

MANAGEMENT SERVICES AGREEMENT

THIS MANAGEMENT SERVICES AGREEMENT is made effective this 9th day November, 2021

BETWEEN:

CCH BELVEDERE II GP LTD., an Alberta Corporation, in its capacity as general partner of **CCH BELVEDERE II LP**, a limited partnership formed pursuant to the laws of the Province of Alberta (the “**LP**”)

- and -

CRYSTAL CREEK HOMES INC., a corporation incorporated under the laws of the Province of Alberta (the “**Manager**”)

RECITALS:

- A. The LP was established pursuant to a Partnership Agreement dated September 10, 2021, and amended and restated on November 9, to invest in, operate and manage a real estate development business for the development, construction and sale of residential homes in connection with the Belvedere II Project (defined below);
- B. The Manager is in the business of residential construction;
- C. The LP wishes to engage the Manager to provide the Services (defined below); and
- D. The Manager has agreed to provide the Services to the LP and is entitled to the fee as described in this management services agreement, and otherwise in accordance with the terms and conditions of this management services agreement;

THEREFORE in consideration of the covenants, representations and agreements contained herein, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

ARTICLE 1 INTERPRETATION

1.1 Definitions

In this management services agreement, unless the context otherwise requires, the following words and phrases shall have the following meanings:

- (a) “**Affiliate**” has the meaning ascribed thereto in the LP Agreement;
- (b) “**Agreement**” means this management services agreement, including the Recitals, Schedules and all amendments or restatements, as permitted;
- (c) “**Business**” means the Partnership Business as defined in the LP Agreement;

- (d) “**Belvedere II Project**” has the meaning ascribed thereto in the LP Agreement;
- (e) “**Belvedere II Project Lands**” has the meaning ascribed thereto in the LP Agreement;
- (f) “**Effective Date**” means September 10, 2021;
- (g) “**General Partner**” means CCH BELVEDERE II GP LTD., a corporation established under the Alberta *Business Corporations Act*, RSA 2000 c A-37, and the general partner of the LP;
- (h) “**LP Agreement**” means the limited partnership agreement dated as of September 10, 2021, as amended and restated on November 9, 2021 between CCH BELVEDERE II GP LTD. and Crystal Creek Homes Inc. establishing the LP;
- (i) “**LP Indemnified Parties**” has the meaning ascribed thereto in Section 7.1;
- (j) “**Management Fee**” means a fee of 6% of the sale price of the homes, plus GST payable to the Manager on a monthly basis based on actual construction costs expended in the month and at the time of possession of a home for the remainder, as shall be set for in an invoice to be issued by the Manager, substantially in the form as set forth in Schedule “A” hereto;
- (k) “**Services**” means the administration and management services described in Schedule “B”, and such other services as are agreed to between the LP and the Manager from time to time.

1.2 Headings

Headings of the articles and sections hereof are inserted for convenience of reference only and shall not affect the construction or interpretation of this Agreement.

1.3 Construction

Words importing the singular number only shall include the plural and vice versa and words importing gender shall include the feminine and masculine and neuter genders and vice versa wherever the context so requires and words importing persons shall include companies, corporations, partnerships, syndicates, trusts and any number or aggregate of persons.

ARTICLE 2 APPOINTMENT

2.1 Appointment

The LP hereby retains the Manager to provide the Services to the LP and the Manager hereby agrees to provide the Services to the LP upon the terms and conditions hereinafter set forth.

2.2 Delegation

The Manager may cause one or more of its Affiliates to provide the Services, provided that the Manager shall continue to be responsible for its obligations hereunder.

ARTICLE 3 STANDARD OF CARE

3.1 Standard of Care

At all times the Manager shall act on a basis which is fair and reasonable and exercise its powers and deliver the Services honestly and in good faith and, in connection therewith, shall exercise that degree of care, diligence and skill that a reasonably prudent manager would exercise in comparable circumstances and, to the extent that the Manager determines that it does not have the knowledge or expertise necessary to meet this standard of care, the Manager may engage such qualified experts and advisors as it considers necessary to do so.

ARTICLE 4 TERM

4.1 Term

This Agreement shall continue in force until terminated in accordance with the terms of Section 4.2.

