

FILE NO.

42101

THIS AGREEMENT made and entered into this 15th day of December, 1966

BETWEEN,

HER MAJESTY, THE QUEEN IN RIGHT OF THE PROVINCE OF MANITOBA,
REPRESENTED HEREIN BY THE HONOURABLE, THE MINISTER OF MINES
AND NATURAL RESOURCES AND THE HONOURABLE, THE MINISTER OF
URBAN DEVELOPMENT AND MUNICIPAL AFFAIRS,
(hereinafter called "Province")

OF THE FIRST PART,

AND

THE MANITOBA HYDRO ELECTRIC BOARD
(hereinafter called "Hydro")

OF THE SECOND PART,

AND

THE LOCAL GOVERNMENT DISTRICT OF GILLAM
(hereinafter called the "District")

OF THE THIRD PART.

Preamble.

WHEREAS due to the development by Hydro of a dam or dams for the exploitation of the hydro-electric potential of the Nelson River in the neighbourhood of Gillam, it was deemed advisable by Order-in-Council No. 541/66 dated the 28th day of April, 1966, to establish The Local Government District of Gillam comprising:

"In the Province of Manitoba and being the east halves of Townships 84 and 85 in Range 17 East, all of Townships 84 and 85 in Range 18 East, the west half of Township 84 and all of Township 85 in Range 19 East of the Principal Meridian in Manitoba including all of the Government road allowances contained within the limits of the lands above described."

AND WHEREAS Hydro is prepared to assist in the development and establishment of a townsite at or near Gillam and in the development and operation of the District and townsite;

AND WHEREAS Hydro has made application to the Director of Water Control and Conservation, pursuant to the regulations issued under the Water Power Act for a licence to divert, store, and use the waters of the Nelson and Butnau Rivers, and to use certain adjacent lands for the construction and operation of a hydro-electric generating station and related facilities at Kettle Rapids, and within the Local Government District of Gillam;

AND WHEREAS it is deemed advisable that provision be made for other related matters hereinafter referred to:

NOW THEREFORE, it is agreed by and between the parties hereto as follows:

Townsite.

1. A Townsite to be called the Townsite of Gillam will be laid out on that portion of the District shown outlined in yellow on the plan annexed hereto as Schedule "A" to this Agreement and hereinafter referred to as "the Townsite".

Province to
transfer lands
to district.

2. The Province will sell and convey to the District title in fee simple to the whole of the surface rights of the lands that are Crown lands comprised within the area shown outlined in red on the said plan "A" annexed hereto at a price of TEN DOLLARS (\$10.00) per acre and to the lands comprised within the area shown outlined in green on the said plan "A" annexed hereto at a price of TWENTY-FIVE DOLLARS (\$25.00) per lot which amount the District agrees to pay to the Province.

District to
acquire addi-
tional lands.

3. The District will acquire for purposes of Townsite development, the whole of the surface rights to the lands comprised within the area shown outlined in blue on the said Plan "A" annexed hereto at a price to be agreed upon between the District and the owners of the said lands.

District to
make surveys
and plans.

4. All surveys and plans of subdivision necessary in connection with the acquisition of land for and the establishment of the Townsite and that later may be required in connection with the enlargement and development of the Townsite will be made by the District and registered in the Neepawa Land Titles Office as required.

District to
make develop-
ment plan.

5. The District shall prepare or cause a development plan to be prepared for the orderly development of the Townsite.

District to
prepare plan-
ning scheme.

6. The District shall prepare or cause a planning scheme to be prepared for the District and submitted for approval in compliance with the provisions of the Planning Act.

Area excluded
from planning
scheme.

7. Notwithstanding section 6, the planning scheme for the District shall not apply to the area in the District contained within the severance line as the said line is defined and described in the license issued to Hydro under the Water Power Act.

Possession
of highways
in District.

8. As and when the planning scheme is approved and adopted and the lands in the Townsite surveyed and plans of subdivision registered in the Neepawa Land Titles Office, all that part of the Townsite that is a highway, as the word "highway" is defined in The Municipal Act, including roads, roadways, streets, lanes and public squares, shall be vested in the Province but possession and control thereof shall be in the District.

District
to develop
lots.

9. The District will, from time to time and in accordance with the development plan and the planning scheme, develop and improve such lots in the Townsite as may be necessary to meet the reasonable needs of Hydro and other persons resident in the Townsite.

Lots
reserved for
Hydro and the
Department of
Mines and
Natural
Resources.

