

Local Government Agreement for the Park Community of Waskesiu

BETWEEN:

HER MAJESTY THE QUEEN IN RIGHT OF CANADA
as represented by the Minister of the Environment

(hereinafter referred to as "Canada" or as the "Minister")

of the First Part

- and -

WASKESIU COMMUNITY ASSOCIATION INC.

(hereinafter referred to as the "WCC")

**FOR AND ON BEHALF OF
THE MUNICIPALITY OF WASKESIU**

of the Second Part

WHEREAS the Waskesiu Townsite, located in Prince Albert National Park of Canada, is currently administered solely by the Minister under the *Canada National Parks Act*;

AND WHEREAS the residents of the Waskesiu Townsite have signified, by way of referendum, their desire to establish a sustainable local municipal government in a manner consistent with the terms and conditions agreed upon between the Minister and the WCC;

AND WHEREAS the Minister and the WCC have agreed that the WCC shall represent and shall contract for and on behalf of the Municipality of Waskesiu pending the creation of the Municipality of Waskesiu pursuant to the laws of the Province of Saskatchewan;

AND WHEREAS the Minister and the WCC have agreed upon certain terms and conditions concerning the future management of the Waskesiu Townsite by the Municipality of Waskesiu including local governance, taxation, cost recovery and other matters set forth in this Agreement;

AND WHEREAS the Minister is authorized to enter into this Agreement under subsection 10(1) of the *Canada National Parks Act*;

AND WHEREAS the WCC is authorized to enter into this Agreement with the Minister;

AND WHEREAS the Municipality of Waskesiu acknowledges and agrees that subsection 8(2) of the *Canada National Parks Act* requires that maintenance or

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restoration of ecological integrity, through the protection of natural resources and natural processes, shall be the first priority of the Minister when considering all aspects of the management of Canada's national parks;

AND WHEREAS the parties acknowledge that, with respect to local governance of the Waskesiu Townsite by the Municipality of Waskesiu, the Minister shall continue to exercise exclusive authority in relation to land use planning and development in the Park, in accordance with section 9 of the *Canada National Parks Act*;

AND WHEREAS the parties further acknowledge that the Minister shall continue to exercise the Minister's authority over matters concerning ecological integrity within the Park, including within the Waskesiu Townsite;

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby expressly acknowledged by each of the parties to this Agreement, the parties agree as follows:

1.1 DEFINITIONS:

In this Agreement, the following defined terms shall have the following meanings:

- 1.1.1 "**Agreement**" means this agreement, including any schedules attached hereto, as the same may be amended from time to time;
- 1.1.2 "**Canada**" includes Parks Canada Agency;
- 1.1.3 "**Canadian Environmental Assessment Act**" means Statutes of Canada 1992, Chapter 37;
- 1.1.4 "**Canada National Parks Act**" means Statutes of Canada 2000, Chapter 32, and all regulations thereunder;
- 1.1.5 "**Consumer Price Index**" or "**CPI**" means the all Canada, all-items annual consumer price index as published by Statistics Canada for the period January 1 to December 31 of each applicable year;
- 1.1.6 "**ecological integrity**" has the meaning ascribed thereto pursuant to the *Canada National Parks Act*;
- 1.1.7 "**environment**" has the meaning ascribed thereto pursuant to the *Canadian Environmental Assessment Act*;

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- 1.1.8 **"land use planning and development"** means the forecasting, regulation and control of the use and development of buildings and land or, if applicable, shall have the meaning, if any, ascribed to such term from time to time under regulations set forth pursuant to the *Canada National Parks Act*;
- 1.1.9 **"Minister"** includes any member of the Queen's Privy Council for Canada designated by the Governor in Council as the minister for purposes of the *Canada National Parks Act*, or the Minister's delegate;
- 1.1.10 **"Municipality of Waskesiu"** means the municipal corporation to be incorporated pursuant to the laws of the Province of Saskatchewan to administer the Waskesiu Townsite in the manner contemplated in this Agreement;
- 1.1.11 **"Park"** means Prince Albert National Park of Canada and, for greater certainty, includes the Waskesiu Townsite;
- 1.1.12 **"Parks Canada Agency"** means the Parks Canada Agency, a body corporate established under section 3 of the *Parks Canada Agency Act*, S.C. 1998, c.31;
- 1.1.13 **"parties"** means, prior to the effective date of this Agreement, Canada and the WCC and, from and after the effective date of this Agreement, means Canada and the Municipality of Waskesiu;
- 1.1.14 **"Payments in Lieu of Taxes Act"** means Revised Statutes of Canada 1985, Chapter M-13, as amended, and **"PILT"** includes payments in lieu of taxes as contemplated pursuant to such statute;
- 1.1.15 **"Person"** includes an individual, partnership, limited partnership, joint venture, syndicate, sole proprietorship, body corporate (with or without share capital), unincorporated association, First Nation, Indian band, trust, trustee, executor, administrator or other legal representative;
- 1.1.16 **"Prince Albert National Park of Canada Management Plan"** means the Prince Albert National Park Management Plan approved by the Minister and dated October 1995;
- 1.1.17 **"The Municipalities Act"** means Chapter M-36.1 of The Statutes of Saskatchewan, 2005;

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- 1.1.18 **"Transferred Assets"** means, collectively, all of those chattels, fixtures, structures, equipment and/or works described in Schedule "A" attached hereto (including the 2008 Transferred Assets and the 2010 Transferred Assets) which are to be transferred by Canada to the Municipality of Waskesiu for nominal consideration in accordance with this Agreement, and to be used by the Municipality of Waskesiu for municipal facilities, municipal services and public works in the Waskesiu Townsite;
- 1.1.19 **"Waskesiu Community Plan"** means the plan by that name approved by the Minister and dated 2000;
- 1.1.20 **"Waskesiu Townsite"** means the geographic area described in Section 2.1 of this Agreement;
- 1.1.21 **"2008 Transferred Assets"** means those Transferred Assets described in Part 1 of Schedule "A" to be transferred by Canada to the Municipality of Waskesiu on January 1st, 2008 or April 1st, 2008, as applicable; and
- 1.1.22 **"2010 Transferred Assets"** means those Transferred Assets described in Part 2 of Schedule "A" to be transferred by Canada to the Municipality of Waskesiu on April 1st, 2010.

1.2 Any reference in this Agreement to a federal or provincial statute or regulation, to the Prince Albert National Park of Canada Management Plan or to the Waskesiu Community Plan shall be deemed to include all subsequent amendments, revisions, consolidations and substitutions thereof, unless the contrary intention is expressly set forth herein.

ARTICLE 2: BOUNDARIES

- 2.1 The boundaries of the Waskesiu Townsite (being the geographic area that, subject to the terms of this Agreement, is to be administered by the Municipality of Waskesiu), shall be the same as the boundaries for the park community of Waskesiu described in Plan 88100 recorded in the Canada Lands Survey Records at Ottawa and currently set forth in Schedule 4 of the *Canada National Parks Act*. The Minister acknowledges that such boundaries shall not be altered except in accordance with the *Canada National Parks Act*.

ARTICLE 3: PURPOSES OF THE MUNICIPALITY OF WASKESIU

- 3.1 The purposes of the Municipality of Waskesiu are the following:

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- 3.1.1 those purposes set forth in Section 4(2) of *The Municipalities Act*;
- 3.1.2 to promote the preservation of the character and nature of the Waskesiu Townsite within a national park setting;
- 3.1.3 to maintain the Waskesiu Townsite as a national park visitor centre and resort community; and
- 3.1.4 to administer the Waskesiu Townsite for municipal purposes in a manner consistent with the Waskesiu Community Plan and those provisions of the Prince Albert National Park Management Plan applicable to the Waskesiu Townsite.

ARTICLE 4: MUNICIPAL POWERS, AUTHORITY, DUTIES AND FUNCTIONS

- 4.1 Subject to the terms of this Agreement, the Municipality of Waskesiu shall have the power and authority to administer the Waskesiu Townsite for municipal purposes. For such purposes, the Municipality of Waskesiu shall have all of the rights, powers and authority of a municipality pursuant to *The Municipalities Act* and pursuant to any other applicable provincial statutes and regulations, save and except for those rights, powers and authorities:
 - 4.1.1 relating to land use planning and development;
 - 4.1.2 relating to annexation;
 - 4.1.3 relating to archaeological resources; and
 - 4.1.4 arising under, or otherwise granted to a municipality pursuant to:
 - 4.1.4.1 *The Heritage Property Act*, Chapter H-2.2, SS, 1979-80;
 - 4.1.4.2 Sections 48(3) and 66 of *The Municipalities Act*; and
 - 4.1.4.3 *The Planning and Development Act*, 1983, Chapter P-13.1, SS, 1983-84, provided however that the Municipality of Waskesiu shall have the rights, powers and authority pursuant to such statute to charge, assess, levy and collect development fees, off-site levies, or similar charges, assessments, levies or fees associated with the upgrading or development of municipal infrastructure in the Waskesiu Townsite in such amount as may be determined by the Municipality of Waskesiu from time to time.

