represented herein by the  
Minister of Transport*

*(hereinafter called "the Minister")*

OF THE THIRD PART

WHEREAS:

- (a) the Lessor is the owner of the land and premises situate at the Toronto Island Airport as shown in Schedule "A" hereto annexed and shown outlined in red on the print of Drawing No. 11238 of the Lessee, attached hereto, hereinafter referred to as "the City Land"; and*
- (b) the Lessee is the owner of the land and premises situate at the Toronto Island Airport as shown in Schedule "A" hereto annexed and shown outlined in blue on the said print of Drawing, hereinafter referred to as "the Commission Land"; and*
- (c) by virtue of an agreement for financial assistance dated the 10th of November 1937 between the Minister and the Lessor, the Minister undertook to provide funds for the development and improvement of the Toronto Island Airport and also an airport at Malton, Ontario subject to certain terms and conditions including, inter alia, the Lessor setting aside the sites at Toronto Island and Malton as described in clause 14 thereof, to be maintained by the Lessor for the purpose of establishing permanent public airports; and*
- (d) the Lessor also undertook not to sell or convert the said sites for any other purpose without the consent in writing of the Minister, first had and obtained; and*
- (e) the financial assistance set out in the aforementioned agreement of 10 November 1937 was increased by virtue of agreements dated the 18 September 1939 and 12 April 1940 subject to the same terms, covenants, provisos and conditions as in the 10 November-1937 agreement; and*
- (f) the financial assistance required to be given by the Minister under the aforementioned agreements was given in full to the Lessor; and*
- (g) by an agreement dated 22 February 1957 between the Lessor, the Minister and the Lessee, the Lessor agreed to grant and convey unto the Minister for the sum of \$1.00 with good and valid title free from all encumbrances the lands comprised in the Toronto International Airport ("Malton"), so called, together with all improvements thereon and therein; and*
- (h) by virtue of the same agreement of 22 February 1957 the Minister undertook the construction of certain works and installations including a hangar at the Toronto Island Airport, so called, as set out in clause 2 of the said agreement; and*



- (i) *by virtue of the same agreement of 22 February 1957 as amended by the agreement of 10 June 1964 between the same parties, the Lessee agreed to lease to the Minister for a term of 25 years, renewable at the option of the Minister for a further term of 25 years or for such lesser term as the Minister may determine, such area of land owned by the Lessee and comprised in the Toronto Island Airport as the Minister required for the erection and maintenance of the hangar provided for in paragraph (e) of clause 2 of the 22 February 1957 agreement, and*
- (j) *by virtue of the same agreement of 22 February 1957 as amended by the agreement of 10 June 1964, the Minister undertook to lease to the Lessee the right and privilege to use and occupy the aforementioned hangar for a term of 25 years at an annual rent computed at 4% of the cost of the hangar and that upon expiration of such term or renewal thereof title to the hangar will be transferred to the Lessee for the sum of \$1.00; and*
- (k) *by virtue of a lease dated the 30th day of June, 1962, the Lessor leased the City land to the Lessee for a term of 21 years from the 1st day of July, 1962 subject to certain conditions therein contained; inter alia, that the City land be used for the purpose of a permanent public airport only; and*
- (l) *the Lessee has maintained and operated on the property composed of the City Land and the Commission Land an airport, the said airport property being hereinafter referred to as the "Island Airport"; and*
- (m) *the Minister is the owner of the lands and premises situated on the Toronto Island adjacent to the Island Airport as shown in Schedule "A" hereto annexed, hereinafter referred to as "the Federal Land"; and*
- (n) *the parties hereto agree it is desirable that the Island Airport shall continue to be maintained and operated for general aviation and be used for limited commercial short-take-off-and-landing (S.T.O.L.) operations; and*
- (o) *the parties hereto agree that the Island Airport operations should to the greatest extent possible not be incompatible with the Lessee's stated environmental concerns; and*
- (p) *it has been agreed that all of the obligations imposed on the Minister and the Lessor by the 10 November 1937 agreement as amended by the 18 September 1939 and 12 April 1940 agreements and that, except as hereinafter provided, all of the obligations imposed on the parties hereto by the 22 February 1957 agreement as amended by the 10 June 1964 agreement are to be hereby waived to the extent that such obligations are yet to be fulfilled; and*
- (q) *it has been agreed that the said lease dated the 30th day of June, 1962 is to be hereby terminated and that the Lessor lease to the Lessee the City Land for the purpose of a permanent public airport for general aviation and limited commercial S.T.O.L. operations at a rental of One Dollar*



*(\$1.00) per annum and subject to the terms and conditions hereinafter set forth.*

*NOW THEREFORE THIS INDENTURE WITNESSETH that in consideration of the rents, covenants and agreements hereinafter reserved and contained on the part of the Lessee, the Lessor doth demise and lease unto the Lessee ALL AND SINGULAR that certain parcel or tract of land and premises situate, lying and being in the City of Toronto, in the Municipality of Metropolitan Toronto and Province of Ontario, shown in Schedule "A" hereto annexed and shown outlined in red on the print of Drawing No. 11238 of the Lessee, attached hereto.*

