

MANAGEMENT AGREEMENT

THIS AGREEMENT made the 22nd day of August, 2017.

BETWEEN:

WENTWORTH CONDOMINIUM CORPORATION NO. 171

(Hereinafter called the "Corporation")

THE PARTY OF THE FIRST PART

- AND -

PMC YORK PROPERTIES INC.

(Hereinafter called the "Manager")

THE PARTY OF THE SECOND PART

WHEREAS the Corporation has been created pursuant to the Condominium Act, 1998, S.O. 1998 C.19 as amended, which act and regulations made thereunder collectively referred to as the "Act", and located in Hamilton, Ontario.

AND WHEREAS the Corporation desires the Manager to manage the Corporation and assets of the Corporation, and the Manager desires to do so, in accordance with the terms and conditions of this Agreement (the "Agreement").

NOW THEREFORE THIS AGREEMENT WITNESSES that in consideration of the premises and the mutual covenants and agreements herein contained, and other valuable consideration, the Corporation appoints the Manager and the Manager hereby accepts the appointment as the exclusive Manager of the property and the assets of the Corporation on the terms and conditions hereinafter set forth.

1. **DEFINITIONS:** The terms used herein shall have ascribed to them the definitions contained in the Condominium Act, 1998 (and in any amendments or successor Acts thereto), hereinafter called the "Act", and the declaration of the Corporation, (the "Declaration").
2. **TERM:** The Corporation hereby appoints the Manager to be its sole and exclusive representative and managing agent, (subject to the overall control of the Corporation and to the specific provisions hereof), to manage the property included in the Plan registered with the Declaration which created the Corporation, together with the assets of the Corporation, (the "Property"), for a period of **THIRTY-SIX (36)** months, (subject to paragraph 11 of this Agreement), **covering the term of January 1, 2018 to December 31, 2020**, and for the purpose thereof, in the name of the Corporation, to act on its behalf in the carrying out of the duties of the manager as herein set out, and to enter into such contracts and agreements in the name of the Corporation as may be necessary in the performance of such duties. The Manager hereby accepts such appointment and agrees to manage the Property on

behalf of the Corporation in a faithful, diligent and honest manner subject to the direction of the Board of Directors of the Corporation (the "Board") Act.

3. **SUPERVISION BY THE BOARD:** The Manager acknowledges that it is familiar with the terms of the Corporation's Declaration, By-laws and its Rules. Its Management of the Property shall be subject to the specific instructions of the Corporation as expressed by its Board of Directors (the "Board") and to each and every term and condition contained in this Agreement, and it further agrees to carry out expeditiously the instruction of the Condominium Corporation and its Board.
4. **MANAGEMENT DUTIES:** The Manager, in the performance of its duties hereunder shall use its best efforts to assist the Board of Directors of the Corporation in the management, supervision, control and administration of the Property and of the assets of the Corporation. The Manager will at all times, follow the direction of the Board and endeavour to act in the best interests of the Corporation. The Manager shall conduct its duties consistent with the requirements of the Act, the Declaration, By-Laws, and Rules of the Corporation specifically, and in general consistent with the federal, provincial, and municipal laws and regulations as they pertain to the operation of the Corporation and of the Property.

Without limiting the generality of the above, the Manager shall perform, in particular, the following specific duties, subject to the direction of the Board:

- 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, up to the point of court action;
- b) Forthwith communicate to all owners of the Units within the Property, (the "Owners") the text and import of any further By-laws or Rules;
- c) Advise and consult with the Board with respect to any further By-laws and Rules 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 on behalf of the Corporation all monies payable by the Owners under the Declaration and By-laws, in trust for the Corporation, and deposit the same in a separate trust account in the name of the Corporation to be maintained by the Manager. All such monies shall thereafter be held in trust by the Manager, or as the Board shall direct. All such monies shall be used:
 - i) to make payments of all accounts properly incurred by or on behalf of the Corporation;
 - ii) to arrange and pay for insurance in accordance with the provisions of the Act, the Declaration and By-laws in amounts directed by the Board;
 - iii) to repair and maintain or cause to be so repaired and maintained, those parts of the Property which require repair and

