

MANAGEMENT SERVICES AGREEMENT

Between:

CONDOMINIUM CORPORATION NO. 2010126

A Corporation duly constituted under the *Condominium Property Act of Alberta* (Hereinafter called the "Corporation")

- and -

CATALYST CONDO MANAGEMENT LTD., a condominium management company with an office in the City of Calgary, in the Province of Alberta (hereinafter called the "Manager")

WHEREAS a complex of 87 units and related facilities and common property and other real and personal property known as "Yorke II Townhomes" hereafter called the "Condominium", located on those certain lands and premises municipally described as Cornerstone Manor NE, and legally described as:

Condominium Plan 2010126
Units 1-87
Excepting there out all mines and minerals

(Hereinafter called the "lands" and the lands and the Condominium and any other real and personal property or assets of the Corporation associated therewith are hereinafter collectively referred to as the "Properties"), and,

WHEREAS the Manager has offered to render management services to the Corporation for the remuneration and subject to the terms and conditions hereinafter set forth; and

WHEREAS the Corporation desires to employ the Manager to manage the Properties.

NOW THEREFORE, in consideration of the mutual covenants and agreements herein contained the parties agree as follows:

1. The Corporation hereby employs the Manager exclusively to manage the Properties for a period of two (2) Years commencing February 1 2021 (the "Initial Term") and thereafter, for yearly periods from time to time unless ("Renewal Term", together with the Initial Term, the "Term")
 - (a) on or before ninety (90) days prior to the expiration of the Initial Term or any Renewal Term, either party hereto shall notify the other in writing that it elects to terminate this Agreement at the end of the Initial Term or the Renewal Term, as the case may be;
 - (i) if notice to terminate is not received in accordance with Clause 1(a) then the increased renewal rate for each Renewal Term shall be:
 - (A) the greater of 2.5% of the management fee charged in the previous year or the amount of the Consumer Price Index or CPI for the City of Calgary for the year ended four months prior to the expiration date (i.e. For an April 30 expiration date the CPI increase would be for the year ended December 31), which amount shall be added to the management fee charged in the previous year.

- (b) this Agreement is terminated in accordance with any earlier termination provisions pursuant to the Condominium Property Act of Alberta, and any amendments thereto, and the regulations made thereunder (hereinafter referred to as the "Act"), or the By-laws of the Corporation;
 - (c) this Agreement is terminated in accordance with the termination provisions in Clauses 15 and 16.
2. The Manager agrees to manage the Properties to the extent, for the Term and upon the terms and conditions herein provided. More particularly, the Manager agrees to perform the following services in the name of and on behalf of the Corporation, at the cost of the Corporation and the Corporation hereby grants the Manager such authority and power as may be required by the Manager to perform or effect performance of such services:
- (a) The Manager shall maintain records showing all receipts and expenditures of the Corporation relating to the Properties and shall, on or before the thirtieth (30th) day of the month, submit to the Corporation a financial statement for the preceding month;
 - (b) The Manager shall prepare and submit to the Corporation, on or before the first (1st) day of the month preceding the last month of the current fiscal year of the Corporation during the term hereof, a recommended budget for the operation and management of the Condominium for the next fiscal year showing anticipated receipts and expenditures for such year and assist the Corporation in determining the appropriate amount of assessments or contributions to be paid by each Owner of a Unit of the Condominium for common expenses in the manner provided for and as required by the Act and the Bylaws of the Corporation, and recommend such revisions thereto as may from time to time be appropriate;
 - (c) Within one hundred and twenty (120) days after the end of each fiscal year, the Manager shall submit to the Corporation a financial statement relating to the Properties for the preceding year;
 - (d) Subject to the provisions of and any restrictions contained in the By-laws and at the direction and at the sole expense of the Corporation, the Manager shall cause the Properties to be maintained and managed according to reasonable standards of maintenance and administration consistent with the character, age, size and location of the Condominium, including and if applicable:
 - (i) Carpet cleaning and repairs
 - (ii) Communication equipment repairs
 - (iii) Common area door repairs (man doors and overhead doors)
 - (iv) Electrical repairs
 - (v) Elevator maintenance
 - (vi) Fire prevention equipment inspection and maintenance
 - (vii) General common repairs and maintenance
 - (viii) Janitorial services
 - (ix) Landscaping
 - (x) Mechanical and plumbing repairs
 - (xi) Painting
 - (xii) Parking lot maintenance
 - (xiii) Pest control
 - (xiv) Recycling
 - (xv) Roof repairs
 - (xvi) Security and access controls
 - (xvii) Snow removal
 - (xviii) Waste removal;

