

REAL-ESTATE MANAGEMENT AGREEMENT

TABLE OF CONTENTS

	PAGE
RECITALS	9
0.00 INTERPRETATION	9
0.01 Definitions.....	9
0.01.01 Agreement.....	9
0.01.02 Auditors.....	10
0.01.03 Best Effort.....	10
0.01.04 Breach	10
0.01.05 Change in Control	10
0.01.06 Complex	11
0.01.07 Confidential Information.....	11
0.01.08 Encumber or Encumbrance.....	11
0.01.09 Event of Default.....	12
0.01.10 Financial Year.....	12
0.01.11 Force Majeure.....	13
0.01.12 Fundamental Provisions.....	13
0.01.13 Gross Revenue.....	13
0.01.14 Legal Representatives	13
0.01.15 PARTY.....	13
0.01.16 Person.....	13
0.01.17 Prime Rate.....	14
0.01.18 Related Person	14
0.01.19 Subsidiary	14
0.02 Precedence	14
0.03 Jurisdiction.....	14
0.03.01 Governing Law	14
0.03.02 Non-compliance.....	14
(a) Severability	14
(b) Substitute Provision.....	15
0.04 Miscellaneous	15
0.04.01 Cumulative Rights.....	15
0.04.02 Time and Dates	15
(a) Time of the Essence.....	15
(b) Computation of Time	15
(c) Delays.....	16
0.04.03 Financial References	16
0.04.04 References within Agreement.....	16
0.04.05 Gender and Number	16

0.04.06	Headings.....	16
0.04.07	Presumptions.....	17
0.04.08	Knowledge	17
0.04.09	Approval.....	17
0.04.10	GAAP.....	17
1.00	OBJECT.....	17
1.01	Mandate.....	17
1.02	Conditions	18
1.02.01	Required by MANAGER.....	18
1.02.02	Required by PROPRIETOR	18
1.02.03	Choice	18
2.00	CONSIDERATION.....	18
3.00	TERMS OF PAYMENT.....	19
3.01	Fees.....	19
3.02	Interest.....	19
3.03	Loss of Term.....	19
4.00	SECURITY.....	20
4.01	In favour of MANAGER.....	20
4.02	In favour of PROPRIETOR.....	20
5.00	MUTUAL REPRESENTATIONS AND WARRANTIES.....	20
5.01	Status.....	20
5.02	Authority.....	20
5.03	Binding Agreement.....	21
5.04	Canadian Resident.....	21
5.05	Commission.....	21
5.06	Insurance.....	21
5.07	Nominee.....	21
5.08	Fundamental Provisions.....	21
5.09	Disclosure.....	21
6.00	REPRESENTATIONS AND WARRANTIES OF MANAGER.....	22
6.01	Competence.....	22
6.02	Solvency.....	22
6.03	Other Businesses.....	22
7.00	REPRESENTATIONS AND WARRANTIES OF THE PROPRIETOR.....	22
8.00	MUTUAL DUTIES AND OBLIGATIONS.....	22
8.01	Confidential Information.....	22
8.01.01	Undertaking.....	22

8.01.02	End of Agreement	23
8.02	Insurance	23
8.02.01	Insured Risks	23
8.02.02	Amount of Coverage	23
8.02.03	Issuer	23
8.02.04	Co-insured.....	24
8.02.05	No Limitation.....	24
8.03	Indemnification	24
8.03.01	“Loss”.....	24
8.03.02	Scope	24
8.03.03	Procedure	25
8.03.04	Deductible.....	25
8.03.05	Limitation on Claims.....	25
8.04	Disclosure of Agreement.....	26
9.00	DUTIES AND OBLIGATIONS OF MANAGER	26
9.01	Best Efforts	26
9.02	Services	26
9.02.01	Leasing.....	26
9.02.02	Notice to Lessees.....	26
9.02.03	Punctual Payment.....	27
9.02.04	Collection of Rent.....	27
9.02.05	Collection of Arrears.....	27
9.02.06	Legal Proceedings	27
	(a) Recommendation	27
	(b) Procedure.....	27
9.02.07	Relation with the Lessees.....	28
9.02.08	Lease Forms.....	28
9.02.09	Rules and Regulations.....	28
9.02.10	Promotion.....	28
	(a) Coordination.....	28
	(b) Surplus Costs.....	28
	(c) Content.....	28
9.02.11	Settlement of Accounts, etc.....	29
9.02.12	Coordination	29
9.03	Limitation of Liability.....	29
9.04	Accounting and Management of Funds	29
9.04.01	Annual Budget.....	29
	(a) Preparation	29
	(b) Normal Operating Costs.....	30
	(c) Initial Financial Years	30
9.04.02	Monthly Reports.....	30
9.04.03	Quarterly Reports	30
9.04.04	Financial Statements and Annual Reports	30