*TO HAVE AND TO HOLD the said demised premises for and during the term of fifty (50) years from the 1st day of January, 1982 and from thenceforth next ensuing and fully to be complete and ended, for a permanent public airport to be used for general aviation and limited commercial S.T.O.L. operations and for no other purpose whatsoever.*

*YIELDING AND PAYING THEREFOR yearly and every year during the term hereby demised the sum of One Dollar (\$1.00) payable in advance to the City Treasurer of the Lessor at his office in the City Hall, Toronto, on the 1st day of the month of January in each and every year during the said term, the first of such payments to become due and be paid on the 1st day of January, 1982.*

*THE SAID LESSEE COVENANTS WITH THE SAID LESSOR as follows:*

*1. To pay rent.*

*2. And to pay taxes, including taxes for local improvements, and in general all taxes, rates and assessments, whether municipal, legislative, parliamentary or otherwise assessed or imposed against the lands and premises hereby demised or against the occupants thereof or against the Lessee in respect thereof or charged or assessed in respect of the business carried on on the said demised premises or against the Lessee or occupant of the said demised premises in respect of the rents, issues and profits therefrom or any or all of them, and the Lessee will pay all rates, charges and assessments chargeable on account of or in respect of all public services or utilities supplied to the said demised premises, which may be or become a lien, charge or encumbrance upon the said demised premises; and the Lessee agrees that when and so often as the Lessee shall neglect or omit to pay any such taxes, rates, charges or assessments, the Lessor may in its discretion pay the same together with any and all penalties, interest and like charges in connection therewith, and may thereupon charge them to the Lessee who hereby covenants to pay the same forthwith and doth agree with the Lessor that such taxes, rates, charges and/or assessments, shall be deemed to be rent reserved and that the Lessor shall have and enjoy the same remedies and may take the same steps for the recovery thereof as the Lessor would and could have and take for the recovery of rent in arrears.*

*3. And to repair.*

4. *And the said Lessor may enter and view state of repair; and that the said Lessee will repair according to notice in writing.*

5. *And will not, except as hereinafter provided, assign or sublet without leave provided that such consent may notwithstanding any statutory provisions to the contrary, be arbitrarily refused by the Lessor in its sole and uncontrolled discretion, and with the further exception, that this covenant shall not apply to the subletting or granting of a license by the Lessee with respect to any part or parts of the said demised premises for any purpose connected with the control, maintenance, management and/or operation of a permanent public airport for general aviation and limited commercial S.T.O.L. operations including refreshment and other concessions of a type ordinarily associated with such an airport.*

6. *And that it will leave the premises in good repair.*

7. *That the Lessee will not use or occupy the Island Airport, or permit or allow the Island Airport to be used or occupied for any purpose whatsoever other than the purposes of a permanent public airport for general aviation and limited commercial S.T.O.L. operations including refreshment and other concessions of a type ordinarily associated therewith.*

8. *That the Lessee will not erect or place, or permit or allow to be erected or placed on the premises hereby demised any building, without the approval of the Lessor, first had and obtained, provided that such approval shall not be unreasonably withheld.*

9. *That the Lessee shall at all times fully observe and comply with and endeavour to ensure strict observance of and compliance with all statutory requirements, regulations, rules and/or by-laws of every municipal or other authority which in any manner affect or relate to the Island Airport, and/or the use and/or occupation of the Island Airport or any part thereof, for the purpose of a permanent public airport for general aviation and limited commercial S.T.O.L. operations.*

10. *That the Lessee shall indemnify and keep indemnified the Lessor against all actions, suits, claims, loss, costs, damages and expense which may be brought or made against, or incurred, paid or suffered by the Lessor, on account of, arising out of or in any way incidental to the demise and Lease of the premises hereby demised by the Lessor to the Lessee by this Indenture of lease, and/or the use and/or occupation of the said Island Airport, or any part thereof, by the Lessee and its servants, employees, agents, contractors, licensees and invitees, or any of them, or otherwise, from and after the effective date hereof.*

11. *That the Lessee:*

- (i) *will not construct or permit to be constructed additional runways or extensions to existing runways on the Island Airport;*
- (ii) *will not construct or permit to be constructed a bridge or vehicular tunnel providing access between the mainland and the Island Airport site;*



- (iii) *will not expand or permit to be expanded the lands comprising the Island Airport site beyond the present boundaries of the City Land, the Commission Land and the Federal Land, excepting such expansion as may occur from natural causes;*
- (iv) *will not permit jet-powered aircraft to operate to and from the Island Airport with the exception of medical evacuations and other emergency use required, and during the period of the annual Canadian National Exhibition airshow;*
- (v) *will not permit aircraft generating excessive noise levels to operate to and from the Island Airport, with the exception of medical evacuations, other emergency use required, and during the period of the annual Canadian National Exhibition airshow;*