- (e) On the basis of the budget previously approved by the Corporation, the Manager shall negotiate agreements with, supervise and discharge all necessary personnel required to properly and physically maintain and operate the Properties. All such "on site" personnel shall be employees of the Corporation, and shall be supervised by the Manager. All salaries, taxes and other expenses payable on account of such employees shall constitute common expenses of the Corporation and not expenses of the Manager;
- (f) The Manager shall use reasonable efforts to ensure that no claim or lien shall be filed in respect of any work which may be carried out on behalf of the Corporation against title to the Properties or any Unit of the Condominium and, if a claim or lien shall be filed in respect of such work, it shall within a reasonable time take all necessary steps to have the same removed and discharged;
- (g) The Manager shall execute and file all returns and other instruments and do and perform all acts required on behalf of the Corporation's employees in respect of Unemployment Insurance contributions and deductions, Canada Pension Plan contributions and payments, the Canada Income Tax Act and any other employee and employer contributions or payments required under any social, labour or tax legislation in force from time to time, and, in connection therewith, the Corporation agrees, upon request to execute and deliver promptly to the Manager all necessary powers of attorney, notices of appointment and like approvals or directions;
- (h) Subject to the direction of the Corporation, the Manager shall negotiate on behalf of the Corporation or utilize the services of a broker for such contracts as water, electricity, gas and such other services for that portion of the Properties constituting common property (but not any individually metered Units) as may be necessary or desirable. The Manager shall also purchase, on behalf of the Corporation, such equipment, tools, appliances, materials and supplies as are necessary for the proper operation and maintenance of the Properties. All such purchases and contracts shall be in the name of and at the expense of the Corporation. The Manager shall not collect or charge any undisclosed fee, rebate or discount and, if any should be received by the Manager, the same will be credited to the account of the Corporation and the Manager shall credit the Corporation with any discounts, commissions or rebates obtainable as a result of the purchases made on behalf of the Corporation or in pursuance of this Agreement;
- (i) The Manager shall pay from the funds it receives on behalf of the Corporation, but only to the extent thereof, all taxes payable by the Corporation, all applicable building inspection fees, premium and deductibles on insurance policies of the Corporation, water rates, and other municipal or governmental charges, and all other charges or obligations incurred by the Corporation with respect to maintenance or operation of the Properties, incurred by the Manager on behalf of the Corporation pursuant to the terms of this Agreement or pursuant to other authority granted by the Corporation;
- (j) The Manager shall maintain appropriate records of and shall be responsible for obtaining information for the Corporation and making recommendations with respect to insurance coverage, and for placing insurance coverage carried by the Corporation. Should the Board wish to obtain recommendations and insurance quotes above what is provided for under the Manager's nominated brokerage, it will be undertaken at a rate of \$75.00 per hour. The Manager agrees, to the best of its ability, to advise the Corporation of the nature and extent of insurance coverage required to be carried by the Corporation pursuant to the Act or the By-laws; provided that the Corporation will indemnify and hold harmless the Manager from any loss, costs or damages arising out of any claim, suit or charge by any person whomsoever, relating to inadequate insurance coverage. The Manager shall co-operate with the Corporation in investigating and reporting all accidents or claims for damage relating to the ownership, operation and maintenance of the Properties, including any damage or destruction thereto;

