

**SERVICE AGREEMENT
(General)
(Long Form)**

TABLE OF CONTENTS

	PAGE
RECITALS	7
0.00 INTERPRETATION	7
0.01 Definitions	7
0.01.01 Activities	8
0.01.02 Agreement	8
0.01.03 Best Efforts	8
0.01.04 Breach	8
0.01.05 Change in Control	8
0.01.06 Confidential Information	9
0.01.07 Force Majeure	9
0.01.08 Intellectual Property	10
0.01.09 Law	10
0.01.10 Legal Representatives	10
0.01.11 PARTY	10
0.01.12 Person	11
0.01.13 Prime Rate	11
0.01.14 Project	11
0.01.15 Related Person	11
0.01.16 Schedule	11
0.01.17 Subsidiary	11
0.01.18 Tasks	11
0.01.19 Work	11
0.02 Entire Agreement	12
0.03 Applicable Law	12
0.04 Non-Compliance	12
0.04.01 Severability	12
0.04.02 Substitute Provision	12
0.05 Miscellaneous	12
0.05.01 Cumulative Rights	12
0.05.02 No Waiver	12
0.05.03 Time and Days	13
a) Time of the Essence	13
b) Computation of Time	13
c) Delays	13
0.05.04 Financial References	13
0.05.05 Cross References	14
0.05.06 Gender and Number	14
0.05.07 Headings	14

**SERVICE AGREEMENT
(General)
(Long Form)**

0.05.08	Presumptions	14
0.05.09	Knowledge.....	14
0.05.10	Approval	14
0.05.11	Accounting Standards.....	14
1.00	PURPOSE	15
1.01	Services	15
1.02	Conditions	15
1.02.01	Required by CLIENT	15
1.02.02	Required by PROVIDER	15
1.02.03	Election.....	15
2.00	CONSIDERATION.....	16
2.01	Professional Fee	16
2.02	Increase	16
2.03	Expenses	16
3.00	TERMS OF PAYMENT	17
3.01	Fees and Expenses	17
3.02	Interest	17
3.03	Loss of Term	17
4.00	SECURITY	17
5.00	MUTUAL REPRESENTATIONS AND WARRANTIES.....	17
5.01	Status	18
5.02	Authority.....	19
5.03	Binding Agreement.....	19
5.04	Canadian Resident	19
5.05	Canadian Status.....	19
5.06	Commission	19
5.07	Insurance	19
5.08	Nominee	19
5.09	Independent Legal Advice.....	20
5.10	Fundamental Provisions.....	20
5.11	Disclosure	20
6.00	REPRESENTATIONS AND WARRANTIES OF CLIENT	20
6.01	Important Facts	20
7.00	REPRESENTATIONS AND WARRANTIES OF PROVIDER	21
7.01	Resources	21
7.02	Conflict of Interest	21
8.00	MUTUAL DUTIES AND OBLIGATIONS	21

**SERVICE AGREEMENT
(General)
(Long Form)**

9.00	DUTIES AND OBLIGATIONS OF CLIENT	21
9.01	Cooperation	21
9.02	Change Orders	22
10.00	DUTIES AND OBLIGATIONS OF PROVIDER	22
10.01	Permits and Licences	22
10.02	Insurance	22
10.02.01	Insured Risks	22
10.02.02	Amount of Coverage	22
10.02.03	Insurer	22
10.02.04	Prior Notice	22
10.02.05	Additional Named Insured	22
10.02.06	Certificates of Insurance	23
10.02.07	Notice of Modification or Cancellation	23
10.03	Schedule	23
10.04	Best Efforts	23
10.05	Monthly Report	23
10.06	Conduct	23
10.07	Confidential Information	23
10.07.01	Acknowledgement	23
10.07.02	Request for Return	24
10.07.03	Penalty	24
10.08	Non-Competition	24
10.08.01	Scope of Undertaking	24
10.08.02	Penalty	24
	a) Amount	24
	b) Payment	24
	c) Protective Measures	24
10.09	Non-Solicitation of Customers	25
10.09.01	Scope of Undertaking	25
10.09.02	Breach of Undertaking	25
	a) Penalty	25
	b) Payment	25
	c) Protective Measures	25
10.10	Non-Solicitation of Personnel	25
10.10.01	Scope of Undertaking	25
10.10.02	Breach of Undertaking	26
	a) Penalty	26
	b) Payment	26
	c) Protective Measures	26
10.11	Business Opportunities	26
10.12	Conflict of Interest	26
10.13	Intellectual Property	26
10.13.01	Assignment and Waiver	26

