

PASS POWDERKEG SKI HILL OPERATING AGREEMENT

This Operating Agreement made the 25 day of JUNE, AD. 2014 (hereinafter referred to as the "Agreement").

BETWEEN:

MUNICIPALITY OF CROWSNEST PASS,
a Municipal Corporation incorporated under the laws of the Province of Alberta
(Hereinafter Referred to as the "Municipality")

Of the 1st Part

and

PASS POWDERKEG SKI SOCIETY,
A Society incorporated under the Alberta Societies Act
(Hereinafter referred to as the "Society")

Of the 2nd Part

WHEREAS the Municipality is the owner of the property in the Province of Alberta legally described as follows:

- SE ¼ Section 35-7-4-W5M containing 32.4 hectares more or less;
- SE ¼ Section 35-7-4-W5M Subdivision 1 and 8 containing 16.2 and 8.9 hectares respectively more or less;
- SE ¼ Section 34-7-4-W5M containing 64.7 hectares more or less;
- NW ¼ Section 35-7-4-W5M containing 16.2 hectares more or less;
- NE ¼ Section 35-7-4-W5M Subdivisions 4, 5, 6 12

AND WHEREAS the Municipality has entered into agreement (Recreational Lease No. REC 830018) with Alberta Sustainable Resource Development registered owner of the lands and premises hereinafter legally described as SE 34-7-4-W5M for the purpose described.

NOW THEREFORE the Municipality does hereby allow the Society to use the aforementioned lands, associated premises (including Ski Lodge and other buildings), and associated equipment and assets to operate the same as the Pass Powderkeg Ski Hill, subject to the terms and conditions hereinafter contained.

TERM

1. The term of this Agreement shall be from June 1, 2014 to May 30, 2030 (hereinafter referred to as the "**TERM**"), subject to earlier termination in accordance with the terms of this Agreement.

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COVENANTS OF THE MUNICIPALITY

2. During the Term of this Agreement, the Municipality agrees to supply the following services to the Society if they are desired:
 - a. General Management services via the Municipality's Director of Community Services
 - b. Finance support, including accounts payable and receivable administration
 - c. Payroll and related human resource functions
3. During the Term of this Agreement, the Municipality shall provide insurance coverage under the Municipality's insurance as a Named Insured for all operations arising from this Agreement. Insurance shall include fire/theft insurance covering replacement of Municipal and Society chattels on the premises. The cost of all insurance shall be billed to the Ski Hill portion of the Municipal annual operating budget.
4. The Municipality shall indemnify the Society from any loss, damage, injury or harm as a result of services provided or actions of Municipal staff.
5. The Municipality shall be responsible for the maintenance and upkeep of the Ski Hill access road and parking area (including snow removal) to the standard set out by the Municipality.
6. The Municipality shall provide the Society access to Municipal Office meeting areas for the purpose of holding Board Meetings.

COVENANTS OF THE SOCIETY

7. The Society shall comply with the following terms and conditions:
 - a. The Society Board shall be comprised of up to seven members, all of which shall be appointed by the Council of the Municipality. These seven members will be comprised of two Crowsnest Pass Municipal Councillors and five members-at-large.
 - b. The Society shall submit to the Municipality copies of all Society Board Meeting Minutes as soon as they are available.
 - c. The Society shall comply with the Municipal Purchasing Policy, and shall have Society staff submit sales receipts and revenue for each day to the Municipality on the next business day.
 - d. The Society shall not make any capital improvement to the Ski Hill property and associated premises without first obtaining the approval of Council of the Municipality.
 - e. The Society shall comply with all applicable municipal, provincial, and federal legislation, laws, and regulations in the operation of the Board and Pass Powderkeg Ski Hill.

