

CONDOMINIUM MANAGEMENT AGREEMENT

BETWEEN:

Peel Condominium Corporation No. 260
(hereinafter called the "Corporation")

- and -

EcoConcepts Management Service Inc.
(hereinafter called the "Manager")

WHEREAS the Corporation is governed by the provisions of the *Condominium Act, 1998 S.O. 1998*, as amended, which act and regulations made thereunder are collectively referred to as the "Act";

AND WHEREAS the Corporation desires the Manager to manage the Property and the 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 promises and the mutual covenants and agreements herein contained and other valuable consideration, the Corporation hereby appoints the Manager and the Manager hereby accepts appointment as the exclusive Manager of the Property and the assets of the Corporation on the terms and conditions hereinafter set forth;

I NOMENCLATURE

Unless a contrary intent is expressed in this Agreement, the capitalized terms used herein shall have ascribed to them the meanings contained in the Act.

II TERM

The term of the Agreement shall extend from December 1, 2010 to November 30 2013 unless terminated in accordance with the provisions of Paragraph XIV ("TERMINATION"). The term may be extended at rates to be negotiated.

III SUPERVISION BY THE BOARD

The Manager acknowledges that it is familiar with the Act and with the terms of the Declaration and By-Laws registered pursuant to the Act in connection with the Property as of the date of this Agreement and 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 Board and act at all times as a reasonable and prudent Property Manager in a faithful, honest and diligent manner.

IV MANAGEMENT DUTIES

The Manager represents it has and shall utilize its experience and knowledge to carry out the management, supervision, control and administration of the Property 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 cooperate 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 in the best interests of the Corporation. The Manager shall conduct its duties consistent with the requirements of the Act, the Declaration, By-Laws and Rules of the Corporation specifically, and, in general, consistent with federal, provincial and municipal laws and regulations as they pertain to the operation of the Corporation and of the Property.

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

(a) Corporation Funds

To collect and receive on behalf of the Corporation all monies payable pursuant to the Act, the Declaration and By-Laws by the Owners or others and all monies due to the Corporation from other sources and to deposit the same forthwith in an operating trust account with a Canadian Chartered Bank or Trust Company and maintained by the Manager in the sole name of the Corporation and as the Board may from time to time direct. All such monies shall thereafter be used as follows by the Manager subject to the approval of the Board of Directors:

(i) Disbursements

To pay the utility accounts and to pay all other accounts not exceeding \$1,000.00 properly incurred by or on behalf of the Corporation and to prepare cheques for signature by the signing officers of the Corporation for all accounts exceeding \$1,000.00;

- (ii) Insurance
To recommend to the Board the insurance required by the Corporation in accordance with the provisions of the Act, the Declaration and the By-Laws, and to arrange for such insurance as shall be directed by the Board;
- (iii) General Maintenance and Repairs
To recommend to the Board repairs and maintenance and to carry out or cause to be carried out such repairs and maintenance as the Board shall direct or as are permitted without Board approval pursuant to paragraph (k)(General Authority) of this Article IV, and subject to the said paragraph (k)(General Authority), to arrange for the supply as may be required for electricity, water and other emergency services and to arrange through use of Property 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 Municipal, Provincial and Federal 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, snow and ice removal, landscaping and grounds maintenance, fire hydrant servicing, exterior painting, alterations and any supervision and maintenance necessary in connection with the property, and subject to (i)(Supervision of Employees) below to maintain such staff on behalf of and at the expense of the Corporation as may be required at all times promptly and efficiently to carry out the foregoing, and any other requirements and instructions of the Board;
- (iv) Reserve Fund
To deposit to the credit of the Corporation in a separate Trust Reserve account in the sole name of the Corporation for major repair and replacement of the Common Elements 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 not to use such deposits for the payment of operating expenses.

The Manager shall review annually and present for approval of the Board a Reserve Fund Budget statement setting out the amounts that, calculated on the basis of expected repair and replacement costs and life expectancy of things comprising the Common Elements and assets of the Corporation, are sufficient to comply with the requirements of the Act. In addition, the Manager shall develop and monitor an investment plan as approved by the Board to obtain the highest possible return on all revenues of the Corporation including interest accumulating on surplus cash and on long-term reserve accounts and, in this endeavour, the Manager shall invest all surplus cash and reserve in interest-bearing accounts, or term deposits including Government of Canada Treasury Bills through a Canadian Chartered Bank or Trust Company as directed by the Board.