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- 4.2 The Municipality of Waskesiu shall not exercise any of its rights, powers or authority in any manner that, in the opinion of the Minister, adversely impacts, in any significant way, the environment as the same relates to the ecological integrity of the Park, provided that the Municipality of Waskesiu may, within the Waskesiu Townsite only, and with the prior approval of the Minister pursuant to Section 4.5 of this Agreement, pass bylaws and resolutions, and any repeal thereof or amendment thereto, for the purpose of, relating to, or affecting:
- 4.2.1 the planting, modification, control or eradication of vegetation;
 - 4.2.2 the elimination or mitigation of insect pests and nuisances;
 - 4.2.3 the elimination or mitigation of diseases in vegetation;
 - 4.2.4 the establishment and maintenance of a system for the collection removal and disposal of residential, commercial and industrial ashes, garbage, refuse and other waste matter;
 - 4.2.5 any, streams, watercourses or other natural bodies of water within the Waskesiu Townsite, including the air space above, or the ground below, such streams, watercourses or other natural bodies of water;
 - 4.2.6 the transportation of dangerous goods;
 - 4.2.7 wild animals and activities in relation to them;
 - 4.2.8 interactions between domestic animals and wild animals; and
 - 4.2.9 such additional matters that, in the opinion of the Minister, adversely impact, in any significant way, the environment as the same relates to the ecological integrity of the Park and which are, from time to time, identified by the Minister pursuant to a written notice to the Municipality of Waskesiu.
- 4.3 The Municipality of Waskesiu shall submit to the Minister, in accordance with this Agreement and prior to final reading thereof, all proposed municipal bylaws dealing with subject matter contemplated in Section 4.2 of this Agreement, including proposed municipal bylaw amendments or repeals related thereto (collectively, "**Proposed Section 4.2 Bylaws**").
- 4.4 The Minister will, as soon as reasonably possible, review each Proposed Section 4.2 Bylaw in order to determine whether, in the opinion of the Minister, the same adversely impacts, in any significant way, the

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environment as the same relates to the ecological integrity of the Park and, if so, whether such adverse impact can be appropriately mitigated.

- 4.5 If the Minister determines that a Proposed Section 4.2 Bylaw does not adversely impact, in any significant way, the environment as the same relates to the ecological integrity of the Park (or determines that such adverse impact can be appropriately mitigated) the Minister shall, as soon as reasonably possible, confirm such determination in writing and provide such written confirmation to the Municipality of Waskesiu. Only Proposed Section 4.2 Bylaws that have received such confirmation shall proceed to final reading.
- 4.6 If the Minister determines that a Proposed Section 4.2 Bylaw adversely impacts, in any significant way, the environment as the same relates to the ecological integrity of the Park (and that such adverse impact can not be appropriately mitigated) then the Minister shall, as soon as reasonably possible, advise the Municipality of Waskesiu in writing of such determination and the reasons for such determination. In such an event, such Proposed Section 4.2 Bylaw shall not proceed to final reading until such concerns have been addressed by the Municipality of Waskesiu to the satisfaction of the Minister acting reasonably.
- 4.7 For greater certainty, in addition to and without in any way limiting the generality of Section 4.1 of this Agreement, the Municipality of Waskesiu shall have the ability to tax the interest in both land and improvements of all of those Persons that hold leases, licenses, land use agreements, permits or that otherwise retain rights of use in relation to any lands or improvements located within the Waskesiu Townsite.
- 4.8 For greater certainty, the Municipality of Waskesiu shall have the ability (as a "taxing authority" pursuant to *The Municipalities Act*) to receive payments in lieu of taxes ("PILT") from federal Crown departments and agencies, including Parks Canada Agency, in relation to eligible federal property located within the Waskesiu Townsite. It is the intention of the Municipality of Waskesiu and the Minister that Canada will pay PILT to the Municipality of Waskesiu in accordance with the *Payments in Lieu of Taxes Act* commencing from and after January 1st, 2008.
- 4.9 Subject to Article 16, the Minister agrees that the Municipality of Waskesiu may commence levying and collecting municipal taxes within the Waskesiu Townsite, and shall have the ability to receive PILT in accordance with the *Payments in Lieu of Taxes Act*, from and after January 1st, 2008.

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- 4.10 The Municipality of Waskesiu agrees with Canada that its municipal mill rate shall be set for its 2008 and 2009 operating years at a level that will yield projected revenue for the Municipality of Waskesiu, exclusive of PILT, equal to or exceeding \$840,000 per annum.
- 4.11 Notwithstanding any of the other provisions of this Agreement, the Municipality of Waskesiu shall also have those rights, powers and authorities, and shall have such corresponding obligations and duties, as may be delegated by the Minister pursuant to, and accepted by the Municipality of Waskesiu under, the *Canada National Parks Act*, whether pursuant to this Agreement or pursuant to any subsequent agreement between the Minister and the Municipality of Waskesiu.
- 4.12 The Municipality of Waskesiu may enter into agreements with other entities for the provision of services outside of the Waskesiu Townsite and the payment for the provision of such services.
- 4.13 The Municipality of Waskesiu shall respect all agreements, leases, licences and permits issued by Canada in relation to the occupation or use of land situate within the Waskesiu Townsite, whether under the authority of the *Canadian National Parks Act* or other applicable federal legislation.
- 4.14 Unless otherwise agreed to by the Minister, the right of the Municipality of Waskesiu to recover tax arrears pursuant to the laws of Saskatchewan shall be restricted to the interest of the taxpayer in the land and improvements that were subject to taxation, and shall not otherwise affect or interfere with the rights of Canada as the owner and lessor of the land.
- 4.15 Canada shall work with the Municipality of Waskesiu in good faith to facilitate the effective exercise by the Municipality of Waskesiu of its taxation, collection and enforcement authority. Without limiting the generality of the foregoing, the Municipality of Waskesiu and Canada agree to develop a protocol relating to the granting, assignment, transfer and renewal by Canada of agreements, leases, licences and permits in relation to the occupation or use of land situate within Waskesiu Townsite. Among other things, the protocol will include an agreed process pursuant to which the Municipality of Waskesiu will identify in writing outstanding municipal tax and utility accounts to Canada. Upon receipt of such information, Canada will review the status of the relevant agreement, lease, licence or permit, as the case may be, and determine if the Person holding such interest or instrument is consequently in default. If a default exists, Canada will take appropriate measures to require the holder of such interest or instrument to correct the default prior to Canada completing any such grant, assignment, transfer or renewal. The Municipality of Waskesiu acknowledges and agrees that Canada's

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assistance pursuant to this Section will be on the basis that Canada will not incur any liability whatsoever in relation to such assistance.

- 4.16 The Municipality of Waskesiu shall submit to the Minister, in accordance with this Agreement and prior to the final reading thereof, all proposed municipal bylaws dealing with the licensing of businesses, including proposed municipal bylaw amendments and repeals relating thereto (collectively, "**Proposed Section 4.16 Bylaws**").
- 4.17 All municipal bylaws dealing with the licensing of businesses shall include appropriate use guidelines consistent with the purposes of the Municipality of Waskesiu set forth in Article 3.
- 4.18 ~~The Minister will, as soon as reasonably possible, review any Proposed Section 4.16 Bylaw in order to confirm that such bylaw is not inconsistent with the objectives of the Waskesiu Community Plan and those provisions of the Prince Albert National Park Management Plan applicable to the Waskesiu Townsite, and to ensure that the same does not infringe on areas of Canada's exclusive jurisdiction.~~
- 4.19 If the Minister determines that a Proposed Section 4.16 Bylaw is not inconsistent with the Waskesiu Community Plan and those provisions of the Prince Albert National Park Management Plan applicable to the Waskesiu Townsite and, further, that such Proposed Section 4.16 Bylaw does not infringe on areas of Canada's exclusive jurisdiction, the Minister shall, as soon as reasonably possible, provide written confirmation to the Municipality of Waskesiu. Only a Proposed Section 4.16 Bylaw that has received such confirmation shall proceed to final reading.
- 4.20 If the Minister determines that a Proposed Section 4.16 Bylaw is inconsistent with the Waskesiu Community Plan or those provisions of the Prince Albert National Park Management Plan applicable to the Waskesiu Townsite, or that there is infringement on areas of Canada's exclusive jurisdiction, then the Minister shall, as soon as reasonably possible, advise the Municipality of Waskesiu in writing of such determination and the reasons for such determination. In such an event, the Proposed Section 4.16 Bylaw shall not proceed to final reading until such concerns have been addressed by the Municipality of Waskesiu to the satisfaction of the Minister acting reasonably.
- 4.21 In exercising its powers in respect of the regulation and licensing of businesses operating within the Waskesiu Townsite:
 - 4.21.1 The Municipality of Waskesiu shall refuse to permit any business to be located in, or to operate within, the Waskesiu Townsite where, in

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the opinion of the Municipality of Waskesiu, the business is not necessary to attain, or the nature of the business or the goods or services offered thereby is not consistent with, the purposes of the Municipality of Waskesiu as set out in this Agreement; and

4.21.2 Where a business is to be carried out partly in the Waskesiu Townsite and partly elsewhere in the Park, the Municipality of Waskesiu shall not, unless approved by the Minister, issue a license to such business until one has been issued in respect of such business by Canada.

ARTICLE 5: LAND USE PLANNING AND DEVELOPMENT

- 5.1 All rights, powers, authority and responsibility in relation to land use planning and development in the Waskesiu Townsite shall be solely those of the Minister.
- 5.2 The Municipality of Waskesiu shall have no rights, powers, authority, responsibility or obligations whatsoever in relation to land use planning and development in respect of the Waskesiu Townsite.
- 5.3 Notwithstanding Sections 5.1 and 5.2, the Minister shall, where applicable, provide opportunities for public participation at the national, regional and local levels, including participation by representatives of park communities (including the Municipality of Waskesiu) in the development of national parks policy and regulations, the formulation of management plans, land use planning and development in relation to park communities, and any other matters that the Minister considers relevant. The Municipality of Waskesiu agrees to participate in Canada's consultation process (as it relates to the Waskesiu Townsite), in the development of Park policy and regulations, the formulation of management plans, and land use planning and development policy.
- 5.4 The Minister agrees, whether by means of written agreements or pursuant to other arrangements with all developers operating within the Waskesiu Townsite (including Parks Canada Agency when acting as a developer), to require payments to the Municipality of Waskesiu of development fees, off-site levies, or similar charges, assessments, levies or fees associated with the upgrading or development of municipal infrastructure in the Waskesiu Townsite in such amount as may be determined by the Municipality of Waskesiu. The Municipality of Waskesiu acknowledges and agrees that any assistance provided by Canada pursuant to this Section will be on the basis that Canada will not incur any liability whatsoever in relation to such assistance.

