

CONDOMINIUM MANAGEMENT AGREEMENT

BETWEEN:

**PARRY SOUND STANDARD CONDOMINIUM CORPORATION
NO. 7** (hereinafter called the "Corporation")

OF THE FIRST PART

- and -

LAKESIDE AT ROCKY CREST LIMITED.
(hereinafter called the "Manager")

OF THE SECOND PART

A. **WHEREAS** the Corporation has been created pursuant to the Condominium Act, 1998, S.O. 1998 C. 19 as amended, which act and regulations made there under are collectively referred to as the "Act", and is located at Mactier, Ontario (the "Property");

B. **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 WITNESSETH 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 assets of the Corporation on the terms and conditions hereinafter set forth.

ARTICLE 1 - INTERPRETATION

1.1 Unless otherwise defined, or unless a contrary intent is expressed in this Agreement, the terms used herein shall have ascribed to them the meanings contained in the Act and the declaration of the Corporation (the "Declaration").

ARTICLE 2 - TERM

2.1 The term of this Agreement shall be for two (2) years from the day 11th day of October, 2007 the 11th day of October, 2009 unless terminated in accordance with the provisions of this Agreement and the Act.

ARTICLE 3 - SUPERVISION BY THE BOARD

3.1 The Manager acknowledges that it is familiar with the Act, with the terms of the Declaration, which shall include any agreements referred to therein, and with the By-laws and Rules as of the date of this Agreement. 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 instructions of the Condominium Corporation and its Board.

ARTICLE 4 - MANAGEMENT ASSISTANCE AND DUTIES

4.1 The Manager represents that it has and shall utilize its experience and knowledge to carry out the management, supervision, control and administration of the Corporation and of the assets of the Corporation. In this regard, the Manager accepts the relationship of trust and confidence established between itself, the Board, and the owners by virtue of entering into this Agreement. The Manager covenants to furnish its best skill and judgment and to co-operate in furthering the interests of the Corporation. The Manager agrees to furnish efficient business administration and supervision and to perform its responsibilities both 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 specifically in accordance with the requirements of the Act, the Declaration, By-laws and Rules, and generally in accordance with federal, provincial and municipal laws and regulations as they pertain to the operation of the Corporation and of the Property.

4.2 Without limiting the generality of sub-paragraph 4.2(1), the Manager's specific duties, subject to the direction of the Board, shall be as follows:

Corporate Funds

- (a) To collect, receive, and deposit, in trust for the Corporation, all moneys payable pursuant to the Act, Declaration and By-laws by the Owners or others and to deposit the same forthwith in separate account(s) to be opened with a Canadian chartered bank and maintained by the Manager in the name of the Corporation as the Board may from time to time direct. All such moneys shall be thereafter held in trust in the name of the Corporation and be used as follows:

Disbursements

- (i) To prepare cheques in payment of all accounts properly incurred by or on behalf of the Corporation, such cheques to be signed by the authorized officers of the Corporation, as per the Banking Resolution approved by the Board; the cheques presented for signing are to be accompanied by properly authorized purchase orders, delivery receipts or such other evidence as the Board may require from time to time;

Insurance and Appraisals

- (ii) To arrange and pay for insurance coverage and any appraisals in connection therewith required by the Corporation in accordance with the provisions of the Act, the Declaration and By-laws. The amounts of such insurance shall be as directed by the Board;

General Maintenance and Repairs

- (iii) To repair and maintain or cause to be so repaired and maintained, those parts of the property and assets of the Corporation which require repair and maintenance by the Corporation in accordance with the provisions of the Act, Declaration and By-laws, and, without limiting the generality of the foregoing, to arrange for (subject to sub-paragraph 4.2(1)) the supply, as may be required, of electricity, water and other services and to arrange through use of Corporation employees and/or independent contractors as in each instance may seem most desirable for the effective and economical operation, maintenance and repair of the Property and its equipment or so as to comply with the enforcement of any regulations and requirements of which the Manager is notified by the local Board of Health, Police, Fire Departments and any other federal, provincial or municipal authorities having jurisdiction which affect the Property, and without limiting the generality of the foregoing, such arrangements shall include, where applicable to the Property, removal of litter and disposal of waste, removal of snow and ice, landscaping and grounds maintenance, fire hydrant servicing, exterior painting, alterations and any supervision and maintenance necessary in connection with the Property, and subject to sub-paragraph 4.2(1) as aforesaid, to maintain such staff on behalf of and at the expense of the Corporation as may be required at all times to promptly and efficiently carry out the foregoing, and any other requirements and instructions of the Board;