- maintenance by the Corporation in accordance with the provisions of the Act, the Declaration and By-laws 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 by the removal of litter therefrom; keeping all electrical wiring circuits and lighting fixtures in the common elements in good working order; with respect to all Units, to provide for the removal and disposal of garbage; and to maintain such staff as may be required at all times to promptly and efficiently carry out the foregoing;
- iv) 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 owner which, in the Manager's sole and absolute discretion, is immediately necessary for the preservation of the Property. The Corporation agrees to indemnify and save harmless the Manager from any and all claims or actions of any nature or kind resulting either directly or indirectly as a consequence of said entry;
 - v) to deposit into the reserve account of the corporation such amounts as are required by the Act and the Corporation's Reserve Fund Plan and/or as directed by the Corporation;
 - vi) 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 the Manager's solicitor for collection, if necessary, and
 - vii) Generally, for the performance of the duties and obligations in respect of which the monies are paid. All related bank fees and administrative charges such as, photocopying and postage, are to be paid out of the Corporation's trust account.
- f) 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 expenditures with respect thereto.
 - g) 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 4(f) above.
 - h) To attend a **maximum of twelve** Board meetings, upon the request of the Board, and upon receipt of five (5) business days notice in advance of such meeting.
 - i) To attend the Annual General Meeting of unit owners, and to supply, the services of a Recording Secretary for said meeting, at the cost of \$150.00 (current flat rate, plus HST, subject to reasonable inflationary increases) to the Corporation. Additional Special or General Meetings of Unit Owners throughout the year will be separately billed for services provided by both the Property Manager (at a rate of \$75 per hour, plus

HST, subject to reasonable inflationary increases), and the Recording Secretary, (\$150.00 flat rate, plus HST, subject to reasonable inflationary increases), at the cost of the Corporation.

- j) Make periodic inspections of the Property and report to the Board of Directors, with a minimum requirement of once per week.
 - k) To use reasonable diligence to ensure that contracts, service agreements and work orders involving the Corporation are performed in accordance with their terms.
 - l) To prepare and issue Status Certificates on behalf of the Corporation, provided the Manager shall be entitled to charge a fee to the party requesting the Status Certificate. The photocopying expenses of reproducing the Status Certificate and related documents shall be borne by the Corporation.
 - m) Make every reasonable effort to promptly respond to enquiries by the Board of Directors, an owner or a mortgagee of a unit.
 - n) If applicable, to hire and/or dismiss on-site employees on behalf of the Corporation, but subject to the direction of the Board of Directors of the Corporation; to supervise such employees while in the employ of the Corporation and to maintain employment records and to do and perform all acts required of the Corporation as an employer by law and in accordance with the employment contract.
 - o) To maintain and make available to the Board of Directors and to the Owners in accordance with the Act, such records of the corporation as the Manager may be provided with or acquire which shall remain the property of the Corporation and to return same upon termination of this Agreement, provided the manager may retain copies, at its expense, of any such records as it deems necessary. Records of the Corporation shall be retained by the Manager at its office or such other location it deems necessary. The cost of storing Records off-site shall be paid by the Corporation.
 - p) Generally, to do and perform and, where desirable, contract, (in the name of the Corporation), for all things desirable or necessary for the proper and efficient management of the Corporation, and perform every other act required to carry out the intent of this agreement.
5. The duties of the Manager shall not include the duties of the officers of the Corporation as set forth in the Act, the Declaration or By-laws of the Corporation, except as specifically provided in the Agreement.
6. **BOARD LIAISON OFFICER:** The Board shall designate in writing a single director who shall be authorized to communicate to and deal with the Manager on any matter relating to the management of the Corporation and the Manager shall not be obligated to accept directions or instructions with regard to the management of the Corporation from any person other than an individual so designated. In the absence of any other designation by the Board, the President of the Corporation shall be the individual authorized to deal with the Manager.

