**CONDOMINIUM MANAGEMENT AGREEMENT**

**THIS AGREEMENT** made the ● day of ●, 20●

BETWEEN:

|  |  |
| --- | --- |
| **● CONDOMINIUM CORPORATION NO.**  (the “**Corporation**”) | OF THE FIRST PART |
| – and – | |
| **●**  (the “**Manager**”) | OF THE SECOND PART |

**WHEREAS** the Corporation has been created under the *Condominium Act, 1998*, S.O. 1998, C.19 as amended by registration of a Declaration and a Description at the Land Titles Registry office in the City of \*, the common elements and units of which are located at \* (the “**Property**”);

**AND WHEREAS** the Corporation desires to engage the Manager as an independent contractor to manage the affairs, the Property and the assets of the Corporation, and the Manager desires to do so, under the terms of this condominium management agreement (the “**Agreement**”);

**NOW THEREFORE THIS AGREEMENT WITNESSETH** that in consideration of the mutual covenants and agreements herein contained and other valuable consideration, the Corporation appoints the Manager and the Manager accepts appointment as the sole Manager of the affairs, the Property and the assets of the Corporation on the terms set forth:

1. **NOMENCLATURE**
2. **Definition of Agreement**

Unless a contrary intent is expressed herein the words, terms and phrases used shall have the meanings respectively ascribed to them by the *Condominium Act, 1998*, SO 1998, c 19, together with any regulations thereunder, all as amended(the “**Act**”); the *Condominium Management Services Act, 2015*, together with any regulations thereunder, all as amended (the “**CMSA**”); and the Corporation’s Declaration, By-Laws and Rules.

1. **TERM**

The term of this Agreement shall be for a period of \_\_\_ years from the \_\_\_ day of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ 201\_\_ until the \_\_\_ day of \_\_\_\_\_\_\_\_\_\_\_\_\_, 201\_\_, and thereafter shall continue in full force and effect from year to year unless terminated in accordance with Article VIII hereof.

The parties agree that this Agreement shall not be allowed to lapse without written notice of termination given by either party to the other, not less than sixty (90) days prior to the expiration of the term hereof.

Should written notice of termination not be given ninety (90) days prior to the expiration of the term of this Agreement, this Agreement shall continue on a month-to-month basis until formally renewed or properly terminated (i.e. following the giving of ninety (90) days prior written notice to the Manager in accordance with the provisions of Article VIII hereof), and the Manager's monthly fee in such circumstances shall, unless re-negotiated and confirmed in writing between the parties hereto, be equivalent to one-twelfth (1/12) of the Manager's fee payable during the immediately preceding year of the term increased by 2% for the first year and 5% for each year thereafter.

1. **ROLE OF MANAGEMENT**
2. **Duty of Loyalty**

The Manager accepts that it assists the Board of Directors of the Corporation (the “**Board**”) in the operation and administration of the Corporation and of the Property and assets of the Corporation and accepts the relationship of trust and confidence established between itself, the Board and the owners and occupants of the units in the Corporation by entering into this Agreement. In carrying out its duties under this Agreement, the Manager agrees to act honestly, in good faith and with a view to the best interests of the Corporation and its owners and occupants.

1. **Agreement Documents**

In this Agreement, the term “**Agreement Documents**” means this Agreement; the Corporation’s Declaration, By-Laws, Rules, and any Reciprocal Agreement; Schedule “A” to the Agreement and the resolutions of the Board that affect, directly or indirectly, any obligation, authorization or right imposed or conferred on the Manager by this Agreement. Changes to any Agreement Documents (including any new resolution of the Board which constitutes an Agreement Document) made or passed after the date hereof require the concurrence of the Manager insofar as such changes increase the Manager’s obligations, authorizations or rights under this Agreement. The Manager acknowledges that it is familiar with the Act, the CMSA and the Agreement Documents, as of the date of this Agreement.

1. **Licensed and Certified Member**

The Manager acknowledges that it is licensed under the CMRAO (the “**Licence**”) and further acknowledges that it is an ACMO 2000 certified or corporate member and required to abide by certain standards required of such a licensee and member in provision of services to the Corporation. The Manager acknowledges that it complies and will continue to comply with all licensing requirements under the CMSA. The Manager shall ensure that its personnel who require a Licence under the CMSA have a valid Licence. Upon any request, the Manager shall provide evidence it possesses a valid Licence and shall ensure that its Licence-carrying personnel do the same.

1. **Independent Contractor with Limited Agency Authority**

The Corporation and the Manager acknowledge that the Manager is an independent contractor. Nothing in this Agreement shall be construed to constitute the parties as in an employment relationship, partnership, franchise or agency relationship, nor as joint-venturers, co-owners or otherwise as participants in a joint or common undertaking. All contracts of the Corporation shall be executed by an authorized signing officer (or officers) of the Corporation.

Notwithstanding the foregoing, the Manager may be appointed as an agent of the Corporation with limited authority. Such an appointment may only be made by a valid resolution of the Board under the express terms of this Agreement. Should the Board adopt such a resolution, there shall be no change in the Manager’s status until such time as the Manager has received written notification from the Board of such change in its legal relationship, and the Manager’s status as agent shall be limited only to those matters expressly set out in the Board’s resolution referenced herein.

1. **Duty of Care**

The Manager shall utilize its experience and knowledge to carry out its duties under this Agreement, including, without limitation, the management, supervision, control and administration of the Property, in an expeditious, diligent and economical manner. At all times, the Manager shall carry out its duties under the Association of Condominium Managers of Ontario (“**ACMO**”) Code of Corporate Ethics. The Manager shall also comply with any Code of Ethics prescribed under the CMRAO. The Manager agrees to furnish efficient business administration and supervision and to perform its responsibilities, including administrative, financial and advisory, in the best manner, consistent with effective management techniques and in the most expeditious and economical manner consistent with the best interests of the Corporation. The Manager shall conduct its duties consistent with the Act, the CMSA, the Agreement Documents and with Federal, Provincial and Municipal laws and regulations, and all binding court or tribunal orders, judgments or decrees, and all directives, policies, rules and orders given by any government agency or regulatory body, all as these pertain to or bind the operation of the Corporation and of the Property (collectively, the **“Legal Requirements**”). The Manager acknowledges that it is familiar with the Legal Requirements as is necessary to fulfill its obligations under this Agreement. When performing its duties, the Manager will exercise such care, diligence and skill as that of a first-class management company bearing the ACMO 2000 certification. The Manager will work under the direction and supervision of the Corporation’s Board. The Manager’s management of the Property shall be subject to the specific instructions of the Corporation as expressed by its Board, and the Manager further agrees to carry out expeditiously the instructions of the Corporation and its Board.

In the event the Manager is instructed to take any action which, in the Manager’s opinion, is contrary to the Legal Requirements, the Manager shall advise the Corporation so in writing immediately. In addition to the indemnity provisions otherwise contained in this Agreement, In the event that any damages are incurred by the Manager by virtue of such instructions and the Manager has given written notice of disagreement, the Corporation shall fully indemnify the Manager for any loss, cost or damage resulting from such instructions.

1. **No Conflict**

The Manager shall be independent of any bias, business relationship, association, contractual obligation, benefit or compensation which would put the Manager in a conflict of interest or make it unable to fulfill any of its obligation under this Agreement. If the Manager has an interest in a contract or transaction to which the Corporation is a party or a proposed contract or transaction to which the Corporation will be a party, the Manager shall disclose in writing to the Corporation the nature and extent of the interest, under Section 52 of the CMSA. The Manager and its personnel shall not give or receive any form of compensation, remuneration or benefit to or from any person, firm, corporation or entity except any payment for services contemplated by this Agreement. The Manager and its personnel shall act impartially, independently and professionally, to promote the best management interests of the Corporation and each of its owners and occupants, without favour for any group of individuals.

1. **SPECIFIC DUTIES OF THE MANAGER**

The Manager shall perform these specific duties, subject to the direction of the Board:

* 1. **Enforcement of Corporate Documents**

Take action within its powers (short of legal proceedings) to enforce the Act and the Corporation’s Declaration (and any agreements), By-Laws, Rules and Reciprocal Agreements (if any), under standing instructions obtained by the Manager from the Board or, if these instructions are inadequate in any particular situation, under directions sought by the Manager from the President of the Corporation or, in the latter's absence, the next officer in seniority. When directed to do so by the Board, the Manager shall initiate, at the expense of the Corporation, legal enforcement proceedings through the Corporation's solicitor. The Manager shall advise the Board of any breach and any actions taken to rectify the same.

* 1. **Corporate Documents Advisement**

Advise and consult with the Board regarding any further By-Laws or Rules or amendments thereto or to the Declaration or Reciprocal Agreements (if any) which in the opinion of the Manager ought to be established or amended to further the harmonious and satisfactory operation of the Property and the Corporation for the common benefit of the Owners. The Manager will liaise with Corporation’s solicitors about the drafting of any new By-Laws or Rules or amendments thereto or to the Declaration or Reciprocal Agreements (if any), and bringing of same into force under the Act and the CMSA.

