BETWEEN:

THE RURAL MUNICIPALITY OF MACDONALD

("Municipality")

and

4713096 MANITOBA LTD.

("Developer")

WHEREAS:

A. The Developer is the registered owner of land within the Municipality legally described in Certificate of Title No. 2514087/1 as follows:

BLOCK 3 PLAN 51034 WLTO IN SW 1/4 29-8-1 EPM

("Land")

- B. The Developer has applied for and received conditional approval to subdivide the Land for a residential development.
- C. The Developer and the Municipality wish to establish development conditions for the Land described in Schedule A and shown outlined on the plan attached as Schedule B ("Planned Area").
- D. The Developer proposes to construct the services described and on the conditions set out in this Agreement.
- E. The subdivision of the Planned Area has been approved subject to the execution of this Agreement.

THE MUNICIPALITY AND THE DEVELOPER AGREE AS FOLLOWS:

- 1. CAVEAT AND AGREEMENT
- a. This Agreement includes the following Schedules:

Schedule A: legal description of the land within the Planned Area;

Schedule B: copy of the approved plan of subdivision in registerable form;

Schedule C: the proposed overall general plan of underground services system, drainage system, building and lot grade elevations, service easements and roadways;

Schedule D: description of the capital levies, administration fees and security amount;

Schedule E: map highlighting in red the locations of the pathways referred to in section 9 a. ii.

Schedule F: map showing the construction access.

b. This Agreement is provided for in sections 135 and 151 of *The Planning Act* and shall run with the land.

2. **DEFINITIONS**

Unless the context otherwise requires:

"Affected Area" means the Planned Area and land owned by the Developer or public roads and reserves on which Services are to be constructed.

"Municipal Engineer" means an engineer retained by the Municipality.

"Services" means those services to be constructed by the Developer under section 9.

"Services standards" means the standards and specifications set out in Schedule C and the plans and specifications prepared by the Developer and approved by the Municipal Engineer for the Services to be constructed or installed and for all materials to be used by the Developer pursuant to this Agreement.

"Utilities" means those things to be constructed, installed or completed under section 10.

3. DEVELOPMENT CONTROL

- a. The Developer shall not obtain the certificate of approval from the Approving Authority or register the plan of subdivision unless the Developer has:
 - i. provided the letter of credit in the amount set out in Schedule D; and
 - ii. made the payments required in section 13.
- b. Upon the Developer meeting these requirements, the Municipality may provide its approval to the issuance of the certificate of approval and the registration of the plan of subdivision.

- c. The Developer shall not start construction or installation of any Services or Utilities and shall not sell or transfer any lot within the Planned Area unless the:
 - plan of subdivision is registered;
 - ii. the Services standards have been approved by the Municipal Engineer;
 - iii. Developer has provided the required comprehensive liability insurance policy; and
 - iv. Developer has provided the required easements.
- d. Upon the Developer meeting the requirements in sub-section c., the Municipality shall issue a Commencement Certificate permitting the Developer to:
 - i. start construction or installation of the Services and Utilities; and
 - ii. sell or transfer lots.
- e. All work to be done by or on behalf of the Developer shall conform to all standards, procedures, requirements and specifications of this Agreement, and any additional standards, procedures, requirements or specifications agreed to by the parties.
- f. The Developer grants the Municipality, its agents and servants free and uninterrupted access to the Affected Area for the purpose of making inspections, taking samples of materials, determining if the terms of this Agreement are being met by the Developer, and carrying out any enforcement or remedial action.
- g. The Developer shall comply with all acts, statutes, bylaws, or regulations in carrying out its obligations under this Agreement. The Developer shall, at the Developer's cost, obtain all required licenses, permits or permissions prior to the commencement of any work. The Developer shall upon request provide the Municipality with copies of all such authorizations.
- h. In addition to, and without providing notice in accordance with the default provisions in section 17, the Municipality may order work to stop and require the Developer to rectify any deficiencies, including removing unsatisfactory material from the Affected Area, if:
 - i. the Developer starts construction or installation of the Services or Utilities before the requirements outlined in section 3.c have been met and the Commencement Certificate has been issued; or
 - ii. it is apparent to the Municipality that construction or installation of the Services do not conform to the Standards, or any procedures, requirements or specifications of this Agreement.