*for the purposes of this clause 11(v) and clause 11(vii) herein, aircraft generating excessive noise levels shall be determined by reference to the most current issue of the United States Federal Aviation Authority advisory circular listing of estimated maximum 'A' - weighted sound levels for airplanes at part 36 appendix 'C' locations, and shall include all aircraft types listed as having either an estimated dBA on approach of greater than 84 or an estimated dBA on takeoff greater than 74. In the event that an aircraft type is not listed, then its noise level shall be determined by reference to listed data on aircraft of equivalent type, performance level, and installed power level or information equivalent to that provided in the aforesaid circular which is deemed to be satisfactory by the Lessor;*

- (vi) *will regulate the overall frequency of aircraft movements such that the area within the 28 Noise Exposure Forecast (N.E.F.) contour does not extend beyond the area within the present official 25 N.E.F. contour for 1990 as shown on the map dated April 1978, bearing Reference Number OR11 prepared for Central Mortgage and Housing Corporation by the Ministry of Transport, a copy of which is attached hereto as Schedule "B";*
- (vii) *will send a written report to Council of the Lessor to reach the Clerk of the Lessor by the 15th day of each month commencing in the month of February 1982 of all landings by any jet aircraft or aircraft generating excessive noise as herein defined, if any, in the immediately preceding calendar month; such report shall be in a form satisfactory to the Lessor and without limiting the generality of the foregoing shall include the following information:*
  - a) *the total number of aircraft which landed at the Island Airport during the immediately preceding calendar month;*
  - b) *the number of such aircraft which were neither jet-powered nor generated excessive noise, by type, with the engine type, approach dBA and take-off dBA listed; in the case of aircraft types which do not appear on the most current United States Federal Aviation Authority advisory circular,*



*the source of information on dBA at take-off and approach shall be explained; and*

- c) the number of such aircraft which were either jet-powered or generated excessive noise, with the date and time of each landing and take-off, the reason for landing (including the nature of the medical evacuation or other emergency involved) and the landing charge, rate, or penalty imposed.*

*12. That the Lessee will impose landing charges or rates, amounting to not less than Five Thousand Dollars (\$5,000.00), in each instance, whenever any aircraft lands in contravention of any of the terms contained in clause 11.*

*13. (a) That the Lessee shall place and at all times maintain during the currency of this lease a liability policy or policies covering bodily injury and property damage including non-owned aircraft liability insurance protecting the Lessor and the Lessee against claims for personal injury, death or damage to property arising out of any accident or occurrence upon, in, or about the Island Airport provided that the said insurance policy or policies shall contain a cross-liability clause protecting the Lessor against claims by the Lessee as if the Lessor were separately insured and protecting the Lessee against claims by the Lessor as if the Lessee were separately insured and shall contain a clause that the insurer will not cancel or change or refuse to renew the said insurance without first giving the Lessor thirty (30) days prior written notice; such insurance shall be with a company or companies acceptable to the Lessor and all policies for such insurance shall be in an amount and in a form satisfactory to the Lessor.*

*(b) That the Lessee shall submit such policy or policies or certified copies thereof and any renewals thereof to the Lessor for review and approval together with proof of payment of the premiums therefor.*

*The said Lessor Covenants with the Said Lessee as follows:*

*14. For quiet enjoyment, subject to the provisions of this lease.*

*15. That notwithstanding the provisions of clause 8 herein the necessary navigational and landing aids, and equipment required for air traffic services may be constructed, installed and maintained by the Lessee in or on the premises hereby demised.*

*IT IS HEREBY DECLARED AND AGREED by and between the Lessor and the Lessee hereto as follows:*

*16. That the Lessee will forthwith sub-lease to the Municipality of Metropolitan Toronto (subject to the approval of the Council thereof) that part of the City Land included with the Park Lands shown on Schedule "A" hereto annexed for the same term as this lease less a day commencing on the effective date of this lease at a rental of One Dollar (\$1.00) for use only as a park and for recreational purposes provided that said sub-lease shall terminate on the same date as this lease if this lease is terminated prior to the expiration of its term, and provided further that the Municipality of Metropolitan Toronto indemnifies and saves harmless the Lessee from all costs, claims, charges, expenses and liabilities which may arise out of such sub-letting.*

17. That the Lessee will forthwith lease to the Municipality of Metropolitan Toronto (subject to the approval of the Council thereof) that part of the Commission Land included within the Park Lands shown on Schedule "A" hereto annexed for the same term as this lease commencing on the effective date of this lease at a rental of One Dollar (\$1.00) for use only as a park and for recreational purposes provided that said lease shall terminate on the same date as this lease if this lease is terminated prior to the expiration of its term, and provided further that the Municipality of Metropolitan Toronto indemnifies and saves harmless the Lessee from all costs, claims, charges, expenses and liabilities which may arise out of such sub-letting.

18. That if the Lessor, the Minister or the Municipality of Metropolitan Toronto requests the Lessee to either grant or consent to sub-surface easements under the Commission Land or the City Land for municipal services or public utilities, the Lessee will not unreasonably withhold such grant or consent subject to the Lessee's right to determine the most appropriate location of such easements and subject to the Lessee receiving adequate compensation therefor.