- f. The Society shall assume liability for any acts or omissions of its employees and volunteers in the exercise of their duties and for the actions of anyone over whom the Society exercises control. The Society shall indemnify and save harmless the Municipality from any and all liabilities, damages, costs, claims, suits, or actions resulting from operation of the Pass Powderkeg Ski Hill and any act or omission of any Society assignees, agents, contractors, servants, employees, invitees, or licensees.
 - g. The Municipal Director of Community Services, or designate, may at all reasonable times enter upon the lands and premises outlined herein for the purpose of inspection or emergency repair, provided that in so doing the Society's enjoyment of the lands and premises is not excessively disturbed.
 - h. The Society shall supply the Municipality with keys, pass codes, and any other thing required to access to the Pass Powderkeg Ski Hill lands and facilities.
 - i. In the event the Society ceases to function or operate the Pass Powderkeg Ski Hill, all fixed assets of the Society will become the property of the Municipality. The Municipality shall not assume liability for any debts on any such assets.
 - j. The Society shall comply with all provisions in the Recreational Lease No. REC 830018 between the Alberta SRD and Municipality
8. The Society acknowledges that the Municipality shall have access to the Pass Powderkeg Ski Hill lands and facilities for Municipal use at no cost provided they are not required for operation of the ski hill at the requested date and time.

GENERAL PROVISIONS

9. This Agreement shall be binding upon and shall endure to the benefit of the parties hereto and each of their respective successors and assigns. The Society may not assign this Agreement without prior written consent of the Municipality.
10. Neither Party shall be held liable in the event of unscheduled closure of the Ski Hill or related facilities due to circumstances beyond their control.
11. This Agreement shall be construed and governed by the laws of the Province of Alberta. If any provision of this Agreement is deemed illegal or unenforceable it is considered separate from the Agreement and the remaining provisions will remain in force.
12. A waiver by either Party of the strict performance of any covenants or provision of this Agreement shall not of itself constitute a waiver of any subsequent breach of such covenant or provisions or any other covenants, provisions, or terms of this Agreement.



TERMINATION

13. This Agreement may be terminated by either Party upon provision of 180 days written notice to the other Party.
14. If the Society is not abiding by the terms and conditions of this Agreement, the Municipality shall provide written notice to the Society of the default. Upon receipt of notice, the Society shall have 30 days to remedy the default. If the Society has not remedied the default after 30 days, the Municipality may consider the Agreement terminated.

NOTICES

15. Any notice required and contemplated by any provision by this Agreement shall be given in writing, via e-mail, delivered personally, or mailed by pre-paid registered mail to the other party at the contact address identified below. Notice given in any such manner shall be deemed to have been received by the party on the day of delivery or upon the seventh (7th) day after the date of mailing provided that normal postal service is in existence at the time of mailing and for seven (7) days thereafter.

Notice shall be given to the Society at:

Chairperson
Pass Powderkeg Ski Society
P.O. Box 600
Crowsnest Pass, Alberta
TOK OEO

Notice shall be given to the Municipality at:

Director of Community Services
Municipality of Crowsnest Pass
P.O. Box 600
Crowsnest Pass, AB
TOK OEO

16. The Parties acknowledges that there are no other covenants, representations, warranties, agreements, or conditions expressed or implied, collateral or otherwise, forming any part of in any way affecting this agreement, save as expressly set out herein and this Agreement constitutes the entire agreement between the Society and the Municipality and may not be modified except as herein expressly provided or except by subsequent agreement in writing, the formality between the Parties.
17. This Agreement and everything contained herein shall endure to the benefit of, and be binding upon, the Parties hereto and their permitted successors and assigns.



IN WITNESS WHEREOF the Parties have hereunder affixed their seals duly attested to by their proper signing officers, the day and year as first above written.

SIGNED, SEALED, AND DELIVERED

MUNICIPALITY OF CROWSNEST PASS



Chief Administrative Officer Sheldon Steinke, CLGM
Chief Administrative Officer

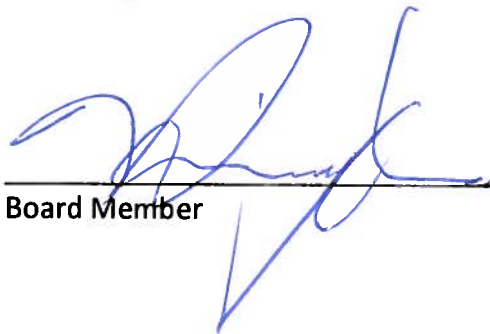


Director of Community Services

PASS POWDERKEG SKI SOCIETY



Chairperson



Board Member