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ARTICLE 6: LIMITATIONS RESPECTING LOCAL GOVERNMENT

- 6.1 When the Minister is satisfied that the Municipality of Waskesiu has passed a bylaw that effectively addresses subject matter over which the Municipality of Waskesiu has authority, the Minister will recommend to the Governor in Council that any regulation made under the *Canada National Parks Act* in respect of that subject matter be repealed, in whole or in part, in relation to the Municipality of Waskesiu and the Waskesiu Townsite.
- 6.2 Nothing in this Agreement affects the operation of any regulation made under the *Canada National Parks Act* unless and until such regulation has been repealed or amended to the extent that it no longer applies to the Waskesiu Townsite.
- 6.3 The Municipality of Waskesiu agrees with Canada that no bylaw or resolution of the Municipality of Waskesiu, and no formal action on the part of the Municipality of Waskesiu shall be inconsistent with the *Canada National Parks Act* or the regulations thereunder, or with any applicable federal and provincial laws, regulations or orders that are in force in the Waskesiu Townsite.
- 6.4 The Municipality of Waskesiu shall not, without the Minister's approval, exercise its authority in relation to the Waskesiu Townsite in a manner that, in the opinion of the Minister, is inconsistent with the provisions of this Agreement, the Waskesiu Community Plan, or the provisions of the Prince Albert National Park of Canada Management Plan applicable to the Waskesiu Townsite.
- 6.5 If the Minister is of the opinion that any bylaw, resolution or formal action of the Municipality of Waskesiu contravenes Section 6.3 or Section 6.4 of this Agreement, Canada may, notwithstanding the bylaw, resolution or action of the Municipality of Waskesiu, make such regulations or take such action as it considers appropriate affecting the Municipality of Waskesiu and the Waskesiu Townsite.
- 6.6 The Minister shall give written notice to the Municipality of Waskesiu of the Minister's intention to take any action pursuant to Section 6.5 and the Minister's reasons therefor, in each case not less than sixty (60) days prior to the date on which Canada's proposed regulations are to be enacted or any action by Canada is to take place.
- 6.7 In the event that the Minister determines that the Municipality of Waskesiu is in material breach of any of the provisions of this Agreement, and such breach has continued for a period of not less than one hundred and twenty (120) days (following the delivery of a written notice by the Minister to the

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Municipality of Waskesiu clearly identifying such breach, and requesting that the same be immediately remedied failing which the Minister shall rely on this Section of this Agreement), the Minister shall have the right to terminate this Agreement upon not less than sixty (60) days' prior written notice to the Municipality of Waskesiu.

ARTICLE 7: PROPERTY TRANSFER, PAYMENT AND RELATED LIABILITIES

- 7.1 Ownership of all roads and all other public lands in the Waskesiu Townsite remains vested in Canada.
- 7.2 Subject to amendment of the Lease and Licence of Occupation Regulations, the Municipality of Waskesiu shall enter into leases, licences, land use agreements, permits or other agreements with the Minister in respect of those roads and those public lands identified in Schedule "C" attached hereto for an annual land rent of, collectively, One Hundred Thousand Dollars (\$100,000), plus goods and services tax, if applicable. Such amount shall be adjusted annually in accordance with the Consumer Price Index in the manner described in Schedule "B" attached hereto, but in no one year shall such adjustment exceed 5%. Such land rent shall be due and payable annually on October 1st of each year during the term of this Agreement. The Municipality of Waskesiu shall have management, administration and control, for municipal purposes, in respect of those roads and public lands identified in Schedule "C" attached hereto (together with such other roads or public lands as may be agreed to from time to time in writing between the Municipality of Waskesiu and the Minister). Except as otherwise provided in this Agreement, the Municipality of Waskesiu shall be responsible for all maintenance and upkeep of such public lands and for all maintenance, repair, upkeep, additions and replacements in respect of such roads, in accordance with the provisions of the applicable lease, licence, land use agreement, permit or other agreement entered into by the Municipality of Waskesiu with the Minister. For greater certainty, no release fees shall be payable to Canada by the Municipality of Waskesiu in relation to any of such roads and/or public lands.
- 7.3 It is the intention of the Municipality of Waskesiu and the Minister that the Municipality of Waskesiu, for the purposes of subsection 10(3) of the *Canada National Parks Act*, shall become a provincial agency within the meaning of that subsection for the limited purpose of entering into agreements with the Minister.
- 7.4 The Municipality of Waskesiu shall pay to Canada for planning and development services (including all related compliance and enforcement services) provided by the Minister, an annual fee of SEVENTY

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THOUSAND DOLLARS (\$70,000.00), plus goods and services tax, if applicable. Such amount shall be adjusted annually, commencing January 15th, 2011, in accordance with the Consumer Price Index in the manner described in Schedule "B" attached hereto, but in no one year shall such adjustment exceed 5%, and shall be due and payable annually on January 15th of each year commencing on January 15th, 2010, and continuing in each year thereafter during the term of this Agreement. The amount of the annual fee will be jointly reviewed (the "**Joint Review**") no later than April 1st, 2012 to ensure that the same reflects the actual cost associated with the provision of planning and development services (including all related compliance and enforcement services) by Canada in respect of the Waskesiu Townsite, net of revenues received by Canada for planning and development services performed by Canada in respect of the Waskesiu Townsite. Based on the Joint Review, the annual fee to be paid by the Municipality of Waskesiu to Canada for such services may be adjusted accordingly. Planning and development standards will be established by the Minister in consultation with the Municipality of Waskesiu.

- 7.5 The Municipality of Waskesiu shall include in its annual estimates the sums necessary to make the payments described in Sections 7.2 and 7.4, which shall be deemed a municipal expense for policies and programs for the purposes of *The Municipalities Act*.
- 7.6 Canada shall pay for all surveys and Canada's related legal costs to facilitate the transfer of lands to the Municipality of Waskesiu (including the leases, licences, land use agreements, permits or other agreements relating to such lands) referred to in this Article 7.
- 7.7 Subject to the terms and conditions of any applicable lease, licence or other agreement referred to in this Article 7, the Municipality of Waskesiu shall purchase from Canada, for total consideration of ONE DOLLAR (\$1.00), plus all applicable taxes, and Canada shall sell, assign and transfer to the Municipality of Waskesiu, all of Canada's right, title and interest in and to the Transferred Assets, each as described in Part 1 and Part 2 of Schedule "A" attached hereto. Unless otherwise agreed between the Municipality of Waskesiu and the Minister, all of the Transferred Assets shall be sold, assigned and transferred by Canada to the Municipality of Waskesiu free and clear of any security interests, liens or encumbrances whatsoever, and the same shall be in compliance with all applicable environmental laws as of the date of their transfer by Canada to the Municipality of Waskesiu but otherwise the same shall be transferred by Canada on an "*as is, where is*" basis.

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- 7.8 Unless otherwise agreed between the Municipality of Waskesiu and the Minister, all of the 2008 Transferred Assets shall be sold, assigned and transferred by Canada to the Municipality of Waskesiu effective as of April 1st, 2008.
- 7.9 Unless otherwise agreed between the Municipality of Waskesiu and the Minister, all of the 2010 Transferred Assets shall be sold, assigned and transferred by Canada to the Municipality of Waskesiu effective as of April 1st, 2010.
- 7.10 The Municipality of Waskesiu shall be responsible for all maintenance, repair, upkeep, and other expenses relating to the Transferred Assets, and any additions and replacements thereof, effective from and after the applicable date of transfer of such Transferred Assets to the Municipality of Waskesiu, or effective from and after the effective date of this Agreement, whichever is later. Prior to the date of transfer by Canada of the Transferred Assets to the Municipality of Waskesiu, Canada agrees that such assets will be maintained by Canada in good working condition, in keeping with historical practices of maintenance.
- 7.11 Canada shall be responsible, at its sole cost and expense, for ensuring that the environmental condition of all lands (including buildings and other improvements) leased, licensed and/or transferred to the management, administration or control of the Municipality of Waskesiu are fully compatible with the intended future uses thereof as determined at the date of their lease and/or transfer by Canada to the Municipality of Waskesiu, and are in full compliance with all applicable environmental laws at that time.
- 7.12 Canada shall, for total consideration of ONE DOLLAR (\$1.00), plus all applicable taxes:
- 7.12.1 transfer to the Municipality of Waskesiu ownership of the duplex (intended for use by the Municipality of Waskesiu as housing for its staff) known as BR 52 and 53, Block 9, Lot 4, in the Waskesiu Townsite (civically described as 1428 & 1430 Elk Street) and shall, for such consideration, also issue a related lease or license to the Municipality of Waskesiu; and
 - 7.12.2 issue a land use agreement to the Municipality of Waskesiu in relation to a surveyed lot (intended and suitable in size for use by the Municipality of Waskesiu as a municipal compound) located at the existing Parks Canada compound or at such other surveyed or un-surveyed location as may be mutually agreed between

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Canada and the Municipality of Waskesiu, and shall grant the Municipality of Waskesiu continuing access thereto;

each of the foregoing to occur on or before January 1st, 2008 and, except as otherwise provided in Section 7.11, the same shall be transferred to the Municipality of Waskesiu on an "as is where is" basis. For greater certainty, no release fees shall be payable to Canada by the Municipality of Waskesiu in relation to any of the foregoing.

- 7.13 Canada shall retain responsibility, at its sole cost and expense, for vegetation control in relation to the area around Prospect Point (including all land located on Prospect Point between Highway 263 and the high water mark of Waskesiu Lake) and for wild land fire protection, forest management, trail maintenance, and vegetation management in respect of all forest and natural areas located within the Waskesiu Townsite (unless such areas are the subject of a lease, land use agreement or license).
- 7.14 Canada agrees, for total consideration of ONE DOLLAR (\$1.00) plus all applicable taxes, to enter into a land use agreement with the Municipality of Waskesiu in relation to Block 5, Lot 9 in the Waskesiu Townsite (the "**Dickensen Property**"), which property is intended for future use as a municipal building by the Municipality of Waskesiu. The Municipality of Waskesiu and the Minister acknowledge and agree that the proposed use of the Dickensen Property may necessitate the re-zoning of such property from "Commercial" to "Institutional". Any such re-zoning is subject to amendment of the Waskesiu Community Plan and, if required, will be addressed through the next ensuing mandated process of review of the Waskesiu Community Plan. The Municipality of Waskesiu and Canada further agree, however, that the existing commercial development cap in relation to the Waskesiu Townsite, as imposed pursuant to the current Waskesiu Community Plan, is not intended to change as a result of such re-zoning of the Dickensen Property. For greater certainty, no release fees shall be payable to Canada by the Municipality of Waskesiu in relation to the Dickensen Property. Should the Municipality of Waskesiu choose not to develop the Dickensen Property for a municipal building, the land use agreement may be terminated by Canada at no cost.
- 7.15 The combined value of the taxes paid and other monies contributed annually to the Municipality of Waskesiu in relation to the Lobstick Golf Course will be equivalent to not less than 8% of the annual "gross income" of the Lobstick golf course facility (as "gross income" is defined, as of September, 2006, in the lease agreement between Canada and the Lobstick Golf Club Inc.)

