

TN5 LIMITED PARTNERSHIP

**AMENDED AND RESTATED
LIMITED PARTNERSHIP AGREEMENT**

CASELS BROCK & BLACKWELL LLP

June 27, 2014

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**AMENDED AND RESTATED
LIMITED PARTNERSHIP AGREEMENT OF
TN5 LIMITED PARTNERSHIP**

THIS AGREEMENT is made as of the 27th day of June, 2014.

A M O N G:

TRUE NORTH GENERAL PARTNER CORP., a corporation existing under the laws of the Province of Ontario

- and -

TRUE NORTH APARTMENT REAL ESTATE INVESTMENT TRUST, a trust existing under the laws of the Province of Ontario

- and -

Each Person who is admitted to the Partnership as a Limited Partner in accordance with the terms hereof following the date hereof

WHEREAS the Partnership (as defined below) was formed as a limited partnership under the laws of the Province of Ontario, pursuant to the Declaration (as defined below);

AND WHEREAS Mustang Kanco Trust, as the initial general partner, and PD Kanco LP, as the initial limited partner, entered into a limited partnership agreement dated as of June 10, 2014 (the "**Original Limited Partnership Agreement**");

AND WHEREAS the parties hereto wish to amend and restate the Original Limited Partnership Agreement by executing this Agreement (as defined below) to, among other things: (a) provide that the Partnership (as defined below) may issue an unlimited number of Class A LP Units (as defined below) and an unlimited number of Class B LP Units (as defined below) and to redeem the currently outstanding limited partnership units of the Partnership; and (b) approve the issuance of one (1) Class A LP Unit to the REIT (as defined below) on closing of the Acquisition (as defined below);

AND WHEREAS the parties hereto wish to confirm the transfer of the outstanding general partnership interest of the Partnership from Mustang Kanco Trust to the General Partner (as defined below);

AND WHEREAS the Partnership was formed for the purpose of holding, acquiring, investing and managing real estate and to carry out certain matters incidental thereto;

AND WHEREAS it is intended that the Partnership continue for the purpose of acquiring, holding, developing, maintaining, improving, leasing, managing or otherwise dealing with income-producing real property in Canada, the United States, and such other jurisdiction deemed appropriate by the Trustees (as defined below) which is being utilized or intended to be utilized for one of more of the following purposes: (i) multi-suite rental residential, (ii) rental condominium suites, (iii) town homes, and (iv) other residential purposes determined by the General Partner; as well as activities related or ancillary thereto, or engaging in any other business or undertaking whatsoever approved by the General Partner (the "**Business**") and not inconsistent with the provisions hereof;

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), the parties hereto agree as follows:

ARTICLE 1 INTERPRETATION

1.1 **Definitions**

In this Agreement and the recitals hereto, except where the context otherwise requires, all capitalized terms shall have the respective meanings assigned thereto below:

“**Acquisition**” means the acquisition by the REIT, pursuant to the Acquisition Agreement, of the Acquisition Properties;

“**Acquisition Agreement**” means the agreement of purchase and sale dated as of May 29, 2014 between D.D. Acquisitions Partnership, Mustang DDAP Partnership, Green-Starlight LP, Yellow-Starlight LP, Red-Starlight LP, PD Kanco LP, the REIT and the General Partner;

“**Acquisition Properties**” means the properties set out in Schedule “A” hereto;

“**Act**” means *Limited Partnerships Act* (Ontario) as the same may be replaced or amended from time to time;

“**Adverse Claim**” means any security interest, lien, mortgage, charge, pledge, assignment, title retention agreement, hypothec, encumbrance, ownership interest or other right or claim of any Person, other than any ownership interest or right in the Partnership;

“**Affiliate**” of a Person means any Person that would be deemed to be an affiliated entity of such Person within the meaning of National Instrument 45-106 – *Prospectus and Registration Exemptions*, as replaced or amended from time to time (including any successor rule or policy thereto), if the term “person” therein was as defined in this Agreement;

“**Agreement**” means this amended and restated limited partnership agreement, as the same may be further supplemented, amended or amended and restated from time to time, and the expressions “**hereof**”, “**herein**”, “**hereto**”, “**hereunder**”, “**hereby**” and similar expressions refer to this Agreement, and, unless otherwise indicated, references to articles and sections are to articles and sections in this Agreement;

“**Associate**” when used to indicate a relationship with a Person has the meaning ascribed thereto in the *Securities Act* (Ontario), as replaced or amended from time to time;

“**Assumption Agreement**” means the agreement of the Partnership to be entered into to assume the terms and conditions of the Exchange Agreement;

“**Auditors**” means any member in good standing of the Canadian Institute of Chartered Accountants appointed by the General Partner as the auditors of the Partnership from time to time in accordance with the provisions hereof and, initially, means KPMG LLP, Chartered Accountants;

“**Business**” has the meaning ascribed to it in the recitals to this Agreement;

“**Business Day**” means any day other than a Saturday, Sunday or statutory holiday in the Province of Ontario;

“**Capital Contribution**” means the capital contributed to the Partnership pursuant to the terms herein;

“**Cash Distribution**” has the meaning ascribed to it in Section 5.5;

“**Class A GP Units**” means the Class A, non-voting GP Units of the Partnership;

“**Class A LP Units**” means the Class A, voting LP Units of the Partnership;

“**Class B LP Units**” means the Class B, exchangeable, non-voting LP Units of the Partnership;

“**Closing**” means the closing of the Acquisition;

“**Closing Date**” means the date on which Closing occurred;

“**Confidential Information**” has the meaning ascribed to it in Section 11.2;

“**Control**” means as follows: a Person (first person) is considered to Control another Person (second person) if (i) the first person beneficially owns, or controls or directs, directly or indirectly, securities of the second person carrying votes which, if exercised, would entitle the first person to elect a majority of the directors (or trustees) of the second person, unless that first person holds the voting securities only to secure an obligation; (ii) the second person is a partnership, other than a limited partnership, and the first person holds more than 50% of the interests of the partnership; or (iii) the second person is a limited partnership and the general partner (or if there is more than one general partner, the managing general partner) of the limited partnership is the first person (or the person who Controls such general partner pursuant to clause (i) of this definition is the first person);

“**CPOA**” has the meaning ascribed to it in Section 6(d) of Schedule “B”;

“**damages**” means any loss, cost, liability, claim, interest, fine, penalty, assessment, damages available at law or in equity, expense (including actual, reasonable costs, fees and expenses of legal counsel on a full indemnity basis, without reduction for tariff rates or similar reductions and reasonable costs, fees and expenses of investigation) or diminution in value;

“**Declaration**” means the declaration of the Partnership filed pursuant to the Act on June 10, 2014, as the same was or may be amended, corrected or replaced from time to time;

“**Declaration of Trust**” means the amended and restated declaration of trust of the REIT made as of September 28, 2012, as amended, supplemented or amended and restated from time to time;

“**Departing General Partner**” means a former general partner of the Partnership;

“**Distributable Amount**” means, at a particular time, all the cash on hand of the Partnership that is derived from any source (other than receipt of any subscription proceeds for LP Units except in respect of a subscription for LP Units to fund a Shortfall pursuant to Section 5.8), and that is determined by the General Partner not to be required for use in connection with the Business; for greater certainty, cash required for Expenses, repayment of principal and interest on mortgages or

other indebtedness or as required for reserves for capital expenditures or other reserves, is required for use in connection with the Business and shall not form part of the Distributable Amount;

“Event of Default by the Partnership” means:

- (i) the occurrence of an Event of Insolvency in respect of the Partnership; or
- (ii) a material breach by the Partnership of the terms of this Agreement, if such material breach is not cured within thirty (30) days after receipt by the Partnership of written notice from the REIT with respect thereto;

“Event of Default by the General Partner” means a material breach by the General Partner of the terms of this Agreement, if such material breach is not cured within thirty (30) days after receipt by the General Partner of written notice from the REIT with respect thereto;

“Event of Insolvency” means any one or more of the following events in respect of any Partner or the Partnership:

- (i) if the Partner or the Partnership is:
 - (A) wound up, dissolved or liquidated, or becomes subject to the provisions of the *Winding-up and Restructuring Act* (Canada) or any successor legislation thereto or has its existence terminated or has any resolution passed therefor;
 - (B) makes a general assignment for the benefit of its creditors or a proposal (including the filing of a notice of intention to make a proposal) under the *Bankruptcy and Insolvency Act* (Canada) or any successor legislation thereto; or
 - (C) proposes a compromise or arrangement under the *Companies’ Creditors Arrangement Act* (Canada) or any successor legislation thereto or files any petition or answer seeking a stay of proceedings or any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief for itself under any present or future law relative to bankruptcy, insolvency or other relief for debtors or for the benefit of creditors;
- (ii) if a court of competent jurisdiction enters an order, judgment or decree approving a petition or application filed against the Partner or the Partnership seeking a stay of proceedings or any reorganization, arrangement, composition, readjustment, liquidation, dissolution, winding up, termination of existence, declaration of bankruptcy or insolvency or similar relief under any present or future law relating to bankruptcy, insolvency or other relief for or against debtors and such Partner or the Partnership acquiesces in the entry of such order, judgment or decree and such order, judgment or decree remains un-vacated or un-stayed for an aggregate of thirty (30) days (whether or not consecutive) from the day of entry thereof; or if any trustee in bankruptcy, receiver, receiver and manager, liquidator or any other officer with similar powers shall be appointed for the such Partner or the Partnership or of all or any substantial part of its property with the consent or

acquiescence of such Partner or such appointment remains un-vacated or un-stayed for an aggregate of thirty (30) days (whether or not consecutive);

- (iii) the Partner or the Partnership becomes insolvent or admits its inability to pay its debts generally as they become due; or
- (iv) an encumbrancer takes possession of all or substantially part of a Partner's or the Partnership's assets and such possession remains for a period of fifteen (15) days (whether or not consecutive);

"Exchange" means the Toronto Stock Exchange, or such other exchange upon which the REIT Units are listed and posted for trading;

"Exchange Agreement" means the exchange agreement among Starlight Investments Ltd. (which for the purposes of such agreement includes affiliates of Starlight Investments Ltd.), the REIT, the General Partner and others, which will be assumed by the Partnership pursuant to the Assumption Agreement, regarding the Exchange Rights attaching to the Class B LP Units, as such agreement may be amended, supplemented or amended and restated from time to time;

"Exchange Ratio" has the meaning ascribed to it in Section 3.2(b)(viii);

"Exchange Right" means the right granted under the Exchange Agreement to the holder of Class B LP Units to cause the REIT to exchange each Class B LP Unit for one REIT Unit pursuant to the Exchange Agreement;

"Excluded Person" means a Person (A) that is not: (i) a "real estate investment trust" (as defined in the Tax Act); (ii) a "taxable Canadian corporation" (as defined in the Tax Act); (iii) a "SIFT trust" (as defined in the Tax Act); (iv) a "SIFT partnership" (as defined in the Tax Act); or (v) an "excluded subsidiary entity" (as defined in the Tax Act) for the taxation year, or (B) that would acquire Class B LP Units as a "tax shelter investment" for the purposes of the Tax Act or an interest in which is a "tax shelter investment" for the purposes of the Tax Act;

"Expenses" has the meaning ascribed to it in Section 5.1;

"Fiscal Quarter" means each quarterly period in a Fiscal Year;

"Fiscal Period" means either a Fiscal Quarter or Fiscal Year, as applicable;

"Fiscal Year" has the meaning ascribed to it in Section 2.8;

"GAAP" means the Canadian generally accepted accounting principles for publically accountable enterprises as defined by the Accounting Standards Board of The Canadian Institute of Chartered Accountants, as amended from time to time;

"General Partner" means True North General Partner Corp. or any successor general partner of the Partnership appointed in accordance with this Agreement;

"Governmental Authority" means any national, federal, state, provincial, county, municipal, district or local government or government body, or any public, administrative or regulatory agency, political subdivision, commission, court, arbitral body, board or representative of any of the foregoing, foreign or domestic, of, or established by, any such government or government

body which has authority in respect of a particular matter or any quasi-governmental body having the right to exercise any regulatory authority thereunder;

“**GP Units**” means the general partner units of the Partnership;

“**Income for Tax Purposes**” means income of the Partnership, determined in accordance with the provisions of the Tax Act;

“**Indemnitee**” has the meaning ascribed to it in Section 6.8(a);

“**Independent Trustee**” means a Trustee who, in relation to the REIT is “independent” within the meaning of National Instrument 58-101 – *Disclosure of Corporate Governance Practices*, as replaced or amended from time to time (including any successor rule or policy thereto);

“**Leasing and Marketing Plans**” has the meaning ascribed to it in Section 6.3(gg);

“**Limited Partner**” means any Person who from time to time is admitted to the Partnership as a limited partner of the Partnership in accordance with this Agreement;

“**Loss for Tax Purposes**” means loss of the Partnership, determined in accordance with the provisions of the Tax Act;

“**LP Unit**” used alone, means a Class A LP Unit or a Class B LP Unit, as applicable in the context, and “**LP Units**” means the issued and outstanding limited partner units of the Partnership in the aggregate;

“**Monthly Distribution Period**” means each calendar month in each calendar year, from and including the first day thereof and to and including the last day thereof, provided that the first Monthly Distribution Period shall begin on (and include) the date of Closing and will end on (and include) the last day of the calendar month following the calendar month in which Closing occurred;

“**New General Partner**” means a new general partner of the Partnership replacing the existing General Partner in accordance with the terms of this Agreement;

“**Ordinary Resolution**” means

- (i) a resolution approved by not less than fifty percent (50%) of the votes cast in person or by proxy at a duly constituted meeting of Limited Partners, or at any adjournment of that meeting, who are entitled to vote on that resolution, called in accordance with this Agreement; or
- (ii) a written resolution in one or more counterparts signed by Limited Partners holding in the aggregate not less than fifty percent (50%) of the aggregate number of LP Units held by those Limited Partners who are entitled to vote on that resolution at a meeting;

“**Original Limited Partnership Agreement**” has the meaning ascribed to it in the recitals to this Agreement;

“**Other Partnerships**” means the Partnerships other than the Partnership;

“**Partners**” means, collectively, the General Partner and the Limited Partners, and “**Partner**” means any of them;

“**Partnership**” means TN5 Limited Partnership, a limited partnership formed under the laws of the Province of Ontario and whose affairs are governed by this Agreement;

“**Partnership Net Income**” means, for any Fiscal Period, the net income (or loss) of the Partnership before income taxes, as determined in accordance with GAAP, adjusted in accordance with the discretion of the General Partner, acting reasonably;

“**Partnership Units**” means collectively, the GP Units and the LP Units;

“**Partnerships**” means, collectively, the Partnership and any limited partnerships Controlled by the REIT for the purposes of acquiring, directly or indirectly, real property in which such limited partnership has at least a fifty percent (50%) interest, but, for greater certainty, excluding the General Partner;

“**Person**” includes any individual, general partnership, limited partnership, joint venture, syndicate, sole proprietorship, company or corporation with or without share capital, joint stock company, association, trust, trust company, bank, pension fund, trustee, executor, administrator or other legal personal representative, regulatory body or agency, government or governmental agency, authority or other organization or entity, whether or not a legal entity, however designated or constituted;

“**Personnel**” has the meaning ascribed to it in Section 6.4(a);

“**Power of Attorney and Declaration Form**” means a power of attorney and declaration form substantially in the form of Schedule “B” attached to this Agreement or in any other form or forms as may be approved by the General Partner;

“**Properties**” means all real properties, including the Acquisition Properties, and any interest therein, which the Partnership directly or indirectly owns from time to time for so long as the Partnership, directly or indirectly, owns at least a fifty percent (50%) interest therein, and “**Property**” means any of them;

“**Record**” means the current record of the Partners and their respective Capital Contributions required by the Act and this Agreement to be kept current by the General Partner;

“**REIT**” means True North Apartment Real Estate Investment Trust, an unincorporated, open-ended limited purpose trust established under the laws of the Province of Ontario pursuant to the Declaration of Trust;

“**REIT Units**” means units of the REIT, excluding Special Voting Units unless the context otherwise requires;

“**REIT Unit Holder**” means a Person who directly holds any REIT Units and/or Special Voting Units;

“**Requisitioning Partners**” has the meaning ascribed to it in Section 8.1;

“**Shortfall**” has the meaning ascribed to it in Section 5.8;

“**Special Resolution**” means:

- (i) a resolution approved by not less than sixty-six and two-thirds percent (66 $\frac{2}{3}$ %) of the votes cast in person or by proxy at a duly constituted meeting of Limited Partners, or at any adjournment of that meeting, who are entitled to vote on that resolution, called in accordance with this Agreement; or
- (ii) a written resolution in one or more counterparts signed by Limited Partners holding in the aggregate not less than sixty-six and two-thirds percent (66 $\frac{2}{3}$ %) of the aggregate number of LP Units held by those Limited Partners who are entitled to vote on that resolution at a meeting;

“**Special Voting Units**” means the special voting units in the capital of the REIT that represent voting rights in the REIT that accompany the Class B LP Units;

“**Subscription Form**” means a subscription agreement and power of attorney in a form as approved from time to time by the General Partner, which incorporates language substantially similar to that contained in Schedule “B”;

“**Subsidiary**” and “**Subsidiaries**” has the meaning ascribed thereto in National Instrument 45-106 – *Prospectus and Registration Exemptions*, as replaced or amended from time to time (including any successor rule or policy thereto);

“**Taxes**” means all taxes including all income, sales, use, goods and services, harmonized sales, value added, capital, capital gains, alternative, net worth, transfer, profits, withholding, payroll, employer health, excise, franchise, real property and personal property taxes, and any other taxes, customs duties, fees, levies, imposts and other assessments or similar charges in the nature of a tax including Canada Pension Plan and provincial pension plan contributions, employment insurance and unemployment insurance payments and workers’ compensation premiums, together with any instalments with respect thereto, and any interest, fines and penalties, in all cases imposed by any Governmental Authority in respect thereof;

“**Tax Act**” means the *Income Tax Act (Canada)* and the regulations thereunder, as replaced or amended from time to time;

“**Termination Date**” has the meaning ascribed to it in Section 10.1;

“**Transfer**” includes, in reference to any securities, (i) any transfer of such securities, directly or indirectly, by operation of law, by court order, by judicial process, or by foreclosure, levy or attachment, (ii) any sale, assignment, gift, donation, conversion or other disposition of such securities, directly or indirectly, pursuant to an agreement, arrangement, instrument or understanding by which legal title to or beneficial ownership of such securities passes from one Person to another Person or to the same Person in a different legal capacity, whether or not for value, and (iii) the granting, directly or indirectly, of any mortgage, charge, pledge, encumbrance or grant of security interest, and in each case any agreement to effect any of the foregoing; and the words “**Transferred**”, “**Transferring**”, “**Transferable**” and similar words have corresponding meanings;

“**Transfer Form**” means a transfer and power of attorney substantially in the form of Schedule “C” attached to this Agreement or in any other form or forms as may be approved by the General Partner;

“**Trustees**” means the trustees holding office, from time to time, of the REIT pursuant to the Declaration of Trust;

“**Unit Certificate**” has the meaning ascribed to it in Section 3.21(a);

“**Unit Reorganization**” has the meaning ascribed to it in Section 3.2(c); and

“**Unitholder**” or “**holder**” means a holder of one or more LP Units.