9.04.05	Invoicing	31
9.04.06	Banking	31
	(a) Management	31
	(b) Interest and fees	31
	(c) Operating Conditions	31
	(d) Advance	31
	(e) Transfer	31
9.04.07	Amounts Held in Trust	32
9.04.08	Information	32
9.04.09	Inspection by the Auditors	32
9.05	Security	32
9.06	Personnel	33
9.06.01	Employees	33
	(a) Availability	33
	(b) Supervision	33
	(c) Unionization	33
	(d) Collective Agreement	33
9.06.02	Remuneration	33
	(a) Salaries and expenses	33
	(b) Benefits	33
	(c) MANAGER's personnel	34
9.07	Services, Material and Supplies	34
9.08	Insurance	34
9.09	Counsellors and Consultants	34
9.10	Negotiations with the Lessees	34
9.11	Restrictions as to Expenses	35
	9.11.01 Limits	35
	9.11.02 Emergency	35
9.12	Advantages and Better Prices	35
	9.12.01 Undertaking	35
	9.12.02 Remittance	35
9.13	Respect of Legislation	35
10.00	DUTIES AND OBLIGATIONS OF THE PROPRIETOR	36
10.01	Payment of Debt	36
10.02	Working Capital	36
10.03	Immediate Payment of Funds	36
	10.03.01 Exceeding Disbursements	36
	10.03.02 No Responsibility	36
	10.03.03 Indemnification	37
10.04	Reimbursement by PROPRIETOR	37
	10.04.01 Advance	37
	10.04.02 Interests	37
11.00	SPECIAL PROVISIONS	37

11.01	Assignment	37
11.01.01	Prohibition	37
11.01.02	Effect of Breach.....	37
11.01.03	Exception	38
11.02	Force Majeure.....	38
11.02.01	No Default.....	38
11.02.02	Duty.....	38
11.02.03	Rights of Other PARTY.....	38
11.03	Relationship	38
11.03.01	Independent Contractors	38
11.03.02	No Control over Performance.....	38
11.03.03	No Authority to Bind	39
11.04	Further Assurances	39
11.05	Other Remedies	39
11.05.01	Choices.....	39
11.05.02	No Limitations.....	39
11.06	Prescription	39
11.07	Indemnification by PROPRIETOR.....	39
11.08	Indemnification by MANAGER	40
11.09	Guarantee	40
11.09.01	Income Guarantee.....	40
	(a) Commitment.....	40
	(b) Amount.....	40
	(c) Computation.....	40
	(d) Total Loss.....	40
	(e) Partial Loss.....	41
11.09.02	Terms of Execution	41
11.09.03	Dispute	41
	(f) Notice.....	41
	(a) Procedure.....	41
	(b) Decision.....	42
	(c) Fees.....	42
11.09.04	Excess in Guaranteed Income.....	42
11.10	Participation in the Case of Resale.....	42
12.00	GENERAL PROVISIONS.....	42
12.01	Notice	42
12.02	Dispute Resolution	43
12.02.01	Good Faith Negotiations	43
12.02.02	Mediation	43
12.02.03	Arbitration.....	43
12.03	Election	43
12.04	Counterparts.....	43
12.05	Amendment.....	44

