


TO: GENERAL COMMITTEE

SUBJECT: APPROVAL TO SELL EQUITY IN THE LAKE SIMCOE REGIONAL AIRPORT TO THE COUNTY OF SIMCOE

WARD: ALL

PREPARED BY AND KEY CONTACT: E. ARCHER, GENERAL MANAGER OF COMMUNITY AND CORPORATE SERVICES, EXT. # 4419 

CHIEF ADMINISTRATIVE OFFICER APPROVAL: C. LADD, CHIEF ADMINISTRATIVE OFFICER 

RECOMMENDED MOTION

1. That the Mayor and City Clerk be authorized to execute an amended Lake Simcoe Regional Airport (LSRA) Agreement and any related, ancillary documents that reflects the County of Simcoe's purchase of LSRA shares from the City of Barrie such that the resulting LSRA share ownership is:
 - a) City of Barrie – 60%
 - b) Township of Oro Medonte – 20%
 - c) County of Simcoe – 20%
2. That the execution of the amended Agreement described in Paragraph 1 be deemed to satisfy the requirements of s. 10 of the Lake Simcoe Regional Airport Agreement.
3. That the Mayor and City Clerk be authorized to execute a transfer document and any related and ancillary documents, transferring a 20% beneficial interest in the airport lands to the County of Simcoe.
4. That the proceeds, approximately \$1,316,941, be a funding source for the County of Simcoe's capital budget requests in 2014 and/or subsequent periods.

PURPOSE & BACKGROUND

Report Overview

5. This report recommends the sale of: (i) a portion of the City of Barrie's equity interest in the Lake Simcoe Regional Airport Inc. (LSRA); and (ii) a 20% beneficial interest in the airport lands, to the County of Simcoe. The City would retain a majority ownership interest in the LSRA, but gain a partner who's economic development goals and financial capacity align well with both the City's and LSRA's needs.

Background

6. Report EDO013-09, "Lake Simcoe Regional Airport Governance Model", authorized the creation of a municipal service corporation to manage the strategic and day-to-day requirements of the LSRA. Equity ownership and responsibility for sharing all operating and capital costs has been apportioned between the two shareholders, City of Barrie (80%) and the Township of Oro-

Medonte (20%). An agreement between the two municipalities sets out the specific terms used for its governance and for managing the LSRA.

7. Throughout 2013 the CAOs from the Township of Oro Medonte, County of Simcoe and City of Barrie met and discussed the potential to include the County of Simcoe as an equity owner of LSRA. The County of Simcoe, including the urban areas of Barrie and Orillia, provides a catchment population of approximately 450,000. The majority of this population is within a 40 minute drive to the Airport.

ANALYSIS

Governance Considerations

8. Terms as described in this report were reviewed that would, subject to the approval of each party's Council, form the basis for amendments to the existing LSRA Agreement that would make the County of Simcoe a 20% equity owner. Barrie would sell a portion of its shares to the County, leaving the City with a 60% equity share in LSRA. Oro-Medonte's equity share (20%) would be unchanged.
9. The LSRA Board of Directors is currently comprised of seven members, five of which are City of Barrie appointees and two of which are appointed by the Township of Oro-Medonte. If the amended agreement is approved as presented, the LSRA Board would comprise nine members consisting of five appointees from the City of Barrie and two appointees from each of Oro-Medonte and the County of Simcoe.
10. The airport is located on lands held by the City of Barrie in trust for the benefit of Barrie and Oro-Medonte with proceeds of disposition to be shared 80% and 20% respectively. If the change in ownership is approved, Barrie would transfer a 20% *beneficial* ownership interest in the lands to the County of Simcoe.

Strategic Considerations

11. The County of Simcoe would be a valuable partner that enhances the potential for LSRA to achieve its strategic objectives. The City of Barrie and County of Simcoe enjoy a long-standing, collaborative relationship that reflects the close social, economic and strategic connections that exist between our respective communities and between our respective organizations. Examples of the excellent relationship include collaboration on transit services between the City of Barrie and Essa and a Management Agreement for social services, emergency medical services and long term care that is a model for other communities across the province.
12. LSRA offers several features that make it an attractive investment for the County of Simcoe. From an economic development perspective, LSRA provides:
 - a) One of the top-ten busiest airports of its size and category in Canada
 - b) The core air transport conduit for all fixed-wing air support for CFB Borden
 - c) International access combined with proximity to Highway 400, making it an attractive location for business development opportunities
 - d) Services that attract significant corporate/executive aircraft activity

The City of Barrie and Township of Oro-Medonte view the County as an equity partner whose strategic intent is well aligned with their existing vision for the LSRA.