1.2 Rules of Construction

In this Agreement, unless otherwise expressly stated or unless the context otherwise requires:

- (a) references to “**herein**”, “**hereby**”, “**hereunder**”, “**hereof**” and similar expressions are references to this Agreement and not to any particular Article or Section of this Agreement;
- (b) references to an “**Article**”, “**Section**” or “**Schedule**” are references to an Article, Section or Schedule of this Agreement;
- (c) words importing the singular shall include the plural and vice versa, words importing gender shall include the masculine, feminine and neuter genders;
- (d) the use of headings is for convenience of reference only and shall not affect the construction or interpretation hereof;
- (e) the words “**includes**” and “**including**”, when following any general term or statement, is not to be construed as limiting the general term or statement to the specific items or matters set forth or to similar items or matters, but rather as referring to all other items or matters that could reasonably fall within the broadest possible scope of the general term or statement;
- (f) for greater certainty, the Trustees have entered into this Agreement in their capacity as trustees of the REIT under the Declaration of Trust and this Agreement has been executed and delivered on behalf of the Trustees in such capacity, and, unless otherwise expressly provided herein, where any reference is made in this Agreement to the REIT as a party to this Agreement or to any other agreement or to an act to be performed by or a covenant, representation or warranty given by the REIT such reference shall be construed and applied for all purposes as if it referred to the Trustees in their respective capacity as trustees of the REIT under the Declaration of Trust;
- (g) reference to any statute shall be deemed to be a reference to such statute as amended, re-enacted or replaced from time to time; and
- (h) any reference in this Agreement to a Person shall include, and be deemed to be a reference also to, any successor or assign of such Person.

1.3 Accounting Terms

All accounting terms not specifically defined herein shall be construed in accordance with GAAP, and any reference herein to GAAP shall mean such principles consistently applied from year to year, to the extent possible.

1.4 Currency

Except as otherwise may be expressly provided in this Agreement, all amounts in this Agreement are stated and shall be paid in Canadian currency.

1.5 Schedules

The following are schedules to this Agreement.

- Schedule "A" – Acquisition Properties
- Schedule "B" – Power of Attorney and Declaration Form
- Schedule "C" – Transfer and Power of Attorney Form

**ARTICLE 2
RELATIONSHIP BETWEEN PARTNERS**

2.1 Formation of Partnership

The Partners acknowledge and confirm that the Partnership is a limited partnership formed under the laws of the Province of Ontario and that the Partnership was formed effective as of June 10, 2014, the date on which the Declaration was initially filed under the Act. The General Partner shall file, if, as and when required by the Act or this Agreement, any declaration of changes or new declarations, and may file a declaration of change at any time for any proper purpose as the General Partner may determine, and shall take all necessary action on the basis of information available to it in order to maintain the status of the Partnership as a limited partnership.

2.2 Name of Partnership

The Partnership shall carry on its business and activities only under the name "TN5 Limited Partnership" or, provided that the General Partner makes all necessary filings under the Act and under such other legislation as may be necessary or advisable having regard to the jurisdiction(s) in which the Partnership shall carry on its business and activities, such other name or names as the General Partner from time to time may deem appropriate.

2.3 Office of Partnership

The head office of the Partnership shall be 1801 – 3300 Bloor St West, West Tower, Toronto, Ontario, M8X 2X2, or such other office as the General Partner may designate from time to time. The General Partner shall notify each Limited Partner of any change in the registered office of the Partnership within thirty (30) Business Days of such change.

2.4 Purpose of the Partnership

The business and activities of the Partnership shall be the Business.

2.5 Powers of the Partnership

Except as otherwise set out in this Agreement, the General Partner possesses and may exercise, for and on behalf of the Partnership, all the powers and privileges granted under the Act or by any other law or under this Agreement, together with any powers incidental thereto, including such powers and privileges as are necessary or convenient to the conduct, promotion or attainment of the Business.

2.6 Business in Other Jurisdictions

- (a) The General Partner will not carry on any business for and on behalf of the Partnership in any jurisdiction unless the General Partner has taken all steps that may be required by the laws of that jurisdiction for the Limited Partners to benefit from limited liability to the same extent that Limited Partners enjoy limited liability under the Act. The General Partner will not carry on business for and on behalf of the Partnership in any jurisdiction in which the laws do not recognize the liability of the Limited Partners to be limited unless, in the opinion of the General Partner, the risks associated with the possible absence of limited liability in that jurisdiction are not significant considering the relevant circumstances.
- (b) The General Partner will carry on business for and on behalf of the Partnership in a manner so as to ensure to the greatest extent possible the limited liability of the Limited Partners, and the General Partner will register the Partnership in other jurisdictions where the General Partner considers it appropriate to do so.

2.7 Duration of Partnership

The Partnership commenced upon the filing of the Declaration and shall continue until it is dissolved and liquidated in accordance with this Agreement and the Act.

2.8 Fiscal Year

The first fiscal period of the Partnership will end on December 31, 2014, and thereafter, the fiscal year end of the Partnership will be December 31 in each year. Each fiscal period is referred to in this Agreement as a “**Fiscal Year**”.

2.9 Title to Partnership Assets

Title to the assets of the Partnership, whether real, personal or mixed and whether tangible or intangible, shall be deemed to be owned by the Partnership as an entirety, and no Partner individually shall have any ownership interest in the assets of the Partnership or any portion thereof. Title to any or all of the Partnership’s assets shall be held in the name of the General Partner for the benefit of the Partnership or in such other names as the General Partner may determine from time to time. The General Partner declares and warrants that any assets of the Partnership of which legal title is held in the name of the General Partner shall be held by the General Partner as agent of the Partnership for the use and benefit of the Partnership in accordance with the provisions of this Agreement. All of the assets of the Partnership shall be recorded as the property of the Partnership on its books and records, irrespective of the name in which legal title to such assets is held.

2.10 **Private Issuer Restrictions**

Notwithstanding any other provisions in this Agreement, unless otherwise determined in writing by the General Partner: (i) the number of Partners will be limited to no more than fifty (50), (ii) the right to Transfer LP Units is restricted as provided in this Agreement, and (iii) any invitation to the public to subscribe for LP Units is prohibited.

2.11 **Representations and Warranties and Covenants of the General Partner**

The General Partner represents and warrants and covenants to each Limited Partner as follows:

- (a) The General Partner is, and will continue to be for so long as it remains a general partner of the Partnership, organized and validly subsisting under the laws of the Province of Ontario and validly registered to carry on business under the laws of each Province of Canada where the Partnership may be required to be registered in carrying on its business.
- (b) The General Partner has and will continue to have the capacity and authority to act as a general partner of the Partnership and to perform its obligations under this Agreement, and such obligations (i) do not and will not conflict with, nor do they or will they result in a breach of any of the constating documents of the General Partner or resolutions thereof or any agreement by which the General Partner is bound, and (ii) do not and will not require the approval or consent of, or any notice to or filing with, any Governmental Authority.
- (c) The General Partner has taken all necessary action to authorize the execution, delivery and performance of this Agreement, and this Agreement constitutes a valid and binding obligation of the General Partner, enforceable against it in accordance with the terms of this Agreement.
- (d) The General Partner holds and shall maintain the registrations and filings (and any amendments thereto and renewals thereof) necessary for the conduct of its business and activities and has and shall continue to have all licences and permits necessary to carry on its business and activities as a general partner of the Partnership in all jurisdictions where the activities of the Partnership require such licensing or other form of registration.
- (e) No authorization, consent or approval of, or filing with or notice to, any Person is required in connection with the execution, delivery or performance of this Agreement by the General Partner.
- (f) The General Partner is not an Excluded Person and shall ensure that its status as described in this clause (f) shall not be modified.
- (g) The General Partner will do all things and take all actions as may be necessary to ensure and protect, to the extent reasonably possible, the limited liability of the Limited Partners.
- (h) The composition of the board of directors of the General Partner will at all times be identical to that of the board of Trustees.

2.12 Representations and Warranties and Covenants of Limited Partners

Each Limited Partner severally represents and warrants and covenants to the General Partner and each of the other Limited Partners as follows:

- (a) If it is a Person other than an individual, such Limited Partner is incorporated or formed and validly subsisting under the laws of its jurisdiction of incorporation or formation.
- (b) Such Limited Partner has and will continue to have the capacity and authority to act as a limited partner under this Agreement and to perform its obligations hereunder, and such obligations (i) if it is a Person other than an individual, do not and will not conflict with, nor do they or will they result in a breach of any of, the constating documents or by-laws of the Limited Partner or resolutions of its trustees, directors or shareholders (or its sole shareholder, as the case may be) or any agreement by which it is bound and, in the case of any Limited Partner that is itself a limited partnership, any resolutions of the directors or shareholders (or its sole shareholder, as the case may be) of its general partner or any agreement by which its general partner is bound or its respective limited partnership agreement, and (ii) do not and will not require the approval or consent of, or any notice to or filing with, any Governmental Authority, other than those which have been obtained.
- (c) Such Limited Partner has taken all necessary corporate, partnership or other action to authorize the execution, delivery and performance of this Agreement (if it is a Person other than an individual), and this Agreement constitutes a valid and binding obligation of the Limited Partner, enforceable against it in accordance with the terms of this Agreement.
- (d) No authorization, consent or approval of, or filing with or notice to, any Person is required in connection with the execution, delivery or performance of this Agreement by such Limited Partner, other than those which have been obtained.
- (e) Such Limited Partner is not an Excluded Person and such Limited Partner will not otherwise change its status as represented herein or Transfer or purport to Transfer any of its LP Units to any Person that is an Excluded Person.

2.13 Survival of Representations and Warranties

Each of the Partners agrees that the representations and warranties made by it in Section 2.11 or 2.12, as applicable, are true and correct on the date hereof and that they shall survive the execution of this Agreement, notwithstanding such execution or any investigations made by or on behalf of any of the other Partners, and each Partner covenants and agrees to ensure that each representation and warranty it has made remains true and correct so long as such party remains a Partner.

2.14 Limitation on Authority of Limited Partners

No Limited Partner (other than any Limited Partner that is also the General Partner, but then only in the capacity as the General Partner) shall:

- (a) take part in the administration, management, control or operations of the Business or exercise any power in connection therewith;
- (b) transact any matters on behalf of the Partnership or make any commitment on behalf of or otherwise obligate or bind the Partnership;

- (c) other than by voting on a resolution of the Limited Partners (where the Limited Partner is entitled to vote), execute any document which binds or purports to bind any other Partner or the Partnership;
- (d) hold itself out as having the power or authority to bind any other Partner or the Partnership or deal with any Person on behalf of the Partnership and, if contacted by any Person in respect of the Partnership, shall inform such Person that it does not take an active part in the activities of the Partnership, nor acts or makes decisions on behalf of the Partnership and then refer such Person to the General Partner;
- (e) have any authority or power to act for, or undertake any obligation or responsibility on behalf of, any other Partner or the Partnership;
- (f) bring any action for partition or sale or otherwise in connection with the Partnership or any interest in any assets of the Partnership, whether real, personal or mixed or whether tangible or intangible, or file or register, or permit to be filed, registered or remain undischarged, any Adverse Claim in respect of any assets of the Partnership;
- (g) bring any action for the dissolution of the Partnership, except as provided under the Act;
- (h) compel or seek a partition, judicial or otherwise, of any of the assets of the Partnership; or
- (i) take any action that will jeopardize or eliminate the status of the Partnership as a limited partnership or a “Canadian partnership” for the purposes of the Tax Act.

For greater certainty, the General Partner has the exclusive power, right, obligation and authority to administer and bind the Partnership, and the General Partner shall not be subject to the restrictions that apply to Limited Partners (except as provided herein). Each Limited Partner shall comply with the Act and shall not take any action that may jeopardize or eliminate the Partnership’s status as a limited partnership.

2.15 Power of Attorney

- (a) Each Limited Partner hereby irrevocably makes, constitutes and appoints the General Partner, with full power of substitution, as that Limited Partner’s agent and true and lawful attorney-in-fact for the Limited Partner and on the Limited Partner’s behalf with full power and authority in the Limited Partner’s name, place and stead to execute, deliver, swear to, make and record or file as and where required in the opinion of the General Partner (and hereby ratifies and confirms such execution, delivery, swearing, making, recording and filing):
 - (i) this Agreement or the Record, any amendment to this Agreement, the Declaration or the Record, and any other instruments or documents required to continue and keep in good standing the Partnership as a limited partnership under the Act, or otherwise to comply with the laws of any jurisdiction in which the Partnership may carry on business or own or lease property in order to maintain the limited liability of the Limited Partners and to comply with the applicable laws of that jurisdiction (including any amendments to the Declaration or the Record as may be necessary to reflect the admission to the Partnership of subscribers for, or transferees of, LP Units as contemplated by this Agreement, and any changes from time to time in the Capital Contributions made by the Partners);

- (ii) all instruments and documents, including any amendments, corrections or replacements of or to the Declaration or the Record, necessary to reflect any amendments to this Agreement;
 - (iii) any instrument or document required in connection with the winding-up, dissolution and termination of the Partnership in accordance with the provisions of this Agreement, including any elections under the Tax Act and under any similar legislation;
 - (iv) any documents necessary to be filed with the appropriate Governmental Authority in connection with the Business, property, assets and undertaking of the Partnership;
 - (v) any instruments or documents as may be necessary to give effect to the Business;
 - (vi) the instruments and documents on the Limited Partner's behalf and in the Limited Partner's name as may be necessary to give effect to the admission of a subscriber for, or transferee of, LP Units subject to the terms and restrictions of this Agreement;
 - (vii) any election, determination, designation, information return, objection, notice of objection or similar document or instrument, whether jointly with third parties or otherwise, as may be required or desirable in the opinion of the General Partner at any time under the Tax Act or under any other taxation legislation or laws of like import of Canada or of any province, territory or jurisdiction which relates to the business affairs of the Partnership, the interest of any Person in the Partnership or any other matter the General Partner determines to be in the interest of the Partnership; and
 - (viii) all other instruments and documents on the Limited Partner's behalf and in the Limited Partner's name or in the name of the Partnership as may be deemed necessary by the General Partner to carry out fully this Agreement in accordance with its terms.
- (b) To evidence the foregoing, each Subscription Form and Transfer Form will contain a power of attorney incorporating by reference, ratifying and confirming some or all of the powers described above.
- (c) Each of the powers of attorney granted in this Agreement is a special power of attorney, coupled with an interest and is irrevocable during the existence of the Partnership and in connection with the dissolution or winding up thereof, and will survive the insolvency, dissolution, winding up, bankruptcy, death or disability of a Limited Partner and will survive the transfer or assignment by the Limited Partner, to the extent of the obligations of a Limited Partner under this Agreement, of the whole or any part of the interest of the Limited Partner in the Partnership, extends to the heirs, executors, administrators, other legal representatives and successors, transferees and assigns of the Limited Partner, and may be exercised by the General Partner on behalf of each Limited Partner in executing any instrument by a facsimile signature or by listing all the Limited Partners and executing that instrument with a single signature as attorney and agent for all of them.

- (d) Each Limited Partner agrees to be bound by any representations or actions made or taken in good faith by the General Partner pursuant to this power of attorney and hereby waives any and all defences that may be available to contest, negate or disaffirm the action of the General Partner taken in good faith under this power of attorney.
- (e) This power of attorney will continue in respect of the General Partner so long as it is a general partner of the Partnership, and will terminate thereafter, but will continue in respect of any New General Partner as if the New General Partner were an original attorney.
- (f) A purchaser or transferee of an LP Unit will, upon becoming a Limited Partner, be conclusively deemed to have acknowledged and agreed to be bound by the provisions of this Agreement as a Limited Partner and will be conclusively deemed to have provided the General Partner with the power of attorney described in this Section 2.15.