Reserve Fund(s)

- (iv) To deposit to the credit of the Corporation in a separate account(s) for major repair and replacement of the Common Elements and shared facilities and assets of the Corporation, on a monthly basis, the proportionate amount of the total budgeted expenditure allocated by the Corporation in its budget statement for the establishment of the reserve fund and to ensure that such moneys are not used or employed by the Board or the Manager for the payment of general operating expenses;

Reserve Fund(s) Budget Statement

- (v) To prepare annually and for approval of the Board a reserve fund(s) budget statement in accordance with the Reserve Fund Study and the Reserve Fund Plan in accordance with Subsection 94(8) of the Act and to manage and monitor an investment plan as approved by the Board pursuant to sub-section 115(8) of the Act (the "Investment Plan") and insert the "surplus" monies in the Corporation's general account(s) and reserve account(s) in accordance with the Investment Plan and sub-section 115(6) and (7) of the Act.

By-law Enforcement

- (b) To take such action within its power, short of legal action, to enforce the terms of the Act, the Declaration, the By-laws and the Rules, and any amendments thereto, which may be in force from time to time, subject to the direction of the Board; and to retain legal counsel as directed by the Board at the expense of the Corporation.

By-law Advisement

- (c) To 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.

Common Element Deficiencies

- (d) To 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, short of legal action, the correction of any building deficiency under any warranty applicable to the Property; and in this regard the Manager represents and warrants that it is familiar with the filing requirements of the Ontario New Home Warranties Plan Act, R.S.O. 1990, C.O.31 and of the procedures to be followed under that statute in order to protect the interests of the Corporation, if applicable.

Communication to the Owners

- (e) Subject to the instructions of the Board to forthwith after their enactment communicate to all owners the text and import of any further By-laws or Rules or any amendments thereto.

Insurance Claims

- (f) To supervise insurance or other claims by or against the Corporation and to see that the rights of the Corporation in respect of such claims are protected including the filing of any notice of claim but not including the adjusting of any loss.

Inadequate Performance by Contractors

- (g) To use reasonable diligence to ensure that contracts and agreements between the Corporation and any supplier or service personnel are performed in accordance with the agreed upon terms and to inform the Board in the event that performance is considered by the Manager to be inadequate or contrary to the agreed terms and where services are properly performed and/or materials provided in accordance with the contract, to take advantage of all trade discounts by prompt payment of trade invoices.

Construction Liens

- (h) To retain or cause to be retained holdbacks required by the *Construction Lien Act*, R.S.O. 1990, C. C.30 and to use its best efforts to ensure that no claim or lien shall be filed in respect of any work which may be carried out on behalf of the Corporation against the title to the Property, and if a claim or lien shall be filed in respect of such work the Manager shall, as directed by the Board, forthwith take all necessary steps to have the same removed and discharged.

Employee Records

- (i) To execute and file all returns and other instruments, maintain proper payroll records and do and perform all acts required of the Corporation as an employer of on-site personnel in respect of employment insurance contributions and deductions, Canada Pension Plan contributions and payments, the Income Tax Act of Canada and any other employee and employer contributions or payments required under any social, labour or tax legislation in force from time to time, and in connection therewith the Corporation agrees, upon request, to execute and deliver promptly to the Manager all necessary consents, notices of appointment and like approvals or directions.

