

## AMENDED AND RESTATED MANAGEMENT AGREEMENT

This Agreement made as of October 13, 2011 and effective as of January 1, 2011

BETWEEN:

### **CAPITAL BLF INC.**

a corporation existing under the laws of Canada  
(hereinafter referred to as the “**Corporation**”)

– and –

### **MULTIGEST MANAGEMENT INC.**

a corporation existing under the laws of Canada  
(hereinafter referred to as “**MultiGest**” or the “**Manager**”)

WHEREAS the Corporation acquires, holds, leases and maintains real estate properties;

AND WHEREAS MultiGest is engaged in the business of, among other things, providing real estate advisory, asset management and administrative services;

AND WHEREAS pursuant to a master management agreement dated March 31, 2008, as amended on January 1, 2009 (the “**Original Management Agreement**”) between the Corporation and MultiGest, it was agreed that MultiGest will provide, among other things, advisory, strategic, asset management and administrative services to the Corporation on the terms set forth herein;

AND WHEREAS the Corporation and MultiGest wish to amend and restate the Original Management Agreement as set forth herein;

NOW THEREFORE in consideration of the mutual covenants and agreements contained in this Agreement and other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged by each party), the parties hereby covenant and agree as follows:

**ARTICLE ONE**  
**DEFINITIONS AND INTERPRETATION**

1.1 Definitions

For the purposes of this Agreement, unless the context otherwise requires, the following terms shall have the respective meanings set out below and grammatical variations of such terms shall have corresponding meanings:

“**Adjusted Cost Base**” has the meaning ascribed thereto in Section 5.1.

“**Affiliates**” when used to indicate a relationship with a person, has the meaning that would be ascribed thereto in the *Securities Act* (Quebec), as amended or replaced from time to time, if the word “company” were changed to “Person” (as defined herein).

“**Agreement**” means this agreement and all schedules attached as it may be amended or supplemented from time to time, and the expressions “**hereto**”, “**hereof**”, “**herein**”, “**hereby**”, “**hereunder**” and similar expressions refer to this agreement and, unless otherwise indicated, references to sections are to sections in this agreement.

“**Associates**” means, where used to indicate a relationship between a person and a corporation, a person who beneficially owns, directly or indirectly, voting securities carrying more than 10% of the voting rights attached to all voting securities of the corporation, a spouse of such person that is an individual or an immediate family member of such person and, where used to indicate a relationship between a person and a partnership, a partner of that partnership and, if such partner is an individual, a spouse of such person that is an individual or an immediate family member of such person, and where used to indicate a relationship between a person and a Corporation, a beneficiary or director of that Corporation and, if such person is a beneficiary or a director of such Corporation, a spouse of such person that is an individual or any immediate family member of such person.

“**Business Day**” means any day except Saturday, Sunday or any statutory holiday in the province of Quebec.

“**Corporation**” means Capital BLF Inc., a corporation created under the laws of Canada and its successors or permitted assigns.

“**directors**” mean the directors of the Corporation.

“**Executives**” has the meaning ascribed thereto in Section 4.2.

“**Fiscal Year**” means the fiscal year of the Corporation.

“**IFRS**” means the International Financial Reporting Standards adopted by the International Accounting Standards Board (ISBA) applied on a consistent basis;

**“Governmental Authority”** means any government, parliament, legislature, or any regulatory authority, agency, commission or board of any government, parliament or legislature, or any political subdivision thereof, or any court or (without limitation) any other law, regulation or rule- making entity (including, without limitation, any central bank, fiscal or monetary authority or authority regulating banks), having or purporting to have jurisdiction in the relevant circumstances, or any Person acting under the authority of any of the foregoing (including, without limitation, any arbitrator with the authority to bind the parties at law) or any other authority charged with the administration or enforcement of applicable laws.

**“Independent Director”** means a director who is independent of management of the Corporation and who is free from any interest and any business or other relationship which could, or could reasonably be perceived to, materially interfere with the director’s ability to act with a view to the best interests of the Corporation, other than interests and relationships arising out of security holdings.

**“Initial Term”** has the meaning ascribed thereto in Section 2.4.

**“Management Fee”** means the fee payable by the Corporation to MultiGest pursuant to Article Five hereof.

**“Market Price”** has the meaning ascribed thereto in Policy 1.1 of the TSX Venture Exchange or in section 601 of the Toronto Stock Exchange Company Manual.

**“MultiGest”** means MultiGest Management Inc., a corporation existing under the laws of Canada.

**“Notice of Arbitration”** has the meaning ascribed thereto in Section 7.1.

**“Person”** means and includes individuals, corporations, limited partnerships, general partnerships, joint stock companies, joint ventures, associations, companies, Corporations, banks, Corporation companies, pension funds, land Corporations, business Corporations or other organizations, whether or not legal entities and governments and agencies and political subdivisions thereof.

**“Property Manager”** means a Person who provides property management services to the Corporation pursuant to a written contract, which may include the directors and officers of the Corporation, MultiGest Management or their respective Associates and Affiliates.

**“SEDAR”** means the System for Electronic Document Analysis and Retrieval which is used for electronically filing most securities related information with the Canadian securities regulatory authorities. Filing with SEDAR started January 1, 1997, and is now mandatory for most reporting issuers in Canada.

“**Share**” means a share of the Corporation.

