

File No.: 04-1000-20-2018-657

July 31, 2019

s.22(1)

Dear s.22(1)

Re: **Request for Access to Records under the Freedom of Information and Protection of Privacy Act (the "Act")**

I am responding to your request of December 18, 2018 for:

Any management contracts for the residential rental units at 1105 Seymour Street with the City of Vancouver, from September 1, 2017 to December 18, 2018.

All responsive records are attached.

Please note: the City was just informed by the OIPC that mediation with a third party, who objected to the release, is now complete. The OIPC agrees with the city that there are no grounds for withholding these records.

Under section 52 of the Act, and within 30 business days of receipt of this letter, you may ask the Information & Privacy Commissioner to review any matter related to the City's response to your FOI request by writing to: Office of the Information & Privacy Commissioner, info@oipc.bc.ca or by phoning 250-387-5629.

If you request a review, please provide the Commissioner's office with: 1) the request number (#04-1000-20-2018-657); 2) a copy of this letter; 3) a copy of your original request; and 4) detailed reasons why you are seeking the review.

Yours truly,



Barbara J. Van Fraassen, BA
Director, Access to Information & Privacy

Barbara.vanfraassen@vancouver.ca
453 W. 12th Avenue Vancouver BC V5Y 1V4

*If you have any questions, please email us at foi@vancouver.ca and we will respond to you as soon as possible. Or you can call the FOI Case Manager at 604.871.6584.

Encl.

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**PROPERTY MANAGEMENT AGREEMENT
(RESIDENTIAL BUILDING – B.C.)**

DATE: August 28, 2017.

BETWEEN:

City of Vancouver
1101/1105 Seymour Street
Vancouver, British Columbia
V6B-0R1

(The "Owner")

AND:

GATEWAY PROPERTY MANAGEMENT CORPORATION
A company incorporated under the laws of Canada with offices at
Suite 400 – 11950-80th Avenue, Delta, B.C., V4C 1Y2

(The "Manager")

1. BASIC TERMS

- 1.1 "Property" means the property, building and other facilities set out in item 1 of **Schedule "A"**.
- 1.2 "Commencement Date" means the date set out in item 2 of **Schedule "A"** attached hereto.
- 1.3 "Monthly Fee" means the percentage fee per month of all rents, revenues, interest and other income from the Property received or realized by the Manager, as stated in items 1 of **Schedule "B"** attached hereto.
- 1.4 "RESA" means the *Real Estate Services Act* and amendments thereto and any regulations or rules adopted pursuant to the *Real Estate Services Act*.
- 1.5 "Trust Account" means the trust accounts established by the Manager in compliance with RESA requirements;
- 1.6 "Council" means the Real Estate Council of British Columbia;

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- 1.7 "Reserve" means the amounts set out in item 11 of **Schedule "B"** deposited by the Owner in accordance with Section 6.2.4 to ensure each Trust Account maintains a positive balance.

2. APPOINTMENT

- 2.1 The Owner hereby appoints the Manager to provide the management, administration and maintenance services in respect of the Property set out in this agreement.

3. TERM AND TERMINATION

- 3.1 The appointment of the Manager will commence on the Commencement Date and will continue until this agreement is terminated in accordance with Section 3.2.
- 3.2 This agreement and the appointment of the Manager may be terminated only as follows:
- 3.2.1 by mutual written agreement of the parties;
- 3.2.2 By either the Owner or the Manager effective upon any anniversary of the Commencement Date, upon not less than three (3) months' prior written notice; or
- 3.2.3 By either party immediately and without notice upon the bankruptcy, receivership, dissolution or winding up of the other party.
- 3.3 Upon termination in accordance with section 3.2, all obligations of the Manager will cease except for the preparation of the RESA required financial records and other obligations expressly provided in RESA, but the parties will remain entitled to and obligated and liable for all rights, obligations and liabilities existing at or relating to any period prior to the effective date of termination.
- 3.4 Upon any termination, the Owner will continue to be responsible for the payment to the Manager of any and all fees, bills, accounts and expenses owing to or incurred by the Manager in the performance of its duties hereunder, whether earned, incurred or paid by the Manager before or after such termination. The Manager may retain for ninety (90) days after termination a holdback of one-half of any amounts collected hereunder during the last calendar month this agreement was in effect and may deduct from or pay out of those funds such fees, bills, accounts and expenses, provided that if the holdback is not retained by the Manager or if it is insufficient, the Owner agrees to reimburse the Manager promptly upon demand for any and all such fees, bills, accounts and expenses.