Financial Considerations

13. Staff from both the City of Barrie and the County of Simcoe reviewed historical financial information to establish a fair value for the shares. In particular, considering the recent extent and value of capital investment made at the facility, staff reviewed capital spending levels and assessed the extent to which those figures could serve as a basis for establishing a value.
14. Within the last three years the City of Barrie and Township of Oro-Medonte, with additional financial support from the federal government, invested \$15.8M in LSRA. Generally, these investments increased the LSRA's physical capacity as an economic hub and gateway to local and international markets. These are long-term assets that have not materially declined in value since their installation. Therefore, staff believe it is reasonable to use their historical cost as the basis for determining a valuation. Excluding the senior government's contributions \$4.6M, 20% of the shares would be worth approximately \$1.3M. The following tables illustrate the calculation:

Airport Runway Extension (ISF) Project Spending/Funding

	Total	2011	2010	2009
Federal Contribution	\$4,596,000	\$276,331	\$4,239,924	\$79,745
Provincial Contribution	4,596,000	276,331	4,239,924	79,745
Total Municipal Contribution	6,584,707	1,950,944	4,497,495	136,268
Grand Total	\$15,776,707	\$2,503,606	\$12,977,343	\$295,758

Share Value

Oro-Medonte (20%)	\$	1,316,941
County of Simcoe (20%)	\$	1,316,941
City of Barrie (60%)	\$	3,950,824
Total Municipal Contribution	\$	6,584,707

ENVIRONMENTAL MATTERS

15. There are no environmental matters related to the recommendation.

ALTERNATIVES

16. The following alternatives are available for consideration by General Committee:

Alternative #1

General Committee could decline the opportunity to sell a 20% equity investment in LSRA to the County of Simcoe.

Staff believe the County of Simcoe would be a valuable partner and contribute positively to the LSRA's governance and simultaneously reduce the City of Barrie's financial obligations. While this is a viable alternative, staff believe it is not in the corporation's best interest.

Alternative #2

General Committee could alter the proposed recommendation by amending the terms of the LSRA Agreement.

As described in Appendix "A" the terms are substantially the same as the ones that currently exist between Oro-Medonte and the City of Barrie. Amendments reflect those changes required to introduce the County as an equity investor. However, other amendments could be introduced for each party's consideration if Council wanted to make further changes.

FINANCIAL

17. The Agreement stipulates that funds required for maintenance, operation, capital or borrowing expenditures, as may be required and determined by the LSRA Board, shall be requested of the Parties on an annual basis and apportioned based on percentage of ownership. With the County of Simcoe's 20% equity ownership, the City of Barrie's 2014 budget for LSRA support would be reduced by approximately \$145,000. This has been reflected in the 2014 Business Plan that will be presented to Council in January, 2014.
18. Proceeds of approximately \$1.3M would appropriately be a funding source for the County of Simcoe's capital budget requests. Staff anticipate providing further advice to Council about the disposition of these funds as part of the 2014 Business Plan.

LINKAGE TO 2010-2014 COUNCIL STRATEGIC PLAN

19. The recommendations included in this Staff Report are not specifically related to the goals identified in the 2010-2014 City Council Strategic Plan.

APPENDIX "A"

LAKE SIMCOE REGIONAL AIRPORT AGREEMENT

This AGREEMENT made this 13th day of May, 2010, as amended the day of , 2013.

BETWEEN:

THE CORPORATION OF THE
CITY OF BARRIE

(hereinafter called "Barrie")
OF THE FIRST PART

- and -

THE CORPORATION OF THE
TOWNSHIP OF ORO-MEDONTE

(hereinafter called "Oro-Medonte")
OF THE SECOND PART

- and -

THE CORPORATION OF THE
COUNTY OF SIMCOE

(hereinafter called "Simcoe")
OF THE THIRD PART

- and -

LAKE SIMCOE REGIONAL AIRPORT INC.