19. That in case of non-payment of the rent reserved hereby or amounts recoverable hereunder as rent reserved and in arrears or if there be default, breach or non-observance by the Lessee at any time or times in respect of any covenant, proviso, condition or agreement herein contained which on the part of the Lessee ought to be observed or performed then and in every such case the Lessor shall give written notice of such non-payment, default, breach or non-observance to the Lessee and at the same time shall send a copy of such notice to the Minister and if such non-payment, default, breach or non-observance has not been cured within ninety (90) days of receipt of such notice by the Lessee then in such event, unless this lease has been assigned to the Minister as hereinafter provided, this lease shall be determined and ended without any further notice or delay and it shall be lawful for the Lessor, its employees or agents to re-enter upon the demised premises or any part thereof in the name of the whole and thereafter have, possess and enjoy them as fully as if this indenture had not been made. Part compliance only with any of the said covenants, provisos, agreements or conditions shall not operate to prevent forfeiture as aforesaid, and no acceptance of rent subsequent to any breach or default, nor any condoning, excusing or overlooking by the Lessor on previous occasions of breaches or defaults similar to that for which re-entry is made shall be taken to operate as a waiver of this condition, nor in any way to defeat or affect the rights of the Lessor hereunder. If this lease is determined and ended as aforesaid then in such event the Island Airport shall be closed as soon as reasonably possible.

20. That if the provisions of clause 11(iv) and/or clause 11(v) herein are violated the breach shall be deemed to have been cured if the provisions of clause 11(iv) and/or clause 11(v) have not been violated within the ninety (90) day period of receipt by the Lessee of notice of such breach.

21. That in the event of any dispute between the Lessor and the Lessee as to whether there has been an emergency or a medical evacuation in regard to the provisions of clause 11(iv) and/or clause 11(v) herein then in such event the dispute shall be decided by the Council of the Lessor and such decision shall be binding on the Lessee.



22. That if at any time during the term of this lease the data pertaining to noise exposure contours provided by the Minister to the Lessor and the Lessee pursuant to clause 34 herein show that the 28 actual noise exposure contour has expanded at any point beyond the 25 N.E.F. contour shown on Schedule "B" attached hereto, then a breach of the provisions of clause 11(vi) of this lease shall be deemed to have occurred, and the Lessor shall notify the Lessee and the Minister of such breach pursuant to the provisions of clause 19 herein. If within the ninety (90) day period of receipt by the Lessee of notice of such breach, the Lessee provides the Council of the Lessor with evidence satisfactory to said Council that aircraft movements at the Island Airport are being regulated in such a way that the 28 actual noise exposure contour will be brought back within the boundaries of the 25 N.E.F. contour shown on Schedule "B" attached hereto, then the breach shall be deemed to have been cured.

23. That at all times during the said term, the Lessee shall control, maintain, manage and operate the Island Airport as a permanent public airport, for general aviation and limited commercial S.T.O.L. operations and shall do so in an efficient businesslike manner so as to ensure the most effective operation thereof as an airport, that is consistent with good management.

24. That the operation of the Island Airport shall be considered a part of the Lessee's general Harbour operations and the Lessor shall not have any obligation or liability in connection with the operation of the Island Airport; any surplus of revenue over expenditures, derived from the operation of the Island Airport, including all facilities and services connected therewith, during the fiscal year of the Lessee, shall be applied in accordance with Section 17 of The Toronto Harbour Commissioners' Act, 1911, as part of the Lessee's general revenues in that year.

25. That the Lessee will keep separate accounts with reference to the control, maintenance, management and operation of the Island Airport including all facilities and services connected therewith, and will enter therein all items received or expended in respect thereof.

26. That all books, documents, transactions and accounts of the Lessee in respect of its control, maintenance, management and operation of the Island Airport including all facilities and services connected therewith, shall at all times be open for inspection by the City Auditor of the Lessor.

27. That in making its annual report to the Council of the Lessor pursuant to Section 18 of The Toronto Harbour Commissioners' Act, 1911, the Lessee shall report on all its proceedings in connection with its control, maintenance, management and operation of the Island Airport including all facilities and services connected therewith.

28. That upon the expiration or sooner determination of this Indenture of Lease, the Lessee will not be entitled to receive from the lessor any compensation whatsoever for any building, structure or improvement now or hereafter located on the premises hereby demised.

