

**CLUBHOUSE/COMMUNITY CENTER/SWIMMING POOL
COMPLEX**

OPERATION & MANAGEMENT AGREEMENT

(Phase V – Block “E”)

**GLENIFFER LAKE RESORT & COUNTRY CLUB
(A DIVISION OF RESORT DEVELOPMENT FUNDING CORPORATION)
SPRUCE VIEW, ALBERTA**

**CLUBHOUSE/COMMUNITY CENTER/SWIMMING POOL COMPLEX
OPERATION AND MANAGEMENT AGREEMENT**

THIS AGREEMENT MADE this 1st day of November, 2003

BETWEEN:

CONDOMINIUM CORPORATION NO. 032-5368
(hereinafter called "the Condominium Corporation")

OF THE FIRST PART

AND

RESORT DEVELOPMENT FUNDING CORPORATION
(hereinafter called "the Operator")

OF THE SECOND PART

WHEREAS Resort Development Funding Corporation has, at its sole cost and expense, constructed a clubhouse/community center Facilities and a swimming pool complex ("the Facilities") for use by the Operator and various condominium corporations located on the developed land known as the Gleniffer Lake Resort and Country Club ("the Project").

AND WHEREAS the use of the Facilities by the various condominium corporations is conditional upon the said corporations executing this agreement and upon the continued observance by the said condominium corporations and its members of the terms and conditions hereof and the rules and regulations from time to time made for the better operation of the Facilities by the Operator;

AND WHEREAS the various condominium corporations have agreed to share the costs and expenses of operating the Facilities through the assessment of additional condominium fees to their members, such fees to be determined on a pro-rata basis by the Operator in its sole discretion, acting reasonably, and which fees will include all operating costs including, but not limited to, all taxes, levies, assessments, fees (including management) utilities, insurance, staffing, cleaning and maintenance, repairs and replacement, snow removal, and landscape improvements and maintenance;

AND WHEREAS the overall development by the Operator contemplates the addition of further condominium corporations over the next several years;

AND WHEREAS it is the intention of the parties hereto that as each additional condominium corporation is formed it will agree to the terms hereof and execute this Agreement and be bound by the terms and conditions thereof;

AND WHEREAS the Operator will operate and manage the Facilities in accordance with the terms and conditions of this Agreement;

NOW THEREFORE THIS AGREEMENT WITNESSETH that, in consideration of the covenants and agreements herein contained, the parties hereto do hereby agree as follows:

1. The effective date of this Agreement shall be May 1, 2004.
2. From and including the effective date hereof, the Operator shall manage the Facilities on its behalf and on behalf of all the condominium corporations, including the Condominium Corporation, using its best effort and ability. Management functions include, but are not limited to the following:

- a) development and implementation of operating budgets for the Facilities;
 - b) the development and implementation of rules and regulations governing the use of the Facilities;
 - c) the development and maintenance of a policy and procedures manual for employees involved in the management, operation and maintenance of the Facilities;
 - d) the development and implementation of a training program for management and employees of the Facilities;
 - e) development and implementation of a supervisory and accountability (chain of command) policy for employees;
 - f) development and implementation of employee productivity and quality of service standards;
 - g) evaluation of industry trends and competition to ensure competitiveness of products and services by the Facilities' operations and employees.
3. The Condominium Corporation does hereby agree to assist, consult with, and co-operate with the Operator in implementing policies, rules and regulations developed or to the developed by the Operator in management of the Facilities.
4. The Condominium Corporation shall pay to the Operator, as consideration for management services, a management fee to be agreed upon by the parties hereto annually in advance on or prior to the 1st day of May.
5. Where any notice, direction or other communication is required or permitted to be given or made by one of the parties to the other, it may be given by personal delivery or by registered mail to such party at:
- To the Condominium Corporation at its office address as communicated to the Operator.
- To the Operator at
P.O. Box 81
Spruce View, Alberta T0M 1V0
Or at the office of Randy Westergaard, Gleniffer Lake Resort & Country Club
6. The parties hereto covenant and agree that in the event there is a dispute relating to the interpretation of this Agreement then the said dispute shall be settled by arbitration pursuant to the provisions of the Arbitration Act then in force in Province of Alberta.

IN WITNESS WHEREOF Condominium Corporation No. 032-5368 and Resort Development Funding Corporation have executed this agreement and affixed their corporate seals by the hand or hands of their proper officers duly authorized in that behalf on the day and the year first above written.

Condominium Corporation No. 032-5368

Per: _____ c/s

Resort Development Funding Corporation

Per: _____ c/s