Supervision of Employees (if any)

- (j) Subject to final approval of the Board, to negotiate agreements with, supervise and discharge all necessary personnel required to properly and physically maintain the Property, and to direct and supervise any and all such persons with respect to the operation and maintenance of any equipment in existence or which might be in existence and which the Corporation desires or is obliged to operate and maintain, and to arrange and be responsible for any technical instructions of personnel employed which may be required for the proper operation and maintenance of such equipment. All such on-site personnel shall be employees of the Corporation, and not of the Manager, but such personnel shall be supervised by the Manager. The Corporation's share of all salaries, taxes and other expenses payable on account of such employees shall constitute common expenses of the Corporation and not expenses of the Manager.

Inspection/Work Schedule

- (k) To prepare schedules and assignments of responsibilities as may be necessary to direct, on a regular basis, the activities of all persons employed to work at the Property and to provide such supervision as may be reasonably necessary and to conduct an inspection, as reasonably required, of the Property and to complete a checklist setting out the status of the ongoing maintenance and repairs to be completed in respect of the Common Elements, and to make such schedules, inspections and status reports, available for inspection by the Board at all reasonable times, as are necessary.

General Authority

- (l) Generally, to do and perform and where desirable contract as agent for and in the name of the Corporation for all things desirable or necessary for the proper and efficient management of the Property (including the giving of proper attention to any complaints and endeavouring as far as is economical to reduce waste) and to perform every other act whatsoever in or about the Property to carry out the intent of this Agreement provided, however, that the Manager shall not authorize any work, repairs, alterations or maintenance estimated to cost in excess of \$2,500.00 for any one item or to have 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. Notwithstanding the foregoing, if in the Manager's opinion there exists a hazardous situation where the failure to do certain work could cause personal injury or damage to the property or the Corporation's equipment or chattels or which could impair the value of the Owners' interest therein or the Owners' equipment, chattels, improvements or Property or which could cause the suspension of any service to the Corporation, or might expose either the Corporation or the Manager or both to the imposition of penalties, fines, imprisonment or any other substantial liability, and the Corporation or its representatives cannot be reasonably located for the purpose of giving approval for such work, the Manager is hereby authorized to proceed with such work as it determines, in its discretion, to be urgently necessary for the protection and preservation of the Property or the Corporation's equipment or chattels or the Owners' interest therein or the Owners' equipment, chattels, improvements or property therein or to protect the Corporation or the Manager from exposure to fines, penalties, imprisonment or any other substantial liability, and for such purposes, the Manager may enter any Unit with or without the consent of the Owner thereof to perform such work or repairs, subject always to the Act, the Declaration the By-laws and Rules. The Manager shall, in the case of such a hazardous situation, report to the Board as soon as possible.

Materials, Equipment and Supplies

- (m) Subject to sub-paragraph 4.2(l), to purchase on behalf of the Corporation such equipment, tools, appliances, materials and supplies as are necessary for the proper operation and maintenance of the offices and property of the Corporation. All such purchases and contracts shall be in the name of and at the expense of the Corporation.

Inventory

- (n) To maintain an up-to-date list of all inventory, equipment and chattels of the Corporation as part of the Corporation's records.

Emergency Situations

- (o) To keep the Board advised at all times of the telephone number or numbers at which an agent or employee of the Manager may be reached during normal business hours with respect to any infraction of the Act, Declaration, By-laws, or Rules, or at any time during the day or night in the event of any emergency involving the Property and assets of the Corporation. The Manager will make all arrangements to deal promptly with infractions and immediately with any emergency arising in connection with the maintenance and operation of the Property and assets of the Corporation. In this regard, the Manager shall deal in the first instance with minor emergencies and infractions and shall forthwith report to the Board any major emergency or persistent, flagrant or serious violation of the Act, Declaration, By-laws or Rules. It is understood and agreed by the parties hereto that the Manager shall, in its discretion, determine whether or not an emergency exists and whether or not such emergency is of a minor or major nature.

Information

- (p) 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.