- (k) The Manager shall keep the Corporation advised of the telephone number or numbers at which an agent or representative of the Manager may be reached at any time during normal business hours in respect of any breach or violation of the By-laws or any rules and regulations being in force by the Corporation. The Manager shall also keep the Corporation advised of the telephone number at which his representative can be reached at other than normal business hours;
- (l) The Manager shall forthwith report to the Corporation any major emergency or any persistent or serious violation of the By-laws or any rules or regulations in force. It is understood and agreed by the parties hereto that the Manager shall, in its discretion, determine whether or not any emergency exists and whether or not such an emergency is of a minor or major nature. The Manager shall deal promptly with such issues and deal immediately with any emergency arising in connection with the maintenance and operation of the Properties, which is determined, as such by the Manager or the Corporation;
- (m) The Manager shall, based on the information and documents made available to it, attempt to keep an up-to date record of the names and addresses of all unit owners and any tenant thereof of which it has knowledge. The registered address of the unit owner by way of Alberta Land Titles is deemed the address for service, unless advised otherwise in writing. If the Corporation receives notices or notifications from registered mortgagees or other persons claiming an interest in any Unit, the Corporation shall forthwith communicate that information to the Manager;
- (n) The Manager, on behalf of the Corporation, shall, on the application of a Unit Owner or any person authorised in writing by him provide certificates as anticipated by the Act. Similarly, upon the written request of an owner, purchaser or mortgagee of a Unit, the Manager, on behalf of the Corporation, shall, within ten (10) days of receiving that request, provide to the person making the request all or any of the statements, particulars or copies referred to in section 44 and 48 of the Act. The Manager shall, as authorised in the By-laws, be entitled to collect from and charge the requesting party, for its own account, a reasonable fee, as per the fee schedule in Schedule "A" of this Agreement, to compensate it for producing and providing the certificates and other materials referred to herein on behalf of the Corporation;
- (o) The Corporation shall advise the Manager of any leases or other dispositions of the common property or any part thereof made by it and the Manager shall maintain records of such dispositions;
- (p) The Manager agrees to effect registration at the Land Titles Office for any change in the address for service of the Corporation or any change in the Board of Directors of the Corporation in the forms required by the Act and the regulations passed pursuant thereto;
- (q) The Manager shall assist, advise and co-operate with the Corporation in providing any documents requested by governmental authorities having jurisdiction in that regard;
- (r) Provided the By-laws so authorise the Corporation and, on the express direction of the Corporation and at the sole cost and expense of the Corporation, the Manager agrees, in the name of and on behalf of the Corporation, to:
 - (i) commence and prosecute proceedings pursuant to section 36 of the Act with respect to contravention of the By-laws;
 - (ii) give notices to give up possession of Units under section 54 of the Act; and
 - (iii) make applications to the Court under sections 55 and 56 of the Act, and to do all such things as may be reasonably required to complete the eviction of any tenant pursuant to the procedures referred to herein;

- (s) The Corporation and the Manager shall periodically consult with each other with a view to revising the By-laws and any rules and regulations to further the harmonious and satisfactory operation of the Properties for the common benefit of all Unit Owners. At the request and cost of the Corporation, the Manager agrees to forward to the Unit Owners copies of any revised By-laws, rules or regulations with a covering explanatory letter or memorandum;
 - (t) The Manager shall not be responsible for failure to perform or have performed any of the above services where such failure is caused by strikes, unavoidable casualties or any other cause beyond the reasonable control of the Manager, except lack of finances of the Manager.
3. In discharging its responsibilities under clause 2 hereof, the Manager shall not make any single expenditure nor incur any contractual obligation exceeding two thousand dollars , without the prior written consent of the Corporation, unless such expenditure or obligation is provided for in the current budget approved by the Corporation for the Properties. Provided that the Manager may, on behalf of the Corporation, without prior consent, expend any amount, or incur a contractual obligation in any amount, required to deal with emergency conditions which may involve a danger to life or property or may threaten the safety of the Properties or the Unit Owners and occupants thereof, or may threaten the suspension of any necessary service to the Properties; and provided further that no such consent shall be required to repay any loan made by the Manager pursuant to the terms of sub-clause 5(b) hereof.
4. Notwithstanding any other provision of this Agreement, the Manager shall not be responsible for:
- (a) Any costs that are incurred with the collection of condominium fees, assessments and any and all other collections from owners, including the time of Manager to prepare arrears and all associated work in relation to collection and assessment as per clause 6 of this Agreement;
 - (b) The completion of construction work, remedial work or developer deficiencies or the maintenance of or repairs to individual dwelling units or buildings of the Condominium or portions of the units or adjacent lands that do not form part of the common property (such maintenance and repairs shall be the responsibility of the individual owners or the Corporation, as the case may be);
 - (c) Acting as liaison between the individual unit owners and the Corporation or any mortgagee of the Properties, such as taking the position of mediation between parties in disagreement; and
 - (d) Acting on or attending to in person, or acting in a capacity where peace officers should be involved or as a third party in a complaint whereby criminal activity has taken place, is underway or suspected.
5. Financial Matters:
- (a) The Manager agrees that all moneys received by it on behalf of or from the Corporation shall be deposited and kept in a separate bank account in a Canadian chartered bank or trust company selected by the Manager, but the Manager shall not be responsible for or held accountable for the rate of interest thereon, unless funds surplus to the current requirements of the Corporation are deposited in special term deposit accounts with such bank or trust company. Unless the Corporation otherwise directs, the Manager shall use its reasonable discretion in obtaining such term deposits. The Manager and the Corporation acknowledge that they are aware of the investment limitations of section 43 of the Act.
 - (b) All expenses of operation and management shall be paid from the funds the Manager receives on behalf of the Corporation pursuant to sub clause 5(a) and deposited in accordance with sub clause 5(a) above, and the Manager is authorised to pay any amount owed to the Manager by the Corporation from such account at any time without prior notice to the Corporation. The Manager shall have no obligation to loan funds to the Corporation for any purpose whatsoever.