The Manager shall also recommend and arrange for the performance of Reserve Fund Studies as may be required from time to time pursuant to Section 94 of the Act, subject to the approval of the Board.

(b) By-Law Compliance

To advise the Board of all suspected breaches of the Act, the Declaration, the By-Laws and the Rules and amendments to any of the foregoing which may be in force from time to time, and to take such action within its power as may be directed by the Board, and to authorize appropriate legal action or other procedures as directed by the Board at the expense of the Corporation.

(c) By-Law Advisement

To advise and consult with the Board with respect to any further By-Laws and Rules which in the opinion of the Manager or the Board ought to be established to further the harmonious and satisfactory operation of the Property. To forthwith after their enactment communicate to all Owners the text and import of any further By-Laws or Rules or amendments thereto.

(d) Improvement of Common Elements

To establish a long term preventative maintenance program in consultation with the Board of Directors relating to all aspects of the physical components of the Property, including the mechanical, electrical and plumbing systems where necessary, and to prepare for the Board's approval general maintenance procedures and schedules to be followed by the on-site employees of the Manager and any employees and/or contractors of the Corporation.

(e) Insurance Claims

Subject to Board approval, to negotiate all insurance policies and arrange for any appraisal in connection therewith which may be required by the Corporation pursuant to the Declaration or By-Laws, and to supervise insurance or other claims by or against the Corporation and to see that the rights of the Corporation in respect to such claims are protected including the filing of notice of claim but not including the adjusting of any loss.

(f) Inadequate Performance by Contractors

To use reasonable diligence to ensure that contracts and agreements between the Corporation and any supplier or service personnel are performed in accordance with their terms and to inform the Board in the event 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.

(g) Construction Liens

To retain or cause to be retained holdbacks required by the Ontario *Construction Lien Act* R.S.O 1990 and to use its best efforts to ensure that no claim or lien shall be registered 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 registered in respect of such work the Manager, subject to the approval of the Board, shall forthwith take all necessary steps to have the same removed and discharged.

(h) Employee Records

To execute and file all returns and other instruments, maintain proper payroll records and do and perform all acts required of the Corporation as the 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.

(i) Supervision of Employees

To direct and supervise any and all persons employed by the Corporation, for 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 safety and technical instructions of personnel employed at the Property which may be required for the proper operation and maintenance of such equipment.

On the basis of the budget adopted by the Corporation, and subject to prior written approval by the Board, the Manager shall negotiate agreements with, supervise and discharge all necessary personnel required to properly and physically maintain all Property.

(j) Weekly Inspection Schedule

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 weekly inspection of the Property and to make such schedules, inspections and status reports available for inspection by the Board at all reasonable times.

The Board may from time to time direct the Manager to perform general seasonal inspections of any or all of the Property and to report to the Board regarding same.

(k) General Authority

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 it 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 \$1,000 in the aggregate or to have a duration in excess of six months, without first obtaining the Board's prior written approval to proceed with such work except for monthly or recurring operating charges previously approved by the Board. The Manager on behalf of the Corporation will not enter into any contract or series of contracts having an aggregate value in excess of \$1,000 or having a possible duration of more than six months, and will not sign any cheque relating to any such contract. All such contracts and cheques will require the signature of the Corporation's signing officers. If in the Manager's reasonable opinion there exists a hazardous situation which could cause personal injury or damage to the property or to the Corporation's equipment or chattels, or if failure to do such work might expose either the Corporation or the Manager or both to the imposition of penalties, fines, imprisonment or any other substantial liability, and if the Corporation or its representative cannot be reasonably located for the purpose of giving approval for any such work, the Manager is hereby authorized to proceed with such work as in its reasonable discretion it determines to be urgently necessary for the protection and preservation of the Property or the Corporation's equipment or chattels or the Owner's 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 other substantial liability, subject always to the Act. The Manager shall in each case report to the Board as soon as possible. The Manager, in any hazardous situation, and subject to the Act and the Declaration, may enter any Unit with or without the consent of the Owner thereof to perform such work or repairs as it 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.

(l) Materials, Equipment and Supplies

To purchase subject to (k) above and on behalf of the Corporation in an emergency situation, 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.

