

PROJECT DEVELOPMENT AGREEMENT

THIS AGREEMENT made effective as of the ____ day of _____, _____.

BETWEEN:

[OWNER]

a company incorporated under the laws of [jurisdiction],
and having an office at the City of [city], [state/province]
(the "Owner")

OF THE FIRST PART

- and -

[DEVELOPER]

a company incorporated under the laws of [jurisdiction],
and having an office at the City of [city], [state/province]
(the "Developer")

OF THE SECOND PART

WHEREAS:

- A.** The Owner was incorporated for the purposes of constructing a commercial and retail project on the Lands described on Schedule "A" hereto;
- B.** The Developer is experienced in the co-ordination and supervision of the construction of such projects, and the Owner wishes to engage the Developer to provide such co-ordination and supervision.

NOW THEREFORE THIS AGREEMENT WITNESSES that in consideration of the mutual covenants and agreements contained in this Agreement and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the parties, the parties hereby agree as follows:

1. DEFINITIONS

In this Agreement unless there is something in the context or subject matter inconsistent therewith:

- (a) "Architect" means [architects] or any successor thereto engaged with respect to the Project who shall be a member in good standing of the [architects' governing body] and engaged in the practice of architecture;
- (b) "Completion Date" means the date when:
 - (i) the Architect for the Project has certified that work on the Project is substantially complete; and

- (ii) the City of [city] has issued a building occupancy permit certifying the Project as being available for occupancy for the commencement of construction of tenants' leasehold improvements;
- (c) "Developer" means [Developer];
- (d) "Development Budget" has the meaning ascribed to it in Clause 10 of this Agreement;
- (e) "Ground Lease" means a lease dated the _____ day of _____, _____ whereby the Owner leased the Lands from [Owner], as amended from time to time;
- (f) "Lands" means the lands described in Schedule "A" hereto, which lands are held by the Owner as lessee under the Ground Lease;
- (g) "Management Committee" means the Management Committee established pursuant to the Management Agreement dated the _____ day of _____, _____;
- (h) "Owner" means the Owner;
- (i) "Project" means the first class commercial building to be developed, constructed, leased and operated on the Lands by the Owner;
- (j) "Services" means the total services required to be performed herein by the Developer pursuant hereto in connection with the development, construction and leasing of the Project.

2. PERFORMANCE OF THE SERVICES

The Owner hereby engages the Developer as construction and development manager of the Project to perform the Services and the Developer hereby undertakes and agrees to perform the Services on behalf of the Owner and fulfil all of the obligations of the Developer pursuant to this Agreement, such engagement to continue until the later of:

- (a) the Completion Date; and
- (b) the date of completion of the leasing of all of the Project; provided that it is acknowledged and agreed that this sub-clause 2(b) shall be deemed to be satisfied upon the Developer securing binding lease commitments for space totaling ninety-five (95%) percent of the net rentable space in the Project;

provided that this Agreement is subject to earlier termination by the Owner pursuant to Clause 15 of this Agreement.

3. OUTLINE OF SERVICES

The Developer agrees to perform the following services on behalf of the Owner in accordance with the terms of this Agreement:

- (a) negotiate, on behalf of the Owner and for the account of the Owner, such architectural contracts, engineering contracts, construction contracts or sub-contracts or orders for the supply of labour or materials as may be required for the development, construction and leasing of the Project;
- (b) negotiate, on behalf of the Owner and for the account of the Owner, such other contracts as may be required for the development, construction and leasing of the Project;
- (c) apply, on behalf of the Owner and for the account of the Owner, to all governmental and municipal authorities for all necessary permits, licences, authorizations and approvals whatsoever required to be obtained by the Owner for the Project;
- (d) negotiate, on behalf of the Owner and for the account of the Owner, with lenders for interim and permanent financing for the Project;
- (e) plan, manage and co-ordinate the construction and leasing of the Project on behalf of the Owner;
- (f) co-ordinate pre-occupancy advertising and leasing of the Project, and negotiate and arrange for execution of offers to lease and leases of the Project or any parts thereof on behalf of the Owner;
- (g) establish, supervise and control on behalf of the Owner a system for handling and receiving all revenues received from the financing of the construction of the Project and paying therefrom all appropriate liabilities of the Owner relating to the Project;
- (h) maintain books of account concerning the construction and leasing of the Project on behalf of the Owner, which books shall be available for inspection at all reasonable times by the Owner;
- (i) arrange for insurance of the Project on behalf and for the account of the Owner;
- (j) generally to perform such acts and things as may be reasonably required on behalf of the Owner and for the account of the Owner to develop, construct and lease the Project and as may be necessary or desirable for the full and complete development, construction and leasing thereof.

THIS IS A 10-PAGE DOCUMENT.