12.06 Waiver of Rights..... 44

12.07 Electronic Transmission..... 44

12.08 Language..... 44

13.00 TERMINATION..... 44

13.01 Mutual Consent..... 44

13.02 Unilateral Termination 44

13.03 Cancellation 44

 13.03.01 Without Notice 45

 (a) Insolvency Case 45

 (b) In case of default..... 45

 13.03.02 By MANAGER 45

 13.03.03 Damages or Destruction..... 45

 13.03.04 Expropriation 46

13.04 Change of Control 46

13.05 Remittance of Files..... 46

 13.05.01 Documents 46

 13.05.02 Final Account 47

13.06 Services Rendered after Cancellation 47

13.07 Duties Resulting from the Expiry or the Cancellation of the Agreement..... 47

14.00 EFFECTIVE DATE..... 47

14.01 Retroactivity..... 47

14.02 Execution 48

14.03 Deferral 48

15.00 DURATION..... 48

15.01 Probationary or Trial Period 48

15.02 Initial Term..... 48

15.03 Renewal..... 48

 15.03.01 First Renewal 48

 15.03.02 Subsequent Renewals..... 48

15.04 Conditions of Renewal 49

15.05 Survival 49

15.06 Non Renewal..... 49

16.00 SCOPE 50

OOOOO

MANAGEMENT AGREEMENT entered into in the City of _____, Province of _____ (insert name of province), Canada.

BETWEEN: V1 _____ (name of individual), _____ (occupation), domiciled and residing at _____ (insert civic number and street name), in the City of _____ (insert name of city), Province of _____ (insert name of province), _____ (postal code);

OR

V2 _____ (corporate or business name), a legal person duly incorporated pursuant to the _____ Act (name of statute under which the corporation was incorporated), having its principal place of business at _____ (insert civic number and street name), in the City of _____ (insert name of city), Province of _____ (insert name of province), _____ (postal code);

OR

V3 _____ (corporate or business name), a legal person duly incorporated pursuant to the _____ Act (name of statute under which the corporation was incorporated), having its head or registered office at _____ (insert civic number and street name), in the City of _____ (insert name of city), Province of _____ (insert name of province), _____ (postal code), represented by _____ (name of representative), its _____ (title of representative), duly authorized for the purposes hereof;

OR

V4 _____ (corporate or business name), a legal person, duly incorporated pursuant to the _____ Act (name of statute under which the corporation was incorporated), having its head or registered office at _____ (insert civic number and street name), in the City of _____ (insert name of city), Province of _____ (insert name of province), _____ (postal code), and duly registered under number _____ () in accordance with _____ (insert name of statute pursuant to which the entity 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 [sole director or board of directors]];

HEREINAFTER REFERRED TO AS "MANAGER";

AND: _____ (identification of the proprietor);

MANAGER	PROPRIETOR

HEREINAFTER REFERRED TO AS "PROPRIETOR";
HEREINAFTER COLLECTIVELY REFERRED TO AS THE "PARTIES".

RECITALS

THE PARTIES MAKE THE FOLLOWING REPRESENTATIONS:

- (A) PROPRIETOR is the owner of a residential complex;
- (B) MANAGER wishes to offer its services for the management of said residential complex;
- (C) PROPRIETOR wishes to retain the services of MANAGER to manage and supervise the leasing, operation and, in a general manner, the management of the residential complex, being understood that MANAGER must show, in the execution of its duties, the competence of a prudent and diligent administrator;
- (D) The PARTIES wish to set out in writing the terms of their agreement regarding such purpose;
- (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

Unless indicated otherwise, the following capitalized terms or expressions shall have the meaning indicated below throughout the Agreement:

0.01.01 Agreement

MANAGER	PROPRIETOR

means this agreement including its recitals and schedules, any related or ancillary agreement or document identified therein, as well as any amendment made thereto from time to time by the PARTIES in compliance with Section 12.05; the terms “herein”, “hereof”, “hereto”, “herewith”, “hereunder”, “hereby” and other similar terms, when used in the Agreement, shall generally refer to the agreement as a whole rather than to a specific part thereof, unless otherwise indicated in the text;

0.01.02 Auditors

means the chartered accounting firm whose services are retained by PROPRIETOR to act as auditors of the Complex;

0.01.03 Best Effort

means the efforts which a prudent Person desirous of achieving a result would use in similar circumstances to maximize, to the extent reasonably practicable, the probability that a result will occur and includes state of the art as it relates to any trade or profession in addition to generally acknowledged best practices in a field of activity;

0.01.04 Breach

means any misrepresentation, inaccuracy, error, omission, non-compliance, infringement, failure, claim or other circumstance relating to a representation, warranty, covenant, obligation or other provision of the Agreement leading to:

