

PROPERTY MANAGEMENT
AGREEMENT
(Apartment Buildings)

THIS AGREEMENT made this (May 27 2008), AD 2008.

BETWEEN: MILLIGAN REALTY LTD.
Of the City of Edmonton, in the
Province of Alberta, hereinafter
Called "The Agent"
OF THE FIRST PART

-AND-

(Areal Investment Limited)
Of the City of Edmonton, hereinafter
Called "The Owner"
OF THE SECOND PART

WHEREAS the Owner is the registered owner or is entitled to become the registered owner of the property municipally know as, (property address), in the City of Edmonton, hereinafter called "The Owner's Property".

AND WHEREAS the Owner has agreed to engage the Agent as its exclusive agent to manage the Owner's Property.

WITNESSED THAT in consideration of the covenants and agreements herein contained and the payments to be made as herein provided, the Owner and the Agent agree as follows:

1. The Owner hereby engages the Agent on an exclusive basis to rent, operate and manage the Owners' Property, on the terms herein contained, effective from the (September 1 2008), (Hereinafter called "the commencement date").
2. This agreement shall remain in effect for a period of (12) Twelve months/ year from the commencement date (hereinafter called the initial term) and shall thereafter be automatically extended from term to term, unless at least thirty (30) days prior to the expiration of the initial term, or at least thirty (30) days prior to the expiration of any extension thereof, notice of intention to terminate on the next ensuing anniversary of the commencement date is given in writing by one party to the other, in which case this Agreement shall terminate on the next ensuing anniversary. Excepting, however, the parties agree that this CONTRACT shall remain in full force and effect so long as

any tenant placed in said property by the COMPANY shall remain in possession thereof.

3. The Owner covenants and agrees to pay to the Agent, during the term of this Agreement, as a fee for the services as herein provided:

a) A sum equal to (5%) percentage of the gross receipts collected from rentals and other moneys (but not including security deposits) which are received for or in connection with the use of the Owner's Property.

b) It is further understood that in the event that the agent and the owner agree to pursue legal action, against outstanding monies owed by tenants, additional agents fees may be charged. Fees to be discussed and agreed upon prior to proceeding.

C) All tenant late fees and penalties fees are payable to Agent.

4. The Agent hereby agrees that throughout the term of this Agreement and all extensions thereof, it will provide the following services for the Owner:

a) Use its best efforts to obtain carefully selected tenants from time to time as vacancies occur, to negotiate the rent, the duration, the terms and conditions of all leases and renewals thereof, provided that no lease of the Owner's property shall extend for more than one year without the Owner's written consent.

b) Collect rent on behalf of the Owner in accordance with the signed Rental Agreement, for deposit to a Client's Trust Account separate from the Agent's own account.

c) Collect security deposits on behalf of the Owner and negotiate the refundable amount payable the outgoing tenant. All security deposits to be held in separate trust account (under Alberta Residential Tenancy Act).

d) Prepare and mail to the Owner monthly, a statement of cash receipts and disbursements.

e) Keep up, repair and maintain or cause to be kept up, repaired and maintained those parts of the Owner's property which require upkeep, repair and maintenance by the Owner.

f) Pay from gross receipts derived from rental of the Owner's property all accounts properly incurred by or on behalf of the Owner. The Agent shall only be obligated to make such payments to the extent that the gross receipts, less payment made to the Agent in accordance with paragraph three (3) hereof, are

available for this purpose. In the event that funds are insufficient for the foregoing purposes, the Owner agrees that after receipt of written demand from the Agent, to advance to the Agent the amount of such deficiency. The agent has the right to charge interest of 12% per annum on any monies the Agent has advanced to the owners trust account.

g) The Owner shall arrange and/or renew adequate insurance coverage for the Owner's property and provide the Agent a copy of the same.

h) Inspect Owner's property, inside and out, for incoming and outgoing tenants and assess, charge for and collect from outgoing tenants any charges for repairs, cleaning or damages of any kind that are the responsibility of the outgoing tenants.

i) Inspect property periodically during occupancy to ensure proper care of Owner's property.

j) Evaluate and report to Owner necessary major repairs, maintenance or renovations.

k) Handle all tenant complaints and ensure anonymity of Owner with regard to tenants.

l) Permit the Owner or its duly authorized Agent at any time during the Agent's regular office hours, but not more frequently than once per month, to have access to and examine all vouchers and record in the possession of the Agent pertaining to the management and administration of the Owner's property.

5. The parties hereto covenant and agree as follows:

a) The Owner agrees to pay or make arrangement for payment of all taxes, licenses, local improvement charges, assessments and other charges levied against his property as and when they come due and pay or make arrangements for payment of any mortgage, charge or security granted in respect of the Owner's property.

b) The Agent agrees to deposit each month into a bank account, trust company or credit union account or any other designated depository of the Owner, as and when rentals from tenants are received, the amount of such rent less the accumulated total of the following amounts:

(i) Agent's fees as per paragraph three (3) of the Agreement

(ii) Any disbursements necessarily and reasonably made in carrying out the duties of the Agent as specified in paragraph four (4) of the Agreement.

(iii) An amount each month required to maintain a balance in the Client's Trust Account, to the credit of the Owner, of \$2000 Thousand(\$2000.00) Dollars, which the Agent may require from time to time to pay accounts and handle emergencies.

c) The Owner shall indemnify and save harmless the Agent from and against all claims and demands, loss, costs (including legal costs on a solicitor - and - client basis) damages, actions, suits, or other proceedings by whomsoever made, brought or prosecuted in any manner based upon, occasioned by, or attributable to any death, damage, injury or infringement attributable to the Agent, its servants or agents, except in the case of gross negligence on the part the Agent, it's servants or Agents.

d) Goods and valuables of any kind and nature belonging to the Owner and left by the Owner in the Owner's property, whether for the use of the tenant or not, are left therein solely and completely at the risk of the Owner, Agent accepts no responsibility whatsoever for any damage, destruction or theft of such goods and valuables belonging to the Owner.

e) The agent warrants that any and all of its employees, servants or agents dealing in the funds collected for or on behalf of the Owner are bonded by a recognized bonding institution and the Agent shall, on written request, provide to the Owner proof of such bond.

f) Rentals charged by the Agent for all rental units in the Owner's property shall be subject to the prior approval of the Owner, provided however, that should the Owner for any reason not be available to provide such approval, that the Agent is empowered to set the rental in its best judgment.

6. Notices to the Owner shall be sent by single registered mail addressed to the Owner at: 9TH Floor Milner Building, Edmonton or at such other address as the Owner shall designate in writing. All notices to the Agent shall be sent be single registered mail addressed to the Agent at 7308 Delwood Road, Edmonton, Alberta, T5C 3A7, or at such address, as the Agent shall designate in writing. The date of receipt of any such notice shall be deemed to be seventy two (72) hours after such mailing.

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

8. Re Sale of the Property:

Should the owners decide to sell the property or list with a firm other than Milligan Realty Ltd. the owner will pay Milligan Realty Ltd, **till the end of the term of the contract, or 3

months, whichever is greater.

**If the property is listed and sold through Milligan Realty Ltd., this clause does not apply.

IN WITNESS WHEREOF, the individual parties hereto have there under affixed their respective hand and seals and the Corporate parties hereto have affixed their Corporate seals duly attested by their proper officers authorized in that behalf all as of the day and year first above written.

Signed this _____ day of _____ 2008.

**SIGNED, SEALED AND DELIVERED
IN THE PRESENCE OF:**

Witness

OWNER: Areal Investments Limited

Per: _____

Per: _____

MILLIGAN REALTY LTD.

Per: _____

Sandra Milligan