4.2 Termination

- (a) The LP shall have the right to unilaterally terminate this Agreement if any of the following events occur:
 - (i) the LP is dissolved in accordance with the terms and conditions of the LP Agreement;
 - (ii) the Manager is in default in the performance or observance of any covenant or undertaking herein contained and the default is not cured or remedied within thirty (30) days after written notice of the default was given by the LP to the Manager;
 - (iii) the Manager becomes insolvent, is unable to meet its debts as they mature, or makes an admission in writing to such effect, calls a meeting of its creditors, files any petition under any provision of any bankruptcy, insolvency, reorganization, rearrangement of debt or similar law or statute or any such petition is filed against it, or an order is made or a resolution is passed for the winding-up of the Manager, or an assignment is made by the Manager or a receiver or agent is appointed by or on behalf of a creditor of the Manager, or a proposal is made by the Manager to its creditors under the *Canadian Bankruptcy and Insolvency Act*, RSC 1985 c B-3 or *Canadian Companies' Creditors Arrangement Act*, RSC 1985 c C-36, or the Manager threatens or proposes to cease to carry on the Business;
 - (iv) the Manager or their successors are convicted of any criminal or administrative offence including theft, dishonesty, falsification of records or any like act; or
 - (v) the Manager ceases to be a limited partner in the LP.
- (b) The Manager shall have the right to immediately terminate this Agreement if any of the following events occur:
 - (i) the LP is in default in payment of any amount payable under this Agreement and the default is not cured or remedied within thirty (30) days after written notice of the default was received, or deemed to have been received by the LP;

- (ii) the LP is in default in the performance or observance of any covenant or undertaking herein contained and the is not cured or remedied within forty-five (45) days after written notice of the default was given by the Manager to the LP;
 - (iii) the LP becomes insolvent, is unable to meet its debts as they mature, or makes an admission in writing to such effect, calls a meeting of its creditors, files any petition under any provision of any bankruptcy, insolvency, reorganization, rearrangement of debt or similar law or statute or any such petition is filed against it, or an order is made or a resolution is passed for the winding-up of the LP, or an assignment is made by the LP or a receiver or agent is appointed by or on behalf of a creditor of the LP, or a proposal is made by the LP to its creditors under the *Canadian Bankruptcy and Insolvency Act*, RSC 1985 c B-3 or *Canadian Companies' Creditors Arrangement Act*, RSC 1985 c C-36, or the LP threatens or proposes to cease to carry on the Business.
- (c) If the Manager continues to provide services to the LP after the expiry or termination of this Agreement without the parties entering into a new written agreement, then the terms of this Agreement shall continue to apply, and the Manager shall be deemed to be on a year to year retainer.

ARTICLE 5 COMPENSATION

5.1 Management Fee

- (a) During the term of this Agreement, the Manager shall receive compensation by way of the Management Fee, payable by the LP to the Manager on a monthly basis, or such other compensation as may be mutually agreed between the LP and the Manager from time to time.
- (b) The Manager shall deliver an invoice, substantially in the form as set forth in Schedule "A" hereto, on a monthly basis to the LP, setting forth those actual construction costs paid by the Manager, for which it seeks reimbursement from the LP, along with the Management Fee. The LP shall make payment of the invoice amount within a reasonable time after receipt thereof.
- (c) The Manager shall deliver the final invoice upon the possession of a home by a homeowner setting forth the balance of the Management Fee payable to the Manager. The LP shall make payment of the invoice amount within a reasonable time after receipt thereof.
- (d) The parties agree that as part of the Services the Manager shall be solely liable for any and all obligations arising under any new home residential construction warranties associated with the residential units constructed by the LP on the Belvedere II Project Lands (the "**Warranties**"). In consideration for the payment by the LP to the Manager of the Management Fee, the LP hereby assigns, transfers, sets over and conveys unto the Manager, and the Manager hereby assumes, all of the LP's obligations in respect of the Warranties. The Manager hereby covenants and agrees to perform all the obligations of the LP in respect of the Warranties, including without limitation, payment of any and all amounts payable thereunder and the performance of any and all services in connection therewith. The LP hereby covenants and agrees with the Manager that any Warranties which are not assignable by their terms shall be held in trust by the LP for the Manager and

performed by the Manager in the name of the LP. The Manager hereby agrees to indemnify, defend and hold harmless the LP Indemnified Parties from and against any and all claims, actions, suits, costs, losses, charges, damages and expenses, including, without limitation, legal fees and disbursements on a solicitor and his own client full indemnity basis, arising out of or in relation to the Warranties.

