

PROPERTY MANAGEMENT AGREEMENT

(May 1, 2010 – April 30, 2011)

GLENIFFER LAKE NORTH MARINA ASSOCIATION

Gleniffer Lake Resort & Country Club
(a Division of Resort Development Funding Corporation, Spruce View, Alberta)

MANAGEMENT AGREEMENT

THIS AGREEMENT made the ____ day of _____, A.D. 2009 and being in effect the 1st day of May, 2010.

BETWEEN:

Gleniffer Lake North Marina Association

a Society duly constituted under the laws of the Province of Alberta
(hereinafter called "the Society")

OF THE FIRST PART

AND

Resort Development Funding Corporation

a body corporate duly incorporated under the laws of the Province of Alberta
(hereinafter called "the Manager")

OF THE SECOND PART

WHEREAS the Society wishes to delegate its powers to manage and administer the Common Property and all property assigned to the Society.

AND WHEREAS Gleniffer Lake North Marina Association encompasses a Marina project consisting, presently, of 148 marina slips and the common property related thereto.

AND WHEREAS the Manager is an owner of Slips within the said Marina project.

NOW THEREFORE THIS AGREEMENT WITNESSETH that in consideration of the sum of One (\$1.00) Dollar now paid each to the other (the receipt of which is hereby acknowledged) and of the covenants contained herein the parties do hereby mutually covenant and agree as follows:

1. The Society hereby employs, retains and appoints the Manager as its sole and exclusive agent and representative to manage the property of the Society commencing the 1st day of May, 2010 and ending on the 30th day of April, 2011. Further, the Society hereby employs, retains and appoints the Manager as its sole and exclusive agent and representative to act in the name of the Society and on behalf of the Society in carrying out the duties of the Manager as herein set out, and to enter into such contracts, agreements and legal documents in the name of the Society as may be necessary in the proper performance of such management duties.
2. The Society agrees to pay the Manager such sum as set forth in the Annual Budget for the Society for its' management services, exclusive of the cost of performing services as set

out in paragraph 4 herein, and the Society authorizes the Manager to deduct directly from the monies received by it on behalf of the Society any such fees due to the Manager (see Schedule of Fees). The annual management fee payable to the Manager in the amount of \$19,619.28 (*inclusive of GST*) shall be paid monthly at the rate of \$1,634.94 commencing the 1st day of May, 2010.

3. The Manager shall provide services to the Society and will act on behalf of the Society as follows:

A. Common Area (*all property real or constructed and contained within the designated boundaries of the Society*)

- i. Inspect pier, fencing, lighting, access ramp and all mains and slips for damage and vandalism (*daily*),
- ii. Inspect all anchor cables and chains for wear and adjust for fluctuating water levels (*daily*),
- iii. Inspect all structural components and floats for wear and damage (*daily*),
- iv. Pressure wash and clean all mains and slips (*as required*),
- v. Maintenance and weed control of the cart parking area and access pier (*as required*),
- vi. Maintain security lighting (*as required*),
- vii. Inspect and maintain the floating breakwater and all associated floats and anchoring chains (*as required*),
- viii. Install and maintain breakwater warning lights (*as required*),
- ix. Install and maintain chain link security fence beneath access ramp (*as required*),
- x. Install and maintain all signage (*as required*)

Management fee attributed to Common Area is \$11,182.99 (*inclusive of GST*) or 57% of the total Property Management Agreement.

Note:

- The above noted services are inclusive of all employee costs including wages, benefits, workers compensation premiums, employment insurance premiums and payroll administration.
- The above noted services are inclusive of all costs associated with providing the required equipment, fuel, repair of said equipment, buildings, insurance & incidental supplies necessary for operating the equipment as required.
- The cost of supplies, such as parts, hardware & chemicals are not included; the cost of labour associated with the installation and application of said parts, hardware & chemicals is included.

B. Administration & Management (*is inclusive of the administration of the specific business affairs of the Society*)

- i. Accounting services,
- ii. Budget preparation,
- iii. Accounts payable,

- iv. Corporation correspondence,
- v. Mail processing,
- vi. Data processing,
- vii. Owner registry maintenance,
- viii. Resale & conveyancing services,
- ix. Annual General Meeting & Board meeting services,
- x. Provision for office space & equipment,
- xi. Computer hardware & software,
- xii. Legal documentation maintenance,
- xiii. Corporate Registry & Minute Book maintenance.

Management fee attributed to Administration & Management is \$8,436.29 (*inclusive of GST*) or 43% of the total Property Management Agreement.

