

full
current copy
(B)

2/12/12



REDWOOD MEADOWS

ADMINISTRATION AGREEMENT

INDEX OF CONTENTS

Recital	1
Assignment	3
Education	5
Taxes Owed by Sarcee Developments	5
Transfer of Assets	5
Responsibilities of Sarcee Development and the Society	6
Fee for Service by Golf Course	7
Conditions Precedent to Agreement	8
Termination	9
Default	10
Covenants and Agreements	11
Miscellaneous	13
Arbitration	15
Amendments to Agreement	16

(2:SDL-7)

ADMINISTRATION AGREEMENT

BETWEEN:

SARCEE DEVELOPMENTS LTD.,
incorporated under the laws of Alberta
("Sarcee Developments")
of the First Part

-and-

TOWNSITE OF REDWOOD MEADOWS ADMINISTRATION SOCIETY
incorporated under the Societies Act of Alberta
("the Society")
of the Second Part

RECITAL:

1. The Sarcee Nation conditionally surrendered for lease the lands more particularly described in Schedule "A" to this Agreement, (the "Head Lease Lands") to the Queen in right of Canada (the "Queen"). The Head Lease Lands were leased by the Queen to Sarcee Developments, expiring September 5, 2049.
2. Sarcee Developments is developing and currently administering a residential community called "Redwood Meadows" on part of Lot 6 and has sold sublease interests to various subleasees ("Leasehold Owners").
3. Redwood Meadows is situated within an Indian Reserve and it is uncertain which of the Laws of the Province of Alberta apply to it.
4. Sarcee Developments, by virtue of its subleases with the Leasehold

Owners, has the right to collect the costs of operating Redwood Meadows from the Leasehold Owners. These operating costs are referred to as "Taxes" and are collected on a basis similar to the basis on which taxes are collected in Alberta municipalities. These taxes are comparable to taxes paid in similar communities in Alberta.

5. The Leasehold Owners have built homes in Redwood Meadows and as a result have made a significant investment.

6. All of the Leasehold Owners are automatically members of the Society by virtue of being Leasehold Owners and they wish to assume the administration of Redwood Meadows, through the Society. The Leasehold Owners wish the Society to operate Redwood Meadows in a manner similar to that of other Alberta municipalities. The Society will assume responsibility and accountability for the budgeting, collection and distribution of the Taxes and the providing of necessary services to the Leasehold Owners.

7. Sarcee Developments desires to have Redwood Meadows operated and administered by the Society, and to assign to the Society all the power vested in it to operate Redwood Meadows, including the power to raise taxes to pay the costs of the administration and services provided. ("General Services Taxing Power") The Society will assume all responsibility for operating Redwood Meadows.

8. Sarcee Developments and the Society do not intend to transfer the ownership of the Water, Sewage, Road systems, Berm or Rights-of-Way at this time, and the terms under which this will eventually be done will be negotiated.

9. The boundaries of the areas to be administrated and called Redwood Meadows shall be as shown on the attached plan.

NOW WITNESSETH THAT in consideration of the mutual covenants and agreements contained herein, the parties agree as follows:

I. RECITALS

The recitals are incorporated in and form part of this Agreement.

II. ASSIGNMENT

A Sarcee Developments hereby assigns to the Society the authority to provide, control and administer General Services to Redwood Meadows. General Services includes all the services necessary to operate Redwood Meadows and for the sake of clarity includes the following:

- (a) fire protection;
- (b) police protection;
- (c) animal control, (wild or domestic): wild animals are not to be destroyed except in case of emergency;
- (d) Redwood Meadows fiscal control including property assessment, budgeting, billing, collection and disbursement of taxes and levies;
- (e) the periodic billing, collecting and disbursement of fees for water and sewer, (the rates to be set jointly by Sarcee Developments and the Society);
- (f) enactment and enforcement of non land-use bylaws.
- (g) in co-operation with Sarcee Developments, the joint enactment and enforcement of land-use bylaws. No change to land use by-laws or enactment of new land use by-laws, regulations or zoning may be made without the consent of Sarcee Developments. If the Society is unsatisfied with the decision of Sarcee Developments, it may appeal the decision in writing within fourteen (14) days of the decision by Sarcee Developments being rendered. The appeal is to the Sarcee Nation Chief and Council, whose decision will be final and not subject to arbitration.

