

MANAGEMENT AGREEMENT

THIS AGREEMENT made this 12th day of June, 2017.

BETWEEN :

Ottawa-Carleton Standard Condominium Corporation No. 1020
(hereinafter called the "Corporation")

OF THE FIRST PART

AND :

Capital Integral Property Management.
(hereinafter called the "Manager")

OF THE SECOND PART

WHEREAS the Corporation has been created pursuant to the Condominium Act, 1998, S.O. 1998, c.19, and amendments thereto (the "Act"), registered on the 12th day of June, 2017 in the Land Registry Office for the Land Titles Division of Ottawa-Carleton No. 4 as Instrument No. OC1896480;

AND WHEREAS the Corporation is desirous of having the Manager manage the property and assets of the Corporation, and the Manager is desirous of doing so, in accordance with the terms and conditions of this Agreement;

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

1. The terms, expressions, words and phrases used herein shall have ascribed to them the definitions and meanings contained in the Act, 1998 and the Regulations made hereunder.
2. The term of this Agreement shall extend for the period described in item 1 of Schedule "A".

3. The Corporation hereby engages and appoints the Manager to be its sole and exclusive representative, manager and agent, subject to the control and instructions of the Corporation and its directors and to the specific provisions of this Agreement, to manage the Common Elements and assets of the Corporation, and for the purposes thereof, in the name of the Corporation, to act on its behalf in carrying out the duties of the Manager as herein set out.

4. The Manager hereby accepts such engagement and appointment as sole and exclusive representative, manager and agent of the Corporation and it covenants and agrees to manage the Common Elements and assets of the Corporation in a faithful, diligent and honest manner and to enter into such contracts and agreements as may be necessary in the performance of its duties hereunder and that it shall be subject to the specific instructions of the Corporation and its Board of Directors (the "Board") and to the terms of this Agreement. In fulfilment of its duties hereunder, the Manager shall perform the specific duties outlined in item 2 on Schedule "A".

5. The Manager acknowledges that it is familiar with the terms of the Declaration and By-laws registered pursuant to the Act in connection with the property as of the date of this Agreement. Provided the Manager received such documents prior to the execution of this Agreement.

6. The Manager shall not authorize any work, repairs, alterations or decorations estimated to cost in excess of two thousand five hundred dollars (\$2,500.00) for any one time unless it has been approved in the annual budget, or enter into any contract on behalf of the Corporation which will extend for a period in excess of one (1) year, without first obtaining approval of the Board in writing to proceed with such work. Approval shall not be required for work that is monthly or recurring operating charges, or work that, in the sole and absolute discretion of the Manager, is required to be done in an emergency.

7. In the event that the monies held by the Manager on behalf of the Corporation are insufficient to satisfy the payment of current expenses, the Manager shall thereupon furnish the Corporation with an accounting of same and the Corporation shall be under an obligation to immediately furnish the Manager with sufficient funds to pay the costs and expenses which it has incurred on behalf of the Corporation.

8. Prior to the beginning of each fiscal year of the Corporation, the Manager shall furnish to the Board a written estimated budget for the following year, setting forth by categories the Manager's best estimates of the amounts of all expenses of the operation for the coming year. Upon request of the Board or whenever, in the opinion of the Manager, any change from expenditures forecast in the annual budget makes it advisable to do so, the Manager will submit to the board a supplementary budget covering the expenses of the operation of the property for the then remaining portion of the fiscal year. The Manager will at reasonable times hold itself available for consultation with the Board for the purpose of establishing or revising the common expenses to be paid by the Owners pursuant to the provisions of the Declaration and By-Laws. The Manager shall not

be held responsible should the Board decide not to allocate to the reserve fund the amounts required by the Act.