4. As part of fulfilling Administration & Management duties for and on behalf of the Society set out in Clause 3. above, the Manager shall:

- (a) Receive, and, as necessary, receipt all monthly assessments and other charges due to the Society by/from each Slip Owner and send out reminder notices to delinquent Slip Owners at appropriate intervals. The Manager will perform all collection activities as required, including instructing the Society's solicitors to serve demand letters, commence legal actions, file caveats, etc. It is understood by all parties that collection action will be commenced immediately upon monthly assessments or other charges becoming delinquent and that stronger collection action (*which may or may not include commencement of legal action*) will be commenced by the Manager in the event that monthly assessments or other charges progress to being sixty (60) days delinquent. The Society shall not be responsible for dealing with delinquent Slip Owners, performing collection activities, instructing solicitors, commencing legal proceedings, or performing any collection activities whatsoever;
- (b) Keep accurate accounts of the financial transactions involved in the management of the property and render to the Board of the Society (herein called "the Board") semi-annual statements of income and expenditures with respect thereto and keep such accounts open for inspection by the Board at all reasonable times;
- (c) Prepare and submit to the Board on or before the 1st day of April of each year a recommended budget for the next fiscal year showing the anticipated receipts and estimated expenses that will be incurred or required in such fiscal year;
- (d) Deposit all monies received by the Manager in a designated account maintained by the Manager on behalf of the Society and from those monies:
 - (i) pay all payments on all accounts properly incurred by or on behalf of the Society;
 - (ii) secure insurance policies as required in the By-laws of the Society and pay all invoices relating to said insurance policies, on behalf of the Society;
 - (iii) pay all costs incurred with respect to the upkeep, maintenance and repair of the Common Property, including purchase of tools and supplies,

where such upkeep, maintenance and repair is the responsibility of the Society pursuant to the terms of the By-laws of the Society;

- (e) From the monies received from the Slip Owners, keep up, repair and maintain or cause to be kept up, repaired and maintained, those parts of the Common Property which require upkeep, repair and maintenance by the Society in accordance with the By-laws of the Society. Such upkeep, repair and maintenance shall be performed in accordance with standards consistent with the character of the Marina Project, and shall include, without limited the generality of the foregoing, cleaning, painting, decorating, landscaping and such other annual maintenance and repair work as may be necessary;
- (f) Arrange for and supervise such contractors, staff and other personnel and arrange for the lease or purchase of vehicles and other equipment as may be reasonably necessary for all upkeep, repair and maintenance of the common property which requires upkeep, repair and maintenance by the Society in accordance with the provisions of the By-laws of the Society, provided that the Society's funds are available to the Manager to pay such contractors, staff and other personnel;
- (g) Arrange for and supervise such third party security personnel as approved by the Society, for the security of the Marina;
- (h) Obtain approval from a Board representative prior to spending an amount exceeding One Thousand (\$1,000.00) Dollars for non-budgeted items (*except in cases of emergency*) and coordinate the disposition of requests for service concerning or relating to the duties and obligations of the Manager as provided by this Agreement, in all cases referring to the Board such requests as involve policy decisions or the interpretation of the By-laws of the Society;
- (i) When requested, serve notices to Board members and general notice to all Slip Owners for an additional fee as set out in paragraph 4 hereof;
- (j) Attend two (2) Board meetings during the calendar year on request of the Board, if given notice at least seven (7) days prior to the meeting. The Board shall deliver to the Manager within fourteen (14) days of a Board meeting, written Minutes of all Board meetings;
- (k) Use reasonable diligence to ensure that the contracts and agreements between the Society and suppliers and servicemen are performed in accordance with their terms and intent and to inform the Board in the event performance is considered by the Manager to be inadequate or contrary to the agreed terms and intent of the same;
- (l) Make recommendations to the Society from time to time regarding the maintenance of common areas and elements;
- (m) Advise and consult with the Board with respect to any proposed new By-laws, proposed By-law amendments, rules and/or regulations which in the opinion of the Manager ought to be established to further harmonious and satisfactory operation of the Property for the common benefit of the Slip Owners;

- (n) Assist the Board in its efforts to enforce the terms of the By-laws and rules and regulations of the Society and any amendments thereto;
 - (o) Carry on and conduct itself in a manner that complies with federal, provincial or municipal or other competent authority for the time being in force.
5. All parties to this Agreement, understand and agree that in addition to the services to be provided in Clauses 3 and 4 of this Agreement, the Manager will provide certain additional services for additional fees, as shown on the following Schedule:

Schedule of Additional Services and Fees

Item 1 Collection of Arrears

- For the filing and discharge of a Caveat: \$ 50.00 plus costs
- For the processing of a Small Claims Court action: \$ 200.00 plus costs
- For major court action: \$1,000.00 plus costs

Item 2 Serving and Processing of Notices

- Preparation of notice: \$ 0.50 per sheet
- Mailing per notice: \$ 0.50 plus postage
- Double registration mailing: \$ 1.00 per notice plus postage

Item 3 Capital Improvements and Restoration of a Major Building Loss

- A fee of 10% of costs of work for supervision, with approval of the Board

Item 4 Certificates, etc.