* 1. **Communication to the Owners**

Communicate to the Owners and occupants, in accordance with and subject to the Act, the directions and instructions of the Board or an appropriate officer of the Corporation, any announcement and the text and import of any new By-Law or Rule, or any amendment to the Declaration or any By-Law or Rule or other agreement. Occasionally, as required by the Board, the Manager shall also communicate to the Board and Owners about any amendments or changes to statutes or regulations specifically aimed at the condominium industry. Service requests of Owners and occupants shall be directed to the Manager and shall be dealt with by the Manager expeditiously. Complaints of a serious nature shall, after investigation, be reported to the Board with recommendations. Without limiting the generality of the foregoing, the Manager shall prepare and deliver information certificates to owners under Section 26.3 of the Act and as prescribed by the regulations and insurance information under Section 105.1 of the Act.

Any costs incurred by the Manager in terms of labour, materials or disbursements relating to the issuance and delivery of information certificates shall be at the cost of the Corporation and may be considered an additional cost.

* 1. **Maintenance of Corporate Register**

Maintain a register under the Act, including the records required and prescribed in Section 46.1 of the Act and under its regulations, in either paper or electronic format, where the Board can access the electronic register online; use its best efforts to keep an up-to-date record of the unit numbers, names and addresses of all unit Owners and the e-mail addresses of those unit Owners that have consented to receive notice by e-mail, those mortgagees who have notified the Corporation of their interest and of any tenants or other occupants of which the Manager has knowledge including any notices of summary of leases, copies of leases and renewal of leases provided under the Act (the Corporation acknowledges that it is responsible for forwarding forthwith to the Manager any written notice or other communication received by any Director or Officer of the Corporation from mortgagees or other person claiming an interest in any unit); and provide annually an updated list of Owners, residents and mortgagees recording the information shown in the register. In addition to the requirements for the register prescribed in Section 46.1 of the Act, the Manager shall include vehicles (and license plates) owned by each unit Owner. *[optional]*

The Manager shall also assist with the preparation, verification and filing of the Corporation’s returns in accordance with Sections 9.1 to 9.9 of the Act and as prescribed by the regulations.

Any costs incurred by the Manager in terms of labour, materials or disbursements relating to the above shall be at the cost of the Corporation and may be considered an additional cost.

* 1. **Corporation Funds**

Collect and receive on behalf of the Corporation all monies payable pursuant to the Act, Declaration, By-Laws, Rules and Reciprocal Agreements (if any) by the Owners or others to the Corporation and deposit the same forthwith in a separate bank account, designated as the “General Operating Account”, in the name of the Corporation with a Schedule 1 or 2 regulated Canadian Chartered Bank or Trust Company subject to the overall control of the Board with signing authority to be as directed by the Board from time to time. All such monies shall thereafter be held in the General Operating Account and administered by the Manager and used to:

* + 1. pay for insurance coverage and any appraisals in connection therewith required of the Corporation under the Act, the Declaration and By-Laws and this Agreement, including Director's Liability Insurance and Fidelity Bond covering the Corporation’s signing officers;
    2. pay the expenses of operating, maintaining and repairing the Property as provided in this Agreement. If the Manager has signing authority for all utility bills, and should the Manager fail to pay any properly incurred utility bills by their due date and such late payment results in a financial penalty or interest charge to the Corporation, the Manager shall be directly liable to the Corporation for such penalty or interest charge;
    3. deposit to the credit of the Corporation in a separate bank account for the purpose of a major repair of a unit, the common elements or assets of the Corporation (if the Corporation has the obligation to repair in that regard under the Act) and for all other purposes prescribed in Section 93(2) of the Act, monthly or as otherwise directed by the Board, the proportionate total budgeted expenditure allocated by the Corporation in its budget statement to the Reserve Fund, and any cash arising from the investment of Reserve Fund monies (whether as interest, payment at maturity or redemption, proceeds of sale or otherwise); advise the Board whether the monies so deposited are adequate (or as set out in the applicable Reserve Fund Study), under the Act, for the purposes of the Reserve Fund; and ensure that the monies so deposited are used only for Reserve Fund expenditures under Section 93 (2) of the Act, and that such monies shall only be invested in eligible securities prescribed under an investment plan developed with the Board under Subsections 115 (6), (7) and (8) of the Act (the “**Investment Plan**”). The Manager shall, in consultation with the Board and professional advisors, prepare annually and for approval of the Board a reserve fund budget statement under the Reserve Fund Study and the Reserve Fund Plan under Section 94(8) of the Act. The Manager shall manage and monitor the Investment Plan and shall deposit any “surplus” monies in the Corporation’s General Operating Account(s) or Reserve Fund Account(s) under the Investment Plan and the Act;
    4. pay such other costs or expenses properly chargeable to a bank account of the Corporation as contemplated in the other provisions of this Article IV; and
    5. prepare cheques for the payment of all expenses properly incurred by or on behalf of the Corporation, such cheques to be signed by the authorized members of the Board or as per any banking resolution approved by the Board. All cheques in excess of the spending restrictions in paragraph IV(q) hereof shall be signed by TWO officers of the Corporation, one of whom shall be the Treasurer or as otherwise set out in any banking resolution approved by the Board. Cheques presented for signing are to be accompanied by properly authorized purchaser orders, delivery receipts or such other evidence as the Board may require from time to time. The Corporation shall permit the Manager to make all payments electronically or by direct banking when available.

* 1. **Banking Arrangements**

Arrange and manage all bank accounts on behalf of the Corporation; and arrange cheque signing authority with the Corporation’s bank in accordance with subparagraph (e)(v) above.

* 1. **Monthly Financial Reports**
     1. Provide the Board *[electronically]* with monthly and year-to-date itemized unaudited financial statements by the 20th day of each month showing:
        1. Corporation income on an accrual basis;
        2. dollar amount of common expense assessment collected;
        3. dollar amount of expenses by category on an accrual basis, as compared with budgeted expenses;
        4. a list of units delinquent in payment of their required contribution to common expenses, the number of days in arrears, and the amount of each delinquency;
        5. the names and amounts of all other delinquent accounts;
        6. particulars of accounts, term deposits, certificates and any other information respecting investment income and other assets and liabilities of the Corporation in accordance with generally accepted accounting principles as at the date of the financial statement;
        7. particulars of significant variations from budget;
        8. cash disbursement statement including cheque register itemizing vendor name, amount and date of cheque, account name or number to which it was charged;
        9. an income and expense statement; and
        10. a balance sheet.
     2. Provide the Treasurer of the Corporation monthly with a copy of :
        1. A general bank statement summary;
        2. A reserve fund bank statement summary;
        3. A bank reconciliation for the General Operating Account;
        4. A bank reconciliation for the Reserve Fund Account; and
        5. A detailed general ledger analysis.
  2. **Maintenance and Repair of Property**

Arrange, subject to paragraph IV(q) , for the effective and economical operation, maintenance and repair of the Property and the assets of the Corporation under the Agreement Documents and the Act, including, without limiting the generality of the foregoing:

* + 1. arrange for the supply, as required, of natural gas, electricity, water and other utility or communication services;
    2. comply with the requirements and regulations of Federal, Provincial and Municipal Authorities having jurisdiction (including, without limitation, Police and Fire Departments and the local Board of Health), and with all binding court or tribunal orders, judgments or decrees, which affect the Property and of which the Manager has been notified, including where applicable, litter removal, waste disposal, snow and ice removal, landscaping and grounds maintenance, fire hydrant servicing, exterior and interior painting, alterations and any reasonable supervision and maintenance necessary in connection with the Property;
    3. maintain and repair, or cause to be maintained and repaired, those parts of the Property and the assets of the Corporation which require maintenance and repair under the Act and the Agreement Documents;
    4. carry out the foregoing duties with employees of the Manager or the Corporation and/or independent contractors, in each instance, as may be more effective or economical for the Corporation;
    5. maintain, on behalf of and at the expense of the Corporation, such staff as required to carry on, promptly and efficiently the foregoing duties and any requirements and instructions of the Board; and
    6. the Corporation’s engineer retained to undertake performance audits or other engineering reports is expected to be the Corporation’s designate with respect to building or other deficiencies. Subject to the engineer’s role and in consultation with the Corporation’s engineer (if applicable) the Manager will use its best efforts to ensure that any building deficiency required by the Corporation to be repaired or rectified is corrected and, if applicable, to pursue the correction of any building deficiency short of legal action under any warranty applicable to the Property. The Manager represents and warrants it is familiar with the filing requirements of the *Ontario New Home Warranties Plan Act* (Ontario) and of the procedures to be followed under that statute to protect the interests of the Corporation.