9. The Manager will at all times keep the Board and the Owners advised of the telephone number or numbers at which a representative of the Manager may be reached at any time during normal business hours in respect of any infraction of the Declaration, By-laws, or Rules and Regulations, or any time during the day or night in respect of any emergency at the property, and the Manager, will make arrangements to deal promptly with such infraction and deal immediately with any emergency arising in connection with the maintenance and operation of the property. It is understood and agreed by the parties hereto that the Manager shall, in its sole discretion, determine whether or not an emergency exists.

10. Except in the case of gross negligence or fraud on the part of the Manager, its servants or agents, the Corporation shall indemnify and save harmless the Manager from any and all liability and from all claims or 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 Corporation all suits which may be rendered against the Manager on account thereof; provided that nothing contained in this sub-paragraph shall release the Manager from any liability to the Corporation in respect of a breach of any of the Manager's covenants herein contained.

11. The Corporation agrees to take out or authorize the Manager to arrange for (i) comprehensive liability insurance on the property, (ii) boiler, machinery and owner vehicle insurance, and (iii) directors' and officers' liability insurance (required by the Act) each to a limit of not less than Two Million Dollars (\$ 2,000,000.00) inclusive and further agrees that the Manager shall be named as an additional named insured along with the Corporation as their interest may appear in any such policy or policies which shall provide protection against any claims for personal injury, death or property damage or loss for which either the Corporation and/or Manager might be held liable as a result of their respective obligations, and the Corporation further agrees, if so requested, to provide the Manager with a Certificate of Insurance in respect of any such policy which shall include an undertaking that the insurer will provide the Manager with at least ten (10) days prior written notice of cancellation or any change in the provisions of any such policy.

12. Notwithstanding anything to the contrary herein contained, under no circumstances whatsoever shall the Manager be liable to the Corporation for the value, cost or amount of any loss or damage to the Property or any contents or for any personal injury of loss against which the Corporation is insured and thereby entitled to indemnification from its insurer(s). All policies of insurance obtained and maintained by the Corporation will contain waiver of subrogation as against the Manager.

13. Any plans, drawings, specifications and architectural or engineering assistance which may be necessary or desirable to enable the Manager to discharge its

duties pursuant to this Agreement shall be provided at the expense of the Corporation, provided that such expense is properly authorized by the Board.

14. The Corporation shall deliver to the Manager copies of all By-Laws and Rules and Regulations made by the Corporation or the Owners as of the date hereof and as they become operative from time to time.

15. The Manager shall not be liable to the Corporation for failure to perform any of the obligations set forth in this Agreement if such failure is occasioned by or results from destruction or damage to the property by fire of other casualty, a strike or lockout, a civil commotion or disturbance, an act of God, a supervening illegality or any other act or cause which is beyond the reasonable control of the Manager.

16. The duties of the Manager shall not include the duties of the officers of the Boards of the Corporation set forth in the By-Laws, except as specifically provided herein.

17. The Corporation shall be responsible to ensure that the building(s) meets all municipal and provincial fire codes and regulations and at its cost and expense, and the Manager shall have no responsibility whatsoever in that regard. Any failure of the building to meet applicable fire codes and regulations shall not be the responsibility of the Manager.

18. Upon termination of this Agreement :

a) the Manager shall within 30 days thereafter, render a final accounting to the Corporation and pay over any monies due to the Corporation (after deduction of outstanding payables and management fees);

b) the Manager shall provide at the end of the term of this agreement a list or copies of invoices due to suppliers, contractors or service providers for services which have been ordered by the Manager in the name or on behalf of the Corporation and the Corporation agrees to retain ultimate responsibility to the provider of such services or goods represented by it on an invoice even if the invoice is in dispute. Further, the Corporation shall bear the costs of any legal action between itself and any service provider;

c) the Manager shall surrender to the Corporation all contracts, records, files and other information, documentation or items which may be pertinent to the continuing operation of the property, and shall surrender all post-dated cheques from unit owners or tenants along with their ledger cards and addresses and all keys to the property. Provided, however, that the Corporation shall reimburse the Manager for any reasonable costs relating to the reproduction of documents and information which the Manager, in its sole discretion, feels it should retain to support or verify its actions during the currency of this Agreement;

d) the Corporation shall forthwith pay to the Manager any outstanding management fees up to the date of termination, along with any other monies owing and payable to the Manager, including a termination fee of \$750.00;

e) the Corporation shall assume the obligations of any and all contracts, which the Manager has made for the purposes of arranging the services to be provided pursuant to this agreement;

f) the Manager shall place no further orders to subcontractors for material, service or facilities, except as may be necessary for the completion of such work currently underway under the Agreement.

