

HUGO PACIFIC COMMERCIAL CENTRE

GENERAL TERMS AND CONDITIONS OF BUSINESS SERVICES

ACCEPTANCE OF TERMS

Welcome to HUGO PACIFIC COMMERCIAL CENTRE ("HUGO"). HUGO is pleased to provide its **Flexible Virtual Office Services** (the "HUGO Business Services") as selected by you (the "Client") as set out herein under the General Terms and Conditions of HUGO Business Services ("Agreement"), which may be updated by us from time to time.

HUGO BUSINESS SERVICES

1.1 For any mail received by HUGO (addressed to the Client), HUGO shall (at HUGO's sole discretion) either **(a)** arrange for the collection of such mail by the Client, or **(b)** post such mail to the Client at the HUGO Office Location or (such other single Canadian postal address as shall have been notified by the Client to HUGO). In the event that HUGO receives more than twenty (20) items of mail per day on behalf of the Client, the Client shall then pay an automatic handling fee of twenty percent 20% of HUGO postage costs (the "HUGO Handling Fee") or minimum charge at current rate.

1.2 HUGO shall provide the Client with a specific dedicated telephone number, either with divert, mailbox or personalized telephone answering service. If the Client requires additional lines (and HUGO consents to same) a further monthly fee for each additional line shall be required.

1.3 HUGO where required shall forward calls to the Client at the telephone numbers nominated by the Client which is entitled to up to three (3) numbers. Each additional active Client contact will require further payment and will include up to three (3) numbers and optional voicemail.

2. The transmission of mail and messages shall be made between the hours of 9:30am and 5:30pm weekdays (other than weekends and Ontario statutory holidays) and shall be charged at HUGO's then current rate.

3.1 HUGO will for the period of this Agreement, provide such secretarial, catering and other business services as offered by HUGO between the hours of 9:30am and 5:30pm weekdays (excluding weekends and Ontario statutory holidays) as requested by the Client, subject to availability and charged at HUGO's then current rate and the services referred to in this Clause 3.1 (hereinafter collectively referred to as "the Optional Additional Services").

3.2 The Optional Additional Services may be reserved in advance by the Client subject to availability but HUGO does not guarantee that the Optional Additional Services will be available to the Client.

4. Boardroom, Meeting Room, Temporary Office Suite (the "HUGO Conference Rooms") form part of the HUGO Business Services. When the Client makes use of the HUGO Conference Rooms, the Client agrees that:

- (a) HUGO Conference Rooms shall be used for general office purposes only;
- (b) Client shall maintain the HUGO Conference Rooms in their existing condition and shall notify HUGO immediately of any damage caused by the Client and the Client's employees and visitors;
- (c) Client shall be liable for all damage caused by the Client and the Client's employees and visitors;
- (d) Common areas of the HUGO Office Location will only be used in such a way as to have regard to the rights and interests of other users;
- (e) No animals shall be brought into the HUGO Conference Rooms;
- (f) The HUGO Conference Rooms are hired on an exclusive basis subject to room type availability;
- (g) HUGO will not be liable for any claim, loss or damage sustained by the Client as a result of HUGO failing to provide meeting rooms or additional services, to include availability of audio, visual and overhead equipment, if any, beyond their reasonable control. HUGO will under no circumstances be liable for any consequential loss, loss of profit or business suffered by the Client.
- (h) HUGO will be indemnified against any claims, liability or loss arising from any breach of this Agreement by the Client or from negligence or omission by the Client. In the event of any cancellation by a Client, HUGO should be informed in writing VIA EMAIL or FAX but will reserve the right to apply charges and any other expenses incurred.
- (i) Cancellations (which will be acknowledged by email) must be made by post or email. Cancellations received more than **48** hours prior to hire period full refund; cancellations received between **24** and **48** hours prior to hire period 25% refund, and cancellations received less than **24** hours prior to hire period no refund.

PAYMENT

5. For the period of this Agreement, the Client will pay to HUGO (in Canadian currency) the HUGO Business Services charges and refundable security deposit, if any, in advance plus HST on such fees (the "Security Deposit").

5.1 Subscription fees are payable in advance. The deposit and set up fee are charged and paid with the initial payment.

5.2 All charges are payable by the 1st of the month following the date of invoice. HUGO reserves the right to terminate the service if payment has not been received within the agreed time. A charge of CAD \$50.00 will be levied for resumption of services.

6.1 The Client has paid to HUGO the Security Deposit which shall be returned to the Client only once all outstanding amounts have been paid and cleared without any interest subject only to the deduction and allowance from the deposit of all such sums as are properly due to HUGO.

6.2 If the cost of the monthly Optional Additional Services provided to the Client by HUGO from time to time exceeds 50% of the said deposit if required by HUGO the Client shall increase the said deposit up to 50% of such sum on demand.