(hereinafter called the "Corporation")
OF THE FOURTH PART

WHEREAS Barrie and Oro-Medonte were formerly the only members of the non-share capital corporation incorporated under the *Corporations Act* (Ontario) under the name "Lake Simcoe Regional Airport" ("LSRA"):

AND WHEREAS the LSRA manages and operates an airport (the "Airport") capable of handling a broad range of aircraft, including helicopters and commercial jet aircraft;

AND WHEREAS the LSRA has, heretofore, been administered by the Lake Simcoe Regional Airport Commission ("Commission");

AND WHEREAS Barrie and Oro-Medonte have transferred the assets, liabilities and undertakings associated with the Airport and the LSRA, to the Corporation, a company formed under the *Business Corporations Act* (Ontario) and designated as a "municipal services corporation" under the *Municipal Act, 2001* (Ontario) and the regulations thereunder;

AND WHEREAS Barrie and Oro-Medonte now wish to include Simcoe as a party to this Agreement;

AND WHEREAS Barrie, Oro-Medonte and Simcoe are sometimes referred to herein as the "Parties" or the "Shareholders";

AND WHEREAS THIS AGREEMENT WITNESSES that in consideration of the premises and the mutual covenants and agreements herein contained and expressed, the Parties hereto covenant and agree as follows:

1.0 PRIOR AGREEMENTS

- 1.01 All prior agreements relating to the LSRA and/or the Commission, as between Barrie and Oro-Medonte, are hereby terminated.

2.0 REPRESENTATIONS AND COVENANTS

- 2.01 The Airport consists of an aerodrome located on those lands described in Schedules A and B hereto (the "**Airport Lands**").
- 2.02 Effective with the transfer of the assets and liabilities associated with the Airport and the LSRA, the Corporation shall manage, operate, maintain and improve the Airport, all as more detailed herein.
- 2.03 The Parties hereto covenant and agree that the Airport shall be maintained and operated in compliance with the applicable federal, provincial and municipal requirements as they are in force from time to time. For greater certainty, the Parties hereto agree that any development at the Airport including airport-related commercial development, will be subject to the by-laws and regulations of Oro-Medonte or any successor thereto, including, without limiting the generality of the foregoing, zoning, site plan control and building by-laws and regulations.

3.0 BOARD OF DIRECTORS:

- 3.01 The Parties hereto agree that the board of directors (the "**Board**") of the Corporation shall, until otherwise agreed by the Parties, consist of nine (9) members and furthermore, that five (5) members of the Board shall be appointed by Barrie; two (2) members of the Board shall be appointed by Oro-Medonte and two (2) members of the Board shall be appointed by Simcoe.

Appointments

- 3.02 Subject to section 3.05 herein, the Board nominees are to be appointed by each Party's respective municipal council ("**Council**") to serve at the pleasure of the appointing Council and to represent the Parties hereto.
- 3.03 Subject to the discretion of each respective appointing Council to replace their representative nominee(s) at any time, the Council's of each Party shall endeavour to make their appointments to the Board on a rotating basis for a term of two (2) years.

Vacancy

- 3.04 In the event of a vacancy occurring to a Board seat, the Council with the vacant position shall appoint a new representative member to fill that vacancy forthwith, but only for such length of time necessary to enable the new representative member to complete the term of the previous representative member.

Re-Appointment

- 3.05 Notwithstanding section 3.02 above, each representative member may be eligible for reappointment provided that no representative member shall serve for more than three (3) consecutive terms.

President, Vice-President and Secretary-Treasurer

- 3.06 The positions of the offices of the President, Vice-President and Secretary-Treasurer shall be elected by the Board annually. All officers shall be appointed at the pleasure of the Board.

Sub-Committee(s)

- 3.07 The Board may, from time to time, require that an *ad hoc* committee(s) be struck to investigate and report on a certain matter to the Board and such committee shall be appointed by the President.

