

**Eastern Ontario Outaouais Regional Council**  
**Meeting of the Executive**  
**Thursday, October 10, 2024 – 9 AM**

*Living Call Statement of the Regional Council*

The Eastern Ontario Outaouais Regional Council seeks to support and strengthen the ministries of its Communities of Faith as well as the ministry of all God's people, staff and lay leadership within those communities.

As we seek to carry out this ministry, we will be intentional about how we fully include all in Christ's love and service. This means that in our work as a Regional Council we will actively seek equity for, and participation from, the full diversity of God's Creation; seeking racial justice, identifying and undermining colonialism, celebrating all sexual orientations, gender identities and expressions, valuing linguistic and cultural diversity, seeking to include all who face challenges with their mental and physical health or social and economic circumstances.

We will carry out our ministry with people in all seasons of life as we honour our relationship with Indigenous Peoples and nurture ecological justice. We will work to effectively and respectfully communicate with one another so that no one is left behind.

**IN ATTENDANCE**

Rev. Susan DeHaan	President
Susan Hutton, DLM	Past-President
Jim Allen	Member
Gayle Barks	Member
Rev. Nancy Best	Member
Liz Church	Member
Nancy Hazen	Member
Rev. Éric Hébert-Daly	Active Member, Executive Minister
Micheline Montreuil, DM	Member
Catherine Ryan	Member
Sue Smarkala	Member
Dana Ducette	Corresponding Member, Minister, Youth and Young Adults
Natalie Matkovsky	Corresponding Member, Communications and Administration
Joel Miller	Program Assistant to Executive Minister, Recording Secretary
Rev. Mary Royal-Duczek	Corresponding Member, Community of Faith and Network Support Minister

**REGRETS/ABSENT**

Rev. Cindy Casey	President-Elect
Rev. Ryan Kim	Member
Rev. Erin McIntyre	Member

This meeting of the Eastern Ontario Outaouais Regional Council (EOORC) Executive received reporting from the centennial anniversary working group; received for information incoming and outgoing correspondence; received reporting from the regional council treasurer; received the minutes from the Pastoral Relations Commission for meeting held on September 17, 2024, received recommendations to rescind motion 2024-09-12\_015 MOTION regarding North Augusta Pastoral Charge and rename Algonquin United Church to Trinity United Church, and received updates regarding the Ministry Personnel Support Leadership Team; received updated from the Future Through Property Leadership Team regarding Christ United Church (Chesterville), Queenswood United Church agreement (order of the day at 10 AM), and Rupert United Church; received an update regarding the regional

council's strategic plan; debriefed on the October 5, 2024 general meeting and discussed sub-regional gatherings being planned for the Fall of 2025; received updates regarding Voluntary Associate Ministers (VAM); received a request for support from Manotick United Church regarding a "Seeds of Hope" grant application; and received updates regarding Camp Awesome (order of the day at 10:30 AM).

**Call to Order** – Rev. Susan DeHaan, President calls the meeting to order at 9:07 AM.

"In the name of the Lord Jesus Christ, the only sovereign head of the Church, and by the authority of the Eastern Ontario Outaouais Regional Council of the United Church of Canada, I hereby declare this Executive meeting duly constituted and to be in session for conducting the business which will properly come before it."

**A Time of Prayer for Communities of Faith** – Rev. Susan DeHaan; prayers for the following United Churches: Cassburn; Pembroke: Mount Zion; Kemptville: St. John's; Augusta

Prayer requests for Pastoral Charges in Eastern Ontario Outaouais Regional Council are being shared through the following website. <https://www.prayercycles.ca/easternontariooutaouais>

**Land Acknowledgement & Opening Devotions** – Cathy Ryan shared the land acknowledgement used by South Crosby Public School in Elgin, Ontario. The students learn to express gratitude for the land's resources and are committed to environmental stewardship and learning about Indigenous cultures. As part of opening devotions, Cathy reflected on a story (resource: Chicken Soup for the Soul) and lifted out its main teachings: "Remind yourself how much Jesus Love's the other" "Pray for your enemies" "Forgive your enemies". Devotion-time was closed with the reciting of The Lord's Prayer.

**Circle time for sharing; moments closest to God** – All are invited to share.

#### **Appointment of an Equity Monitor for this Meeting**

**2024-10-10\_001 MOTION** (S. Hutton/L. Church) That the Eastern Ontario Outaouais Regional Council Executive appoints Jim Allen, as Equity Monitor for this meeting. **CARRIED**

#### **Minutes of September 12, 2024**

**2024-10-10\_002 MOTION** (G. Barks/J. Allen) That the Eastern Ontario Outaouais Regional Council Executive accept the minutes of September 12, 2024 as amended: Rev. Natalie Matkovsky was absent. **CARRIED**

#### **Business Arising**

- a) **Centennial Anniversary / AGM in 2025** – Recommendations from working group: Cindy Casey, Liz Church, Sue Hutton, Susan DeHaan, Erin McIntyre, Sue Smarkala.

Sue Hutton, DLM, shared that accessibility is a going concern; invited members to send working group its ideas for how centennial Anniversary should unfold (and possible venues). It was suggested as a possible venue to hold the meeting again at the arena in Smiths Falls.

Rev. Susan DeHaan shared with the Executive that she will be on vacation until November 18<sup>th</sup> beginning next week.

**Order of the Day 10 AM - Kris Tavella from Kindred Works re Queenswood Agreement**

**Order of the Day 10:30 AM – Camp Awesome**

#### **Agenda**

**2024-10-10\_003 MOTION** (K. Ryan/L. Church) that the Eastern Ontario Outaouais Regional Council Executive accepts the agenda as amended:

1. Addition of correspondence d, e, f, h;
2. Addition of section 1, reporting from the regional council treasurer, on behalf of the Finance Leadership Team;
3. Addition of section 3a regarding Christ United Church in Chesterville;
4. Addition of section 3b regarding Queenswood United Church Agreement;
5. Addition of section 3c regarding listing of Rupert United Church;
6. Addition of section 5b regarding Equity Monitor Report for Fall General Meeting (Oct. 5, 2024).

**CARRIED****Correspondence In**

- a) September 9, 2024, Rev. Michael Blair, General Secretary, re timing adjustment of special national indigenous spiritual gathering (*for information*);
- b) September 17, 2024, Sue Smarkala, re amalgamation notice of Multifaith Housing Initiative (MHI) and Gloucester Housing Corporation (*for information*) – see notice *We Are Growing - Exciting News from MHI*;
- c) September 20, 2024, Rose Marie MacLennon, Trustee, Chair Property Development Committee, Queenswood Pastoral Charge, re request for update (*for information*);
- d) October 8, 2024, Devin Howard, re GLUCC Bylaws October 2024 for approval (*for information*);
- e) October 8, 2024, Kyle Pugh, Ontario Regional Council Archivist, re allocating percentage of proceeds from sale of property to regional council archives (*forwarded to Future Through Property*);
- f) October 9, 2024, Kyle Pugh, Ontario Regional Council Archivist, re response to Executive Minister re allocating percentage of proceeds from sale of property to regional council archives (*for information*).

**Correspondence out**

- g) September 26, 2024, Rev. Eric Hebert-Daly, Executive Minister, re certificate giving consent for trustees to sell property (North Augusta Pastoral Charge) (*for information*).
- h) October 8, 2024, rev. Eric Hebert-Daly, Executive Minister, responding to Kyle Pugh, Ontario Regional Council Archivist, re allocating percentage of proceeds from sale of property to regional council archives (*for information*).

