

MANAGEMENT AGREEMENT

THIS AGREEMENT made in duplicate on the ____ day of _____.

B E T W E E N :

SIMCOE COMMON ELEMENTS CONDOMINIUM CORPORATION NO. _____

(hereinafter called the "Corporation")

OF THE FIRST PART

- and -

AROUND THE LAKES PROPERTY MANAGEMENT LIMITED

(hereinafter called the "Manager")

OF THE SECOND PART

IN CONSIDERATION of the mutual covenants herein contained, the parties hereby agree as follows:

1. The terms used herein shall have ascribed to them the definitions contained in the Condominium Act, 1998 (Ontario) as amended, hereinafter called the "Act" and the regulations made thereunder.
2. The Corporation hereby appoints the Manager and the Manager hereby accepts appointment as the exclusive Manager of the affairs, the Property and the assets of the Corporation in accordance with the terms and conditions of this Agreement.
3. The term of this Agreement shall be for a period of one year, commencing on the **1st day of _____, 2014** and thereafter shall continue in full force and effect from year to year unless terminated in accordance with paragraph 14.

4. The Manager fully accepts that its function is to assist the Board of Directors in the operation and administration of the Corporation, the Property and assets of the Corporation and accepts the relationship of trust and confidence set between itself, the Board and the Owners by virtue of entering into this Agreement.
 5. The Manager agrees to furnish efficient business administration and supervision and to perform its responsibilities in the best manner consistent with effective management procedures and in the most expeditious and economical manner, in the best interests of the Corporation. The Manager shall conduct its duties consistent with the requirements of the Act, the Agreement and with Federal, Provincial and Municipal laws and regulations.
 6. All contracts of the Corporation shall be executed by an authorized signing officer(s) of the Corporation unless there is an emergency or unless the Manager is specifically directed by a resolution of the Board to execute contracts on behalf of the Corporation.
 7. The Manager, in the performance of its duties hereunder, shall:
 - (a) enforce the terms of the declaration, by-laws and rules, and any amendments thereto which presently exist or which may hereafter be made and notified to the Manager in writing;
 - (b) forthwith communicate to all owners the text and import of any further bylaws or rules and regulations;
 - (c) advise and consult with the Board with respect to any further by-laws, rules and regulations which in the opinion of the Manager ought to be established to further the harmonious and satisfactory operation of the property for the common benefit of the owners;
 - (d) prepare and keep current the Corporation records from information supplied by the Board;
-

- (e) collect and receive all monies payable by the owners under the declaration and bylaws, and deposit the same in a separate bank account in the name of the Corporation, or as the Board shall direct; all such monies and bank account(s) shall thereafter be maintained by the Manager and be used to:
 - (i) make payments of all accounts properly incurred by or on behalf of the Corporation;
 - (ii) arrange and pay for insurance in accordance with the provisions of the Act, declaration and by-laws in amounts directed by the Board;
 - (iii) ensure the proper repair and maintenance of those parts of the property which require repair and maintenance by the Corporation in accordance with the provisions of the declaration and bylaws and without limiting the generality of the foregoing, such repair and maintenance shall include the keeping of the common elements in a neat and tidy condition and maintaining such staff as may be required at all times to promptly and efficiently carry out the foregoing;
 - (iv) where the cost of performing work of services and/or goods or materials to be furnished to the Corporation exceeds the sum of five hundred dollars (\$500.00), obtain and submit at least two (2) written tenders, unless the Board is satisfied with one tender, for presentation to the Board of Directors and obtain the approval of the Board prior of entering into a contract.
 - (v) to effect emergency repairs involving manifest danger to persons or property, or immediately necessary for the preservation and safety of the property or for the safety of persons or required to avoid suspension of any necessary service to the property, and to this end the Corporation hereby authorizes the Manager its servants, agents or employees to enter any unit with or without the consent of the unit owner(s) to effect any such

emergency repairs which, in the Manager's sole and absolute discretion, are immediately necessary for the preservation of the property;

- (vi) generally, for the performance of the duties and obligations in respect of which the monies are paid;
- (f) make reasonable efforts to collect delinquent accounts, including those amounts payable by the owners under the declaration and by-laws, and to refer such delinquent accounts to a solicitor for collection, if necessary;
- (g) keep accurate accounts and records of the financial transactions involved in the management of the Property and render to the Board monthly statements of income and expenditure with respect thereto;
- (h) upon reasonable notice and during normal business hours, make available for examination by the Corporation or any owner or mortgagee, the accounts and records referred to in paragraph 7(g) above;
- (i) conduct complete walk through inspections of the common elements for the purpose of identifying maintenance or repair needs and submit to the Board periodical reports with recommendations;
- (j) arrange and pay for (from Corporation funds) the appraisal and insurance required by the Corporation in accordance with the provisions of the Act, the Declaration and By Laws, and to co-ordinate the resolution of insurance claims on behalf of the Corporation. The amounts of such insurance shall be as directed by the Board of Directors;
- (k) arrange, at the expense of the Corporation, to have prepared a Reserve Fund Study and/or Updates to the Study, setting out the amounts that, calculated on the basis of expected replacement costs of common elements and assets of the Corporation, are reasonably expected to provide sufficient funds for major repair and replacement of common elements and assets of the Corporation, in accordance with Section 93 of the Act.