5.2 Interest upon Default

If the LP is in default in payment of any amount payable under, interest is payable from the date of the default to the date of payment calculated at a floating annual rate equal to the Royal Bank of Canada prime rate as of the date of issuance of the notice of default plus three (3%).

ARTICLE 6 CONFIDENTIALITY

6.1 Confidential Information

The Manager shall not, at any time during the continuance of this Agreement or at any time thereafter, without the express written consent of the LP, disclose to any person the personal, financial or other affairs or business of the LP or of any of its customers, which the Manager may have acquired during the course of or incidental to his employment or management contract with the LP. For the purpose of this paragraph, the term “**confidential information**” shall mean any and all information, documents and materials in written or electronic form which the Manager reviews, has possession of or otherwise deals with in the context or arising from this Agreement.

Notwithstanding the foregoing nothing herein contained shall restrict any party hereto from disclosing any information (i) to its or their legal counsel, accountants, financial advisors, investors, lenders, consultants, directors, employees and others employed or engaged by any of them, (ii) to any party from whom consent is required in connection with the consummation of the transactions contemplated hereby, or (iii) otherwise required to be so disclosed under applicable law, stock exchange rule or pursuant to judicial process.

ARTICLE 7 INDEMNITY

7.1 Indemnity

The Manager will indemnify, defend and hold harmless the LP and the General Partner and their respective partners, directors, officers and employees (collectively, the “**LP Indemnified Parties**”) from and against any and all losses, damages, injuries and liabilities suffered by the LP Indemnified Parties, including, without limitation, legal fees and disbursements on a solicitor and his own client full indemnity basis, which in any way arise out of, result from or are associated with any breach of this Agreement by the Manager including, without limitation, the breach of its standard of care as set forth in ARTICLE 3 or a breach of the confidentiality obligations set forth in ARTICLE 6.

ARTICLE 8 NOTICE

8.1 Notice

Any notice or communication required or permitted under this Agreement or to be given to any party may be delivered personally at the address set forth herein or sent by prepaid registered mail to the address set

forth herein. If mailed, the notice shall be deemed to have been given on the third (3rd) business day following the date of mailing as follows:

To the LP:

CCH Belvedere II GP Ltd.
(as GP for the LP)
6010 – 12 Street SE
Calgary, Alberta T2H 2X2
Attention: Tracy Heck
Email: tracy.heck@crystalcreekhomes.ca

To the Manager:

Crystal Creek Homes Inc.
6010 – 12 Street SE
Calgary, Alberta T2H 2X2
Attention: Justin Bobier
Email: justin@crystalcreekhomes.ca

Provided however that such addresses may be changed upon five (5) days written notice and provided further that in the event that notice is served by mail at a time when there is an interruption in mail services affecting the delivery of such mail, the notice shall not be deemed to be served until one (1) week after the date that normal mail service is restored.

ARTICLE 9 AMENDMENT

9.1 Amendment

The parties may amend this Agreement including, without limitation, any schedules attached hereto by mutual agreement at any time by signing and dating the revised schedule. Upon execution of the revised schedule by each party, this Agreement will be deemed to be amended to include the revised schedule.

ARTICLE 10 GENERAL

10.1 No Liens

In connection with the provision of the Services hereunder, the Manager shall keep the Belvedere II Project Lands and other property of the LP free and clear of all liens or other encumbrances in favor of the Manager, any of its subcontractors or suppliers or any other person acting through or under any of them in connection with the Services provided pursuant to this Agreement. If such a lien or encumbrance is filed on all or any portion of the Belvedere II Project Lands or other property of the LP, the Manager shall remove and discharge, by payment, bond or otherwise, such lien or encumbrance within seven (7) days of the filing of such lien or encumbrance. If the Manager fails to remove and discharge any such lien or encumbrance within such seven (7) day period, then the LP may, in its sole discretion and in addition to any other rights that it has under this Agreement, at law or in equity, remove and discharge such lien and encumbrance using whatever means that the LP, in its sole discretion, deems appropriate, including the payment of settlement amounts that it determines, in its sole discretion, as being necessary to discharge such lien or encumbrance. In such circumstance, the Manager shall be liable to the LP for all damages, costs, losses and expenses

(including lawyers' fees, consultant fees, litigation expenses, and settlement payments) incurred by the LP arising out of or related to such removal and discharge, unless in such circumstances the General Partner determines in its discretion, acting reasonably, that the resulting damages, costs losses and expenses are properly paid by the LP. Any such damages, costs, losses and expenses shall be paid by the Manager no later than thirty (30) days after receipt of an invoice therefore from the LP.