- (c) The Corporation cannot advise the Manager to hold payment of any invoice unless the work has not been completed or completed to the satisfaction of the Corporation. The Board of Directors approve the expenditures of the Corporation by way of budget approval and cannot create any situation to order non-payment for any service that may cause harm to the credit of the Manager or the Corporation.
 - (d) The Manager agrees, at its cost to obtain and maintain employee dishonesty coverage/commercial fidelity bond in an amount not less than \$100,000. The Manager agrees from time to time at the request of the Corporation, to provide evidence of the coverage described herein.
 - (e) The Corporation agrees to pay to the Manager, a management fee, as compensation to it for the services to be rendered by the Manager in accordance with this Agreement, two thousand one hundred seventy five dollars (2175.00), plus GST payable in advance on the first day of each and every month during the term of this Agreement.
6. In addition to the compensation payable to the Manager pursuant to sub clause 5(e) hereof, the Corporation agrees to pay to the Manager, according to the fee schedule in Schedule "A" of this Agreement, for performing additional services or for such additional services not specifically provided for in this Agreement, including, but not so as to limit the generality of the foregoing:
- (a) 2% of the total assessment in the event of a special assessment;
 - (b) 2% of the total project costs for all insurable losses and capital projects for time spent by the Manager investigating, reviewing, supervising or managing the said insurable losses and capital projects;
 - (c) The preparation and implementation of additional budgets in the same fiscal year;
 - (d) The time of the Manager (plus costs and disbursements) incurred in any proceeding or lawsuit involving the Corporation, including the commencement and prosecution of any and all proceedings on behalf of the Corporation;
 - (e) The time of the Manager (plus costs and disbursements) incurred in giving notices to give up possession of Units under section 54 of the Act and in making applications to the Court;
 - (f) The time of the Manager (plus costs and disbursements) to produce documents such as owner's guides, house rules, rental undertakings and the documents listed in Schedule "A";
 - (g) The time of the Manager to assist with the revision of By-laws;
 - (h) The time of the Manager incurred in the preparation and administration of special resolutions; and
 - (i) The Corporation also agrees the Manager may charge the parties who request various condominium documents and estoppel certificates based on the Manager's current fee schedule for such documents.
7. The Manager or an officer or employee thereof shall, at the request of the Corporation, with no less than one (1) weeks' notice, attend meetings of the Board of Directors of the Corporation, held any day of the week as provided herein. The Manager shall also attend one (1) Annual or Special General Meeting of the Unit Owners per year to be held any day of the week. Should weather conditions present a safety concern for travel to a meeting of the Board of Directors, the Manager will have the option of participating in the meeting via a conference call should both parties agree. In the event that a meeting is cancelled or re-scheduled, the Corporation shall provide at least a 48-hour prior written notice of such cancellation or re-scheduling to the Manager.