10. The District will reserve

- (a) a maximum of ONE HUNDRED (100) residential lots for Hydro for its purposes;
- (b) a maximum of THREE (3) residential lots for the Department of Mines and Natural Resources for its purposes

in locations in the Townsite

- (c) mutually agreeable to Hydro and the District in respect of the lots to which clause (a) refers; and
- (d) mutually agreeable to the Department of Mines and Natural Resources and the District in respect of the lots to which clause (b) refers

and such lots shall not be sold or otherwise disposed of until Hydro and the Department of Mines and Natural Resources advises the District that any lesser number of lots are all that are required for their respective purposes.

District to
sell lots
to Hydro
and the
Department
of Mines and
Natural
Resources.

11. Subject to the provisions of the planning scheme to which reference is made in section 6 and to section 10, the District will sell such number of residential lots within the Townsite

(a) to Hydro as it may require from time to time for the purpose of constructing thereon dwelling units; and

(b) to the Department of Mines and Natural Resources for its purposes at a price per lot to be agreed upon and will convey title in fee simple to the whole of the surface rights of such lots as are acquired by Hydro to Hydro and of such lots as are acquired by the Department of Mines and Natural Resources to the Department of Mines and Natural Resources.

Hydro may
acquire
other lands.

12. Subject to the provisions of the planning scheme to which reference is made in section 6, the District will sell and convey to Hydro title in fee simple to the whole of the surface rights of such lots as are owned by the District within the Townsite in such locations as are mutually agreeable to Hydro and the District

(a) as may be required from time to time by Hydro for the purpose of constructing thereon any buildings other than dwellings that Hydro may require for its purposes; and

(b) as Hydro may require for storage and parking purposes; at a price per lot to be agreed upon between Hydro and the District which amount Hydro agrees to pay to the District.

Areas for
trailer
parking.

13. The District will designate an area or areas within the Townsite in such locations as are mutually agreeable to Hydro and the District and in conformity with the planning scheme to be subdivided and reserved as accommodation for trailers; and the District will consult with Hydro from time to time respecting the number of trailers for which such accommodation is to be made.

Reservation
of trailer
parking
sites.

14. The District, to the extent requested by Hydro, will reserve such number of subdivided lots in the area or areas reserved for the accommodation of trailers as are required by Hydro for allocation to its employees and by Hydro for allocation to the employees of its contractors.

Services and
ilities to
provided
by District.

15. The District will, in consultation with Hydro and by mutual agreement, provide or cause to be provided through its agents, consultants and contractors such services and facilities as may be required for the orderly development of the Townsite in conformity with the development plan and the planning scheme and without restricting the generality of the foregoing, the District shall:

Roads, lanes
and sidewalks.

(a) construct or cause to be constructed the townsite, roads, streets, lanes, public squares and sidewalks, the freehold of which shall be vested in the Province and possession in the District.

Recreational
facilities.

(b) construct or cause to be constructed in the Townsite recreational facilities including a recreational building or buildings and such building or buildings as and when constructed shall vest in and become the property of the District.

Sewer and
water mains.

(c) install or cause to be installed in such locations in the townsite as may be deemed desirable, sewer and water mains together with fire hydrants to service lots for residential and commercial purposes and the accommodation of trailers in the Townsite; and from time to time install or cause to be installed such additional sewer and water mains as may be required to service any additional lands required for the development of the Townsite, and all such installations shall be made in conformity with the regulations under the Public Health Act, and, as completed, all such installations shall vest in and become the property of the District.

Water treat-
ment facilities.

(d) install or cause to be installed such filtration facilities, pumping stations and water treatment facilities, all connected to the water mains in the Townsite as will insure the inhabitants in the Townsite an adequate supply of potable running water and that will comply with the laws of the Province, and all such installations and facilities, on completion, will vest in and become the property of the District.

Sewage
treatment
facilities.

- (c) install or cause to be installed such sewage disposal facilities, plants and pumping stations all connected to the sewer mains in the Townsite as will insure the inhabitants in the Townsite an adequate sewage disposal system and that will comply with the laws of the Province, and all such installations and facilities, on completion, will vest in and become the property of the District.

Saving.

16. Where any of the installations referred to in paragraphs (d) and (e) of section 15 are installed by Hydro for its own use and are made available by Hydro to the District for its use, all such installations shall vest in and remain the property of Hydro.

Province
to transfer
lands to
District.

17. Where it is necessary for the District to install any of the facilities to which reference is made in paragraphs (d) and (e) of section 15 on lands outside the boundaries of the Townsite, the Province will transfer all lands that are Crown lands upon which such facilities are located and such additional lands as may be necessary for the servicing of such facilities to the District at a price of TEN DOLLARS (\$10.00) per acre, which amount the District agrees to pay to the Province.