**New Business****1. Finance**

- See 2024 Profit and Loss by Class as **Appendix A**

1. Mission Support: Finance Committee met and reviewed and made a recommendation for Mission Support which was passed at the October meeting. The Committee will be doing a further review in March to update and put into writing the guidelines we use for Mission Support.

2. 2025 budget: Finance Committee will meet in November to do further work on the budget and to have a discussion on reporting and how to categorize expenses between Governance and Mission and Ministry.

3. The October meeting cost around 12,500 which was the budget. There are some small incidental payments that need to happen yet, but everything major has been taken care of.

4. As promised at the last meeting, the treasurer committed to bring specific numbers related to the distribution from the sale of Pendleton United. Pendleton was an independent Community of Faith that was part of Genesis Cooperative ever since it started over 7 years ago. Genesis Cooperative consists of separate congregations that are not a Pastoral Charge. If it were the pastoral charge than 90% would go to the pastoral charge and 10% to the United Church Aboriginal Circle. As decided at the last

meeting, when reconsidering if Genesis would receive anything from the proceeds, the decision was to remain with the original motion of the Property Through Future Committee which recommended that 20% go to House of Lazarus. This then is the distribution that is taking place.

Total Surplus after expenses for distribution 110,491.63  
 55,245.93 EOORC Mission and Ministry Legacy Fund  
 11,049.16 EOORC Vision and Transformation Fund  
 11,049.16 United Church Mission & Service Legacy Fund  
 11,049.16 United Church Aboriginal Circle.  
 22,098.32 House of Lazarus

## 2. Pastoral Relations Commission –

- See *Minutes of Pastoral Relations Commission of September 17, 2024* as **Appendix B**

### a) Name Change (North Augusta, Algonquin and Manhard) to Trinity United Church

**2024-10-10\_004 MOTION** (S. Hutton/S. Smarkala) that the Eastern Ontario Outaouais Regional Council Executive rescind the following motion:

2024-09-12\_015 MOTION (S. Hutton/E. McIntyre) that the Eastern Ontario Outaouais Regional Council Executive recognize and approve the name change of North Augusta Pastoral Charge to Trinity Pastoral Charge located in Algonquin, ON. CARRIED

**CARRIED**

**2024-10-10\_005 MOTION** (S. Hutton/L. Church) that the Eastern Ontario Outaouais Regional Council Executive recognizes the renaming of Algonquin United Church to Trinity United Church (North Augusta Pastoral Charge). **CARRIED**

b) **Ministry Personnel Support Leadership Team** – Rev. Whit Strong shared the following names people have put their names forward to serve on this Leadership Team: Rev Jenni Leslie, Rev Paul Dillman, Terrie Chedore DM, Rev Zacharia Mandara, Rev Lynne Gardiner, Rev Whitman Strong (Staff Resource). A formal recommendation from Nominations Leadership Team will come to the November Executive meeting.

c) **Proposal to Offer Financial Support Intentional Interim Training Program** – It was announced that a proposal will come to the November Executive meeting from the Pastoral Relations Commission. It was emphasized that the proposal needs to include a terms of reference, where the funds are coming from, who will approve distribution. It was also requested that the proposal address how it intends to serves the needs of congregations – in particular who are already showing a vacancy in Ministry Personnel – as well as how it responds to the strategic plan.

## 3. Future Through Property and Finance Leadership Team

### a) Christ United Church Chesterville

**2024-10-10\_006 MOTION** (J. Allen/M. Montreuil) that the Eastern Ontario Outaouais Regional Council Executive concur with the recommendation of the Future Through Property Leadership Team authorizing the trustees of Christ Church Church, Chesterville, Ontario, to move the amount of \$16,000 from the GICs in their manse funds to the congregational general accounts in order to pay for necessary repairs to the church building. **CARRIED**

b) **Queenswood Agreement** – Kris Tavella introduced the concept of a regional trust designed to facilitate property development while safeguarding the church's interests. This trust would enable financial

---

flexibility and attract equity investors (like Heartwood in the Queenswood project).

- *Queenswood Org Chart* as **Appendix C<sup>1</sup>**
- *Heartwood Principal Terms Sept 2024* as **Appendix C<sup>2</sup>**
- *Queenswood Amended and Restated LPA (October 6)* as **Appendix C<sup>3</sup>**

**2024-10-10\_007 MOTION** (J. Allen/L. Church) that the Eastern Ontario Outaouais Regional Council Executive concur with the recommendation of the Future Through Property Leadership Team to approve the *Amended and Restated Limited Partnership Agreement* between Queenswood Housing Inc. and the Eastern Ontario Outaouais Regional Trust. **CARRIED**

**c) Rupert United Church**

**2024-10-10\_008 MOTION** (N. Hazen/J. Allen) that the Eastern Ontario Outaouais Regional Council Executive concur with the recommendation of the Future Through Property Leadership Team authorizing the Trustees of Église Unie de la Grace United Church to list for sale the building of Rupert United Church located at 646 rue des Erables, La Peche, QC. And that sale price be over a price of \$289,000, on the condition that the property will be sold "as is, where is" and that the final agreement of sale will be subject to prior approval by the Executive of the Eastern Ontario Outaouais Regional Council. **CARRIED**

The Trustees have received a formal opinion from a licensed real estate agent in the locality as to the probable sale value for this property.

**4. Strategic Plan – Rev. Eric Hebert-Daly**

- a) **Strategic Plan Updates** – it was shared that a full report, including all of the benchmarks up to November, will be presented at the November Executive meeting.

**5. General Meeting/Education Event Planning Leadership Team**

a) **Save the Date!**

- March 2025 Educational Event (Zoom)
- May 30<sup>th</sup> - 31<sup>st</sup> 2025, Annual General Meeting, Spring, Location TBD

b) **October 5, 2024 General Meeting (Executive Debrief)** – Rev. Susan DeHaan;

- See *Equity Monitor Report for Fall General Meeting (Oct. 5, 2024)* see **Appendix D**

Comments/suggestions:

- Either stick with the deadline that was set to receive GC 45 Commissioner nominations or receive nominations from floor (instead of doing both). It was decided to let the RC decide at the meeting, which led to a nomination from the floor.
  - Question: Does the presenter of a proposal need to be in the meeting? No, but they must be a member of the regional Council.
  - For next time: explanation for nominating Commissioners must be made as precise as possible.
  - Suggested to have a screen locked to displaying Zoom participants.
- c) **Sub-Regional Gatherings (Fall 2025)** – Rev. Eric Hebert-Daly asked for members to discern possibilities for what regional gatherings could look like (i.e., create space and time for strengths and challenges to be shared by Communities of Faith in a particular geographical area). The Planning Team will consider possibilities when it meets and bring back recommendations.