2.16 Unlimited Liability of the General Partner

The General Partner will have unlimited liability for the debts, liabilities and obligations of the Partnership.

2.17 Limited Liability of Limited Partners

Subject to the Act and any specific assumption by such Limited Partner, each Limited Partner's liability for the debts, liabilities and obligations of the Partnership is limited to the amount of the Limited Partner's Capital Contribution plus such Limited Partner's *pro rata* share of the undistributed income of the Partnership.

2.18 Indemnity of Limited Partners

The General Partner will operate the Partnership to ensure to the greatest extent possible the limited liability of the Limited Partners and will severally indemnify and hold harmless each Limited Partner (including former Limited Partners) for all costs, expenses, damages or liabilities suffered or incurred by the Limited Partner if the limited liability of that Limited Partner is lost or diminished, but only if that Limited Partner's limited liability is lost or diminished directly as a result of the gross negligence, wilful misconduct or fraud of the General Partner in performing its duties and obligations under this Agreement.

2.19 Compliance with Laws

At the request of the General Partner, each Limited Partner shall execute immediately any documents or instruments considered by the General Partner to be necessary to comply with the terms of this Agreement or with any applicable law or regulation or for the continuation, operation or good standing of the Partnership or in connection with the qualification of the Partnership to carry on its activities or own its assets and undertaking.

2.20 General Partner May Hold LP Units

The General Partner may subscribe for and acquire LP Units or purchase LP Units by private contract or in any market on which the LP Units are sold and will be shown on the Record as a Limited Partner in respect of the number of LP Units held by the General Partner from time to time.

2.21 General Partner as a Limited Partner

If the General Partner holds any LP Units, it will be deemed in its capacity as the holder of those LP Units to be a Limited Partner with the same rights and powers and subject to the same restrictions as each other Limited Partner.

2.22 Other Activities of the Limited Partners

A Limited Partner may engage in, or hold an interest in, any other business, venture, investment or activity whether or not similar to or competitive with the business of the Partnership.

2.23 Other Activities of the General Partner

The General Partner will not be required to devote its efforts, or those of any of its officers or employees, exclusively to or for the benefit of the Partnership and may engage in activities in respect of the Other Partnerships, and neither the Partnership nor any Partner will have any right, by virtue of this Agreement or the partnership relation created hereby, in relation to the Other Partnerships or to any income, proceeds or profits derived therefrom, subject to Article 5. The General Partner will not be required to offer or make available to the Partnership any property or asset or business or investment opportunity which it may determine to acquire, carry on or engage in for the Other Partnerships.

**ARTICLE 3
UNITS OF THE PARTNERSHIP**

3.1 Units

- (a) The limited partnership units in the Partnership are hereby divided into and represented by an unlimited number of units designated as “Class A LP Units” and an unlimited number of units designated as “Class B LP Units”. Each of the LP Units represents an interest in the Partnership having the rights set forth in Sections 3.2(a), 3.2(b) and 3.2(c) entitle the holder thereof to the rights and benefits of this Agreement. The two (2) currently outstanding limited partnership units of the Partnership are hereby redeemed for \$2.00.
- (b) In addition to the Class A LP Units and the Class B LP Units, there shall be Class A GP Units. Each of the Class A GP Units represents an interest in the Partnership having the rights set forth in Section 3.2(d) and entitle the holder thereof to the rights and benefits of this Agreement.
- (c) A partnership interest is personal property. A Partner has no interest in specific Partnership property by way of his, her or its Partnership Unit interests.

3.2 Attributes of Units

- (a) The Class A LP Units will have attached thereto the preferences, rights, restrictions, conditions and limitations as provided in this Agreement and as follows:
 - (i) Except as otherwise provided in this Agreement, no Class A LP Unit shall have any preference or right in any circumstances over any other Class A LP Unit.

- (ii) The holders of the Class A LP Units shall have the right to one vote for each Class A LP Unit held in respect of all matters to be decided by the Limited Partners.
 - (iii) The Class A LP Units represent the right to participate in the distributions of the Partnership and Partnership Net Income as provided for herein.
 - (iv) The holders of Class A LP Units will have the right to receive property of the Partnership on liquidation, dissolution or winding up in accordance with the terms and priority provided for herein.
- (b) The Class B LP Units will have attached thereto the preferences, rights, restrictions, conditions and limitations as provided in this Agreement and as follows:
- (i) Except as otherwise provided in this Agreement, no Class B LP Unit shall have any preference or right in any circumstances over any other Class B LP Unit.
 - (ii) Except as otherwise provided in this Agreement or as required by law, the holders of the Class B LP Units shall not have the right to exercise any votes in respect of matters to be decided by the Limited Partners.
 - (iii) The Class B LP Units represent the right to participate in the distributions of the Partnership and Partnership Net Income as provided for herein.
 - (iv) The Class B LP Units shall have attached thereto an equivalent number of Special Voting Units, and are indirectly exchangeable for REIT Units in the manner set out herein and in the Exchange Agreement.
 - (v) The holders of Class B LP Units will have the right to receive property of the Partnership on liquidation, dissolution or winding up in accordance with the terms and priority provided for herein.
 - (vi) Notwithstanding this Section 3.2, or Section 3.6, in no event shall the holders of Class B LP Units be entitled to receive REIT Units if such action would jeopardize the REIT's status as a "mutual fund trust" under the Tax Act or would cause the REIT to breach restrictions respecting non-resident ownership contained in the Declaration of Trust. In the event this Section 3.2(b)(vi) applies, the rights of a holder of Class B LP Units will remain unaffected until such time as such exchange may be made in accordance with the terms of this Agreement, the Declaration of Trust and the Exchange Agreement.
 - (vii) Provided that the holders of REIT Units generally have rights to participate in a distribution reinvestment program or if at any time are granted any rights to participate in a rights offering of the REIT, then the holders of Class B LP Units will, subject to any required statutory or regulatory order or waiver, be entitled to participate in such distribution reinvestment program or rights offering on an equal unit for unit basis with the holders of REIT Units. The REIT and the General Partner will undertake all reasonable steps and actions as are required to require the Trustees to offer such participation and rights to the holders of Class B LP Units and to obtain any required statutory or regulatory order or waiver.

(viii) Subject to the provisions of this Agreement and the Exchange Agreement, a holder of Class B LP Units shall be entitled at any time to cause the exchange of Class B LP Units into REIT Units on the basis of one REIT Unit for each Class B LP Unit (subject to adjustment as set out in Section 3.2(c) and the Exchange Agreement) (the “**Exchange Ratio**”) in the manner set out in the Exchange Agreement and this Exchange Right shall form part of the rights inherent in the Class B LP Units.

(c) If at any time the REIT shall:

- (i) issue or distribute (A) REIT Units without the receipt of any consideration therefor or (B) rights, options, warrants or other securities exchangeable for or convertible into or carrying rights to acquire REIT Units without the receipt of any consideration therefor, to all or substantially all of the holders of the REIT Units by way of unit distribution or other distribution (other than a unit distribution and consolidation as contemplated by Section 11.3 of the Declaration of Trust);
- (ii) subdivide, redivide or change its outstanding REIT Units into a greater number of REIT Units;
- (iii) reduce, combine or consolidate its outstanding REIT Units into a lesser number of REIT Units (other than a unit distribution and consolidation as contemplated by Section 11.3 of the Declaration of Trust); or
- (iv) undertake a reclassification, capital reorganization or similar change in the REIT Units,

(each such event, a “**Unit Reorganization**”), the Exchange Ratio shall be adjusted to be the number of REIT Units that would be received in respect of a Class B LP Unit immediately following the Unit Reorganization if the Exchange Right had been exercised in respect of the Class B LP Unit immediately prior to the Unit Reorganization (assuming full exercise of any such rights, options, warrants or other exchangeable or convertible securities).

(d) The Class A GP Units will have attached thereto the preferences, rights, restrictions, conditions and limitations as provided in this Agreement and as follows:

- (i) Except as otherwise provided in this Agreement, no Class A GP Unit shall have any preference or right in any circumstances over any other Class A GP Unit.
- (ii) The holders of the Class A GP Units shall have the right to one vote for each Class A GP Unit held in respect of all matters to be decided by the holders of GP Units.
- (iii) The Class A GP Units represent the right to participate in the distributions of the Partnership and Partnership Net Income as provided for herein.
- (iv) The holders of Class A GP Units will have the right to receive property of the Partnership on liquidation, dissolution or winding up in accordance with the terms and priority provided for herein.

3.3 Transfer of GP Units

The transfer of the outstanding general partnership units of the Partnership from Mustang Kanco Trust to the General Partner is hereby confirmed, and such general partnership units are hereinafter designated as Class A GP Units.

3.4 Issuance of and Exchange of Class A LP Units

The Partnership hereby approves the issuance of one (1) Class A LP Unit to the REIT.

3.5 Issuance of Additional LP and GP Units

- (a) Except as otherwise set forth herein, the General Partner may, in its discretion, cause the Partnership to issue additional LP Units and GP Units on any terms and conditions of offering and sale of LP Units or GP Units as the General Partner, in its discretion, may determine, from time to time hereafter, including accepting payment of consideration therefor in the form of cash, promissory notes, property and/or past services, and may do all things in that regard, including preparing and filing prospectuses, offering memoranda and other documents, and paying the expenses of issue and entering into agreements with any Person providing for a commission or fee.
- (b) Notwithstanding Section 3.5(a), the General Partner shall not cause the Partnership to issue any Class B LP Units at a price per unit that is less than the current market price of REIT Units on the date of issuance of such Class B LP Units less any discount permitted in accordance with the applicable rules of the Exchange, all as if Class B LP Units were listed on the Exchange.
- (c) The Partnership shall not issue any fractional LP Units or GP Units, and any fractional interest in an LP Unit or a GP Unit shall be rounded down to the nearest whole number without any compensation therefor.

3.6 Subscription for LP Units

In connection with any issuance of LP Units, each subscribing Person will complete and execute a Subscription Form setting out, among other things, the total subscription price for the LP Units subscribed for, which subscription price will be that Person's agreed upon Capital Contribution.

No subscription may be made by or will be accepted from a Person that is an Excluded Person. Should any LP Units be issued to a Person (whether legally, beneficially, as agent or nominee) that is determined to be an Excluded Person at the time of issuance then such issuance of LP Units shall be cancelled and be void *ab initio* and such Person shall be deemed to have initially subscribed for the equivalent number of REIT Units. Such cancelled LP Units will not be entitled to receive any distributions and the holder of such LP Units shall be deemed to have (i) refunded to the Partnership any distributions that were paid in respect of such LP Units, and (ii) received all distributions of cash that were made by the REIT in respect of the REIT Units deemed to have been so initially subscribed for since the date of such subscription.

Notwithstanding any other provision of this Agreement, no Subscription Form was required for the issuance of LP Units in connection with the Acquisition. No Subscription Form shall be required for the issuance of LP Units of a class, provided that the subscribing Person is already a Limited Partner of

record owning LP Units of such class, and provided further that such subscribing Person completes and executes a form of subscription acceptable to the General Partner.

3.7 Admittance as Limited Partner

Upon receipt and acceptance by the General Partner of any duly completed Subscription Form or a Power of Attorney and Declaration Form pursuant to Section 3.6, all Partners will be deemed to consent to the admission of the subscriber as a Limited Partner, and the General Partner will, to the extent determined necessary by the General Partner, execute this Agreement on behalf of the subscriber and will cause the Record to be amended, and any other documents as may be required by the Act or under legislation similar to the Act in other provinces or the territories to be filed or amended, specifying the prescribed information and will cause the foregoing information in respect of the new Limited Partner to be included in other Partnership books and records.

3.8 Withdrawal as a Limited Partner

A Limited Partner may only withdraw from the Partnership by Transferring his, her or its LP Units in accordance with the provisions of this Agreement and the Exchange Agreement, if applicable, or by the Partnership entering into an agreement with the Limited Partner for the re-purchase of his, her or its LP Units, including pursuant to the Exchange Agreement, if applicable.

3.9 Effective Date

The rights and obligations of a subscriber as a Limited Partner under this Agreement commence and are enforceable by and upon such Limited Partner as between such Limited Partner and the other Partners from the date upon which:

- (a) the Subscription Form has been accepted by the General Partner, if applicable;
- (b) the General Partner has authorized the issuance of LP Units as subscribed;
- (c) the General Partner is in receipt of the consideration for the LP Units; and
- (d) the Limited Partner agrees in writing to be bound by this Agreement.

Subsequently, the General Partner will ensure the Record is amended to reflect the Limited Partner's subscription, and will arrange for the proper filings to be made, as required under the Act, adding that Limited Partner as a Limited Partner of the Partnership.

3.10 Record of Limited Partners

The General Partner will maintain at the principal office of the Partnership a current Record for each class of LP Units stating, for each Limited Partner in such class, information including the Limited Partner's name, address, the amount of money and/or the value of other property contributed or to be contributed by the Limited Partner to the Partnership and the number of LP Units of such class held by each Limited Partner.

3.11 Changes in Membership of Partnership

No change of name or address of a Limited Partner and no Transfer of an LP Unit and no admission of a Limited Partner in the Partnership will be effective for the purposes of this Agreement

until all reasonable requirements as determined by the General Partner with respect to that change, Transfer or admission have been met, including the requirements set out in this Article 3. The names and Capital Contributions of the Limited Partners as reflected from time to time in the Record, and all addresses of the Partners as reflected from time to time in the records of the Partnership maintained by the General Partner in accordance with this Article 3, as from time to time amended, will be conclusive as to those facts for all purposes of the Partnership.

3.12 Notice of Change

No name or address of a Limited Partner will be changed and no Transfer of an LP Unit or substitution or addition of a Limited Partner in the Partnership will be recorded on the records of the Partnership except pursuant to a notice in writing received by the General Partner.

3.13 Inspection of Record

A Limited Partner, or an agent of a Limited Partner duly authorized in writing, has the right to inspect and make copies from the Record of the Partnership during ordinary business hours.

3.14 Transfer and Encumbering of Partnership Units

- (a) A Limited Partner may not sell, assign or otherwise Transfer or exchange any LP Unit except in accordance with Section 3.15 herein and all other provisions of this Agreement and the Exchange Agreement, if applicable, unless the General Partner otherwise agrees in writing.
- (b) Subject to Section 3.14(c), the Class B LP Units (and the Special Voting Units that accompany them) are not transferable except pursuant to an exchange of a Class B LP Unit for a REIT Unit in accordance with the terms of the Exchange Agreement and this Agreement.
- (c) Notwithstanding the foregoing Section 3.14(b), a Transfer of Class B LP Units may be made provided:
 - (i) such transfer is to an Affiliate of the holder of Class B LP Units making such Transfer so long as such transferee remains such an Affiliate;
 - (ii) the conditions of such Transfer do not require the Person acquiring such Class B LP Units to make an offer to the registered holders of REIT Units to acquire REIT Units on the same terms and conditions under applicable securities laws if such Class B LP Units, and all other outstanding Class B LP Units, were converted into REIT Units at the then current Exchange Ratio in effect under the Exchange Agreement immediately prior to such Transfer; or
 - (iii) the Person acquiring such Class B LP Units submits an identical and contemporaneous offer for REIT Units to the registered holders thereof (having regard to timing, price, proportion of securities sought to be acquired and any other conditions thereto), and acquires such Class B LP Units along with a proportionate number of REIT Units actually tendered to such identical offer.
- (d) Subject to the provisions of the Exchange Agreement, at any time and from time to time, any Limited Partner may, upon prior written notice to the General Partner, grant an

Adverse Claim on any or all of the LP Units held by it, directly or indirectly, to any third party as security for any *bona fide* financing of the Limited Partner or as security for any guarantee granted by such Limited Partner in respect of the obligations of its Affiliates to such third party for any *bona fide* financing, provided that in the case of the pledge of Class B LP Units the pledgee acknowledges that the Class B LP Units are subject to the terms of an Exchange Agreement in the event of any realization on the pledged Class B LP Units and provided further that (in the case of a pledge or other grant of a security interest in Class B LP Units) notice of the pledge or security interest is given to the REIT, the General Partner, the Partnership and the registrar and transfer agent of the REIT in accordance with the provisions of the Exchange Agreement and the pledgee specifically acknowledges, agrees, represents and warrants that:

- (i) registered ownership of the Class B LP Units pledged may not be Transferred or otherwise changed from the name of the Limited Partner except in the event that a pledgee realizes on its security over Class B LP Units and such pledgee complies with applicable law and Sections 3.14 and 3.15 herein, as applicable,
 - (ii) upon delivery of an Exchange Notice in accordance with the provisions of the Exchange Agreement, the Class B LP Units subject to the exchange contemplated thereby shall be deemed to have been exchanged for REIT Units with effect immediately before the date of the Exchange Notice, and
 - (iii) the pledgee is not a non-resident of Canada within the meaning of the Tax Act or a partnership (that is not a Canadian partnership within the meaning of the Tax Act).
- (e) The General Partner may not sell, assign or otherwise Transfer or exchange any GP Unit without the consent of the Limited Partners, not to be unreasonably withheld; provided that the General Partner's GP Units will automatically Transfer to a New General Partner that is a successor to the General Partner that has been removed or resigned upon the removal or resignation of the General Partner.
- (f) The Transfer of a fraction of a LP Unit or GP Unit is expressly prohibited and such a Transfer shall not be recognized or recorded by the Partnership.