- (h) negotiate with the Alberta and Federal Governments on matters concerning Redwood Meadows in consultation with Sarcee Developments Ltd.;
- (i) parks and recreation;
- (j) maintenance of common areas, designated parks, boulevards, entrances, community reserve areas, the surface of the berm, school areas and other areas designated for fire hall, administration and recreation;
- (k) snow removal;
- (l) garbage collection;
- (m) street lighting;
- (n) signs, including but not limited to:
 - traffic signs
 - advertising
 - notices
 - street signs
- (o) utilities, including but not limited to:
 - electricity
 - gas
 - water
 - sewer
 - telephone
 - cable
- (p) licensing
- (q) roads
- (r) any other system deemed necessary by the Society, as provided by a normal municipality.

The Society accepts the assignment of the rights and responsibilities and agrees to carry out its responsibilities and exercise its rights in a proper and diligent manner, similar to the way these rights and responsibilities are exercised in Alberta municipalities.

III EDUCATION

Sarcee Developments recognises the right of the Leasehold owners and residents of Redwood Meadows, through their Society, to negotiate with the Province of Alberta on all matters related to the administration and provision of education ("Education Administration Power"). In addition, Sarcee Developments transfers to the Society any and all power and responsibility it may have under its subleases with the Leasehold Owners for the raising and distribution of tax for the provision of education ("Education Tax").

IV. TAXES OWED BY SARCEE DEVELOPMENTS

Sarcee Developments will pay fees for services, referred to as taxes, as follows:

- A on unleased lots in developed, serviced areas where 50% or more of the lots are leased, at the residential mill rate on the assessed value of the lots;
- B on unleased lots in developed, serviced areas where less than 50% but more than 25% of the lots are leased, at 50% of the residential mill rate on the assessed value of the lots;
- C on unleased lots in developed, serviced areas where 25% or less of the lots are leased, no taxes.
- D there will be no tax on undeveloped, unserviced areas or areas designated for public use. Areas where services have been installed but are not functioning will be classified as undeveloped.

V. TRANSFER OF ASSETS

Transfer of Assets will take place on January 1/88, ("Closing Date"). *B. Ham*

- 1. The following assets were acquired by Sarcee Developments in part through gifts or taxes related to *CDP 1/88*

the provision of General Services:

- (a) fire trucks and all fire equipment;
- (b) office furniture and equipment;
- (c) tools, vehicles and maintenance equipment;
- (d) tax rolls, lot files and utility files;
- (e) financial information relating to the past and current operations of the Townsite of Redwood Meadows;

and Sarcee Developments agrees to transfer them to the Society for a consideration to be agreed upon either in terms of cash or tax credits;

- 2. all money in the possession or power of Sarcee Developments generated by use of the General Services Power and interest will be transferred to the Society on Closing;
- 3. all the common areas, designated parks, reserve areas, school areas and areas designated for firehall, administrative centre and recreational facilities as provided for in the Master Plan for Redwood Meadows - 1981, will be leased by Sarcee Developments to the Society for the sum of One Dollar (\$1.00) per annum or an absolute net basis commencing on Closing;
- 4. all matters will be adjusted as at 12 noon on the Closing Date.

VI. RESPONSIBILITIES OF SARCEE DEVELOPMENTS AND THE SOCIETY

A. Roads

Sarcee Developments and the Society will ascertain the condition of the roadways at the date of Closing, and Sarcee Developments will be responsible for any construction or design defects ascertained. After Closing, maintenance of the roads and snow removal are the responsibility of the Society.

B. Water System

Sarcee Developments and the Society will ascertain the condition of the water system including the water treatment plant, pipeline, and hydrants as soon as possible, and Sarcee Developments will be responsible for any design or installation defects ascertained. After Closing, maintenance shall be the responsibility of the Society.

C. Sewer System

Sarcee Developments and the Society will ascertain the condition of the sewer system as soon as possible, and Sarcee Developments will be responsible for the repair of construction or design defects. After Closing, maintenance shall be the responsibility of the Society.

D. Berm

Sarcee Developments and the Society will ascertain the status of the Berm as soon as possible and Sarcee Developments shall be responsible to complete the Berm to appropriate standards. After the date of Closing, maintenance shall be the responsibility of the Society where the Berm is within the boundaries of Redwood Meadows.

E. Maintenance

Maintenance shall mean repair and upkeep to acceptable standards for the usage of a properly designed, constructed and maintained system.

F. The preparation of the budget and taxation by the Society must be done in such a manner as to maintain Redwood Meadows to its present standard.