4. DEVELOPMENT STANDARDS

- a. No development of a Lot shall take place, or if commenced shall continue, within that Lot and no building permit in respect of any development of such Lot shall issue until the following conditions have been satisfied:
 - i. all Services with respect to the Planned Area in which such Lot is located

- or which service such Lot have been installed and approved by the Municipal Engineer and a Completion Certificate has been issued;
- ii. all realty taxes and the payments in section 13 have been paid in full with respect to such Lot;
- the applicant for a building permit with respect to such Lot shall submit plans, specifications and locations thereof as indicating by a siting plan, including the distances from the front, side and rear site lines for proposed buildings to the Municipality and obtain the approval of the Municipality prior to the construction or placement of any building;
- iv. the building permit application is accompanied by a letter and copy of the building plan for such Lot signed by the Developer's representative confirming that the site and building architectural and landscape plans comply with the Developer's site and architectural standards and guidelines;
- v. the owner of the Lot shall provide a lot grade plan evidencing such drainage and such lot grade plan shall be prepared by the Developer's Engineer, submitted to and approved by the Municipality, and that the Developer's Engineer provide confirmation to the Municipality of compliance with the lot grading plan upon completion of construction; and
- vi. no occupancy of a building constructed within the Planned Area shall be permitted until the building is serviced with a wastewater system, water system and drainage system.
- b. No private water or sewer systems are permitted within the Planned Area. Each Lot within the Planned Area must be connected to the municipal water and sewer system.
- c. The Developer must conserve and stockpile the topsoil removed from the Planned Area and replace it on the Lots as they are developed.
- d. The Municipality may withhold building permits for the Planned Area if the Developer or an owner of land is in default of any provision of the Agreement.
- e. If the Municipality withholds building permits in accordance with this section as a result of the Developer's default, the Developer shall indemnify the Municipality from and against all resulting claims of any kind, together with all costs and expenses arising by reason of any such claim, including legal costs on a solicitor and own client basis.

f. The Developer shall ensure purchasers of Lots within the Planned Area receive prior notice, by way of caveat or other effective manner and a signed acknowledgment by the purchaser, of the requirements of this Agreement.

5. SURVEY MONUMENTS

- a. The Developer shall maintain all survey monuments within the Planned Area throughout the term of this Agreement. Where any survey monuments have been destroyed, disturbed, moved, covered, or damaged in any way, the Developer shall, at its expense, have them replaced by a Manitoba Land Surveyor. At the time the Developer is entitled to the issuance of the Acceptance Certificate, the Developer shall provide a certificate from a Manitoba Land Surveyor certifying that all monuments are in place.
- b. The Developer shall be responsible for municipal survey costs associated with the Survey Monument Restoration Program

6. SERVICE EASEMENTS

a. Where any Services must be installed on or in lands within or outside the Planned Area, the Developer shall at the Municipality's request and at the Developer's sole cost provide easements to the Municipality, in a form satisfactory to the Municipality's solicitor, to enable the Municipality as and when necessary to enter upon such lands and to maintain, repair, reconstruct, and otherwise deal with such Services.

7. OWNERSHIP OF THE SERVICES

a. Upon the issuance of the Acceptance Certificate, the Developer shall at its own expense, transfer, convey and assign title to the Services to the Municipality free and clear of encumbrances in perpetuity. From the date of the issuance of the Acceptance Certificate, the Developer shall have no claim or right thereto other than such claim or right as accrues to the Developer as any owner of land abutting on a highway on or in which such Services are installed or constructed.

8. LOT GRADING

- a. The Developer shall install all lot grade posts in accordance with Schedule C and maintain the Lots within the Planned Area so as to have positive drainage to the edge of the Lot such that there is no standing water.
- b. Until the issuance of the Acceptance Certificate, ensure the land within the Planned Area is adequately drained and graded so as not to allow pooling or standing of water, or associated nuisances. Where requested to do so by the Municipality, the Developer shall immediately take action to remedy the problem.