4. DUTIES OF THE MANAGER

- 4.1 Throughout the term of this agreement, the Manager will, through its employees and subject to any lawful and reasonable directions and policy decisions of the Owner which are consistent with the terms of this agreement:

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Overall Control

- 4.1.1 Carry out the overall control, management and administration of the Property, including day to day maintenance;

Establish Trust Accounts

- 4.1.2 Establish separate trust accounts in compliance with the RESA, the Trust Accounts shall be completely separate from the Manager's corporate accounts and deposited in an institution qualified to engage in the credit union, banking or trust business. All Trust Accounts to be established by the Manager shall be as specified in item 0 of **Schedule "A"**;

Deposits in the Trust Accounts

- 4.1.3 Designated funds relating to the Owner's property in the Trust Accounts remain the property of the Owner subject to disbursements and expenses by the Manager as described in this Agreement. Any interest accrued in the Trust Accounts will be retained by the Manager;

Balance in the Trust Accounts

- 4.1.4 Take all commercially reasonable efforts to ensure that the Trust Accounts maintain a positive balance. The Manager shall not make any payment out of the Trust Accounts if such payments would result in the account balance of the Trust Account that is below the Reserve or if the balance in any Trust Account is already below the Reserve. The Manager shall notify the Owner within a reasonable period if the Reserve needs to be replenished. In no event shall the Manager be required to use its own funds to pay any disbursements, nor shall the Manager be required to advance any monies to the Owner or the Trust Accounts;

Signing Authority

- 4.1.5 Ensure that the signing authority of the Manager for the Trust Accounts includes at least one manager broker of the Manager,

Statements of Account

- 4.1.6 maintain accurate and complete financial and accounting records in compliance with RESA, retain all receipt and disbursements, and to submit a monthly written statement to the Owner in the Manager's then-current standard form of the accounts of the Property, with reference to the expenditures and fees paid or deducted by the Manager;

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Statutory Review of Financial Records

- 4.1.7 make the financial accounts and records available for review by the Owner pursuant to the RESA and to charge the fee specified in item 2 of **Schedule "B"**, whether or not the Owner's books are in fact reviewed in whole or in part, pursuant to the statutory review;

Bank Statements

- 4.1.8 to retain all banking records relating to each Trust Account in compliance with RESA and provide the Owner with a copy of each monthly bank statement for each trust account within thirty (30) days of issuance of such bank statement;

Construction Management

- 4.1.9 upon request by the Owner, and subject to agreement by the Manager to accept such responsibility, oversee and manage any major construction, reconstruction, alteration or renovation of the Property, including capital improvements, required as a result of fire or other damage to the Property or otherwise undertaken by the Owner, provided that the Manager will be entitled to additional compensation for such services in accordance with section 6.1.2;

5. AUTHORITY OF THE MANAGER

- 5.1 The Owner hereby grants to the Manager the full power and authority in the name, on behalf and at the expense (subject to section 5.2) of the Owner:

General

- 5.1.1 To exercise all of the powers and authority of the Owner in connection with the Property;

Repairs

- 5.1.2 to make or cause to be made repairs or alterations to the Property that may be advisable or necessary in the reasonable opinion of the Manager, and to purchase the supplies that may be necessary for the purposes of carrying out such repairs or alterations or otherwise carrying out the Manager's duties hereunder;

Circulars

- 5.1.3 to prepare and distribute such circulars and notices from the Owner to the tenants of the Property that may be required from time to time;

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Contracts

- 5.1.4 to make contracts in the name of and for the account of the Owner for electricity and other utilities, telephone, cable, landscape maintenance, building and elevator maintenance, garbage removal, janitorial services and other services, it being understood that the Manager may from time to time provide the services of employees of the Manager for operation and maintenance of the Property, and in such event the Manager will be entitled to charge the Owner additional fees for such services provided that such fees will not exceed the prevailing market fees for equivalent services;

Accounts Payable

- 5.1.5 out of the funds of the Owner, to pay such accounts payable by the Owner in connection with the Property as the Owner and Manager shall agree upon, such as mortgage payments and property tax payments, and make any other expenditure necessary to comply with and abide by any law, regulation, rule or order of any governmental or other authority affecting or concerning any part of the Property;

Breaches

- 5.1.6 to deal promptly with any breach or violation of the lawful rules or regulations established for the Property and with any emergency arising in connection with the maintenance and operation of the Property, and in that regard the Manager will promptly report to the Owner any emergency or any persistent, flagrant or serious violation of such rules or regulations; and

Employees and Contractors

- 5.1.7 if necessary, to hire, discharge and supervise any and all employees and independent contractors required for the operation and maintenance of the Property, it being understood that all such employees and contractors will be deemed to be employees or contractors of the Owner and not of the Manager and all wages, salaries, fees and related expenses will be the responsibility of the Owner, and that the Manager will not be responsible for the acts, defaults or negligence of such employees or contractors if reasonable care has been exercised in their appointment and retention.