**New Business**

- a) **Voluntary Associate Ministers (VAM)** – Rev. Whit Strong

**2024-10-10-009 MOTION** (S. Hutton/C. Ryan) That the Eastern Ontario Outaouais Regional Council Executive acknowledge the following Voluntary Associate Minister (retired ministry personnel not appointed, or engaged in ministry not recognized as ‘community of faith’) for July 1, 2024- June 30, 2025:

<b>First Name</b>	<b>Last Name</b>	<b>Community of Faith</b>
Rev. Eric	Hebert-Daly	Kanata United Church

**CARRIED**

b) **Manotick United Church “Seeds of Hope” Grant Application**

**2024-10-10-010 MOTION** (L. Church/J. Allen) That the Eastern Ontario Outaouais Regional Council Executive, with enthusiasm, gives its support to Manotick United Church’s “Seeds of Hope” grant application seeking support for the *Friends and Neighbours* initiative. **CARRIED**

About the Project:

Manotick United Church is known in the community as a welcoming and inclusive site which is fully accessible. The building is home to many groups such as the Manotick Art Association, Probus and the Manotick Horticultural Society as well as many fitness classes such as Yoga and Zumba. In 2019 Manotick United Church established the Manotick and Area Centre for the Arts and Wellness (MACAW) as part of their goal to reach out and meet the needs of the community and beyond. Statistics indicate that a significant number of residents in Manotick (23%) are over age 65. Since Covid many seniors and others remain alone and isolated without a sense of belonging or purpose. There is also concern that those alone are not eating meals that meet dietary requirements. MACAW’s new initiative, *Friends and Neighbours*, would focus on bringing alone and isolated members of our community, with a focus on seniors, together on a regular basis. This group would meet to participate in a variety of activities and engage in discussions on topics presented such as Anti-Racism, Climate Justice and Reconciliation with Indigenous Peoples. Recognizing the significant role that music plays in bringing people together, we have included music as creative way for us to engage participants. Our Kitchen Kapers addresses the need for socialization as well as nutritional support. The overall intent is to create a strong sense of community that would be sustained with support from this Community of Faith and participants as well as local associations.

Project Description:

Manotick United Church will provide the space for Manotick and Area Centre for the Arts and Wellness new initiative *Friends and Neighbours* to give seniors and others who are alone and or isolated opportunities to foster a sense of community and belonging. This welcoming and inclusive environment will provide a variety of ways for participants to engage including discussion on societal issues, wellness classes and interest workshops as well as musical entertainment.

- c) **Order of the Day (10:30 AM) Camp Awesome** – Rev. David Sherwin shared the history of Camp Awesome, the timeline of the pilot project which led to the creation of a ‘Camp Awesome Director’, and the hopes the project would attain: 1. Offer program across the entire regional council. 2. Offer in French. 3. Broadening diversity and resources; 4. Finding possible partners. In 2024, after its last camp’s last session, the Camp Awesome working group received reports from YAYA Minster and Director. A written report and recommendations are to come to the November Executive meeting.

**Report from the Equity Support Person** – Jim Allen shared that the meeting progressed well. Joel will share ECORC scorecard for next meeting

**Equity Support Person for next Meeting** – Rev. Nancy Best

**Closing Prayer** – Rev. Micheline Montreuil

**Conclusion**

The Chair declares that all the business having come before this meeting of the Executive has been duly dealt with, and that is the meeting is concluded at 11:42 AM .

**Next meeting date:**

- 14 November, 2024 (Zoom meeting / 9 am - noon)
- 12 December, 2024 (Zoom meeting / 9 am - noon)
- 9 January, 2025 (Zoom meeting / 9 am - noon)

Rev. Susan DeHaan, President

Rev. Eric Hebert-Daly, Executive Minister

**EOORC Executive Duty Roster**

	<b>Opening Devotions / Land Acknowledgement</b>	<b>Equity Monitor</b>	<b>Closing Prayer</b>
<i>Summer</i>			
<i>14 November 2024</i>	Sue Smarkala	Nancy Best	Gayle Barks
<i>12 December 2024</i>	Susan DeHaan	Erin McIntyre	Liz Church
<i>9 January 2025</i>	Micheline Montreuil	Cindy Casey	Nancy Hazen
<i>13 February 2025</i>	Ryan Kim	Liz Church	Nancy Best
<i>13 March 2025</i>	Jim Allen	Gayle Barks	Sue Smarkala
<i>10 April 2025</i>	Erin McIntyre	Micheline Montreuil	Susan DeHaan
<i>8 May 2025</i>	Susan Hutton	Sue Smarkala	Nancy Best
<i>12 June 2025</i>	Gayle Barks	Ryan Kim	Jim Allen

**Appendices**

Appendix A	Financial Report	Pages 8-9
Appendix B	Minutes of Pastoral Relations Commission of September 17, 2024	Pages 10-14
Appendix C <sup>1</sup>	Queenswood Org Chart	Page 15
Appendix C <sup>2</sup>	Heartwood Principal Terms Sept 2024	Pages 16-22
Appendix C <sup>3</sup>	Queenswood Amended and Restated LPA (October 6)	Pages 23-87
Appendix D	Equity Monitor Report for Fall General Meeting (Oct. 5, 2024).	Page 88

## Appendix A

## Eastern Ontario Outaouais Regional Council

## Profit and Loss by Class

January - December 2024

	CAMP AWESOME	GOVERNANCE	HEALING PATHWAY	INVESTMENT - EOORC	MISSION AND MINISTRY	TOTAL
<b>INCOME</b>						
Grant General Council Assessment		271,558.71				\$271,558.71
Grant Mission & Service Fund					178,741.26	\$178,741.26
Interest		5,553.48				\$5,553.48
Mission & Service Fund Offerings					1,788.66	\$1,788.66
Transfer Camp Awesome Director					33,800.18	\$33,800.18
Transfer EOORC Fund		22,650.00			22,650.00	\$45,300.00
Transfer Mission and Ministry Legacy Fund					18,350.00	\$18,350.00
Transfer Vision and Transformation		26,600.00			47,315.44	\$73,915.44
Transfer Youth Funds (Baillie/Scrivens)					33,550.00	\$33,550.00
Transfer Youth Grants (Baillie/Scrivens)					8,750.00	\$8,750.00
<b>Total Income</b>	<b>\$0.00</b>	<b>\$326,362.19</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$344,945.54</b>	<b>\$671,307.73</b>
<b>GROSS PROFIT</b>	<b>\$0.00</b>	<b>\$326,362.19</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$344,945.54</b>	<b>\$671,307.73</b>
<b>EXPENSES</b>						
Administrative Expenses						\$0.00
Archives		7,992.04				\$7,992.04
Bank Charges and Financial Services		1,166.08				\$1,166.08
Home Office Expenses		341.17			1,348.91	\$1,690.08
Summerlea Office		4,380.81				\$4,380.81
<b>Total Home Office Expenses</b>		<b>4,721.98</b>			<b>1,348.91</b>	<b>\$6,070.89</b>
Insurance		382.51				\$382.51
IT Support from General Council		7,180.03				\$7,180.03
Sundry		89.08				\$89.08
Treasurer Honourarium and Expenses		11,002.41				\$11,002.41
Website and Annual Technology Contracts		4,503.23				\$4,503.23
<b>Total Administrative Expenses</b>		<b>37,037.36</b>			<b>1,348.91</b>	<b>\$38,386.27</b>
Congregational Reviews/Ministry Personnel Support/Special Projects		9,647.52				\$9,647.52
Grants						\$0.00
Mission Support					98,000.00	\$98,000.00
Vision & Transformation					47,315.44	\$47,315.44
Youth (Baillie/Scrivens)					8,750.00	\$8,750.00
<b>Total Grants</b>					<b>154,065.44</b>	<b>\$154,065.44</b>
Mission & Service Fund Remittance		500.00			1,788.66	\$2,288.66
Partnership Ministries		300.00			2,000.00	\$2,300.00
Personnel						\$0.00
Benefits		31,836.79			15,948.18	\$47,784.97
Continuing Education		141.36			125.37	\$266.73
Executive Minister/Assistant		39,797.97				\$39,797.97
Meetings and Hospitality		1,211.54			562.63	\$1,774.17
Salaries		126,000.64			45,216.73	\$171,217.37
Telephone		618.09			367.92	\$986.01
Travel		3,245.34			2,603.03	\$5,848.37
<b>Total Personnel</b>		<b>202,851.73</b>			<b>64,823.86</b>	<b>\$267,675.59</b>
Regional Meetings						\$0.00
Executive/President Expenses		730.95				\$730.95
Fall Meeting						\$0.00
Planning Team		169.67				\$169.67
Program and Music		616.00				\$616.00
Site, Technology, and Translation		6,750.12				\$6,750.12
Travel		4,061.33				\$4,061.33
<b>Total Fall Meeting</b>		<b>11,597.12</b>				<b>\$11,597.12</b>