Regarding occurrence reporting and preventative maintenance *[customize as appropriate – not all terms below are applicable to all types of condos]*:

1. Submit to the Board an occurrence report regarding any significant accident, emergency, break-down or other situation or occurrence which in the opinion of the Manager ought to be brought to the attention of the Board; and follow up on the occurrence so reported by informing the Board of the disposition of such occurrence;
2. Prepare, amend occasionally as required by circumstances, and, in each case, submit to the Board for approval a detailed schedule of the work to be performed by each person which the Corporation employs to work at the Property; assign to each such person regularly the work contemplated by the work schedule and provide any needed directions; and provide such supervision of such work as may be necessary; cause the Property Manager ((defined in subparagraph IV(t)(iii) below) to conduct each day of the week a complete walk through inspection of the common elements to identify items which at the time of the inspection require, or soon following the inspection will require, maintenance or repair; arrange for any corrective action; if required to do so by the Board, prepare and submit to the Board the monthly written inspection report on items noted in the Manager's inspections; prepare a checklist setting out the status of maintenance or repair work in progress; and maintain a record of contraventions of the Act, the Declaration, the By-Laws and the Rules by Owners, residents and others which have come to the attention of the Manager and the steps taken to correct the situation; and
3. Except regarding equipment the preventative maintenance of which is carried out by a third party under a contract with the Corporation, prepare a preventative maintenance program for each major piece of equipment on the Property under the recommendations of the manufacturers or suppliers thereof; submit such program to the Board for approval; provide such program for inspection by the Board or its representative at all reasonable times; maintain regarding each such piece of equipment a log book recording maintenance, repairs and related costs; and maintain all available working drawings, as built blueprints, maintenance and operating manuals for mechanical, electrical and plumbing systems on the Property that have been delivered to the Manager.
   1. **Meeting Notices**

At the request of the Board, schedule and arrange facilities and prepare all notices (including, without limitation, preliminary notices) and accompanying materials for all annual, general or special meetings of the Owners and deliver to the Owners and Mortgagees entitled thereto within the time(s) prescribed under the Act, Declaration and the By-Laws such notices (including, without limitation, preliminary notices) and other materials and information as required in connection with the holding of such meetings; and at the expense of the Corporation, copy, distribute or post all notices, materials, other information and other announcements to Owners or residents and distribute or post them in adequate time prior to the event.

Meeting notices can be delivered to Owners and Mortgagees electronically if the Corporation has signed a resolution permitting electronic communication and Owners have provided the Corporation with an Agreement to Receive Notices Electronically. Any other document required to be issued or delivered may be issued electronically provided that the Act and regulations permit electronic delivery.

* 1. **Attendance by Manager**

Cause an authorized representative of the Manager to attend all meetings of the Board unless otherwise directed by the Board. With respect to meetings of the Board, the Corporation shall notify the Manager in writing as to place, date and time of such meetings and *[customize to suit agreed upon attendance] a representative of the Manager shall attend all such meetings not to exceed twelve (12) Board meetings and including one (1) general meeting of the Owners per fiscal year. The Manager agrees to provide a representative of the Manager to chair Owner’s meetings at no cost to the Corporation, provided that the request to chair is made to the Manager and date is cleared with the Manager at least sixty (60) days in advance of the meeting and such meeting is one of the twelve (12) meetings described above.*

* 1. **Arranging for Audits**

To keep the Corporation's books and records of accounts in accordance with the Canadian accounting standards for not-for-profit organizations and in accordance with generally accepted accounting principles specified in the Handbook of the Canadian Institute of Chartered Accountants, retain full and proper records regarding all financial transactions involved in the management of the Corporation and forward to the Corporation a statement of receipts and disbursements summarizing the transactions made during the preceding month and as more particularly described in subparagraph IV(g). The Manager shall prepare all accounting and financial reporting required under the terms of this Agreement to be provided by the Manager to the Corporation in accordance with the reasonable requests of the Board and/or of the Corporation's auditors (if applicable) as to format and furnish the same within the reasonable time frame prescribed by the Board or (if applicable) the Corporation's auditors. The Manager shall also arrange for audits to be prepared in the prescribed manner and timing set out in the Act and regulations thereto by the Corporation’s auditors and in accordance with Canadian auditing standards as prescribed. The Manager shall coordinate with the auditors to assist him or her in completing the annual audit and financial statements in the manner prescribed by the Act. The Manager will also receive documents from the auditors and shall deliver same to the Board;

* 1. **Annual Budgets**

Under Section 83.1 of the Act, the regulations thereto and the Corporation’s By-laws, prepare and present to the Board for its approval, at least two (2) months before the commencement of each fiscal year, an estimated budget in writing for the following year in keeping with the budget guidelines adopted by the Board and consult with the Board whenever it appears desirable or necessary to revise the Owners' contributions to the common expenses. The budget shall set forth all existing and recommended categories, and the Manager’s best estimate of all expenses related to operating the Property. The budget shall provide for required contributions to the reserve fund, subject to the Corporation’s reserve fund study and the Board’s funding plan, and any other requirements as prescribed by the Act and the regulations thereto. The Board shall finalize the budget and the Manager shall forward the budget to the Owners by a notice in the form prescribed, if any, by the Act and regulations thereto, together with a statement of each Owner’s proportionate contribution to the common expenses at least thirty (30) days prior to the commencement of the next fiscal year (provided that the Manager receives the finalized budget no later than forty (40) days prior to the commencement of the next fiscal year). At the request of the Board, the Manager shall also prepare and present to the Board any amendments to the budget under the Act, the regulations thereto and the Corporation’s By-laws.

* 1. **Long Term Reserve Fund Planning**

To monitor any investment program as recommended by the Board’s professional advisors and approved by the Board to obtain an acceptable return on all revenues of the Corporation, including interest accumulating on surplus cash and upon long-term reserve accounts and, in this endeavour, invest all surplus cash and reserves in interest-bearing accounts with a Canadian Chartered Bank, Trust Company, or as directed by the Board and permitted by law. This shall specifically include working with the Board and a qualified reserve fund planner to develop and, from time to time, update a Reserve Fund funding plan as contemplated in Section 94 of the Act.

* 1. **Certificates of Lien and Status Certificates**

Regarding Status Certificates, the Manager shall:

* + 1. Upon receipt of a written request from any person and receipt of the fee prescribed by regulations under the Act, prepare for execution by the Board or, where a resolution of the Board authorizes the Manager to do so, by the Manager, and as authorized agent of the Corporation, a certificate with respect to such unit in the form and with the contents prescribed by such regulations (a “**Status Certificate**”) and to issue such Status Certificate within the time limit prescribed by the Act;
    2. Be responsible for the accuracy and completeness of all information included in a Status Certificate and related documentation as prescribed by the Act and the regulations thereto, provided, however, that the Manager shall not be held liable for any error or omission in any Status Certificate if the same results from the failure of the Board to communicate to the Manager pertinent information it has, either regarding the specific unit or regarding the Corporation , which should be considered to prepare a Status Certificate. Notwithstanding Article VII, the Manager shall indemnify and save the Corporation harmless from any damages, demands, claims, costs, losses, actions, suits or obligations arising out of any error or omission in the information in any Status Certificate of which the Manager had or ought to have had knowledge. This provision shall survive the termination of this Agreement; and
    3. Be entitled to the fee prescribed by regulation under the Act for the preparation and issuance of Status Certificates and related documentation.

With respect to Certificates of Lien:

1. The Manager, in addition to its covenant to enforce the Declaration, By-Laws and Rules as herein provided, shall actively pursue the collection of unpaid common expenses assessments from the Owners and to reduce these receivables to the minimum monthly balance and without incurring additional cost save where legal action, including filing notices of lien under the Act, is required. It is understood that under the Act, the lien arises upon the default and will expire within a certain time period unless a certificate of lien is registered under Section 85. The Manager shall instruct the Corporation's solicitor to file the notice of lien in the appropriate Land Registry Office at least fourteen (14) days prior the lien expiration date under Section 85. Prior to such notice, the Manager shall serve the owner with a Notice of Lien to Owner, pursuant to Section 85(4) of the Act, and be entitled to charge such owner in receipt of the form the sum of two hundred dollars + HST ($200 + HST). When instructing the solicitors, the Manager shall provide a ledger detailing the arrears and other any additional forms or documents that the solicitors reasonably require.
2. If the Manager fails to ensure filing a notice of lien covering the arrears of common expenses, interest charges and legal costs within the time specified under the Act resulting in any loss or any additional cost to the Corporation, the Manager shall be directly liable for same to the Corporation. This provision shall survive the termination of this Agreement. Notwithstanding the foregoing, where the lien process is assigned to an employee of the Corporation, the Manager shall not be held liable for any errors, omissions, actions, lack of actions or non-compliance by the employee.
   1. **Maintaining Corporation’s Insurance**
      1. Obtain for submission to the Board quotations by the Corporation's selected broker for all insurance policies of the Corporation due to expire; make arrangements to ensure that the policies of insurance are properly placed without lapse in coverage and in the amounts as directed by the Board; and arrange for any appraisal in connection therewith which may be required by the Agreement Documents or the Board;
      2. Unless the Board has assumed the responsibility of deciding the details of the Corporation's insurance coverage, ensure that such coverage conforms with the Agreement Documents and the Act;
      3. Subject to and under the regulations of the Act, the Manager shall assist the Board with providing the Owners with a notice containing information relating to the insurance mentioned in each of Sections 39, 99, 102 and 105 of the Act and the regulations, if any;
      4. Take prompt action to deal with any occurrence of personal injury (including death) or property damage of which the Manager or its on-site employees are made aware and which may cause:
         1. any claim by the Corporation under any of its insurance policies;
         2. any claim by the Corporation against an Owner for damage resulting from the Owner's default in the performance of an obligation to maintain and repair; or
         3. any other claim by or against the Corporation;