7. **CONTRACTORS:** The Manager may engage any person, firm, or corporation to perform any of the Manager's duties under the provision of this Agreement, without being in breach of any fiduciary relationship with the Corporation, subject however to the following provisions:
- a) where the cost of performing such work or services does not exceed the sum of **ONE THOUSAND FIVE HUNDRED (\$1,500) DOLLARS**, the Manager shall be entitled to have such work or services performed by a person or firm affiliated with the manager, (the "affiliate"), subject to the prior approval of the Board;
 - b) any work or services to be performed, the cost of which exceeds the sum of **ONE THOUSAND FIVE HUNDRED (\$1,500) DOLLARS**, shall not be performed by an affiliate unless the manager has first obtained the approval of the Board. In all other cases where the cost exceeds the sum of **ONE THOUSAND FIVE HUNDRED (\$1,500) DOLLARS**, such work shall not be commissioned by the Manager without first obtaining a total of three written tenders, which will be submitted for approval and acceptance by the board of directors at their sole discretion;
 - c) in the event of emergency repairs referred to in paragraph 5(e)(iv) above which exceed the sum of **ONE THOUSAND FIVE HUNDRED (\$1,500) DOLLARS** in cost, the Manager shall be entitled to have the work or services performed by an affiliate without following the procedure set out in paragraph 7(b) above, but shall make every reasonable attempt to receive prior approval for such emergency repairs from at least two (2) members of the Board before such work is carried out.
 - d) for all expenditures paid from the corporation's Reserve account, a motion must be passed by the board, approving said expenditure, at a duly called directors' meeting.
8. **BUDGET:** At least two months before the beginning of each fiscal year during the term of the 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, any taxes payable by the Corporation, insurance premiums, water, gas and electric rates, and costs of all repairs, renewals, maintenance and supervision of the Property. Upon request of the Board, or whenever in the opinion of the Manager any change from the expenditures forecast in the annual budget makes it desirable 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 current fiscal year. 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.

9. **EMERGENCY CONTACT:** 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 Act, 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 Act, Declaration, By-laws or Rules. It is understood and agreed by the parties that the Manager shall in its sole and absolute discretion determine whether or not any emergency exists and whether or not such emergency is of a minor or major nature.

10. **REMUNERATION:**

The Corporation shall:

- a) Pay to the Manager, monthly in advance, for its supervisory services hereunder, fees equal to the sum of **\$ 25.00 DOLLARS** (plus HST) per residential dwelling unit per month for the first year of this Agreement, and subject to an increase the second and third years, equal to the Consumer Price Index (Statistics Canada), which sum the Manager is hereby authorized to withdraw from the monies received by the Manager under paragraph 4(e) above. *(Upon expiration of the initial term of this Agreement, the management fee is subject to an increase to be negotiated and pending an agreement an increase equal to the rate of inflation as determined by Statistics Canada's Consumer Price Index).* It is understood and agreed that such remuneration does not include the cost of performing any services set forth in paragraph 4(e)(iii) above which services shall be an additional charge to the Corporation.
- b) Reimburse the Manager for the wages and salaries of all on-site personnel, including all cleaning, maintenance, administrative and supervisory staff, and the cost of all amounts paid in respect of their employment, including, without limitation, Employment Insurance and Workers' Compensation payments, Canada Pension contributions and all other benefits, as well as all other expenses attributable to overhead. The Manager is hereby authorized to withdraw all such amounts payable by the Corporation to the Manager under this subparagraph from the monies received by the Manager under paragraph 4(e) above.
- c) Reimburse the Manager promptly for any monies which the Manager may elect to advance for the account of the Corporation, provided that nothing herein contained shall be construed to obligate the Manager to make any such advance. Additional costs to the Corporation will include registered letters, file folders, envelopes, labels and postage as required for mailings, courier charges, credit checks, laser cheques, etc. One-time cost for the set up of bank accounts and required accessories, as well as the required "Change of Address" form as

required by the Act, Section 108, billed directly to the Corporation by the solicitor responsible for registering the document.

d) Except in the case of fraud or intentional misconduct on the part of the Manager, its servants or agents, the Corporation shall during and after the termination of the term of this Agreement indemnify and save harmless the Manager and its representatives from any and all liability and from all claims and demands including legal expenses arising out of damage or injuries to persons or property in any way connected with the Property or the Managers duties hereunder, and defend at the expense of the Corporation all suits which may be brought 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.