29. That the structures and permanent improvements now located on the premises hereby demised, are the property of the Lessor; and any and all



*buildings, structures and/or permanent improvements that may hereafter be erected or made from time to time on or to the said demised premises, shall be considered legally severed from the said demised premises during the said term, and shall be vested in the Lessor solely upon the expiration or sooner determination of this Indenture of Lease, as the case may be.*

*30. That notwithstanding the provisions of clause 24 herein the Lessee shall operate the Island Airport from the effective date of this lease for and at the expense of the Lessor until such time as The Toronto Harbour Commissioners' Act is amended to enable the Lessee to operate the Island Airport on its own behalf or on behalf of the Federal Government.*

*31. That the said lease dated the 30th day of June 1962 is hereby terminated and superseded by these Presents as of the effective date hereof namely the 1st day of January 1982.*

*AND THE MINISTER in consideration of the premises and the covenants, provisos and conditions hereinafter contained hereby covenants and agrees with the Lessor and the Lessee as follows:*

*32. That the Minister will forthwith amend the existing licence or issue a new licence for the Island Airport, taking into consideration the environmental concerns of the Lessor, and addressing the concerns expressed in clauses 11(iv), 11(v) and 11(vi) herein to the extent possible in the exercise of his power over aeronautics.*

*33. that the Minister will ensure that the provisions specified in clauses 11(iv) and 11(v) herein are published and will continue to be published during the entire term of this lease in all relevant aeronautical information publications published by the Federal Ministry of Transport.*

*34. That the Minister will provide the Lessor and the Lessee, at their request, with noise exposure contours based on the 95 percentile level of actual movements, this percentile level to be calculated using the same method as used in the noise exposure forecast procedure of Transport Canada and supporting documentation:*

- (a) as soon as data are available following the end of the first calendar year during which limited commercial S.T.O.L. operations are taking place; and*
- (b) as soon as data are available following the end of any subsequent calendar year during which the number of general aviation aircraft movements or the number of S.T.O.L. aircraft movements has increased.*

*35. That the Minister will use his best efforts and if necessary recommend to Parliament for appropriation to obtain funds for payment to the Lessee equal to the amount of the outstanding losses of the Lessee, in constant June 1981 value dollars, which were incurred during the period 1975-1981 in the operation of the Island Airport. It being understood that such losses shall not include interest nor any assignment of general harbour overhead costs to the Island Airport costs.*

36. *That the Minister will recommend to Parliament that The Toronto Harbour Commissioners' Act be amended to enable the Lessee to operate the Island Airport on its own behalf or on behalf of the Federal Government and will introduce and diligently seek the passing of an appropriate Bill by Parliament as quickly as possible.*

*IT IS HEREBY DECLARED AND AGREED by and between the parties hereto as follows:*

37. *That as of the effective date hereof all of the obligations imposed on the Minister and the Lessor by the 10 November 1937 agreement as amended by the 18 September 1939 and 12 April 1940 agreements are hereby waived and discharged to the extent that such obligations are yet to be fulfilled including, without limiting the generality of the foregoing, the obligation of the Lessor to set aside and maintain the site for the Island Airport for the purpose of establishing a permanent public airport and not to sell or convert the said site for any other purpose without the consent in writing of the Minister first had and obtained.*

38. *That as of the effective date hereof all of the obligations imposed on the parties hereto by the 22 February 1957 agreement as amended by the 10 June 1964 agreement are hereby waived and discharged to the extent that such obligations are yet to be fulfilled, save and except the obligation of the Minister to transfer to the Lessee title to the hangar, which transfer shall take place at a time to be mutually determined, and in any event no later than the 14th day of June, 1987.*

39. *That in the event that:*

- (i) the Minister indicates in writing to the Lessee that the Commission Land is no longer required for public airport purposes; and*
- (ii) the Minister in consultation with the Lessee determines that the Commission Land is no longer required for public harbour purposes,*

*the Lessor shall have the option of purchasing the Commission Land for its then fair market value.*

40. *That if there has been a case of non-payment of rent or a default, breach or non-observance by the Lessee at any time or times in respect of any covenant, proviso, condition or agreement herein contained and the Lessee and the Minister have been notified pursuant to the provisions of clause 19 herein then in such event the Minister shall have the right after receipt of a copy of said notice and within the said ninety (90) day period to notify the Lessor in writing that this lease is to be assigned to the Minister in the event that the non-payment, default, breach, or non-observance complained of has not been cured by the Lessee in said ninety (90) day period. If the Minister sends such notice to the Lessor and if the non-payment, default, breach or non-observance complained of has not been cured by the Lessee in said ninety (90) day period, then in such event this lease shall not be terminated as provided in said clause 19 but shall forthwith be assigned to the Minister.*



41. That the Lessee will support a recommendation by the Minister to Parliament that The Toronto Harbour Commissioners' Act be amended to enable the Lessee to operate the Island Airport on its own behalf or on behalf of the Federal Government.

42. That the Minister will forthwith seek appropriate funding during the term of this lease for the capital costs associated with the continued use of the Island Airport for general aviation purposes such as:

site improvements and security,  
runways and associated taxiways,  
utilities and drainage,  
field lighting, and  
terminal building.

43. That the Minister will forthwith seek appropriate funding for the costs associated with provision of the air navigation system and air traffic services at the Island Airport during the term of this lease.