Notice of Meetings

- (q) At the request of the Board, to schedule and arrange the facilities for all annual, general and special meetings of the Owners and deliver to the Owners or such other persons as are entitled to notice pursuant to the Act, Declaration or By-laws, such notices and other information as is required in connection with the holding of such meetings. At the expense of the Corporation and upon request of the Board, the Manager shall prepare notices of meetings and other information in sufficient quantity for distribution to all persons entitled to receive same. With respect to meetings of the Board, the Corporation shall notify the Manager in writing as to the place, date and time of such meetings and a representative of the Manager shall attend all such meetings unless otherwise directed by the Board, provided that the representative of the Manager shall not be required to attend more than 14 Board meetings and 2 general meetings of the Owners per fiscal year. The cost for meetings over and above this will be invoiced at 3 times the actual payroll cost of the Manager's staff attending.

ARTICLE 5 - MANAGEMENT SERVICES

5.1 The Manager agrees that during the term of this Agreement, it will provide all management services required in connection with the undertaking of the Corporation as may be necessary in the performance of its duties provided, however, that the Manager shall not be responsible for the duties of the Board or of the officers of the Corporation, except as set out in this Agreement.

5.2 Without limiting the generality of sub-paragraph 5.1, the Manager shall perform the following duties:

Books and Records of Accounts

- (a) To keep the Corporation's books and records of accounts and retain full and proper records regarding all financial transactions involved in the management of the Corporation and to forward to the Corporation on or before the 20th day of each month, a statement of receipts and disbursements summarizing the transactions made during the preceding month and as more particularly described in sub-paragraph 5.2(c). 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. At any time during the term of this Agreement and any renewal period thereof, the said books and records of accounts shall be accessible to the Board, the Officers or the Owners of the Corporation, who shall have free access upon reasonable notice at all reasonable times to inspect and examine same. Until termination of this Agreement, the Corporation's books and records of accounts shall be physically kept in the Manager's business office.

Annual Budget

- (b) To prepare and present to the Board at least six (6) weeks before the commencement of each fiscal year during the term of this Agreement an estimated budget in writing for the following year and for the approval of the Board and to consult with the Board whenever it appears desirable or necessary to revise the Owners' contributions to the common expenses.

Financial Reporting

- (c) To provide the Board on or before the 20th day of each month with year-to-date monthly itemized unaudited financial statements showing:
 - (i) Corporation income on accrual basis;
 - (ii) dollar amount of Common Expenses collected;
 - (iii) dollar amount of each disbursement as compared with budget expenses by budget categories;
 - (iv) the names of the Owners who are delinquent in payment of their required contribution to common Expenses and the amount of each delinquency;
 - (v) amounts of all other delinquent accounts and names of the persons owing such accounts;
 - (vi) particulars of accounts, term deposits, certificates and any other instruments respecting investment income and other assets and liabilities of the Corporation in accordance with good accounting principles as at the date of the financial statement.

All accounting and financial reporting which is required under the terms of this Agreement to be provided by the Manager to the Corporation shall be in accordance with the reasonable requests of the Corporation's auditors as to format and shall be provided within the reasonable time limit prescribed by the Corporation's auditors.

The Records

- (d) To maintain the Corporation's records in accordance with the Act and to use its best efforts to keep an up-to-date record of the names and addresses of all Owners and tenants of whom it has received notice. If the Corporation receives notices or written communication from registered mortgagees or any other persons claiming an interest in a Unit or from an Owner providing information with respect to the leasing of the Owner's Unit, the Corporation shall forthwith communicate that information to the Manager. The Records referred to herein shall be physically kept in the offices of the Manager.

Access to Books and Records

- (e) To make available upon reasonable notice at reasonable times to the Corporation, its auditors, its Owners and designated representatives all books and records pertaining to the operation of the Property and the business of the Corporation whenever requested.

Approval of Invoices

- (f) To make all disbursements properly incurred for and on behalf of the Corporation with the approval of the Board; provided, however, that the approval of the Board shall not be required prior to payment by the Manager of any items of expense as to which the Manager has discretionary spending authority pursuant to sub-paragraph 4.2(l).