“**Subsidiaries**” means, with respect to any company, partnership, limited partnership, corporation or other entity, any company, partnership, limited partnership, corporation or other entity controlled, directly or indirectly, by the first company, partnership, limited partnership, corporation or other entity.

“**Term**” means the Initial Term and all Renewal Terms.

“**Total Assets**” means the total of all assets as shown from time to time on the most recent quarterly financial statements of the Corporation filed in SEDAR.

## 1.2 Sections and Headings, etc.

The division of this Agreement into Sections, the insertion of headings and the inclusion of a table of contents are for reference purposes only and shall not affect the interpretation of this Agreement.

## 1.3 Currency

All dollar amounts referred to in this Agreement are expressed in Canadian funds.

## 1.4 Number and Gender

In this Agreement, words importing the singular number only shall include the plural and vice versa and words importing any gender shall include all genders.

## 1.5 Time of Essence

Time shall be of the essence of this Agreement.

## 1.6 Business Days

In the event that any action is required or permitted to be taken under this Agreement on or by a date that is not a Business Day, such action may be taken on or by the Business Day immediately following such date.

## 1.7 Governing Law

This Agreement shall be construed, interpreted and enforced in accordance with, and the respective rights and obligations of the parties shall be governed by, the laws of the Province of Quebec. Each party hereby irrevocably and unconditionally submits to the non-exclusive jurisdiction of the courts of the Province of Quebec and all courts competent to hear appeals therefrom.

## 1.8 Severability

If any provision of this Agreement is determined by a court of competent jurisdiction to be invalid, illegal or unenforceable in any respect, such determination shall not impair or affect the validity, legality or enforceability of the remaining provisions hereof and each provision is hereby declared to be separate, severable and distinct.

## 1.9 Entire Agreement

This Agreement constitutes the entire agreement among the parties and supersedes all prior agreements, understandings, negotiations and discussions, whether written or oral, with respect to the subject matter hereof. There are no conditions, covenants, agreements, representations, warranties or other provisions, express or implied, collateral, statutory or otherwise, relating to the subject matter hereof except as provided in this Agreement.

## 1.10 Amendments and Waivers

This Agreement shall not be amended, nor shall any provision hereof be waived, without the prior written approval of a majority of the Independent Directors. No waiver of any provision of this Agreement shall be construed as a waiver of any other provision nor shall any such waiver constitute a continuing waiver unless otherwise expressly provided. All amendments will be effective if signed by the Corporation and MultiGest.

## 1.11 Consents

Unless otherwise specifically stated, whenever in this Agreement the consent of a party is sought or required, and/or the exercise of discretion is involved, the consent of such party shall not be unreasonably withheld, and/or the discretion shall be exercised by such party acting reasonably and shall not be unreasonably delayed.

# **ARTICLE TWO TERM**

## 2.1 Appointment

The Corporation hereby retains MultiGest to perform the services set forth in Article Four and provide the Executives (as defined in Section 4.2 hereof) in connection with the management of the affairs of the Corporation and its Subsidiaries (as agreed upon by the Corporation and MultiGest from time to time) and MultiGest hereby agrees to perform such services on the terms and conditions set out in this Agreement.

## 2.2 No Exclusivity

MultiGest may provide third party asset management, property management and other services to any other Person only with the prior written approval of the Corporation (by decision of a majority of the Independent Directors thereof).

### 2.3 Exclusivity

The parties agree that, until this Agreement expires or is terminated, the affairs of the Corporation and its Subsidiaries (as agreed upon by the Corporation and MultiGest from time to time) are to be managed by MultiGest and the Executives (as defined in Section 4.2) pursuant to this Agreement and the Corporation shall not retain any other Person to perform any normal management services on its behalf, without the consent of MultiGest. The parties acknowledge that the Corporation retains as manager to provide asset management and other services to the Corporation and its Subsidiaries and that MultiGest is retained to provide such services to the Corporation and its Subsidiaries.

### 2.4 Initial Term

This Agreement shall commence on the date that this document will be signed and, unless terminated in accordance with Section 2.5 or 2.6, shall continue in full force and effect for a five year term (the “**Initial Term**”).

### 2.5 Termination by the Corporation

- (a) the Corporation (by decision of a majority of the Independent Directors thereof) shall have the right, by notice to MultiGest, to terminate this Agreement at any time upon the occurrence of any of the following events:
  - (i) a material breach by MultiGest of its duties and responsibilities under this Agreement that is not cured within 45 days (or such longer period as is reasonably required having regard for the nature of the default so long as MultiGest is proceeding diligently to cure such default) of the receipt from the Corporation of written notice of such breach by MultiGest (which notice shall detail the breach complained of), unless MultiGest has requested arbitration with respect to the breach in the form and manner as provided in Article Seven;
  - (ii) the commission by MultiGest or any of its agents or employees of any act constituting fraud, willful misconduct, willful breach of fiduciary duty, gross negligence or a willful violation of applicable laws; or
  - (iii) the dissolution, liquidation, bankruptcy, insolvency or winding-up of MultiGest.
- (b) the Corporation (by a decision of a majority of Independent Directors thereof) shall have the right to terminate this Agreement at any time:
  - (i) upon a 6-month written notice given to MultiGest;
  - (ii) upon a 3-month written notice given to MultiGest, once the Total Assets of the Corporation is in excess of \$100,000,000; and

- (iii) upon a prior written notice of 30 days following the incapacity of more than two months or resignation of two of the three Executives.