44. That the Minister will forthwith seek funding to offset any deficit that may be incurred by the Island Airport operator in the future operation of the Island Airport, such funding to be paid quarterly in advance, except for the fourth quarter which shall only be paid subject to audit and review of audit by the Minister. The first of such payments to become due and be paid on the 1st day of January, 1982 and such payments shall continue during the term of this lease. (The term 'deficit' does not include any costs associated with the capital cost and operation and maintenance costs for the provision of air navigation and air traffic services.) This funding is subject to the Island Airport operations being conducted in an efficient and businesslike manner aimed at meeting the overall objective of full cost recovery, and subject to review of audit by the Minister. For such purposes the Island Airport operator will implement all directions given by the Minister, if any, with respect to the setting of Island Airport charges or airport user fees, except as provided in clause 12 herein.

45. That if either the Lessee or the Lessor, because of lack of funding as required in clause 44, indicates in writing to the Minister and to the other party hereto that it no longer wants to be financially responsible for the Island Airport operations, then either:

- (a) the Minister shall take over the operation of the Island Airport and operate it at his own expense for as long as he deems appropriate or until the end of the term of this lease, whichever occurs first, and at such time and for such purposes the Minister:
  - (i) shall take an assignment of this lease, and
  - (ii) shall after notifying the Lessee in writing lease the Commission Land from the Lessee for a nominal sum, for as long as it is required for public airport purposes; and
  - (iii) shall accept from the Lessee a surrender of its lease of the Federal Land;



or:

- (b) if the Minister does not take over the operation of the Island Airport as provided in (a), the Airport shall be closed as soon as reasonably possible and at the same time this lease shall be terminated and the City Land shall revert to the Lessor.

46. That in case of non-payment of rent or if there be default, breach or non-observance by the Lessee in respect of any covenant, proviso, condition or agreement herein contained and the Lessee fails to cure same within the ninety (90) day period of receipt of notice thereof then either:

- (a) if the Minister has sent the notice referred to in clause 40 herein to the Lessor then in such event this lease shall forthwith be assigned to the Minister and he shall take over the operation of the Island Airport and operate it at his own expense for as long as he deems appropriate or until the end of the term of this lease, which ever occurs first and at such time and for such purposes the Minister:
- (i) shall after notifying the Lessee in writing lease the Commission Land from the Lessee for a nominal sum, for as long as it is required for public airport purposes; and
- (ii) shall accept from the Lessee a surrender of its lease of the Federal Land.

Provided that if the non-payment, default, breach or non-observance complained of has not been cured by the Minister within ninety (90) days of the effective date of said assignment then in such event this lease shall be terminated and the Island Airport shall be closed as soon as reasonably possible.

Provided further however that if the breach complained of and not cured by the Lessee has been a breach of clause 12 in that the Lessee failed to impose landing charges or rates as therein provided, then in such event there shall be no obligation on the Minister to cure such breach and the Island Airport may continue to be operated by the Minister as if no such breach had occurred;

or:

- (b) if the Minister does not take over the operation of the Island Airport as provided in (a), the Island Airport shall be closed as soon as reasonably possible and at the same time this lease shall be terminated and the City Land shall revert to the Lessor.

47. That if at any time the Lessee indicates by notice in writing to the Minister and the Lessor that it no longer wishes to operate the Island Airport, the obligation of the Lessee to operate the Island Airport shall continue for one calendar year from the date of receipt of the notice, upon the expiration of which either:

(a) *the Minister shall take over the operation of the Island Airport and operate it at his own expense for as long as he deems appropriate or until the end of the term of this lease, whichever occurs first, and at such time and for such purposes the Minister:*

(i) *shall take an assignment of this lease, and*

(ii) *shall after notifying the Lessee in writing lease the Commission Land from the Lessee for a nominal sum, for as long as it is required for public airport purposes; and*

(iii) *shall accept from the Lessee a surrender of its lease of the Federal Land;*

*or:*

(b) *if the Minister does not take over the operation of the Island Airport as provided in (a), the Island Airport shall be closed as soon as reasonably possible and at the same time this lease shall be terminated and the City Land shall revert to the Lessor.*

48. *That if the Minister requests by notice in writing to the Lessor and the Lessee an assignment of this lease then the Minister shall take over the operation of the Island Airport and operate it at his own expense for as long as he deems appropriate or until the end of the term of this lease, whichever occurs first, and at such time and for such purposes the Minister:*

(i) *shall take an assignment of this lease, and*

(ii) *shall after notifying the Lessee in writing lease the Commission Land from the Lessee for a nominal sum, for as long as it is required for public airport purposes; and*

(iii) *shall accept from the Lessee a surrender of its lease of the Federal Land.*

49. *That an assignment of this lease to the Minister shall be made subject to the following conditions:*

(a) *the assignment shall confer on the Minister all of the rights of the Lessee;*

(b) *the Minister shall be bound to observe and perform in the operation of the Island Airport those covenants set out in clause 11;*

(c) *the assignment shall not include any outstanding liabilities of the Lessee or Lessor incurred in the operation of the Island Airport except for any liabilities or deficits which the Minister is obliged to provide funds therefor as hereinbefore provided;*