3.15 Transfer Procedures

- (a) Subject to the provisions of this Section 3.15 and Sections 3.11, 3.12, 3.14, 3.16, 3.19, 3.20 and 3.22, and compliance with applicable securities laws, LP Units may be Transferred by a Limited Partner; provided, however, LP Units may not be Transferred without the payment by the transferee of an administration fee to the Partnership, if any, of up to \$100. No Transfer of an LP Unit will be accepted by the General Partner unless a Transfer Form, duly completed and signed by the registered holder of the LP Units and the transferee, such other instruments and documents as the General Partner may require, in appropriate form, is duly completed and executed in a manner acceptable to the General Partner and any Unit Certificate held by such registered holder representing the LP Units being Transferred have been remitted to the General Partner. Notwithstanding the foregoing sentence, a Transfer of an LP Unit made pursuant to Section 3.14(c) or 3.15(e) shall not require the completion of a Transfer Form.

- (b) The General Partner has the right to deny the Transfer of LP Units in respect of which there has been default in payment of the subscription price until all amounts required to be paid on account of the subscription price, including any interest on the subscription price, have been paid in full.
- (c) Where the transferee complies with all applicable provisions and is entitled to become a Limited Partner pursuant to the provisions of this Agreement, the General Partner is authorized to admit the transferee to the Partnership as a Limited Partner and the Limited Partners hereby consent to the admission of, and will admit, the transferee to the Partnership as a Limited Partner, without further act of the Limited Partners (other than as may be required by law). A transferee who becomes a Limited Partner will be subject to the obligations and be entitled to the rights of a Limited Partner under this Agreement on the date on which the Transfer is duly reflected in an amendment to the Record. Subsequent thereto, the General Partner shall ensure that all proper filings have been made, as may be required by the Act, to reflect the Transfer. The General Partner will not accept a Transfer of LP Units after the occurrence of any of the events set out in Section 10.1.
- (d) The General Partner will not accept a Transfer of LP Units if the transferee is an Excluded Person.
- (e) For greater certainty, (i) the Class B LP Units are not Transferable, except pursuant to an exchange of a Class B LP Unit for REIT Units in accordance with the terms of the Exchange Agreement, Section 3.14(c) herein or as may be otherwise set out in this Agreement, and (ii) certain rights affecting Starlight Investments Ltd. as a holder of Class B LP Units, as such rights are set out in the Declaration of Trust (amendment approval right under section 13.7 therein) and the Exchange Agreement (registration rights under Article V therein, pre-emptive, tag-along and drag-along rights under Article VI therein), are exclusive to Starlight Investments Ltd. and are not transferable to a transferee of the Class B LP Units that is not an Affiliate of Starlight Investments Ltd.
- (f) Notwithstanding any other provision of this Agreement, no consent is required for the Transfer of LP Units pursuant to the Exchange Agreement or was required in connection with the Acquisition.
- (g) Neither a Class A LP Unit nor a Class B LP Unit will be Transferable in part.

3.16 Form of Transfer

If required by the General Partner, the Transfer Form will be signed by the transferor and by the transferee and will be accompanied by the Unit Certificate(s), if any, issued by the Partnership representing the LP Units to be Transferred.

3.17 Amendment of Declaration or Record

The General Partner, on behalf of the Partnership, will from time to time promptly effect filings, recordings, registrations and amendments to the Record and the Declaration and to any other documents and at any places as in the opinion of counsel to the Partnership are necessary or advisable to reflect changes in the membership of the Partnership, Transfers of LP Units or the dissolution of the Partnership as provided in this Agreement and to constitute a transferee as a Limited Partner.

3.18 Non-Recognition of Trusts or Beneficial Interests

LP Units may be held by nominees on behalf of the beneficial owners of the LP Units (subject to the other terms, conditions and restrictions of this Agreement). Notwithstanding the foregoing, except as provided in this Agreement, as required by law or as recognized by the General Partner in its sole discretion, no Person will be recognized by the Partnership or any Limited Partner as holding any LP Unit in trust, or on behalf of another Person with the beneficial interest in that other Person, and the Partnership and Limited Partners will not be bound or compelled in any way to recognize (even when having actual notice) any equitable, contingent, future or partial interest in any LP Unit or in any fractional part of an LP Unit or any other rights in respect of any LP Unit except an absolute right to the entirety of the LP Unit of the Limited Partner shown on the Record as holder of that LP Unit.

3.19 Incapacity, Death, Insolvency or Bankruptcy

Where a Person becomes entitled to LP Units on the occurrence of an Event of Insolvency in respect of a Limited Partner, or otherwise by operation of law, in addition to the requirements of Sections 3.11, 3.12, 3.14, 3.15 and 3.16, that entitlement will not be recognized or entered into the Record until that Person:

- (a) has produced evidence satisfactory to the General Partner of that Person's entitlement;
- (b) has agreed in writing to be bound by the terms of this Agreement and to assume the obligations of a Limited Partner under this Agreement and appoints the General Partner as such Person's agent and lawful attorney upon the terms contained herein;
- (c) has delivered such other evidence, approvals and consents in respect of such entitlement as the General Partner may require and as may be required by applicable law and this Agreement; and
- (d) has delivered such other evidence as the General Partner may require that that Person is not an Excluded Person.

3.20 No Transfer upon Dissolution

Subject to Section 3.19, no Transfer of LP Units may be made or will be accepted or entered into the Record after the occurrence of any of the events set out in Section 10.1.

3.21 Unit Certificates

- (a) The General Partner will issue to each Partner, upon request, a LP Unit certificate or GP Unit certificate, as applicable, (each, a "**Unit Certificate**") indicating that the holder of the Unit Certificate is the owner of the number and type of LP Units or GP Units, as applicable, set out on the Unit Certificate (for greater certainty, in the case of Class B LP Units, the Unit Certificate shall evidence the Class B LP Units and Special Voting Units held by the holder).
- (b) Every Unit Certificate must be signed by at least one officer or director of the general partner of the General Partner.
- (c) If any Unit Certificate is lost, mutilated, stolen or destroyed, the General Partner will, upon request by a Partner, issue a replacement Unit Certificate to the Partner upon receipt

of evidence satisfactory to the General Partner of that loss, mutilation or destruction, and upon receiving such indemnification (including an indemnity bond provided at the expense of the Partner) as it deems appropriate in the circumstances.

- (d) Provided that the transferee complies with all applicable provisions and is entitled to become a Partner pursuant to the terms of this Agreement, the General Partner, upon request by the transferee, will issue a new Unit Certificate for any LP Units or GP Units, as applicable, Transferred. In the case of a Transfer of less than all of the Units represented by a Unit Certificate, the General Partner, upon request by the transferor, will issue a new Unit Certificate for the balance of the LP Units or GP Units, as applicable, retained by the transferor.

3.22 Transferee Bound

As of and from the time referred to in Section 3.15(c), the transferee automatically shall become bound by, and be subject to all of the rights and obligations of a Limited Partner under, this Agreement without execution of further instrument. Without limiting the generality of the foregoing, as of and from the time referred to in Section 3.15(c), the transferee shall be deemed to make all of the representations and warranties and covenants of a Limited Partner contained in Section 2.12 and to grant the power of attorney contained in Section 2.15.

3.23 Transfer to a Resident of Canada or a Canadian Partnership

If at any time, any Limited Partner is or becomes a “non-resident” of Canada or a partnership that is not a “Canadian partnership” for the purposes of the Tax Act, such Limited Partner covenants, agrees and undertakes that it will immediately notify the General Partner that it is a “non-resident” of Canada or a partnership that is not a “Canadian partnership” for the purposes of the Tax Act. Upon the General Partner becoming aware of, or determining that, a Limited Partner has become a “non-resident” of Canada (or ceased to be a “Canadian partnership”) since becoming a Limited Partner, or if the Limited Partner fails to provide evidence satisfactory to the General Partner with respect to the residency or partnership status of the Limited Partner, the General Partner will require the Limited Partner to dispose of all its LP Units to a Person who does not contravene the foregoing restrictions, failing which the General Partner, subject to compliance with applicable securities laws, will be entitled, without any notice to the Limited Partner, to sell the LP Units or to acquire the LP Units on behalf of the Partnership. In addition, in the event that the General Partner determines that a Limited Partner has become a holder of LP Units in contravention of the foregoing restrictions, the holder of the subject LP Units shall be deemed to have ceased to be a Limited Partner with effect immediately before the date of contravention and shall not be entitled to any distributions of Distributable Amount from such time and such LP Units shall be deemed conclusively not to be outstanding until acquired by a new Limited Partner who does not contravene the foregoing restrictions; provided, however, that holders of other LP Units shall not be entitled to any portion of the Distributable Amount paid in respect of LP Units that have been so deemed not to be outstanding. In the event of the sale or acquisition of a Limited Partner’s LP Units by the General Partner pursuant to this section, such Limited Partner shall have the right only to receive the net proceeds therefrom.

3.24 Securities Transfer Act

Each Partnership Unit shall be deemed a security for the purposes of the *Securities Transfer Act, 2006* (Ontario), and for each other securities transfer act in each of the provinces of Canada.

ARTICLE 4
CAPITAL CONTRIBUTIONS AND ACCOUNTS

4.1 **Capital**

The capital of the Partnership consists of the aggregate of all sums of money or other property contributed by the Partners as Capital Contributions and not returned to them.

4.2 **Limited Partner Contributions**

- (a) The REIT contributed \$1.00 to the capital of the Partnership for each Class A LP Unit it subscribed for in full satisfaction of its respective initial Capital Contribution and received its respective Class A LP Units in exchange therefor.
- (b) The Capital Contribution of each Limited Partner will be set out in the Record and the Declaration will be amended to reflect such transactions.

4.3 **General Partner Contributions**

The General Partner has the benefit of a prior contribution of \$203 to the capital of the Partnership in full satisfaction of its Capital Contribution.

4.4 **Accounts**

The Partnership shall establish current accounts on its books for each of the Partners to which Partnership Net Income and all amounts, other than capital to which the Partners are entitled, will be credited and to which Partnership Net Income, if a loss, and all distributions, other than distributions on account of capital, will be charged, all in accordance with GAAP. No Partner has the right to receive interest on any credit balance in any accounts maintained on the books of the Partnership, and no Partner is liable to pay interest to the Partnership on any deficit in any accounts maintained on the books of the Partnership. The interest of a Partner shall not terminate by reason of a negative or zero balance in any accounts maintained on the books of the Partnership. The Partners shall not be obligated to make any further contribution to the capital of the Partnership but may do so in their sole discretion and with the approval of the General Partner. The Capital Contribution of any Limited Partner who acquired its interest upon the Transfer by another Limited Partner of its interest shall be equal to the Capital Contribution of the transferring Limited Partner in respect of such interest.

4.5 **Interest on Capital Contributions**

No Partner shall be entitled to interest on the amount of its Capital Contribution to the Partnership.

4.6 **Withdrawal of Capital Contribution**

No Partner has any right to withdraw any of its Capital Contribution to the Partnership or other amount or to receive any cash or other distribution from the Partnership except as provided for in this Agreement and except as permitted by the Act or otherwise at law.

4.7 Distribution of Capital Contributions

Subject to the Act, the General Partner may distribute all or part of a Limited Partner's Capital Contribution to such Limited Partner in such amounts and at such times as determined in the General Partner's sole discretion.

**ARTICLE 5
PARTNERSHIP FINANCE**

5.1 Expenses of Partnership

The Partnership shall be responsible for all costs and expenses relating to the Business other than those expenses referenced in Section 6.4(b). The Partnership shall reimburse the General Partner for all costs and expenses incurred by the General Partner on the Partnership's behalf in the performance of its duties hereunder other than those expenses referenced in Section 6.4(b) (the "**Expenses**"). The Expenses shall be paid by the Partnership within fifteen (15) days of such Expenses having been incurred by the General Partner.

5.2 Allocation of Income for Tax Purposes

Subject to Section 5.4, the Income for Tax Purposes and the Loss for Tax Purposes for a given Fiscal Year shall be calculated in accordance with the provisions of the Tax Act, including any discretionary deductions as determined by the General Partner. Such Income for Tax Purposes will be allocated as follows:

- (a) first, to the holders of Class A GP Units in an amount equal to the amount paid to the holders of Class A GP Units pursuant to Section 5.5(a) for such Fiscal Year, all as reconciled to actual figures once applicable annual financial statements are available;
- (b) second, to the holders of Class A LP Units in an amount equal to the amount paid to the applicable holder(s) of Class A LP Units pursuant to Section 5.5(b) for such Fiscal Year, all as reconciled to actual figures once applicable annual financial statements are available; and
- (c) the balance of all Income for Tax Purposes remaining for that Fiscal Year that is not allocated to the holders of Class A GP Units pursuant to Section 5.2(a) or the holders of Class A LP Units pursuant to Section 5.2(b) shall be allocated to the Limited Partners (including, for greater certainty, Limited Partners who become or cease to be Limited Partners during the Fiscal Year of the Partnership) in an amount calculated by multiplying the remaining Income for Tax Purposes to be allocated to the Limited Partners by a fraction, the numerator of which is the sum of the distributions received or receivable by that Limited Partner in such Fiscal Year (net of distributions received or receivable pursuant to Section 5.5(a) if applicable), and the denominator of which is the aggregate amount of distributions received or receivable by all Limited Partners during such Fiscal Year (net of distributions received or receivable pursuant to Section 5.5(a) if applicable); and for the foregoing purposes, any distributions that are receivable by a Limited Partner on the first Business Day following the end of a Fiscal Year by virtue of Section 5.5(b) shall be treated as receivable in that Fiscal Year.

Notwithstanding Sections 5.2(a), 5.2(b), 5.2(c) and 5.4, all Income for Tax Purposes or Loss for Tax Purposes arising as a result of the exchange of Class B LP Units for REIT Units will be allocated exclusively to the holders of Class A LP Units.

The income or loss of the Partnership for accounting purposes for a given Fiscal Year shall be allocated among the Partners on the same basis as the allocation for Income for Tax Purposes or Loss for Tax Purposes as set out in this Section 5.2 and Section 5.4.

5.3 Amount of Income Allocated

The amount of income allocated to a Limited Partner may exceed or be less than the amount of cash distributed by the Partnership to that Limited Partner in respect of a given Fiscal Year.

5.4 Allocation Where No Cash Distribution or Where Loss for Tax Purposes

If, with respect to a given Fiscal Year, there is no Distributable Amount, or the Partnership has a Loss for Tax Purposes, the Income for Tax Purposes or Loss for Tax Purposes from each source for that Fiscal Year will be allocated to the Limited Partners at the end of each month in that Fiscal Year, in proportion to the LP Units held by each of them at each of those dates.

5.5 Distributions

The General Partner shall, on behalf of the Partnership, declare and pay cash distributions to the Partners in respect of each Monthly Distribution Period (“**Cash Distributions**”) payable in the following priority:

- (a) first, to the General Partner, as the holder of all Class A GP Units, a portion of the Distributable Amount set out in Section 5.6(a)(i);
- (b) second, to the REIT, as the holder of the Class A LP Units, any amount required to account for expenses incurred directly by the REIT as determined by the General Partner; and
- (c) third, to the holders of the LP Units, a portion of the Distributable Amount as set out in Sections 5.6(a)(ii) and 5.6(a)(iii).

5.6 Distributions of Distributable Amount

- (a) The Partnership will distribute to the General Partner and to holders of LP Units whose names appear on the Record on the last day of each calendar month of each Monthly Distribution Period:
 - (i) such percentage of the Distributable Amount to the holders of Class A GP Units, in proportion to its 0.01% interest in the Partnership, up to a maximum amount of \$1,000 per fiscal year;
 - (ii) such percentage of the Distributable Amount to the holders of Class A LP Units, which covers the funding expenses of the REIT; and
 - (iii) that percentage of the Distributable Amount (net of any amounts required to be distributed pursuant to Sections 5.5(a) and 5.5(b)) set by the General Partner

from time to time (with reference to the monthly cash distributions payable by the REIT in accordance with the Declaration of Trust) to (X) holders of Class A LP Units and (Y) to the holders of Class B LP Units upon a distribution by the REIT to holders of REIT Units required to ensure the holders of Class B LP Units receive an amount equal to the distribution that such holders of Class B LP Units would have received if they were holding that number of REIT Units for which the Class B LP Units are exchangeable (pursuant to this Agreement and the Exchange Agreement) instead of Class B LP Units.

Distributions made pursuant to this Section 5.6(a) will be made within fifteen (15) days of the end of each calendar month (or such other date as the General Partner may determine) in respect of the immediately preceding calendar month and in any event sufficiently in advance of the corresponding distribution date of the REIT for it to be able to pay the applicable distribution to the holders of REIT Units on such date.