g) The Manager shall not upon receipt of the termination notice commence work or provide services related to reserve fund studies, major work or repairs or capital work, unless the Corporation agrees to compensate for this additional service prior to commencement. Such approval shall be in writing to the Manager.

19. The Corporation covenants and agrees that for a period of two (2) years after termination or expiry of this Agreement, it shall not enter into a subsequent management agreement directly or indirectly with or involving any former employee of the Manager who was employed by the Manager during the currency of this Agreement.

20. Any notices required to be given by either party to the other shall be sufficiently given if delivered personally or mailed by prepaid registered post addressed to the Corporation at the address for services of its President or Secretary from time to time holding office and to the Manager at the address indicated in item 3 of Schedule "A", or by email or fax. Any such notice shall be conclusively deemed to have been given and received at the time of its personal delivery by one party to the address of the other or, in the event of service by mail as aforesaid, on the fifth business day after the day of such mailing. Either party may, by notice in writing to the other, designate another address to which notice is to be mailed not more than ten (10) days after the giving of such notice of change of address.

21. The Corporation agrees to pay the Manager as compensation for basic management services as described in Item 2 of schedule "A", (Duties of the Manager) and Schedule "B" hereof, rendered as aforesaid under this Agreement a fee shown in Item 4 of Schedule "A", which is payable monthly and the Manager is hereby authorized to deduct and retain the compensation each month during currency of this Agreement from the monies held by it in trust for the Corporation and the Corporation shall pay any deficiency on demand.

22. The Manager is also entitled to separate compensation for specific tasks as described in Item 5 of schedule "A" entitled Extra Services and the Manager is hereby authorized to deduct and retain any such compensation from the monies held by it in trust for the Corporation and the Corporation shall pay any deficiency on demand.

23. The fees specified in paragraph 21 are intended to cover those normal and predictable management services, which have been stipulated in Item 2 of schedule "A" and schedule "B" hereof. The Manager may provide further services which may be of an occasional or unusual nature, as may from time to time be required by the Corporation, but the Manager shall not be required to provide any such further services unless its compensation is mutually agreed upon in advance, based upon the understanding that such compensation is to be calculated on the basis of the time spent, and at the current hourly rate of eighty five dollars \$ (85.00) and subject to change from time to time, payable to the Manager providing the services. Such additional services shall include but shall not be limited to insurance claims, additional meetings with Board Members, contractors and owner residents or for additional services required due to rental tenancies, warranty related items including those matters arising from the Tarion procedures, supervision of consultants and special projects as required from time to time;

24. This Agreement expresses the entire and final agreement between the parties hereto with respect to all the matters herein and it shall not be amended, altered or qualified except by memorandum in writing signed by the parties hereto to be bound and any amendment, alteration or qualification hereof shall be null and void and shall not be binding upon the party to be charged unless made and recorded as aforesaid.

25. It is hereby agreed and declared that the words in the singular include the plural and the words in the plural include the singular and that unless otherwise specifically defined herein all words and phrases used herein shall have ascribed to them the definitions contained in the Act.

26. This Agreement shall enure to the benefit of and be binding upon the parties hereto and their successors and assigns respectively, provided that it shall not be assigned by either party without the consent in writing of the other party.