Status Certificates

- (g) To prepare for execution by the Corporation or, where an appropriate resolution of the Board has been made, by the Manager, status certificates in the form prescribed by regulation pursuant to the Act, and to issue and provide status certificates together with the statements and information required pursuant to the Act to any person or persons who request(s) one and has paid the appropriate fee, within the time permitted for the delivery of such certificates, statements and information prescribed in the Act.
- (h) The Manager shall not be responsible for inspecting the exclusive use Common Elements appurtenant to the Unit. The Manager shall not inspect the Unit to determine whether or not the Corporation has any claim for damages against an owner as contemplated by the Act or whether any violation exists prior to issuing the status certificate. The responsibility shall be that of the purchaser as set out in the Status Certificate. The Manager shall inspect when instructed to do so at a fee of \$100 per inspection plus the G.S.T.
- (i) The Manager is responsible for the accuracy and completeness of all information contained in the status certificate, however, the Manager shall not be liable for the omission of any information within the knowledge of the Board but not communicated to the Manager which should be included in the status certificate.
- (j) The Manager shall be entitled to the fee prescribed by regulation pursuant to the Act for the preparation and issuance of the status certificate and related documentation, and shall bear the costs/disbursements applicable to the issuance of the status certificate and accompanying documentation.

Form 14

- (k) To issue notices to Owners in the form prescribed by the regulations issued pursuant to the Act, as and when necessary, that a lien has been registered against the Unit by the Corporation. The cost for issuing such notices shall be \$100 plus G.S.T. and shall be borne by the Owner.

Preventive Maintenance Program

- (l) To establish and thereafter maintain a preventive maintenance program for all major technical and electrical equipment and plumbing systems in accordance with the recommendations of the manufacturers or suppliers thereof. The Manager shall also maintain log books and identification labels clearly numbering all mechanical and electrical equipment and plumbing systems and indicating the nature and frequency of maintenance services performed and shall prepare for the Board's approval general maintenance procedures and schedules to be followed by the Manager and any employees of the Corporation. The Corporation shall make available to the Manager all shop drawings, as-built architectural and structural plans, maintenance and operating manuals for mechanical and electrical equipment and plumbing systems and such other documents that are in the Corporation's possession from time to time as the Manager reasonably requires to carry out its duties.

Manager's Report

- (m) To present to the Board, as may be reasonably required, a Manager's report setting out the actions of the Manager with respect to the directives given by the Board to the Manager from time to time. The Manager's report shall be made available at least two (2) days before any particular Board meeting at which the Manager is given notice that the report will be considered.

Correspondence

- (n) Any and all correspondence received by the Manager with respect to the operation of the Corporation shall be available for examination by the Board.

ARTICLE 6 - EMPLOYMENT OF CONTRACTORS

6.1 The Manager may contract on behalf of the Corporation with any person, firm or corporation to perform any work or services for the Corporation within the scope of the Manager's duties under this Agreement subject however to the following provisions:

Written Agreements

- (a) Any person, firm or corporation employed to perform work or services shall be contracted pursuant to a written contract setting out the essential terms and conditions of such contract.

Approval of the Board

- (b) In addition to the requirements of sub-paragraph 4.2(1), any contract to perform work or services entered into by the Manager shall be for a reasonable consideration usual in the industry and be budgeted for by the Corporation. In the event that any contract for work or service shall be for a consideration in excess of that usual in the industry or in excess of that budgeted for by the Corporation, then prior to entering into such contract the Manager shall first obtain a resolution of the Board approving such contract.

Spending Restrictions

- (c) Where the cost of performing such work or services exceeds the sum of \$2,500.00 the Manager shall submit at least two (2) written tenders for presentation to the Board and prior to entering into such contract the Manager shall first obtain a resolution of the Board approving such contract, subject to the provisions of sub-paragraph 4.2(1) with respect to hazardous situations.
- (d) Where a contract to provide services to the Corporation extends beyond three (3) months, the Manager shall submit at least two (2) written tenders for presentation to the Board, and prior to entering into such contract the Manager shall first obtain a resolution of the Board approving such contract.

Filing of Return

- (e) In connection with all contracts to perform work or services entered into by the Manager, it shall execute and file necessary documents and do and perform all acts required under the laws of any federal, provincial, municipal or other governmental body or authority.