e) Deliver to the Manager copies of all By-laws, and Rules and amendments to the Declaration made by the Corporation or the owners as well as all contracts and other agreements that the Corporation may be a party to;

f) Obtain comprehensive general liability insurance of not less than TWO, (2) million dollars naming the Manager as an additional insured and the Manager is hereby authorized to arrange for such insurance at the Corporation's expense.

g) Adopt and record in the minutes of the Board of Directors the resolution contained in Schedule "A" attached to this Agreement.

h) Notwithstanding any other provision of this Agreement to the contrary, in addition to the management fees, and at the Corporation's request and the Manager's agreement, the Board agrees that if they wish the Manager to perform project coordination, and supervision services, including site visits with written report(s) relating to Major Repairs and Replacements of the Property, the Manager shall be entitled to be paid an additional fee for such services at a rate of 3% of total capital expenditures over \$100,000.00.

11. **TERMINATION:**

a) Either party may, at their option, terminate this Agreement by giving sixty (60) days written notice to the other party, and upon such termination of this Agreement 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 such termination of this Agreement.

b) In the event that the Manager materially breaches any provision contained in this Agreement, the Corporation shall serve written notice upon the Manager setting forth the details of the alleged breach. If the Manager does not cure or has not commenced curing the breach within ten (10) days of the receipt of the notice, the Corporation may terminate this Agreement upon giving sixty (60) days written notice to the Manager.

12. In the event of the appointment, by a court, of any inspector to examine and inspect the affairs of the Manager, (in its capacity as recipients of the Owner's payments under paragraph 4(e) above), or to audit the accounts and records of the Manager, the parties agree that the cost of such independent inspection or audit (or both) shall be borne by the Corporation. In addition the Manager shall be reimbursed for any expenses it incurs as a result of such inspection or audit in addition to the fees set forth in paragraph 10(a) hereof unless such inspection or audit reveals material discrepancies or errors in the said accounts and records, or negligence on the part of the Manager, in which event the cost of such independent inspection or audit (or both) and the managers expenses shall be borne by the Manager.
13. Any notice required or permitted to be given hereunder shall be in writing and shall be sufficiently given if served personally by delivering the same to any officer of the party to be served, or may be given by registered mail postage prepaid, addressed as follows:

TO: **WENTWORTH CONDOMINIUM CORPORATION NO. 171**
c/o Board of Directors
67 Caroline Street South
Hamilton, ON
L8P 3K6

TO: **PMC YORK PROPERTIES INC.**
111 York Road
Dundas, Ontario
L9H 1L9


and if mailed as aforesaid, the same shall be deemed to have been received on the third business day following the day on which it was mailed. Any party may change its address for service by notice given in the manner aforesaid.

14. A copy of the Manager's Privacy Policy is attached hereto as Schedule "B", and the Manager confirms that it will adhere to the terms of this Policy in respect of Personal Information that it may acquire relating to the corporation during the term of this Agreement.
15. The Corporation and the Manager shall make, do and execute or cause to be made, done, and 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 efficiently.
16. This Agreement and every term, covenant and condition herein contained shall enure to the benefit of and be binding upon the parties hereto, and their respective successors and assigns.

IN WITNESS WHEREOF the parties hereto have affixed their respective corporate seals under the hands of their officers duly authorized.

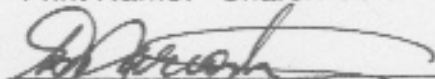
Signed this 22 day of August, 2017

WENTWORTH CONDOMINIUM CORPORATION NO. 171

per: 

President:

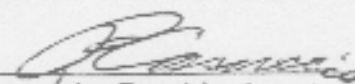
Print Name: Sharon Cole

per: 

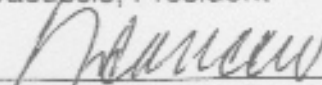
Vice-President:

Print Name: Anna DiMarcantonio

PMC YORK PROPERTIES INC.

per: 

Paul Casuccio, President

per: 

Margot Casuccio, Vice-President