- (b) The Partnership may, in addition, make a distribution at any other time. For greater certainty, distributions that are made after the end of a Fiscal Year, but which are payable on or before the end of that Fiscal Year will be deemed to be distributions with respect to that Fiscal Year for purposes of this Article 5.
- (c) Notwithstanding the foregoing provisions of this Section 5.6, each Limited Partner may, in lieu of receiving the distributions described above at the time indicated above, choose to be loaned amounts from the Partnership equal to those amounts which would otherwise have been distributed, and to have the aggregate of all distributions described above made to it on the first Business Day following the end of the Fiscal Year in which such distributions would otherwise have been made. Each loan made in a Fiscal Year will not bear interest and will be due and payable in full on the first Business Day following the end of the Fiscal Year during which the loan was made. Any Person who has received loans in lieu of distributions in a Fiscal Year in which such Person has ceased to be a Limited Partner shall receive distributions on the first Business Day following the end of that Fiscal Year equal to the amount that would otherwise have been distributed to such Person during that portion of the Fiscal Year in which such Person was a Limited Partner. With respect to amounts distributed to a Limited Partner or a Person who has ceased to be a Limited Partner at any time after the making of a loan to a Limited Partner pursuant to this Section 5.6(c), the Limited Partner shall be deemed to have irrevocably directed that the amount of any such distribution first be applied to repay loans previously advanced. Any amounts distributed to a Limited Partner under this Section 5.6(c) which are applied to repay loans will not be considered to be a cash distribution received by such Limited Partner for purposes of calculating the income or loss allocated to that Limited Partner under Section 5.2.
- (d) Distributions payable pursuant to this Section 5.6 will be paid in cash or other immediately available funds. Any payment by the Partnership to a Partner pursuant to this Agreement will be conclusively deemed to have been made upon mailing of a cheque in a postage pre-paid envelope, addressed to the Partner at the Partner's address appearing in the Record, unless such cheque is dishonoured upon presentment. Upon such payment, the Partnership will be discharged from all liability to the Partner in respect of such payment; provided, however, that if such cheque is lost or destroyed then, upon the presentation of evidence satisfactory to the General Partner of such loss or destruction, together with such indemnity as the General Partner may reasonably require, the General Partner will issue a replacement cheque to the Partner. Notwithstanding the

foregoing, the General Partner, in lieu of forwarding or causing to be forwarded a cheque, may enter into an agreement with a Partner providing for the payment to such Partner of amounts hereunder by electronic funds transfer or by any other method at a place or places other than the place or places specified herein. Any payment of any amount pursuant to such agreement will, notwithstanding any other provision of this Agreement, be valid and binding on the relevant Partner.

For greater certainty, in the case of a distribution declared on the REIT Units in property (other than (i) cash or (ii) a distribution of REIT Units and immediate consolidation thereafter such that the number of outstanding REIT Units both immediately prior to and following such transaction remains the same), holders of Class B LP Units will be entitled to receive, subject to applicable law, distributions or advances in such type and amount of property as is economically equivalent, to the greatest extent possible, to (as determined by the board of directors of the General Partner, in good faith and in its sole discretion), the type and amount of property declared as a distribution on each REIT Unit.

5.7 Repayments

If, as determined by the Auditor, it appears that any Partner has received an amount under this Article 5 that is in excess of that Partner's entitlement hereunder, the Partner will, promptly upon notice from the General Partner, reimburse the Partnership to the extent of the excess, and failing immediate reimbursement, the General Partner may withhold the amount of the excess (with interest at the prime rate of interest charged by the Partnership's bank plus four percent (4%) per annum from time to time calculated and compounded monthly) from further distributions otherwise due to the Partner.

5.8 Where No Distributable Amount

Notwithstanding anything to the contrary herein, if, with respect to Cash Distributions payable in respect of any Monthly Distribution Period pursuant to Section 5.5(c) with regard to the amount payable to holders of Class B LP Units pursuant to Section 5.6(a)(ii)(Y), the Distributable Amount is not sufficient to enable the Partnership to pay such Cash Distributions (a "**Shortfall**"), the REIT or any of the Other Partnerships shall fund an amount required, in a manner as determined by the REIT, or such of the Other Partnerships, as applicable, including loans or subscriptions for Class A LP Units, to enable the Partnership to have sufficient cash on hand to ensure such Shortfall shall not prevent such Cash Distributions from being paid or payable in accordance with Section 5.5 and 5.6.

5.9 Tax Matters

- (a) The Partnership shall be treated as a limited partnership for federal, provincial and municipal income tax and other tax purposes.
- (b) Any payments made by the Partnership under this Agreement, including all distributions to the Partners, shall be made inclusive of applicable Taxes (if any), and each of the Partners hereby agrees to take all necessary acts or steps to ensure that such payments are inclusive of all applicable Taxes; provided that amounts required to be withheld under applicable law on account of income taxes or non-resident withholding taxes shall be withheld and will be deemed to have been paid to the relevant Person or distributed to the relevant Partner.
- (c) The Partners shall remit, if required by law, all Taxes paid to them pursuant to Section 5.9(b) to the appropriate Governmental Authority.

5.10 **Set-off**

The Partnership may set off any of its obligations to make distributions to any of the Partners against any liabilities or obligations of such Partners to the Partnership under this Agreement or under the Act, including, without limitation, in respect of the Partners' obligations under Section 5.9.

5.11 **Distribution of Assets**

Notwithstanding Section 5.2, where assets of the Partnership are distributed in kind to a Partner and the distribution results in Income for Tax Purposes or Loss for Tax Purposes to the Partnership, for the purposes of computing the Income for Tax Purposes or Loss for Tax Purposes of a Partner, the income or amount shall be allocated to the Partner receiving the distribution, unless the Partners otherwise agree.

ARTICLE 6
POWERS, DUTIES AND OBLIGATIONS OF GENERAL PARTNER

6.1 **Investment Guidelines and Operating Policies**

The General Partner shall conduct the Business and carry out its duties and obligations hereunder in accordance with the investment guidelines and operating policies of the REIT, as applicable, as provided for in the Declaration of Trust, as such guidelines and policies are amended from time to time. The General Partner acknowledges that it has received a copy of the Declaration of Trust and is familiar with and understands the duties of the Trustees thereunder. Without limiting the foregoing, the General Partner shall ensure the following:

- (a) no Person will be permitted to be a Partner of the Partnership if that would result in the Partnership ceasing to be an "excluded subsidiary entity" as defined in subsection 122.1(1) of the Tax Act or if such Person is an Excluded Person; and
- (b) the Partnership will not make or hold any investment, take any action or omit to take any action that would result in the REIT not qualifying as a "real estate investment trust", as defined in subsection 122.1(1) of the Tax Act.

6.2 **Powers, Duties and Obligations of the General Partner**

- (a) The General Partner has:
 - (i) subject to the terms of this Agreement and to any applicable limitations set out in the Act, the full and exclusive right, power and authority to manage, control, administer and operate the business and affairs of the Partnership and to make decisions regarding the undertaking and business of the Partnership and to represent the Partnership; and
 - (ii) subject to the terms of this Agreement and to any applicable limitations set out in the Act, the full and exclusive right, power and authority to do any act, take any proceeding, make any decision and execute and deliver any instrument, deed, agreement or document necessary for or incidental to carrying out the objects, purposes and the Business of the Partnership for and on behalf of and in the name of the Partnership.

- (b) Subject to the terms and conditions of this Agreement, an action taken by the General Partner on behalf of the Partnership is deemed to be the act of the Partnership and binds the Partnership.
- (c) Notwithstanding anything to the contrary herein contained, all transactions or agreements entered into by the Partnership, other than those agreements entered into in connection with the formation of the Partnership must be approved by the General Partner.
- (d) The authority and power vested in the General Partner to manage the business and affairs of the Partnership will include all authority necessary or incidental to make all decisions regarding the Partnership, to bind the Partnership in respect of any such decision, to carry out the objects, purposes and Business of the Partnership including the ability to engage agents to assist the General Partner and the ability to delegate all of its management obligations and administrative functions, provided that the unlimited liability of the General Partner shall not be reduced as a result of such decisions.
- (e) The General Partner will take all actions necessary to ensure that the Partnership constitutes a “Canadian partnership” at all times for the purposes of the Tax Act and does not constitute a “financial institution” or a “tax shelter investment” for the purposes of the Tax Act.
- (f) No Persons dealing with the Partnership will be required to enquire into the authority of the General Partner to do any act, take any proceeding, make any decision or execute and deliver any instrument, deed, agreement or document for or on behalf of or in the name of the Partnership. The General Partner will make all reasonable efforts to insert, and to cause agents of the Partnership to insert, the following clause in any contracts or agreements to which the Partnership is a party or by which it is bound:

“The parties hereto acknowledge that TN5 Limited Partnership is a limited partnership formed under the laws of the Province of Ontario, a limited partner of which is only liable for any of its liabilities or any of its losses to the extent of the amount that the limited partner has contributed or agreed to contribute to the capital of the limited partnership and the limited partner’s pro rata share of any undistributed income. The parties hereto acknowledge that the obligations of TN5 Limited Partnership shall not be personally binding upon, nor shall resort be had to, the property of any of the limited partners, their heirs, successors and assigns, and that resort shall only be had to the property of TN5 Limited Partnership or the property of its general partner.”

6.3 Specific Powers and Duties of the General Partner as a Member of the Partnership

Without limiting the generality of Sections 6.1 and 6.2 and subject to Sections 8.13(c) and 8.16, the General Partner, as a member of the Partnership, shall have full power and authority for and on behalf of and in the name of the Partnership to:

- (a) negotiate, execute and perform all agreements which require execution by or on behalf of the Partnership involving matters or transactions with respect to the Business (and those agreements may limit the liability of the Partnership to the assets of the Partnership, with

the other party to have no recourse to the assets of the General Partner, even if the same results in the terms of the agreement being less favourable to the Partnership);

- (b) open and manage bank accounts in the name of the Partnership and spend the capital of the Partnership in the exercise of any right or power exercisable by the General Partner under this Agreement;
- (c) borrow funds or incur indebtedness or liabilities in the name of the Partnership from time to time, from the General Partner or its Affiliates or Associates, subject to Section 6.6, or from any recognized financial institutions selected by the General Partner and guarantee the payment and performance of the obligations of any Affiliate or Associate of the Partnership;
- (d) issue Class A LP Units or Class B LP Units to Limited Partners as contemplated in this Agreement;
- (e) to calculate and make distributions to the Partners in accordance with this Agreement;
- (f) issue debt and/or debt instruments of the Partnership from time to time;
- (g) acquire, invest in, re-purchase, transfer, dispose of and otherwise deal with securities of the Partnership or the REIT in connection with the Partnership's obligations herein and under the Exchange Agreement;
- (h) mortgage, charge, assign, hypothecate, pledge or otherwise create a security interest in all or any property of the Partnership or any Affiliate of the Partnership now owned or later acquired, to secure any present and future borrowings, indebtedness or liabilities or guarantees and related expenses of the Partnership or any of its Affiliates, and to sell all or any of that property pursuant to a foreclosure or other realization upon the foregoing encumbrances;
- (i) manage, control and develop all the activities of the Partnership and take all measures necessary or appropriate for the Business or ancillary to the Business and may, from time to time, in its sole discretion propose combinations with other partnerships or other entities, which proposal(s) will be subject to requisite approval by the Partners;
- (j) incur and pay all costs and expenses in connection with the Partnership or relating to the Business;
- (k) employ, retain, engage or dismiss from employment, personnel, agents, representatives or professionals or other investment participants with the powers and duties upon the terms and for the compensation as in the discretion of the General Partner may be necessary or advisable in the carrying on of the Business of the Partnership;
- (l) subject to Section 6.13, engage agents, including any Affiliate or Associate of the General Partner (other than any Limited Partner), to assist it to carry out its management obligations to the Partnership;
- (m) invest cash assets of the Partnership that are not immediately required for the Business of the Partnership in any investment approved by the General Partner in its sole discretion;

- (n) acquire, hold, transfer, vote or otherwise deal with securities of entities engaged primarily in the Business which are permitted businesses for the Partnership as provided in Section 2.4;
- (o) develop, expand, maintain, improve or change any assets from time to time of the Partnership;
- (p) see to the sound management of the Partnership, and to manage, control and develop all the activities of the Partnership and take all measures necessary or appropriate for the Business of the Partnership or ancillary thereto;
- (q) act as attorney-in-fact or agent of the Partnership in disbursing and collecting moneys for the Partnership, paying debts and fulfilling the obligations of the Partnership and handling and settling any claims of the Partnership;
- (r) commence or defend any action or proceeding by, against or in connection with the Partnership;
- (s) file returns or other documents required by any Governmental Authority or like authority;
- (t) retain legal counsel, experts, advisors or consultants as the General Partner considers appropriate and rely upon the advice of those Persons;
- (u) acquire or dispose of assets of the Partnership;
- (v) enter into hedge contracts or similar arrangements to permit the Partnership to mitigate or eliminate the Partnership's exposure to interest rate, foreign exchange or other risks associated with the Business;
- (w) enter into and perform the obligations of the Partnership under the Exchange Agreement;
- (x) manage day-to-day operations of the Partnership (other than those operations managed by the senior officers of the REIT);
- (y) maintain proper, separate and complete books and financial records of the Properties in which full, true and correct entries in conformity with GAAP and preparing reports, tax returns and other disclosure documents based on the maintenance of such books and records;
- (z) review property tax assessments and making recommendations in respect thereof and taking the necessary steps to appeal or contest such assessments as applicable;
- (aa) conduct day-to-day relations with respect to the Properties, on behalf of the Partnership, with third parties, including tenants, suppliers, brokers, consultants, advisors, accountants, lawyers, insurers and appraisers;
- (bb) manage the regulatory compliance in respect of the Properties, including making all required filings;
- (cc) supervise Property expansion, capital projects and development projects;

- (dd) prepare, prior to the end of each Fiscal Year, an annual budget for the upcoming Fiscal Year in respect of managing and operating the Properties, including Expenses;
- (ee) manage and operate the Properties including inspecting the Properties, negotiating contracts, ensuring reasonable security, handling tenant requests and negotiations, arranging for such improvements and repairs as may be required and purchasing all materials and services, arranging for utilities and fixed price contracts in respect thereof, and incur such expenses, as it deems necessary in connection therewith;
- (ff) collect all rents and other charges and payments of costs and expenses related to the management of the Properties, including arrears of rents by legal action or otherwise;
- (gg) report on the financial condition of the Properties and preparing leasing and marketing plans with respect to the Properties (the “**Leasing and Marketing Plans**”);
- (hh) supervise and conduct all leasing and operations in respect of the Properties, including negotiating and executing leases in accordance with an approved Leasing and Marketing Plan and overseeing tenant move-ins and move-outs;
- (ii) prepare all reports reasonably requested by the REIT, including operational reporting such as cash flow by property and by asset type; reporting on development costs; and executive summaries by asset type describing any Property;
- (jj) provide the REIT with the information on Partnership properties that the REIT requires for investor relations activities;
- (kk) provide the REIT with the information on Partnership properties that the REIT requires for regulatory and financial reporting requirements;
- (ll) provide the REIT with the information on Partnership properties the REIT requires for the preparation of all documents, reports, data and analysis required by the REIT for its filings and documents necessary for the REIT’s continuous disclosure requirements pursuant to applicable stock exchange rules and securities laws;
- (mm) establish and maintain disclosure controls and procedures and internal control over financial reporting of the Partnership;
- (nn) provide the REIT and its representatives such information, documentation and materials relating to the performance of the General Partner of its obligations hereunder as may be reasonably requested in writing and otherwise give such co-operation as may be reasonably requested in writing by the REIT;
- (oo) file any tax elections, determinations, designations, forms, objections or notices of objection or similar documents on behalf of the Partnership and (to the extent necessary) on behalf of the Partners under the Tax Act or any other federal, provincial, local or foreign tax legislation;
- (pp) establish a distribution reinvestment program in respect of Class B LP Units and obtain any required statutory or regulatory order or waiver of such program;
- (qq) obtain any insurance coverage;

- (rr) do anything that is in furtherance of or incidental to the Business or that is provided for in this Agreement;
- (ss) execute, acknowledge and deliver the documents necessary to effectuate any or all of the foregoing or otherwise in connection with the Business; and
- (tt) carry out the objects, purposes and Business of the Partnership.

6.4 Personnel

- (a) The General Partner shall be entitled to engage such Persons, as employees of the General Partner or by contractual arrangements, as shall be necessary or desirable for the continued and uninterrupted performance of the General Partner's duties and obligations hereunder ("**Personnel**").
- (b) All employment costs (that is salaries, wages, benefits, insurance and withholdings, termination or severance costs or payments) relating to any Personnel shall be the responsibility of the General Partner. The withholding and payment of any amounts required to be withheld and paid to any Governmental Authority in respect of Personnel engaged or employed by the General Partner shall be withheld and paid by the General Partner.

6.5 Subcontracting

The General Partner shall have the ability and right to subcontract or otherwise delegate any or all of its management or administrative obligations and functions hereunder, including, without limitation, to an Affiliate, provided that no such subcontracting or delegation shall relieve or release the General Partner from any of its obligations or liabilities under this Agreement.

6.6 Borrowings

The General Partner (and its Affiliates or Associates) or any Limited Partner (and its Affiliates or Associates) may advance or loan to the Partnership funds that may be necessary for the payment of operating expenses of the Partnership or for any other purpose. The rate of interest and any other expenses relative to those advances or borrowings will not exceed that which the Partnership could obtain from a Canadian chartered bank with respect to similar borrowings.

6.7 Exercise of Duties

- (a) The General Partner covenants that it will (i) exercise its powers and discharge its duties under this Agreement honestly, in good faith, carefully and diligently and in the best interests of the Partnership, (ii) exercise the degree of care, diligence and skill that would be exercised by a professional, prudent and competent Person who is experienced in performing duties and obligations substantially similar to the duties and obligations of the General Partner under this Agreement for properties comparable to the Properties and located in the region in which such Properties are situated, and (iii) and will use such inspection, quality control and other procedures as the General Partner deems necessary, acting reasonably, to ensure that its duties and obligations hereunder are performed in accordance with the conditions hereof.

- (b) The General Partner covenants that it will maintain the confidentiality of financial and other information and data that it may obtain through or on behalf of the Partnership, the disclosure of which may adversely affect the interests of the Partnership or a Limited Partner.
- (c) The General Partner shall perform its duties and obligations hereunder in a manner which is at all times consistent with assisting the Partnership carry on its business and affairs in compliance with the terms and conditions of the Declaration of Trust and the General Partner acknowledges it has reviewed and is familiar with the Declaration of Trust.
- (d) The General Partner shall perform its duties and obligations hereunder in a manner which is at all times in compliance in all material respects with all applicable law.