(d) *except as provided under (b), the assignment shall not include any obligations which the Minister may not under statutory provision be able to undertake, nor will it include any provisions whereby*

*the Minister becomes subject to provincial or municipal laws, regulations, or by-laws which do not ordinarily bind him but otherwise the Minister shall pay the rent reserved at the time and in the manner provided in this lease and observe and perform the covenants, provisos and conditions on the part of the Lessee herein set forth;*

- (e) the assignment shall include an indemnity clause whereby the Minister shall agree to indemnify and save harmless the Lessor from all costs, claims, charges, expenses and liabilities incurred as a result of any action, suit or other legal proceeding brought or instituted by any person against the Lessor and arising from the operation of the Island Airport by the Minister;*
- (f) the Lessee shall not be liable for any breach of the conditions contained in this lease which occurs after the assignment of said lease to the Minister.*

*50. That in the event the Island Airport is no longer required for public airport or public harbour purposes the Minister will forthwith convey the Federal Land to the Lessor free of encumbrance for a nominal sum.*

*51. That if the Minister has taken over the operation of the Island Airport he shall have the right to close down the Island Airport at any time and at the same time this lease shall be terminated and the City Land shall revert to the Lessor.*

*52. That when the Minister has taken an assignment of this lease and receives notice in writing from the Lessor that he has not paid the rent or that there has been default, breach or non-observance by the Minister at any time or times in respect of any covenant, proviso, condition or agreement herein contained which on the part of the Minister ought to be observed or performed, and if such non-payment, default, breach or non-observance has not been cured within ninety (90) days of receipt of such notice by the Minister, then in such event this lease shall be determined and ended without any further notice or delay and it shall be lawful for the Lessor, its employees or agents to re-enter upon the demised premises or any part thereof in the name of the whole and thereafter have, possess and enjoy them as fully as if this indenture had not been made. Part compliance only with any of the said covenants, provisos, agreements or conditions shall not operate to prevent forfeiture as aforesaid, and no acceptance of rent subsequent to any breach or default, nor any condoning, excusing or overlooking by the Lessor on previous occasions of breaches or defaults similar to that for which re-entry is made shall be taken to operate as a waiver of the condition, nor in any way to defeat or affect the rights of the Lessor hereunder. If this lease is determined and ended as aforesaid, then in such event the Island Airport shall be closed as soon as reasonably possible.*

*53. That all chattels and equipment forming part of the personal property owned by the Lessor and used for or in connection with the control, maintenance, management and/or operation of the Island Airport which was transferred and assigned by the Lessor to the Lessee by virtue of clause 14(a) of said lease dated June 30, 1962 and which would have been transferred and*



*assigned by the Lessee to the Lessor by virtue of said clause on the termination of said lease dated June 30, 1962 shall remain with the Lessee and all such chattels and equipment then remaining and all additions and replacements thereof (except any replacement of the Island Airport Ferry existing in 1962) shall without charge to the Lessor be transferred and assigned by the Lessee to the Lessor free of encumbrance on the termination of this lease.*

*In the event that this lease is assigned to the Minister then the Lessee shall at the same time transfer and assign all such chattels and equipment then remaining and all additions and replacements thereof (except any replacement of the Island Airport Ferry existing in 1962) to the Minister without charge free of encumbrance with the proviso that when this lease is subsequently terminated the Minister shall at that time transfer and assign all such chattels and equipment then remaining and all additions and replacements thereof (except any replacement of the Island Airport Ferry existing in 1962) to the Lessor without charge free of encumbrance.*

*54. That the Minister will forthwith lease the Federal Land to the Lessee under such terms and conditions as may be agreed upon subject to the inclusion in such lease of the following:*

- (a) a provision whereby the Lessee agrees not to amend this lease without first obtaining the written consent of the Minister;*
- (b) a provision whereby the Lessee agrees to assign this lease to the Minister upon request in writing from the Minister;*
- (c) a provision whereby the Lessee agrees that in the event it ceases to operate the Commission Land for permanent public airport purposes, the Minister shall have the right to a lease of the Commission Land for a nominal sum, for as long as it is required for public airport purposes;*
- (d) a provision whereby the Lessee agrees not to use the Federal Land for any purpose which would be inconsistent with the operation of the Island Airport or which would in any way interfere with the safe or efficient operation of the Island Airport;*
- (e) a provision for the payment of rental of One Dollar (\$1.00) per annum;*
- (f) a provision whereby the term of the lease shall be for fifty (50) years commencing on the effective date of this lease and terminating on the same date as this lease if this lease is terminated prior to the expiration of its term;*
- (g) a provision whereby the Lessee agrees to permit the installation of landing aids, navigational aids, or equipment or structures for air traffic services, on the Federal Land if deemed necessary by the Minister.*

55. That any notice, request, demand or communication given under this lease shall be sufficiently given if delivered personally or mailed by prepaid registered mail or by telegram or telex to the parties at their designated address hereinafter set out or to such other respective address designated by notice given hereunder:

Lessor: City Clerk  
Corporation of the City of Toronto  
City Hall  
Toronto, Ontario  
M5H 2N2

Lessee: General Manager  
The Toronto Harbour Commissioners  
60 Harbour Street  
Toronto, Ontario  
M5J 1B7

Minister: The Minister  
Department of Transport  
Transport Canada Building  
Place de Ville  
Ottawa, Ontario  
K1A 0N5

Any such notice, request, demand or communication shall be deemed to have been given upon the date it was so delivered, or sent by telegram or telex; or if mailed upon the third business day after the posting thereof.