## 2.6 Termination by MultiGest

MultiGest shall have the right, upon not less than 60 days' written notice to terminate this Agreement in the event that the Corporation is in material breach of its obligations hereunder.

## 2.7 Return of Materials

- (a) On the expiry or termination of this Agreement, MultiGest shall do all things and take all steps necessary or advisable to transfer management of the activities hereunder and shall forthwith deliver to the Corporation, to the extent in its possession or control:
  - (i) all original books, records, documents and computer disks (where practical and readily available) and all books of account and accounting materials, invoices, vouchers and the like maintained in respect of the Corporation;
  - (ii) all uncashed cheques relating to the asset management of the Corporation and other moneys not yet deposited into the bank accounts at the date of termination or received subsequent to the date of expiry or termination by MultiGest or its employees or agents;
  - (iii) all plans, physical condition reports, surveys, promotional marketing materials, permits, licenses, warranties and guarantees and other applicable materials relating to the Corporation; and
  - (iv) any other records or documents or materials in its possession relating to the Corporation,

and shall execute and deliver all documents and instruments necessary or advisable to affect such transfers. MultiGest may retain copies of all records, documents and books of account.

- (b) On the expiry or termination of this Agreement, MultiGest shall:
  - (i) forthwith deliver to the Corporation a final accounting and pay over any balance of the Corporation funds held over by MultiGest relating to the properties of the Corporation, if any, less any amounts owing to MultiGest pursuant to this Agreement and any amounts necessary to satisfy commitments made by MultiGest to others pursuant to this Agreement prior to the date of termination and MultiGest, its officers and employees, shall also immediately cease to have signing authority on the bank accounts of the Corporation and cease issuing cheques thereon in its capacity as manager under this Agreement;

- (ii) co-operate in effecting and communicating the termination of this Agreement to all third parties;
  - (iii) co-operate with the Corporation and any new manager retained to replace MultiGest to ensure a smooth and complete transition; and
  - (iv) cause the Executives to resign as officers of the Corporation.
- (c) On the expiry or termination of this Agreement, the Corporation shall:
- (i) assume any contracts (other than employment contracts) entered into by MultiGest on behalf of the Corporation if such contracts have been entered into in accordance with the provisions of this Agreement and indemnify MultiGest against any liability by reason of any acts or decisions done or required to be done under any such contract after the effective date of expiry or termination;
  - (ii) pay for and indemnify MultiGest against the cost of all services, materials and supplies, if any, which may have been ordered by MultiGest as a result of its obligations arising from this Agreement, but which may not have been charged to and paid by MultiGest at the time of expiry or termination if such services, materials and supplies have been ordered in accordance with the provisions of this Agreement; and
  - (iii) pay to MultiGest all other amounts owed to it hereunder.
- (d) This Section 2.7 shall survive the expiry or termination of this Agreement.

### 2.8 Effect of Continued Performance

If this Agreement is terminated, the Corporation shall be under no obligation to pay to MultiGest any amount or sum whatsoever for services performed by MultiGest after the effective date of termination and, in the case of performance by MultiGest of all or any of its duties hereunder after such date, MultiGest shall not be entitled to compensation therefore unless such continued performance by MultiGest has been approved in writing by the Corporation and accepted by MultiGest (Continued Agreement), in which event MultiGest shall be entitled to be paid by the Corporation for such continued performance as per the terms of the Continued Agreement.

## **ARTICLE THREE INFORMATION**

### 3.1 Information

The Corporation shall at all time keep MultiGest fully informed with regard to the investment objectives of the Corporation, including the investment guidelines and operating policies set forth by the directors of the Corporation. In particular, the Corporation shall notify

MultiGest promptly of an intention to sell or otherwise dispose of any of the Corporation's or any of its Subsidiaries' real property investments or to make a new investment and shall provide such other information with regard to its affairs as MultiGest may from time to time reasonably request.

## **ARTICLE FOUR SERVICES**

### **4.1 Duties of MultiGest**

MultiGest shall provide the services to the Corporation and its Subsidiaries (as agreed upon by the Corporation and MultiGest from time to time) set out on Schedule "A" attached hereto.

### **4.2 Executive Services**

MultiGest will make executives (the "Executives") available to the Corporation and its Subsidiaries (as agreed upon by the Corporation and MultiGest from time to time) for the following offices (the names of the individuals who will fill such offices initially are set out below):

- President and Chief Executive Officer of the Corporation – Claude Blanchet
- Chief Operating Officer of the Corporation – Marc Marois
- Chief Financial Officer and Secretary of the Corporation – Pierre L. Martel

MultiGest will not change the identity or replace an Executive providing services to the Corporation hereunder without the approval of the Corporation. The Corporation may, acting reasonably, require MultiGest to cease providing services of specific Executives available to it in which case such Executives shall resign from the office held by such Executives.

### **4.3 Real Estate Management Team**

MultiGest will make the Executives available to perform the services set out in Section 4.1 above. MultiGest shall have sufficient and appropriate, skilled and experienced staff as reasonably necessary to carry out its responsibilities under this Agreement and will ensure that the management team (including the Executives) made available to the Corporation and its Subsidiaries (as agreed upon by the Corporation and MultiGest from time to time) devotes sufficient time, attention and resources as may be reasonably necessary to provide the services set out in this Agreement (the "Management Team").