8. The Manager shall not be required to record minutes of the meetings of the Board of Directors of the Corporation. The Manager shall be the custodian of the official records and documents of the Corporation, and such records and documents shall be retained in the offices of the Manager for three (3) years after which they will be stored in a rental storage facility, the cost of which will be paid for by the Corporation, unless the Corporation wishes to store these official records at the property address.
9. The Corporation shall from time to time designate a single individual who shall be authorised to deal with the Manager in respect of any matter relating to the management of the Properties. In the absence of any other designation by the Corporation, the Chairman or President of the Board of Directors thereof shall have this authority. The Manager reserves the right to refuse abusive correspondence from any owners and report such violations to the Board.
10. The Manager acknowledges that he has received and is aware of the provisions of the By-laws of the Corporation and the Act. The Manager is not responsible for compliance by the Corporation or by any of the Unit Owners in respect of any ordinances, laws, rules or regulations whether municipal, provincial, federal or made by any public authority or official thereof having jurisdiction over it, except to notify the Corporation promptly, or forward to the Corporation promptly, any orders, complaints, warnings, notices, summons or like documents received by it relating to such matters. The Corporation represents that, to the best of its knowledge, the Corporation complies with all such requirements and agrees to indemnify and hold harmless the Manager, its agents, servants and employees, of and from all loss, cost, damage, expense, or liability whatsoever which may be imposed on them, or any of them, by reason of any present or future violation or alleged violation of such laws, ordinances, rules or regulations, except where unlawfully or negligently omitted or violated by the Manager or any of its agents, servants or employees.
11. At all times the Manager shall act in the best interests of the Corporation and all information on the development, management or disposal of the Properties, or of any units or part thereof, and of the Corporation, whether financial or otherwise shall be treated and held confidentially.
12. The Corporation covenants and agrees with the Manager as follows:
 - (a) To indemnify, defend and save the Manager harmless from and against all claims, demands, actions, causes of actions and suits in connection with the Properties and from liability for damage to property and injuries to or death of any Unit Owner, or any officer, agent or employee of the Corporation or other person whomsoever, except in those cases where the Manager has been adjudged to be grossly negligent or has committed an unlawful act, and to carry, at its own expense, public liability, property damage and personal injury liability insurance naming the Corporation and the Manager as insureds, which insurance shall be in form, substance and in amounts satisfactory to the Manager and the Corporation and comply with the requirements of the Act and the By-laws, and to furnish to the Manager certificates or memoranda evidencing the existence of such insurance upon request. The Corporation shall provide such insurance and furnish such certificates or memoranda within thirty (30) days from the date of this Agreement;
 - (b) To pay all expenses incurred by the Manager as legal fees for counsel employed to represent the Manager or the Corporation in any proceeding or suit involving an alleged violation by the Manager or the Corporation, or either of them, of any provision, statute, ordinance, law or regulation but nothing herein contained shall require the Manager to employ counsel to represent the Corporation in any proceeding or suit; provided that, if the Manager shall have been finally adjudged to be unduly grossly negligent or has committed an unlawful act the Manager shall bear the sole responsibility for its legal fees;

- (c) To provide the Manager with all documents and records available to the Corporation which may be required by the Manager to properly manage and operate the Properties and to perform its duties hereunder, including but not so as to limit the generality of the foregoing, a summary or list, as amended from time to time, indicating the ownership, occupant and mortgagee of each unit of the Condominium; and
 - (d) To provide the Manager with a copy of the By-laws of the Corporation and to notify the Manager from time to time of any amendments or additions thereto.
13. In the event of any dispute arising between the parties hereto either party may give 90 days' notice to the other party, constituting a dispute resolution period, after which, such dispute shall be governed by the Arbitration Act of Alberta.
14. General:
- (a) The Manager shall abide by the Act, as amended from time to time, or any legislation passed in substitution thereof and the By-laws of the Corporation as amended from time to time. Each party hereto acknowledges and agrees that this Agreement is subject to the provisions of the Act and By-laws insofar as they are applicable to this Agreement and, in the event of any conflict between the Act or the By-laws and any provision in this Agreement, the Act or the By-laws shall prevail. The Manager agrees that it will perform its duties and obligations in a manner consistent with the By-laws of the Corporation.
 - (b) Words and expressions which have a special meaning assigned to them in the Act or the By-laws of the Corporation have the same meaning in this Agreement unless a contrary intent is expressed in this Agreement.
15. Notwithstanding any other provisions hereof, this Agreement shall terminate immediately upon the occurrence of the events set out in paragraphs (a) and (b) as stated below and upon ninety days (90) days written notice for paragraphs (c) and (d) as stated below:
- (a) The insolvency or bankruptcy of the Manager or upon the Manager taking any steps to wind up its business voluntarily, or otherwise;
 - (b) On the termination of the Condominium status of any building within the Condominium Plan as it presently exists or as it may be amended;
 - (c) If the Manager, at the discretion of the Board, is insubordinate, reckless or negligent in performing its duties hereunder, and such insubordination, recklessness or negligence is not cured within sixty (60) days. The Manager shall be informed of and given ninety (90) days' opportunity to cure said subordination, recklessness or negligence; and
 - (d) If the Board of Directors is non-responsive to the Manager or provides direction to the Manager that is in violation of the Condominium Property Act or the By-Laws of the Corporation or any legislated ordinance or is viewed by the Manager to be exposing the Manager to unnecessary or inordinate risk.
16. The Manager may terminate this Agreement for any reason upon giving written notice to such effect to the Corporation no less than ninety (90) days prior to the date upon which termination shall take effect.