Spending Limit

- 5.1.8 Notwithstanding section 5.1, the Manager will not make any expenditure in excess of the amount set forth in item 5 of **Schedule "B"** per item without the prior approval of the Owner, except for:
- 5.1.9 Expenditures provided for in a budget approved by the Owner or which are otherwise recurring; or

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5.1.10 Expenditures required, in the discretion of the Manager, to protect the Property from damage or to maintain services to the Property.

6. COVENANTS OF THE OWNER

REMUNERATION

6.1 The Owner covenants and agrees to pay to the Manager:

Monthly Fee

6.1.1 the Monthly Fee for each and every month during the term of this agreement, such Monthly Fee to be due and payable on the first day of each and every month; and

Construction Management Fee

6.1.2 where the Manager agrees to perform construction supervision or management pursuant to section 4.2.3, a construction management fee in addition to all other monies payable to the Manager under this agreement based on a percentage of the gross construction costs to be agreed upon between the parties prior to commencement of construction set forth as item 4 in **Schedule "B"**, which fee will be estimated and invoiced by the Manager on a monthly basis in arrears, with the appropriate adjustments to be made between the parties within 30 days following completion of the construction project and determination of the final total gross construction cost figure; and

Other Amounts

6.1.3 all costs, expenses and liabilities incurred by the Manager on behalf of the Owner or otherwise in the course of carrying out its duties hereunder, including all clerical, photocopying and other expenses, upon presentation by the Manager of its invoices therefore or the invoices of any other person rendering services to or for the Owner, provided that if any of such costs, expenses or liabilities exceed the funds of the Owner on hand with the Manager from time to time, the Manager may request payment in advance and will be under no obligation to incur any cost or expense until such advance payment is received; and

Interest

6.1.4 interest on all amounts owing to the Manager and outstanding for greater than 15 days at the percentage rate per annum set forth as item **Error! Reference source not found.** in **Schedule "B"** calculated from the date of the invoice therefore,

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and if the funds of the Owner on hand with the Manager from time to time are insufficient to satisfy such amounts, the Owner covenants to pay the excess to the Manager within twenty-four (24) hours of notice from the Manager to do so.

DUTIES OF THE OWNER

6.2 The Owner covenants and agrees with the Manager:

Indemnity

6.2.1 to indemnify and save the Manager harmless from all damages, costs, claims and expenses suffered or incurred by the Manager:

- (a) in the course of carrying out its duties under this agreement;
- (b) As a result of any act or omission by the Manager at the direction of the Owner, whether such direction was given in writing or orally; or
- (c) Otherwise in respect of the Property or as a result of the Manager fulfilling or attempting to fulfill any of its obligations hereunder in good faith,

and to forthwith pay to the Manager the full amount claimed by the Manager pursuant to any claim for indemnification delivered by the Manager to the Owner during or after the term of this agreement;

Documents

6.2.2 To promptly furnish to the Manager all documents, records and other things available to the Owner which may be required by the Manager from time to time to carry out its duties under this agreement.

Authorization Documents

6.2.3 to promptly execute and provide to the Manager all notices, appointments and other documents required to empower the Manager to act on the Owner's behalf in accordance with this agreement; and

Initial Deposit and Reserve

6.2.4 Immediately upon commencement of this Agreement, to remit to the Manager the sum set forth in item 8 of **Schedule "B"** as a reserve. The Owner shall maintain the Reserve set forth in the schedule at all times in each Trust Account to enable the Manager to pay the obligations of the Owner under this Agreement as they become due. If, upon payment of the disbursements due and payable the balance in the Trust Account shall fall lower

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than the Reserve amount, the Owner shall, not later than 10 days after notice, remit to the Manager sufficient funds to cover the deficiency and replenish the Reserve.

7. GENERAL

Abide by Laws

- 7.1 The Owner and the Manager will abide by all laws, regulations and policies of any governmental authority applicable to the Property from time to time.

Disclosure

- 7.2 The Owner acknowledges receipt of the Agency Disclosure forms required by RESA set out in **Schedule "D"**, prior to signing this Agreement.

Signs

- 7.3 The Manager will be permitted to place one or more discreet signs on the Property indicating it is the manager of the Property.

Amendments

- 7.4 Any amendments to this agreement will be effective only if in the form of a written addendum and duly signed by the parties.

Assignment Permitted

- 7.5 The Manager may assign its rights or obligations hereunder.

No Set-Off

- 7.6 The Owner will not be entitled to set off against any remuneration or other monies payable to the Manager under this agreement (including under Parts 2 and 5 hereof), any uncollected arrears of rent or other monies payable by tenants of the Property or any other uncollected amounts payable to the Owner.

No Undisclosed Fees

- 7.7 The Manager agrees not to collect or charge any undisclosed fee, rebate or discount other than charges permitted or contemplated by this agreement.