7.1 The Client will reimburse HUGO for all sums of money expended and charges made at the then current rate by HUGO in respect of the provision of the HUGO Business Services pursuant to this Agreement.

7.2 If payment is not made within seven (7) calendar days of the due date HUGO shall be entitled to interest on the sum due at 2% of a late fee of the HUGO Service Fee.

8.1 In the event of the Client failing to discharge his liability to HUGO for the services provided by HUGO within seven (7) calendar days of such payment becoming due, HUGO shall be entitled (i) to retain any correspondence addressed to the Client and telephone and fax messages intended for the Client until the Client makes the payment owing to HUGO (ii) to exclude the Client from further use of any services facilities and equipment until all outstanding sums are paid and (iii) forthwith to terminate this Agreement.

8.2 SECURITY DEPOSIT. In the event that Client may have unsupervised access to the HUGO Office Location, HUGO has the right and Client consents hereto, to conduct a background and credit check on the Client and/or any person occupying the HUGO Office Location. Upon the execution of this Agreement, Client shall pay HUGO or its agent the Security Deposit in the amount set forth in Section 5 of this Agreement. The Security Deposit need not be kept separate and apart from any other funds and accounts kept by HUGO and may be commingled with same. No interest shall be paid there on. The Security Deposit may be used by HUGO to provide HUGO Business Services and Additional Optional Services under this Agreement and will be used to offset any unpaid bills owed by Client at the expiration of the selected Term to remedy any clause of this Agreement in which Client is in default, to clean the carpet and to repair and repaint the walls of the HUGO Office Location, and to repair any damage caused by Client to furniture and/or or equipment in HUGO Office Location. Client will pay an amount equal to one month HUGO Service Fee (excluding taxes), as defined herein, to HUGO upon the execution of this Agreement. Client agrees that the Security Deposit shall not be used by Client as payment for the HUGO Service Fee for the last month of the term. In the event Client defaults in the performance of any of the terms hereof, HUGO may terminate this Agreement and the license herein granted and may also use,

apply or retain the whole, or any part of the Security Deposit for the payment of any HUGO Service Fee or any other payment due hereunder, or for payment of any other sum which HUGO may spend by reason of Client's default. If Client shall, at the end of the term of this Agreement, have fully and faithfully complied with all of the terms and provisions of this Agreement, and surrendered all keys, access cards And/or building passes (if applicable), the Security Deposit, or any balance thereof, shall be returned to Client within sixty (60) days thereafter. No refunds to the Client will be made until all amounts owed to HUGO are paid in full.

8.3 RENEWALS AND DURATION OF AGREEMENT. Upon the End of Initial Term, or any extension thereof, the term of this Agreement and the license herein granted shall be automatically extended for the same period of time as the Initial Term, upon the same terms and conditions as contained herein, unless either party gives notice to the other in writing to the contrary at least thirty (30) days prior to the End of Initial Term. The HUGO Service Fee and shall be due for the entire month, and there will be no prorating for a partial month of use.

9. DEFAULT. Each of the following events shall be an "Event of Default" under this Agreement:

(i) Client shall fail to pay the full amount of the HUGO Service Fee or any other sum payable by Client under this Agreement for HUGO Business Services on or before the date upon which the same shall first become due; (ii) any two (2) of Client's checks for the payment of the HUGO Service Fee or any other sum payable by Client under this Agreement for HUGO Business Services shall be returned for any reason within a six (6) month period, irrespective of any additional charge paid by Client; (iii) the filing of a voluntary petition in bankruptcy or insolvency or any adjudication or receiving order that the Client is bankrupt or insolvent, (iv) or Client commits a material breach of this Agreement and does not correct such breach.

HUGO'S RIGHTS AND RESPONSIBILITIES

10. HUGO will use all reasonable endeavors to ensure accurate and expeditious handling of communications for the Client but no responsibility shall attach to HUGO or its staff or agents for any injuries damage or loss howsoever arising or to whomsoever caused.

11. HUGO shall have no liability to the Client in respect of any act omission neglect delay or default by any of HUGO'S staff or agents and whether in contract or in tort.

12. In the event of any parcel chattel packet or other object other than mail addressed to the Client being delivered at the HUGO Office Location HUGO will cease to bear responsibility for holding such items in the event that the client or sender fail to remove such items within one (1) month of receiving notice from HUGO of receipt of such item.

13. HUGO will not accept, by post or by messenger, any items we consider to be unreasonable or unlawful.

14. Subject to Clause 3.2 above HUGO will use reasonable endeavors to provide the Optional Additional Services

15. HUGO agrees to maintain strict client confidentiality and will not reveal to any third party any information concerning the Client, its employees or its clients which may come to our attention during the course of this contract. Any information entrusted to HUGO will be maintained in the strictest confidence without limit during the term of the contract and after the contract has been terminated. Please note however that if requested to do so, HUGO will always make client records available to the relevant authorities should they properly so request.