(such action shall include, without limitation, taking steps appropriate in the circumstances to end the cause of the injury or damage and locating and preserving the evidence of the cause of the occurrence);

* + 1. Monitor and report to the Board, or if prompt action is required, to an appropriate officer of the Corporation, developments in the processing of insurance or other claims by or against the Corporation and see that the rights of the Corporation in respect of such claims are protected, including filing a notice of claim but excluding the adjusting of any loss.
  1. **Manager’s Fidelity Bonding and Professional Liability**

**[*coverage levels to be customized based on size and history of Corporation, in consultation with Corporation’s insurer if appropriate]***

* + 1. With respect to fidelity bonding:
       1. Arrange, obtain and maintain a blanket Fidelity Bond in an amount of not less than two hundred and fifty thousand dollars ($250,000) per occurrence in the name of, and at the expense of, the Manager, which Fidelity Bond shall indemnify the Corporation for loss of the Corporation’s funds as a result of defalcation by the Manager and its employees or personnel. The Manager shall provide the Corporation with evidence of such Fidelity Bond forthwith upon signing this Agreement. The Manager shall provide the Corporation with a certificate of insurance as evidence it is maintaining adequate liability and blanket fidelity insurance to indemnify the Corporation under Article VII. Such Fidelity Bond shall not be terminated by either the insurer or the Manager unless at least thirty (30) days prior written notice of cancellation has been delivered by registered mail to the insured.
       2. Additionally, the Manager shall arrange, obtain and maintain at the Corporation’s expense a Fidelity Bond for and in the name of the Corporation in an amount of not less than two hundred and fifty thousand dollars● ($250,000●) per occurrence with loss payable to the Corporation only if required by the Corporation. The Corporation agrees that the Manager shall be named as an insured party along with the Corporation. It shall be the Manager’s responsibility to ensure that when issued, the Fidelity Bond is subject to a term stating that it shall not be terminable by either the insurer or the Corporation unless sixty (60) days prior written notice of cancellation has been delivered by registered mail to the auditor of the Corporation, the Manager, and to the Board.
       3. In this Agreement, the term “**Fidelity Bond**” shall mean a policy of insurance to protect a named insured from losses, costs, damages, liability and expenses arising out of the dishonest or fraudulent act of one more individuals including theft and other criminal activity.
    2. The Corporation shall obtain, or authorize the Manager to arrange for, comprehensive liability insurance on the Property to a limit of not less than ten million dollars ($10,000,000) inclusive, under the terms of which:
       1. the Manager shall be named as an additional insured with the Corporation, as their interest may appear, in each policy providing protection against any claims for personal injury, death, property damage or loss for which either the Corporation or the Manager might be held liable because of their respective obligations; and
       2. the Corporation shall cause the insurer to provide the Manager at least thirty (30) days prior written notice of cancellation or of any material change in any such policy. The Corporation, upon request, will provide to the Manager a certificate of insurance regarding any such policy.
    3. The Manager shall, during the term of this Agreement and any extensions or renewals thereof, place and maintain at its sole costs and expense in the name of the Manager comprehensive commercial general liability and professional liability insurance (Errors and Omissions Insurance) showing a limit of not less than one million dollars ($1,000,000) inclusive, which insurance policy shall include coverage for contractual liability and non-owned automobile liability. In addition, such policy shall contain a severability of interests clause and a cross-liability clause. The Manager agrees to provide the Corporation with a certificate of insurance prior to the effective date of this Agreement and thereafter annually as evidence it is maintaining such insurance and to provide the Corporation with at least thirty (30) days prior written notice of cancellation or any material changes in its insurance policy.
  1. **Spending Limitations**

The annual budget shall constitute the major control under which the Manager shall operate, and there shall be no substantial deviations therefrom, excluding such expenses as utilities, insurance and other expenses not within the control of the Manager, except as approved in writing by the Board. No expenses may be incurred or commitments made by the Manager in the name of the Corporation in the maintenance and operation of the Property over the amounts allocated to the classifications of expense in the approved budget; provided, however, that emergency repairs and work involving manifest danger to life or property, or immediately necessary for the preservation and safety of the Property, or for the safety of the Owners and residents, or required to avoid the suspension of any necessary services to the Property, or immediately necessary to avoid exposing the Corporation or the Manager or both to imposing penalties, fines, imprisonment or any other substantial liability, may be made by the Manager despite the cost limitation imposed by this paragraph (q), subject always to the Act, the Declaration, the By-Laws and the Rules. Notwithstanding this authority on emergency repairs, the Manager shall, if at all possible, confer immediately with the Board regarding every such expenditure. Further, the Manager shall in the case of a hazardous situation report to the Board as soon as possible and ensure that all reasonable health and safety measures including, where possible, all aspects of the Occupational Health and Safety Act and the Workplace Safety and Insurance Act are complied with. The Manager, in any hazardous situation, may enter any Unit with or without the consent of the Owner thereof to perform such work or repairs as it reasonably determines to be urgently necessary for the protection and preservation of the Property and any assets of the Corporation or any equipment or chattels, or to protect the Corporation and the Manager from exposure to fines, penalties, imprisonment or any other substantial liability.

Unless the Board has specifically authorized such procedure, under no circumstances shall the Manager advance funds to the Corporation on a temporary loan basis whether interest is charged to the Corporation or not if a cash deficit occurs in the Corporation's account. The Manager shall notify the Board of any anticipated cash deficit and the Board shall take immediate steps to obtain the necessary funds to cover any such deficit under the By-Laws by either utilizing the Corporation’s overdraft protection, the levying of a special assessment, the delivery of a revised budget, or exercising its borrowing authority on behalf of the Corporation.

The Manager shall not authorize any work, repairs, alterations or maintenance estimated in cost in excess of $1,000.00 for any one item or enter into any agreement on behalf of the Corporation having a duration in excess of one (1) year without first obtaining the Board’s approval to proceed with such work except for monthly or recurring operating charges. This amount may be adjusted upward at the discretion of the Board. Where the cost of performing work or services (other than utilities) and/or goods or materials to be furnished to the Corporation exceeds the sum of two thousand Dollars ($2,000), the Manager shall obtain and submit to the Board at least three (3) written quotes or estimates unless the Board is satisfied with a fewer number, for presentation to the Board and shall obtain the approval of the Board by way of a resolution prior to entering into the contract. If any such work is urgently required to be done and failure to do such work could, in the Manager’s reasonable opinion, result in hazardous situation which could cause personal injury or damage to the Property or its equipment or contents or which could impair the value of the Owners’ investment or if failure to do such work might expose either the Corporation or the Manager, or both, to imposing penalties, fines, imprisonment or any other liability, and the Board or any of its members cannot be reasonably located to approve such work, then the Manager hereby may proceed with any such work as it in its discretion reasonably determines to be urgently necessary for the prevention of personal injury, the protection and preservation of the Property or its equipment or contents or the Owners' investment or to protect the Corporation or its Directors from exposure to fines, penalties, imprisonment or any other liability. With such hazardous situation the Manager shall report to the Corporation as soon as possible, and ensure that all reasonable health and safety measures including all aspects, where possible, of the *Occupational Health and Safety Act* and the *Workplace Safety and Insurance Act* are complied with. Any contract for work or services shall be for a reasonable consideration usual in the industry and be budgeted for by the Corporation. Any person, firm or corporation retained to perform work or services shall be contracted under a written contract setting out the essential terms of such contract.