- Estoppel Certificates \$ 95.00
- Insurance Certificate included in estoppel
- Copies of By-laws: included in estoppel

Item 5 Special Services requested by the Board

- A rate of \$50.00 per man/hour for supervisory personnel and \$20.00 per hour for all other personnel.

All fees are payable at the time that services are rendered. In addition, all disbursements of the Manager must be paid with respect to the above items, immediately upon receipt of invoice.

- 6. The duties of the Manager shall not include the duties of the officers of the Society as set forth in the By-laws of the Society, except as specifically otherwise provided in this Agreement.
- 7. The Manager may engage any parent or subsidiary corporation or any person, firm or corporation, associated, affiliated or otherwise connected with it (hereinafter referred to as "the Affiliate") to perform any work or services for the Society, within the scope of the

Manager's duties under the provisions of this Agreement, without being in breach of any fiduciary relationship with the Society.

8. The Society shall:

- (a) Except in the case of gross negligence on the part of the Manager, its servants or agents, indemnify and save harmless the Manager from any and all liability and from all claims and demands arising out of damage or injuries to persons or property in or about or in any way connected with the property and defend at the expense of the Society all suits which may be rendered against the Manager on account thereof, provided that nothing contained in this subparagraph shall release the Manager from any liability to the Society in respect of a breach of any Manager's covenants herein contained;
- (b) Deliver to the Manager copies of the By-laws and rules and regulations made by the Society or the Slip Owners from time to time.

9. Except in cases of default, this Agreement shall not be terminable by either party during the term. This Agreement may be terminated on Ten (10) days written notice to the Manager if:

- (a) The Manager is in default of performance of any of the terms hereunder, which default is not rectified within the said 10 days. However, if the default is of a nature that cannot be remedied within the said 10 days, and the Manager is diligently and in good faith taking steps to remedy the said default, the Manager shall have a reasonable amount of time to remedy the said default, failing which the Agreement may be terminated.
- (b) During the term, the Manager shall make an assignment for the benefit of creditors or become bankrupt or insolvent or take the benefit of any legislation in force for bankrupt or insolvent debtors.

10. Renewal or Discontinuance of Management Agreement at Term

The term of this Common Property Management Agreement shall be from the 1st day of May, 2010 to the 30th day of April, 2011.

The Manager shall:

- (a) On or before the 1st day of August, 2010 provide written notice to the Society of its intention and desire to either renew or discontinue management services and the Property Management Agreement at the end of the current term;
- (b) In the event that Management is desirous of renewing management services for a further one (1) year term, Management will provide, along with "written notice" as noted in (a) above, Management's terms of renewal in the form of a new Property Management Agreement, in executable form.

The Society shall:

- (a) On or before the 1st day of September, 2010 provide written notice to the Manager of its intention and desire to either renew or discontinue management services and the Property Management Agreement at the end of the current term.
- (b) In the event that the Society is desirous of renewing management services and the Property Management Agreement for a further one (1) year term, the Society will deliver to the Manager a duly executed original copy of the new Property Management Agreement, as presented by Management.

11. All notices required or permitted hereunder shall be sufficiently given:

- (a) To the Society, if signed by or on behalf of the parties so giving notice hereunder and delivered or mailed by prepaid post to the Society at P.O. Box 1559, Spruce View, Alberta T0M 1V0 or at such other address as the Society may from time to time designate by written notice pursuant hereto;
- (b) To the Manager, if signed by or on behalf of the parties so giving notice hereunder, and delivered or mailed by prepaid registered post to the Manager at P.O. Box 81, Spruce View, Alberta, T0M 1V0 or at such address as the Manager may from time to time designate by written notice pursuant hereto.

All such notices shall be deemed to have been received on the third business day next following the date of such mailing.

IN WITNESS WHEREOF the parties hereto have hereunto affixed their corporate seals as attested by the hands of their proper officers duly authorized in that behalf.

Gleniffer Lake North Marina Association

Per: _____

Resort Development Funding Corporation

Per: _____