Local Government Agreement for the Park Community of Waskesiu

- 7.16 For greater certainty, Canada shall retain all responsibility for the administration of all Park areas outside the boundaries of the Waskesiu Townsite, including Waskesiu Lake to and including the high water mark.

ARTICLE 8: SEWAGE TREATMENT FACILITY

- 8.1 Canada shall, at its sole cost and expense, complete the current sewage lagoon project as designed (the "**Sewage Lagoon Project**"), which Sewage Lagoon Project currently includes capital design upgrades relating to the completion of three (3) poly-lined storage cells complete with aeration upgrades and four (4) continuous discharge filters for, or in respect of, the existing Waskesiu Townsite sewage treatment facility (the "**Sewage Treatment Facility**"). For greater certainty, the Sewage Treatment Project does not include upgrading or replacement of the existing force main.
- 8.2 Upon certification by a qualified engineer being provided to each of Canada and the Municipality of Waskesiu that the Sewage Lagoon Project has been completed and is functioning as designed, the Municipality of Waskesiu shall, subject to the terms hereof, be responsible for operating the Sewage Treatment Facility (and all maintenance, repair, upkeep, and other expenses associated with such facility), and for all expenses relating to future sewer capital projects within the Waskesiu Townsite.
- 8.3 Canada shall contribute to utility capital projects through payments based on Canada being included in municipal utility billings as customers of utility services who pay their share of ongoing utility operating costs, as well as capital spending and capital reserves. For greater certainty, however, the Municipality of Waskesiu agrees that during the period commencing January 1, 2008 and ending March 31, 2010 Canada shall not be invoiced for, or obligated to pay, that portion of utility billings (if any) levied by the Municipality of Waskesiu for purposes of creating a capital reserve.
- 8.4 If at any time during the term of this Agreement the Minister, acting in accordance with national park policy or regulations made under the *Canada National Parks Act*, directs the Municipality of Waskesiu in writing to reduce phosphorus levels in the sewage effluent discharged from the Sewage Treatment Facility below .5 mg/l, Parks Canada Agency will thereafter contribute to the Municipality of Waskesiu the sum of \$50,000 (in 2008 dollars, as indexed to then current dollars in accordance with the Consumer Price Index) annually to assist with increased operating costs of the Sewage Treatment Facility (the "**Operating Cost Contribution**"), so long as such policy or regulation is in effect, and the Sewage Treatment Facility is in operation. The Operating Cost Contribution shall thereafter continue to be indexed in accordance with the Consumer Price

Local Government Agreement for the Park Community of Waskesiu

Index, commencing in the year following the year that the requirement to reduce such phosphorus levels is first directed by the Minister, and in each year thereafter for so long as such policy or regulation is in effect and the Sewage Treatment Facility is in operation.

ARTICLE 9: UTILITY SERVICE AGREEMENTS

- 9.1 As of the effective date of this Agreement, or so soon thereafter as may be agreed between the Minister and the Municipality of Waskesiu, Canada shall assign, and the Municipality of Waskesiu shall assume, within the Waskesiu Townsite, all of the rights and obligations of Canada arising pursuant to the Saskatchewan Power Corporation ("**SaskPower**") utility service agreement entered into between Canada and SaskPower dated April 15th, 1970 (the "**SaskPower Utility Agreement**"). For greater certainty, however, such assignment shall only be effective to the extent that the assignment of such utility service agreement is permitted pursuant to the provisions of such agreement or SaskPower has granted its consent to assignment, if required. In the event that consent is required and SaskPower will not agree to the assignment of such agreement by Canada to the Municipality of Waskesiu, Canada agrees to hold and administer such agreement in trust for the benefit of the Municipality of Waskesiu, to the extent that such agreement applies to the Waskesiu Townsite.
- 9.2 The Municipality of Waskesiu shall indemnify Canada against any type of claim, demand, suit, action, cause of action, liability, cost or other expense which may be brought or claimed against Canada in respect of the SaskPower Utility Agreement and which relates to the period from and after the date that such agreement is assigned by Canada to the Municipality of Waskesiu or, if applicable, from and after the date that such agreement is held by Canada in trust for the benefit of the Municipality of Waskesiu pursuant to the provisions of this Agreement.
- 9.3 Canada shall indemnify the Municipality of Waskesiu against any type of claim, demand, suit, action, cause of action, liability, cost or other expense which may be brought or claimed against the Municipality of Waskesiu in respect of the SaskPower Utility Agreement and which relates to the period prior to the date that such agreement is assigned by Canada to the Municipality of Waskesiu or, if applicable, prior to the date that such agreement is held by Canada in trust for the benefit of the Municipality of Waskesiu pursuant to the provisions of this Agreement.
- 9.4 Notwithstanding the foregoing provisions of this Article (including the assignment by Canada to the Municipality of Waskesiu of the SaskPower Utility Agreement and the assumption of such agreement by the

Local Government Agreement for the Park Community of Waskesiu

Municipality of Waskesiu), Canada agrees to pay to the Municipality of Waskesiu Canada's share of the utility costs, fees and other charges associated with the provision of electrical services within the Waskesiu Townsite under the SaskPower Utility Agreement, or any subsequent agreement entered into by the Municipality of Waskesiu in replacement thereof. Without limiting the generality of the foregoing, to the extent that SaskPower levies any fees or charges on a per light standard basis, Canada shall pay the costs associated with such charges on a *pro rata* basis calculated by taking into account all light standards located in areas that remain under the management, administration or control of Canada, within the Waskesiu Townsite divided by all light standards in the Townsite.

ARTICLE 10: THIRD PARTY LEASES

10.1 Subject to amendment of the Lease and Licence of Occupation Regulations, Canada shall make provision in every new lease or licence hereafter entered into by Canada relating to lands within the Waskesiu Townsite, and shall seek to amend each existing lease or licence relating to lands within the Waskesiu Townsite to provide, for an annual rent to Canada of ONE DOLLAR (\$1.00), which amount shall be deemed to have been paid to and received by Canada annually until such time as the earliest of the following events (each a "**Triggering Event**") has occurred:

10.1.1 the Municipality of Waskesiu is legally dissolved, or otherwise ceases to exist;

10.1.2 the Municipality of Waskesiu is adjudged by a court of competent jurisdiction (following the expiration of all applicable appeal periods) as not having the authority to lawfully tax the interest in land or improvements of all Persons that hold leases, licenses, land use agreements, permits or other rights of use in relation to any lands or improvements located within the Waskesiu Townsite;

10.1.3 the Minister has terminated this Agreement in accordance with the provisions of Section 6.7 of this Agreement and the Minister again assumes direct administration, management and control of the Waskesiu Townsite; or

10.1.4 upon written agreement between Canada and the Municipality of Waskesiu to terminate this Agreement;

and that, from and after the date of a Triggering Event, such lessees and licencees shall thereafter pay an annual rent in an amount as is thereafter

Local Government Agreement for the Park Community of Waskesiu

established by the Minister in accordance with the then applicable regulations.

- 10.2 The amounts payable under Section 10.1 shall be in addition to any release fee for granting a leasehold interest that is otherwise payable or established pursuant to the Lease and Licence of Occupation regulations made under the *Canada National Parks Act*.

ARTICLE 11: HUMAN RESOURCES, TOWNSITE OPERATION AND SERVICES TRANSITION

- 11.1 The Municipality of Waskesiu and Canada have agreed to a two (2) year transition plan commencing as of April 1st, 2008 in recognition of Parks Canada Agency labour agreements. As of April 1st, 2010, any employees of Parks Canada Agency whose positions are affected by the transfer of responsibilities to the Municipality of Waskesiu will have the option to accept employment with the Municipality of Waskesiu under its terms of employment, or to remain with Parks Canada Agency.
- 11.2 The Minister shall, at the Minister's expense, have responsibility for and shall continue to manage and operate the Waskesiu Townsite in accordance with historical standards (including the provision of all general municipal services, and the supply of all requisite labour, equipment and equipment maintenance) up to and including March 31st, 2008. The Minister shall also provide materials required to maintain the Waskesiu Townsite in a state that the Municipality of Waskesiu and the Minister mutually agree is consistent with historical standards of maintenance.
- 11.3 Subject to the provisions of this Agreement, the Municipality of Waskesiu shall assume responsibility for the administration, management and control of the Waskesiu Townsite on April 1st, 2008. Notwithstanding the foregoing, the Minister shall continue to operate the Waskesiu Townsite in accordance with historical standards (including the provision of all general municipal services and the supply of all requisite labour, equipment and equipment maintenance) on a contractual, fee for service basis pursuant to an agreement to be negotiated between the parties (the "**Municipal Operations Contract**"). The term of the Municipal Operations Contract shall be from April 1st, 2008 to and including March 31st, 2010 for an annual fee of FIVE HUNDRED THOUSAND DOLLARS (\$500,000.00), plus any applicable taxes. Pursuant to the Municipal Operations Contract, the Minister shall also provide the materials required to maintain the Waskesiu Townsite in a state that the Municipality of Waskesiu and the Minister mutually agree is consistent with historical standards of maintenance. The services and service standards to be provided by Canada to the Municipality of Waskesiu pursuant to the Municipal

Local Government Agreement for the Park Community of Waskesiu

Operations Contract will ensure reasonable standards for protection of life and safety are achieved, and service priorities will be established by the Municipality of Waskesiu in consultation with Parks Canada Agency.