Quorum

- 3.08 A quorum of the Board shall consist of five (5) members provided that one (1) member in attendance is from Oro-Medonte and one (1) member in attendance is from Simcoe. In the event that a quorum of the Board is not present due to the absence of a nominee of Oro-Medonte and/or Simcoe, such meeting shall be adjourned for seven (7) days and, if at such reconvened meeting, a nominee of Oro-Medonte and/or Simcoe is still not present, a quorum for such meeting shall nonetheless exist if any five (5) members are in attendance. The Chairman of the Board shall not have a casting vote in the event of a deadlocked item.

Entrust LSRA

- 3.09 Upon execution of this Agreement, the Parties shall entrust the overall management of the Airport to the Board for the benefit of the Parties to this Agreement.

4.0 FINANCIAL MATTERS

Apportionment Percentage

- 4.01 The Parties agree that all monies contributed for the maintenance, operation, capital or borrowing charges attributed to the Corporation shall be on an apportioned percentage basis as follows: Barrie – 60%; Oro-Medonte – 20%; Simcoe – 20%. This percentage is to be applied to the budgeted costs (costs after applying all sources of operating revenue other than municipal contributions or other contributions in section 5.03 of this Agreement) to determine the dollar contribution required by each Party.

Maintenance and Operational Monies

- 4.02 The Parties agree that monies required for the maintenance and operation of the Corporation/Airport, as may be required and determined by the Board, shall be requested of the Parties, on an annual budgetary basis, for their respective Council approval. Where a Party of Parties do not approve the amount as required in section 5.01 herein, the Corporation may proceed at the previous year's agreed upon amount for the maintenance and operation of the Corporation until such time as a resolution is reached, in accordance with Section 13.0 herein.

Capital Monies

- 4.03 Subject to the requirements in section 5.0 of this Agreement, the Parties agree that monies required for capital expenditures, as may be required and determined by the Board, shall be requested of the Parties, on an annual budgetary basis, for their respective Council approval. In the event of any disagreement regarding same, the Parties will submit the matter for dispute settlement in accordance with section 12.0 herein. In the interim, the Corporation will not proceed with the portion of the capital expenditure under dispute.

Borrowed Monies

- 4.04 The Parties agree that the Corporation, with the consent of the Parties hereto, may borrow such amounts of monies as approved by the Parties for future development of the Airport.

Percentage Payments and Allocation

- 4.05 The Parties agree that the payments requested of each Party in section 4.02, section 4.03 and section 4.04 shall be calculated in accordance with the percentage allocations outlined in section 4.01.
- 4.06 The Parties agree that debt obligations incurred for borrowed monies as permitted in section 4.04 shall, for the purpose of calculating each Party's contribution or liability, be allocated among the Parties in accordance with the percentage allocations outlined in section 4.01.

5.0 FINANCIAL MANAGEMENT

Budget

- 5.01 The Board is entrusted with the financial management of the Airport as hereinbefore provided and shall have the further right and be responsible to oversee management of the Corporation, prepare budgets, (operational, capital and including reserve transfers) on an annual calendar year basis for the approval of each of the Parties on or before November 1 of each year.
- 5.02 It is understood and agreed that any Party may return the budget to the Board for explanation or review.

Special Reserve Accounts

- 5.03 The Corporation is hereby entitled to receive contributions or donations from third parties to be applied for specific operating or capital expenditures. For such purposes, the Corporation shall be entitled to establish and maintain separate operating and capital reserve account(s) and to direct such contributions to the account(s). Such contributions shall not be applied to the budgeted amounts calculated in accordance with s.4.0 and s.5.0 of this Agreement.

Invoicing

- 5.04 The Corporation may invoice each Party for their share of the annual operating and capital budget, such invoiced amounts due and payable by each Party in accordance with the following priorities:

Operating

- (a) 50% of the amount of the previous year's share to be invoiced by December 15th. This amount shall be due and payable on January 15th of the following calendar year;
- (b) 50% of such Party's share of the approved budget for the current calendar year calculated and invoiced by June 1st. This amount shall be due and payable on June 30th of that year;

Capital

- (c) the capital requisition to be invoiced 15 days after the approval of all Parties.

Financial Statements:

5.05 The Board shall oversee the preparation of audited financial statements for the Corporation for the fiscal period ended December 31 in each year and such audited statements must be provided to each Party by no later than March 31st of the same year in which the statement is prepared.