VII. FEE FOR SERVICE BY GOLF COURSE

The Redwood Meadows Golf Course is no longer operated by Sarcee Developments but Sarcee Developments agrees to pay to the Society, or cause the Tsuu t'ina Golf and Country Club to pay to the Society fees for service each year, based on the following formula:

$$\begin{array}{r}
 \$35,000 \times \frac{\$26,080,630.00}{\text{current yearly}} \times \frac{\text{current year's}}{\text{assessment of}} \text{ mill rate} = \text{fee for service} \\
 \text{Redwood Meadows} \\
 \text{Townsite} \\
 17.65
 \end{array}$$

commencing in 1988 and using 1987 as the base assessment year. This formula is valid as long as the base assessment year is 1987. If the base year is altered, the formula will be adjusted appropriately.

The fee for service in this section is not to exceed \$35,000. This maximum figure is to be reviewed every five years.

VIII. CONDITIONS PRECEDENT TO AGREEMENT

- A. The following are conditions precedent to the operation of this Agreement:
 - 1. Sarcee Developments has the authority and is authorized to transfer the "General Services Taxing Power" to the Society.
 - 2. The Society is an incorporated Society, and is properly authorized to enter into this Agreement.
 - 3. The Society satisfies Sarcee Developments that Sarcee Developments is indemnified against any claim anyone may have against Sarcee Developments resulting from the administration of Redwood Meadows by the Society.
- B. Sarcee Developments shall:
 - 1. be obligated to provide "General Services" to the Closing Date.
 - 2. save the Society harmless from any costs in relation to General Services provided by Sarcee Developments prior to the Closing Date, except as adjusted.
- C. Sarcee Developments has the right to enforce the collection of duties, charges, fees, levies and taxes as rent. Sarcee

Developments hereby assigns to the Society all of its rights and remedies to collect duties, fees, charges, levies and taxes from individual Leasehold Owners and agrees to execute any other documents necessary to give effect to this Agreement and to provide the Society with any assistance the Society may require.

- D. If necessary and requested by the Society, Sarcee Developments will do everything in its power to collect duties, fees, charges, levies, taxes and any other money owed from the Leasehold Owners and pay the net amount collected to the Society.

IX. TERMINATION

- A. This Agreement shall continue in full force and effect until:
1. terminated by mutual written consent of both parties; or
 2. the creation of a municipality or municipal district, as those terms are defined by the Municipal Government Act ("Responsible Body") incorporating Redwood Meadows.
 3. the enactment and/or proclamation into force of Federal legislation respecting the administration of Redwood Meadows; or
 4. Sarcee Developments is sold or transferred to an entity * other than one wholly owned by the Sarcee Nation; or
 5. Sarcee Developments is wound up, becomes insolvent, or is otherwise dissolved and is not transferred to an entity wholly owned by the Sarcee Nation; or *
 6. terminated pursuant to Section X "Default"
- B. Upon termination of this Agreement under Section IX.A.2, this Agreement shall be assigned to the "Responsible Body" and the Society shall pay and transfer to the Responsible Body any remaining funds collected through the use of the General Services Taxing power and all assets gained by virtue of this

Agreement.

- C. Upon the termination of this Agreement under Section IX.A.4 or IX.A.5, the responsibility for General Services and General Services Taxing shall remain with the Society or its assignee. The responsibilities of Sarcee Developments shall be as stipulated in the Head Lease.
- D. Upon termination of this Agreement under Section X, the Society shall:
1. pay and transfer to Sarcee Developments all money then in the possession or power of the Society, generated by the use of the General Services Taxing Power or acquired by investment of funds so generated;
 2. assign to Sarcee Developments the right to collect all duties, charges, fees, levies and taxes owing from the Leasehold Owners and their successors, pursuant to the exercise of the General Services Taxing Power;
 3. transfer to Sarcee Developments all of its interest in property, whether real or personal, acquired by the Society pursuant to the exercise of the General Services Power or acquired by virtue of this Agreement.
- E. Upon the termination of this Agreement where a Provincial or Federal Municipality is created, the powers contained in this Agreement shall be assigned to the new municipality.

X. DEFAULT

- A. If the Society shall at any time:
1. file a petition in bankruptcy or make an assignment for the benefit of creditors; or
 2. be adjudicated as bankrupt or insolvent; or
 3. file any petition or institute any proceedings under any bankruptcy or insolvency legislation seeking to effect reorganization or a composition; or

4. be subject to the appointment of a receiver or trustee who is not discharged within sixty (60) days from the date of such appointment; or
5. have its assets seized in execution or by a process of law and not released within thirty (30) days from the date of such seizure provided that the delivery of a Writ of Execution or a Writ of Extent to a Sheriff shall not be considered a seizure for the purpose of this provision; or
6. substantially fail to perform or observe any covenant, term or condition contained in this Agreement;

Sarcee Developments shall give notice to the Society of such default, and the Society may remedy the default that is indicated in the notice within thirty (30) days of the receipt of the notice from Sarcee Developments. If the Society fails to remedy any default within thirty (30) days referred to above, Sarcee Developments may, without notice, terminate this Agreement and all funds remaining collected through the General Services Taxing power and all assets gained by virtue of this Agreement shall become the property of Sarcee Developments.