* 1. **Dealing with Emergencies**

The Manager shall:

1. Receive communications from Owners, residents, mortgagees, government agencies and other interested parties to the Corporation, which communications, when action is required by the Manager or the Board, shall be requested to be in writing, except in case of emergency; to the extent that the subject matter of any such communication is within the scope of the responsibilities and duties of the Manager under this Agreement, deal with and dispose of, or co-ordinate the dealing with and the disposition of, such matter, provided, however, that any matter involving a policy decision or interpreting the Agreement Documents shall be referred to the Board; and, refer to the Board any communications other than those which the Manager must receive and deal with;
2. Keep the Board and Owners and residents advised of the current telephone number or numbers at which a live individual agent or employee of the Manager (for clarity, not a voicemail or automated attendant) may be reached, at any time during normal business hours in respect of any infraction of the Agreement Documents or at any time during the day or night (24 hours a day, 7 days a week, 365 days a year), in respect of any emergency involving any part of the Property or any assets of the Corporation; make all arrangements to deal promptly with such infractions and immediately with any such emergency arising in connection with the maintenance and operation of the Property and assets of the Corporation; deal in the first instance with emergencies and infractions and forthwith report to the Board any major emergency or persistent, flagrant or serious violation of the Agreement Documents; it being understood that the Manager, in its reasonable discretion, shall determine whether or not an emergency exists and whether or not such emergency is of a minor or major nature;
3. If requested by the Board and at an additional cost, arrange for the preparation of a formal fire and safety plan by a professional qualified to do so which shall at the minimum include:
   1. total compliance with the Ontario Fire Code;
   2. identification of all residents requiring assistance if an emergency occurs;
   3. the formation and introduction of response team(s); and
   4. identification and elimination on a planned basis of hazards to safety.
   5. **Provision for Extra Charges**

In addition to the fees set out in Article VI of this Agreement, the Corporation shall pay the Manager a fee for providing additional services beyond the scope of the Manager’s regular duties as contemplated herein which are requested by the Corporation and which the Manager has agreed in writing to provide including, without limiting the generality of the foregoing, all fees for additional services already specified in this Agreement.

* 1. **Employees of the Corporation**

The Manager shall, in the name of the Corporation, hire employees who will be employees of the Corporation to fulfill its duties for the efficient operation and maintenance of the Property and physical assets of the Corporation, including, without limitation, administration, supervision, security, repair and cleaning (the “Corporation Employees”) unless such functions have been contracted with third party service providers.

Except as otherwise provided in this Article, the Corporation shall have the sole responsibility and final authority as employer to hire, dismiss, discipline, direct and define the overall duties and working conditions of the Corporation Employees, including, without limitation, establishing compensation, authorizing vacation and determining pay increases. The Board may delegate to the Manager from time to time any of the foregoing responsibilities to implement the Board’s decisions and policies.

Notwithstanding anything in this provision, the Corporation assumes all risk and liability in respect of the Corporation Employees, including, without limitation, all costs associated with their employment and any termination of their employment.

For the Corporation Employees, the Manager shall:

* + 1. based on budget allocation and job descriptions approved by the Board and observance of applicable legal requirements, advertise for, recruit, interview, investigate, evaluate and hire, at the expense of Corporation, qualified and competent applicants for on-site employment required for the efficient operation and maintenance of the Property and the physical assets of the Corporation, it being understood and agreed that all persons hired to perform services for the Corporation under this provision are Corporation Employees;
    2. if the Manager is qualified to do so, instruct and train the Corporation Employees (including where appropriate, providing technical instruction in the operation and maintenance of equipment on the Property) and monitor and supervise the performance of such employees and ensure the proper carrying out of their duties;
    3. have the authority to terminate any of the Corporation Employees for cause, at any time, where the Manager reasonably determines that it must take immediate action in the circumstances, without seeking the prior approval of the Board;
    4. arrange for payment by the Corporation of any and all notice and severance obligations upon the termination of the employment of a Corporation Employee, whether terminated for cause or not for cause, and whether arising under the ESA, the common law or an employment agreement;
    5. arrange for payment by the Corporation, as part of its operating expenses, the wages, salaries, benefits and all other employment costs of the Corporation Employees, and make all required statutory deductions, contributions and remittances on the Corporation’s behalf including, without limitation, in respect of income tax, Canada Pension Plan, Employment Insurance, Workplace Safety and Insurance, and Employer Health Tax;
    6. arrange for the deductions or payments and coordination of any applicable benefits plans, including but not limited to, health benefits or other group coverage;
    7. maintain proper payroll records regarding all Corporation Employees, including making, filing and retaining all payroll reports, statements of wages, and returns required by law;
    8. prepare work schedules and assignment of responsibilities as may be necessary to direct the activities of all persons employed to work at the Property and provide such reasonable supervision as may be reasonably necessary of all persons employed to work at the Property, and conduct an inspection, as reasonably required, of the Property and complete a checklist setting out the status of the ongoing maintenance and repairs to be completed in respect of the common elements, and compliance by Owners with the Act, the Declaration, the By-Laws and the Rules (i.e. stipulate infractions and the steps taken to correct same) and make such schedules, inspections and status reports available for inspection by the Board at all reasonable times; and
    9. take steps to ensure that all Corporation Employee personal information is accurate, up-to-date and subject to reasonable safeguards and privacy protections, including any safeguards required under any applicable legislation.

The Corporation shall indemnify and hold the Manager harmless from and against any and all Loss related to the employment of the Corporation Employees, including any claims that the Manager is the employer or co-employer of such employees, regardless of the manner in which those claims arise, including but not limited to, claims for damages, wrongful dismissal, payment in lieu of notice of termination of employment, severance pay, salary, commissions, incentive payments, pension, vacation pay, premium pay, overtime pay, costs and interest. For the purpose of this paragraph, the term “Loss” includes any principal sum, award, settlement or verdict, actually paid or payable, after making proper deduction for all recoveries and salvages. Loss also includes those costs incurred by the Manager in the investigation and defence of actions, causes of actions, suits, contracts, debts, complaints, demands for damages, claims or proceedings and appeals therefrom and any interest accruing after judgment. Notwithstanding the foregoing, Loss shall not include any risk or liability resulting from or related to negligence, fraud, illegal or dishonest act or omission or intentional harm or breach of this Agreement by the Manager. This provision shall survive the termination of this Agreement.

* 1. **Employees of the Manager**

The Manager shall comply with these terms and conditions regarding any employees engaged directly by the Manager (the “Manager Employees”): ***[EXAMPLE – TO BE CUSTOMIZED]***

* + 1. The Manager shall supply at its own expense the services of at least (1) on-site senior property manager to provide not less than ● (●) hours per week (excluding weekends, statutory and civic holidays) of full time management services under this Agreement (the “**Property Manager**”). At a minimum, the on-site Property Manager shall be on site ● days per week. The Manager represents and warrants that any individual engaged to provide services under this Agreement as a Property Manager will be competent, qualified, licensed under the CMSA, and be a Registered Condominium Manager (“RCM”) or shall be completing the necessary courses to obtain such qualification. The Property Manager shall carry out his/her duties honestly, in good faith and always with a view to the best interests of the Corporation and the Owners. He or she will devote his or her full time and attention to the Property for the term of this Agreement and work from the offices of the Corporation. The Property Manager will carry out the duties and responsibilities of the Manager on the Property as set out in this Agreement.
    2. The Manager shall supply at its own expense the services of at least (1) on-site site administrator to provide not less than forty (40) hours per week of full time administration services under this Agreement and assistance to the Property Manager (the “**Site Administrator**”). The Manager represents and warrants that any individual engaged to provide services under this Agreement as a Site Administrator will be competent and qualified. The Site Administrator will devote his or her full time and attention to the Property. He or she will also work from the offices of the Corporation. The Site Administrator will be responsible for assisting the Property Manager in his or her duties.
    3. The Manager represents and warrants that any individual engaged to provide services under this Agreement as a Property Manager and the Site Administrator, when conducting their duties, shall comply with the CMSA and the terms of the ACMO Code of Professional Ethics.
    4. The Manager further agrees that it shall be solely responsible for obtaining any necessary licences and permits and for complying with any federal, provincial and municipal laws pertaining to the Manager Employees or other persons it employs or otherwise engages in carrying out the services under this Agreement and shall, where applicable, pay the wages, salaries, benefits and all other employment costs of the Manager Employees, including but not limited to, making deductions and remittances to the appropriate government authority income tax and employer and employee contributions, premiums and assessments for Canada Pension, Employment Insurance, Employer Health Tax and Workplace Safety and Insurance, and any similar deductions or payments which may occasionally apply to such employees.
    5. If the Property Manager or Site Administrator is incapable, unwilling or unable to perform his/her duties contemplated in this Agreement or if the Property Manager or Site Administrator’s required license is suspended or revoked for any reason, such individual shall be immediately replaced, at the Manager’s sole expense.
    6. The Manager further agrees that it has the authority to terminate any of the Manager’s Employees, for any reason, at any time. The Manager is responsible to pay for all termination costs of the Manager’s Employees, whether arising under the ESA, by common law, or an employment agreement;

Except where Article X of this Agreement (Building Services Provider) applies and this indemnification will not apply, the Manager will indemnify the Corporation and hold the Corporation harmless for any claim for additional compensation, damages and/or other payments that may be made against the Corporation by the Manager Employees, upon the termination of employment of such persons or otherwise. The Manager acknowledges that it, and not the Corporation, shall bear any liability arising from such claim with respect to the Manager Employees, except to the extent such liability relates to the negligence, fraud, illegal or dishonest act or omission, intentional harm or breach of this Agreement by the Corporation. This provision shall survive the termination of this Agreement

* 1. **Inadequate Performance by Contractors**

Use reasonable diligence, by direct inspection or giving direction to the superintendent and or maintenance supervisor, if any, to ensure that contracts and agreements between the Corporation and any supplier of materials, goods and/or services are performed under their terms; inform the Board and hold back full payment to the contractor in the event performance is considered by the Manager to be inadequate or contrary to the agreed terms; and take advantage of all trade discounts by prompt payment of trade invoices where services are properly performed and/or materials provided under the contract, with appropriate holdbacks under the *Construction Lien Act (Ontario)*, where applicable.