17. Upon termination of this Agreement:

- (a) The Manager, shall, within a reasonable time thereafter, not to exceed ninety (90) days, render a final accounting to the Corporation and pay over any balance in the Manager's bank account remaining to the credit of the Corporation, less any amounts necessary to satisfy commitments made by the Manager pursuant hereto prior to the date of termination.
- (b) The Manager shall deliver to the Corporation within ninety (90) days, all contracts, records, files and other documents and information which may be pertinent to the continuing operation of the Properties, and the Corporation shall provide access to the Manager at all reasonable times and upon reasonable notice to all such contracts, records, files and other documents or information subsequent to the termination of this Agreement, and
- (c) The Corporation shall assume the obligations of any and all contracts that the Manager has made for the purpose of arranging the services to be provided pursuant to this Agreement unless the Manager has advised the Corporation, in writing, that the contracts have been terminated effective to the same date of termination of this agreement.

18. Notice:

- (a) Any notice or demand required or permitted herein, shall be in writing and shall be effected by delivering the same or by sending the same in a postage prepaid envelope by registered mail, addressed to the Manager as follows:

Catalyst Condo Management Ltd., Suite 240, 10201 Southport Road SW, Calgary, Alberta, T2W 4X9

and addressed to the Corporation at the Corporation's address for service as shown on the Condominium Plan.

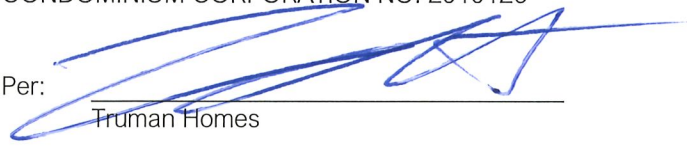
- (b) Either of the parties hereto may change its address for notice by sending notice thereof to the other party.

19. This Agreement shall be governed by and construed in accordance with the laws of the Province of Alberta.

In witness whereof, the parties hereto have reviewed this Agreement in its entirety and caused these presents to be executed, attested by the hands of their proper signing officers duly authorised in that behalf, as of the

CONDOMINIUM CORPORATION NO. 2010126

Per:



Truman Homes

CATALYST CONDO MANAGEMENT LTD.

Per:

Angie Norman

Angie Norman
Director

SCHEDULE "A"

Corporation Additional Services Fee Schedule

Additional Services Those services not specifically provided for in the Agreement	\$75.00 per hour
Arrears Collection (demand letters) Please note that this can be billed back to the relevant condo unit owner as more particularly described in your By-Laws.	\$75 per letter
Budget (preparation and implementation of additional budgets in the same fiscal year)	\$1,000.00 per additional budget
Bylaw Revision (assistance as requested by firm selected for revision)	\$75.00 per hour
Caveat (preparation, posting & discharge) Please note that this can be billed back to the relevant condo unit owner as more particularly described in your By-Laws.	\$600.00 per caveat
Insurance (recommendations and quotes outside of Catalyst's nominated brokerage)	\$75.00 per hour
Legal Actions (Assisting in preparation of legal documents, including an Affidavit of Records where the Corporation is involved in a lawsuit)	\$75.00 per hour or such other cost negotiated with the Board

Owner Requested Documents Fee Schedule

Estoppel Certificate	
Residential Unit	\$183.75
Titled Parking Stall	\$115.50
Titled Storage Unit	\$115.50
<i>Requests on rush order will include a 15% levy</i>	

This fee schedule is subject to change without notice