On the purchase of a Toronto Islands house and land lease, the owner of the home and the Toronto Islands Residential Community Trust Corporation enter into a legally binding lease agreement which sets out rules and responsibilities of each as it pertains to the house and land lease. Included in the lease is Article 7: Use of House and Land, which addresses the requirements that the owner must use the Island house as a principal residence consistent with section 20.1 of the Toronto Islands Residential Community Trust Stewardship Act, 1993 which states:

The owner shall use the house as his or her principal residence and shall designate the house as his or her principal residence for federal income tax purposes.

As part of the lease agreement, the home owner also signs a statutory Declaration attesting that the home will be used as his or her principal residence.

The purpose of the Lease Breach Policy is to document and communicate the steps taken by the Trust board to respond to any allegations of lease breaches that come to its attention. The Trust board takes these allegations seriously and acts on the presentation of facts accordingly.

The board will consider any written and signed complaint that a specific lease owner or owners are in breach of their lease. Any such complaint shall contain whatever reasonable detail is required to enable the board to consider the complaint.

After receiving such a written complaint, the board may:
   a) Request further information about the alleged breach from either the lease owner or owners or the person making the complaint.
   b) Conduct other investigations to determine whether such breach has occurred and, if so, in what circumstances.

In the event the Trust board determines that it is likely a breach of a lease agreement has occurred, the board shall consider taking such action as is permitted by the terms of the legislation, the regulations and the lease agreement. In determining what action, if any is to be taken, the board shall consider the severity and extend of the alleged breach in relation to the intent of the legislation, the regulations and the lease agreement. The board may also seek legal advice for further clarification. In carrying out its obligations to enforce the requirements of the lease agreement the board may take such steps as necessary to remedy contraventions including steps to sell the house and the land lease.

Additionally, the board will not sign any legal documentation regarding an Island house and lease where a breach of lease has been substantiated or that would cause a breach of the lease agreement.