The Executives will be dedicated to the Corporation and its Subsidiaries on such basis as is necessary to fulfill the objectives of day to day operations of the Corporation.

Subject to Section 4.2, MultiGest shall have the right, with the prior written consent of the Corporation, to terminate the services of any member or members of its Management Team

from time to time and to retain services of additional individuals from time to time. In the event it terminates the services of any of the individuals then acting as officers of the Corporation or following the voluntary departure of an officer of the Corporation, MultiGest will replace such individuals with other members of its Management Team approved by the Corporation, acting reasonably.

MultiGest, the officers and directors of MultiGest (including the Executives), may, with the written consent of the Corporation, in accordance with Section 2.2 above, have other business interests and may engage in real estate activities for their own account and for the account of others.

#### 4.4 MultiGest Expenses and Use of Third Parties

The Corporation will be responsible for the payment of the expenses set forth in Section 5.3. In addition, where MultiGest does not provide such service, MultiGest may retain, subject to Section 5.3, third parties, including investment dealers, brokers, consultants, accountants, lawyers, insurers, appraisers and other advisors, to provide customary services to the Corporation and/or its Subsidiaries, at the Corporation's expense.

#### 4.5 Strategic Control

- (a) MultiGest shall prepare (no later than 30 days before the end of a fiscal year) an annual asset management plan and an annual operating budget for the Corporation and its Subsidiaries and submit same to the directors in each year for the director's prior approval.
- (b) The purchase or sale or restructuring of any asset of the Corporation or its Subsidiaries or any interest therein and the financing of any such purchase must have the prior consent of the directors.
- (c) All capital expenditures which are in the aggregate greater than \$1,000,000 (cumulative, per Fiscal Year) must have the prior approval of the Corporation, unless such expenditures are included in the then applicable asset operating budget approved by the Corporation.

#### 4.6 Exercise of Powers

MultiGest shall, in carrying out its duties and exercising its powers and authority under this Agreement:

- (a) act honestly and in good faith with a view to the best interest of the Corporation; and
- (b) exercise the care, diligence and skills that a diligent asset manager would exercise in similar circumstances.

#### 4.7 MultiGest Authority to Act on Behalf of the Corporation

In connection with the exercise of its duties under this Agreement, MultiGest shall have the power and authority to contract on behalf of or otherwise bind or commit and pledge the credit of the Corporation. In furtherance of the foregoing, the Corporation will, on request of MultiGest from time to time, provide powers of attorney to MultiGest to evidence its authority to sign documents on behalf of the Corporation and its Subsidiaries.

#### 4.8 Limitation of Responsibility

MultiGest assumes no responsibility under this Agreement other than to render the services called for hereunder in good faith, and shall not be responsible for any action of the Corporation or the directors of the Corporation or of any Subsidiary in following or declining to follow any advice or recommendations of MultiGest.

#### 4.9 Force Majeure

Notwithstanding any other provision of this Agreement, whenever and to the extent that any party to this Agreement shall be unable to fulfill or shall be delayed or restricted in the fulfillment of any obligation (other than the payment of any monies) under any provision of this Agreement by reason of strike, lock-out, war or acts of military authority, terrorism, rebellion or civil commotion, material or labour shortage not within the control of either party, fire or explosion, flood, wind, water, earthquake or other casualty, any event or matter not wholly or mainly within the reasonable control of the party having the obligation, or act of God, not caused by the default or act of or omission by such party and not avoidable by the exercise of reasonable effort or foresight by it, then, so long as any such impediment exists, such party shall be relieved from the fulfillment of such obligation and the other party shall not be entitled to compensation for any damage, inconvenience, nuisance or discomfort thereby occasioned and the time for fulfillment of such obligation shall be extended accordingly.

### **ARTICLE FIVE FEES AND EXPENSES**

#### 5.1 Fee for Services

With respect to all services hereunder, MultiGest will receive the following Management Fees:

- From January 1<sup>st</sup> 2011, a quarterly advisory fee equal to 0.625% (2.5% annual) of the Total Assets.

The annual rate of 2.5% will be applicable on the first \$20 million, and reduced to 2.0% on the following \$20 million and so on up to a Total Assets of \$100 million above which no additional fees shall be paid. If MultiGest is to provide any services in addition to those referred to in this Agreement, then before the provision of any such services, the Corporation and MultiGest shall negotiate and agree upon the scope of any such services and the fees for any such services.

## 5.2 Expenses of MultiGest

MultiGest shall be responsible for and pay all of its expenses which are not associated with its providing services to the Corporation, including without limitation employment expenses of its personnel who are not involved in the operations of the Corporation, including, but not limited to, salaries, wages and the costs of employee benefit plans and temporary help.