Use and Disclosure of Personal Information

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- 7.8 The Manager shall use and disclose information respecting the Owner and Property, including personal information respecting any tenant for any and all purposes related to the management, maintenance and administration of the Property and for such other purposes as are appropriate in connection with the performance of the duties of the Manager respecting the affairs of the Property in accordance with the relevant privacy legislation.

Insurance

- 7.9 All insurance required in connection with the Property from time to time will be the sole responsibility of the Owner and the Manager will have no responsibility to review, monitor or advise the Owner with respect to insurance unless specifically agreed to in writing by the Manager. The Owner will ensure that comprehensive general liability, fire and other insurance sufficient to fully protect the Property and the parties hereto is maintained at all times and that the Manager is a named insured under all of such policies, and the Owner will provide proof and full particulars of such insurance to the Manager at any time upon request.
- 7.10 The Manager shall carry Errors and Omissions insurance as required under the Real Estate Errors Insurance Corporation of B.C. and other such insurance as mandated by RESA.

Disclosure of Conflicts

- 7.11 If at any time, the Agent determines it is in a conflict of interest with the Owner, the Agent shall give written notice of such conflict to Owner as soon as reasonably possible. The Owner hereby acknowledges and consents to the Agent acting for other rental property owners.

Notice

- 7.12 Notice may be given by either party to the other only in writing, by delivering or telecopying the same or by mailing the same by prepaid registered post to the other party's address set out at the beginning of this agreement, or to such other address or addresses within Canada as either party may give notice of to the other, and any such written notice will be deemed to be received upon delivery or transmission, if delivered or telecopied, or on the fourth (4th) business day after the date of mailing, if mailed by prepaid registered post.

Enurement

- 7.13 This agreement will enure to the benefit of and be binding on the parties hereto and their respective successors and assigns.

IN WITNESS WHEREOF the parties have executed this agreement as of the day and year first above written.

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OWNER:


Witness PASQUALE PUCCI

by: 
Authorized Signatory ALEKSANDER RIMINCHAN


**GATEWAY PROPERTY MANAGEMENT
CORPORATION**


Witness CRISTIANA VLASCEANU

by: 
Authorized Signatory LESLIE BESSEY

Schedule "A"

1. Section 1.1 Location of the property:

 City Of Vancouver. 
 110~~1~~/110~~5~~ Seymour Street
 Vancouver, British Columbia
 V6B 0R1

2. Section 1.2 Commencement Date: September 1, 2017

- 3 Section 4.1.5 The Manager shall maintain the following trusts account on behalf of the Owner:

 ☐ Operating fund trust account

 ☐ Other: _____

Schedule "B" – Special Terms and Amendments

1. Section 1.3 & 6.1.1 Monthly Fee: \$2,000.00 plus GST per month
2. Section 4.2.0 Annual fee for the statutory review of books: \$250.00 plus GST
3. Clause 4.2.0 Fee for providing payroll services: \$35.00
(plus applicable taxes)
4. Section 4.2.3 & 6.1.2 Construction Management Fee: 3%
5. Section 5.2 Maximum Spending Limit per item: \$2,500.00
6. Section 6.1.3 Additional fees: N/A

Litigation Support (Section 5.1.6): \$125.00 per hour

Other: \$125.00 per hour
7. Section 6.1.3 & 6.2.2 Printing Costs: Current printing costs plus 10%

Mailing Costs: Current postage rates

Long Distance Telephone Charges: Current long distance rates

Courier Costs: Current courier rates plus \$5.00

Electronic processing of receivables and receipts: Current third party rates

Electronic processing of payables and payments: Current third party rates

Other Service Charges: NSF and returned cheques \$30.00

Storage Charges: \$75.00 per year and \$25.00 retrieval fee per box

Costs of Photocopying per page: \$0.25 per page, bulk copies \$0.08 per page

8. Section 6.2.4

Initial Deposit and reserve amount

☐ Operating fund trust account: _____

☐ Other: _____

Schedule "C"

Addendum to Agency Agreement

1. Grow Ops

The undersigned is the registered Owner or has the registered power of attorney of the registered Owner, of the rental property that you manage on our behalf.

I/We hereby give you as our Manager specific instructions ☐ not to ☐ to (check one) contract with your chosen private investigation firm on our behalf to conduct marijuana grow operations or clandestine drug lab inspections.


I/We will be responsible for either conducting the inspections or making arrangements to have the inspections conducted or having our private investigation or security company conduct the inspections that we deem necessary.

I/We further confirm that you, our manager, Gateway Property Management Corporation, have provided us with the opportunity to have inspections conducted through you via a private investigation or security firm that you deal with.

2. Personal Information Protection Act

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I/We hereby consent to Gateway Property Management Corporation collecting, using and disclosing my personal information for purposes of identifying me, communicating with me, assessing my credit worthiness, processing payments, responding to emergencies, ensuring the orderly management of the tenancy and complying with legal requirements. In that regard I/We further consent to Gateway Property Management Corporation obtaining further personal information from my employer, and one or more consumer agencies and authorize those persons to provide such information to Gateway Property Management Corporation.