27. This Agreement shall be interpreted and applied in accordance with the laws of the Province of Ontario.

IN WITNESS WHEREOF the parties hereto have hereunder affixed their respective corporate seals attested by the hands of their respective signing offices duly authorized in that behalf on the date and year first above written.

Ottawa-Carleton Standard Condominium Corporation No. 1020

Ken Hoppner, President
I have the authority to bind the Corporation

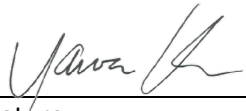
Signature

Brad Morley, Secretary
I have the authority to bind the Corporation

Signature

9140280 Canada Inc. operating as Integral Property Management
200 – 277 boul. St. Joseph, Gatineau QC, J8Y 3Y2

Yawar Khan, President
Name and Title
I have the authority to bind the Corporation



Signature

SCHEDULE "A"

1. TERM

(a) The term of this Agreement shall be from the 12th day of June, 2017 to and including the 30th day of June, 2018 and renewable annually each year.

(b) If either party does not wish to renew this Agreement at the end of its term, such party shall give the other party at least sixty days (60) days written notice. In the event that no such notice is given by either party, the Agreement and all of its terms and conditions (including this provision for automatic renewal) shall be deemed to be automatically renewed for a further term of one year, subject only to the following: The fee described in Item 4 of this Schedule "A" will increase by 3% percentage of the said management fee immediately preceding the renewal term, or as otherwise negotiated by the parties but shall in no event be lesser than the fee paid during the twelve-month period preceding the renewal term.

(c) Either party may terminate this contract for material default by giving sixty days (60) days written notice to the other. There shall be no termination right for the twelve months of the first year of the original contract term of this Agreement.

2. DUTIES OF MANAGER

(a) Advise and consult with the Board with respect to any amendments to the Declaration, further By-Laws and Rules, which in the opinion of the Manager ought to be established and to communicate to all owners the text and import of same;

(b) Take such steps as are reasonably within its power to enforce the terms of the Declaration, By-Laws and Rules and any amendments thereto (provided that the Manager has been properly notified of such amendments in accordance with this Agreement);

(c) In consultation with and as directed by the Board, obtain and maintain insurance policies required to be maintained by the Corporation pursuant to the provisions of the Act, Declaration and By-Laws, with such limits as the Board may stipulate;

(d) Collect and receive in trust for the Corporation all monies payable pursuant to the Declaration or By-Laws by the owners, including pre-authorized payments and deposit the same into a separate trust account to be maintained by the Manager.

(e) Make reasonable efforts for collection of delinquent accounts, for which the Manager shall be entitled to extra compensation as follows :

(i) Where the Manager, in accordance with the procedures agreed to by the Board, issues a letter to a delinquent unit owner, the Manager shall be entitled to be paid a fee of \$ 25.00. This fee shall be added to the common expense fees payable by the delinquent unit owner.

(ii) Where a non sufficient fund (NSF) charge is levied against a delinquent unit owner, the Manager shall be entitled to be paid a fee of \$ 50.00. This fee shall be added to the common expense fees payable by the delinquent unit owner.

(iii) Where the Manager pursues condominium lien proceedings against a delinquent owner, the Manager shall be entitled to a fee of four hundred dollars (\$400.00), which amount shall be added to the condominium lien in accordance with the provisions of the Act.

Notwithstanding the foregoing, the Manager shall have no obligations with respect to collection of arrears apart from the delivery of letters as described in (i) above and arranging for timely commencement of condominium lien procedures, either by the Manager in accordance with (iii) above or by a solicitor acting on behalf of the Corporation. Upon authorization by the Board, the Manager shall otherwise arrange for collection procedures to be handled by the Corporation's solicitor;

(f) Keep accurate accounts of the financial transactions involved in the management of the property and render to the Board monthly financial statements with respect thereto and keep such accounts open for inspection by the Board or any owner or mortgagee or their agent at all reasonable times, and under proper authorization;