5.06 Unless changed by resolution of the Shareholders, the auditors of the Corporations shall be BDO Dunwoody LLP.

Default

5.07 (a) In the event of any Party defaulting on a payment as set out in s.5.04 (a), (b), and (c), the Corporation may recover the payment, with interest to be charged to the defaulting Party on the unpaid portion of its apportionment remaining after the effective due dates in any year, at the rate the Corporation would be required to borrow money at the relevant time whether or not the Corporation is actually required to borrow such money. Upon default, the defaulting Party shall not be entitled to exercise their management rights pursuant to this Agreement, for the period of default.

(b) Where any Party is in default of their payment obligations in s.5.04 herein, and such defaulted payment and interest is at least equal to the Party's respective initial contribution to the Corporation, then any non-defaulting Party may terminate the defaulting Party's participation and rights under this Agreement, upon ninety (90) days' written notice.

(c) The Parties hereby agree that, in the event of default and notice under s.5.07 (b), the defaulting Party has no further right or remedy against the other party or the Corporation.

(d) In the event of default, the Corporation may proceed with the approved budget expenditures for one additional fiscal year, in accordance with the approved budget.

(e) Any failure by the Corporation or of any non-defaulting Party to exercise their remedies pursuant to this Agreement is deemed not to be a waiver of any rights it has under this Agreement.

Insurance:

- 5.08 The Corporation shall be required to maintain adequate and up-to-date liability insurance.

Available Grants, Etc.

- 5.09 The Corporation and its Shareholders shall take all steps necessary to obtain revenues and required funding including all applications to obtain grants for the development, operation and maintenance of the Airport from any source.

Revenue Accountability

- 5.10 The Corporation will ensure that the amount of such grants are accounted for in the Budget from year to year along with any other revenues obtained by the Corporation.

Leasing

- 5.11 In the interest of generating revenue, the Corporation may enter into leases with respect to any portion of the Airport lands without the consent of the Shareholders as follows:
- a. The Corporation is authorized to enter into leases for a period not to exceed twenty-one (21) years less one (1) day;
 - b. With respect to leases of greater than 21 years, the City of Barrie, as registered owner of the Airport lands, in trust, has delegated to its Mayor and City Clerk the authority to enter into leases for "airport related" purposes on the recommendation of the Board of the Corporation. The Corporation shall send to the City Clerk of Barrie: (i) a copy of the Board's resolution recommending execution of such lease(s); and (ii) a copy of such lease(s), so that the City Clerk may arrange for execution of such lease(s). A copy of this material shall concurrently be provided to the Clerks of Oro-Medonte and Simcoe by the Board for information purposes.
- 5.12 The Parties agree that the proceeds from any such lease shall remain with the Corporation to be applied against the annual operating, maintenance, and improvement costs of the Corporation. Such lease proceeds will be accounted for in the annual budget.
- 5.13 The Board shall report to the Shareholders within 45 days of entering into a lease with details of the completed transaction.
- 5.14 "airport related" means (i) all flight operations, and user of flight operations, at the Airport and (ii) all services that are located at or near the Airport that have as their primary business purpose, the provision of those services for Airport purposes.

Expenditure Controls

- 5.15 Except as provided in s.5.07(d), the Corporation shall only have the right to make expenditures in accordance with the current budget authorized by the Parties hereto, and to ensure that the Corporation shall not without the prior consent of the Parties hereto, spend any monies that have not been authorized in the current budget.

Expenditures

- 5.16 Each Party is required to submit to the Corporation an invoice for any Airport expenses for approval and payment.

Taxes

- 5.17 In the event that Barrie is subject to taxes on its ownership of the Airport lands in the Township of Oro-Medonte, then Oro-Medonte shall refund to the Corporation that portion of the aforementioned taxes not attributable to the assessment for any school board or Country purposes. This provision shall not apply to lessees of occupied space assessed as taxable.

Airport General Manager

- 5.18 The Corporation shall appoint an Airport General Manager who shall be the recording secretary for the Corporation with responsibility for the day-to-day management, operation and maintenance of the Airport, and for recommending improvements of the Airport to the Corporation.

Secretary-Treasurer

- 5.19 Subject to the requirement for audited financial statements in s.5.05 herein, the Secretary-Treasurer may, but is not obligated, to utilize the services of the City of Barrie Treasury Department on a cost recovery basis to provide accounting services for the Corporation.