## 5.3 Expenses of the Corporation

- (a) the Corporation shall be responsible for and pay all expenses of the Corporation, or incurred by MultiGest in connection with providing its services to the Corporation, and without limiting the generality of the foregoing, it is specifically agreed that the following expenses of the Corporation and its Subsidiaries (as agreed upon by the Corporation and MultiGest from time to time) shall be paid by the Corporation and shall not be paid by MultiGest and shall be reimbursed by the Corporation if MultiGest has paid for:
- (i) employment expenses of its personnel (excluding the Executives) who are involved in the operations of the Corporation, including, but not limited to, salaries, wages and the costs of employee benefit plans and temporary help;
  - (ii) rent, telephone, utilities, office furniture, equipment and machinery and other office expenses of MultiGest;
  - (iii) miscellaneous administrative expenses related to the performance by MultiGest of its functions hereunder;
  - (iv) interest and other costs of borrowed money;
  - (v) fees and expenses of lawyers, accountants, auditors, appraisers and other agents or consultants employed by or on behalf of the Corporation including those retained in connection with Section 4.4;
  - (vi) fees and expenses of the directors of the Corporation;
  - (vii) fees and expenses of the Property Manager;
  - (viii) fees and expenses connected with the acquisition, disposition and ownership of real property interests or mortgage loans or other property;
  - (ix) insurance as considered necessary by the directors of the Corporation, including directors' and officers' liability insurance;
  - (x) expenses in connection with payments or distributions on Shares of the Corporation;

- (xi) expenses in connection with the communications to Shareholders, including annual reports, and the other bookkeeping and clerical work necessary in maintaining relations with Shareholders;
  - (xii) expenses in connection with any employees or independent contractors employed or retained by MultiGest for the Corporation, including all compensation costs, benefits and severance costs;
  - (xiii) expenses of changing or terminating the Corporation;
  - (xiv) fees and charges of transfer agents, registrars, indenture trustees and other trustees and custodians;
  - (xv) all fees, expenses, taxes and other costs incurred in connection with the issuance, distribution, transfer and qualification for distribution to the public of the Corporation's Shares and other required government filings; and
  - (xvi) all costs and expenses in connection with the incorporation, organization and maintenance of any corporation formed to hold real property or other property of the Corporation.
- (b) Notwithstanding Section 5.2, the Corporation hereby agrees to reimburse MultiGest, for the out-of-pocket expenses directly incurred by MultiGest in performing any of the services required of it under this Agreement including, without limitation, all expenses incurred and fees payable to third parties in connection with the acquisition, disposition, development, improvement and management of investments of the Corporation including, without limitation, airline travel and accommodation expenses of MultiGest, and professional reports which may be important to a real estate investment decision but which do not fall within the purview of real estate investment analysis, including engineering reports on structural soundness and soil tests, environmental audits, architectural reports, appraisals and other comparable professional activities.
- (c) MultiGest agrees to present receipts and/or other documentation to the Corporation as may be reasonably necessary in order for MultiGest to claim reimbursement pursuant to subsection 5.3(b) hereof.

#### 5.4 GST Remittance

Unless the Corporation provides evidence to MultiGest that the Corporation is exempt from the payment of Goods and Services Tax ("GST") and equivalent provincial taxes, the Corporation shall pay or cause its Subsidiaries or any of them to whom a portion of the fees hereunder have been allocated by the Corporation to pay, in addition to the fees and expenses hereunder, and MultiGest shall collect and remit on behalf of the Corporation, taxes on such fees and expenses as and when required by Part IX of the Excise Tax Act (Canada) and the equivalent provisions of any provincial taxing statute, as amended from time to time.

## 5.5 Disclosure

The Corporation hereby agrees that all fees payable by the Corporation to MultiGest will be set out in appropriate detail in the annual and quarterly financial statements of the Corporation.

## **ARTICLE SIX REPRESENTATIONS AND WARRANTIES**

### 6.1 Representations of the Corporation

The Corporation represents and warrants to MultiGest as follows and acknowledges that MultiGest is relying on such representations and warranties in connection with the entering into of this Agreement:

- (a) Status – the Corporation is a Corporation created and validly existing under the laws of the Province of Quebec.
- (b) Authority - the Corporation has the power and authority to enter into this Agreement and to do all acts and execute and deliver all other instruments as are required hereunder to be done, observed or performed by it in accordance with the terms hereof.
- (c) Valid Authorization - the Corporation has taken all necessary action to authorize the execution, delivery and performance of this Agreement and to observe and perform the provisions of this Agreement in accordance with its terms.
- (d) Validity of Agreement and Enforceability - This Agreement constitutes a valid and legally binding obligation of the Corporation enforceable against it in accordance with its terms subject to applicable bankruptcy, insolvency and other laws of general application limiting the enforceability of creditors' rights and to the fact that equitable remedies are available only in the discretion of the court. Neither the execution and delivery of this Agreement, nor compliance with the terms and conditions hereof, (i) has resulted or will result in a breach or violation of the contracting documents and by-laws of the Corporation or any resolutions passed by the board of directors (or any committee thereof) or Shareholders of the Corporation or any applicable law, rule, regulation, order, judgment, injunction, award or decree, (ii) has resulted or will result in a breach of, or constitute a default under, any loan agreement, indenture, or any other agreement or instrument to which the Corporation is a party or by which it is bound or (iii) requires any approval or consent of any Governmental Authority except as has already been obtained.