(g) As required by the Act and Declaration, at the expense of the Corporation, provide for the proper fulfilment of the Corporation's obligations respecting the operation, maintenance and repair of the property. The Manager shall also assist the Board in all matters related to the Reserve Fund, including arranging Reserve Fund studies, advising the Board on the proper course of action and expense priorities, preparing prescribed Notices to Owners and Auditors, all in accordance with the Act;

(h) Designate, from time to time, one of its employees as Manager for the Corporation. The Manager will conduct regular walk-through inspections. The Manager shall attend a maximum of 6 meetings of the Board per year at times designated upon not less than 48 hours notice. The Manager will also coordinate, the Annual General Meeting of the unit owners and the Manager will also arrange, at the expense of the Corporation, for the reproduction and distribution of notices and all other information relevant to any such meeting. The Corporation shall pay the Manager \$85.00 per hour for the attendance of the Manager's employee at each additional meeting (apart from

those mentioned above). All Board meetings shall be limited to two hours in length after which an additional charge of \$80.00 per hour may apply. The employee of the Manager shall not be required to record the minutes of the meetings;

(i) Prepare and keep current a register of all owners in the Corporation from the information supplied by the Board;

(j) For all sales following the initial sale from the Declarant to the first purchaser, prepare Status Certificates and related documentation required by the Act. For this service, the Manager shall charge a fee equivalent to that charged by the industry and charged to the recipient of the Status Certificate, (as permitted pursuant to the Regulations under the Act), together with all chargeable disbursements;

(k) On behalf of the Corporation, and at the expense of the Corporation, engage such contractors, architects, engineers, solicitors, auditors, janitors and other personnel as may be required to allow the Corporation to fulfill its obligations respecting the operation, maintenance and repair of the property;

(l) The Manager shall be responsible to maintain and safekeeping of the Corporations records. The Manager shall not be responsible for deficiencies in the records of the Corporation that may exist at the date of commencement of this Agreement;

(m) In the fulfillment of its responsibilities hereunder, the Manager is hereby authorized by the Corporation to exercise any and all rights of the Corporation relating to access to the units;

(n) Generally, give the Board direction and advice within the expertise of the Manager as to all of the steps which must be taken by the Corporation in order to properly fulfil its objectives and duties as set forth in the Act, and the Corporation's declaration, by-laws and rules;

(o) Provide all financial and property management services included in Schedule "B".

3. ADDRESS OF MANAGER

The Manager's address is as follows:

904 Lady Ellen Pl.
Ottawa ON K1Z 5L5

The Corporation's address is as follows;

1818 Bradley Side Road
Carp, ON K0A 1L0

4. MANAGER'S FEES- BASIC SERVICES

(a) For the first year of the term, the Manager shall be paid a sum of \$13,500 per annum payable in equal monthly instalments in advance on the first day of each month,

(b) It is understood and agreed that all fees payable under this contract are exclusive of applicable taxes, which shall be an additional amount payable by the Corporation beyond the fees set forth in this Agreement,

(c) The fees paid to the Manager under this Agreement shall not include any amounts payable to any persons or corporations other than the Manager, relating to the operation, maintenance or repair of the property, and also shall not include the cost of all stationery, typing, duplicating and distributing of meeting minutes, duplicating and distributing newsletters, notices, letters, fliers, forms, reports and similar disbursements, which shall be the sole responsibility and at the expense of the Corporation,

(d) Arrears of management fees shall accrue interest at the rate of two (2%) percent per month,

(e) The Manager shall be paid a onetime set up fee at the commencement of this contract in the amount of \$500 to cover expenses related to opening and setting up bank accounts, accounting and financial review, reporting and data entry into the Managers' system, initial meetings with the Board prior to commencement, obtaining resident and owner information and the review of all pertinent information related to the Corporation.

5. EXTRA SERVICES

Additional fees shall be charged to the Corporation for the following services;

(a) Services as outlined in section 23 of this Agreement and those listed in Item 2, (e), (h) of this Schedule "A".