6.0 ADMINISTRATION AND VETO RIGHTS:

Rules and Regulations

- 6.01 The Corporation may establish by-laws not inconsistent with the provisions of their Agreement for the conduct of its meetings and for the management of the Corporation and the furtherance of the projects authorized hereunder.
- 6.02 The Corporation may also make recommendations to the Shareholders for the construction of additional buildings or facilities, as the same may be from time to time required or desirable to achieve the goals of the Corporation.
- 6.03 In the interest of expediency or safety, the Corporation may recommend to the Shareholders the acquisition and/or provision of such navigational aids or aeronautical devices as many required by the Aeronautics Act (Canada) and/or the Regulations promulgated thereunder.
- 6.04 The Corporation, acting through its Board, shall ensure that air safety is the primary operational goal of the Airport.
- 6.05 The Corporation shall be responsible for all public relations regarding the Airport.
- 6.06 The Corporation shall market the Airport in accordance with good promotional strategies.
- 6.07 Subject to the provisions of s.5.11 and s.8.0 of this Agreement, the Corporation may call for proposals and/or tenders from an appropriate person(s) with a view to entering into contractual agreements with the Corporation and/or the Shareholders, where applicable, to provide for the development, operation,

maintenance and improvement of the Airport and, without limiting the generality of the foregoing, to provide for necessary leasing or sale arrangements with any person.

- 6.08 At all times the Corporation shall conduct its business in accordance with good business practices.
- 6.09 Notwithstanding any other provision in this Agreement to the contrary, each Party's respective Council must approve:
1. each annual budget;
 2. each annual business plan;
 3. any admission of a new shareholder(s);
 4. the appointment of each Party's respective director(s) to the Board; and
 5. any amendment to this Agreement.

7.0 OWNERSHIP OF LANDS:

Ownership

- 7.01 The Parties acknowledge and agree that Barrie holds, and shall continue to hold, title to the Airport Lands described in Schedules "A" and "B" in trust for the Parties to this Agreement and that any sale or other disposition of such lands will be in accordance with s.8.0 and s.12.01.

8.0 DISPOSITION OF AIRPORT LANDS:

- 8.01 The Parties agree that none of the Airport Lands described in Schedule "A" or "B" of this Agreement or any lands subsequently purchased for the Corporation shall be disposed of except on the approval of the Shareholders and subject to the approval of Transport Canada (if required).

- 8.02 If any Airport Lands described in Schedules "A" and "B" to this Agreement should be disposed of, the Shareholders shall, unless the Shareholders otherwise agree to direct some or all or the proceeds of disposition of the Airport Lands to be given to the Corporation for its working capital needs, share in the proceeds in the following manner:

(i)	Barrie	60%
(ii)	Oro-Medonte	20%
(iii)	Simcoe	20%

- 8.03 If any Airport Lands are sold, the purchaser(s) of such Airport Lands must comply with all applicable laws in place at the time of sale including, without limitation, all zoning, site planning and environmental rules and regulations then in force.

9.0 ORO-MEDONTE BY-LAW(S):

- 9.01 Oro-Medonte agrees to consider the passing of a by-law(s) to effect any changes to their Zoning By-laws or Official Plan necessary to give effect to the foregoing intentions of the Parties and in order to comply with the *Aeronautics Act* (Canada) and the Regulations promulgated thereunder.

10.0 NEW SHAREHOLDERS:

10.01 The Parties agree that in the event another municipality wishes to become a Party to the within Agreement, it shall apply in writing to the Corporation and acceptance shall be subject to the approval of the Parties to this Agreement, upon such terms as agreed to by the Parties.

11.0 WITHDRAWAL FROM AGREEMENT:

11.01 A Party to this Agreement may, upon delivery of one year's written notice to the office of the clerk of every other Party and to the Secretary/Treasurer of the Corporation, withdraw from this Agreement. In the event of such withdrawal, any and all funds paid, or authorized to be paid, under s.4.01 of this Agreement shall remain with or be paid to the Corporation.