16. For reasons of security HUGO reserves the right to open any incoming mail, and to photocopy and keep it on confidential files prior to forwarding or collection. Your signature on this contract is your approval for all mail to be opened.

CLIENT'S RIGHTS AND RESPONSIBILITIES

17. The Client shall be entitled to receive the services subject to these Terms and Conditions

18. The Client's obligations are to pay the HUGO Service Fee and the costs of all other services provided on the due dates and to perform all of the obligations on the part of the Client contained in this Agreement.

19. The Client will fully indemnify HUGO against any expenses cost claims damages or penalties incurred by HUGO in connection with this Agreement howsoever occasioned.

20. The Client will not send or deliver or cause to be sent or delivered to the HUGO Office Location any noxious harmful dangerous live perishable or bulky objects.

21. The Client will not carry on any business which could be construed by HUGO as illegal defamatory immoral or obscene and will not use the Location whether directly or indirectly for any such purpose

22. HUGO in its absolute discretion shall be entitled to (i) destroy any mail or messages not collected or forwarded in accordance with these Terms and Conditions and (ii) refuse to accept any quantity of items which HUGO considers unreasonable.

DURATION AND TERMINATION

23. This Agreement shall have a minimum of three month period and then (subject to HUGO'S rights of determination in accordance with this Agreement) continue until determined by one calendar month's notice by either party to the other as set out herein.

24. In the event of the Client being in breach of any of the conditions of this Agreement HUGO shall be entitled to terminate this Agreement immediately by sending written notice of termination to the Client

GENERAL

25. Any notice given by either party shall be in writing and shall be deemed sufficiently served

(i) in the case of notice to HUGO at the HUGO Office Location or such other address or shall have been notified by HUGO for the receipt of notices and (ii) in the case of notice to the Client at the address shown above or such other address as shall have been notified by the Client to HUGO for the receipt of notices.

26. Any notice sent by post should be deemed received by the addressee in the normal course of posting.

27. Any notice sent by fax or email should be deemed received by the addressee only when receipt is confirmed by the addressee to the sender.

28. This Agreement is personal to the Client and is not capable of assignment.

29. This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario.

30. The performance of this Agreement is subject to termination without liability upon the occurrence of any circumstance beyond the control of either party such as acts of God, war, terrorism, government regulations, disaster, strikes (except those involving the employees or agents of the party seeking the protection of this clause), civil disorder, or curtailment of transportation facilities to the extent that such circumstance makes it illegal or impossible to provide or use HUGO Business Services.

INDEMNITY

31. You agree to indemnify and hold HUGO and its subsidiaries, affiliates, officers, employees, agents, and affiliates harmless from any claim or demand, including all reasonable legal fees, made by any third party due to or arising out of the HUGO Business Services. .

JURISDICTIONAL ISSUES

32. HUGO Business Services are operated by **1656958 Ontario Inc. o/a HUGO PACIFIC COMMERCIAL CENTRE** from its offices within the Province of Ontario, Canada. Client agrees that any claim relating to the HUGO Business Services shall be governed exclusively by the laws of the Province of Ontario, Canada, without regard to its conflict of law provisions as applied to agreements entered into and completely performed in Ontario.

33. GENERAL PROVISIONS

Headings. Headings herein are for convenience only and shall not affect the interpretation or construction of this Agreement.

Severability. If any provision of this agreement shall be unlawful, void, or for any reason unenforceable, then that provision (or portion thereof as is deemed void, unlawful or unenforceable) shall be deemed severed from this agreement and shall not affect the validity and enforceability of any other portion of such provision, or the remaining provisions.

No Right of Survivorship and Non-Transferability. Client agrees that HUGO Business Services are non-transferable. Client agrees that there shall be no third party or other beneficiaries to this Agreement.

Further Assurances. You agree to use reasonable efforts to do, make, execute, deliver, or cause to be done, made, executed, or delivered, all such further acts, documents, and things as HUGO may reasonably require from time to time for the purpose of giving effect to this Agreement.

Complete Agreement. This Agreement and HUGO'S Privacy Policy, which is hereby incorporated as if set forth fully herein, represents the complete agreement between the parties.

IMPORTANT: THE CLIENT MUST READ THIS INFORMATION AND SIGN OVERLEAF

I confirm that I have read and understood the

HUGO PACIFIC COMMERCIAL CENTRE

General Terms & Conditions of Business Services (the "Agreement") and by signing on this document, the Client understands all terms and conditions above.

Name: _____

Sign: _____

Company: _____

Sign: _____

I have authority to bind the Company

Date: _____

PLEASE PRINT FORM, SIGN AND RETURN VIA FAX AT **289-333-0138** OR
EMAIL AT: info@markhamoffice.com