- 11.4 Notwithstanding any of the other provisions of this Agreement relating to the transfer of assets to the Municipality of Waskesiu, but for greater certainty, Canada shall transfer ownership to the Municipality of Waskesiu, effective January 1st, 2008, of all Waskesiu Townsite assets related to sewer, water, garbage and other solid waste management (collectively, the "**Utility Assets**"). From and after January 1st, 2008, the Municipality of Waskesiu shall have the sole right to charge all utility fees and levies associated with, and to receive and retain all revenues derived from the provision of, all sewer, water, garbage and other solid waste management services being provided to customers in the Waskesiu Townsite. From and after January 1, 2008 to and including March 31, 2010 (or such earlier date as may be determined by the Municipality of Waskesiu by notice in writing to the Minister) the Minister shall, at no cost or expense to the Municipality of Waskesiu, continue to invoice and collect all utility fees for and behalf of the Municipality of Waskesiu and will promptly remit such revenues to the Municipality of Waskesiu following receipt thereof. Notwithstanding any of the foregoing, the Minister shall also continue to operate the Utility Assets in accordance with historical standards (including the provision of all general utility services and the supply of all requisite labour, equipment and equipment maintenance) on a contractual, fee for service basis pursuant to an agreement to be negotiated between the parties (the "**Utility Operations Contract**"). The term of the Utility Operations Contract shall be from January 1st, 2008 to and including March 31st, 2010, with payment under such contract being based on a fixed annual fee to be paid by the Municipality of Waskesiu to the Minister (the "**Annual Fee**"), plus any applicable taxes. The amount of the Annual Fee shall be negotiated and agreed to between the Minister and the Municipality of Waskesiu. The amount of the Annual Fee to be paid by the Municipality of Waskesiu to the Minister in relation to the 2008 calendar year shall be negotiated and agreed to by the Municipality of Waskesiu and the Minister on or before February 15th, 2008. The amount of the Annual Fee to be paid in relation to the 2009 calendar year and for the three (3) month period up to and including March 31st, 2010, shall be negotiated and agreed to by the Municipality of Waskesiu and the Minister on or before February 15th, 2009. Pursuant to the Utility Operations Contract, the Minister shall also continue to provide the materials required to maintain the Utilities Assets in a state that the Municipality of Waskesiu and the Minister mutually agree is consistent with historical standards of maintenance. The services and service standards to be provided by Canada to the Municipality of Waskesiu pursuant to the Utility Operations Contract will ensure reasonable standards for protection of life and safety

Local Government Agreement for the Park Community of Waskesiu

are achieved, and service priorities will be established by the Municipality of Waskesiu in consultation with Parks Canada Agency.

- 11.5 Canada and the Municipality of Waskesiu acknowledge that utility services in relation to the Waskesiu Townsite have, historically, been invoiced by Canada to utility customers for the 12 month period commencing April 1st of one year and ending on March 31st of the subsequent year. To the extent that such practice continues on the part of Canada in relation to the 12 month period commencing April 1st 2007, Canada and the Municipality of Waskesiu shall calculate appropriate adjustments in relation to those utility invoices rendered (and the related portion of payments received by Canada) in respect of the three (3) month period commencing January 1st, 2008 and ending on March 31st, 2008. Such adjusted amounts shall, unless otherwise agreed, be credited by Canada in favour of the Municipality of Waskesiu as against, and in reduction of, those amounts to be paid by the Municipality of Waskesiu to Canada pursuant to the Utility Operations Contract.
- 11.6 The Municipality of Waskesiu and the Minister agree to negotiate a contract pursuant to which the Minister shall provide services to the Municipality of Waskesiu related to the maintenance of roads and streets within the Waskesiu Townsite (the "**Road Maintenance Contract**"). The term of the Road Maintenance Contract shall be for a minimum of five (5) years, commencing January 1st, 2010. The services to be provided by the Minister to the Municipality of Waskesiu pursuant to the Road Maintenance Contract shall be based on requirements, as determined by the Municipality of Waskesiu after consultation with the Minister, which will ensure reasonable standards for protection of life and safety are achieved in relation to roads and streets within the Waskesiu Townsite. The Road Maintenance Contract shall be reviewed by the Municipality of Waskesiu and the Minister by not later than 2015, at which time such contract shall thereafter expire in accordance with its terms unless the same is, by mutual agreement, renewed or extended.

ARTICLE 12: CANADA'S FINANCIAL CONTRIBUTIONS

- 12.1 Canada agrees to contribute, on or before the date of incorporation of the Municipality of Waskesiu, ONE HUNDRED AND FIFTY THOUSAND DOLLARS (\$150,000.00) in transition and administrative costs to the Municipality of Waskesiu. The Municipality of Waskesiu expressly agrees, however, that all or any portion of such amount may be advanced by Canada to the WCC prior to such date.
- 12.2 Canada agrees to complete, as soon as is reasonably possible and, in any event, on or before January 1st, 2008, at Canada's sole cost and expense:

Local Government Agreement for the Park Community of Waskesiu

- 12.2.1 scheduled road construction on Waskesiu Drive, the cost of which is currently estimated at ONE MILLION FOUR HUNDRED THOUSAND DOLLARS (\$1,400,000); and
- 12.2.2 scheduled work on the Waskesiu community hall, the cost of which is currently estimated at TWO HUNDRED AND FIFTY THOUSAND DOLLARS (\$250,000).
- 12.3 Canada agrees to contribute, on or before April 15th, 2008, ONE MILLION EIGHT HUNDRED AND FIFTY THOUSAND DOLLARS (\$1,850,000.00) to the Municipality of Waskesiu to be used by the Municipality of Waskesiu, at the discretion of the Municipality of Waskesiu, for capital works within the Waskesiu Townsite.
- 12.4 Canada agrees that as of January 1st, 2008 Canada shall permanently cease to collect all remaining cost recovery charges for previous years' capital investments in Waskesiu Townsite utility infrastructure, such remaining amount being estimated at approximately EIGHT HUNDRED THOUSAND DOLLARS (\$800,000.00). For greater certainty, neither the WCC nor the Municipality of Waskesiu have, prior to the date hereof, assumed any legal responsibility for payment of any portion of such amount nor shall they, up to and including January 1st, 2008, assume (or be requested or required by Canada to assume) any portion of such amount.
- 12.5 The Municipality of Waskesiu and Canada agree that the Waskesiu Townsite includes that portion of Highway 263 (Lakeview Drive) located inside the boundaries of the Waskesiu Townsite. In addition to assuming responsibility for such portion of Highway 263, the Municipality of Waskesiu shall also assume responsibility for maintenance and repair of all access roads into Waskesiu located within the Waskesiu Townsite along with access roads into (but not those located within) the trailer park and the Beaver Glen campground.
- 12.6 The Municipality of Waskesiu and Canada agree that Highway 264 is excluded from the Waskesiu Townsite and remains an exclusive asset and responsibility of Canada and that Highway 264 will be maintained by Canada in accordance with historical standards. For greater certainty, Canada shall assume all signage costs associated with Highway 264.
- 12.7 Notwithstanding any other provision of this Agreement (including Section 12.5), Canada shall remain responsible for, and will pay all of the costs associated with a study to analyze and determine the cause of road erosion and apparent structural stability issues in relation to, that portion of

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Highway 263 (Lakeview Drive) inside the boundaries of the Waskesiu Townsite up to Willow Street. Canada shall bear all of the costs associated with effecting the proper repair of such portion of Highway 263 including, if required, any structural repair. Upon completion of any necessary repair work and certification by a professional engineer being provided to the Municipality of Waskesiu and to Canada that such portion of Highway 263 (Lakeview Drive) is structurally stable, all future responsibilities related to such portion of Highway 263 (Lakeview Drive) will thereafter rest with the Municipality of Waskesiu.

- 12.8 Canada will make an annual payment of TWENTY FIVE THOUSAND DOLLARS (\$25,000.00) to the Municipality of Waskesiu, plus applicable taxes, commencing April 1st, 2010 (and to be adjusted annually thereafter in accordance with Schedule "B" attached hereto), for upkeep and maintenance of the main day use area as a Park destination. The Municipality of Waskesiu shall assume all of the costs associated with the operation of the main day use area (including the two (2) existing beach houses, related camp kitchens and grounds) effective April 1st, 2010.
- 12.9 Any obligation imposed on Canada for the commitment or payment of any monies under this Agreement is subject to the *Financial Administration Act*, all applicable policies and necessary approvals.

ARTICLE 13: DISSOLUTION

- 13.1 In the unlikely event that the Municipality of Waskesiu is adjudged by a court of competent jurisdiction (following the expiration of all applicable appeal periods) as not having the authority to lawfully tax the interest in lands or improvements of all Persons that hold leases, licenses, land use agreements, permits or other rights of use in relation to any lands located within the Waskesiu Townsite, the Municipality of Waskesiu shall have the right (on not less than one hundred and eighty (180) days prior notice to Canada), to request the Province of Saskatchewan to take steps to legally dissolve the Municipality of Waskesiu, or otherwise cause the Municipality of Waskesiu to cease to exist.
- 13.2 Unless otherwise agreed between the Municipality of Waskesiu (or the Province of Saskatchewan acting on behalf of the Municipality of Waskesiu) and the Minister, upon the happening of a Triggering Event, the leases, licences, land use agreements and other agreements between Canada and the Municipality of Waskesiu entered into pursuant to Article 7 and Article 11 shall terminate, and all real and personal assets of the Municipality of Waskesiu acquired pursuant to this Agreement, together with all additions to and replacements thereof, shall thereupon be surrendered and transferred to Canada, without compensation.