9. CONSTRUCTION OF THE SERVICES

- a. The Developer shall construct, install and complete, at its expense, to the Municipality's satisfaction and in accordance with the Services standards and this Agreement the following Services:
 - i. street(s);
 - ii. pathways with 4 ft. high chain link fencing set out in Schedule E;
 - iii. land drainage and storm sewer system;
 - iv. municipal water and sewer systems,
 - v. street name signs and traffic control signs at locations determined by the Municipality,
 - vi. street lights in accordance with Manitoba Hydro standards at locations approved by the Municipality, and
 - vii. following street construction, blocking of access from the road turnaround to the undeveloped portion of Blythefield Road by means to the satisfaction of the Municipality.
- b. The Developer shall have prepared not less than three copies of "as built" plans and an electronic copy in a format acceptable to the Municipality showing accurately and in detail the location, dimensions and lay out of the Services as finally constructed within and outside the Affected Area.
- c. The Developer shall provide the Developer's construction costs for the Services as required to fulfil the Public Sector Accounting Board requirements to the Municipality's satisfaction.
- d. The Developer shall satisfy all claims for the costs of the Services made by any person who in the performance of this Agreement performs any work or provides any services, or places or furnishes material in respect of the Services.
- e. The Developer shall keep complete records of anyone who performs such work or provides such services and as to who provides material in respect of the Services. The Developer shall upon request provide copies of the records to the Municipality confirming payment for this work, services or material.

10. CONSTRUCTION OF UTILITIES

a. The Developer shall install, in a good and workmanlike manner and without expense to the Municipality, hydro-electric, natural gas and telephone services

for each Lot within the Planned Area. The Developer is responsible for the relocation or removal of any poles, lines, cables, or other appurtenances of Manitoba Hydro, or any other utility where necessary, and shall comply with all requirements of Manitoba Hydro and any other utility.

11. COMPLETION AND ACCEPTANCE CERTIFICATES

- a. The Developer shall notify the Municipality when construction and installation of the Services are completed. The Municipal Engineer will then do an inspection. If the Services are not completed in accordance with the Services standards to the satisfaction of the Municipal Engineer, the Developer shall forthwith bring the Services up to the Services standards. The Municipal Engineer shall issue a Completion Certificate upon completion of the Services to the Services standards to the satisfaction of the Municipal Engineer, and the Developer having completed its obligations under section 9. The Developer shall obtain a Completion Certificate within 1 year from the issuance of the Commencement Certificate.
- b. At anytime during the maintenance period set out in section 12, the Municipal Engineer may inspect the Services. If the Services do not meet the the Services standards to the satisfaction of the Municipal Engineer, the Developer shall forthwith bring the Services up to the the Services standards.
- c. At the end of the maintenance period, the Developer shall provide to the satisfaction of the Municipal Engineer a final construction report detailing the results of any testing completed respecting the Services. Upon the Services meeting the the Services standards to the satisfaction of the Municipal Engineer at the expiry of the maintenance period, the Municipal Engineer shall issue an Acceptance Certificate.

12. MAINTENANCE AND GUARANTEE

- a. Until the issuance of the Completion Certificate, the Developer is responsible for maintaining the Services to the the Services standards.
- b. Upon issuance of the Completion Certificate for the Services the Developer shall:
 - i. guarantee the Services against faulty workmanship, design or defective materials for a period of 1 year. The Developer shall assign the benefit of any and all guarantees it obtains relating to the Services to the Municipality, to the extent such guarantees are assignable.
 - ii, maintain at all times:
 - (a) the Services to the the Services standards for a period of 1 year;
 - (b) the Affected Area, in a neat, tidy and presentable manner. To ensure public safety, convenience, amenity and an area that is not offensive to public view, such maintenance will include:

- removal of construction debris and litter,
- ensuring the Affected Area does not become unsightly,
- providing proper drainage, and
- cleaning of streets.

until 75% of the Lots within the Planned Area have been developed and are ready for occupancy.

- c. For sub-section b.ii., the cleaning of streets shall be done to ensure soil and other debris do not remain on the streets, as required by and to the satisfaction of, the Municipal Engineer or the Municipality's Manager of Public Works.
- d. The time periods and responsibilities set out in this section are subject to extension until the Acceptance Certificate is issued in accordance with section 11.

13. PAYMENT OF COSTS AND TAXES

- a. The Developer shall pay:
 - all costs and expenses it and the Municipality may incur with respect to any amendment to a development plan, or zoning by-law, plan of subdivision, obtaining approval for registration of the plan, including all Municipal Board, Municipal Planning Branch, Land Titles Office, and other fees, advertising costs, and overhead charges; and
 - ii. engineering, planning, administrative and legal fees incurred by the Municipality relating to this Agreement, including the preparation, administration and enforcement of this Agreement and related ongoing fees and costs.
- b. Upon signing of this Agreement, the Developer shall pay the capital levies and administrative fees set out in Schedule D and the amounts set out in sub-section a.
- c. Prior to the registration of the plan of subdivision, all taxes and arrears (if any) on the Planned Area must be current.
- d. Prior to the issuance of a development or building permit for a Lot within the Planned Area:
 - i. the sewer infrastructure capital contribution of \$4,500.00 per sewer connection, based upon a standard 5/8 inch water meter for the building to be constructed on such Lot ("SICC"); and
 - ii. the water infrastructure capital contribution of \$7,000.00 per standard 5/8 inch water connection for the building to be constructed on such Lot ("WICC").