ARTICLE 7 - ACCESS TO UNITS

7.1 Subject to the relevant provisions of the Act, the Declaration, By-laws and Rules, the Manager and its agents, servants and employees may enter a Unit or exclusive use area of the Common Elements in order to perform its duties hereunder, provided always that the Manager shall give reasonable notice to the Owner of its intention to enter the unit or exclusive use area, except in the case of an emergency or extended absence by the Owner, when prior notice shall not be required.

ARTICLE 8 - MANAGER'S COMPENSATION

8.1 As compensation for its management services rendered under this Agreement, the Manager shall be paid a fee of \$40.35 per unit per month payable monthly, in advance. The Manager's fee includes all office expenses directly related to the business office of the Manager with respect to the performance of the duties of the Manager hereunder, but does not include any expenses directly related to the business offices of the Corporation. The Manager's fee does not include disbursements incurred on behalf of the Corporation, including parking charges for staff employed by the Manager. The Manager's fee is exclusive of any applicable taxes. Payment of the Manager's fee shall continue until the services of the Manager are terminated in accordance with the provisions of this Agreement and/or the Act.

ARTICLE 9 - UNIT REPAIRS

9.1 Notwithstanding any other provision of this Agreement, the Manager is responsible for the maintenance of or repairs to the Units, which maintenance and/or repairs shall be the sole responsibility of the Owners of each Unit, save and except in those circumstances where the Corporation has an obligation to maintain or repair the Units after damage, whether in accordance with the Act, the Declaration or otherwise.

ARTICLE 10 - PLANS AND SPECIFICATIONS

10.1 If access to any plans, drawings, specifications and/or architectural or engineering assistance become necessary or desirable to enable the Manager to discharge its duties pursuant to this Agreement, and if the Board or its designated representative from time to time authorizes the obtaining of the foregoing before any expense is incurred therefore, then the cost thereof shall be at the expense of the Corporation.

ARTICLE 11 - BOARD CO-OPERATION

11.1 The Board agrees to co-operate with the Manager to the extent required to perform expeditiously, efficiently and economically the Manager's services required under this Agreement and to provide such evidence of authority, by way of certified resolution or otherwise, and such specific directions as the Manager may reasonably require.

ARTICLE 12 - LIAISON OFFICER

12.1 Where the Manager is required to consult with the Board or obtain the Board's approval before proceeding with any work, or action pursuant to the terms of this Agreement, the Manager shall consult with the President of the Corporation and such other individual designated by the Board for this task. The Board may designate from time to time an individual in addition to the President who shall be authorized to consult with and advise the Manager on any matter relating to the management of the Property, and the Board shall notify the Manager in writing, as required from time to time, of the name of such individual. If such a designation is made by the Board, the Manager is directed not to accept directions or instructions with regard to the management of the Property from anyone other than the President or such individual. In the absence of such a designation by the Board, or if a designation is revoked, then until another designation is made, the Manager shall consult with the President only.

ARTICLE 13 - INDEMNIFICATION

13.1 The Manager shall, during and after the term of this Agreement, indemnify and save the Corporation completely free and harmless from any and all damages or injuries to persons or property, or any claims, actions, obligations, liabilities, costs, expenses and fees, by reason of the negligence or willful misconduct of the Manager or any of its employees in the carrying out of the provisions of this Agreement.

ARTICLE 14 - COMPREHENSIVE LIABILITY INSURANCE

14.1 The Corporation agrees to take out or authorize the Manager to arrange for a policy or policies of comprehensive liability insurance on the Property in an amount of not less than \$1,000,000.00 which both the Corporation and the Manager shall be named as insured parties, which shall provide protection against any claims for personal injury, death or property damage or loss for which either the Corporation or the Manager might be held liable as a result of their respective obligations. The Corporation further agrees, if so requested, to provide the Manager with a Certificate of insurance from its insurers which shall include an undertaking that the insurer will provide the Manager with at least thirty (30) days prior written notice of cancellation or any material change in the provisions of any such policy.