## Eastern Ontario Outaouais Regional Council

## Profit and Loss by Class

January - December 2024

	CAMP AWESOME	GOVERNANCE	HEALING PATHWAY	INVESTMENT - EOORC	MISSION AND MINISTRY	TOTAL
Spring Meeting						\$0.00
Catering		2,518.47				\$2,518.47
Planning Committee and Supplies		2,552.28				\$2,552.28
Program and Music		4,324.37				\$4,324.37
Site, Technology and Translation		15,768.38				\$15,768.38
Travel		5,237.59				\$5,237.59
<b>Total Spring Meeting</b>		<b>30,401.09</b>				<b>\$30,401.09</b>
<b>Total Regional Meetings</b>		<b>42,729.16</b>				<b>\$42,729.16</b>
Regional Programming						\$0.00
Leadership Teams, Clusters, and Networks		99.00			829.29	\$928.29
LLWL/Ministry Personnel Events		501.30				\$501.30
Setting Our Sights Activities/Workshops		1,640.84			152.74	\$1,793.58
<b>Total Regional Programming</b>		<b>2,241.14</b>			<b>982.03</b>	<b>\$3,223.17</b>
Youth						\$0.00
Events					2,289.95	\$2,289.95
Retreats					-265.49	\$-265.49
<b>Total Events</b>					<b>2,024.46</b>	<b>\$2,024.46</b>
Gibimishkaadimin					174.81	\$174.81
Supplies					808.34	\$808.34
<b>Total Youth</b>					<b>3,007.61</b>	<b>\$3,007.61</b>
Youth Camp Awesome Project					33,800.18	\$33,800.18
<b>Total Expenses</b>	<b>\$0.00</b>	<b>\$295,306.91</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$261,816.69</b>	<b>\$557,123.60</b>
OTHER INCOME						
Church Registrations	5,250.00					\$5,250.00
Donation	1,655.00					\$1,655.00
Grants - Government and Church	103,256.00					\$103,256.00
Investment Gain/Loss				572,299.62		\$572,299.62
Investment Purchase				80,000.00		\$80,000.00
Property Sales				108,891.63		\$108,891.63
Registration	31,562.42	0.00	445.50			\$32,007.92
<b>Total Other Income</b>	<b>\$141,723.42</b>	<b>\$0.00</b>	<b>\$445.50</b>	<b>\$761,191.25</b>	<b>\$0.00</b>	<b>\$903,360.17</b>
OTHER EXPENSES						
Advertising and Technology Support	1,263.37					\$1,263.37
Food costs	2,737.78					\$2,737.78
Investment Redemption				47,573.70		\$47,573.70
LIT Honoraria	2,300.00					\$2,300.00
Salaries	141,959.34					\$141,959.34
Staff Appreciation and Expenses	2,071.27					\$2,071.27
Supplies	1,068.71					\$1,068.71
T-Shirts	1,635.59					\$1,635.59
Training	2,546.53					\$2,546.53
z-transfer to Equity	-13,859.17		445.50	713,617.55	83,128.85	\$783,332.73
<b>Total Other Expenses</b>	<b>\$141,723.42</b>	<b>\$0.00</b>	<b>\$445.50</b>	<b>\$761,191.25</b>	<b>\$83,128.85</b>	<b>\$986,489.02</b>
<b>PROFIT</b>	<b>\$0.00</b>	<b>\$31,055.28</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$31,055.28</b>

Appendix B

**Minutes of the Pastoral Relations (PR) Commission held on September 17, 2024**

**PRESENT:**

Jim Allen, Wayne Harris (Chair), Charlotte Hoy, Karen McLean (Scribe), Don Stiles, Linda Suddaby, Whit Strong (7)

**REGRETS/ABSENT:** Ina Bromley, Patsy Henry, Erin McIntyre, Micheline Montreuil, Blair Paterson, (5)

**CALL TO ORDER, OPENING PRAYER:**

Chair, Wayne Harris, called the meeting to order at 1:05 p.m. After a quick check-in with members Erin offered an opening prayer to lead us into our meeting.

**CORRESPONDING MEMBER(S):** None

**ADDITIONS/CORRECTIONS TO THE AGENDA:** None

**ACCEPTANCE OF MINUTES:**

**MOTION 2024-91** (J. Allen/D. Stiles) “that the minutes of August 20, 2024 be accepted as circulated.”

**CARRIED**

**CORRESPONDENCE:** None

**REMEMBRANCES:**

- Rev. Douglas Albert Warren, August 3, 2024. [Note: Whit has notified the Treasurer to make a donation to the M&S Fund.]

**MEDICAL LEAVE:**

- LTD: Rev. Kathleen Petrie (OM) Augusta P.C.
- Restorative Care: Rev. Carolyn Insley (North Gower-Carsonby P.C.) – effective May 7, 2024.

**ACKNOWLEDGED SABBATICALS:**

Lorrie Lowes – Bells Corners P.C. – July 1 to September 30, 2024

**SUPERVISED MINISTRY EDUCATION (SME) site:**

**charge pastorale Grâce P.C.**

**MOTION 2024-92** (L. Suddaby/J. Allen) “that the EOORC PR Commission recommends to the Office of Vocation that the charge pastorale Grâce Pastoral Charge be recognized as a Supervised Ministry Education (SME) site.”

**CARRIED**

**CHANGE IN PASTORAL RELATIONS:**

**Augusta P.C.**

**MOTION 2024-93** (C. Hoy/E. McIntyre) “that the EOORC PR Commission, as per The Manual 2024, I.3.1.2.c, declares an end to the pastoral relationship between Kathleen Petrie and he Augusta Pastoral Charge effective October 12, 2024 due to Rev. Petrie going onto Permanent LTD.”

**CARRIED**

**PASTORAL CHARGE CONSTITUTIONS:** None

**SHARED MINISTRY AGREEMENTS:** None

**AMALGAMATIONS:** None

**APPROVAL OF PROFILES:**

**Almonte P.C.**

For Information: Following the approval of the Almonte P.C. profile at the last meeting, the financials were received and circulated. On Sunday, September 8, 2024, there was a congregational meeting at which a motion to receive and approve the profile was presented and was unanimously approved.