- e. The amounts for the WICC and SICC set out in sub-section d. are based on an equivalent residential unit providing for a 5/8 inch water meter. Upsizing of the 5/8 inch water meter to a larger water meter size will be subject to the applicable WICC and SICC charges established by the Municipality from time to time based on the requested water meter size.
- f. The amounts of the SICC and WICC set out in sub-section d. are subject to annual increases based on the Consumer Price Index (CPI) for Manitoba per year following the issuance of the Completion Certificate.

14. SECURITY

- a. To guarantee the Developer's performance of its obligations in accordance with this Agreement, the Developer shall provide the Municipality with an irrevocable letter of credit in a form satisfactory to the Municipality's solicitor ("security").
- b. The security, by its terms, shall be automatically renewed from year to year unless the issuer gives the Municipality 60 days' notice of its expiry. In the event that the issuer gives the Municipality notice that the security shall expire, the Municipality may without giving the notice in section 17, call on the security and hold the funds until it is extended or replaced. The security shall also allow for partial drawings.
- c. The Municipality shall determine the amount of the security to be provided by the Developer in order to obtain the Commencement Certificate. The amount of the security is set out in Schedule D.
- d. If this Agreement is terminated for any cause, or in the event of non-compliance by the Developer with any of its obligations under this Agreement, the Municipality may call on the security in whole or in part and in such manner as the Municipality may in its absolute discretion deem most advisable. The extent of the work to be done, the actions to be taken, the expenditures to be made, and the time within which such work will be done or actions taken, are within the absolute discretion of the Municipality. The Developer irrevocably grants the Municipality the right to enter upon and use any part of the Affected Area for such purposes.
- e. Upon issuance of the Completion Certificate, the Municipality shall upon the request of the Developer review the required amount of the security and may authorize a reduction in the security that in Municipality's sole discretion is warranted in the circumstances. Upon issuance of the Acceptance Certificate, the Municipality may authorize a further reduction in the amount of the security.
- f. The security will not be released until the Municipality receives the information provided in section 9 b. and c.

15. INSURANCE

- a. The Developer, during the term of this Agreement and at its own expense, shall provide and maintain in full force and effect comprehensive general liability insurance for bodily injury (including death) and property damage in an amount of not less than \$2,000,000 inclusive limit for any one occurrence and such policy shall include:
 - i. the Municipality as an additional insured;
 - ii. provision for the Municipality to be given 30 days written notice before cancellation of the policy.
- b. The Developer shall provide certificates of insurance evidencing the insurance coverage throughout the term of this Agreement.
- c. Nothing contained in any policy of insurance required or provided in accordance with this Agreement shall in any way limit the liability of the Developer under this Agreement or otherwise.

16. BOULEVARD MAINTENANCE

a. The owners of Lots within the Planned Area shall be responsible for the maintenance of the boulevard area within the road allowance adjacent to their Lot in accordance with applicable municipal by-laws, to a standard applicable to similar properties within the Municipality. No trees may be planted within the boulevard or road allowance without the prior written permission of the Municipality.

17. DEFAULT

- a. If the Developer fails to comply with any provision of this Agreement, the Municipality may give the Developer notice of the particulars of default in accordance with section 22.
- b. If, within 30 days or such other period granted by the Municipality after notice, the Developer fails to rectify the default to the satisfaction of the Municipality, the Municipality will be entitled to
 - i. seek specific performance to rectify the default,
 - ii. seek an injunction to restrain a breach or to enforce compliance with any term of this Agreement,
 - iii. terminate this Agreement for default,
 - iv. call on the security,
 - v. suspend the issuance of a Commencement, Completion or Acceptance Certificate,
 - vi. withhold the issuance of building permits, or
 - vii. any or all of these remedies.