6.8

Indemnity of the General Partner

- (a) To the fullest extent permitted by law, but subject to the limitations expressly provided in this Agreement, the General Partner, a Departing General Partner, any Person who is or was an Affiliate of the General Partner or any Departing General Partner, any Person who is or was an officer, director, employee, partner, agent or trustee of the General Partner or any Departing General Partner or any of their respective Affiliates, or any Person who is or was serving at the request of the General Partner or any Departing Partner or any of their respective Affiliates as a director, officer, employee, partner, agent or trustee of another Person (collectively, an “**Indemnitee**”) will be indemnified and held harmless by the Partnership from and against any and all losses, claims, damages, liabilities, joint or several, expenses (including legal fees and expenses on a full indemnity basis), judgments, fines, settlements and other amounts arising from any and all claims, demands, actions, suits or proceedings, whether civil, criminal, administrative or investigative, in which any Indemnitee may be involved, or is threatened to be involved, as a party or otherwise, by reason of its status as:
 - (i) the General Partner, a Departing General Partner or any of their respective Affiliates; or
 - (ii) an officer, director, employee, partner, agent or trustee of the General Partner, any Departing General Partner or any of their respective Affiliates; or
 - (iii) a Person serving at the request of the General Partner, any Departing General Partner or any of their respective Affiliates as a director, officer, employee, agent or trustee of another Person;provided, that
 - (iv) in each case the Indemnitee acted in accordance with the standard of care set out in Section 6.7(a) and is not otherwise in material breach of this Agreement;
 - (v) in the case of a criminal or administrative action or proceeding that is enforced by monetary penalty, the Indemnitee had reasonable grounds for believing its conduct was lawful; and
 - (vi) no indemnification pursuant to this Section 6.8 will be available to an Indemnitee where the Indemnitee has been adjudged by a final decision of a court of

competent jurisdiction in any Province of Canada that is no longer appealable to have been grossly negligent or to have engaged in wilful misconduct or to have acted fraudulently in the performance of its obligations under this Agreement or breached the standard of care set out in Section 6.7(a). The termination of any action, suit or proceeding by judgment, order, settlement or conviction will not create a presumption that the Indemnitee acted in a manner contrary to that specified above.

Any indemnification pursuant to this Section 6.8 will be made only out of the assets of the Partnership.

- (b) To the fullest extent permitted by law, expenses (including legal fees and expenses on a full indemnity basis) incurred by an Indemnitee in defending any claim, demand, action, suit or proceeding will, from time to time, be advanced by the Partnership prior to the final disposition of any claim, demand, action, suit or proceeding upon receipt by the Partnership of an undertaking by or on behalf of the Indemnitee to repay that amount if it is determined that the Indemnitee is not entitled to be indemnified as authorized in this Section 6.8.
- (c) The indemnification provided by this Section 6.8 will be in addition to any other rights to which an Indemnitee may be entitled under any agreement, pursuant to any vote of the Partners, as a matter of law or otherwise, as to actions in the Indemnitee's capacity as:
 - (i) the General Partner, a Departing General Partner or any of their respective Affiliates;
 - (ii) an officer, director, employee, partner, agent or trustee of the General Partner, any Departing General Partner or any of their respective Affiliates; or
 - (iii) a Person serving at the request of the General Partner, any Departing General Partner or any of their respective Affiliates as a director, officer, employee, agent or trustee of another Person,and will continue as to an Indemnitee who has ceased to serve in that capacity.
- (d) The Partnership may purchase and maintain (or reimburse the General Partner or its Affiliates for the cost of) insurance, on behalf of those Persons (other than the General Partner itself) as the General Partner determines, against any liability that may be asserted against or expense that may be incurred by that Person in connection with the Partnership's activities, whether or not the Partnership would have the power to indemnify those Persons against those liabilities under the provisions of this Agreement.
- (e) The General Partner will hold the benefit of this indemnity in trust and as agent for the Indemnitees.
- (f) This indemnity is in addition to and not a limitation of any other obligation of the Partnership to the General Partner including the obligation of the Partnership to reimburse or repay the General Partner on account of costs, outlays, disbursements and expenditures incurred by or on behalf of the Partnership, but this indemnity will not be in derogation of the provisions of Section 2.18.

6.9 Limitation of Liability

- (a) Notwithstanding anything to the contrary set forth in this Agreement, but subject to Section 2.18, no Indemnitee shall be liable for monetary damages to the Partnership or the Partners or their respective successors and assigns for losses sustained or liabilities incurred as a result of an action taken or failure to act or error in judgment taken or made hereunder by an Indemnitee on behalf of the Partnership within the scope of the authority conferred on such Indemnitee by this Agreement or by law and in accordance with the standard of care set out in Section 6.7(a) unless the act or omission constituted a material breach of this Agreement, gross negligence, wilful misconduct or fraud of such Indemnitee in performing its obligations under this Agreement. Except as provided in Section 6.5, the General Partner may exercise any of the powers or authority granted to them by this Agreement and perform any of the duties imposed upon them hereunder either directly or by or through their agents (as contemplated hereby), and the General Partner shall not be responsible for any misconduct or negligence on the part of any such agent appointed by the General Partner in good faith.
- (b) The General Partner shall not be personally liable for the return of any Capital Contribution made by a Limited Partner to the Partnership.
- (c) The General Partner may rely and act upon and will be protected in acting or refraining from acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, consent, order, bond, debenture or other document or instrument believed by it to be genuine and to have been signed or presented by the proper party. The General Partner may rely and act upon any statement, report or opinion prepared by, or any advice received from, the legal counsel, accountants, investment bankers, experts or other professional advisors of it or the Partnership and, provided it exercised reasonable care in selecting such advisors, the General Partner will not be responsible or held liable for any loss or damage resulting from so relying or acting if it reasonably believed the advice to be within the area of professional competence of the Person from whom it was received and it acted pursuant to Section 6.7 in relying thereon.

6.10 Indemnification of the General Partner Upon Removal or Resignation

In addition to any other rights or remedies available to the General Partner at law, equity or otherwise, if the General Partner is removed or resigns as the general partner of the Partnership, the Partnership shall pay for and indemnify the General Partner against: (i) all costs and expenses incurred on behalf of the Partnership prior to the date of removal or resignation, including any and all costs of services, materials and supplies, if any, which may have been ordered by the General Partner as a result of its obligations hereunder, but which have not been charged to the General Partner at the time of removal or resignation; and (ii) for any and all severance and/or termination payments, costs and expenses incurred by the General Partner in respect of employees of the General Partner arising out of or resulting from the removal or resignation of the General Partner as the general partner of the Partnership.

6.11 Resolution of Conflicts of Interest

Unless otherwise expressly provided in this Agreement, whenever a potential conflict of interest exists or arises between the General Partner or any of its Affiliates, on the one hand, and the Partnership, any Partner and the REIT on the other hand, any resolution or course of action in respect of such conflict of interest shall be permitted and deemed approved by all Partners, and shall not constitute a breach of this Agreement, or of any standard of care or duty stated or implied by law, if the General Partner

reasonably believes such resolution or course of action is fair and reasonable to the Partnership. Subject to this Agreement, the General Partner shall be authorized in connection with its resolution of any conflict of interest to consider: (i) the relative interests of all parties involved in such conflict or affected by such action; (ii) any customary or accepted industry practices; (iii) any applicable generally accepted accounting practices or principles; and (iv) such additional factors as the General Partner determines in its sole discretion to be relevant, reasonable or appropriate under the circumstances. Nothing contained in this Agreement, however, is intended to nor shall it be construed to require the General Partner to consider the interests of any Person other than the Partnership.

6.12 Other Matters Concerning the General Partner

- (a) The General Partner may rely and will be protected in acting or refraining from acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, consent, order, bond, debenture, or other paper or document reasonably believed by it to be genuine and to have been signed or presented by the proper party or parties.
- (b) The General Partner may consult with legal counsel, accountants, appraisers, management consultants, investment bankers and other consultants and advisors selected by it, and any act taken or omitted in reliance upon the opinion (including an opinion of counsel, who may be an employee of the General Partner or the Partnership) of any of those Persons as to matters that the General Partner reasonably believes to be within that Person's professional or expert competence will be conclusively presumed to have been done or omitted in good faith and in accordance with that opinion.
- (c) The General Partner has the right, in respect of any of its powers, authorities or obligations under this Agreement, to act through any of its duly authorized officers.

6.13 Indemnity of Partnership

- (a) The General Partner hereby indemnifies and holds harmless the Partnership and each other Partner from and against all costs, expenses, damages or liabilities suffered or incurred by the Partnership or any Partner by reason of an act of wilful misconduct, gross negligence or fraud by the General Partner or from any act or omission not believed by the General Partner to be in accordance with the standard of care set out in Section 6.7(a) and within the scope of the authority conferred on the General Partner by this Agreement, or any material breach of this Agreement by the General Partner.
- (b) The General Partner will indemnify and hold harmless the Partnership and the Limited Partners and their directors, officers, shareholders, employees and representatives from any costs, damages or liabilities arising from a breach by the General Partner of its obligations under Section 5.9(b).

6.14 Limitation of Liability for REIT

The Parties acknowledge that this Agreement shall be conclusively taken to have been executed by, or by an officer of the REIT on behalf of, the Trustees only in their capacity as trustees under the Declaration of Trust. The Parties hereby disclaim any liability upon and waive any claim against REIT Unit Holders and any annuitants or beneficiaries of a trust governed by a registered retirement savings plan, registered retirement income fund, registered education savings plan, registered disability savings plan, tax free savings account or deferred profit sharing plan or under plans of which REIT Unit Holders act as trustee or carrier 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 Trustee or any REIT Unit Holders or such annuitant or beneficiary. The General Partner expressly agrees that recourse under this Agreement to the REIT shall be limited to the amount of the REIT's Capital Contribution.

The provisions of this Section 6.14 shall survive the termination of this Agreement.

6.15 Restrictions upon the General Partner

The General Partner's powers and authorities do not extend to any powers, actions or authority enumerated in Sections 8.13(c) and 8.16 unless and until the requisite Special Resolution is passed by the applicable Partners. The General Partner will not:

- (a) commingle the funds of the Partnership with its own funds or the funds of any of its Affiliates or Associates or any other Person;
- (b) dissolve, terminate, wind-up or otherwise discontinue the affairs of the Partnership, except in accordance with the provisions of Article 10;
- (c) issue or accept, recognize or register the Transfer of any LP Units unless such issuance or Transfer has been effected in compliance with the provisions of this Agreement;
- (d) except in accordance with Section 10.3, sell, exchange or otherwise dispose of all or substantially all of the assets of the Partnership (otherwise than in conjunction with an internal reorganization);
- (e) except as permitted by this Agreement, assign, Transfer or otherwise dispose of its interest (or any part thereof) as General Partner without approval of the REIT; or
- (f) waive any default on the part of the General Partner or release the General Partner from any claims in respect thereof.

6.16 Removal of the General Partner

- (a) Except as provided for in this Section 6.16, the General Partner may not be removed as the General Partner.
- (b) Upon the occurrence of an Event of Insolvency in respect of the General Partner, the General Partner will cease to be qualified to act as the general partner of the Partnership under this Agreement and will be deemed to have been removed as the general partner of the Partnership and a New General Partner will be appointed by the holders of Class A LP Units by an Ordinary Resolution within one-hundred and eighty (180) days of receipt of written notice of that event (which written notice will be provided by the General Partner promptly upon the occurrence of that event) provided that the New General Partner agrees to act as general partner of the Partnership and the General Partner will not cease to be the general partner until the earlier of the appointment of a New General Partner and the expiry of the one-hundred and eighty (180) day period.
- (c) The General Partner may also be removed as the general partner of the Partnership, as long as the removal is approved by a Special Resolution pursuant to Section 8.16(a) and a successor partner agrees to act as General Partner. Any removal of the General Partner

by the holders of Class A LP Units under this Section 6.16(c) must also provide for the election and admission of a New General Partner approved by a Special Resolution. Any removal under this Section 6.16(c) will be effective concurrently with the election and admission of the successor general partner to the Partnership.

6.17 Resignation of the General Partner

- (a) The General Partner may resign as general partner of the Partnership upon ninety (90) days prior written notice to the other Partners. At any time prior to the effective date of resignation upon written notice to the other Partners, the General Partner may withdraw its resignation.
- (b) Where the resignation of the General Partner would result in the Partnership having no general partner, the resignation will not become effective until the earlier of:
 - (i) the appointment of a New General Partner by the holders of Class A LP Units pursuant to a Special Resolution; and
 - (ii) one-hundred and eighty (180) days following the notice by the General Partner.
- (c) The General Partner may not resign if the effect of such resignation would be to dissolve the Partnership.

6.18 Condition Precedent

As a condition precedent to the resignation or removal of the General Partner, the Partnership will pay all distributions and other amounts payable by the Partnership to the General Partner pursuant to this Agreement and accrued to the date of resignation or removal subject to any claims or liabilities of the General Partner to the Partnership.

6.19 Transfer to New General Partner

On the admission of a New General Partner, if any, to the Partnership on the resignation or removal of the General Partner, the General Partner will do all things and take all steps to transfer the administration, management, control and operation of the business of the Partnership, the books, records and accounts of the Partnership, the title to the Partnership's property and the general partnership interest in the Partnership (including any general partnership interests) held by the General Partner to the New General Partner and will execute and deliver all deeds, certificates, declarations and other documents necessary or desirable to effect that transfer in a timely fashion. The General Partner may retain copies of such records, documents and books of account for its own purposes. When such data is in electronic form, it shall be made available in useable electronic format.

6.20 Release by Partnership

On the resignation or removal of the General Partner, the Partnership will release and hold harmless the General Partner from any costs, expenses, damages or liabilities suffered or incurred by the General Partner as a result of or arising out of events which occur in relation to the Partnership after that resignation or removal.

6.21 New General Partner

A New General Partner must not be an Excluded Person. A New General Partner will become a party to this Agreement by signing a counterpart of this Agreement and will agree to be bound by all of the provisions of this Agreement and to assume the obligations, duties and liabilities of the General Partner it is replacing under this Agreement as from the date the New General Partner becomes a party to this Agreement.

6.22 Fiduciary Duties and Liabilities

The provisions of this Agreement are intended by the parties to replace entirely any duties (including fiduciary duties) and liabilities relating thereto that at law or in equity any Partner or any other Person might otherwise have to another Partner or other Person, and the parties hereby specifically agree that no Partner or any other Person shall have any duties (including fiduciary duties) and liabilities relating thereto to any other Partner or other Person that derive from the Act, the common law or any other law or principle of equity and the only duties and obligations of the Partners and other Persons shall be as expressly set forth in this Agreement.

**ARTICLE 7
FINANCIAL INFORMATION**

7.1 Books and Records

The General Partner shall keep, or cause to be kept on behalf of the Partnership, during the term of the Partnership and for a period of six (6) years, or such longer period as may be required under applicable law, thereafter, at the principal office of the Partnership, books of proper, separate and complete accounts, records and registers of the operations and affairs of the Partnership, including a record of the names and addresses of all of the Partners. Any books and records maintained by or on behalf of the Partnership in the regular course of its business, including books of account and records of Partnership proceedings, may be kept on, or be in the form of, computer disks, hard disks, magnetic tape, or any other information storage device, provided, that the books and records so maintained are convertible into clearly legible written form within a reasonable period of time. The books of the Partnership shall be maintained, for financial reporting purposes, on an accrual basis in accordance with GAAP.

7.2 Right to Inspect Partnership Books and Records

- (a) In addition to other rights provided by this Agreement or by applicable law, and except as limited by Section 7.2(b), each Limited Partner has the right, for a purpose reasonably related to that Limited Partner's own interest as a limited partner in the Partnership, upon reasonable demand and at that Limited Partner's own expense, to receive:
 - (i) a current list of the name and last known address of each Limited Partner;
 - (ii) copies of this Agreement, the Declaration, the Record and amendments to those documents;
 - (iii) copies of all documents filed by the Partnership with a securities regulatory authority in Canada or a stock exchange upon which the LP Units may be listed for trading;

- (iv) copies of minutes of meetings of the Partners; and
 - (v) any other information regarding the affairs of the Partnership to which a Limited Partner is entitled pursuant to the Act.
- (b) Notwithstanding Section 7.2(a), the General Partner may keep confidential from the Limited Partners for any period of time as the General Partner deems reasonable, any information of the Partnership (other than information referred to in Section 7.2(a)(ii) or (iv)), which, in the reasonable opinion of the General Partner, should be kept confidential in the interests of the Partnership or that the Partnership is required by law or by agreements with third parties to keep confidential.

7.3 Income Tax Information

The General Partner will send or cause to be sent to each Person who was a Limited Partner:

- (a) on the last day of a distribution period in any Fiscal Year, or
- (b) at the date of dissolution of the Partnership,

by the sixtieth (60th) day of the following year or within sixty (60) days of dissolution, as the case may be, or within any other shorter period as may be required by applicable law, all information, in suitable form, relating to the Partnership necessary for a Person to prepare that Person's Canadian federal and provincial income tax returns. The General Partner will file annual information returns and any other information returns required to be filed under the Tax Act and any other applicable tax legislation in respect of the Partnership.