(b) Reproduction, stationary and supplies, typing, duplicating and distributing of meeting minutes, duplicating and distributing, notices, reports, letters, flyers and similar disbursements,

(c) Any other services, including Court appearances, which may be desired by the Corporation and/or required by governmental legislation which are not specifically provided herein,

(d) Attendance, involvement and/or preparations in connection with meetings or directors and/or unit owners beyond those specified in item 2(h) of Schedule "A".

(e) The Manager may request a project management- supervision fee for the supervision of capital projects, major repairs, renovation projects and repairs or replacement related to the Reserve Fund, and warranty related repairs or replacement where the Manager acts as the Project Manager. All fees will be subject to approval by the Board of Directors of the Corporation prior to commencement of the work. The fee shall be no less than 10% of all costs for project work up to and \$25,000.00, 8% for projects up to \$100,000.00 and 5% for projects greater than \$100,000.00. For clarity, the above fees shall be applicable for all projects and repairs which exceed \$7500.00 as identified in the Reserve Fund Study or for projects that will preserve or enhance the asset value.

SCHEDULE “B”

Provision of financial services including:

- Opening of bank accounts at the Manager’s financial institution.
- Collection and receipt of monies payable by owners under declaration and by-laws on behalf of the Corporation and deposit to Corporation’s trust account;
- Provision of pre-authorized payment system;
- Preparation of financial statements and responding to questions from members of the Board;
- Maintenance of appropriate and accurate accounts of all financial transactions including the Corporation’s insurance premium;
- Payment of all invoices for goods and services.
- Reconciliation of monthly bank accounts to general ledger balances;
- Preparation of all documentation to support the annual budget exercise by the Board of Directors and finalizing annual budget for distribution to owners;
- Preparation of necessary documents for annual audit;
- Investment of reserve fund monies as per the Condominium Act of Ontario and in consultation with the Board of Directors;
- Process status certificates as set by the condominium Act of Ontario;
- Presentation of financial statements for meetings of the Board of Directors; and,
- Maintenance of internal control processes to ensure proper segregation of duties.

Provision of basic property management services including:

- Supervision and assignment of work of the Corporation’s Superintendent, in cooperation with the Board of Directors, and participation in this person’s performance evaluation;
- Provide advice and recommendations for consideration of the Board of Directors related to any contract for goods or services;
- Preparation of maintenance contracts for review and approval by the Board of Directors including provision of quotes from a number of potential service providers, e.g., for lawn maintenance, snow-plowing, building’s general cleaning, etc.;
- Preparation of all contracts and scheduling / supervision of work in support of the day to day maintenance of the property;
- Inspection and follow-up of all repairs to ensure satisfactory completion prior to submitting invoice for payment;
- Maintaining good relations with all contractors providing supplies and services to the Corporation;
- Regular site inspections;
- Provision of 24 hour emergency site management services;

- Identifying, documenting and responding to issues raised by owners related to common elements and corporation property;
 - Preparing agenda and attending meetings of the Board of Directors and the Annual General Meeting of owners including presentation of any necessary management reports;
 - Preparing and circulating all documentation to support the Annual General Meeting;
 - Maintaining an up-to-date list of all inventory furniture and equipment owned by the Corporation;
 - Maintaining and updating the Corporation's policy and procedures manual and by-laws and/or Regulations; Monitoring and enforcing the By-Laws and Regulations of the Corporation; Maintaining and updating the Corporation's list of owners with telephone numbers;
 - Allocating parking spots, maintaining parking allocation list and ensuring appropriate parking control.
 - Coordinating any mail-outs to owners including , annual budget and Annual General Meeting package;
 - Coordinating the holding of the Annual General Meeting;
 - Coordinating any special votes by owners;
 - Coordinating any and all notifications to owners of rule/policy changes etc.; and
 - Advising the Board of Directors on notices received for compliance and requirements of any federal, provincial or municipal department or agency.