12.0 DISPUTE SETTLEMENT MECHANISM:

12.01 The Parties agree that if any dispute arises in connection with any of the provisions herein contained among any of the Parties hereto that cannot be resolved by negotiation, such dispute shall be referred to mediation for mandatory Alternative Dispute Resolution, and a Mediator shall be selected from the list of approved Mediators of the Superior Court of Justice, County of Simcoe, and such mediation is to take place within thirty (30) days of such referral. Any dispute among the Parties which cannot be resolved by such mediation shall, only with the consent of the Parties, be submitted to arbitration pursuant to the *Arbitration Act* (Ontario).

13.0 DISSOLUTION OF CORPORATION:

13.01 Where all Shareholders agree by resolution, the Corporation may be dissolved. Upon dissolution, the proceeds of the disposition of all Airport Lands shall be in accordance with s.8.02 herein and other assets of the Corporation shall be distributed amongst the Parties hereto in accordance with the proportions set out in s.4.01 of this Agreement. Any disposal of the Airport Lands and assets of the Corporation, in a circumstance of dissolution, shall be in accordance with the federal Financial Assistance Agreement between The Oro-Barrie-Orillia Airport Commission and Her Majesty the Queen in Right of Canada (Ministry of Transportation) dated December 23, 1991.

14.0 REVIEW AND AMENDMENTS:

14.01 The Parties agree that they will review this Agreement every three years. The Agreement may be reviewed in the interim period, at the request of any Party. Any amendment to this Agreement shall be made only with the consent of all Parties and any such amendment(s) shall be in writing.

15.0 SIGNATURE TO THE AGREEMENT:

15.01 IN WITNESS WHEREOF the Parties hereto have caused this Agreement to be executed and sealed under the hands of their proper officers.

15.02 This duly authorized Agreement shall come into effect the 13th day of May, 2010, as amended this day of , 2013.

THE CORPORATION OF THE CITY OF BARRIE

MAYOR – J.R. Lehman

CLERK – Dawn A. McAlpine

THE CORPORATION OF THE TOWNSHIP OF ORO-MEDONTE

MAYOR – H.S. Hughes

CLERK – J. Douglas Irwin

THE CORPORATION OF THE COUNTY OF SIMCOE





Authorized by:

City of Barrie

By-law No.: 2009-188, as amended by By-law No.: 2013-

Township of Oro-Medonte

By-law No.:2010-015, as amended by By-law No.: 2013-

County of Simcoe

By-law No.:

LAKE SIMCOE REGIONAL AIRPORT INC.

President

Secretary

SCHEDULE "A"

TO LAKE SIMCOE REGIONAL AIRPORT AGREEMENT

PROPERTY PURCHASED FOR AIRPORT SITE:

The following property has been purchased for the construction of the Airport:

- | | | |
|-----|-------------------------|---|
| (a) | Vicic property | East Half Lot 17 and Pt. East Half Lot 18, Concession 7,
Township of Oro, County of Simcoe – 150 acres± |
| (b) | Buchan Oil Limited | Pt. East Half Lot 18, Concession 7,
Township of Oro, County of Simcoe – 50 acres± |
| (c) | Marten property | East Half Lot 19, Concession 7,
Township of Oro, County of Simcoe – 100 acres± |
| (d) | Cumming property | Pt. West Half Lot 18, Concession 7,
Township of Oro, County of Simcoe – 94.8 acres± |
| (e) | Beer property | East Half Lot 17, Concession 6,
Township of Oro, County of Simcoe – 100 acres± |
| (f) | Mortson property | Pt. West Half Lot 17 and Pt. East Half Lot 18, Concession 6,
Township of Oro, County of Simcoe – 45 acres± |
| (g) | City of Barrie property | Pt. West Half Lot 17, Concession 7,
Township of Oro, County of Simcoe – 5.6 acres |

SCHEDULE "B"

TO LAKE SIMCOE REGIONAL AIRPORT AGREEMENT

The following property has been purchased for the construction of the Airport:

- | | | |
|-----|---------------|--|
| (a) | Kuch property | Pt. West Half Lot 17, Concession 6,
Township of Oro, County of Simcoe – 11.0 acres± |
|-----|---------------|--|

THE TOTAL NUMBER OF ACRES PURCHASED AS NOTED ON SCHEDULE "A" & "B" IS 556.4± ACRES

5822588.9