**SERVICE AGREEMENT
(General)
(Long Form)**

10.13.02	Use.....	27
11.00	SPECIAL PROVISIONS.....	27
11.01	No Assignment	27
11.02	Transfer by CLIENT.....	27
11.02.01	Internal	27
11.02.02	External	27
11.03	Relationship Between the PARTIES	27
11.04	Remedies.....	28
11.04.01	Choice.....	28
11.04.02	No Limitations.....	28
12.00	GENERAL PROVISIONS	28
12.01	Notice	28
12.02	Dispute Resolution.....	28
12.02.01	Good Faith Negotiations	28
a)	Written Notice	28
b)	Meeting.....	29
12.02.02	Mediation	29
a)	Process	29
b)	Mediator.....	29
c)	Settlement	29
d)	Legal Proceedings [OR Arbitration].....	29
12.02.03	Arbitration	29
12.03	Election	29
12.04	Counterparts.....	30
12.05	Amendment.....	30
12.06	No Waiver of Rights	30
12.07	Electronic Transmission and Signature	30
12.08	Language.....	30
13.00	TERMINATION	31
13.01	Mutual Consent.....	31
13.02	By the CLIENT.....	31
13.03	By the PROVIDER.....	31
13.04	Cessation of Relationship	31
14.00	EFFECTIVE DATE.....	31
15.00	DURATION.....	31
15.01	Probation Period	31
15.02	Initial Term	32
15.03	Renewal	32
15.04	Non-Renewal	32

**SERVICE AGREEMENT
(General)
(Long Form)**

15.05 Survival.....	32
16.00 SCOPE	33

SCHEDULES

	PAGE
SCHEDULE 0.01.16 – SCHEDULE	34
SCHEDULE 0.01.18 – TASKS	34
SCHEDULE 0.01.19 – WORK	34
SCHEDULE 10.09.01 A – CUSTOMER LIST	34
SCHEDULE 10.09.01 B – SERVICES COVERED BY NON-SOLICITATION UNDERTAKING	34

○ ○ ○ ○ ○

© edilex inc.
www.edilex.com

**SERVICE AGREEMENT
(General)
(Long Form)**

SERVICE AGREEMENT entered into in the City of, Province of,
Canada.

BETWEEN: V1 (*name of individual*), (*occupation*), domiciled and
residing at (*civic number and street name*), in the City of
..... (*name of city*), Province of (*name of province*),
..... (*postal code*), doing business as (*business name*);

OR

V2 (*corporate name*), a legal person duly incorporated under the
..... Act (*name of statute under which the corporation was incorporated*),
having its principal place of business at (*civic number and street name*), in
the City of (*name of city*), Province of (*name of
province*), (*postal code*), and duly registered under the designating
number in accordance with the Act (*name of the statute
respecting the legal publicity of enterprises under which the corporation is registered*);

V2.1 (Authorized Representative) (to be added after V2, if applicable)

, represented by (*name of representative*), its (*title of
representative*), duly authorized for the purposes hereof, as he/she so declares;

V2.2 (Authorized Representative by Resolution) (to be added after V2, if applicable)

, represented by (*name of representative*), its (*title of
representative*), duly authorized for the purposes hereof as indicated in the resolution of the
sole director [OR board of directors], attached hereto as Schedule A;

OR

V3 (*common business name*), [a general partnership], **OR** [a limited
partnership represented by (*name of its general partner*), its general
partner] **OR** [an undeclared partnership], **OR** [a joint venture], **OR** [a collaboration], **OR** [a
group of persons] exercising an organized economic activity of a commercial nature, duly
formed under the [..... Act (*identify applicable statute*)] **OR** [Civil Code of
Québec] **OR** [applicable general law], having its head or registered office at
..... (*civic number and street name*), in the City of (*name of
city*), Province of (*name of province*), (*postal code*), and
duly registered (*as the case may be*) under the designating number in
accordance with the Act (*name of the statute respecting the legal publicity
of enterprises under which the corporation is registered*) represented by
(*name of representative*), its (*title of representative*), duly authorized for
the purposes hereof as he/she so declares **OR** [as indicated in the resolution of the partners
of the general partnership], **OR** [as indicated in the resolution of the sole director [or Board
of Directors] of the general partner of the limited partnership], **OR** [as indicated in the
resolution of the partners of the undeclared partnership], **OR** [as indicated in the resolution

CORPORATION	PROVIDER

**SERVICE AGREEMENT
(General)
(Long Form)**

of the sole director [or Board of Directors] of each participant in the joint venture, **OR** [as indicated in the resolution of the sole director [or Board of Directors] of each participant in the collaboration], **OR** [as indicated in the resolution of the members of the group of persons], attached hereto as Schedule A;

HEREINAFTER REFERRED TO AS THE “CLIENT”;

AND: *(identify service provider)*;

HEREINAFTER REFERRED TO AS THE “PROVIDER”;

HEREINAFTER COLLECTIVELY REFERRED TO AS THE “PARTIES”.