7.4 Accounting Policies

The General Partner is authorized to establish, from time to time, accounting policies with respect to the financial statements of the Partnership and to change, from time to time, any policy that has been so established, provided that such policies are consistent with GAAP, this Agreement and the policies of the REIT.

7.5 Financial Statements

The Partnership shall maintain separate financial statements from each of the Partners and, in the event the financial results of the Partnership are not consolidated with those of the REIT, the Partnership shall provide to each of the Partners copies of its quarterly financial statements no later than forty-five (45) days following each of the first three (3) Fiscal Quarters each year and copies of its annual financial statements no later than ninety (90) days following each fiscal year end, in each case prepared in accordance with GAAP. For the purposes of this Agreement, references to the completion of the financial statements of the Partnership shall mean completion of such financial statements taking into account any adjustments thereto resulting from the completion of the REIT's annual audited financial statements or quarterly financial statements, as applicable.

7.6 Appointment of Auditors

The General Partner shall appoint, on behalf of the Partnership, and from time to time, the Auditors.

ARTICLE 8
MEETINGS OF THE LIMITED PARTNERS

8.1 **Requisitions of Meetings**

It is recognized that while holders of Class A LP Units do not generally have the right to take any part in the management of the Business, such holders may, from time to time, consider certain matters as outlined in Section 8.16. The General Partner may call a general meeting of Partners at any time and place it deems appropriate in its absolute discretion for the purpose of considering any matter set out in the notice of meeting. In addition, where Limited Partners holding not less than 10% of the outstanding Class A LP Units in number (the “**Requisitioning Partners**”) give notice signed by each of them to the General Partner, requesting a meeting of the Partners, the General Partner will, within thirty (30) days of receipt of that notice, convene a meeting, and if it fails to do so, any Requisitioning Partner may convene a meeting by giving notice in accordance with this Agreement. Every meeting of Partners, however convened, will be conducted in accordance with this Agreement.

8.2 **Place of Meeting**

Every meeting of Partners will be in any place in Canada as the General Partner (or Requisitioning Partners, if the General Partner fails to call the meeting in accordance with Section 8.1) may designate from time to time.

8.3 **Notice of Meeting**

Notice of any meeting of Partners will be given to each Partner entitled to vote at the meeting not less than ten (10) days (but not more than 30 days) prior to the meeting, and will state:

- (a) the time, date and place of the meeting; and
- (b) in general terms, the nature of the business to be transacted at the meeting in sufficient detail to permit a Partner to make a reasoned decision on that business.

Notice of an adjourned meeting of Partners need not be given if the adjourned meeting is held within fourteen (14) days of the original meeting. Otherwise, but subject to Section 8.12, notice of adjourned meetings will be given not less than ten (10) days in advance of the adjourned meeting and otherwise in accordance with this Section, except that the notice need not specify the nature of the business to be transacted if unchanged from the original meeting.

8.4 **Record Dates**

For the purpose of determining the Limited Partners who are entitled to vote or act at any meeting of Partners or any adjournment of a meeting, or for the purpose of any other action, the General Partner may from time to time cause the transfer books of the Partnership to be closed for a period, not exceeding ten (10) days, as the General Partner may determine or, without causing the transfer books to be closed, the General Partner may fix a date not more than thirty (30) days prior to the date of any meeting of Partners or other action as a record date for the determination of Limited Partners entitled to vote at that meeting or any adjournment of the meeting or to be treated as Limited Partners of record for purposes of any other action, and any Limited Partner who was a Limited Partner at the time so fixed will be entitled to vote (if applicable) at the meeting or any adjournment of the meeting even though that Limited Partner has since that date disposed of the Limited Partner’s LP Units, and no Limited Partner becoming a Limited Partner after that fixed date will be a Limited Partner of record for purposes of that action. A

Person will be a Limited Partner of record at the relevant time if the Person's name appears in the Record, as amended and supplemented, at that time.

8.5 Proxies

Any Limited Partner entitled to vote at a meeting of Partners may vote by proxy if a form of proxy has been received by the General Partner or the chairperson of the meeting for verification prior to the time fixed by the General Partner preceding the meeting, or any adjournment of the meeting.

8.6 Validity of Proxies

A proxy purporting to be executed by or on behalf of a Limited Partner entitled to vote will be considered to be valid unless challenged at the time of or prior to its exercise. The Person challenging the proxy will have the burden of proving to the satisfaction of the chairperson of the meeting that the proxy is invalid and any decision of the chairperson concerning the validity of a proxy will be final.

8.7 Form of Proxy

Every proxy will be substantially in the form as may be approved by the General Partner or as may be satisfactory to the chairperson of the meeting at which it is sought to be exercised.

8.8 Revocation of Proxy

A vote cast in accordance with the terms of an instrument of proxy will be valid notwithstanding the previous death, incapacity, insolvency or bankruptcy of the Limited Partner giving the proxy or the revocation of the proxy unless written notice of that death, incapacity, insolvency, bankruptcy or revocation has been received by the chairperson of the meeting prior to the commencement of the meeting.

8.9 Entities

A Limited Partner entitled to vote that is not an individual may appoint an officer, director or other authorized Person as its representative to attend, vote and act on its behalf at a meeting of Partners.

8.10 Attendance of Others

Any officer or director of the General Partner, legal counsel for the General Partner and the Partnership and representatives of the Auditor will be entitled to attend any meeting of Partners. The General Partner has the right to authorize the presence of any Person at a meeting regardless of whether the Person is a Partner, and, with the approval of the General Partner, any such Person is entitled to address the meeting.

Notwithstanding that the Class B LP Units are generally non-voting, the holders of all LP Units, including Class B LP Units, shall be entitled to attend all meetings of Partners.

8.11 Chairperson

The General Partner may nominate a Person, including an officer or director of the General Partner (who need not be a Limited Partner) to be chairperson of a meeting of Partners and the Person nominated by the General Partner will be chairperson of that meeting.

8.12 **Quorum**

A quorum at any meeting of Partners will consist of one or more Partners holding Class A LP Units present in person or by proxy. If, within half an hour after the time fixed for the holding of the meeting, a quorum for the meeting is not present, the meeting:

- (a) if called by or on the requisition of Limited Partners, will be terminated; and
- (b) if called by the General Partner, may thereafter be held on ten (10) days' prior written notice to all of the Limited Partners of the second meeting to transact the business set forth in the original notice in respect of that meeting and at the reconvened meeting the quorum will consist of the Partners then present in person or represented by proxy.

8.13 **Voting Procedure**

- (a) Every question submitted to a meeting of Partners:
 - (i) which requires a Special Resolution under this Agreement will be decided by a poll; and
 - (ii) which does not require a Special Resolution will be decided by an Ordinary Resolution on a show of hands unless otherwise required by this Agreement or a poll is demanded by a Partner, in which case a poll will be taken;

and, in the case of an equality of votes, the chairperson will not have a casting vote and the resolution will be deemed to be defeated. The chairperson will be entitled to vote in respect of any LP Units held by the chairperson or for which the chairperson may be a proxyholder. On any vote at a meeting of Partners, a declaration of the chairperson concerning the result of the vote will be conclusive. Any Limited Partner who would otherwise be entitled to vote who is in default in payment of the subscription price for that Limited Partner's Units will not be entitled to vote in respect of those LP Units.

- (b) On a poll each Person present at the meeting and entitled to vote will have one vote for each LP Unit in respect of which the Person is shown on the Record as a Limited Partner at the record date and for each LP Unit in respect of which the Person is the proxyholder. If LP Units are held jointly by two or more Persons and only one of them is present or represented by proxy at a meeting of Unitholders, that Unitholder may, in the absence of the other or others, vote with respect those Units, but if more than one of them is present or represented by proxy, they will vote together on the whole LP Units held jointly.
- (c) Notwithstanding any other provision of this Agreement, in the event that any matter to be voted upon would affect the rights, benefits, or entitlement of the holders of Class B LP Units, then the approval of the holders of the Class B LP Units shall be required by Special Resolution of Class B LP Units approving the resolution, voting alone as a class. The meeting and approval process relating to any such approval shall be the same as the meeting and approval process relating to Class A LP Units, *mutatis mutandis*.

8.14 **Poll**

A poll requested or required will be taken at the meeting of Partners or an adjournment of the meeting in any manner as the chairperson directs.

8.15 **Powers of Limited Partners; Resolutions Binding**

The Limited Partners will have only the powers set out in this Agreement and any additional powers provided by the Act or otherwise by law. Subject to the foregoing sentence, any resolution passed in accordance with this Agreement will be binding on each Partner and that Partner's respective heirs, executors, administrators, successors and assigns, whether or not that Partner was present in person or voted against any resolution so passed.

8.16 **Powers Exercisable by Special Resolution of Holders of Class A LP Units**

Subject to Section 9.2, in addition to those powers which are only exercisable by Special Resolution as provided elsewhere in this Agreement, the following powers will only be exercisable by Special Resolution passed by the holders of Class A LP Units entitled to vote at the meeting (including the affirmative vote of the General Partner with respect to Sections 8.16(b), 8.16(e), 8.16(f), 8.16(g) and 9.3:

- (a) removing the General Partner where the General Partner has committed a material breach of this Agreement, which breach has continued for thirty (30) days after notice and, if such removal would result in the Partnership having no general partner, electing a New General Partner as provided in Section 6.16(c);
- (b) the sale, exchange or other disposition of all or substantially all of the assets of the Partnership, whether in a single transaction or a series of related transactions, except in conjunction with an internal reorganization;
- (c) waiving any default, on the part of the General Partner, on those terms as the Limited Partners may determine and releasing the General Partner from any claims in respect thereof;
- (d) amending, modifying, altering or repealing any Special Resolution previously passed by Unitholders;
- (e) amending this Agreement pursuant to Section 9.1 in accordance with the provisions of this Agreement;
- (f) a merger or consolidation involving the Partnership, except for a merger or consolidation involving only the Partnership and its Affiliates;
- (g) a consolidation, subdivision or reclassification of the LP Units or of any class of LP Units;
- (h) continuing the Partnership if the Partnership is terminated by operation of law; and
- (i) adding to, changing or removing any right, privilege, restriction or condition attaching to the LP Units which may reasonably be considered materially adverse to the holders of the LP Units.

8.17 **Minutes**

The General Partner will cause minutes to be kept of all proceedings and resolutions at every meeting and will cause all minutes and all resolutions of the Partners consented to in writing to be made

and entered in books to be kept for that purpose. Any minutes of a meeting signed by the chairperson of the meeting will be deemed *prima facie* evidence of the matters stated in them and the meeting will be deemed to have been duly convened and held and all resolutions and proceedings shown in them will be deemed to have been duly passed and taken.

8.18 Additional Rules and Procedures

To the extent that the rules and procedures for the conduct of a meeting of the Partners are not prescribed in this Agreement, such rules and procedures will be determined by the General Partner.

8.19 Consent Without Meeting

Any matter that may be addressed by any Limited Partners at a meeting may be addressed by written resolution signed by such Limited Partners in lieu of holding such meeting. In addition, any action required or permitted by this Agreement or any provision of law to be taken at a meeting of the Partners, may be taken without a meeting without prior notice and without a vote, if a consent in writing, setting forth the action so taken, shall be signed by Partners holding LP Units having not less than the minimum number of votes necessary to authorize or take such action at a meeting at which Partners holding 100% of the outstanding LP Units entitled to vote thereon were present and voted. Such consent shall have the same effect as a vote of such Partners and may be stated as such in any certificate or document. Prompt written notice of the taking of the action without a meeting by less than unanimous written consent of the Partners shall be given to Partners who have not consented in writing.

**ARTICLE 9
AMENDMENT**

9.1 Generally

Subject to Sections 9.2, 9.3 and 9.4, this Agreement may be amended only in writing by the General Partner and only with the consent of the holders of LP Units entitled to vote thereon given by Special Resolution provided that, notwithstanding anything to the contrary in this Agreement, no amendment which would adversely affect the rights and obligations of any Limited Partner differently than any other Limited Partner, or any class of Limited Partners differently than any other class of Limited Partners, which, for greater certainty, includes amendments to Section 5.6(a)(ii), shall be made without the consent of such holders or class of LP Units.

9.2 Amendments Requiring Unanimous Approval

The unanimous approval of all holders of LP Units shall be required for amendments that: (i) change the liability of any Limited Partner; (ii) change the right of a Limited Partner to vote at any meeting; or (iii) change the Partnership from a limited partnership to a general partnership.

9.3 Amendments Requiring Approval of the General Partner

No amendment that would adversely affect the rights and obligations of the General Partner, in its role as general partner, may be made without the written consent of the General Partner.

9.4 Amendments by the General Partner

From time to time and without prior notice to, or the consent of, any Limited Partner, but subject to Sections 9.1, 9.2 and 9.3, the General Partner may amend any provision of this Agreement or add any

provision hereto if such amendment or addition is, in the opinion of the General Partner based on advice from counsel to the Partnership (who may be an employee of the General Partner or the Partnership), necessary or desirable for the protection or benefit of all the Limited Partners or the Partnership. For purposes of greater clarity and without limiting the foregoing, but subject to Sections 9.1 and 9.2, the General Partner may make amendments to the Agreement to reflect: (i) a change in the name of the Partnership or the location of the principal office of the Partnership or the registered office of the Partnership; (ii) admission, substitution, withdrawal or removal of Limited Partners in accordance with this Agreement; (iii) a change that, as determined by the General Partner, is reasonable and necessary or appropriate to qualify or continue the qualification of the Partnership as a limited partnership in which the Limited Partners have limited liability under applicable law; (iv) a change that, as determined by the General Partner, is reasonable and necessary or appropriate to enable the Partnership to take advantage of, or not be detrimentally affected by, changes in the Tax Act or other taxation laws; or (v) a change to amend or add any provision, or to cure any ambiguity or to correct or supplement any provisions contained in the Agreement which may be defective or inconsistent with any other provision contained in the Agreement.

9.5 Notice of Amendment

The General Partner shall notify all other Partners of the full details of any amendment to this Agreement that does not require their approval pursuant to Sections 9.1, 9.2, 9.3 or 9.4 within twenty (20) Business Days of the effective date of such amendment.

ARTICLE 10 DISSOLUTION AND LIQUIDATION

10.1 Dissolution of Partnership

Unless otherwise agreed by the parties hereto, the Partnership shall terminate on the date (the “**Termination Date**”) of the occurrence of any of the following events:

- (a) the removal or deemed removal of the General Partner, unless such General Partner is replaced as provided in this Agreement;
- (b) the sale, exchange or other disposition of all or substantially all of the assets of the Partnership, if approved by a Special Resolution in accordance with Sections 8.16(b);
- (c) the passage of a Special Resolution approving the dissolution of the Partnership; and
- (d) the date of dissolution caused by operation of law.

10.2 No Dissolution

The Partnership shall not dissolve or terminate by reason of the admission, withdrawal, death, mental incompetence, removal, insolvency or dissolution of a Partner or the Transfer of LP Units by any Partner or of the general partnership interests by the General Partner in the manner contemplated herein.

10.3 Procedure on Dissolution

Upon the occurrence of any of the events set out in Section 10.1, the General Partner (or in the event of an occurrence specified in Section 10.1(a), any other Person who may be appointed by Ordinary

Resolution of the Limited Partners) will act as a receiver and liquidator of the assets of the Partnership and will:

- (a) sell or otherwise dispose of that part of the Partnership's assets as the receiver considers appropriate;
- (b) pay or provide for the payment of the debts and liabilities of the Partnership and liquidation expenses, including any required payment to the General Partner for Expenses incurred by the General Partner, including any and all costs of services, materials and supplies, if any, which may have been ordered as a result of the General Partner obligations hereunder, but which have not been charged as of the Termination Date and any and all severance and/or termination payments, costs and expenses incurred by the General Partner in respect of employees of the General Partner arising out of or resulting from the dissolution of the Partnership;
- (c) distribute the remaining assets of the Partnership, if any, to the General Partner and to Limited Partners of record on the date of dissolution, in the same proportions as the distributions required by Section 5.6; and
- (d) file the declaration of dissolution prescribed by the Act and satisfy all applicable formalities in those circumstances as may be prescribed by the laws of all jurisdictions where the Partnership is registered.

10.4 Disproportionate Distributions

In connection with any distribution under Section 10.3(c), upon agreement of all Limited Partners, cash and non-cash assets may be distributed on a basis which is not proportional on a class of asset basis, but which is proportional having regard to the fair value of the total assets distributed to each Partner, as determined by the General Partner.

10.5 Termination

The Partnership will terminate upon the completion of all matters set out in Section 10.3.

10.6 No Right to Dissolve

Except as provided for in Section 10.1 or pursuant to a provision of the Act which cannot be waived by agreement of the Limited Partners, no Limited Partner has the right to ask for the dissolution of the Partnership, for the winding-up of its affairs or for the distribution of its assets.

10.7 Survival

All rights to indemnification permitted in this Agreement, covenants in respect of non-solicitation and confidentiality and payment or reimbursement of expenses shall survive the termination of this Agreement.