Local Government Agreement for the Park Community of Waskesiu

- 13.3 Upon the occurrence of any Triggering Event, the Minister may recommend to the Governor in Council that all regulations repealed or amended, with respect to the Waskesiu Townsite, including any amendments to the rental provisions set forth in the Lease and Licence of Occupation Regulations shall be again made applicable to the Waskesiu Townsite.
- 13.4 The Municipality of Waskesiu acknowledges that any outstanding debts owing by the Municipality of Waskesiu at the time of its dissolution (but only to the extent that such debts are legally assumed and are actually paid by Canada) may, at Canada's discretion and in accordance with applicable law, be recovered from the Waskesiu community members through charges established under applicable provisions of the *Canada National Parks Act* and the regulations thereunder.

ARTICLE 14: TUITION AGREEMENTS, FUTURE RELATIONSHIP

- 14.1 Canada will ensure the payment of tuition fees on behalf of Parks Canada Agency employees' dependents living in the Park and attending schools outside of the Park.
- 14.2 The Municipality of Waskesiu and the Minister intend to develop and enter into a relationship agreement to ensure a strong and effective working partnership on matters of common interest and a positive and professional process for resolving matters of diverging interest in the future.
- 14.3 Among other things, the relationship agreement will include a reasonable efforts commitment on the part of the Municipality of Waskesiu:
- 14.3.1 to provide Canada with copies of all Municipality of Waskesiu council agendas (in advance of the council meeting to which such agenda relates) concurrently with the public release of such document; and
- 14.3.2 to facilitate ongoing communication with, and the involvement of, Parks Canada Agency representatives in relation to proposed bylaws, actions or initiatives of the Municipality of Waskesiu.

ARTICLE 15: MISCELLANEOUS

- 15.1 Subject to Section 15.2, any question or dispute between Canada and the Municipality of Waskesiu in relation to the provisions of this Agreement or the interpretation thereof shall, unless otherwise agreed, be referred to a court of competent jurisdiction for determination.

Local Government Agreement for the Park Community of Waskesiu

15.2 Disputes relating to:

15.2.1 the amount of any annual fee for planning and development services that is subject to Joint Review as referred to in Section 7.4;

15.2.2 Canada's share of the utility costs, fees and other charges associated with the provision of any electrical services as specifically contemplated in Section 9.4;

15.2.3 the terms and conditions of the Municipal Operations Contract referred to in Section 11.3;

15.2.4 the terms and conditions of the Utility Operations Contract referred to in Section 11.4; and

15.2.5 the terms and conditions of the Road Maintenance Contract referred to in Section 11.6,

shall, unless otherwise agreed between the parties, be settled in accordance with the dispute resolution procedure (the "**Dispute Resolution Procedure**") set forth in Schedule "D".

15.3 Parks Canada Agency agrees to include at least two (2) community representatives nominated by the Municipality of Waskesiu on any local body that is empowered to make decisions, or that makes recommendations to the Minister, in relation to the use of Parks Canada Agency accommodation located within the Waskesiu Townsite. The Municipality of Waskesiu and Canada recognize the need for short-term and long-term housing in the commercial sector of the Waskesiu community and agree to continue investigating solutions (such as a housing cooperative or housing authority) into the future.

15.4 The Municipality of Waskesiu and Canada agree that any future release of commercial, cottage, cabin or residential lots within the Waskesiu Townsite will be contingent on appropriate amendments to the Waskesiu Community Plan as part of a scheduled review of such plan. Unless otherwise agreed between the Municipality of Waskesiu and Canada, land release fees relating to such lots will be retained by Canada with future municipal tax revenues relating to such lots accruing to the Municipality of Waskesiu.

15.5 Such other matters as may be deemed necessary or convenient by the parties for the implementation of this Agreement, or for matters related or

Local Government Agreement for the Park Community of Waskesiu

incidental thereto, shall, from time to time, be included as addenda to this Agreement.

- 15.6 No agency relationship is created, or intended to be created, between Canada and the Municipality of Waskesiu by virtue of the provisions of this Agreement.
- 15.7 Canada shall indemnify the Municipality of Waskesiu from and against any type of claim, demand, suit, action, cause of action, cost or other expense (including legal fees on a solicitor and his own client basis) which may be brought or claimed against the Municipality of Waskesiu by any third party by reason of any act or omission by Canada, or any person for whom Canada is legally responsible, or relating to the exercise by Canada of its rights, or any failure to perform its duties or obligations, in respect of the Waskesiu Townsite or as set out in this Agreement.
- 15.7 The Municipality of Waskesiu shall indemnify Canada from and against any type of claim, demand, suit, action, cause of action, cost or other expense (including legal fees on a solicitor and his own client basis) which may be brought or claimed against Canada by any third party by reason of any act or omission by the Municipality of Waskesiu or any person for whom it is legally responsible, or relating to the exercise by the Municipality of Waskesiu of its rights, or any failure to perform its duties or obligations, in respect of the Waskesiu Townsite or as set out in this Agreement.
- 15.8 Any notice required to be given may be sent by registered mail, facsimile or other electronic message which provides a hard copy, postage or charges prepaid, addressed to the party for whom it is intended, in the case of Canada, to:

The Superintendent of Prince Albert National Park of Canada
Box 100

Waskesiu Lake, SK
S0J 2Y0

and, in the case of the Municipality of Waskesiu, to:

The Municipality of Waskesiu
Box 203
Waskesiu Lake, SK
S0J 2Y0
Attention: Office of the Mayor (Urgent)

Local Government Agreement for the Park Community of Waskesiu

The above offices and addresses may be changed from time to time by written notice of change of office and address to the other party.

- 15.9 All payments contemplated herein shall be paid in Canadian funds.
- 15.10 The terms "*this Agreement*", "*hereof*", "*hereunder*" and similar expressions refer to this Agreement and not to any particular section or other portion hereof and include any agreement supplemental hereto.
- 15.11 This Agreement may be signed in counterparts and each of such counterparts shall constitute an original document and such counterparts, taken together, shall constitute one and the same instrument. Counterparts may be executed either in original or faxed form and the parties hereby agree to adopt any signatures received by a receiving fax machine as original signatures of the parties; provided, however, that any party providing its signature in such manner will promptly forward to the other party an original of the signed copy of this Agreement which was so faxed.
- 15.12 This Agreement shall be governed by and construed in accordance with the laws of the Province of Saskatchewan and the laws of Canada applicable therein.
- 15.13 No modification of or amendment to this Agreement shall be valid or binding unless set forth in writing and duly executed by each of the parties.
- 15.14 Each of the parties shall promptly do, make, execute, deliver or cause to be done, made, executed or delivered, all such further acts, documents and things as the other party may require, acting reasonably, from time to time for the purpose of giving effect to this Agreement and shall use reasonable efforts and take all such steps as may be reasonably within its power to implement to the full extent the provisions and intent of this Agreement.

ARTICLE 16: COMING INTO EFFECT

- 16.1 This Agreement becomes effective (the "**effective date of this Agreement**") upon the happening of the latest of the following events, namely:
- 16.1.1 execution of this Agreement by the WCC and the Minister;
- 16.1.2 the incorporation of the Municipality of Waskesiu pursuant to the laws of the Province of Saskatchewan;

Local Government Agreement for the Park Community of Waskesiu

- 16.1.3 the coming into force of Saskatchewan legislation and regulations made thereunder which, in the opinion of Canada and the Municipality of Waskesiu, are required to implement and make legally operational the provisions of this Agreement;
 - 16.1.4 Canada has provided to the Municipality of Waskesiu sufficient information so as to enable the Municipality of Waskesiu, in the opinion of the Municipality of Waskesiu acting reasonably, to establish its municipal records systems; and
 - 16.1.5 acceptance and ratification of this Agreement by the Municipality of Waskesiu.
- 16.2 Notwithstanding this Agreement or any provision hereof taking effect, any financial obligation imposed on Canada that requires Treasury Board of Canada approval shall be of no force or effect unless and until approved by the Treasury Board of Canada.
- 16.3 Upon the effective date of this Agreement the WCC shall be completely released of any obligations or liabilities whatsoever pursuant to the terms hereof.

ARTICLE 17: RELEASE OF INFORMATION

- 17.1 Canada shall, as permitted by law, provide to the Municipality of Waskesiu:
- 17.1.1 the legal descriptions of all surveyed lands in Waskesiu Townsite and surveys in relation thereto;
 - 17.1.2 the names and addresses identifying those persons that hold leases, licenses, permits or that otherwise retain rights of use in relation to any lands located within the Waskesiu Townsite; and
 - 17.1.3 information respecting the names, addresses and other pertinent information relating to all Waskesiu Townsite utility billings and utility customers, including current status of all utility accounts,
- as may be requested in writing by the Municipality of Waskesiu from time to time, and the same shall be provided by Canada at no cost to the Municipality of Waskesiu.
- 17.2 The Municipality of Waskesiu acknowledges and agrees that the information provided by Canada pursuant to Section 17.1 shall be used

Local Government Agreement for the Park Community of Waskesiu

solely to enable the Municipality of Waskesiu to properly and efficiently fulfill, undertake and perform its municipal governance, utility service and other municipal functions in relation to the Waskesiu Townsite.

- 17.3 The Municipality of Waskesiu shall make any additional requests for information to Canada in writing and specifying the information required and the purpose for which it will be used.
- 17.4 The Municipality of Waskesiu acknowledges and agrees that any assistance provided by Canada pursuant to Sections 17.1 and 17.3 will be on the basis that Canada will not incur any liability whatsoever in relation to such assistance.

[The balance of this page intentionally left blank. Signature page to follow.]

Local Government Agreement for the Park Community of Waskesiu

IN WITNESS WHEREOF the Honourable John Baird, Minister of the Environment, on behalf of Canada, and the duly authorized representative(s) of the Waskesiu Community Association Inc., have hereunto set their hands.

SIGNED on behalf of the Government of Canada by the Honourable John Baird Minister of the Environment

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MINISTER OF THE ENVIRONMENT

SIGNED by the Waskesiu Community Association Inc. for and on behalf of the Municipality of Waskesiu:

WASKESIU COMMUNITY ASSOCIATION INC.