ARTICLE 15 - MISCELLANEOUS

Deficit Financing

15.1 Unless the Board has specifically authorized such procedure, under no circumstances shall the Manager advance funds to the Corporation in the event of a cash deficit occurring in the Corporation's current account, even on a temporary loan basis, whether interest is charged to the Corporation or not. Rather, 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 pursuant to the By-laws of the Corporation, either by utilizing the Corporation's over-draft protection, if any, levying a special assessment, delivering a revised budget, or exercising its borrowing authority on behalf of the Corporation.

Collection of Accounts Receivable Including Common Expenses

15.2 Without limiting its covenants as hereinbefore contained, the Manager shall, in addition to its covenant to enforce the By-laws of the Corporation as hereinbefore contained, actively pursue the collection of outstanding Common Expenses from Owners and tenants respectively, at all times and with a view to reducing these receivables to the lowest minimum monthly balance and without incurring additional cost, save in those instances where legal action, including the filing of Certificates of Lien pursuant to the Act, is required. It is understood that the Manager shall advise the Board of delinquent accounts and upon the instructions of the Board, the Manager shall arrange with the Corporation's solicitor for the registration of a Certificate of Lien in the appropriate Land Registry Office and the providing of the appropriate notices within three (3) months of the default first occurring by the owner.

15.3 In the event that the Manager, after instruction from the Board, fails to provide proper information, adequate notice, and/or instructions to the Corporation's solicitors, for the registration, within the time specified under the Act, of a Certificate of Lien covering the arrears of common expenses, interest charges or legal costs and such failure results in any loss or any additional cost to the Corporation, the Manager shall be directly liable to the Corporation for such losses or expenses.

Fiduciary Relationships

15.4 The Manager may engage any parent or subsidiary corporation or any corporation affiliated or otherwise connected with it (hereinafter called the "affiliate") to perform any work or services for the Corporation within the scope of the Manager's duties under the provisions of this Agreement. If the Manager so elects to engage an Affiliate, the Manager shall not be in breach of any fiduciary relationship with the Corporation in so doing provided that:

- (a) the Manager discloses to the Corporation its intent to do so;
- (b) the Manager has obtained at least two additional quotations from other competent suppliers or contractors who are not Affiliates of the Manager in comparison with which the services to be provided and the fees to be charged by the Affiliate appear to be fair and reasonable; and
- (c) the Board has consented to the particular work or service being performed by the Manager's Affiliate.

15.5 Complaints

- (a) The Manager shall promptly deal with all reasonable queries, requests or complaints by the Board or any owner or mortgagee of a Unit relating to the management of the Property or the duties or obligations of the Manager pursuant hereto, shall record in writing any such queries, requests or complaints and the eventual disposition thereof, and shall report same to the Board.
- (b) 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. The Manager shall maintain businesslike relations with owners submitting service requests relating to the common elements, and shall receive, consider and record such service requests in systematic fashion in order to maintain a record of the action taken with respect to each request.

ARTICLE 16 - RENEWAL

16.1 Within sixty (60) days of the expiration of the term of this Agreement the Corporation shall elect whether or not it wishes to renew the Agreement for a further term. If the Corporation elects to renew the Agreement, the Manager's fee shall be renegotiated with the Corporation. Upon successful completion of such renegotiation, the revised fee shall be acknowledged in writing by both parties and shall constitute an amendment to this Agreement.

16.2 Unless and until renegotiated, the Manager's fee shall not change.

ARTICLE 17 - TERMINATION

17.1 During the term of this Agreement either party may, at its option and without cause, terminate this Agreement as of the last day of a calendar month upon sixty (60) days written notice to the other. Upon termination, the Corporation shall pay to the Manager any moneys due to it up to the date of termination.

17.2 The parties agree that should notice of termination not be given sixty (60) days prior to the expiration of the term of this Agreement as set out in section 17.1, the Agreement shall not lapse, but shall continue on a month to month basis until such time as it is either renegotiated for a further term, or terminated in accordance with the provisions of section 17.1.