- (a) any infringement of the Agreement; or
- (b) any claim by any Person or other occurrence or circumstance which (i) is inconsistent with a covenant, obligation or other provision of the Agreement and (ii) causes damage to such Person;

0.01.05 Change in Control

means, in relation to any PARTY to the Agreement whose legal status is that of a business corporation, any one of the following events:

- (a) the direct or indirect acquisition by any Person or entity of securities of such a corporation representing more than FIFTY PERCENT (50%) of the corporation’s voting rights;
- (b) an agreement for the sale or disposition of all or substantially all of such a corporation’s assets;

MANAGER	PROPRIETOR

- (c) a reorganization of such corporation leading to an assignment of a PARTY's rights in the Agreement to a Related Person;
- (d) a merger of such a corporation; or
- (e) the approval by the shareholders of such a corporation of a plan for its complete liquidation;

0.01.06 Complex

means the whole building known as the residential complex, situated at, in the City of, Province of Quebec;

0.01.07 Confidential Information

means any commercial, technical, scientific, financial, legal, personal or other information disclosed by a PARTY relating to the disclosing PARTY's business activities, strategies or opportunities, Intellectual Property, suppliers, customers, financial condition or employees which, at the time of disclosure, is designated as confidential, is disclosed in confidence, or would be understood by the receiving PARTY, exercising reasonable business judgment, to be confidential, but excludes:

- (a) information known to the receiving PARTY before the date on which it is received;
- (b) information known by the public or available to the public before the date on which it is received;
- (c) information which becomes known by or available to the public after the date on which it is received and which does not result from a breach of confidentiality on the part of the receiving PARTY;
- (d) information received at any time by a Person not bound to one of the PARTIES by an undertaking of confidentiality with regard to such 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 has been previously disclosed or any other purpose permitted by Law;

0.01.08 Encumber or Encumbrance

MANAGER	PROPRIETOR

encumber means to create or grant an encumbrance and encumbrance means a legal cause of preference, a dismemberment of ownership rights, an ownership modality, a restriction on the right to sell or a security interest;

0.01.09 Event of Default

refers to any of the following events:

- (a) if a PARTY fails to make any of the payments (of principal or interest) according to the timetable set and if it fails to cure such default within (.....) days following receipt of notice to such effect;
- (b) if any of the security mentioned in the Agreement is reduced in value, forfeited or expires before the obligation it guarantees is performed;
- (c) if a PARTY, in its interim or annual financial statements, does not show a working capital having a ratio of at least 1:1;
- (d) if the operations of a PARTY are interrupted for any reason whatsoever during (.....) consecutive days or more;
- (e) if a PARTY assigns its property for the benefit of its creditors or involuntarily liquidates its property;
- (f) if a PARTY becomes insolvent or if a petition in bankruptcy is instituted against it and a final judgment is handed down confirming its bankruptcy;
- (g) if a PARTY sells, assigns or transfers its rights in the Agreement, in whole or in part, without having obtained the prior written consent of
- (h) if a PARTY does not comply with one or more of its undertakings pursuant to the Agreement or to any ancillary agreement and such default is not cured within (.....) following receipt of a notice of default from
- (i) if a PARTY (or any of its Subsidiaries) is subject to a Change in Control;

0.01.10 Financial Year

means, with respect to the first financial year, the period commencing the and terminating on the and for each subsequent year, the period commencing the 1st of January of a given year and terminating the last day of December of that year, subject to the termination of the Agreement before the expiry of the initial term or the renewal term;

MANAGER	PROPRIETOR

0.01.11 Force Majeure

means any event beyond the control of a PARTY which could not have been reasonably foreseen and against which it could not have protected itself such as, without limiting the generality of the foregoing, natural disasters, epidemics, fires, accidents, acts of war (whether declared or not), insurrections, riots, acts of terrorism, wildcat strikes, partial or total work stoppages or slowdowns, lock-outs, changes in market conditions, power or communications breakdowns, interventions by civil or military authorities, compliance with any orders of governmental authorities, courts or tribunals or public authorities;

0.01.12 Fundamental Provisions

means, in the opinion of the PARTIES, Parts of the Agreement;