(m) Inventory

To maintain a current list of all inventory, equipment and chattels of the Corporation as part of the Corporation's records. Inventory to be updated every month.

(n) Emergency Situations

The Manager will at all times keep the Board advised of the telephone number or numbers at which an agent or employee of the Manager conversant with the Corporation's affairs may be reached at any time during normal business hours in respect to any infraction of the Declaration, the By-Laws, or the 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 such 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 Declaration, the By-Laws, or the Rules. It is understood and agreed by the parties hereto that the Manager shall, in its reasonable discretion, determine whether or not an emergency exists and whether or not such emergency is of a minor or major nature.

(o) Occurrence Report

To report to the Board in respect of accidents or emergencies, and to forward to the Board an Occurrence Report in respect of any accident, emergency, breakdown or other significant situation or occurrence. The Manager shall further follow up the occurrence so reported and report to the Board on the disposition of the said occurrence or as required by the Board.

(p) 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 Declaration, By-Laws and Rules of the Corporation.

(q) Notice of Meetings

At the request of the Board, schedule and arrange the facilities for all Annual, General and Special meetings of the Owners and delivery to the Owners or such other person 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, 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 the Manager shall attend all such meetings, unless otherwise directed by the Board or the President. The Manager will designate one of its employees to take minutes at the monthly meeting and arrange to forward same to the Secretary or the President of the Board for approval.

(r) Notices to Owners

The Manager shall submit all letters to the owners, other than letters of a routine nature, to the Board for approval prior to the sending of such letters.

V MANAGEMENT SERVICES

The Manager agrees that during the term of the 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 direct duties of the Board or of the Officers of the Corporation as specifically defined in the Act or in the Corporation's Declaration or By-Laws. Without limiting the generality of the foregoing, the Manager shall perform the following duties:

(a) Books and Records of Accounts

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 Property and to forward to the Corporation during the third calendar week of each month a statement of receipts and disbursements summarizing the transactions made during the preceding month and as more particularly described in paragraph (c) herein below. All books and records of accounts kept in relation to the management of the Corporation upon termination of this Agreement shall be forthwith surrendered to the Corporation or to a representative of the Corporation, designated in writing. Any time 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, the Auditors or the Owners of the Corporation, who shall have free access at all reasonable times to inspect and examine same. Until termination of the Agreement, the Corporation's books and records of accounts only shall be physically kept in the Manager's business office.

(b) Annual Budget

To prepare and present to the Board at least three (3) months 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.

(c) Financial Reporting

1. To provide the Board with quarterly and year-to-date itemized unaudited financial statements showing:

(i) Corporation income on an accrual basis;

(ii) the amount of Common Expenses collected;

- (iii) the amount of each disbursement as compared with budget expense by budget categories;
 - (iv) the names of the Owners who are delinquent in payment of their required contribution to Common Expenses and the amount delinquent and the date of each default;
 - (v) amounts of all other delinquent accounts and names of the persons owing such accounts;
 - (vi) particulars of the operating and reserve accounts, including bank statements together with 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;
 - (vii) particulars of significant variations from budget;
 - (viii) income and expense statements;
 - (ix) balance sheet.
2. 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.
- (d) The Record
- To maintain the Corporation's Record in accordance with the Act of the names and addresses of all Owners and Mortgagees who notify the Corporation of their respective interests and to maintain the record of notices required by Section 83 of the Act relating to the leasing of any unit. The Records referred to herein shall be physically kept in the offices of the Corporation or in such other location as the Board may from time to time direct.
- (e) Access to Books and Records
- To use its best efforts to properly maintain the records of the Corporation as defined by the Act and to make such records available for inspection and copying at reasonable times to any owner or mortgagee and to the Corporation's Auditors.
- (f) Approval of Invoices

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 power pursuant to Article IV (k) (“General Authority”) herein.

(g) Status Certificates

To prepare for execution by the Corporation or, where an appropriate resolution of the Board has been made, by a representative of the Manager, under corporate seal, Status Certificates in the form prescribed by Regulation with the statements and information required pursuant to the Act and Regulations to any person requesting same with respect to any unit within the time permitted for the delivery of same.