## 6.2 Representations of MultiGest

MultiGest represents and warrants as follows and acknowledges that the Corporation is relying on such representations and warranties in connection with the entering into of this Agreement:

- (a) Status - MultiGest is a corporation duly incorporated and validly existing under the laws of Canada and has all necessary corporate power and authority to operate assets and carry on its business.
- (b) Corporate Authority - MultiGest has the corporate power and authority to enter into this Agreement and to do all acts and to execute and deliver all other instruments as are required hereunder to be done, observed or performed by it in accordance with the terms hereof.
- (c) Valid Authorization - MultiGest has taken all necessary corporate action to authorize the execution, delivery and performance of this Agreement and to observe and perform the provisions of this Agreement in accordance with its terms.
- (d) Validity of Agreement and Enforceability - This Agreement constitutes a valid and legally binding obligation of MultiGest enforceable against it in accordance with its terms subject, to applicable bankruptcy, insolvency and other laws of general application limiting the enforceability of creditors' rights and to the fact that equitable remedies are available only in the discretion of the court. Neither the execution and delivery of this Agreement, nor compliance with its terms and conditions, (i) has resulted or will result in a breach or violation of the articles or by-laws of MultiGest or any resolutions passed by the shareholders of MultiGest or any applicable law, rule, regulation, order, judgment, injunction, award or decree, (ii) has resulted or will result in a breach of, or constitute a default under, any agreement or instrument to which MultiGest is a party or by which it is bound or (iii) requires any approval or consent of any Government Authority.

## 6.3 Survival

The representations and warranties contained in Sections 6.1 and 6.2 shall survive the execution and delivery of this Agreement and shall continue in full force and effect during the Term for the benefit of MultiGest if made under Section 6.1 and the Corporation if made under Section 6.2.

## **ARTICLE SEVEN ARBITRATION**

### 7.1 Initiation of Arbitration Proceedings

Whenever a dispute arises between the parties under this Agreement, either party may refer the matter to arbitration for determination, which shall be initiated and processed as follows:

- (a) The party desiring arbitration shall give notice thereof (a “**Notice of Arbitration**”), with reasonable details of the matter to be arbitrated, to the other party. The parties shall mutually agree on one arbitrator who shall be a disinterested Person of recognized competence in the area of dispute to be arbitrated.
- (b) In the event of failure to reach agreement within 15 Business Days, in any matter hereunder where agreement is called for, or if MultiGest disputes any notice given by the Corporation, such dispute shall be submitted to arbitration under and in accordance with the Civil Code of Quebec (“**CCQ**”) and the Code of Civil Procedure of Quebec (“**CCP**”). The provisions of this Section 7.1 shall be deemed to be a submission to arbitration within the provisions of the CCQ and the CCP and any statutory modification or re-enactment thereof, provided that any limitation on the remuneration of arbitrators imposed by such legislation shall not have application to any arbitration proceeding commenced pursuant to this Agreement.
- (c) Each party shall be entitled to present evidence and argument to the arbitrator. The arbitrator shall have the right only to interpret and apply the terms, covenants, agreements, provisions, conditions and limitations of this Agreement, and may not change any terms, covenants, provisions, conditions or limitations, or deprive any party to this Agreement of any right or remedy expressly provided in this Agreement.
- (d) The arbitrator shall hear the submissions of the parties and shall render a decision within 30 days after the appointment of the arbitrator and the parties will cause written submissions and all documentation they intend to rely on to be filed with the arbitrator within 20 days after the appointment of the arbitrator.
- (e) The determination of the arbitrator shall be conclusive and binding upon the parties and judgment upon the same may be entered in any court having jurisdiction thereover. The arbitrator shall give written notice to the parties stating his/her determination, and shall furnish to both parties a copy of such determination signed by him.
- (f) If any arbitrator fails, refuses or is unable to act, a new arbitrator shall be appointed in his stead, which appointment shall be made in accordance with subsection 7.1(a) above.

- (g) The expenses of resolving the disputes described in this Section 7.1 shall be borne by the parties equally, other than expenses personal to it. Each party shall, however, be responsible for its own legal fees and disbursements and the fees and expenses of its witnesses, if any.

## **ARTICLE EIGHT INDEMNITIES**

### **8.1 Indemnity by the Corporation**

During the Term and after the termination of this Agreement, the Corporation shall indemnify and save MultiGest and its directors, officers, employees, agents, subcontractors or other Persons for whom it is legally responsible, harmless from any action, cause of action, suit, debt, cost, expense, claim or demand whatsoever at law or in equity, in connection with the performance by MultiGest of any and all of its obligations under this Agreement or pursuant to the policies, limitations, instructions and procedures of the Corporation, including, without limitation, any damage or injury whatsoever to any employee or other Person or property arising out of the activities of MultiGest under this Agreement, but the indemnity provided under this Section shall not extend to:

- (a) any willful breach by MultiGest or any of its employees, agents, subcontractors or other Persons for whom it is legally responsible, of any of the terms and provisions of this Agreement;
- (b) any action taken by MultiGest or any of its employees, agents, subcontractors or other Persons for whom it is legally responsible, contrary to the direction of the Corporation pursuant to this Agreement; or
- (c) the fraud, willful misconduct, willful violation of applicable laws, willful breach of fiduciary duty, gross negligence or wrongful act or wrongful omission by MultiGest or any of its employees, agents, subcontractors or other Persons for whom it is legally responsible.