Owner: 

Date: Sep 13/2017

Schedule "D"

Rental Agency Disclosure Real Estate Services Act

(Rules, section 5-9 thru 5-12)

The rules under the Real Estate Services Act of British Columbia requires a licensee or an associate to a licensee that may receive a benefit, interest or a thing of value as a result of the licensee providing rental services to or on behalf of a client must disclose any interest, benefit, or a thing of value or remuneration that the licensee will, may or expect to receive as a result of providing or referring services to a client.

Gateway Property Management Corporation is licensed under the Real Estate Services Act of British Columbia as a Real Estate Brokerage and employs Managing Broker, Associate Brokers and Representatives to provide Real Estate Services, trading services, rental management services and Strata Management services, and as such hereby discloses that the Brokerage, Managing Broker, Associate Broker, representative or an associate of any of the proceeding, may, could, will or would expect to receive as a benefit or thing of value in some circumstance when providing Real Estate Services such as:

1. When contracting for or negotiating bulk/special pricing on any product or services used by our client such a (but not limited to): security services, landscaping, plumbing, heating, building, electrical or professional services, including (but not limited to) things like services, products, recycling, garbage collection, banking, phone and cable services, restoration and janitorial services, legal services and insurance services. The Brokerage and its associates, Managing Broker, employees, Associates Brokers and Representatives and their associates (see the definition of Associates in the RESA) will receive or will expect to receive the same pricing on products or services as negotiated for or given to, the client.
2. Should the Brokerage, Managing Broker, Associate Broker Representative or an Associate of the foregoing use a corporate or personal credit card to pay for an expense on behalf of a client and the Licensee will expect reimbursement from the client and upon payment of the credit card may receive loyalty points, Air Miles, dividends or such rewards offered by the credit card company.
3. Should the Brokerage provide Real Estate trading services, rental management services, relocation referral services, mortgage brokerage or mortgage referral services the Brokerage, Managing Broker, Associate Broker or representative or an associate thereof will receive or expect to receive a commission or referral fees from parties other than the client that the Brokerage or Manager refers the client to. In the case of trading services a separate "Disclosure of Interest in Trades" will be provided, prior to the trading services being provided in compliance with Rules 5-9 where applicable.

4. In the normal course of providing services to clients and negotiating contracts for services or supervising trades and employees on behalf of the client the licensee may receive from, or provide to, the Services provider or contractor such things as business lunch or dinner, attendance in sporting or other similar events.
5. "Rebates or Discounts". Should the Brokerage receive a rebate or discount distinguishable to the client the rebate or discount applicable to the client shall be credited to the client's trust account upon receipt.

**MANAGEMENT SERVICES AGREEMENT
FOR A RENTAL RESIDENTIAL BUILDING AT 1105 SEYMOUR STREET**

THIS AGREEMENT is dated for reference September 20, 2017.

BETWEEN:

CITY OF VANCOUVER,
a municipal corporation with offices at
453 West 12th Avenue,
Vancouver, British Columbia, V5Y 1V4

(the "City")

AND:

**FIRST SERVICE RESIDENTIAL BC LTD.,
DBA FIRSTSERVICE RESIDENTIAL,**
a company incorporated under the laws of the Province of
British Columbia with offices at 200 Granville Street,
Suite 700, Vancouver, B.C., V6C 1S4

(the "Contractor")

WHEREAS:

- A. The City is the registered owner of 81 unit residential building (the "Building") located at 1105 Seymour Street in the City of Vancouver, British Columbia.
- B. The City wishes to engage the services of an independent contractor to tenant and manage the 16 Low End of Market (LEM) units (each, a "Unit") for the City the Building.
- C. The Contractor is a corporation that carries on business and has expertise in the operation and management of multi-unit rental residential properties.
- D. The City wishes to engage the Contractor on the terms and conditions of this agreement.

THEREFORE in consideration of the covenants herein contained and other good and valuable consideration (the receipt and sufficiency of which is hereby acknowledged and agreed to by the parties), the parties hereto hereby covenant and agree as follows:

Term

- 1. The Contractor will begin performing the Services pursuant to this agreement on September ~~8~~, 2017 and will continue performing them at all times thereafter until

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September 5, 2018, or until this agreement is terminated in accordance with its terms (the "Term").