8. The duties of the Manager shall not include the duties of the officers of the Corporation set forth in the by-laws, except as specifically otherwise provided in this agreement.
9. Prior to the beginning of each fiscal year of the Corporation during the term of this agreement, the Manager shall furnish to the Board in writing an estimated budget for the following year setting forth by categories the Manager's best estimate of all expenses of the operation of the property for the coming year including, without limiting the generality of the foregoing, insurance premiums, water, gas and electric rates, and costs of all repairs, maintenance and supervision of the property. The Manager will at all 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 under the provisions of the declaration and by-laws.
10. The Manager will at all times keep the Board and all owners advised of the telephone number or numbers at which an agent 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, or at 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 infractions and immediately with any emergency arising in connection with the maintenance and operation of the property. The Manager shall deal in the first instance with minor emergencies and infractions and shall forthwith report to the Board any major emergency or any persistent, flagrant or serious violation of the declaration, by-laws or rules. It is understood and agreed by the parties that the Manager shall determine in its discretion whether or not an emergency exists and whether or not the emergency is of a minor or major nature.
11. At the request of the Board, the Manager will schedule, arrange for facilities and prepare all Notices for all annual or special meetings of the owners. At the expense of the Corporation, copy, distribute or post all notices, other information and announcements to Owners or residents and attend all meetings of the Board & Owners unless otherwise directed by the Board.
12. Upon receipt of a written request for a Status Certificate of a unit, and receipt of the fee prescribed by regulation under the Act, where a resolution of the Board authorizes the

Manager to do so, the Manager shall prepare and execute, under the seal of the Corporation, such certificate within the time limit prescribed by the Act. The Manager be responsible for the accuracy and completeness of all information included, provided that the Manager shall not be held liable for any error or omission if the same results from the failure of the Board to communicate to the Manager pertinent information either with respect to the specific unit or with respect to the Corporation in general, which should be taken into account in the preparation of the Status Certificate. Save as aforesaid, and, notwithstanding the provisions in paragraph 13 (c), the Manager shall indemnify and save the Corporation harmless from any damages, demands, claims, costs, losses, actions, suits or obligations whatsoever arising out of any error or omission in the information contained in the Status Certificate of which the Manager had or ought to have had knowledge. The Manager is entitled to the fee prescribed by regulation pursuant to the Act for the preparation and issuance of Status Certificates and related documentation.

13. The Corporation shall:

- (a) pay the Manager, monthly, in advance, for its managerial services hereunder fees equal to the sum of **eleven dollars and fifty cents (\$11.50)** plus applicable harmonized taxes, per Potl per month during the first year of the term of the Agreement. It is understood and agreed that such remuneration does not include the cost of performing any services set forth in paragraph 7(e)(iii) hereof, which services shall be an additional charge to the Corporation;
- (b) reimburse the Manager for any out-of-pocket expenses incurred on behalf of the Corporation for specific services authorized by the Corporation, other than those services described in the agreement hereto;
- (c) the Corporation shall, during and after the termination of this Agreement, indemnify and save the Manager completely free and harmless from any and all claims, actions, obligations, liabilities, costs, expenses and fees arising out of damage or injury to person or property in or about or in any way connected with the Property or incurred by reason of carrying out the provisions of this Agreement or acting upon the directions of the Corporation, except in case of

default of the Manager in complying with the provisions of this Agreement or any negligence, fraud, illegal or dishonest act, or intentional harm on the part of the Manager, its employees or agents. The Manager shall, during and after the termination of this Agreement, indemnify and save the Corporation completely free and harmless from any and all claims, actions, obligations, liabilities, costs, expenses and fees arising out of the default of the Manager in complying with the provisions of this Agreement or any negligence, fraud, illegal or dishonest act or intentional harm caused by the Manager, its employees or agents.

14. The Corporation or the Manager may terminate this Agreement, without cause, by giving ninety (90) days' notice in writing to the other to such effect. Upon termination of this Agreement:
 - (a) all obligations of the Manager shall cease and the Corporation shall pay to the Manager any monies due to it up to the date of termination of this Agreement;
 - (b) all records and current accurate accounts shall be duly turned over to the Corporation, including without limitation, post-dated cheques, corporate seal, contracts, files, plans, architectural and engineering documents, manuals, correspondence and keys to the property.
 - (c) the Manager shall as soon as possible and within 60 days after termination of the Agreement, pay over any balance in the Corporation's bank account managed by the Manager remaining to the credit of the Corporation (less any amounts necessary to satisfy commitments properly made by the Manager to others prior to the date of the termination).
 - (d) the Corporation shall assume the obligations under any and all contracts which the Manager has properly made for the purpose of arranging the services to be provided pursuant to this Agreement.

15. All notices required or permitted to be given hereunder shall be sufficiently given:
- (a) to the President of the Corporation if signed by or on behalf of the party so giving notice hereunder and delivered, and, when there is no postal disruption, mailed by prepaid registered post to the Secretary of the Corporation at the address for service at such address as the Secretary of the Corporation may from time to time designate by written notice pursuant hereto;
 - (b) to the Manager if signed by or on behalf of the party so giving notice hereunder and delivered or, when there is no postal disruption, mailed by prepaid registered post to the Manager at 110 Main Street East, unit 4, Huntsville, Ontario, P1H 1K6 or at such other address as the Manager may from time to time designate by written notice pursuant hereto.
 - (c) All such notices mailed as aforesaid shall be deemed to have been received on the business day next following the date of such mailing.
16. The Corporation and the Manager shall make, do and execute or cause to be made, done, executed all such further and other things, acts, deeds, documents, covenants and assurances as may be necessary or reasonably required to carry out the intent and purpose of this Agreement fully and effectually.
17. This Agreement and every term, covenant and condition herein contained shall ensure to the benefit of and be binding upon the parties hereto, and their respective successors and assigns.

IN WITNESS WHEREOF the parties hereto have attested by the hands of their respective Officers duly authorized in that behalf, this ____ day of _____, 2014.

SIMCOE COMMON ELEMENT CONDOMINIUM CORPORATION NO. ____

Per: _____
Sean Mason, President

AROUND THE LAKES PROPERTY MANAGEMENT LIMITED

Per: _____
Gabriela Shand, President