* 1. **Construction Liens**

Retain or cause to be retained holdbacks required by the *Construction Lien Act (Ontario),* and use its best efforts to ensure that no claim or lien shall be filed against the title to the Property regarding any work which may be carried out on behalf of the Corporation and, if a claim or lien shall be filed in respect of such work, inform the Board and forthwith take all necessary steps to have the same removed and discharged as directed by the Board.

* 1. **Materials, Equipment, Supplies and Inventory**

Subject to Article IV(q), purchase on behalf of the Corporation such equipment, tools appliances, materials and supplies as are necessary for the proper operation and maintenance of the Property and offices of the Corporation; maintain a current list of all inventory, equipment and chattels of the Corporation as part of its records; and, in any such purchase or in any contract for services effected on behalf of the Corporation, ensure that the Corporation is given the benefit of any volume or other price or service advantage which the Manager has obtained from the supplier. All such purchases and contracts shall be in the name of and at the expense of the Corporation.

* 1. **Books and Records of the Corporation**

To further paragraph IV(k) - Arranging for Audits, keep the Corporation's books of account and retain full and proper records regarding all financial transactions involved in the management of the Property; keep adequate records under Section 55 of the Act and related regulations; furnish to the Board within eleven (11) working days following the end of each month financial statements summarizing the transactions made during such month as more particularly described in paragraph IV(g); (the Manager hereby acknowledges that such books and records are the property of the Corporation). The software of the Manager used to maintain the books and records of account must be able to produce all records in machine – readable form to transfer such records to other software programs at the termination of this Agreement, as necessary. Where books and records are stored electronically, the Manager shall create a back-up electronic copy thereof daily. The Manager shall ensure that the books and record are protected from damage, loss, or unlawful access. All books and records of accounts kept in relation to the management of the Corporation shall be the property of the Corporation and upon termination of this Agreement shall be forthwith surrendered to the Corporation or to a representative of the Corporation, designated in writing. During the term of this Agreement and any renewal period, the said books and records of accounts shall be accessible to the Board, the officers or the Owners of the Corporation, who shall, subject to any exceptions to the inspection of records under the Act, have access upon reasonable notice at all reasonable times to inspect and examine same. Records referred to herein shall be delivered to the Corporation’s on-site management office, if applicable or if space is available, after completing the annual financial audit. Alternatively, the Manager shall store the records for $● per month plus applicable taxes.

* 1. **Manager's Report and Access to Records**

The Manager shall:

* + 1. Present to the Board at least forty-eight (48) hours prior to each regularly scheduled Board meeting a written Manager's Report, to serve as a formal form of communication from the Manager to the Board, which Manager's Report shall reflect, without limitation, the directives of the Board to the Manager and show the actions of the Manager regarding these directives of the Board. Any and all correspondence received by the Manager regarding the operation of the Corporation shall be available for examination by the Board;
    2. Provide for examination all books and records pertaining to the operation of the Property and business of the Corporation, at reasonable times, and upon reasonable notice, whenever requested, to the Corporation, its auditors, any officer of the Corporation, any representative of the Board duly authorized in writing, and any Owner, purchaser or mortgagee of a Unit or his/her agent duly authorized in writing, subject to, and under, any federal or provincial privacy legislation, the Act and related regulations, the Declaration, the By-laws, the Rules and any privacy policy adopted by the Board and in effect from time to time, and provided that the Corporation shall be charged a reasonably hourly charge to be agreed upon by the parties to properly compensate for the time spent in preparing and copying of records required for and/or viewed. Notwithstanding the foregoing, under Section 55 of the Act and related regulations, where a person examining the records of the Corporation requests copies of records, the Manager shall charge that person and not the Corporation the reasonable labour and copying charges associated with the production of such copies under the fees specified in the Act and the regulations; and
    3. Deal with the records of the Corporation in compliance with Section 55 of the Act and related regulations, including without limiting the foregoing, the keeping, retention, provision of access and examination of said records. Without limiting the foregoing, the Corporation shall provide the Manager with the Corporation’s records that the Manager may reasonably require and shall do so at the time and in the manner prescribed and in accordance with the prescribed requirements of the regulations.

1. **Filing of Returns**

In connection with all contracts to perform work or services entered into by the Manager, execute and file necessary documents and do and perform all acts required under the laws of any Federal, Provincial, Municipal or other government body or authority, provided, however, that corporation’s tax returns are to be completed and filed by the Corporation's Auditor. The Manager will facilitate the delivery of these returns to the Board and will endeavour to make every effort to obtain the appropriate signatures remit the returns and any annual payments within the allotted time frame. The Manager may charge an additional fee for arranging for the filing of returns, not to exceed **$X/h**, which shall be invoiced within 30 days of completion of the filing.

1. **Information**

To receive in writing (except in case of emergency) and co-ordinate the disposition of, requests for information and service concerning or related to the duties and obligations of the Manager as provided by this Agreement, in all cases referring to the Board such requests as involve policy decisions or interpretations of the Act, Declaration, By-Laws and Rules of the Corporation.

1. **Personal Information**
   1. The term “personal information” shall mean all information about an identifiable individual as set out in all applicable privacy laws, including but not limited to the *Personal Information Protection and Electronic Documents Act* (Canada) (**Personal Information).** The Manager shall protect and keep confidential all Personal Information about or pertaining to all individuals disclosed by the Corporation or otherwise obtained by the Manager under this Agreement. During the term of the Agreement, the Manager shall collect and use Personal Information only to exercise the rights and perform the obligations for which such information was disclosed to the Manager, as specifically set forth in or clearly implied by this Agreement. The Manager will monitor implementation of the Corporation’s privacy policy and work with the Board to develop practices and procedures regarding the collection, use and disclosure of personal information and use best efforts to ensure that the Corporation obtains confidentiality covenants from all third-party service providers regarding personal information obtained about owners and residents of the Corporation.
   2. The Manager may not disclose, permit access to, transfer, copy or reproduce Personal Information to another party unless such disclosure is (i) permitted under this Agreement; (ii) authorized by the Corporation, or (iii) required by law, in which case the Manager will provide prior notice of such disclosure to the Corporation.
2. **Liaison with Professionals**

To act as the liaison between the Board and such professionals, including, without limitation, the

Corporation’s lawyers, auditors and engineers, as the Corporation may retain from time to time. At the request of the Board, the Manager shall speak with such professionals, relay their advice to the Board, and, where requested, arrange for such professionals to speak with the Board directly as necessary. For certainty, the Manager itself shall not provide legal services.

1. **AFFILIATED COMPANIES**

The Manager shall not engage a parent or subsidiary corporation or any person, firm or corporation associated, affiliated or otherwise connected with it to perform any work or services for the Corporation unless the Manager discloses such connection to the Corporation and receives the prior written authorization of the Board to retain such parent or subsidiary corporation or any person, firm or corporation associated, affiliated or otherwise connected with the Manager to perform any work or services for the Corporation.

1. **MANAGER'S COMPENSATION**

Unless terminated in accordance with Article VIII herein, the Corporation shall pay to the Manager a management fee calculated as follows:

1. During the first year of the term (insert dates) the sum of $\_\_\_ per month, plus applicable taxes;
2. During the second year of the term (insert dates) the sum of $\_\_\_ per month, plus applicable taxes;
3. During the third year of the term (insert dates) the sum of $\_\_\_ per month, plus applicable taxes;

The Corporation shall provide, without charge, for the use of the Manager and its staff, such office accommodation and equipment, furniture and communications systems as is designated by the Board as the “Management Office”, if available.