XI. COVENANTS AND AGREEMENTS

A. The Society expressly covenants and agrees:

1. that it is authorized to accept, and does accept the assignments contained in this Agreement.
2. that it shall act reasonably in assessing General Services Tax against Leasehold Owners pursuant to the General Services Taxing Power and to maintain Redwood Meadows to its present standard.
3. that at all times the Society will ensure that residents of Redwood Meadows receive General Services of the same nature as those available to other similar communities in the Province of Alberta.

4. The Society may employ the personnel necessary to administer Redwood Meadows and employment preference will be given to qualified members of the Sarcee Nation. When there are employment opportunities within the Townsite of Redwood Meadows or tenders to be let by the Society, the Sarcee Employment Service will be notified so that any members of the Sarcee Nation may apply or bid for the jobs and tenders respectively, and any qualified member of the Sarcee Nation will receive first opportunity for the available jobs.

B. Both parties covenant and agree:

1. to furnish each other, on an annual basis, within ninety (90) days of the end of their respective fiscal years, audited statements pertaining to the complete operations provided to Redwood Meadows, together with the report of its auditors, and to furnish each other with such unadited information as from time to time may be reasonably required to efficiently plan for and operate Redwood Meadows.
2. to repair, keep in repair and in good working order and condition all buildings, grounds, structures, plant, machinery, apparatus, equipment and vehicles that from time to time are assets or form part of Redwood Meadows.
3. to promptly pay when due all fees, taxes, grants-in-lieu-of-taxes, or assignments that are properly levied or assessed against each party to this Agreement, save and except where and so long as the validity of any such tax is, in good faith, being contested by one of the parties.
4. to each maintain, with reputable insurers, third party public liability and property damage insurance covering all their operations within Redwood Meadows, within limits of coverage usually carried by others owning or

operating the same or similar type and size operation as that being conducted by the parties to this Agreement.

5. Sarcee Developments shall have reasonable access to the books and records of the Society.

XII. MISCELLANEOUS

- A. The headings in this Agreement shall not be considered in interpreting the text.
- B. This Agreement shall be construed in accordance with the laws of the Province of Alberta.
- C. Sarcee Developments and the Society have expressed their entire understanding and agreement concerning the subject matter of this Agreement and no implied covenant, condition, term or reservation shall be read into this Agreement relating to or concerning such subject matter.
- D. The Society shall execute such documents and provide such further assurances as Sarcee Developments shall reasonably require.
- E. Sarcee Developments may waive any breach by the Society of any of the provisions contained in this Agreement or any default by the Society in the observance or performance of any covenant, agreement or condition required to be kept, observed or performed by the Society under the terms of this Agreement; PROVIDED always that no act or omission of Sarcee Development in the premises shall extend to or be taken in any manner whatsoever to affect any subsequent breach or default or to affect the rights of Sarcee Development resulting therefrom.

- F. All notice or communications given pursuant to this Agreement shall be in writing and in lieu of personal service may be sent by double registered mail. Receipt shall be determined by the return registration notice. The addresses appearing below shall be the addresses to which notices and communication shall be directed, but either party may change its address by notice to the other. In the event of postal disruption, notices shall be delivered in person.

The addresses are:

Sarcee Developments Ltd.
Attn: President or Secretary,
Box 172, Site 7, RR 1,
Calgary, Alberta T2P 2G4.

Townsite of Redwood Meadows Administration Society,
Attn: President or Secretary,
Box 220, Site 7, RR 1,
Calgary, Alberta. T2P 2G4

- G. This Agreement shall not be assigned by the Society without the prior written consent of Sarcee Developments, except as provided herein. Such consent will not be unreasonably withheld.
- H. This Agreement shall not be assigned by Sarcee Developments without the prior written consent of the Society except as provided herein. Such consent will not be unreasonably withheld provided the assignment is to an entity wholly owned by the Sarcee Nation.
- I. Each provision of this Agreement shall be severable. If any provision hereof is illegal or invalid, such illegality or invalidity shall not affect the remainder of the Agreement. No provision of this Agreement shall be deemed to be waived unless such waiver is in writing. Any waiver of any default committed by any of the parties hereto in the observance of the performance of any part of this Agreement shall not

extend to or be taken in any manner to affect any other default.