- c. The notice period set out in sub-section b. may be reduced by the Municipality in urgent circumstances.
- d. If the Municipality takes enforcement action under sub-section b., the Developer is responsible for all engineering, planning, administrative and legal fees incurred by the Municipality incurred in enforcing this Agreement. The Municipality's costs are an amount owing to the Municipality.
- e. If Municipality takes enforcement action under this section, the Municipality will not be liable for any loss or damage suffered by the Developer or any other person as a result. The indemnity obligations of the Developer under sections 4 and 19 shall remain in force and survive any termination.

18. LAND USE REQUIREMENTS AND CONSTRUCTION ACCESS

- a. No building may be constructed within the Planned Area other than single family dwellings of new construction with an attached garage.
- b. No animals, other than household pets permitted by the Municipality's by-laws may be kept within the Planned Area.
- c. Access for construction purposes for the Services, Utilities and development of a Lot must be off Blythefield Road as shown on Schedule F. No access for construction purposes may be from River Crescent. River Crescent is designated as a "No Truck Route" under By-Law No. 14/21.

19. GENERAL INDEMNITY

a. The Developer shall indemnify the Municipality from and against all claims of any kind, including Builder's Liens Act claims, arising out of any thing provided, permitted or required to be done by the Developer under this Agreement, together with all costs and expenses arising by reason of any such claim, including legal costs on a solicitor and own client basis. This indemnity does not cover any act or thing negligently done or negligently omitted to be done by the Municipality.

20. DELAY

a. If the Developer is obstructed or delayed in the execution or completion of any of the works by reason of the act, neglect, delay, or default of the Municipality, or by reason of delays in obtaining materials due to strikes, lockouts, or work stoppages, or delays in transit or for any default by reason of acts of God, war, revolution, political disturbance, fire, flood or any other cause beyond the Developer's control, then the time fixed in this Agreement for the completion of the work or performance of the duty will be extended for a period equal to the time lost to the Developer by reason thereof, provided that the Developer informs the Municipality no later than the 31st day of December in each year of any extension or extensions of time claimed for that year.

21. INABILITY OF THE MUNICIPALITY TO PERFORM

a. The Municipality shall perform its obligations within the limits of its powers from time to time and will be under no obligation or duty other than to exercise its best efforts to perform such obligations. The Municipality shall not be liable to the Developer or any other person for its failure to perform any obligation if such failure is beyond its control or caused by operation of law.

22. GENERAL

- a. The term of this Agreement shall be from the date of its execution until all of the Developer's obligations have been performed to the satisfaction of the Municipality.
- b. Nothing in this Agreement constitutes the approval of the Municipality to any approvals or amendments required, including any plan of subdivision, development plan amendment, zoning by-law amendment or variation desired by the Developer.
- c. The Developer shall not assign this Agreement or any part of it without the prior written approval of the Municipality.
- d. If any provision of this Agreement is at variance with any rule of law or equity, this Agreement shall supersede and prevail.
- e. A party may waive the performance of any provision to be performed for its benefit by the other party, provided that such waiver is in writing.
- f. Notice is deemed properly given if:
 - in the case of the Municipality, delivered personally to the Chief Administrative Officer of the Municipality or mailed to the Municipality at 161 Mandan Drive PO Box 100 Sanford, Manitoba R0G 2J0
 - ii. in the case of the Developer, delivered personally to 4713096 Manitoba Ltd.,
 to any director, or mailed to the Developer at
 8 915 McLeod Avenue

Winnipeg, MB R2G 0Y4

Where notice is given by mail it will be by registered mail and notice shall be deemed to have been given and received on the date specified in the Canada Post Delivery Notice.

- g. The address for notice may be changed by giving notice in accordance with section.
- h. The Developer shall keep itself in good corporate standing for the term of this Agreement.
- i. This Agreement binds the parties' successors and assigns.
- j. Time is of the essence.

IN WITNESS WHEREOF the Municipality and the Developer have executed this Agreement as of the date first above written.