**CALLS/(RE)-APPOINTMENTS**

**Merivale-Fallowfield P.C.**

**MOTION 2024-94** (E. McIntyre/J. Allen) “that the EOORC PR Commission approves the call of the Rev. Matthew Gallinger (OM) to the Merivale-Fallowfield Pastoral Charge, 40 hours per week as Congregational Minister, effective January 1, 2025.” **CARRIED**

**Trinity P.C. (Ottawa)**

**MOTION 2024-95** (J. Allen/L. Suddaby) “that the EOORC PR Commission approves the informal appointment of Wayne Menard (OM-Other Denomination) to the Trinity Pastoral Charge (Ottawa) 40 hours per week as Congregational minister effective September 15, 2024 to September 14, 2025.”

**CARRIED**

**CHANGE OF TERMS:** None

**SACRAMENTS/ELDERS:** None

**CONGREGATIONAL DESIGNATED MINISTER (CDM):** None

**PASTORAL CHARGE SUPERVISORS:**

**White Lake P.C.**

**MOTION 2024-96** (C. Hoy/E. McIntyre) “that the EOORC PR Commission, while the called minister is on personal leave, names Sheryl McLeod, EOORC member, as Pastoral Charge Supervisor to the White Lake Pastoral Charge.” **CARRIED**

**Carp-Dunrobin P.C.**

**MOTION 2024-97** (J. Allen/D. Stiles) “that the EOORC PR Commission, in the absence of called/appointed ministry personnel, names Beth Sweetnam, EOORC member, as Pastoral Charge Supervisor to the Carp-Dunrobin Pastoral Charge.” **CARRIED**

[Note: PCS still needed for Golden Lake and Queenswood.]

**Pastoral Charges without called/appointed Ministry Personnel:**

(Pastoral Charge Supervisor in place as noted)

---

Addison – Lynne Gardiner  
 Admaston – Paul McLenaghan  
 Ashton-Munster – Jim Allen  
 Augusta – Linda Suddaby (while the minister is on LTD)  
 Aylmer-Eardley – Jim Allen (Eardley open for only a couple of services per year.)  
 Aylwin – Natalie Matkovsky  
 Bathurst – Shelley Roberts  
 Bethel-St. Andrew's – Jan Lougheed  
 Carp-Dunrobin – Beth Sweetnam  
 Charge pastorale Grâce Pastoral Charge – Jim Allen  
 Charge pastorale Namur – Jim Kenney  
 Chinese (Ottawa) – Barbara Reynolds (after 12 years, only on call)  
 Clyde Forks-Tatlock – Carla Van Delen  
 Delta-Toledo – Charlotte Hoy  
 Denbigh, Matawatchan, Schutt – Jon Williams  
 Elgin-Portland – JoAnne Fletcher  
 First (Ottawa) – Howard Clark  
 Glasgow-Castleford – James Murray  
 Golden Lake –  
 Greenwood – Ina Bromley  
 Harrowsmith-Verona – Sharon MacDonald  
 Kemptville: St. John's – Jim Allen  
 Kenmore (selling building – NOT disbanding) - Ed Gratton  
 Knox (Nepean) – Shaun Yaskiw  
 Lansdowne – Donald Wachenschwanz  
 Lyn: Christ Church – Shelley Roberts  
 Mallorytown – Charlotte Hoy  
 Melville-Eganville – Margie Patterson  
 Merivale-Fallowfield – Wayne Harris  
 Metcalfe – Ed Gratton  
 Morrisburg: Lakeshore Dr. – Blair Paterson  
 North Gower-Carsonby – Sandra Yule  
 Pembroke: Mt. Zion – Kevin Moratz  
 Perth Road – Heather McLurg Murphy

Pittston – Myra Garvin  
 Queenswood -  
 Rideau – Sharon MacDonald  
 Rockland – Jim Kenney  
 Rothwell – Nancy Best  
 Russell – Ed Gratton  
 Smiths Falls: Trinity – Wayne Harris  
 South Mountain-Hallville – Christine Lowson  
 Southminster – Brian Copeland  
 St. Andrew's (Westmeath) – Gary McKay  
 St. John's (Brockville) – Linda Suddaby  
 White Lake – Sheryl McLeod

**LIAISONS**

Liaisons are still needed for Grâce (Chelsea); Rideau Park; South Mountain-Hallville; and Parkdale.

**Pastoral Charges in search mode:**

(Liaisons in place as noted)

Almonte – Wayne Harris  
 Ashton-Munster – Jim Allen  
 Aylwin – Natalie Matkovsky  
 Bethel-St. Andrew's – Beth Sweetnam  
 Cardinal – Myra Garvin  
 Carp-Dunrobin – Beth Sweetnam  
 Denbigh, Matawatchan, Schutt – Jon Williams  
 First United (Ottawa) – Janet Nield  
 Glasgow-Castleford – James Murray  
 Grâce (Chelsea) – Jim Allen  
 Harrowsmith-Verona – Sharon MacDonald  
 Kemptville: St. John's – Jim Allen  
 Lansdowne – Phyllis Dietrich  
 Melville-Eganville – Ina Bromley  
 Merivale-Fallowfield – Wayne Harris  
 Metcalfe – Ed Gratton  
 Morrisburg: Lakeshore Dr. – Blair Paterson  
 Namur – Jim Kenney  
 Parkdale -  
 Perth Road – Heather McLurg Murphy  
 Quyon – Cathy Stewart  
 Rideau Park -  
 Rockland – Jim Kenney  
 Rothwell – Beth Sweetnam  
 Russell – Ed Gratton

Smiths Falls: Trinity – Wayne Harris  
 South Mountain-Hallville -  
 St. Andrew's (Westmeath) – Gary McKay

**Pastoral Charges not searching:**

Addison	Aylmer-Eardley	Centenary
Clyde Forks-Tatlock	Delta-Toledo	Elgin-Portland
Glasgow-Castleford	Greenwood	Lower Gatineau Valley
Lyn: Christ	Mallorytown	Pittston
Rideau	St. John's (Brockville)	Templeton
Vernon		

**FOLLOW-UPS FROM LIAISONS AND PCSs**

Liaisons in attendance updated the Commission regarding the Pastoral Charges they are assisting.

**OTHER BUSINESS:**

**Livestreaming/Recording of Congregational meetings for the purpose of call/appointment of a minister**

Liaisons must be advised – if the congregation is livestreaming its worship services, all cameras, mics, etc., must be turned off prior to a congregational meeting that takes place immediately following worship. It is too easy for this type of information to get back to the home church of the person applying for a position. Privacy is so very important.