- J. Time shall be of the essence of this Agreement.
- K. In the event that any disagreement arises between the parties hereto with reference to this Agreement or any other matter arising hereunder upon which the parties cannot agree, then any such dispute shall be referred to arbitration.
- L. The Society hereby indemnifies Sarcee Developments against damages it may suffer as a result of the administration of Redwood Meadows by the Society.

XIII. ARBITRATION

In the event that arbitration is required to resolve any matters under this Agreement, the party seeking arbitration shall appoint one arbitrator, and give notice of appointment in writing. The notice shall name the arbitrator and submit the question to be arbitrated. The other party must appoint an arbitrator within seven (7) days of receipt of this notice. If the first party does not receive notice of appointment in writing within seven (7) days of the service of the notice of appointment of an arbitrator by the second party, then the matter shall be decided by the one appointed arbitrator. If both parties appoint arbitrators, the two arbitrators shall appoint a third arbitrator who is mutually agreeable to them. Should the two arbitrators not appoint a third arbitrator within seven (7) days of the receipt of the notice of appointment by the first party, the matter shall be referred to the Court of Queen's Bench of Alberta for appointment of the third arbitrator at the option of either party.

The arbitrators are to meet within ten (10) days of the appointment of the third arbitrator to arbitrate the question submitted to them. Their reply must be given within ten (10) days of the meeting. If not

given the matter will be referred to the Court of Queen's Bench of Alberta.

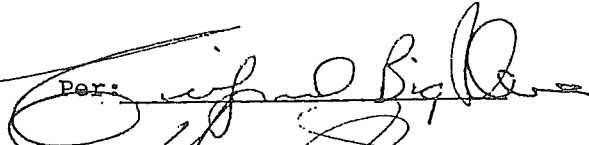
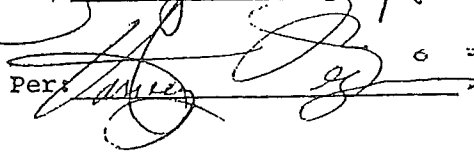
The decision of the arbitrators shall be binding on both parties.

XIV. AMENDMENTS TO AGREEMENT


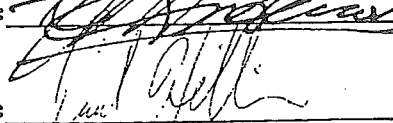
Should amendments to this Agreement be requested by either party, the party requesting the amendment may apply to the other party, in writing, notifying the other party of the changes requested. Both parties undertake to negotiate the requested changes in good faith.

IN WITNESS WHEREOF the parties have set their hands and seals ~~the dated~~ and ~~year first mentioned.~~ *the signing:*

SARCEE DEVELOPMENTS LTD.

Per: 
Per: 

TOWNSITE OF REDWOOD MEADOWS
ADMINISTRATION SOCIETY

Per: 
Per: 

SCHEDULE "A"

All and singular that certain parcel or tract of Land and premises situate, lying and being in Sarcee Indian Reserve No. 145 in the Province of Alberta, containing by measurement 1,592.26 acres, be the same, more or less, and being composed of:

Lot 1 as shown on C.L.S.R. Plan 57673

Lot 3 as shown on C.L.S.R. Plan 57674

Lot 4 and Road as shown on C.L.S.R. Plan 57676

Lots 6, 7 and 8 as shown on C.L.S.R. Plan 57814

and all that part of Sarcee Indian Reserve No. 145 in Section 13, Township 23, Range 2, W5M, in the Province of Alberta which may be more particularly described as follows:

Commencing at a point on the east boundary of the said Section 13, said point lying 161 (one hundred and sixty one) feet south of a D.L.S. Standard post marking the N.E. corner of the said section,

thence westerly parallel to the north boundary of the said section a distance of 2,000 (two thousand) feet to a point,

thence southerly parallel to the said east boundary a distance of 3,267 (three thousand two hundred sixty seven) feet to a point,

thence easterly perpendicular to the said east boundary a distance of 2,000 (two thousand) feet more or less to the said east boundary of the said Section 13,

thence northerly along the said east boundary to the point of commencement,

containing by admeasurement 150 acres more or less. To be confirmed by legal survey.

~~THE~~ FOR PURPOSES OF THIS AGREEMENT THE BOUNDARY ON THE RIVERSIDE SHALL BE THE BASE OF THE BERM ~~ON THE SIDE OF THE~~ RIVER .
closest to

[Handwritten signature]
A. J. P. 94