56. That every covenant, proviso, condition, agreement and term herein contained shall enure to the benefit of and be binding upon the parties hereto, their successors and assigns respectively.

IN WITNESS WHEREOF the parties hereto have executed these presents.

SIGNED, SEALED and  
DELIVERED  
in the presence of

) THE CORPORATION OF THE  
) CITY OF TORONTO

) per: \_\_\_\_\_  
) A Member of the Executive  
) Committee  
)

) per: \_\_\_\_\_  
) Deputy City Treasurer  
)

) THE TORONTO HARBOUR  
) COMMISSIONERS  
)

) per: \_\_\_\_\_  
) Commissioner  
)



) per: \_\_\_\_\_  
) Secretary  
) \_\_\_\_\_  
) Minister of Transport

*DATED* 1981

---

THE CORPORATION OF THE CITY  
OF TORONTO

- and -

THE TORONTO HARBOUR COMMISSIONERS

- and -

HER MAJESTY THE QUEEN in right  
of Canada, represented herein  
by the Minister of Transport

---

L E A S E

Re: Part of Toronto Island  
included in the Island  
Airport

---

W.R. CALLOW, Q.C.,  
City Solicitor,  
City Hall,  
100 Queen Street West,  
Toronto, Ontario M5H 2N2.

---

Alderman Sheppard, seconded by Alderman Gilbert, moved that this Clause be struck out and referred back to the Executive Committee for further consideration and that the Toronto Harbour Commissioners be requested to comment on the following motion of the Toronto Harbour Commissioners of their meeting of June 15, 1981.

"It was moved by Commissioner Kwinter and seconded by Commissioner Weisbach that the Commissioners advise the Federal and Municipal Governments that, in connection with the Memorandum of Understanding for the future operation of the Toronto Island Airport, they are concerned about fulfilling their responsibilities to manage public assets, and take the position they have regarding the airport only on the assumption that it is the wish of both the Federal and Municipal governments and of the Metropolitan Toronto Board of Trade that these assets be used in this way.

*Further, that the Commissioners note that certain matters of detail in the Memorandum of Understanding are subject to further revision following execution, particularly the year from which airport deficits may be considered for subsidy, and the exact terms of the proposed operating agreement. The Commissioners directed that their concerns be communicated to the Federal and Municipal Governments."*

*Upon the question that the motion of Alderman Sheppard be adopted; it was lost on the following division of votes:*

*Yeas: Aldermen Cressy, White, Sheppard, Reville, Heap, Pantalone, Gilbert, Thomas and Johnston - 9.*

*Nays: His Worship the Mayor and Aldermen Beavis, Piccininni, Rowlands, Korwin-Kuczynski, O'Donohue, Boytchuk, Grys, Clifford, Paton, Gee, Chong and Kanter - 13.*

**Upon the question that this Clause be adopted; it was carried on the following division of votes:**

*Yeas: His Worship the Mayor and Aldermen Beavis, Piccininni, Rowlands, Korwin-Kuczynski, O'Donohue, Boytchuk, Grys, Clifford, Paton, Gee, Chong and Kanter - 13.*

*Nays: Aldermen Cressy, White, Sheppard, Reville, Heap, Pantalone, Gilbert, Thomas and Johnston - 9. June 18, 1981.*

~~30~~

#### ~~SUBDIVISION AGREEMENT - GREENWOOD/FELSTEAD~~

~~The Executive Committee submits the report (June 8, 1981) from the Commissioner of Public Works:~~

~~Subject: Valifor Corporation - Subdivision Agreement - Greenwood Felstead - Agreement CT425606, as amended by Agreement A-889184.~~

~~Origin: Commissioner of Public Works. (c39exec81056:50)~~

~~Comments: Due to unsatisfactory progress of work on the subject project on May 15, 1981, pursuant to the provisions of Clause 20 of the subject agreement, I stopped work on this subdivision. Also, on June 4, 1981, I advised Valifor Corporation, the subdivider, that I intend to invoke the provisions of Clause 20A of this agreement as of June 12, 1981, and will be drawing on the Letter of Credit from the Bank of Nova Scotia, as required, to complete all work required in connection with the agreement.~~

~~The provisions of the Letter of Credit require that a certificate signed by the Commissioner of Public Works, the City Treasurer, or their respective deputies, and a member of the Executive Committee, agreeing or confirming that monies drawn pursuant to this Letter of Credit are to be or have been expended pursuant to the obligations of the Valifor Corporation to guaran-~~