RECITALS

THE PARTIES DECLARE AS FOLLOWS:

- A) The CLIENT is engaged in the business of *(describe business sector)*;
- B) The PROVIDER is engaged in the business of *(describe business sector)*;
- C) The CLIENT wishes to *(describe required services)*;
- D) The PARTIES wish to record the terms of their agreement regarding such purpose in a private instrument;
- E) It is the intent of the PARTIES that their agreement be construed as a contract by mutual agreement.

NOW THEREFORE, THE PARTIES AGREE AS FOLLOWS:

0.00 INTERPRETATION

0.01 Definitions

CORPORATION	PROVIDER

**SERVICE AGREEMENT
(General)
(Long Form)**

Unless otherwise indicated or inconsistent with the context, capitalized words and expressions appearing in the Agreement [or in any ancillary or subordinate documentation] will be interpreted as follows:

0.01.01 Activities

means regarding the PROVIDER, *(describe its business activities)*, and means regarding the CLIENT, *(describe its business activities)* and includes in respect of each PARTY any other activity related to such business activities and any new area of activity in which a PARTY may carry on business from time to time during the term of the Agreement;

0.01.02 Agreement

means this agreement including its recitals and schedules, any related or ancillary documentation identified therein, as well as any amendments thereto that the PARTIES may make from time to time in accordance with Section 12.05 herein;

0.01.03 Best Efforts

means the efforts that a Person, including a PARTY, desirous of achieving a result and acting prudently and diligently would use in similar circumstances to maximize, to the extent reasonably practicable, the probability that a result will occur and includes the generally recognized or common trade practices of any trade or profession as well as the generally acknowledged best practices in a field of activity;

0.01.04 Breach

means, with respect to any representation or warranty, obligation or other provision of the Agreement:

- a) any misrepresentation, inaccuracy, error, or failure to disclose;
- b) any non-compliant performance or failure to perform an obligation; or
- c) any non-compliance, infringement, default or failure to satisfy any other provision;

0.01.05 Change in Control

means, regarding any PARTY that is a legal person, any of the following events:

- a) the direct or indirect acquisition of more than FIFTY PERCENT (50%) of such PARTY's voting rights by any Person, other than a Person already holding shares in that PARTY;

CORPORATION	PROVIDER

**SERVICE AGREEMENT
(General)
(Long Form)**

- b) the acquisition by any Person, other than a Person holding shares in such PARTY, of the right to elect or appoint a majority of the directors in that PARTY;
- c) an agreement for the sale or disposition of all or substantially all of that PARTY's assets;
- d) a restructuring of that PARTY leading to an assignment of its rights under the Agreement to a Related Person;
- e) an amalgamation involving that PARTY; or
- f) the approval by the shareholders of that PARTY of a plan for its complete liquidation;

0.01.06 Confidential Information

means any information (commercial, technical, scientific, financial, legal, personal or other information) that a PARTY discloses [before and] during the term of the Agreement and that the receiving PARTY, exercising reasonable business judgment, understands to be confidential, including, in particular, any information related to its Activities, business strategies and opportunities, finances, Intellectual Property, suppliers, customers or employees, but excludes:

- a) information known to the receiving PARTY prior to the date of its disclosure;
- b) information known by or available to the public prior to the date of its disclosure;
- c) information that becomes known by or available to the public after the date of its disclosure and that does not result from a breach of the confidentiality undertaking by the receiving PARTY;
- d) information received at any time by a Person who is not bound to one of the PARTIES by a confidentiality undertaking with regard to that information;
- e) information independently produced by the receiving PARTY;
- f) personal information provided by an individual when such information is being used for the purpose for which it was previously disclosed or any other purpose permitted by Law;

0.01.07 Force Majeure

means any event beyond the control of a PARTY that could not have been reasonably foreseen and against which it could not have protected itself such as any natural disaster, epidemic, fire, accident, act of war (whether declared or not), insurrection, riot, act of terrorism, wildcat strike, spontaneous work stoppage or slowdown, lock-out, change in market conditions, power or communication breakdown, intervention by civil or military

CORPORATION	PROVIDER