Province to
grant land
for disposal
areas.

18. The Province will grant and convey to the District, at a price of TEN DOLLARS (\$10.00) per acre, an area or areas outside the Townsite, for use as a garbage disposal area or areas and such area or areas shall be selected by the District with the approval of the Provincial sanitary inspector for the area and in conformity with the planning scheme.

Land for
cemetery.

19. The Province will grant and convey to the District, at a price of TEN DOLLARS (\$10.00) per acre, an area or areas outside the Townsite, for use as cemetery, such area or areas to be selected by the District with such approval as may be required under relevant legislation.

20. The Province will not permit, without the prior consent of Hydro and of the District, the staking or working of any mineral deposits in or under land included within the Townsite or within which hydro structures such as the power house and main, saddle dam, switch yard, conversion station, Butnau dam, Butnau river diversion channel, dykes, roads, airstrip and transmission line are constructed or to be constructed.

Appointment
Resident
Administrator.

21. Province will appoint a Resident Administrator for the District under the provisions of the Local Government Districts Act.

Administrator
may appoint
staff.

22. The Resident Administrator may by by-law appoint

(a) such agents, consultants, contractors or other persons required by the District for the construction, erection, installation and provision of all works and facilities that are the responsibility of the District to provide and maintain; and

(b) such staff as may, from time to time, be required for the efficient administration and operation of the District

and he shall, in the by-law, fix the salary or other remuneration to be paid to any person so appointed.

Assessment
of property.

23. (1) Subject to subsection (2), the Provincial Municipal Assessor shall value all property in the District liable to valuation or assessment and shall make the required assessment roll or assessment rolls in which he shall set forth correctly all the particulars of the properties liable to assessment and taxation by the District.

Properties
excluded
from
valuation.

(2) Notwithstanding subsection (1), the Provincial Municipal Assessor shall not be required to value and to include in the assessment roll or assessment rolls of the District any property owned, operated, maintained and used by Hydro for its purposes contained within the severance line as the said line is defined and described in the license issued to Hydro under the Water Power Act.

Property
required for
operation of
District.

24. The District, in consultation with Hydro, shall provide the buildings and structures that are from time to time required in the Townsite:

(a) for the residential accommodation of the Resident Administrator and the employees of the District, including residential accommodation for Royal Canadian Mounted Police officers, when this is the responsibility of the District;

(b) for office accommodation for the Resident Administrator and the employees of the District, including office accommodation for the Royal Canadian Mounted Police officers when this is the responsibility of the District.

- (c) for housing all machinery and equipment required by the District for its purposes; and
- (d) for housing all washing, cleaning and sanitary equipment required by the District for the adequate and efficient servicing of all areas reserved for the accommodation of trailers in the Townsite; title to which shall vest in and become the property of the District.

District to
provide
machinery and
equipment.

25. The District, in consultation with Hydro, shall provide

- (a) such machinery and other equipment as is required for the purposes of the District including, without limiting the generality of the foregoing, such trucks, tractors, motors, graders, excavation and other machinery and equipment as the District may, from time to time, require; and
- (b) such washing, cleaning and sanitary equipment and facilities as the District may, from time to time, require for the adequate and efficient servicing of all areas, from time to time reserved for the accommodation of trailers in the Townsite;

title to which shall vest in and become the property of the District.

District to
administer
and maintain
facilities.

26. The District will

- (a) maintain and keep in repair all roads, streets, lanes, public squares and sidewalks in the Townsite;
- (b) administer, operate, maintain and keep in repair
 - (i) all sewer and water mains installed in the Townsite and all pumping stations, water treatment facilities, sewage disposal systems and all buildings and structures in connection therewith that are the property of the District;
 - (ii) all recreational facilities including any building or buildings in connection therewith owned by the District and located within the Townsite;
 - (iii) all areas reserved for the accommodation of trailers including all service buildings, equipment and facilities in connection therewith from time to time provided in the Townsite; and

- (iv) all trucks, tractors, motors, graders, excavating and such other machinery and equipment from time to time required by the District for its purposes.

District
to provide
garbage
removal.

27. The District will arrange for the collection and removal from the Townsite and the disposal of all ashes, refuse, night soil, waste material, garbage, rubbish and loose material in a manner satisfactory to the Provincial sanitary inspector for the area.

Resident
Administrator
to make
estimates.

28. The resident administrator shall, on or before the fifteenth day of April in each year, make estimates of all revenue that will accrue to the District in that year and of all sums required for the lawful purposes of the District for the year in which those sums are required to pay all the salaries and wages that are the responsibility of the District, for the construction, erection, installation and provision of all of the works and facilities that are the responsibility of the District to provide, and for the repair, maintenance and replacement of all buildings, works, machinery, equipment and other facilities that are the responsibility of the District and he shall forthwith provide Hydro with a copy thereof.