Services

2. The City hereby appoints the Contractor and the Contractor hereby accepts the City's appointment of it as the manager of the Building, on the terms and conditions hereinafter set forth, and the Contractor is hereby authorized and agrees that at all times during the Term it will.
 - (a) be fully licensed in all respects as required by law;
 - (b) remain in good standing as a corporation and in compliance with all laws governing its status and activities as a corporation within the Province of British Columbia;
 - (c) do all things and supply all personnel, materials and services necessary to manage the LEM tenancies in a professional, prudent and efficient manner as a multi-unit rental residential property (the "Services"), including, without limitation:
 - (i) market and advertise the Units as reasonably necessary;
 - (ii) use best efforts to rent all the residential units contained in the Building as soon as possible after commencement of the Term and keep them rented at all times thereafter during the Term;
 - (iii) ensure that tenants meet the tenant selection criteria set out in Schedule A hereto;
 - (iv) charge tenants a monthly rent no less than the minimum rents set out in Schedule A hereto;
 - (v) ensure that units in the Building comply with the Occupancy Policy set out in Schedule B hereto;
 - (vi) carry out credit and reference checks on prospective tenants;
 - (vii) maintain good tenant relations;
 - (viii) charge and collect from all tenants of the Building monthly rental fees, the amounts of which are to be determined in consultation with and with the approval of the City, for use of the residential units in the Building, parking fees, security deposits in connection therewith and all other appropriate fees or charges so as to cover at least all costs to the City as owner of the Building, including, without limitation, all taxes and the Management Fee (as defined below);
 - (ix) take whatever lawful steps are reasonably necessary to collect any rental arrears or other debt owed by anyone to the City in connection with the Building;

- (x) put in place and enforce reasonably and lawful rules for the Building; and
 - (xi) evict any tenant when reasonably necessary in accordance with all applicable laws.
- 3. Notwithstanding the foregoing, except as contained in any annual budget considered and approved by the City pursuant to this agreement, the Contractor will not at any time during the Term make any expenditure greater than \$1,000.00 in operation and management of the Building without the City's express authorization.
- 4. The Contractor will operate and manage the Building lawfully in all respects at all times during the Term.
- 5. The Contractor will ensure that at all times during the Term the Building and the lands upon which it is situated remain free of any liens or other charges or encumbrances not authorized by the City.
- 6. The Contractor will consult with the City about and get its approval for the forms of tenancy agreements or leases to be used for Building rentals and with respect to evictions of tenants and representation before the Residential Tenancy Board.
- 7. The Contractor will not at any time during the Term:
 - (a) operate the Building or permit anyone to use the Building or any part thereof for any unlawful or disreputable or immoral purposes or contrary to anything in this agreement;
 - (b) do anything to take secret profits from Building revenues or otherwise in connection with the Building;
 - (c) disclose any financial information or other information regarding the operation of the Building to any third party without the written consent of the City except for limited market information;
 - (d) carry on any other business in connection with the Building other than the operation and management thereof and will not use the name of the Building, if applicable, for any other purposes other than for the operation of the Building; and
- 8. In the event that a builder's lien is registered against the Building in connection with the Contractor operating and managing the Building hereunder, the Contractor, at the Building's expense, will do all things reasonably necessary to remove such liens or charges from title at the expense of the Building.
- 9. The City may inspect the Building at any time during and throughout the Term without notice to the Contractor.

Personnel

10. All personnel participating in the Contractor's performance of the Services will be the Contractor's employees and subcontractors.
11. The Contractor, in its performance of the Services, may engage the services of subcontractors from time to time only with the prior written consent of the City.
12. The Contractor will manage the payment of compensation to its employees and subcontractors, if any, participating in the Contractor's performance of the Services, and, in doing so, the Contractor will be responsible for making all statutory deductions required by law to be made in connection with the payment of such compensation.
13. The compensation payable to Contractor employees and subcontractors, if any, for services they perform for the Contractor in its performance of the Services will be an expense in the Contractor's operation and management of the Building.
14. The Contractor will ensure that all its employees and subcontractors, if any, participating in the Contractor's performance of the Services are fully paid at all times as required by law and by contract for their services performed therein.

Revenues & Expenses

15. The Contractor will deposit all revenues from the operation of the Building in a bank account or bank accounts established and maintained solely for the operation and management of the Building.
16. By no later than the 15th day of each month during the Term, the Contractor will pay to the City any funds contained in Building bank accounts that are in excess of funds reasonably needed to prudently operate and manage the LEM tenancies during the current month and the next month in accordance with this agreement and the current annual budget.

Management Fee

17. In exchange to the Contractor performing the Services, the Contractor will be entitled to receive, on the 15th day of each month during the Term, for Services performed in the previous month, a monthly flat fee of \$75.00 per month per Unit plus applicable taxes along with any actual disburseable expenses identified in Schedule C.
18. The Contractor may draw the Management Fee on a monthly basis, on the 15th day of each month during the Term, from the bank accounts the Contractor sets up in connection with the operation and management of the Building.

Lease-Up Fee

19. In addition to the Management Fee, the Contractor will be entitled to receive one-half a month's rent plus tenant application fee in the amount of \$22 per application and applicable taxes for the initial tenancy of each Unit and for each new tenancy upon the re-rental of each unit.