The Manager shall be responsible for inspecting the Common Elements appurtenant to the Unit and when the Manager has reason to believe that the Unit has been unoccupied or may have been altered without permission by the Owner or occupant and upon the direction of the Board, the Manager shall inspect the Unit to determine whether or not the Corporation has an obligation to carry out repairs, the cost of which will be added to the common expenses for the unit pursuant to the Act or whether any violation exists prior to issuing the Status Certificate.

The Manager is responsible for the accuracy and completeness of all information in its possession contained in the Status Certificate.

The Manager may charge a fee to be agreed upon with the Corporation, with such fee to be less than or equal to the maximum fee prescribed from time to time by regulation pursuant to the Act, for the preparation and issuance of the Certificate and related documentation and shall be entitled to retain such fee.

(h) Preventive Maintenance Program

The Manager shall establish and thereafter maintain a preventative maintenance program for all major mechanical 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 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.

(i) Manager's Report

Present to the Board on a monthly basis a Manager's Report, to serve as a written form of communication from the Manager to the Board. This Manager's Report shall reflect the directives of the Board to the Manager and shall show the actions of the Manager with respect to those directives of the Board. Any and all correspondence received by the

Manager with respect to the operation of the Corporation shall be available for examination by the Board.

The Manager shall also prepare and distribute to the owners, at least once each quarter, a newsletter updating the owners on the status of important issues regarding the Condominium Corporation. Any such newsletter shall be approved by the Board prior to distribution.

(j) Indemnification of the Corporation

During and after the termination of this Agreement to indemnify and save the Corporation completely free and harmless from any and all damages or injuries to persons or property or claims incurred during the term of this agreement by reasons of the negligence, fraud, wilfull misconduct of the Manager or any of its employees, agents or representatives or by reason of the breach of any of the Manager's obligations pursuant to this Agreement.

(k) Fidelity Bond and Insurance

The Manager shall, at the written request of the Corporation, obtain and maintain a Fidelity Bond at the Corporation's expense, for and in respect of any persons or representatives dealing in any manner whatsoever with the trust accounts or monies of the Corporation. The Fidelity Bond shall not be terminated by either the insurer or the Corporation unless sufficient prior notice of cancellation has been delivered by Registered Mail to the Auditor of the Corporation and to the Members of the Board.

The Manager shall obtain and maintain Errors and Omissions Insurance at its expense in the amount of \$100,000.00 per incident, in relation to the performance of this Agreement which insurance shall not be terminable by either the insurer or the Manager unless at least thirty days prior written notice of cancellation has been delivered by registered mail to the Corporation.

(l) Management Office Hours

The Manager shall provide a senior property manager to attend at the condominium property for a minimum of 40 hours per week (eight hours per day / five days a week) during normal business hours.

VI EMPLOYMENT OF CONTRACTORS

Subject to Article IV(i) ("Supervision of Employees"), the Manager may contract on behalf of the Corporation with any person, firm or corporation to perform any work of services for the Corporation within the scope of the Manager's duties under this Agreement subject however to the following provisions:

(a) Written Agreements

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.

(b) Approval of Board of Directors

In addition to the requirements of Article IV (k) (“General Authority”) herein, 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, then prior to entering into such contract the Manager shall first obtain a resolution of the Board approving such contract.

(c) Spending Restrictions

Where the cost of performing such work or services exceeds the sum of \$2,500 the Manager shall submit at least two written estimates for presentation to the Board, then prior to entering into such contract the Manager shall first obtain a resolution of the Board approving such contract. In the case of contracts expected to exceed the sum of \$10,000.00 the Manager shall arrange to have at least two sealed tenders opened in the presence of a representative of the Board.

(d) Filing of Return

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.

VII ACCESS TO UNITS

Subject to the relevant provisions of the Act, the Declaration and By-Laws, 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 occupant of the unit of its intention to enter the Unit or exclusive use area at a reasonable time, save only in the case of an emergency in which case prior notice shall not be required.

VIII MANAGER'S COMPENSATION

The Manager shall be paid monthly in advance on the first day of each month as compensation for its management services rendered under this Agreement an annual fee of **\$113,000.00**, including the H.S.T.

The Manager's fee does not include any expenses directly related to any business offices of the Corporation.

IX BOARD CO-OPERATION

The Corporation 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.