10.2 Survival

Upon the termination of the retainer of the Manager hereunder, all provisions of this Agreement which are intended by their terms to continue in effect thereafter shall do so. In the interest of clarity, the provisions of Articles 5, 6 and 7 shall survive the termination of this Agreement.

10.3 Relationship of the Parties

The relation of the Manager to the LP as established by this Agreement is that of an independent contractor and nothing contained in this Agreement shall be construed to:

- (a) give either party the power to direct or control the day to day activities of the other;
- (b) constitute the parties as joint venturers, partners, co-owners or otherwise as participants in a joint undertaking;
- (c) other than as may be necessary for the Manager to fulfill the Services set forth herein, constitute the Manager as an agent, legal representative or employee of the LP; or
- (d) authorize or permit either party or any director, officer, employee, agent or other person acting on its behalf to incur on behalf of the other party any obligation of any kind, either express or implied, or do, sign or execute any things, deeds, or documents which may have the effect of legally binding or obligating the other party in any manner in favour of any Person.

All financial and other obligations associated with the business of the Manager are the sole responsibility of the Manager, and all financial and other obligations associated with the LP are the sole responsibility of the LP.

10.4 Entire Agreement

This Agreement, and the agreements and other documents required to be delivered pursuant to this Agreement, constitute the entire agreement between the parties and set out all the covenants, promises, warranties, representations, conditions and agreements between the Parties in connection with the provision of the Services by the Manager to the LP in connection with the Belvedere II Project and supersede all prior agreements, understandings, negotiations and discussions, whether oral or written, pre-contractual or otherwise. There are no covenants, promises, warranties, representations, conditions or other agreements, whether oral or written, pre-contractual or otherwise, express, implied or collateral, whether statutory or otherwise, between the parties in connection with the subject matter of this Agreement except as specifically set forth in this Agreement and any document required to be delivered pursuant to this Agreement.

10.5 Governing Law

This Agreement shall be interpreted and governed in all respects by the laws of the Province of Alberta and the laws of Canada applicable therein, and the Courts of Alberta shall have exclusive jurisdiction with respect hereto.

10.6 Currency

All amounts referred to in this Agreement are intended to be in lawful currency of Canada unless otherwise specified herein.

10.7 Invalidity of Provisions

Nothing contained in this Agreement shall be construed so as to require the commission of any act contrary to law, and if any provision of this Agreement is held to be invalid, illegal or unenforceable under any statute, law, ordinance, order or regulation, such provision shall be curtailed and limited only to the extent necessary to bring it within the legal requirements and such curtailment or limitation shall not affect the validity of the remainder of this Agreement or any other provisions hereof.

10.8 Enurement

This Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, administrators, successors and permitted assigns.

10.9 Assignment

The parties agree that this Agreement has been entered into by the LP based on the experience, goodwill and expertise of the Manager and that this Agreement shall therefore not be assignable by the Manager without the prior written consent of the LP, which consent may be withheld by the LP in its sole and absolute discretion.

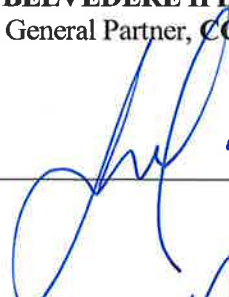
10.10 Further Assurances

The parties shall, with reasonable diligence, do all things and provide all such reasonable assurances as may be required to consummate the transactions contemplated by this Agreement, and each party shall provide such further documents or instruments required by any other party as may be reasonably necessary or desirable to effect the purpose of this Agreement and carry out its provisions

IN WITNESS OF WHICH the parties have executed this Agreement as of the day and year first above written.

CCH BELVEDERE II LP,
By its General Partner, **CCH BELVEDERE II GP LTD.**

Per _____



CRYSTAL CREEK HOMES INC.