Records & Reporting

20. The Contractor will create and keep at all times during the Term, in a business-like fashion and safe and secure manner, a comprehensive set of up-to-date and well organized financial and other books, documents and records relating to the Contractor's obligations hereunder.
21. The City may inspect and copy all financial and other books, documents and records created and kept by the Contractor in relation to the operation and management of the Building, wherever the Contractor may keep them, at any time during regular business hours.
22. The Contractor shall deliver to the City the reports set out in Schedule D hereto at the indicated frequencies. *By no later than the 15th day of each and every month, except for the rent roll on the 2nd day.*
23. The City may appoint a firm of Chartered Accountants or Certified General Accountants at any time, without prior notice to the Contractor, to audit the Building's finances as operated and managed by the Contractor. *J.S.*
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24. On termination or expiry of this agreement, the Contractor will deliver into the City's possession all books, documents and records relating to the Contractor's operation and management of the Building, and thereafter the Contractor, at its expense, may access and copy all or any part of all such books, documents and records at reasonable times.

Insurance

25. The Contractor will obtain and keep at all times during the Term the following types of insurance, to the extent that coverage against such risks is available:
 - (a) Commercial General Liability Insurance including but not limited to contractual liability, non-owned automobile and personal injury with respect to the Building in an amount not less than Five Million Dollars (\$5,000,000.00) or such other amount that the City may require from time to time. Such insurance will include the City as an additional insured; and
 - (b) any other form of insurance as the City's Director of Real Estate Services may reasonably require from time to time.
26. All insurance required hereunder will provide that all insurers will provide to the City sixty (60) days prior written notice of cancellation or material alteration of such terms. The Contractor will furnish to the City, before commencing the performance of the Services and at all times thereafter as the City may reasonably request, certificates of insurance or other evidence acceptable to the City as to the insurance required hereunder
27. In the event of a loss of cash or property, from break-in, theft or other disappearance, the Contractor will report the loss and incident as soon as possible to the police, the City and the appropriate insurer(s).

Independent Contractor

28. The Contractor is an independent contractor to the City in respect of this agreement and is not in any way a partner or joint venturer to the City in respect of this agreement and the subject matter hereof.
29. The Contractor will not and will not permit any of its sub-contractors or employees to disclose or promote their relationship with the City in any communications to anyone in a manner that might suggest or create an association, express or implied, between the Contractor and the City, without the express prior written consent of the City.

No Assignment

30. The Contractor may not assign any of its right or obligations hereunder without the prior written consent of the City, which consent may be withheld arbitrarily.
31. If at any time during the Term the City sells the Building, the City will cause the purchaser to enter into and the Contractor will enter into an assignment and assumption agreement in a form satisfactory to the City whereby the purchaser will agree to assume the City's obligations under this agreement and the City will be released absolutely and unconditionally from its obligations and any liabilities under this agreement effective as of the date that the purchaser becomes the registered owner in fee simple of the Building. Such assignment and assumption agreement will be prepared by the City and executed and delivered by the Contractor within 5 days of it being presented to The Contractor by the City.

Termination

32. The City may terminate this agreement:
 - (a) at any time during the Term without prior notice to the Contractor if the Contractor becomes bankrupt or insolvent;
 - (b) at any time during the Term without prior notice to the Contractor if a receiver, receiver-manager or trustee is in any way appointed in respect of the Contractor's affairs;
 - (c) at any time during the Term without prior notice to the Contractor if the Contractor goes out of good standing or ceases to exist as a corporation;
 - (d) at any time if the Contractor sells or otherwise disposes of all or substantially all of its assets;
 - (e) at any time during the Term on the City giving the Contractor sixty (60) days prior written notice of termination; or
 - (f) if the Contractor materially breaches this agreement and does not remedy or discontinue such breach within ten (10) days of the City giving it written notice to do so.
33. The Contractor may terminate this agreement:

- (a) at any time during the Term on giving the City one sixty (60) days prior written notice of cancellation; or
 - (b) if the City materially breaches this agreement and does not remedy or discontinue such breach within ten (10) days of the Contractor giving it written notice to do so.
34. On termination of this agreement, all of the Contractor's obligations hereunder, except those that are expressly continued after the termination of this Agreement, will cease and the Contractor will pay to the City all monies held in the bank accounts in connection with the Contractor's operation and management of the Building, and the City will pay to the Contractor all monies that, within 90 days after termination, the Contractor demonstrates to the City, to its satisfaction, are duly payable to the Contractor for the Management Fee, and the Contractor will assign to the City or its designate all licenses and contracts that are in the Contractor's name relating to the operation of the Building and will sign all required documentation to transfer the bank accounts to the City or its designate and deliver all other documentation necessary for transfer of the complete operation of the Building to the City or its designate including copies of all books of account and other historic and operating and financial records of the Building.