X LIAISON OFFICERS

The Corporation shall advise the Manager in writing from time to time as required of the names of those Officers, Directors, or other representatives who are authorized to act for and on behalf of the Corporation to enable the Manager to consult with the Corporation or obtain the Corporation's approval before proceeding with any work, act or actions. The Board may designate from time to time an individual in addition to the President who shall be authorized to deal with the Manager on any matter relating to the management of the Property, and if such designation is made, the Manager is directed not to accept directions or instructions with regard to the management of the Property from anyone else. In the absence of any designation by the Board, or if a designation is revoked then until another designation is made, the President of the Board shall have sole authority.

XI INDEMNIFICATION OF MANAGEMENT

The Corporation shall, during the duration of this Agreement, indemnify and save the Manager completely free and harmless from any and all damages or injuries to person or property, or claims, or actions by reason of any cause whatsoever when the Manager is carrying out the provisions of this Agreement or acting upon the direction of the Corporation unless as a result of the negligence or malfeasance of the Manager or any of its employees or unless as a result of a breach of this Agreement by the Manager or any of its employees.

XII COMPREHENSIVE LIABILITY INSURANCE

The Corporation agrees to take out or authorize the Manager to arrange for comprehensive liability insurance on the Property to a limit of not less than \$5,000,000 inclusive and further agrees that the Manager shall be named as an insured party along with the Corporation as their interest may appear in each such policy or policies 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 arising out of the operation of the Condominium Corporation, and the Corporation further agrees, if so requested, to provide the Manager with a certificate of Insurance in respect of any such

policy when it receives the Certificate of Insurance from its insurers which shall include an undertaking that the Insurer will provide the Manager with at least ten (10) days prior written notice of cancellation or any material change in the provisions of any such policy.

XIII MISCELLANEOUS

(i) Deficit Financing

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 in the event of a cash deficit occurring in the Corporation's current 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 pursuant to the Act, Declaration and By-Laws of the Corporation by either the levying of a special assessment, the delivery of a revised budget, or the exercise of its borrowing authority on behalf of the Corporation.

(ii) Collection of Accounts Receivable Including Common Expenses

The Manager, without limiting its covenants as hereinbefore contained, shall, in addition to its covenant to enforce the Act, Declaration, By-Laws and Rules 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 costs save in those instances where legal steps including the sending of Notices of Lien by the Corporation's lawyer and possible subsequent registering of Certificates of Lien pursuant to the Act is required. It is understood that the Certificate of Lien shall be registered in the appropriate Land Titles Office by the Corporation's lawyer within three months of the default by the Owner first occurring and shall be calculated to include all of the following:

All arrears of common expense contributions including any arrears of special or extraordinary assessments together with late payment interest on the aforesaid amounts calculated in accordance with the Corporation's By-Laws and all legal fees and disbursements relating to the collection or attempted collection of outstanding amounts.

In the event that the Manager fails to ensure the registration of a Certificate 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.

(iii) Fiduciary Relationships

The Manager may not engage any corporation, person or firm affiliated or otherwise connected with it (hereinafter called the "affiliate") to perform any work or services for the Corporation without full disclosure of the nature of the relationship between the Manager and the affiliate to the Board and the prior written consent of the Board.

(iv) Owner Relationship

- (a) The Manager shall promptly deal with all reasonable queries, requests or complaints by the Board, a unit owner or lessee, or any mortgagee of a Unit, relating to the management of the Property or the duties or obligations of the Manager pursuant hereto and to record in writing any queries, requests or complaints and the eventual disposition thereof.
- (b) The Manager shall maintain businesslike relations with Owners whose service requests relating to the Common Elements shall be received, considered and recorded in systematic fashion in order to show the action taken with respect to each request.
- (c) 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 as prompt and diligent manner as possible.