Charges for
utility
services.

29. Where the District provides utility service to residents and owners of property within the District, the Resident Administrator shall charge such rates, fees or charges therefor as are fixed by by-law of the District and approved by the Public Utilities Board; and he shall employ all lawful means for the collection of such charges.

Levying of
District
taxes.

30. The Resident Administrator shall, in each year, after the assessment roll comes into force, by by-law levy a rate for general District purposes on all property within the District liable to assessment and taxation, and the rate levied in each year shall be the average mill rate imposed in the next previous year for general municipal purposes by the incorporated towns and villages of the Province; and such rate shall be deemed to include any rate or rates required to be levied by Local Government Districts for welfare purposes.

Charges for
trailer
mediation.

31. The Resident Administrator, in consultation with Hydro, shall by by-law require each person who locates a trailer on land reserved for the accommodation of trailers to pay to the District monthly such license and rental fee or fees as is fixed in the by-law; and he shall employ all lawful means for the collection of such fee or fees.

Resident
Administrator
to report
revenues.

32. The Resident Administrator shall keep a true and accurate account of the revenues collected by the District from all sources including charges for utility services, charges for municipal services, taxes collected for general District and business tax purposes, license fees or rentals collected for lots occupied by trailers, revenues received from the sale of lands, revenues received from the operation of recreational facilities, grants from the Province and all other revenues received by the District; and he shall inform Hydro monthly or as otherwise required of the totals of the revenues so collected.

Payments by
Hydro to the
District.

33. Hydro shall pay to the District monthly or as otherwise required, such amounts of money as are required to be paid by the District:

(a) for the capital expenditures which are the responsibility of the District; and

(b) for the operating expenditures remaining after deduction of any revenues received by the District.

Grants in
lieu of
taxes.

34. Hydro shall not be required to make any grant in lieu of taxes to the District for general district purposes during the term of this Agreement.

Grants
from the
Province.

35. The Province will make such grants to the District as are provided and authorized by the laws of the Province to be made to local government districts.

Resident
Administrator
to keep
record.

36. The Resident Administrator will keep or cause to be kept clear and accurate records of all moneys received by the District for its lawful purposes and all moneys expended by the District for its lawful purposes and all such accounts and records will be open to inspection by Hydro, and shall be audited annually by an auditor appointed by the Province; and a copy of the audited statement will forthwith be provided to Hydro.

Agreement
for street
lighting.

37. The District may, by by-law, enter into an Agreement with Hydro:

- (a) for the erection, installation and maintenance by Hydro of such number of street lights as may be required for street lighting purposes in the Townsite;
- (b) for the supply of electrical power by Hydro for municipal purposes and street lighting in the Townsite; and
- (c) for the payment by the District to Hydro of such amounts as are required in the agreement to be paid in respect to clauses (a) and (b) hereof.

Provision
of fire
protection.

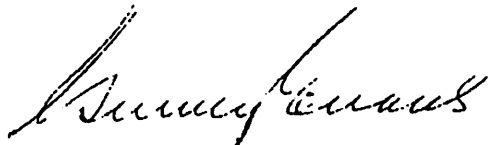
38. Hydro will maintain for the protection of its own property and facilities fire protection equipment and will, as circumstances necessitate, employ such equipment and facilities for the protection from fire of the property of other persons resident in the District.

Disposition
of surplus
assets.

39. If at any time within the term of the Agreement, property, buildings, machinery, equipment, facilities or other assets of the District become surplus to the needs of the District, the disposal of such surplus assets shall be made by the District only after consultation with Hydro.

This Agreement shall remain in force and effect until the 31st day of December, 1971 and thereafter from year to year until cancelled by prior notice of not less than SIX (6) months by any one of the parties to the Agreement.

IN WITNESS WHEREOF, the Parties hereto have caused their respective corporate seals to be affixed, attested by the hands of their respective proper officers in that behalf as of the day and year first above written.

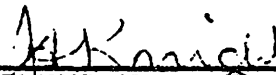


MINISTER OF MINES AND NATURAL RESOURCES


MINISTER OF URBAN DEVELOPMENT AND
MUNICIPAL AFFAIRS


MANITOBA HYDRO GENERAL MANAGER


MANITOBA HYDRO SECRETARY


RESIDENT ADMINISTRATOR OF THE LOCAL
GOVERNMENT DISTRICT OF GILLAM