Indemnity

35. The Contractor will indemnify the City for all losses, injuries, damages and expenses, other than business losses reasonably resulting from market forces, that the City may suffer, incur or experience as a result of any act or omission on the part of the Contractor in connection with this agreement and will indemnify the City for and save it harmless from all demands, claims, actions and , judgments for any loss, injury, damage or expense any other person or entity may suffer, incur or experience as a result of any act or omission of the Contractor in connection with this agreement and/or its obligations hereunder.

Miscellaneous

36. If any part of agreement is determined by a court of competent jurisdiction to be void or unenforceable, that part will be considered to have been severed from the agreement and the balance of the agreement will survive and be enforceable.
37. Nothing in this agreement will derogate from the obligations of the Contractor under any other agreement with the City or in any way affect any of the City's rights, powers, duties or obligations under the Vancouver Charter SBC 1953 c.55 or any other statute, law, order or regulation.
38. This Management Services Agreement as executed by the parties hereto contains the entire contract between the parties hereto with respect to the subject matter hereof.
39. Any notice, approval or request given under this agreement may be well and adequately given if served personally upon any officer of the party for whom it is intended or mailed by prepaid registered mail from any post office in British Columbia and addressed to:

- (a) in the case of the Contractor:

First Service Residential BC Ltd.
700-200 Granville Street
Vancouver, BC, V5Y 1V4

Attention: Judith Harris, General Manager

- (b) in the case of the City addressed to it at:

City of Vancouver
453 West 12th Avenue
Vancouver, British Columbia V5Y 1V4

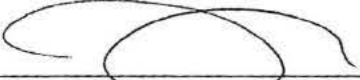
Attention: Jodi Sturge, Director Non Market Housing

With a copy to Director of Real Estate Services

or at such other address as the parties may from time to time advise by notice in writing. The date of receipt of any such notice, approval or request will be deemed to be the date of delivery of such notice, approval or request if served personally or, on the third business day next following the date of such mailing if mailed as aforesaid, provided that if mailed should there be, between mailing and the actual receipt of such notice, approval or request, a mail strike, slowdown or other labour dispute which might affect the delivery of such notice, approval or request, such notice, approval or request will only be affected if actually delivered. This Agreement will enure to the benefit of and be binding upon the parties hereto and their respective successors, administrators and permitted assigns.

IN WITNESS WHEREOF the parties hereto have hereunto caused their respective seals to be affixed under the hands of their proper officers duly authorized in that behalf as of the day and year first above written.

CITY OF VANCOUVER



Authorized Signatory

Jodi Sturge, Director Non Market Housing
Print Name and Title

FIRST SERVICE RESIDENTIAL BC LTD.



Authorized Signatory
JUDITH HARRIS, General Manager
FirstService Residential
Agent for the Owners

Print Name and Title

**SCHEDULE A
TENANT SELECTION CRITERIA AND MINIMUM RENTS**

1. Tenant Selection Criteria

Tenants must have a gross household income that falls between the minimum and maximums set out below in order to be eligible to rent a Unit:

Studio	\$40,000 - \$69,360
1 bedroom	\$45,000 - \$69,360
2 bedroom	\$55,500 - \$99,910

2. Minimum Rents

The minimum monthly rents the Contractor must charge for units in the Building are as follows:

Studio	\$1,000
1 bedroom	\$1,350
2 bedroom	\$1,750

**SCHEDULE B
OCCUPANCY POLICY**

- Minimum of one person and maximum of two people per bedroom.
- Couples share a bedroom.
- Parents don't share bedrooms with children.
- Dependents of opposite gender over the age of five don't share bedrooms.

**SCHEDULE C
DISPURSABLE EXPENSES**

Duplication, Scanning or Copies (as requested)	\$.25/page
Postage	Canada Post rates
Registered Mail	Canada Post rates + \$15 admin fee
Courier	Actual costs + \$2 admin fee
Web advertising fees \$ 5.00 per week	
Credit reports on tenants (Rent Check reports)	\$ 22.00 per tenant
Storage Archive Retrieval (as requested)	\$ 10.00 per box and \$10 per box delivery with minimum \$30 delivery fee
NSF Cheques (chargeback to tenant)	\$ 15.00 per NSF cheque
Project Management Fee (as requested)	10% of total renovations

All above costs are subject to Applicable Taxes.

Subject to change at the prevailing rates set by the Manager from time to time.

SCHEDULE D
REPORTING REQUIREMENTS

1. Monthly statement of operations listing revenues and expenses with appropriate backup.
2. Monthly detailed listing of expenses with appropriate backup.
3. Monthly bank reconciliation.
4. Monthly rent roll (in Excel).
5. Year-end balance sheet.