17.3 For a period of twelve (12) months after termination of this Agreement for any reason, the Corporation shall provide the Manager with access, at all reasonable times and upon reasonable notice, to all relevant contracts, records, files and other documents or information as may be necessary in order for the Manager to settle any dispute or defend any claim made against it.

17.4 In addition to the rights of the parties to terminate upon notice as hereinbefore set out, the Agreement shall terminate upon the happening of any of the following events:

- (a) the insolvency or bankruptcy of the Manager;
- (b) the termination of the Corporation;
- (c) the Manager being insubordinate, reckless or grossly negligent in performing its duties hereunder.

17.5 Upon termination of this Agreement:

- (a) the Manager shall cease to operate the Corporation's bank account, shall execute all necessary documents in recognition thereof as may be requested by the Corporation or the Corporation's bank and shall, as soon as possible thereafter, render the final accounting to the Corporation;
- (b) the Manager shall deliver to the Corporation both the paper and electronic copies of all contracts, records, files, bank accounts and other documents or information which may be pertinent to the continuing operation of the property and shall maintain on behalf of the Corporation any records, files or information related to the Corporation and stored in the computer of the Manager for a period of twelve (12) months unless the Corporation gives the Manager prior written authorization to destroy such records;
- (c) the Manager shall turn over all keys to the property which are in its possession or in the possession of any of its employees or Affiliates. The Manager shall also turn over possession of any area (such as management offices) located on the Property under its control;
- (d) if it has not already done so, the Corporation shall assume the obligation of any and all contracts which the Manager has properly entered into for the provision of services pursuant to this Agreement, except those relating to the employees of the Manager and to accounting services.
- (e) The obligation of the Manager to account to the Board shall survive the termination of this Agreement.

ARTICLE 18 - NOTICE

18.1 Any notice desired or required to be given by either party shall be in writing, and either delivered personally, sent by telefax transmission, or sent by prepaid letter mail, addressed to the Corporation at the residence on the Property of its President or Vice-President from time to time holding office, and to the Manager at:

Lakeside at Rocky Crest Limited
15675 Dufferin Street, King City, Ontario L7B 1K5
Tel: (905) 841-3730 Fax: (905) 841-1134

18.2 If such notice is sent by letter mail it shall be deemed to have been received by on the third (3rd) day (excluding Saturdays, Sundays and statutory holidays) following the date of its mailing, if such notice is personally delivered it shall be deemed to have been received on the date of such personal delivery, and if telefaxed it shall be deemed to have been received on the day (excluding Saturdays, Sundays and statutory holidays) of the transmission (provided that a confirmation of successful transmission is received).

ARTICLE 19 - SEVERABILITY

19.1 If any provision of this Agreement or the application thereof to any person or circumstance to any extent be invalid or unenforceable, then the remainder of this Agreement or the application of such provision to persons or circumstances other than those to which it is held invalid or unenforceable shall not be affected thereby and each provision of this Agreement shall remain in full force and effect as if this Agreement had been executed without such invalid provision.

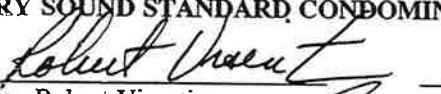
ARTICLE 20 - SUCCESSORS AND ASSIGNS


20.1 This Agreement shall enure to the benefit of and be binding upon the parties' respective successors and assigns, but this contract may only be assigned with the express written consent of the Corporation.

20.2 For greater certainty, 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.

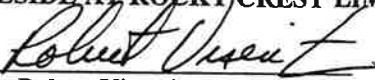
IN WITNESS WHEREOF the parties hereto have hereunto affixed their respective corporate seals, attested by the hands of their respective officers duly authorized in that behalf, this 11th day of October, 2007.

PARRY SOUND STANDARD CONDOMINIUM CORPORATION NO. 7

Per: 
Name: Robert Visentin
Title: President

Per: 
Name: Tim Green
Title: Secretary
We have the authority to bind the Corporation.

LAKESIDE AT ROCKY CREST LIMITED

Per: 
Name: Robert Visentin
Title: President

I have the authority to bind the Corporation.