**LAST WORD:**

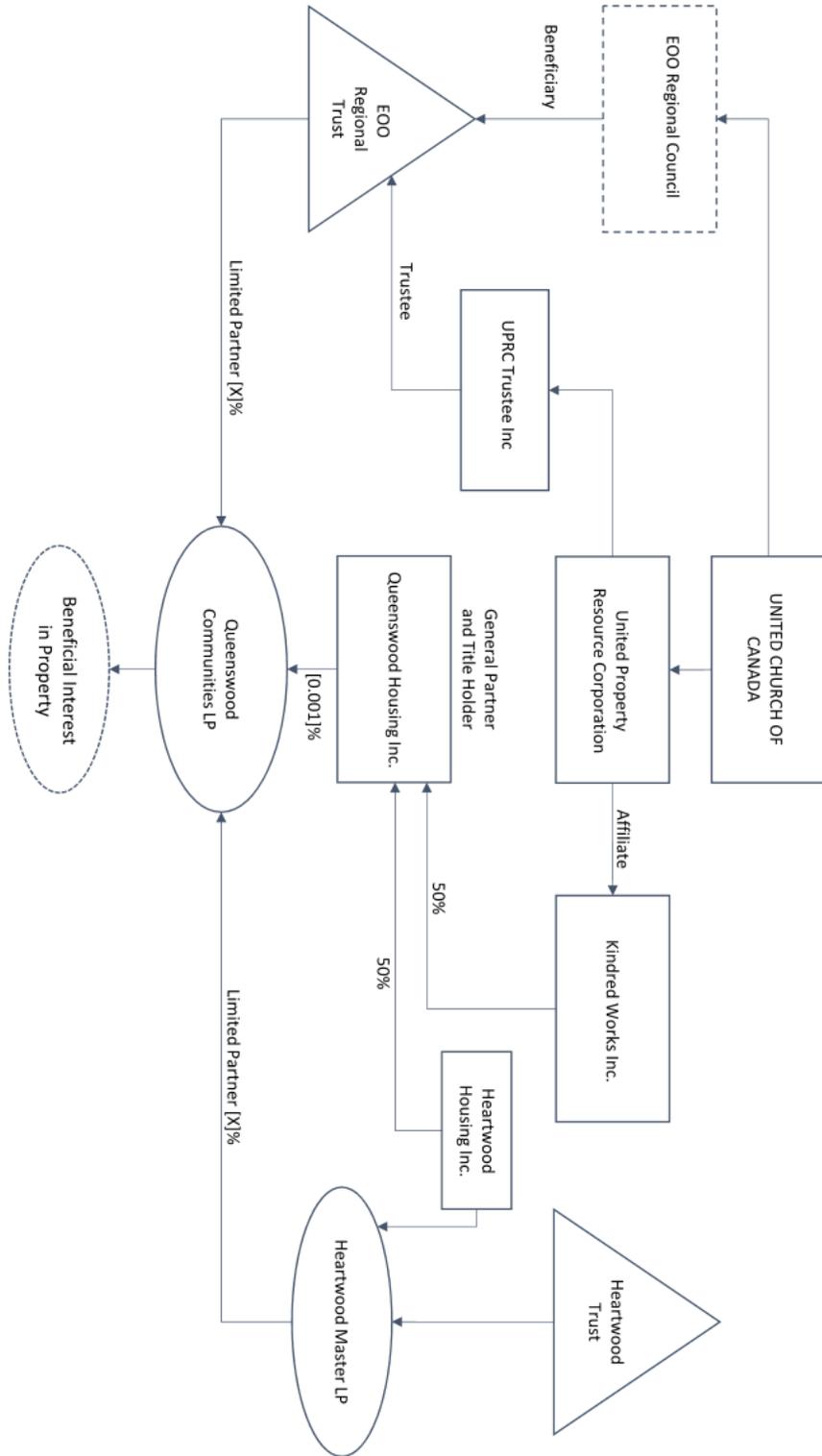
Next meeting – **Tuesday, October 15, 2024** 1:00-3:00 p.m. via Zoom.

<https://united-church.zoom.us/j/83941506797>

Meeting ID: 852 3350 6275  
1 855 703 8985 Canada Toll-free

**CLOSING:** Don offered the closing prayer. The business listed on the agenda being completed, Wayne declared the meeting closed at 1:55 p.m.

Appendix C<sup>1</sup>



Appendix C<sup>2</sup>**SUMMARY OF PRINCIPAL TERMS**

The following summary is a description of the terms of (i) the Contribution Agreement, between the Trustees of a United Church congregation (or Regional Council that holds the land) and Kindred Works Inc., and (ii) the Limited Partnership Agreement between a Congregation Trust<sup>1</sup> and Heartwood Master Limited Partnership (“**Heartwood**”) and a general partner (the “**General Partner**”) that is owned by Kindred Works and Heartwood (or an affiliate thereof), each as to 50% (the “**Limited Partnership**”).

This summary must be read in conjunction with, is qualified in its entirety by and is not intended to be a substitute for, the terms set out in the Contribution Agreement, and the Limited Partnership Agreement, and related documentation.

**KINDRED WORKS INC.:** Kindred Works Inc. (“**Kindred Works**”) is currently an affiliate of United Property Resource Corporation (“**UPRC**”). UPRC is wholly owned by the United Church of Canada. Kindred Works is a development and property management company that will be the development manager and property manager of the Project under agreements to be entered into between the Limited Partnership and Kindred Works, and pursuant to which Kindred Works is entitled to the fees outlined in the Contribution Agreement. Neither Kindred Works nor UPRC will have an equity interest in the Property (except for Kindred Works’ ownership interest in the General Partner (as defined below)).

**NOTE ON SEVERANCE:** CMHC WILL NOT PROVIDE FINANCING ON A PROPERTY THAT HAS A BUILDING ON IT (LIKE A CHURCH) SO EVERY PROPERTY THAT HAS A CHURCH ON IT HAS TO BE SEVERED TO CREATE A CHURCH PARCEL THAT IS SEPARATE FROM THE DEVELOPMENT LAND. THE CONTRIBUTION OF THE PROPERTY BY THE CONGREGATION TAKES PLACE BEFORE THE SEVERANCE TAKES EFFECT, THE CHURCH LANDS WILL BE TRANSFERRED BACK TO THE CONGREGATION WHEN THE SEVERANCE DOES TAKE EFFECT.

**FEASIBILITY STUDY:** Before a Contribution Agreement is entered between the Trustees of a Congregation and Kindred, Kindred undertakes a Feasibility Study.

**DEVELOPMENT PLAN:** If Kindred determines that the Project is feasible, the Contribution Agreement is entered into, which includes details of the process taken for Kindred to prepare a Development Plan for the rental residential project.

**STEPS TAKEN IF THE CONGREGATION APPROVES THE DEVELOPMENT PLAN:**

If the Congregation approves the Development Plan:

- (a) it forms a Congregation Trust (with a corporate trustee owned by the Congregation, and the Congregation as the sole beneficiary);
- (b) it transfers the beneficial interest in the Property to the Congregation Trust (in return for a promissory note in an amount equal to the fair market value of the Property). The Value of the Property will be based on a third-party appraisal of the Property, which value may be decreased depending on the benefits conferred on the Church Lands as part of the development of the Project;

---

<sup>1</sup> In applicable circumstances, references herein to the Congregation Trust should be read as references to the applicable Regional Trust.

---

(c) it transfers the registered interest on title to the Property to a nominee title holder (which only holds the Property and no other assets); and

(d) The Congregation Trust then transfers its beneficial interest in the Property to the Limited Partnership in return for an interest as a limited partner in the Limited Partnership.

**SUBSCRIPTION AGREEMENT:** A subscription agreement is entered into between Heartwood and the Limited Partnership wherein, subject to certain conditions being met, Heartwood agrees to contribute to the Limited Partnership the amount required to fund the forecasted equity required for development and construction of the Project, in return for interests in the Limited Partnership. The relative interests in the limited partnership will be based on the contribution made by each of the Congregation and Heartwood.