The Manager's management fee includes management staff salaries and all office expenses directly related to the business office of the Manager. The Corporation shall reimburse the Manager for disbursements incurred by the Manager on behalf of the Corporation in performing its duties under this Agreement, provided such disbursements were incurred under Article IV(q).

1. **INDEMNIFICATION**

In addition to any specific indemnities found elsewhere in this Agreement, the Corporation shall, during and after the term of this Agreement, indemnify and save harmless the Manager and its directors, officers, employees and agents free and harmless from any claims, actions, obligations, liabilities, costs, expenses or fees in carrying out the Manager’s duties and obligations, provided however that nothing in this Article shall release the Manager from any liability if the Manager has defaulted in its duties and obligations under this Agreement or in the case of negligence, fraud, illegal or dishonest act, or intentional harm by the Manager, its directors, officers employees or agents.

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

1. **TERMINATION AND NOTICE**
2. **Termination Without Cause**

Either party may terminate this Agreement without cause or penalty as of the last calendar day of a month upon giving ninety (90) days prior written notice of the same to the other party. The Corporation may, at its sole option, terminate this Agreement without cause and without giving ninety (90) days prior notice of the same to the Manager by paying to the Manager an amount equal to three (3) months of the management fee payable to the Manager calculated under Article VI of this Agreement.

1. **Termination With Cause**

This Agreement shall terminate immediately and without notice upon the occurrence of any of the following events (except as otherwise set out below):

1. the insolvency or bankruptcy of the Manager, or upon the Manager taking steps, voluntarily or otherwise, to wind up its business, including but not limited to a proposal in bankruptcy, a petition for a receiving order, a proposal in bankruptcy, the assignment of a receiver or trustee or an assignment of the Manager’s property in favour of its creditors;
2. the termination of the government of the Property by the Act;
3. in the event of a material breach of this Agreement by the Manager, provided that the Corporation is not also in material breach and provided further that the Manager shall have a right to cure any such breach, if curable, within 30 days of receipt of written notice from the Corporation. This Agreement will terminate upon the Manager’s receipt of such notice if any such breach is not curable or upon the expiration of the 30-day cure period if such breach is curable but has not been cured on or before such expiration. Any notice pursuant to this sub-Article shall specify the breach(es) on which such potential termination is based so that the Manager may determine whether it is curable or not and take appropriate action.
4. the Manager assigns this Agreement other than under Article XIX; or
5. the Manager loses its Licence, including, without limitation, as a result of any suspension or revocation of the Licence.
6. **Duties on Termination**

Upon termination of this Agreement,

* + 1. the Manager shall forthwith cease to operate the Corporation’s bank accounts and shall execute all documents and take all steps necessary in recognition thereof as requested by the Corporation or the Corporation’s bank, and shall provide an accounting to the Corporation as soon as possible but no later than twenty (20) days following termination;
    2. the Manager shall forthwith surrender to the Corporation or to the Corporation's representative designated in writing all the keys or access cards to the Property or any part thereof held by the Manager or any of its employees and all the books and records, in whatever format and media the same may be recorded and maintained, other than accounting books and records, kept by the Manager in relation to the management of the Corporation which are the property of the Corporation, or that are in the possession of any employees of the Manager, including, without limitation, post-dated cheques, contracts, files, plans, drawings, specifications, architectural or engineering documents, manuals, maintenance and repair logbooks, and correspondence;
    3. the Manager shall surrender all accounting books and records, in whatever format and media the same may be recorded and maintained, kept by the Manager in relation to the management of the Corporation which are the property of the Corporation, or that are in the possession of any employees of the Manager, within thirty (30) days after the termination date, or after an audited statement, if required by either party, is presented;
    4. the Manager shall assist the Corporation and any new management services provider retained by the Corporation to effect a smooth transition;
    5. the Manager and its personnel shall forthwith vacate the on-site property management office leaving it in a neat, tidy, clean condition and in a good state of maintenance and repair;
    6. the Corporation shall assume the obligations under any contracts which the Manager has properly made for the purpose of arranging the services to be provided under this Agreement; and
    7. any liability incurred under this Agreement by either party to the other up to and including the date of termination of this Agreement or which arises from a claim made after such termination regarding any occurrence prior to the termination, and all obligations of each party to the other under this Article VIII, shall survive the termination of this Agreement.

1. **Notice**

Any notice required to be given by either party to the other shall be deemed to have been sufficiently given if delivered personally, mailed by prepaid post or registered mail, or transmitted by facsimile or electronic mail at these addresses for service:

To the Corporation: ●

To the Manager: ●

Either party may by notice in writing to the other designate another address to which notices mailed more than ten (10) days after the giving of such notice of change of address shall be addressed.

1. **INDUSTRY RELATIONS**

At the commencement of this Agreement, the Corporation shall provide to the Manager a detailed inventory of all documents and other property of the Corporation over which the Manager is taking possession or control over for the term of this Agreement. The Manager shall update the inventory from time to time, but no less than twice annually, to accurately reflect the Corporation’s property in the Manager’s possession or control.

1. **BUILDING SERVICES PROVIDER**

Option 1: ESA Only

The Manager acknowledges that the services it provides to the Corporation under this Agreement may include “building services” as that term is defined in the *Employment Standards Act, 2000* (“*ESA, 2000*”) and its regulations, and that the Manager may be a “new provider” for the purposes of Part XIX of the *ESA, 2000*.

The Manager shall be under no obligation to hire any employee of any company or other organization that previously provided services to the Corporation at the Property, whether under a similar management agreement or otherwise.

The Manager agrees that it will comply with all provisions of the *ESA, 2000* that apply to building services providers, including payment of any termination pay and severance pay that may be owing to the employees of a prior building services provider in accordance with Part XIX of the *ESA, 2000*.

The Corporation shall reimburse the Manager for any termination pay and severance pay that the Manager is required to pay to the employees of a prior building services provider under the *ESA, 2000* as a result of entering into this Agreement, and shall indemnify the Manager for any costs, including legal costs, reasonably incurred by the Manager in relation to any claims or demands for payment of such amounts, including the defence of such claims or demands.

Option 2: ESA + Common Law

The Manager acknowledges that the services it provides to the Corporation under this Agreement may include “building services” as that term is defined in the *Employment Standards Act, 2000* (“*ESA, 2000*”) and its regulations, and that the Manager may be a “new provider” for the purposes of Part XIX of the *ESA, 2000*.

The Manager shall be under no obligation to hire any employee of any company or other organization that previously provided services to the Corporation at the Property, whether under a similar management agreement or otherwise.

The Manager agrees that it will comply with all provisions of the *ESA, 2000* that apply to building services providers, including payment of any termination pay and severance pay that may be owing to the employees of a prior building services provider in accordance with Part XIX of the *ESA, 2000*.

The Corporation shall reimburse the Manager for any termination pay and severance pay that the Manager is required to pay to the employees of a prior building services provider under the *ESA, 2000* as a result of entering into this Agreement, as well as any other amounts that may be found to be payable including without limitation wrongful dismissal damages, and shall indemnify the Manager for any costs, including legal costs, reasonably incurred by the Manager in relation to any claims or demands for payment of such amounts, including the defence of such claims or demands.

1. **ACCESS TO UNITS**

The Manager may enter a unit or exclusive use common element area to perform its duties and obligations under this Agreement, provided that such access is exercised under the Act and the Declaration and By-laws of the Corporation.

1. **RELATIONSHIP WITH OWNERS AND RESIDENTS**

The Manager shall promptly and in a courteous manner deal with all reasonable requests, inquiries or complaints by any owner, resident, mortgagee, employee or visitor to the Property relating to the management of the Property or the duties and obligations of the Manager and shall record in writing any such requests, inquiries or complaints and the eventual disposition thereof, and shall report same to the Board.

The Manager shall maintain a professional relationship with owners and residents who request service relating to the common elements, and the Manager shall receive, record and respond to such requests in a prompt and efficient manner. Complaints relating to common elements, the maintenance and repair of which are the responsibility of the Corporation, shall be attended to by the Manager in a prompt and diligent manner.

1. **BOARD CO-OPERATION**

The Board agrees to co-operate with the Manager to allow the Manager to perform its duties and obligations in an expeditious and efficient manner and to provide the Manager with such necessary authorizations and approvals as are necessary to do so, including but not limited to written instructions or resolutions of the Board.

1. **LIAISON OFFICER**

The Board shall, from time to time, inform the Manager in writing of the names of two (2) directors of the Board who shall act as liaisons between the Board and the Manager. The Corporation may also occasionally designate a member of the Board besides the President of the Board authorized to deal with the Manager on any matter relating to the management of the Property. If such a designation is made, the Manager shall not accept directions or instructions from any individual other than the President of the Board and/or the member of the Board so designated.