Per: _____



SCHEDULE "A"
FORM OF INVOICE

SCHEDULE "B"

THE SERVICES

As part of the Services to be provided by the Manager to the LP, the Manager shall:

Pre-Construction Services

- (a) to seek out and secure construction financing for the Belvedere II Project, on terms that are acceptable and approved by the General Partner of the LP, and in any event not to exceed 80% of the planned construction costs, including land for pre-sold homes and no more than 80% of the land appraised value for vacant lots;
- (b) review a budget for the cost of construction and other Business costs based upon prevailing competitive costs and rates;
- (c) provide design input and coordination;
- (d) advise upon and seek to obtain necessary permits and licences required by the LP;
- (e) prepare and submit applications for site plan approval, committee of adjustment, rezoning and official plan amendment, if necessary, and assume all responsibilities, including all communication with city officials, in order to obtain the required changes to zoning and any authorizations and easements required for the construction of the residential homes; and keep the LP apprised at all times of the status of all such applications and communications; the LP shall have the right to pre-approve all submissions and applications prior to their being submitted to the relevant authority;
- (f) arrange for the terms and conditions of engagement of the architect, engineers and other consultants on behalf of the LP;
- (g) seek to obtain necessary approvals to the design in conformity with zoning by-laws and other legal requirements;
- (h) prepare planning schedules for the execution of the construction works to be carried out by the LP;
- (i) obtain firm construction prices from all major trades and suppliers, it being understood that the manager shall, on behalf of the LP, enter into all the contracts with the various trades and suppliers for the construction of each residential home; and
- (j) provide regular updates to the LP regarding the construction of the residential homes.

Construction Services

Using all reasonable efforts, the Manager shall:

- (a) build a show-home to use for marketing purposes and no more than 2 other spec home without the approval of the General Partner;
- (b) prepare, if necessary, adjustments to the budget for the cost of construction and other Business costs based upon matters arising during the course thereof;

- (c) provide ongoing design input and co-ordination and cause all construction plans and specifications to be finalized for LP's approval;
- (d) provide accounting and budget control during construction;
- (e) obtain necessary permits and licences not secured in the pre development stage;
- (f) supervise the tendering and awarding of all construction and supply contracts on behalf of the LP;
- (g) co-ordinate efforts of real estate community brokers and agents;
- (h) prepare marketing plans, advertising budgets and brochures and conduct other promotional activities relating to the marketing of the construction of the residential homes;
- (i) at the ultimate expense of the LP, hire, discharge and supervise all contractors, trades, subtrades, suppliers, employee and consultants to work on the Belvedere II Project, either directly or on behalf of the LP, which the Manager deems necessary or desirable for the proper administration of the services to be provided for and on behalf of the LP hereunder;
- (j) correct all deficiencies following inspection of the completed residential homes;
- (k) complying at all times with the requirements of the *Occupational Health and Safety Act* and/or other applicable health, safety and environmental legislation governing the place of the work;
- (l) assume all warranty responsibilities in respect of completed residential homes; and
- (m) provide all other services and perform all other duties incidental to the role and obligations of a development manager in order to successfully deliver on a timely basis the completed residential homes in conformity with the approved plans and specifications, the approved budget and the development schedule.

Administrative Services

In connection with its duties under this Agreement, the Manager shall:

- (a) keep proper and separate books of account and records for the Belvedere II Project and, if requested by the LP, arrange for their audit at the expense of the LP;
- (b) not more frequently than monthly, submit to the LP a report of the architect certifying the status of completion of construction work;
- (c) provide clerical and administrative services as may reasonably be required to carry out their duties hereunder;
- (d) report to the LP on a regular basis in such detail as it may reasonably require in connection with the performance of their duties hereunder;
- (e) deliver to the LP copies of all major contracts signed in respect of the construction of the residential homes and on request of the LP, deliver to the LP copies of such further documents that the LP reasonably requires;

- (f) if required, provide financial administration and/or assistance in respect of all progress payments to suppliers and other parties involved in the development and oversee all holdbacks and releases thereof, which may include the provision of temporary or short term capital to the LP as a loan from the Manager, on terms to be agreed to;
- (g) give reasonable prior notice to the LP of scheduled job site and other meetings with the architects, engineers and site manager, the LP to have the right to attend such meetings;
and
- (h) provide such other services as may be required by the LP from time to time.