### **8.2 Indemnity by MultiGest**

- (a) During and after the termination of this Agreement, MultiGest shall indemnify and save the Corporation and any of its directors, officers, employees, agents, subcontractors or other Persons for whom it is legally responsible, harmless in respect of any action, cause of action, suit, debt, cost, expense, claim or demand whatsoever, at law or in equity, arising:
  - (i) by way of any willful breach by MultiGest or any of its employees, agents, subcontractors or other Persons for whom it is legally responsible, of any of the terms and provisions of this Agreement;

- (ii) by reason of any action taken by MultiGest or any of its employees, agents, subcontractors or other Persons for whom it is legally responsible, contrary to the direction of the Corporation pursuant to this Agreement; or
- (iii) the fraud, wilful misconduct, wilful violation of applicable laws, willful breach of fiduciary duty, gross negligence or wrongful act or wrongful omission by MultiGest or any of its employees, agents, subcontractors or other Persons for whom it is legally responsible.

However, the indemnity provided under this Section 8.2 shall not extend to those matters in which the directors of the Corporation, knowing of a wilful breach, accept the benefits arising under a contract or commitment, nor shall it extend to any debt, cost, expense, claim or demand for which insurance proceeds are recovered by the Corporation.

- (b) Except as set out in subsection 8.2(a), MultiGest shall not be liable to the Corporation for:
  - (i) any loss, damage or expense caused by the Corporation through any insufficiency of income from, or any depreciation in the value of, any asset or personal property acquired by the Corporation or of the acquisition, retention or disposition of any such asset;
  - (ii) any loss, damage or expense arising out of any error in judgment;
  - (iii) any act or omission of MultiGest made in the course of or in connection with the exercise of the duties and responsibilities of MultiGest under this Agreement; or
  - (iv) for any other loss, damage or expense which may arise during or in the course of the performance of its obligations, responsibilities, powers, discretions or authorities under this Agreement.

### 8.3 Insurance

The Corporation shall, to the extent that it is available, carry directors' and officers' liability insurance in respect of any director, officer or employee of MultiGest who acts as a director and/or officer of the Corporation, in such amounts and for such periods as are consistent with industry practice.

## **ARTICLE NINE GENERAL**

### 9.1 Notices

All notices required or permitted by this Agreement shall be in writing and delivered by hand or sent by telecopy and e-mail on a Business Day to:

(a) MultiGest

MULTIGEST MANAGEMENT INC.  
1000 De La Gauchetière St. West  
Suite 2100  
Montréal, Québec H3B 4W5  
Attention: Mr. Claude Blanchet, President  
Fax: 514 393-3241  
E-mail: [blanchetclaud@hotmai.com](mailto:blanchetclaud@hotmai.com)

(b) The Corporation

1000 De La Gauchetière St. West  
Suite 2100  
Montréal, Québec H3B 4W5  
Attention: Pierre Laflamme, Chairman of the Board  
E-mail: [laflamme\\_p@videotron.ca](mailto:laflamme_p@videotron.ca)

or at such other address or fax number as a party may from time to time advise the other parties by notice in writing. The date of receipt of any such notice shall be deemed to be the date of delivery or telecopy thereof.

9.2 Further Assurances

Each party shall act in good faith in performing its obligations and exercising its rights herein and shall promptly do, make, execute or deliver, or cause to be done, made, executed or delivered, all such further acts, documents and things as the other party hereto may reasonably require from time to time for the purpose of giving effect to this Agreement and shall use reasonable commercial efforts and take all such steps as may be reasonably within its power to implement to their full extent the provisions of this Agreement.

9.3 No Assignment

Neither this Agreement nor any of the rights and obligations arising from it shall be assignable in whole or in part by the Corporation, except with the prior written consent of MultiGest acting reasonably.

Neither this Agreement nor any of the rights and obligations arising from it shall be assignable in whole or in part by MultiGest, except with the prior written approval of the Corporation acting reasonably.

9.4 Successors and Assigns

All of the terms and provisions of this Agreement shall be binding upon the parties hereto and their respective permitted successors and assigns.

#### 9.5 No Partnership

Each of the Corporation and MultiGest agrees and acknowledges that they are independent contractors and that it is not intended by entering into this Agreement to form a partnership of any nature whatsoever between them, nor is it intended by carrying out the terms hereof that they should be characterized as carrying on business in partnership. Each of the parties shall not take or omit to take any action whatsoever which might reasonably result in any Person believing that the parties are carrying on business in partnership and each of them shall cooperate to take all steps necessary and desirable to avoid the creation of such an impression of partnership. For all purposes of this Agreement, MultiGest shall be an independent contractor.

#### 9.6 Limitation of Liability

The parties hereto acknowledge that this Agreement shall be conclusively taken to have been executed by, or by officers of the Corporation on behalf of, the directors only in their capacity as directors of the Corporation and the obligations created hereunder are not personally binding upon, nor shall resort be had to, nor shall recourse or satisfaction be sought from, the private property of any director or officer of the Corporation.

#### 9.7 Confidentiality

All information relating to the Corporation which is not generally disclosed to the public received by MultiGest pursuant to this Agreement shall be kept confidential and may not be used by MultiGest or disclosed by MultiGest to any other Person except with the consent of the Corporation. Notwithstanding the foregoing, MultiGest may disclose all information obtained to the extent MultiGest is required to disclose such information in legal proceedings among the parties or to the extent such information is in the public domain, not through a breach of this covenant by the Corporation.

#### 9.8 Counterparts

This Agreement may be executed in any number of counterparts (by facsimile or otherwise), each of which shall be deemed to be an original and all of which, when taken together, shall be deemed to constitute one and the same instrument. It shall not be necessary in making proof of this Agreement to produce more than one counterpart.