THE RURAL MUNICIPALITY OF MACDONALD

Brad Erb
Reeve

Daryl Hrehirchuk, CMMA
Chief Administrative Officer

4713096 MANITOBA LTD.

Witness (print name and address)
8-915 McLeod All-Wpg

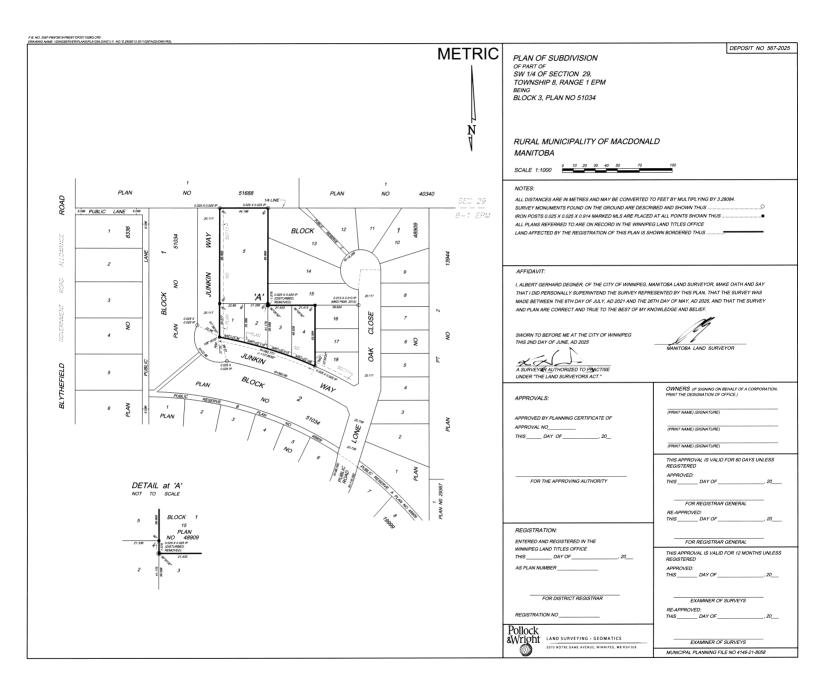
Witness (print name and address)
(signature and print name and position)
(signature and print name and position)

SCHEDULE A

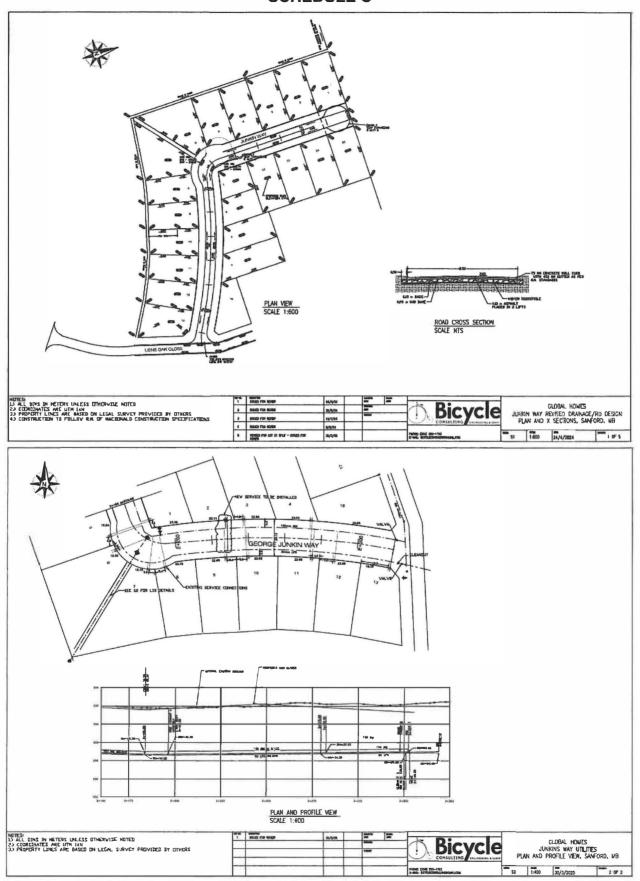
LOTS 1 TO 4 PLAN _____ WLTO (Deposit 1376-2021) IN SW 1/4 29-8-1 EPM

SCHEDULE B

A copy of the approved plan of subdivision in registerable form



SCHEDULE C



SCHEDULE D

- 1. Administrative fees: legal fees incurred by the Municipality relating to this subdivision and Agreement.
- 2. Letter of credit:
 - i. \$260,324.25 (100% of total material & construction including road construction Planned Area)
- 3. Capital levies:

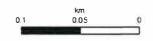
i. Lot levy \$5,000.00 x 4 lots = \$20,000.00 ii. Public Reserve Dedication \$ 3,062.10

The capital levies of \$23,062.10 shall be paid upon the signing of the Agreement.

SCHEDULE E









SCHEDULE F