0.01.13 Gross Revenue

means, for any computation period, all the amounts collected and cashed, during said period from the lessees of the Complex as minimum rent, percentage rent, additional or supplemental rent, as income from leasing to lessees or operators, from parking, if so or as rental fees, fees for the termination of a lease or sub-lease or assignment and also includes any other revenue resulting from the operation of the Complex or services which are offered, to the exclusion however of any amount received from a lessee in direct reimbursement of the work effected for such lessee or the supplying of material;

0.01.14 Legal Representatives

means, in respect of each PARTY and, as the case may be, it's authorized assignee, when a natural person, the executors or administrators of his estate, his legal heirs, legatees, successors or mandataries and, when a legal person, its directors, officers, shareholders, members, employees and representatives;

0.01.15 PARTY

refers to a signing party to the Agreement and includes its Legal Representatives;

0.01.16 Person

means, as the case may be, a natural person, partnership, joint-stock company, business corporation, cooperative, association, labour union, trust or any other organization whether incorporated or unincorporated, or any public authority of foreign, federal, provincial, territorial or municipal jurisdiction which is not a party to the Agreement, and includes their Legal Representatives;

MANAGER	PROPRIETOR

0.01.17 Prime Rate

means, for each day, the annual rate of interest which the main business bank of sets for that day, according to the financial markets, which it discloses publicly and based upon which it sets the interest rates for the loans it grants in Canada in Canadian currency;

0.01.18 Related Person

means, in relation to a PARTY, any Person identified in Subsection 251(2) of the *Income Tax Act* (Canada), R.S.C. 1985, c.1. (1st Supp.) or any Person not dealing at arm's length with such PARTY;

0.01.19 Subsidiary

means an entity controlled by or under common control of a PARTY to the Agreement, through ownership or control of more than FIFTY PERCENT (50%) of the voting rights or other means of ownership or control, provided that such control continues to exist.

0.02 Precedence

The Agreement reflects the entire understanding between the PARTIES. It supersedes all other written or verbal promises or covenants made prior to its signing in addition to any schedules hereto attached and all amendments agreed upon by the PARTIES which do not comply with Section 12.05 of the Agreement.

0.03 Jurisdiction

0.03.01 Governing Law

The Agreement shall be interpreted, construed and performed in accordance with applicable laws of the Province of Quebec and of Canada. Where the Agreement refers to a specific statute, such reference includes all regulations passed pursuant thereto, all amendments relating thereto as well as any statute or regulation which supplements or replaces such statute or regulation. Any reference to a repealed statute shall be considered to refer to the statute and the regulations pursuant thereto as they read immediately prior to the repeal of the statute.

0.03.02 Non-compliance

(a) Severability

In the event that any provision of the Agreement is deemed to be invalid or unenforceable, such provision shall, whenever possible to do so, be interpreted, construed, limited or if

MANAGER	PROPRIETOR

necessary severed to the extent necessary to eliminate such invalidity or unenforceability. All the remaining provisions of the Agreement shall remain valid and continue to bind the PARTIES.

(b) Substitute Provision

If required, the PARTIES agree to negotiate in good faith a valid enforceable substitute provision which most nearly reflects the PARTIES’ original intent in entering into the Agreement or to provide an equitable adjustment in the event no such provision can be added.

0.04 Miscellaneous

0.04.01 Cumulative Rights

All rights referred to in the Agreement are cumulative and not mutually exclusive. Any waiver of the enforcement of a right granted by one of the PARTIES for the benefit of another in the Agreement shall, under no circumstances, be interpreted or construed as a waiver of the enforcement of any other right granted hereunder unless, as a matter of exception, the wording of a provision of the Agreement requires such interpretation or construction.

0.04.02 Time and Dates

(a) Time of the Essence

Time shall be of the essence in the Agreement unless indicated otherwise. No extension of or amendment to the Agreement shall operate as a waiver of this provision unless clearly stated therein.

(b) Computation of Time

When computing any time limit, the following rules shall apply:

- (i) the day marking the commencement of the time limit shall be excluded but the day of the deadline or expiry of the time limit shall be included;
- (ii) non-business days shall be included; however, where the day of the deadline or expiry of the time limit falls on a non-business day (Saturday, Sunday or holiday), the term or time limit shall be extended to the following business day; and
- (iii) when used in the Agreement, the term “month” shall mean a calendar month.

MANAGER	PROPRIETOR