XIV TERMINATION

1. During the term of the Agreement or any extended term, either party may at its option, without cause, terminate this Agreement subject to the following notice periods:
 - a. In the event that the Corporation wishes to terminate the Agreement, it shall provide the Manager with sixty (60) days' written notice or payment in lieu thereof;
 - b. In the event that the Manager wishes to terminate the Agreement, it may do so upon giving sixty (60) days' written notice to the Corporation. The Manager shall be entitled to be paid up to the expiration of the notice period.
2. The parties agree that the term of the Agreement shall not be allowed to lapse without notice of termination in writing given by either party to the other not less than sixty (60) days prior to the expiration of the term of the Agreement. Should such notice of termination not be given sixty (60) days prior to the expiration of the term of the Agreement, as provided herein, the Agreement shall continue on a month to month basis until terminated upon sixty (60) days' written notice by either party, as provided herein, and the Manager's fee shall remain the same until re-negotiated and agreed upon.
3. In addition to the rights of the parties to terminate upon notice as hereinbefore set out, the Agreement shall terminate upon the insolvency or bankruptcy of the Manager or the

termination of the Corporation, and the Corporation will be entitled to terminate the Agreement immediately by notice or (on such date as is stipulated in the notice) if the Manager is insubordinate, reckless or grossly negligent in performing its duties hereunder or otherwise fails to correct a default hereunder within ten (10) days of being sent written notice thereof.

4. Upon termination of this Agreement and in addition to the Manager's obligations as hereinbefore set out,
 - (a) the Manager shall relinquish all signing authority for the Corporation's bank account and shall execute all necessary documents in recognition thereof as may be requested by the Corporation or the said bank, and shall within 30 days thereafter render a final accounting to the Corporation;
 - (b) the Manager shall surrender to the Corporation all contracts, records files, bank accounts and other documents or information which may be pertinent to the continuing operation of the Property, and further 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 three (3) months or until such earlier time as the Corporation advises the Manager in writing of its permission to destroy such records and prior to such destruction the Manager shall provide the Corporation with hard copies thereof;
 - (c) the Manager shall turn over all keys to the Property in its possession or in the possession of any of its employees. 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 made for the purpose of arranging the services to be provided pursuant to this Agreement except those related to employees of the Manager and to accounting services; and
 - (e) the obligation upon the Manager to account shall survive the termination of the Agreement.

XV PARTIAL INVALIDITY

If any portion of this Agreement shall be for any reason declared invalid or unenforceable, the validity of any of the remaining portions of this Agreement shall not be thereby affected, and such remaining portions shall remain in full force and effect as if this Agreement had been executed with such invalid portion eliminated, and it is hereby declared the intention of the parties hereto that they would have executed the remaining portions thereof that might be declared invalid.

XVII ENTIRE AGREEMENT

This Agreement shall constitute the entire agreement between the parties hereto and no variance or modification hereof shall be valid and enforceable except by supplemental agreement, in writing, executed and approved in the same manner as this Agreement.

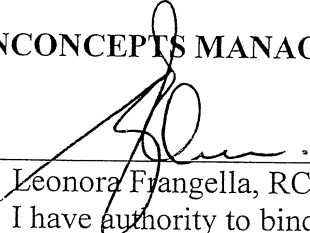
XVIII SUCCESSORS AND ASSIGNS

This Agreement shall enure to the benefit of and be binding upon the respective successors and assigns of the parties hereto provided always that this contract may only be assigned by the Manager with the express written consent of the Corporation, provided however that the Corporation agrees and acknowledges that the Manager may subcontract or otherwise assign or delegate financial and/or accounting responsibilities to a qualified third party with the Manager remaining fully responsible to the Corporation in respect of same.

IN WITNESS WHEREOF the parties hereto have hereunto affixed their respective corporation seals, attested by the hands of their respective officers duly authorized in that behalf, this first (1) day of December 2010.

ECONCONCEPTS MANAGEMENT SERVICE INC.

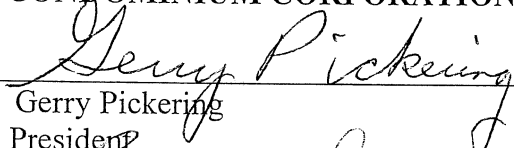
Per: _____


Leonora Frangella, RCM, President

I have authority to bind the Corporation

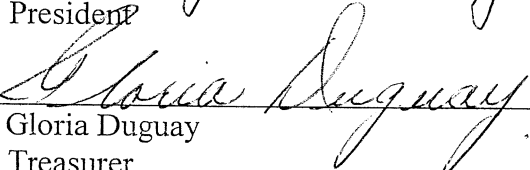
PEEL CONDOMINIUM CORPORATION No. 260

Per: _____


Name: Gerry Pickering

Title: President

Per: _____


Name: Gloria Duguay

Title: Treasurer

We have authority to bind the Corporation