

AGREEMENT

THIS AGREEMENT made this ____ day of _____, _____.

BETWEEN:

MANAGEMENT COMPANY, a body corporate
with head offices at _____,
(hereinafter called "Managementco")

OF THE FIRST PART

- and -

OWNER, a body corporate
with head offices at _____,

OF THE SECOND PART

WHEREAS:

1. Managementco is a Hospitality Industry Management & Development Company with experience in real estate, business development, business management and business operations of hotels, motels, resorts, restaurants and pubs;
2. Owner is the owner of a hotel located at _____ which is commonly known as the _____ (hereinafter called the "Business");
3. Owner is desirous of engaging Managementco to provide the business of Business Development, Business Management and Business Operations Services;

THEREFORE, in consideration of the mutual covenants set forth in this Agreement and for other good and valuable consideration, the parties hereto agree as follows:

1. Definitions

For the purpose of this Agreement, the following terms shall have the definitions described below:

- (a) "Gross Revenue" includes all revenue and income of any kind derived directly or indirectly from the operation of the Business excluding applicable excise, sales, and other taxes, or similar government charges collected directly from patrons or guests;
- (b) "Net Profit" means gross revenue less expenses including all non-operations expenses associated with the Business;
- (c) "Operating Income" means gross revenue less all expenses incurred by or on account of the operations of the Business excluding all non-operating expenses, insurance, property tax, business tax, interest and principal payments to mortgage and depreciation, capital expenditures, business income tax and any management company incentive bonuses.

2. Term

This Agreement shall commence on the ____ day of _____, _____ and shall continue thereafter for a period of ____ years from the aforesaid commencement date to the ____ day of _____, _____, unless terminated earlier in accordance with the provisions as herein set forth.

3. Managementco's Duties

- (a) Managementco agrees to provide on no less than a monthly basis during the term of this Agreement, a representative of Managementco to personally attend the Business for a period of ___ days wherein amongst other things the representative will:
- (i) review and report financial status;
 - (ii) audit service levels;
 - (iii) inspect physical plant maintenance;
 - (iv) discuss difficulties and problems, if any, with the business management of the said Business (the "Manager") and provide advice and assistance.
- (b) Managementco agrees to hire on behalf of and as employees of the Owner, all personnel necessary for the skilled and efficient operation of the Business.
- (c) Managementco agrees to negotiate union contracts and union issues as they arise from time to time on behalf of the Owner.
- (d) Managementco agrees to provide, not later than _____ of each operating year, a business plan (the "Business Plan") for the ensuing year which will include:
- (i) Current Year Financial Projection for the year;
 - (ii) Ensuing Year Financial Projection for the year (hereinafter called the "Budget");
 - (iii) a Cash Flow Forecast for the ensuing year;
 - (iv) a Sales and Marketing Action Plan (hereinafter called the "Marketing Plan");
 - (v) a Capital Plan for Maintenance and Development of the Business;
 - (vi) A Five Year Financial Plan.

Prior to _____ of each operating year, Managementco will make available as much time as reasonably required to review the Business Plan with the Owner and to revise the Business Plan accordingly where necessary. Prior to _____ of each year, Managementco shall provide a final Business Plan. The Owner, upon receipt of the final Business Plan shall, within _____ days, approve the Business Plan in writing. In the event that Managementco does not receive this written approval within ___ days, Managementco shall proceed as if the Business Plan had been approved. In the event that the Owner does not approve the Business Plan at this time, either party may institute the arbitration process set out in Paragraph 10 of this Agreement. It is understood between the parties that any forecast of revenues and expenditures are subject to uncertainty and may be affected by changes in economic and other conditions beyond Managementco's control. The Owner acknowledges that Managementco makes no warranties to the performance projected in the forecasts provided.

- (e) Managementco agrees to establish and maintain accounting systems and records reflecting the financial operation of the Business, including recording and controlling the receipts of all revenues from any and all sources related to the Business and the expenditures and disbursements in connection therewith. On or before the _____ day following a month end, Managementco shall provide a categorized financial report for the previous accounting period, setting forth the income and expenditure of the Business and its operations. The financial report shall contain an explanation of any variance to the Business Plan, and a commentary entitled "Initiatives and Actions Arising From" which shall outline Managementco's proposed actions to improve the performance of the Business. As these activities may be subsequent to and significantly different than the activities identified and approved by the Owner in the Business Plan, it is understood that should the Owner fail to provide Managementco with notice of any disagreement to these proposed actions within _____ days of the issuance of the report, Managementco shall consider the proposed actions to have been approved by the Owner for implementation.

THIS IS AN 8-PAGE AGREEMENT.