**LIMITED PARTNERSHIP AGREEMENT:** The limited partnership agreement that is entered into by the Congregation Trust and the General Partner will include the provisions that would be applicable if Heartwood becomes a limited partner.

The following are the principal terms of the Limited Partnership Agreement:

**Project** The Project will consist of the development and construction of a multi-residential rental project on the Lands, which may consist of both below market and market rental units.

**Limited Partnership** The Limited Partnership will be formed under the laws of Ontario and the initial limited partner will be the Congregation Trust (each limited partner in the Limited Partnership, a “**Limited Partner**”).

The general partner (the “**General Partner**”) of the Limited Partnership will be a newly formed special purpose corporation specific to the Project incorporated by Kindred Works. Kindred Works and Heartwood will be issued shares in the capital of the General Partner (each owning a 50% interest). Heartwood will cease to be a shareholder of the General Partner if it decides not to invest in the Project. As noted above, the Property will be beneficially owned by the Limited Partnership and legal title to the Property will be held by the Nominee.

**Opportunity to Invest** In connection with Heartwood becoming a limited partner, the Congregation Trust will be offered the opportunity to commit to fund a portion of the forecasted equity required for development and construction of the Project from time to time, up to a maximum 50% interest in the Project (including the Value of the Lands). This opportunity must be exercised by the time Heartwood becomes a limited partner.

Unless it elects to otherwise to make an equity commitment at such time, the Congregation Trust shall not be required to contribute any equity to the Project (other than the Value of the development parcel of the Lands).

**Letters of Credit/Completion Guarantees** Heartwood (or an Affiliate thereof) may provide certain letters of credit and/or completion guarantees to lenders in respect of the Project. If such instruments are called upon, such amounts shall be treated as an interest-bearing loan from Heartwood to the Limited Partnership and Heartwood shall be entitled to be repaid such amounts from the Limited Partnership before any amounts are otherwise distributed to the Limited Partners. The

---

Limited Partnership shall reimburse Heartwood for any costs incurred in connection with any such letters of credit or similar instruments.

**Pre-Condition to  
Heartwood Funding  
Commitment**

Heartwood's obligations to fund its capital commitment to the Partnership shall be conditional upon Heartwood agreeing that construction should begin.

**Pre-Development Costs**

Pre-construction costs and expenditures in respect of the Project ("**Pre-Development Costs**") shall be addressed pursuant to one of the following two approaches:

1. UPRC Funding

Under this approach, all Pre-Development Costs shall be funded by UPRC or Kindred Works and neither Heartwood nor the Congregation Trust shall be required to contribute to the Limited Partnership any portion of such costs. Such amounts shall be treated as a loan from UPRC or Kindred Works to the Limited Partnership. The loan shall bear interest at UPRC's or Kindred Works' cost of capital plus 10 basis points, and will be repayable out of Heartwood's capital contribution to the Project.

If the Project does not proceed, UPRC and Kindred Works shall be entitled to repayment on the sale or long-term lease of the Property and pending such sale or lease, shall be entitled to security on the Property.

If Heartwood decides to invest in the Project, it shall contribute funds to enable the Limited Partnership to repay UPRC or Kindred Works in respect of all Pre-Development Costs incurred to date plus interest thereon calculated as noted above.

2. Heartwood Funding

Under this approach, upon formation of the Limited Partnership and the contribution of the Lands to the Limited Partnership, Pre-Development Costs shall be funded by Heartwood as a loan from Heartwood (or an affiliate) to the Limited Partnership at a rate of interest equal to the 12-month GIC Rate plus 10 basis points.

Upon Heartwood agreeing that construction shall commence, Heartwood shall capitalize the amount it has loaned to the Limited Partnership in respect of Pre-Development Costs (including accrued interest thereon) in partial satisfaction of its capital commitment to the Limited Partnership.

In respect of Projects for which Heartwood is funding the Pre-Development Costs, Heartwood may elect to become a Limited Partner in connection with the commencement of the funding of such costs.

**Fundamental Decisions:**

The following decisions shall require the unanimous approval of the Limited Partners (i.e., the Congregation Trust and Heartwood):

- (i) in the event that the Development Manager is no longer Kindred Works Inc, any change to the Development Plan that results in a reduction in the forecast IRR by more than 20% from the forecast

---

IRR in the most recent version of the Development Plan that was approved by the Limited Partners;

- (ii) any change in the use of the Project;
- (iii) the acquisition of additional real estate;
- (iv) contracts with any Limited Partner or an affiliate thereof (other than the initial Service Agreements with Kindred Works);
- (v) distributions other than as provided for in the Limited Partnership Agreement;
- (vi) any changes to the limited partnership agreement, including changes to the Limited Partnership's capital structure, except as permitted hereunder or if related to non-substantive matters;
- (vii) decisions involving any permanent refinancing of the Property that exceeds a loan to value of seventy-five percent (75%);
- (viii) any construction contract for the Project that is not either (A) a fixed priced contract with a general contractor; or (B) under a construction management arrangement with a security bond, a letter of credit or a guaranty; and
- (ix) the sale of the Property (other than pursuant to the mechanisms set forth under "Right of First Offer" below).

### **Additional Equity**

No partner shall be required to contribute any additional capital to the Limited Partnership. Furthermore, Kindred Works shall have no obligation to provide any funding to the Limited Partnership.

If the General Partner determines that additional equity is required, it shall give the Limited Partners the first option to contribute to the Limited Partnership (pro rata) and shall be entitled to seek additional investors if the existing Limited Partners do not contribute the full amount of the required funds.

If the Limited Partners do not fund such additional capital proportionately, the relative interest of each Limited Partner in the Limited Partnership shall be adjusted to reflect their relative capital contributions.

### **Term**

Unlimited.

### **Co-investment Arrangements**

In certain larger Projects, Heartwood may invite a co-investor to provide equity directly in the Project as a parallel investment, which may be (i) as a co-owner in the Project (as approved by the General Partner), (ii) as an additional investor in the Limited Partnership (as approved by the General Partner) or (iii) as an investor in a vehicle that Heartwood will establish to aggregate its and the co-investor's investment into the Limited Partnership.

