

THIS AGREEMENT made this **12th** day of **September, 2012**

BETWEEN:

THE CORPORATION OF THE TOWNSHIP OF SCUGOG,
(the "**Township**")

OF THE FIRST PART

- and -

2307880 ONTARIO INC.
(the "**Owner**")

OF THE SECOND PART

WHEREAS the Owner is the owner of the lands located at 1140 Highway 47 East in the Township of Scugog, known as the Greenbank Airport (the "**Site**");

AND WHEREAS the Site is a registered aerodrome under the *Aeronautics Act*, over which the federal government has principal jurisdictional control;

AND WHEREAS on April 10, 2012 the Owner voluntarily applied for a Site Alteration Permit (the "**Permit**") from the Township for a fill program designed to meet federal regulations related to the transverse and longitudinal slopes of a proposed runway extension, as well as the construction of associated taxiways, aprons, hangars and other aeronautical structures (the "**Application**");

AND WHEREAS section 6.01 of By-law Number 52-10 (the "**By-law**") allows the Township to enter into an Agreement with the Owner.

NOW THEREFORE THIS AGREEMENT WITNESSETH that in consideration of the mutual covenants hereinafter contained the parties hereto hereby covenant and agree as follows:

1. The Term of this Agreement shall end on December 11, 2012. The parties may agree to extend this Agreement on substantially the same terms and conditions for a further period or periods ending no later than March 4, 2013.
2. The definitions found in s. 1.02 of the By-law shall apply to those defined terms contained in this Agreement.
3. The Owner shall retain the services of a qualified person ("**QP**"). The QP must be approved by the Director of Public Works and Parks for the Township ("**Director**") and any change in the QP must also be approved

by the Director. The QP shall be responsible for ensuring that the site alteration proceeds in accordance with,

- (a) sound environmental practices;
- (b) the plans submitted with the Application, including the fill quality control procedures and the site monitoring plan;
- (c) the environmental requirements of Section 4.05 of the By-law; and
- (d) the Permit.

The Township hereby approves D.L. Services Inc. as the QP.

- 4. The Owner shall at all times comply with the Quality Control Plan which is attached to this Agreement as Appendix A.
- 5. The Owner shall at all times comply with the Grading Plan attached to this Agreement as Appendix B.
- 6. The Owner shall at all times comply with the Noise and Dust Control Plan attached to this Agreement as Appendix C.
- 7. The Owner shall at all times comply with the Hauling Routes as set out and attached to this Agreement as Appendix D.
- 8. The Owner shall at all times comply with the Region of Durham Entrance Permit requirements and the Ministry of Transportation Building and Land Use Permit requirements as set out and attached to this Agreement as Appendix E.
- 9. The Owner shall at all times comply with such legislation, regulations, rules and requirements as may be applicable.
- 10. The Owner shall post on the Greenbank Airport Online Portal (www.greenbankairways.net/eportal) the following documentation with respect to any source site used in connection with the Site:
 - (a) The test results relied upon by the QP in its determination of the acceptability of fill from the source site;
 - (b) The QP's approval of the source site; and
 - (c) The test results from any audit samples taken by the QP in accordance with the Quality Control Plan in Appendix A.
- 11. The QP's approval of the source site shall be conditional upon acceptance by the Director as follows:

- (a) The QP will provide notice to the Director upon conditional approval of a new source site and provide the Director with any of the documents in s. 10 which have not already been posted on the the Greenbank Airport Online Portal (www.greenbankairways.net/eportal);
 - (b) The Director shall have 3 business days to object to the QP's approval of the source site, failing which the source site approval of the QP will be effective and material from the source site may be accepted at the Site; and
 - (c) The Director may only object to the QP's approval of a source site if there are reasonable and probable grounds to believe that fill from the source site does not meet the requirements of Section 10, or the source site does not have acceptable procedures in place to ensure that fill transported to the Site meets the requirements of Section 12;
12. All fill deposited at the Site shall meet the soil standards for an industrial, commercial or institutional property use set out in Table 2 of the Soil, Ground Water and Sediment Standards for Use Under Part XV.1 of the *Environmental Protection Act*, dated April 15, 2011.
13. The Township shall not impose geographical restrictions on the source of any fill.
14. The Owner and the Township agree to hold a number of project meetings. Those meetings will be attended by at least one representative from each of the parties. The meetings will take place at the following intervals:
- (a) First meeting within 30 days of the effective date of this Agreement;
 - (b) Second meeting within 90 days of the effective date of this Agreement;
 - (c) Third meeting within 180 days of the effective date of this Agreement;
 - (d) Subsequent meetings which may be called at the request of either party and in any event the parties shall meet no less than once in any 12 month period.
15. The Owner shall permit the Township and its Director and inspectors or their agents or contractors to enter and attend at the site for the purposes of inspections at any reasonable time upon twenty-four hours notice. In the course of any such inspection, the Township or its agents or contractors may carry out any activity necessary to determine compliance with this Agreement and the requirements of the By-law, including but not limited to:

- (a) Soil and groundwater sampling and testing, provided that the QP is afforded the opportunity to obtain split samples;
 - (b) Reviewing and making copies of on-site records;
 - (c) Inspection of equipment and vehicles on site;
 - (d) Taking of photographs or video;
 - (e) Such further and other activities as may reasonably be necessary to determine compliance with the By-law or the requirements of the this agreement or any applicable laws, provided that such activities do not pose an unreasonable interference in the regular business activities of the Owner.
16. In addition to the inspections described in section 15, the Township may carry out inspections without notice as permitted by law under the *Municipal Act, 2001* or a Township by-law.
17. The Owner shall direct the QP to report in writing quarterly to the Chief Building Official during the Term of this Agreement, within 7 days of the end of each September, December, March and June, to verify that the site alteration proceeded in accordance with the By-law, the site alteration permit and this Agreement in the preceding month. The report will include the following information:
- (a) A list of all of the sources for fill sent to the site during the month including the owner and municipal address for the site;
 - (b) The total volume of fill received at the site for the month;
 - (c) A list of all complaints received including a brief description of the complaint, contact information of the complainant, the time and date the complaint was received and the full name of the person who received the complaint;
 - (d) The results of any testing conducting in connection with the fill operation including soil and groundwater testing on and off site;
 - (e) A list of any incidents involving a breach of this Agreement or the Appendices, the By-law or permit including the date, time, brief description and the persons involved.
18. In the event of a serious single breach or a number of breaches of any nature of this Agreement or the by-law more frequent reporting by the Owner may be required by the Township.

19. The Owner shall avoid contaminating the natural environment and abide by all applicable environmental laws and regulations.
20. The Owner shall respond in writing within one (1) week of receiving from the Township a notice concerning, (a) a breach of this Agreement, the By-law or any of the terms or conditions of the permit issued under the By-law; or (b) a complaint from an affected landowner alleging impacts from the filling operation at the Site. If the Owner's response to the notice does not satisfy the Township, then representatives of the Owner and the Township will meet within fourteen (14) days and make all reasonable efforts to resolve the dispute. If a resolution is not reached at that meeting, representatives of the Owner and the Township will meet again within seven (7) days to make another attempt to resolve the dispute. If a resolution is not reached at the second meeting, the Owner and the Township will jointly retain a mediator to assist in reaching a resolution. The costs of the mediator will be shared equally by the parties. In the event that a mediated resolution cannot be achieved, the dispute shall be referred to arbitration in accordance with the *Arbitration Act* (Ontario).
21. Nothing in this Agreement shall be construed to prevent
 - (a) the Township or the Owner from applying to the Court for an Order for injunctive or other relief;
 - (b) the Township from acting under the provisions of the by-law or the Municipal Act;
 - (c) the Owner from challenging the application of the by-law.
22. The Owners shall provide payment to the Township as set out in s. 23, in order to compensate the Township for any legal, consulting, infrastructure or other costs that it may incur over the duration of the fill program, but does not include costs arising from a breach of the agreement or the by-law.
23. The Owner shall provide the Township with payments equal to \$1.00 for every cubic meter of fill imported to the Site payable as follows:
 - (a) The amount of \$20,000 payable at the first of every month of this agreement for all fill anticipated to be accepted at the site during the following month;
 - (b) On a quarterly basis the amount of fill accepted at the Site will be assessed using the quarterly reports for volume of fill as required in s. 14 and the amounts paid in this section will be reconciled as between the Township and the Owner;
24. The Owner will provide security to the Township in the amount of

\$250,000.00 (the “**Security**”) and acknowledges that the Township may use the Security to remedy any breach of this Agreement. The Security may be provided in the form of cash or an irrevocable letter of credit in a form acceptable to the Township. Provided that the Township has confirmed that no drawings on the Security are required, the Township will return the Security to the Owner within thirty (30) days of the date that the Permit expires.

25. The Owner hereby indemnifies and holds the Township harmless for any liability, costs, damages or losses caused directly or indirectly by the issuance of the Permit.
26. The Owner agrees to maintain general liability insurance in the amount of \$5,000,000 and shall provide a Certificate of Insurance as proof of same.
27. The parties acknowledge and agree that this Agreement shall be binding upon and shall enure to the benefit of the parties hereto, and each of their respective representatives, successors, heirs and assigns.
28. This Agreement may not be assigned by the Owner without the express written consent of the Township, such consent to be at the sole discretion of the Township.
29. Where notice is required under this Agreement it may be personally delivered, sent via fax, or sent via mail and shall be addressed as follows:

(a) Township:

Director Of Public Works and Parks
Township of Scugog
181 Perry Street
Port Perry, Ontario L9L 1A7
Fax: 905-985-9914
Email: iroger@scugog.ca

(b) Owner:

Airport Manager
Greenbank Airways
1140 Highway 47 East
Uxbridge, Ontario L9P 1R3
Fax: 905-985-4771
Email: johnp@greenbankairways.com

- (c) Notice sent via fax is effective on the date of transmittal, notice personally delivered is effective on the date it is delivered, notice

sent via email is effective on the date it is acknowledged as received by reply email from the recipient, notice sent by mail is effective 5 days after mailing.

IN WITNESS THEREOF the Corporation has caused its Corporate Seal to be affixed as attested to by the hands of its proper Officers in that behalf and the Owner has hereunto set his hand and seal.

SIGNED, SEALED AND
DELIVERED

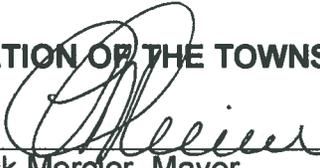
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Date:

Date:

) **THE CORPORATION OF THE TOWNSHIP OF SCUGOG**

) PER:

) 
) _____
) Chuck Mercier, Mayor

) PER:

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) _____
) Kim Coates, Clerk

) **2307880 ONTARIO INC.**

) PER:

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) _____

I have the authority to bind the Corporation.