1. **PLANS AND SPECIFICATIONS**

If obtaining any plans, drawings, or specifications relating to the Property are necessary to enable the Manager to perform its duties and obligations under this Agreement, and the Board authorizes the Manager to obtain the same, then the Manager shall obtain such plans, drawings or specifications at the expense of the Corporation provided that such plans, drawings or specifications shall be and remain the property of the Corporation.

1. **NON-SOLICITATION**

The Corporation covenants and agrees with the Manager that it will not directly and knowingly, during the term of this Agreement or for twelve (12) months following termination, employ any employee or independent contractor of the Manager or solicit, interfere with or endeavour to entice away from the Manager any employee or independent contractor of the Manager.

1. **PARTIAL INVALIDITY**

If any portion of this Agreement shall be declared invalid or unenforceable, the validity of the remaining portions of this Agreement shall not be affected, and such remaining portions shall remain in full force and effect had this Agreement been executed with such invalid portion eliminated, and it is declared the intention of the parties that they would have executed the remaining portion of this Agreement without including any such portions thereof that might be declared invalid.

1. **GOVERNING LAW**

This Agreement shall be governed by, and interpreted under, the laws of the Province of Ontario and the laws of Canada applicable thereto and each party irrevocably attorns to the jurisdiction of the courts of the Province of Ontario.

1. **SUCCESSORS AND PERMITTED ASSIGNS**

This Agreement shall enure to the benefit of and be binding upon the respective successors and permitted assigns of the parties . This Agreement may only be assigned by the Manager with the prior written authorization of the Corporation, to be provided in the sole discretion of the Corporation. For the purposes of this Article XIX, a sale or disposition of the shares, business or assets of the Manager to another person or firm resulting in a change of control of the Manager shall be deemed to be an assignment of this Agreement requiring the express written consent of the Corporation.

1. **GENDER AND NUMBER**

This Agreement shall be read and interpreted with all changes in gender or number as may be necessary in the context to give full force and effect to this Agreement.

1. **HEADINGS**

Headings in this Agreement are for convenience only and shall not affect the interpretation of this Agreement.

1. **MODIFICATION**

No amendment or modification to this Agreement shall be binding unless agreed upon by all the parties in writing.

1. **WAIVER**

Neither party is deemed to have waived the exercise of any right that it holds under this Agreement unless such waiver is made in writing. No waiver made with respect to any instance involving the exercise of any such right is to be deemed to be a waiver regarding any other instance involving the exercise of the right or with respect to any other such right.

1. **REFERENCE WORDS**

The words “herein”, “hereto” and “hereunder” and other words of similar import refer to this Agreement as a whole and not any particular article, section, paragraph or other subdivision hereof.

1. **RECITALS AND SCHEDULES**

The parties agree that the recitals are true and correct in substance and in fact and are agreed to, adopted and incorporated into and form an integral part of this Agreement. If a conflict arises between the main body of the Agreement and any schedule attached , the provisions in the main body shall be paramount and shall govern and supersede the schedule provision for the inconsistency.

1. **REFERENCE TO STATUTE**

Any reference in this Agreement to a statute shall include and shall be deemed to be a reference to such statute and to the regulations made pursuant thereto, with all amendments made thereto and in force from time to time, and to any statute or regulation that may be passed with the effect of supplementing or superseding the statute so referred to or the regulations made pursuant thereto. Any reference to the Corporation’s Declaration, By-laws, Rules or Reciprocal Agreement is a reference to the applicable document of the Corporation and any reference to any such document shall be deemed to include , reference to all amendments thereto and substitutions therefor up to that time.

1. **ENTIRE AGREEMENT**

This Agreement constitutes the entire agreement between the parties and supersedes any prior arrangements, agreements or understandings between them, whether written or oral.

1. **SURVIVAL OF AGREEMENT**

The parties obligations under Articles VII, VIII, X, XVI, AND XVII shall survive the termination of this Agreement.

1. **FURTHER ASSURANCES**

The parties agree that each of them shall, upon reasonable request of the other, do or cause to be done all further lawful acts, deeds and assurances whatever for the better performance of the terms of this Agreement.

1. **COUNTERPARTS**

This Agreement may be signed in paper form, by facsimile signature or by electronic signature. It may also be signed in one or more counterparts and, once signed, can be delivered personally, by facsimile or by email of the signing page in Adobe® Portable Document Format (PDF). Each counterpart shall be binding on the signatory thereto and when put together shall constitute a single instrument.

1. **INDEPENDENT LEGAL ADVICE**

EACH PARTY ACKNOWLEDGES THAT, IN EXECUTING THIS AGREEMENT, SUCH PARTY HAS HAD THE OPPORTUNITY TO SEEK THE ADVICE OF INDEPENDENT LEGAL COUNSEL AND HAS READ AND UNDERSTOOD ALL OF THE TERMS AND PROVISIONS OF THIS AGREEMENT. THIS AGREEMENT SHALL NOT BE CONSTRUED AGAINST ANY PARTY BY REASON OF THE DRAFTING OR PREPARATION HEREOF.

[signature page follows]

**IN WITNESS WHEREOF** the parties have affixed their respective corporate seals, attested by the hands of their respective Officers duly authorized in that behalf, this day of\_\_\_\_\_\_\_\_\_\_\_\_\_\_, 20●

|  |  |
| --- | --- |
| **● Condominium Corporation No. ●** | |
| Per: President  Name: | (c/s)  Per: Secretary  Name: |

|  |  |
| --- | --- |
| ***[● Insert Property Manager]*** | |
| Per: President  Name: | Per: Secretary  Name: |
| We have authority to bind the corporation | |

**SCHEDULE “A” – SUMMARY OF FEES AND EXPENSES**

|  |  |
| --- | --- |
| **Article** | **Description** |
| II | If management fee not re-negotiated prior to expiry of term, fee is equivalent to one-twelfth (1/12) of the Manager's fee payable during the immediately preceding year of the term increased by 2% for the first year and 5% for each year thereafter. |
| III(e) | In the event that any damages are incurred by the Manager by virtue of instructions given by the Corporation where the Manager has given written notice of disagreement, the Corporation shall fully indemnify the Manager for any loss, cost or damage resulting from such instructions. |
| IV(a) | When directed to do so by the Board, the Manager shall initiate, at the expense of the Corporation, legal enforcement proceedings through the Corporation's solicitor. The Manager shall advise the Board of any breach and any actions taken to rectify the same. |
| IV(c) | Any costs incurred by the Manager in terms of labour, materials or disbursements relating to the issuance and delivery of information certificates shall be at the cost of the Corporation and may be considered an additional cost. |
| IV(d) | Any costs incurred by the Manager in terms of labour, materials or disbursements relating to maintaining the register of owners and filing of corporation returns shall be at the cost of the Corporation and may be considered an additional cost. |
| IV(i) | Costs to distribute or post notices, materials, other information and other announcements to Owners or residents and distribute or post them in adequate time prior to the event. |
| IV(n)(iii) | Manager is entitled to the fee prescribed by regulation under the Act for the preparation and issuance of Status Certificates and related documentation. |
| IV(n)(iv) | Manager shall serve the owner with a Notice of Lien to Owner and be entitled to charge such owner in receipt of the form the sum of two hundred dollars + HST ($200 + HST). |
| IV(q) | (Except in case of emergency), the Manager shall not authorize any work, repairs, alterations or maintenance estimated in cost in excess of $1,000.00 for any one item or enter into any agreement on behalf of the Corporation having a duration in excess of one (1) year without first obtaining the Board’s approval to proceed with such work except for monthly or recurring operating charges. This amount may be adjusted upward at the discretion of the Board. Where the cost of performing work or services (other than utilities) and/or goods or materials to be furnished to the Corporation exceeds the sum of two thousand Dollars ($2,000), the Manager shall obtain and submit to the Board at least three (3) written quotes or estimates unless the Board is satisfied with a fewer number, for presentation to the Board and shall obtain the approval of the Board by way of a resolution prior to entering into the contract. |
| IV(s) | Costs for any agreed upon services outside of the scope of the Agreement. |
| IV(x) | Purchase materials, equipment, supplies and inventory, subject to spending restrictions in Article IV(q) |
| (IV)(y) | $X/month + tax record storage fee if Manager is to store Corporation records off site |
| (IV)(z) | Costs relating to arranging for record provision or examination when requested by authorized party – reasonable hourly rate to be agreed upon, except if recoverable from the requesting party under the *Condominium Act, 1998*. |
| IV(aa) | Costs relating to the preparation and filing of any legally required returns, not to exceed $X/h which shall be invoiced within 30 days of completion of the filing. |
| VI | Managers compensation provision - The management fee includes management staff salaries and all office expenses directly related to the business office of the Manager except as outlined above. The Corporation shall reimburse the Manager for disbursements incurred by the Manager on behalf of the Corporation in performing its duties under the Agreement, provided such disbursements were incurred under Article IV(q). |