#### 9.9 Language clause

The parties declare that they have required that this Agreement and any related documents be drawn in the English language only. *Les parties aux présentes déclarent qu'elles ont exigé que cette convention et tous les autres documents s'y rattachant soient rédigés en langue anglaise seulement.*

**THE SIGNATURES APPEAR ON THE NEXT PAGE**

IN WITNESS WHEREOF the parties have duly executed this Agreement as of the date first above written.

**CAPITAL BLF INC.**

By: (s) Pierre Laflamme  
Name: Pierre Laflamme  
Title: Director

By: (s) Dino Fuoco  
Name: Dino Fuoco  
Title: Director

**MULTIGEST MANAGEMENT INC.**

By: (s) Claude Blanchet  
Name: Claude Blanchet  
Title: Director and President

By: (s) Pierre L. Martel  
Name: Pierre L. Martel  
Title: Director and Secretary

## **SCHEDULE A**

MultiGest will provide to the Corporation the following advisory, asset management and administrative services, subject to the overriding supervision and direction of the directors of the Corporation:

- providing the services of the Executives as provided in the Agreement to which this Schedule “A” is attached;
- managing day-to-day operations of the Corporation;
- preparing or overseeing the preparation of annual budgets and business plans for presentation to the directors for approval and monitoring the Corporation’s financial performance;
- maintaining the books and financial records of the Corporation and preparing reports and other disclosure documents for directors and Shareholders;
- advising the directors on strategic matters relating to properties, potential acquisitions, dispositions and development, and Share value maximization;
- structuring and negotiating acquisition, disposition, corporate financing and other transactions and managing due diligence in connection therewith;
- keeping informed on behalf of the Corporation in respect of the property of the Corporation and its Subsidiaries;
- providing advice and assistance in connection with the Corporation’s borrowings, raising of capital and issuance of securities, including representing the Corporation in its dealings with banks and other lenders, investment dealers, institutions and investors;
- conducting day-to-day relations on behalf of the Corporation with third parties, including property managers, suppliers, joint venturers, lenders, brokers, consultants, advisors, accountants, lawyers, insurers and appraisers;
- preparing designations, allocations, elections and determinations to be made in connection with the income and capital gains of the Corporation for tax and accounting purposes;
- consulting with the Corporation for the purposes of the Corporation managing its investor relations activities;
- consulting with the Corporation for the purpose of the Corporation’s regulatory compliance, including making all required filings;
- preparing all reports reasonably requested by the Corporation, including operational reporting; executive summaries by asset type outlining asset issues along with various other matters; and development reporting costs;
- negotiating all property insurances in respect with Schedule B.

## **SCHEDULE B**

### **INSURANCE**

- 1.1 Unless the parties otherwise agree in writing, the following provisions concerning insurance apply and the insurance described below must be subscribed for and maintained in force throughout the term of this Agreement, including any renewal term, by MultiGest on behalf of the Corporation:
  - 1.1.1 an all-risk insurance policy, with replacement value of the Property, covering all losses or damages caused by fire, smoke, wind, storms, hail, fog, explosion, riots, airplane crashes, floods, earthquakes and all other risks ordinarily covered by an “all risk” rider;
  - 1.1.2 a boiler insurance policy including insurance for pressure vessels not exposed to flames and insurance for air-conditioning systems, if such is required, said insurance to cover costs or repairs at replacement value in all cases;
  - 1.1.3 a rental revenue insurance policy for an amount and a period to be determined by the Corporation; as the case may be;
  - 1.1.4 a general civil liability insurance policy for bodily harm and property damage with comprehensive coverage of at least five million dollars (\$5,000,000) or for all other amounts to be determined by the Corporation;
  - 1.1.5 any other insurance policy that is ordinarily obtained in relation to a well-managed immovable of the same type, age, category and location and such other policies as mortgage creditors of the Property may require.

All insurance policies mentioned above must be issued by companies acceptable to the Corporation and certificates of Insurance must be sent to the Corporation; upon request by the Corporation, a certified copy of insurance contracts shall also be sent to the Corporation.
- 1.2 If applicable, the insurance premiums shall be considered to be part of the operating expenses of the Property.
- 1.3 All insurance policies mentioned above must acknowledge the interest of the parties to this Agreement in the capacity of insured and must provide for a notice of at least thirty (30) days to be given by the insurer before any such policy may be cancelled or insurance coverage terminated or reduced.
- 1.4 MultiGest must, at the appropriate time, call for tenders with respect to obtaining or renewing said insurance policies.
- 1.5 In the event of the renewal of insurance policies:
  - 1.5.1 receipts attesting to the payment of insurance premiums must be remitted to the Corporation; however the Corporation may instead accept written confirmation by an insurer or its authorized representative attesting to the renewal of the insurance in question;

- 1.5.2 all insurance policies must respect the terms of agreements with secured creditors, if any, and must contain a clause to the effect that the insurance shall not be cancelled or modified unless the insurer in question provides prior written notice of at least thirty (30) days to the secured creditor(s), if any, as well as to the Corporation.
- 1.6 Any insurance indemnity shall be used in the manner considered appropriate by the Corporation but considering all obligations towards the lender.
- 1.7 Notwithstanding any provision in this Agreement, MultiGest will not be held responsible towards the Corporation in any circumstances for any cost, amount or value of any loss or damage to the Property or to its content, if MultiGest has complied to the present Schedule B and has taken all required insurance policies.