**ARTICLE 11
MISCELLANEOUS**

11.1 Notices

All notices, demands or other communications to be given or delivered under or by reason of the provisions of this Agreement shall be in writing and shall be deemed conclusively to have been given on the date of delivery or date sent by facsimile or other means of prepaid, transmitted or recorded communications or, if mailed, five days from the date of mailing. If any such notice or communication shall have been mailed and if regular mail service shall be interrupted by strikes or other irregularities, such notice or communication shall be deemed to have been received 48 hours after 12:01 a.m. on the day following the resumption of normal mail service, provided that during the period that regular mail service shall be interrupted any notice or other communication shall be given by personal delivery or by facsimile or other means of prepaid, transmitted or recorded communication. Such notices, demands and other communications shall be delivered to the parties hereto at the respective addresses indicated below:

- (a) the General Partner:

True North General Partner Corp.
1801 – 3300 Bloor St West, West Tower
Toronto, Ontario
M8X 2X2
Attention: Martin Liddell
Fax: (416) 234-8445

- (b) the REIT:

True North Apartment Real Estate Investment Trust
1801 – 3300 Bloor St West, West Tower
Toronto, Ontario
M8X 2X2
Attention: Martin Liddell
Fax: (416) 234-8445

11.2 Confidentiality

The Parties acknowledge that each of them may receive confidential information from and about the Partnership and/or the other Parties relating to the subject-matter of this Agreement (the “**Confidential Information**”). Each Party covenants to hold in trust and keep confidential and secret, and to protect the confidentiality of, all Confidential Information disclosed to it pursuant to this Agreement, and not to disclose the Confidential Information to anyone other than its officers, directors, employees, agents, and professional advisors to whom such disclosure is reasonably required on a need-to-know basis. Each Party acknowledges that disclosure of any Confidential Information in contravention of this Section may cause significant harm to the Partnership or the other Parties and that remedies at law may be inadequate to protect against a breach of this Section. Accordingly, the Parties agree that each Party shall be entitled, in addition to any other relief available to it, to the granting of injunctive relief without proof of actual damages or the requirement to establish the inadequacy of any of the other remedies available to it. This Section shall be inoperative to bind a party as to such portions of the Confidential Information which (i) become generally available to the public through no fault or action by such Party, (ii) became available to such Party on a non-confidential basis from a source other than the other Parties hereto, or (iii) were available to such Party on a non-confidential basis prior to the date of

this Agreement. The covenants of the Parties in this Section shall survive the termination of this Agreement and remain in full force and effect without limitation of time.

11.3 Waiver

No waiver of any provision of this Agreement shall be binding unless it is in writing. No indulgence or forbearance by a party hereto shall constitute a waiver of such party's right to insist on performance in full and in a timely manner of all covenants in this Agreement. Waiver of any provision shall not be deemed to waive the same provision thereafter, or any other provision of this Agreement at any time.

11.4 Further Assurances

Each party hereto 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 parties 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.

11.5 Entire Agreement

This Agreement constitutes the entire agreement between the parties pertaining to the subject matter hereof and supersedes all prior and contemporaneous agreements, understandings, negotiations, and discussions, whether oral or written, of the Parties pertaining thereto. There are no warranties, representations or other agreements between the Parties in connection with the subject matter hereof except as specifically set forth in this Agreement, the Acquisition Agreement, the Declaration of Trust and the Exchange Agreement.

11.6 Assignment

Subject to the right of the General Partner to subcontract services in accordance with Section 6.5, neither this Agreement nor any of the rights and obligations arising from it shall be assignable in whole or in part by any party, except with the prior written approval of the other parties hereto which approval shall not be unreasonably withheld.

11.7 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.

11.8 Time of the Essence

Time is of the essence to every provision of this Agreement. Extension, waiver or variation of any provision of this Agreement shall not be deemed to affect this provision and there shall be no implied waiver of this provision.

11.9 Amendments

This Agreement may not be modified or amended except in accordance with Article 9 hereof.

11.10 **Severability**

If any covenant, obligation or agreement of this Agreement, or the application thereof, to any Person or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Agreement or the application of such covenant, obligation or agreement to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby. Each covenant, obligation and agreement of this Agreement shall be separately valid and enforceable to the fullest extent permitted by law.

11.11 **Governing Law**

This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable in such province and the parties hereto irrevocably attorn to the non-exclusive jurisdiction of the courts of such province.

11.12 **Counterparts**

This Agreement, or any amendment to it, may be signed in counterparts, all of which, taken together, shall constitute this Agreement.

11.13 **Binding Agreement**

Subject to the restrictions on Transfer contained herein, this Agreement shall enure to the benefit of, and be binding upon, the parties hereto and their respective successors and permitted assigns.

11.14 **Language**

The parties hereto confirm their express wish that this Agreement and all documents and agreements directly or indirectly relating thereto be drawn up in the English language. Les parties reconnaissent leur volonté express que la présente entente ainsi que tous les documents et contrats s'y rattachant directement ou indirectement soient rédigés en anglais.

[Remainder of page intentionally left blank.]

IN WITNESS WHEREOF the parties hereto have executed this Agreement.

TRUE NORTH GENERAL PARTNER CORP.

By: (signed) "Martin Liddell"
Martin Liddell
Authorized Signing Officer

**TRUE NORTH APARTMENT REAL ESTATE
INVESTMENT TRUST**

By: (signed) "Martin Liddell"
Martin Liddell
Chief Financial Officer

SCHEDULE "A"

ACQUISITION PROPERTIES

TN5 LIMITED PARTNERSHIP

Property and Owners

Property	Registered Owner	Beneficial Owner
36 Raglan St., Napanee, ON 252 Belleville Road, Napanee, ON	Kanco-36 Raglan Ltd. Kanco-252 Belleville Ltd.	PD Kanco LP PD Kanco LP

SCHEDULE "B"

POWER OF ATTORNEY AND DECLARATION FORM

TN5 LIMITED PARTNERSHIP

1. Unless otherwise defined herein, all capitalized terms used herein shall have the meaning ascribed to such terms in the amended and restated limited partnership agreement of TN5 Limited Partnership made as of June 27, 2014 (as such agreement may be further amended, supplemented or amended and restated from time to time, the "**Limited Partnership Agreement**").
2. For good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the undersigned, the undersigned, a subscriber for Class A and/or B LP Units, hereby agrees to be bound, as a party to and as a limited partner in the Partnership, by the terms and conditions of the Limited Partnership Agreement and the Exchange Agreement, as if the undersigned was named as an original party in and had executed the Limited Partnership Agreement and the Exchange Agreement, and hereby ratifies, for all legal purposes, the execution of the Limited Partnership Agreement and the Exchange Agreement on behalf of the undersigned and all actions taken on behalf of the undersigned pursuant to the Limited Partnership Agreement and the Exchange Agreement.
3. The undersigned declares that the undersigned is not an Excluded Person and the undersigned has the capacity and competence, and that it has the necessary corporate authority, if applicable, to execute this Power of Attorney and Declaration and to enter into the Limited Partnership Agreement and the Exchange Agreement.
4. The undersigned declares that (i) it is an "accredited investor" as defined in section 1.1 of National Instrument 45-106 – *Prospectus Exempt Distributions* ("**NI 45-106**"), (ii) it is subscribing for Class A and/or B LP Units as principal, and (iii) it is subscribing for such Class A and/or B LP Units with the benefit of the prospectus exemption provided by section 2.4 of NI 45-106 provided that the Partnership is a "private issuer" as contemplated in section 2.4 of NI 45-106.
5. The undersigned agrees to be bound as a Limited Partner in the Partnership by the terms of the Limited Partnership Agreement and hereby expressly ratifies and confirms the power of attorney given to the General Partner in Section 2.15 of the Limited Partnership Agreement.
6. The undersigned hereby irrevocably constitutes and appoints the General Partner, with full power of substitution, as its true and lawful attorney and agent, with full power and authority in its name, place and stead to execute and deliver, for and on its behalf, the Limited Partnership Agreement and any amendments or supplements to the Limited Partnership Agreement made in accordance with the Limited Partnership Agreement.
 - (a) The power of attorney granted in this form and in the Limited Partnership Agreement is a special power of attorney, coupled with an interest, and is irrevocable during the existence of the Partnership and in connection with the dissolution or winding up thereof, and will survive the death or disability of a Limited Partner and will survive the transfer or assignment by the Limited Partner, to the extent of the obligations of a Limited Partner under the Limited Partnership Agreement, of the whole or any part of the interest of the

Limited Partner in the Partnership, extends to the heirs, executors, administrators, other legal representatives and successors, transferees and assigns of the Limited Partner, and may be exercised by the General Partner on behalf of each Limited Partner in executing any instrument by a facsimile signature or by listing all the Limited Partners and executing that instrument with a single signature as attorney and agent for all of them.

- (b) The undersigned agrees to be bound by any representations or actions made or taken by the General Partner which are contemplated by or provided for in the Limited Partnership Agreement, pursuant to the power of attorney contained in this form and in the Limited Partnership Agreement and hereby waives any and all defences which may be available to contest, negate or disaffirm the action of the General Partner taken in good faith under the power of attorney.
 - (c) In accordance with applicable law governing a power of attorney, each Limited Partner declares that these powers of attorney may be exercised during any legal incapacity, mental incapacity or infirmity, or mental incompetence on the Limited Partner's part.
 - (d) The power of attorney granted in this form and in the Limited Partnership Agreement is not intended to be a continuing power of attorney within the meaning of the *Substitute Decisions Act, 1992* (Ontario), exercisable during a Limited Partner's incapacity to manage property, or any similar power of attorney under equivalent legislation in any of the provinces or territories of Canada (a "CPOA"). The execution of the power of attorney will not terminate any CPOA granted by the Limited Partner previously and will not be terminated by the execution by the Limited Partner in the future of a CPOA, and the Limited Partner hereby agrees not to take any action in future which results in the termination of the power of attorney.
 - (e) This power of attorney will continue in respect of the General Partner so long as it is the General Partner of the Partnership, and will terminate thereafter, but will continue in respect of the other General Partner and, if applicable, a New General Partner as if the New General Partner were the original attorney.
7. The undersigned accepts that this Power of Attorney and Declaration, the Limited Partnership Agreement and related documents be in the English language only. Le soussigné accepte que cette procuration et déclaration, ainsi que tous documents connexes, ne soient rédigés qu'en anglais.

[Remainder of page intentionally left blank]

DATED at _____, in the Province of _____, this ___ day of _____, in the year _____.

SIGNED, SEALED AND DELIVERED in the presence of

Witness



-

OR

-

Per: _____

Name:

Title:

SCHEDULE "C"

TRANSFER AND POWER OF ATTORNEY FORM

TN5 LIMITED PARTNERSHIP

I, _____, a Limited Partner of TN5 Limited Partnership (the “**Partnership**”), hereby transfer, assign and sell to: _____
[Name of Transferee and Address] _____ [Number of Units] LP Unit(s)
registered in my name and constitute the above-named transferee as a substitute Limited Partner to the extent of that number of LP Units and I agree to execute and deliver to the General Partner any documents required to effect a valid transfer of the LP Units or which are necessary or advisable, in the opinion of the General Partner, to preserve the status of the Partnership as a limited partnership. I agree that the power of attorney previously granted to the General Partner will be effective for the purpose of executing and filing all certificates, amendments and other instruments necessary to give effect to this transfer.

DATED at _____, in the Province of _____, this ___day of _____, in the year _____.

(Guarantor) (Signature of Limited Partner)

(Surname) (Given Name) (Please Print)

(Address - No Post Office Box)

(City, Province, Postal Code)

TERMS AND CONDITIONS

1. If requested by the General Partner, the signature of the Limited Partner must be guaranteed by a Canadian chartered bank, a trust company qualified to carry on business in a Province of Canada, a member of a recognized signature Medallion guarantee program or a member of any recognized Canadian stock exchange.
2. This transfer must be for a whole LP Unit or for whole LP Units. Transfers of fractional LP Units will not be recognized or entered in the register of the Partnership.
3. Unless otherwise defined herein, all capitalized terms used herein shall have the meaning ascribed to such term in the amended and restated limited partnership agreement of TN5 Limited Partnership made as of June 27, 2014 (as such agreement may be further amended, supplemented or amended and restated from time to time, the “**Limited Partnership Agreement**”).

4. For good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the undersigned, the undersigned (who is the above-named transferee) hereby accepts this transfer and hereby agrees to be bound, as a party to and as a limited partner in the Partnership, by the terms and conditions of the Limited Partnership Agreement and the Exchange Agreement, as if the undersigned was named as an original party in and had executed the Limited Partnership Agreement and the Exchange Agreement, and hereby ratifies, for all legal purposes, execution of the Limited Partnership Agreement and the Exchange Agreement on behalf of the undersigned and all actions taken on behalf of the undersigned pursuant to the Limited Partnership Agreement and the Exchange Agreement.
5. The undersigned declares that the undersigned is not an Excluded Person and the undersigned declares that it has the capacity and competence, and that it has the necessary corporate authority, if applicable, to execute this Transfer and Power of Attorney and to enter into the Limited Partnership Agreement and the Exchange Agreement.
6. The undersigned declares that (i) it is an “accredited investor” as defined in section 1.1 of National Instrument 45-106 – *Prospectus Exempt Distributions* (“**NI 45-106**”), (ii) it is being transferred Class A and/or B LP Units as principal, and (iii) it is being transferred such Class A and/or B LP Units with the benefit of the prospectus exemption provided by section 2.4 of NI 45-106 provided that the Partnership is a “private issuer” as contemplated in section 2.4 of NI 45-106.
7. In consideration of the General Partner accepting this transfer and conditional on that acceptance, the undersigned agrees to be bound as a Limited Partner in the Partnership by the terms of the Limited Partnership Agreement and hereby expressly ratifies and confirms the power of attorney given to the General Partner in Section 2.15 of the Limited Partnership Agreement.
8. The undersigned hereby irrevocably constitutes and appoints the General Partner, with full power of substitution, as its true and lawful attorney and agent, with full power and authority in its name, place and stead to execute and deliver, for and on its behalf, the Limited Partnership Agreement and any amendments or supplements to the Limited Partnership Agreement made in accordance with the Limited Partnership Agreement.
 - (a) The power of attorney granted in this form and in the Limited Partnership Agreement is a special power of attorney, coupled with an interest, and is irrevocable during the existence of the Partnership and in connection with the dissolution or winding up thereof, and will survive the death or disability of the transferee and will survive the transfer or assignment by the transferee, to the extent of the obligations of the transferee under the Limited Partnership Agreement, of the whole or any part of the interest of the transferee in the Partnership, extends to the heirs, executors, administrators, other legal representatives and successors, transferees and assigns of the transferee, and may be exercised by the General Partner on behalf of the transferee in executing any instrument by a facsimile signature or by listing all the Limited Partners and executing that instrument with a single signature as attorney and agent for all of them.
 - (b) The undersigned agrees to be bound by any representations or actions made or taken by the General Partner which are contemplated by or provided for in the Limited Partnership Agreement, pursuant to the power of attorney contained in this form, and in the Limited Partnership Agreement and hereby waives any and all defences which may be available to contest, negate or disaffirm the action of the General Partner taken in good faith under the power of attorney.

- (c) In accordance with applicable law governing a power of attorney, the transferee declares that these powers of attorney may be exercised during any legal incapacity, mental incapacity or infirmity, or mental incompetence on the transferee's part.
 - (d) The power of attorney granted in this form and in the Limited Partnership Agreement is not intended to be a continuing power of attorney within the meaning of the *Substitute Decisions Act, 1992* (Ontario), exercisable during the transferee's incapacity to manage property, or any similar power of attorney under equivalent legislation in any of the provinces or territories of Canada (a "CPOA"). The execution of the power of attorney will not terminate any CPOA granted by the transferee previously and will not be terminated by the execution by the transferee in the future of a CPOA, and the transferee hereby agrees not to take any action in future which results in the termination of the power of attorney.
 - (e) This power of attorney will continue in respect of the General Partner so long as it is the General Partner of the Partnership, and will terminate thereafter, but will continue in respect of the other General Partner and, if applicable, a New General Partner as if the New General Partner were the original attorney.
9. The undersigned accepts that this Transfer and Power of Attorney, the Limited Partnership Agreement and related documents be in the English language only. *Le soussigné accepte que cette procuration et déclaration, ainsi que tous documents connexes, ne soient rédigés qu'en anglais.*

DATED at _____, in the Province of _____, this ___ day of _____, in the year _____.

(Signature of Guarantor) (Signature of Transferee) (Surname) (Given Name) (Please Print)

(Address - No Post Office Box)

(City, Province, Postal Code)

Direction

(To be used where the Limited Partner wishes LP Units the Limited Partner is entitled to receive to be registered in the name of the Limited Partner's dealer or broker firm or the firm's nominees. Please consult with your dealer or broker to confirm the appropriate name and address to be inserted below.)

To:

(Insert name of dealer or broker firm or the firm's nominees)

(Insert name of dealer or broker firm or the firm's nominees)

Re: TN5 Limited Partnership (the "Partnership")

Enclosed is a Transfer and Power of Attorney Form in respect of limited partner units (the "LP Units") which I have acquired. The Transfer and Power of Attorney Form has been signed by me, with signature guaranteed, but with the name and address of the transferee left blank. I have directed the Partnership to deliver to you the Units to be issued to me so that you may seek the re-registration of those LP Units in your name or in the name of your nominee (including CDS Clearing and Depository Services Inc.).

You are hereby directed to insert your name and address or the name and address of your nominee on the Transfer and Power of Attorney Form in the Section to be completed by the transferor, to complete the Section to be completed by the transferee and to deliver the properly completed Transfer and Power of Attorney Form to the General Partner, to re-register my LP Units in your name (or that of your nominee) so that you (or your nominee) will hold the LP Units on my behalf on the basis that I remain the beneficial owner of the LP Units.

DATED at _____, in the Province of _____, this ___ day of _____, in the year _____.

(Signature of Guarantor)

(Signature of Depositing Limited Partner)

(Given Name)

(Social Insurance Number)

(Mail Address - No Post Office Box)

(City, Province, Postal Code)