Per: *John Baird* CHAIR
Title: _____

Per: *John Langlois* Vice chair
Title: _____

witnessed by: *KJ/AB*
KEVIN VAN TIGHEM
Field Unit Superintendent
January 9, 2007

Local Government Agreement for the Park Community of Waskesiu

Part 1, Schedule A

(Transfers effective April 1st, 2008 unless otherwise specified in this Schedule or in the Agreement)

Fixtures, structures and equipment to be purchased for a nominal cost of \$1.00 by the Municipality of Waskesiu from Canada to be used for municipal facilities, services and public works.

1.0 Buildings:

- | | | |
|----|--|----------------|
| a) | Fire Hall – | Asset # 00103. |
| b) | Tennis court building – | Asset # 01015 |
| c) | Assembly Hall - | Asset # 01003 |
| d) | Community Hall – | Asset # 01042 |
| e) | Duplex, BR 52/53 1428/1430 Elk drive – | Asset # 02446 |
| f) | Seven Camp Kitchens with winter enclosure: | |
| | a. Townsite DUA KS Hall N | Asset # 01075 |
| | b. Townsite DUA KS Lift #2 | Asset # 01072 |
| | c. Townsite DUA KS CHall S | Asset # 01069 |
| | d. Townsite DUA KS Wask. Dr. | Asset # 01066 |
| | e. Townsite DUA KS BDiamond | Asset # 01063 |
| | f. Townsite DUA KS Beach #1 | Asset # 01060 |
| | g. Townsite DUA KS Breakwater | Asset # 01057 |
| g) | Beach House #1 – | Asset # 01027 |
| h) | Beach House #2 – | Asset # 01030 |
| i) | Information KIOSKS | |
| j) | Concrete planters, bike racks and benches installed as permanent fixtures on public walkways and areas | |
| k) | Day Use Pathway lights. | |

2.0 Water Service: (Utility Assets - January 1st, 2008)

All supply lines and related operational elements including:

Supply lines	38.7 kilometres
Services	695 (approximately)
Hydrants	42

2.1 Buildings, Reservoir, Wells and Pumps (Utility Assets - January 1st, 2008)

All on site equipment and buildings at the pump and reservoir locations necessary for the provision of water services will be passed to the Municipality of Waskesiu:

- | | | |
|----|--------------|---------------|
| a) | Pump House – | Asset # 00703 |
|----|--------------|---------------|

Local Government Agreement for the Park Community of Waskeiu

- b) Water treatment building – treatment equipment and chlorinator Asset # 00704 lab, water
- c) Water Tower – Asset # 00706
- d) Tower Heater House – Asset # 00709
- e) Radio equipment building

3.0 Waste Water Collection and Treatment (January 1st, 2008 unless otherwise contemplated in the Agreement)

3.1 Sewage Service:

All carrying lines and related operational elements:
 Sanitary Sewer Collection and Distribution – Asset # 00800
 Carry lines 26 km of pipe
 Manholes 217
 Services 695 (approximately)

3.2 Buildings, Lagoons and Equipment:

Five sewage lift stations at these locations and all related operational equipment:
 #1 – Admin area – Asset # 00803
 #2 – Beach front by Community Hall – Asset # 00806
 #3 – Lily Street – Asset # 00809
 #4 – Prospect Point – Asset # 00812
 #5 – Day Use Area – Asset # 00815

Facilities include those listed below and all related operations equipment to supply service:

- a) Sewage Lagoon – Asset # 00818

4.0 Storm Sewer: (Utility Asset - January 1st, 2008)

- a) Storm Sewers and Drainage – Asset # 00600
 The storm sewer system comprised of five separate systems with an inventory which can be described, more or less as follows: 3.3 kilometres of mains, catch basins and manholes.

5.0 Solid Waste: (Utility Asset - January 1st, 2008)

- 5.1 63 residential waste bins. (Excluding marina, trailheads (non leased areas))
- 5.2 Street Garbage Containers – 36 (excluding non leased areas)

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6.0 Day Use Area

6.1 Playground Equipment located on Main Beach area

Local Government Agreement for the Park Community of Waskesiu

Part 2, Schedule A

(Transfers effective April 1st, 2010 unless otherwise specified in this Schedule or in the Agreement)

Fixtures, structures and equipment to be purchased for a nominal cost of \$1.00 by the Municipality of Waskesiu from Canada to be used for municipal facilities, services and public works.

1.0 Streets and Roads Equipment and Related Assets:

Unit Description	Asset #
a) Asphalt reclaimer	#233724
b) Trailer	#341514
c) Tamper	#291827
d) 1 ton truck	#234288
e) ½ ton truck	#262563
f) HIAB Crane truck	#195727
g) Fuel Tanks/pumps	

1.1 Other related equipment:

- a) Radio equipment associated with Streets and Roads Department.
- b) Materials inventory related to Streets and Roads, Water and Sewer purchased from Canada's town site budget to January 1, 2010 and maintained at historical levels.

2.0 Fire Services:

Description	Make	Model	Year
a) Fire Truck			

2.1 Other Related Equipment:

- a) All fire fighting material, office furniture, equipment and supplies contained within the Fire Department Building, except those owned by the Volunteer Fire Fighters Association.
- b) Radio equipment associated with Fire Department.

Local Government Agreement for the Park Community of Waskesiu

3.0 Water Utilities

3.1 Equipment:

Description	Asset #
a) Steamer	#180301
b) Thawer	#220657
c) ¾ ton truck	#264547
d) Utility truck	#264940

3.2 Other Water Related Equipment

All tools and inventory of stock to maintain and operate the water system except those used primarily for Beaver Glen and Trailer Park.

3.3 Other Sewer Related Equipment:

All tools and inventory of stock to maintain and operate the sewage system except those used primarily for Beaver Glen and Trailer Park.
Portable pumps and hoses.

4.0 Solid Waste

4.1 Equipment:

Description	Asset #
a) Garbage truck	#031112
b) Garbage truck	#195685
c) Crew Cab Dump	#195269

5.0 Grounds:

5.1 Equipment:

Description	Asset #
a) Bobcat (including attachments)	#997219
b) Leafpicker	#233011
c) Red Golf Cart	#040329
d) ATV	#961016
e) Viromax packer	#156075
f) Tractor	#204201
g) Mower	#341670
h) Golf cart	#030324
i) Janitorial Van	#264595
j) Chain saw	#092311
k) Chain saw	#093212
l) Grasshopper mower	#000817

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- m) Weed whip #093213
- n) Harrows
- o) 1981 Air Compressor #180021
- p) Extending Pole saw
- q) Push mower
- r) Wood Boxes
- s) Horseshoe pits
- t) Soccer Posts
- u) Ball Diamonds
- v) Radios exclusively associated with Grounds operations
- w) Janitorial Equipment and supplies inventory except those used primarily for Parks Canada facilities.

5.2 Other Related Equipment and Supplies:

- a) All tools, irrigation system and inventory of stock used primarily for grounds maintenance and operations.

6.0 Town Signs:

The Waskesiu community signs and related support equipment.

- a) Street name signs, small stop, yield, no parking, pedestrian sign stock.
- b) All raw materials related to townsite sign construction.

7.0 Recycle Operations equipment including:

- a. Baler
- b. Conveyor

8.0 Municipal Related Equipment:

- a) Jack hammer
- b) Portable Generator
- c) Cut off saw
- d) Cut off torch
- e) 12 Battery Charger
- f) Misc. tools including: right angle grinder, cordless tools, hydraulic jacks, hole saw, tap and Dye set, impact tools, pipe wrenches, bolt cutter.

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Schedule "B"

Consumer Price Index Adjustment Mechanism

Section 7.2 - Annual Rent Payments

October 1, 2008 to September 30, 2009	\$100,000
October 1, 2009 to September 30, 2010	\$100,000 + (\$100,000 X 2008 CPI % increase)
October 1, 2010 to September 30, 2011	Prior year's rental rate + (Prior year's rental rate X average CPI % increase for the previous two years)
All future years	Prior year's rental rate + (Prior year's rental rate X average CPI % increase for the previous five years)

Section 7.2 - Annual Fees Payable for Planning and Development Services

January 15, 2010 to January 15, 2011	\$70,000
January 15, 2011 to January 15, 2012	\$70,000 + (\$70,000 X 2010 CPI % increase)

Section 12.8 - Annual Fees Payable and Standards for Day Use Area

April 1, 2010 to March 31, 2011	\$25,000
April 1, 2011 to March 31, 2012	\$25,000 + (\$25,000 X 2010 CPI % increase)
April 1, 2012 to March 31, 2013	Prior year's fee + (Prior year's fee X average CPI % increase for previous two years)
All future years	Prior year's fee + (Prior year's fee X average CPI % increase for the previous five years)

Local Government Agreement for the Park Community of Waskesiu**Schedule C**

(January 1st, 2008 except where otherwise specified)

The Municipality of Waskesiu shall enter into leases, licenses of occupation, access permits, bill of sale or other agreements with Canada in respect of those lands set forth in this Schedule for an annual amount identified in Section 7.2 of the Agreement.

1. Works Compound (effective April 1st, 2010):
 - a) Unsurveyed area in Parcel Y currently enclosed on three sides and partially on the fourth side with fencing, rectangular in shape, and lying immediately east of the existing Parks Canada Agency maintenance compound area, including 2 existing storage buildings, but excluding the Parks Canada Agency vehicle fueling facilities that are located on this parcel which will remain under the ownership and control of Parks Canada Agency and to which Parks Canada Agency will continue to have unrestricted access and use; and
 - b) Shared usage of the "staging area" adjacent to the portion of the Narrows Road that connects between Highways 263 and 264; and
 - c) Shared usage of such other land or facilities at the Parks Canada Agency maintenance compound as may be subject to any operational agreement between Parks Canada Agency and the Municipality of Waskesiu.
2. Emergency Services Facilities:
 - a) Block 8 Lot 9 (Plan 73820 CLSR) that comprises the lot on which the fire hall and associated parking are situated.
3. Transportation Services:
 - a) All streets, lanes, sidewalks, curbs in the townsite, the approximate lengths of which are:
 - (i). Streets: 10.9 kilometres
 - (ii). Lanes: 2.5 kilometres
 - (iii). Sidewalks: 12.9 kilometres (but not including Kingfisher and Red Deer trails).
4. Environmental Treatment Services:
 - a) All land associated with the operation of the storm sewer system, the water supply system, the sewage collection and treatment system and, within the town foot print, the solid waste disposal system.

Local Government Agreement for the Park Community of Waskesiu

- (i). pump house lands (Parcel O, Detail B Plan 69884 CLSR)
- (ii). water treatment plant lands (Parcel AX, Plan 82682 CLSR)
- (iii). sewage lagoons #1, 2, 3, current and future sand filter beds. (Not legally surveyed)
- (iv). lift stations lands, #2, #3 #4, #5 (not legally surveyed); access to LS #1 on PCA Administration lands)
- (v). Water tower lands (not legally surveyed) as defined by peripheral road surrounding water tower.

5. Day Use Areas:

The inventory is comprised of the following parcels:

- (i) Open recreation area starting at Willow and extending along and including the beach to end of lane on east side of Lily Street and include from the high water mark to the leased cottage lots. *Identified as "government reserve" on Plans 39163, 41510, 82682 CLSR.*
- (ii) Lots A through K, and Lot U, Plan 51957 CLSR (day use area and parking lots surrounded by Lakeview Drive, Waskesiu Drive and entrance to parking area next to Community Hall, including Community Hall lot).
- (iii) Open Recreation areas on which the tennis courts, bowling greens and Chamber of Commerce office is located. (Not surveyed - held under License of Occupation).

6. Parks:

The inventory is comprised of the following lands: (Plan 41510 CLSR)

- (i) R1 Park (open recreation area next to Bittern)
- (ii) R2 Park (narrow strip between cottages in Block II and Waskesiu Drive)
- (iii) R3 Park (between Swallow and Warbler)
- (iv) R4 Park (strip between the lane of cottages in Block I and Waskesiu Drive)
- (v) R5 Park (area between Block 1 and Baker's Bungalows)
- (vi) R6 Park (bounded by Baker's Bungalows, Waskesiu Drive and the lane behind Orchid Street)
- (vii) R7 and R8 (Plan 41511 CLSR between Parcel A and B [Baker's] and lakeshore)
- (viii) Buffer zone between Waskesiu Drive and Parcel "X".
- (ix) Block I(Cottages) Lot A
- (x) Block II(Cottages) Lot A,B
- (xi) Tree area bounded by Tamarack, Lakeview and Bluebird.

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7. Parking Lots:

The inventory is comprised of the following parcels:

(i) Block 5 Lot 5, 12, 13 Plan 40924 CLSR (off Waskesiu Drive, between Patio Café and post office)

8. Other Lots & Parcels:

The inventory is comprised of the following surveyed parcels:

(i). Block 1 Lot 7 Plan 39163 CLSR – Assembly Hall lot

(ii) Block 9 Lot 4 – Duplex Lot

(iii) Block 5 Lot 9 Plan 40924 CLSR

9. Roads/Access Roads and associated rights-of-way:

- roads and lanes within Prospect Point, Parcel "X" (survey underway) (including Tamarack Street - not surveyed) cottage area (LV Blocks I, II, III) and commercial district including Montreal Drive up to the water tower including access to heating and radio buildings (not surveyed past intersection of Grouse Street), Poplar, Elk, Tern, Grouse and Martin and the (not surveyed) access road from Wapiti to the leased lands of the golf course.
- that portion of Highway #263 inside the Waskesiu Townsite boundary up to Lakeview Drive** as surveyed around Prospect Point to the edge of Lot 22, Range 1. (See plan 40924) and that portion of Highway 263 currently known as Lakeview drive but not surveyed between Willow and Aspen.
- access road to Waste Treatment Facility (Sewage Lagoons and Sand Filters).
- not including that portion of Highway #264 which passes through the townsite
- access roads into townsite along with access roads into Trailer Park and Beaver Glen (not surveyed - this would be Ajawaan from Highway 264 to Waskesiu Drive, access road from Ajawaan to Trailer Park, Ajawaan to Beaver Glen; Lakeview from Hwy 264 to Waskesiu Drive)
- **Lakeview Drive between Willow and Aspen is not surveyed

10. Access to lands for all water and sewer pipes, including force main to lagoon and storm sewer repair and replacement.

11. Easements between cabins in cabin area (Parcel X Plan 79486 CLSR)

Local Government Agreement for the Park Community of Waskesiu

Schedule "D"

Dispute Settlement Procedure

ARTICLE 1

GENERAL

1.1 Definitions

In this Schedule, terms defined in the Agreement shall apply unless otherwise defined herein and, in addition thereto:

- 1.1.1 "**Arbitrator**" means an arbitrator appointed pursuant to the Arbitration Procedure;
- 1.1.2 "**Arbitration Procedure**" means the provisions of Article 3 of this Schedule;
- 1.1.3 "**Information**" means any documents, presentation or other information disclosed by a party for purposes of this Dispute Resolution Procedure;
- 1.1.4 "**Mediation Procedure**" means the provisions of Article 2; and
- 1.1.5 "**Mediator**" means the mediator appointed pursuant to the Mediation Procedure.

1.2 Purpose and Sequence of Dispute Resolution

The purpose of this Schedule is to set forth a framework and procedure pursuant to which the parties shall resolve a dispute without resort to litigation. The parties agree to use a two-step process to achieve this objective, which process shall be undertaken in the following order:

- 1.2.1 first, by way of mediation pursuant to the Mediation Procedure; and
- 1.2.2 second, by arbitration pursuant to the Arbitration Procedure.

1.3 Confidentiality

All Information disclosed by a party pursuant to the Mediation Procedure or the Arbitration Procedure shall be regarded as a "*without prejudice*" communication for the purposes of settlement negotiations, and shall be treated

Local Government Agreement for the Park Community of Waskesiu

as confidential by the parties and their representatives unless otherwise required by law.

ARTICLE 2
MEDIATION PROCEDURE

2.1 Mediation - When a dispute is to be referred to mediation pursuant hereto:

- 2.1.1 The parties shall immediately meet and attempt to appoint the Mediator who shall be qualified by education and experience to address the matter.
- 2.1.2 If, in respect of a dispute, the parties fail to appoint a Mediator within fourteen (14) days after the dispute has been referred to mediation then a Mediator shall be chosen upon application by either of the parties by the ADR Institute of Canada, or its successor body.
- 2.1.3 If the dispute is not resolved by the Mediator within forty-five (45) days of the Mediator's appointment, then such dispute shall, unless the parties otherwise mutually agree, be referred to arbitration pursuant to the Arbitration Procedure.
- 2.1.4 All mediation undertaken herein shall be non-binding.
- 2.15 The parties covenant and agree that they shall each be responsible for the costs of their own legal counsel and travel associated with the mediation. Fees and expenses of the Mediator and all administrative costs of the mediation, such as the cost of a meeting room, if any, will be borne equally by the parties unless otherwise agreed.

ARTICLE 3

ARBITRATION PROCEDURE

- 3.1 **Arbitration** - If within forty-five (45) days of the Mediator's appointment the parties do not resolve all of the issues in dispute, or if the parties otherwise agree to refer any matter to arbitration ("**Arbitration**"), then the issue shall be submitted to Arbitration as hereinafter provided:
 - 3.1.1 The arbitrator (the "**Arbitrator**") shall be appointed by mutual agreement of the parties and shall be qualified by education and training to pass upon the particular matter to be decided.
 - 3.1.2 If the parties cannot agree on the appointment of the Arbitrator under clause 3.1.1 within 10 days of the first notice to be served

Local Government Agreement for the Park Community of Waskesiu

under clause 3.1.1, then the Arbitrator shall be chosen, upon application by either of the parties, by the ADR Institute of Canada, or its successor body.

- 3.1.3 The parties will negotiate in good faith any changes in these Arbitration provisions or the rules of Arbitration which are herein adopted, in an effort to expedite the process and otherwise ensure that the Arbitration procedure is appropriate given the nature of the dispute and the values at risk.
- 3.1.4 The Arbitrator so appointed shall thereupon proceed to hear the submissions of the parties and shall render his or her decision in writing within 30 days after the submissions are completed.
- 3.1.5 Subject only to the provisions of the *Commercial Arbitration Act*, the parties agree that the determination and award of the Arbitration shall be final and binding on both parties.
- 3.1.6 The Arbitration shall be governed by the Commercial Arbitration Code referred to in the *Commercial Arbitration Act*.
- 3.1.7 The Arbitration shall take place in the City of Saskatoon in the Province of Saskatchewan.
- 3.1.8 During the Arbitration procedure, the parties shall continue to perform their obligations under the Agreement.
- 3.1.9 The language of the Arbitration proceedings and of the arbitral decision and award shall be in English.
- 3.1.10 The Arbitrator shall decide the dispute in accordance with the laws in force in the Province of Saskatchewan.
- 3.1.11 The Arbitrator shall not be authorized to decide *ex aequo et bono* or *as amiable compositeur*.
- 3.1.12 The parties agree that the Arbitration shall be kept confidential and that the existence of the proceeding and any element of it (including any pleadings, briefs or other documents submitted or exchanged, any testimony or other oral submissions and any awards) shall not be disclosed beyond the Arbitrator, the parties, their counsel and any Person necessary to the conduct of the proceeding, except as may lawfully be required in judicial proceedings relating to the Arbitration or otherwise.

Local Government Agreement for the Park Community of Waskesiu

- 3.1.13 Unless otherwise determined by the Arbitrator, each party shall bear its own costs of the Arbitration including, without limitation, all legal, appraisal, and expert fees, and shall pay one-half of all fees and expenses of the Arbitrator or any clerk, secretary or reporter assisting in the Arbitration, and the expense of any services and facilities or both required by the Arbitrator.