---

<b>Distributions</b>	Cash available for distribution (subject to maintenance of necessary reserves for future operating and capital requirements as established by the General Partner) will be distributed to the Limited Partners, pro rata, after a distribution to the General Partner of \$1,000 annually.
<b>Service Contracts</b>	The Limited Partnership will enter into a development management agreement and property management agreement with Kindred Works for market fees (including development management fees, property management fees and financing fees). Each of these agreements will be terminable by the Limited Partnership for cause, as determined by Heartwood in its sole discretion, after notice of Default by Heartwood and a failure to cure within the prescribed period. Default will include failure of Kindred Works to have acceptable “Key Persons” and cross-default between the different agreements with Kindred Works. In addition, the property management agreement with Kindred Works (or an affiliate thereof) may be terminated by the Limited Partnership without cause, as determined by Heartwood in its sole discretion, at any time upon 90 days prior written notice; provided that if such agreement is terminated without cause prior to the second anniversary of the initial occupancy of the Property, Kindred Works shall be entitled to a termination fee equal to the projected fees otherwise payable between the termination date and such second anniversary.
<b>Key Persons</b>	If either Tim Blair or David Constable has ceased to be employed by Kindred Works or an affiliate thereof for any reason whatsoever, Kindred Works shall, within 30 days of such cessation, put forward the names of proposed replacements for approval by Heartwood. If the replacements are not approved within 90 days of the receipt of such notice, an event of default shall be deemed to have occurred under the Service Contracts.
<b>Transfer of Interests</b>	Unless a transfer is permitted pursuant to the Limited Partnership Agreement (including a transfer to a Canadian resident affiliate of a Limited Partner that complies with the procedural requirements of the Agreement), no Limited Partner can transfer or pledge any of its interest in the Limited Partnership unless the other Limited Partner consents thereto.
<b>Right of First Offer /Forced Sale</b>	At any time after the earlier (i) of twelve months after Stabilization of the Project and (ii) seven years after Heartwood becomes a limited partner in the Limited Partnership each Limited Partner shall be entitled to send a notice to the other Limited Partner, giving notice that it wants to sell its interest and the terms it would accept with respect the sale of its interest (in the Limited Partnership the “ <b>Offer Terms</b> ”). The other Limited Partner will have 120 days to respond to the notice and elect, in its sole discretion, to (i) buy all of the limited partner interest of the initiating Limited Partner (the “ <b>Purchase Option</b> ”), (ii) consent to the sale of the initiating Limited Partner’s interest to an unrelated third party for a cash purchase price at least equal to the Offer Terms (the “ <b>Sale Option</b> ”) or (iii) the sale of the Property to an unrelated third party for a cash purchase price at least equal to the Offer Terms (the “ <b>Tag-Along Option</b> ”). Notwithstanding the foregoing, neither party shall be entitled to send notice under this provision

---

between the commencement of construction and “Practical Completion” of the Project.

If the non-initiating Limited Partner does not elect the Purchase Option, the initiating Limited Partner may proceed to sell its interest in the Limited Partnership or, if the non-initiating Partner has elected the Tag-Along Option, to cause the Limited Partnership to sell the Property, as applicable, for a cash purchase price at least equal to the Offer Terms, provided that such sale closes within 120 days of the receipt of the Reply Notice.

If the non-initiating Limited Partner elects the Purchase Option, the non-initiating Limited Partner shall purchase the initiating Limited Partner’s interest on the Offer Terms no later than 60 days of the receipt of the reply notice electing the Purchase Option. If the non-initiating Limited Partner does not send a Reply Notice, it will be deemed to have elected the Sale Notice.

If the initiating Limited Partner owns a 75% or greater interest in the Limited Partnership, and the non-initiating Limited Partner does not elect the Purchase Option or the Tag-Along Option, the initiating Limited Partner may, in its sole discretion, elect to cause the Limited Partnership to sell the Property to an unrelated third party for a cash purchase price at least equal to the Offer Terms (provided that the reference above to “a 75% or greater interest” shall be read as “more than a 50% interest” after (i) the 10<sup>th</sup> anniversary of Stabilization or (ii) the Congregation Trust has transferred its interest to an arm’s length purchaser).

**Acquisition of General Partner Shares by Heartwood**

If (i) the Congregation Trust ceases to be a Limited Partner or (ii) Kindred Works is no longer acting as the property manager, or development manager of the Limited Partnership, Heartwood shall have the right to purchase the shares in the General Partner held by Kindred Works for nominal consideration. If Heartwood does not invest in the Limited Partnership Kindred Works shall have the right to purchase the shares in the General Partner held by Heartwood for nominal consideration.

**Remedies Upon Default**

A buy-out right in respect of the other Limited Partner’s interest in the Limited Partnership shall only be provided for in connection with the insolvency of a Limited Partner.

**Reports and Meetings**

The Limited Partnership will furnish annual audited financial statements and other reporting information to the Limited Partners and tax information necessary for the completion of income tax returns annually no later than 120 days after year-end. On a quarterly basis for the first three quarters of each year, no later than 60 days after the end of such quarter, each Limited Partner will be furnished with unaudited financial statements of the Limited Partnership.

2024-22

The United Church of Canada  
L'Église Unie du Canada

Eastern Ontario Outaouais Regional Council  
Meeting of the Executive

September 12, 2024  
Zoom Teleconferencing

---

**Amendments**

Amendments to the Limited Partnership Agreement can only be made with the unanimous approval of the Limited Partners.

---

Appendix C<sup>3</sup>

**AMENDED AND RESTATED LIMITED PARTNERSHIP AGREEMENT**

**QUEENSWOOD HOUSING INC. (“General Partner”)**

**-and-**

**EASTERN ONTARIO OUTAOUAIS REGIONAL TRUST** (the “**Regional Trust**”, together with such other Persons who become limited partners, collectively, the “**Limited Partners**”)

**DATE: ●**

	<b>Page</b>
<b>ARTICLE 1 DEFINITIONS.....</b>	<b>1</b>
1.1 Defined Terms .....	1
1.2 Construction and Interpretation .....	12
<b>ARTICLE 2 FORMATION OF THE PARTNERSHIP .....</b>	<b>13</b>
2.1 Formation and Existence.....	13
2.2 Name of Partnership .....	13
2.3 Location of Offices of Partnership.....	13
2.4 Purpose and Business of Partnership .....	13
2.5 Authority of Partnership .....	13
2.6 Fiscal Year of the Partnership.....	13
2.7 Term.....	14
<b>ARTICLE 3 NATURE OF PARTNERSHIP UNITS AND CAPITALIZATION .....</b>	<b>14</b>
3.1 Capital of the Partnership.....	14
3.2 Partnership Units.....	14
3.3 Capitalization by General Partner .....	14
3.4 Class A Units and Capitalization by Limited Partners .....	14
3.5 Capitalization of Partnership.....	15
3.6 Heartwood Capital Contribution.....	15
3.7 Additional Capital Contributions.....	16
3.8 Parallel Vehicle.....	17
3.9 Co-Investment.....	18
3.10 Funding Loans .....	18
3.11 Units Constitute Securities.....	18
3.12 Additional Partners .....	18
<b>ARTICLE 4 UNIT ISSUANCE .....</b>	<b>19</b>
4.1 Unit Issuance Procedure .....	19
4.2 Lost Unit Certificates .....	19
4.3 Uncertificated Units .....	19
<b>ARTICLE 5 PRE-DEVELOPMENT COSTS AND FINANCING.....</b>	<b>19</b>
5.1 Pre-Development Costs .....	19
5.2 Construction Loan.....	20
5.3 Financing Approval .....	20
5.4 No Financing of Units.....	20
<b>ARTICLE 6 CAPITAL ACCOUNTS.....</b>	<b>20</b>
6.1 Capital Accounts .....	20
6.2 Capital Contributions/Distributions in Property .....	21
6.3 No Right to Withdraw Amounts .....	21
6.4 No Interest Payable on Accounts.....	21
<b>ARTICLE 7 PARTNERSHIP PROFIT OR LOSS .....</b>	<b>21</b>
7.1 Determination and Allocation of Net Income or Loss.....	21

**TABLE OF CONTENTS**  
(continued)

	<b>Page</b>
7.2 Computation of Income or Loss for Tax Purposes .....	21
7.3 Tax Returns .....	22
<b>ARTICLE 8 DISTRIBUTIONS.....</b>	<b>22</b>
8.1 Determination of Cash Available For Distribution.....	22
8.2 Distributions Resulting in Debit Balances in Capital Accounts .....	22
8.3 Return of Capital Contribution .....	22
8.4 Repayment .....	22
<b>ARTICLE 9 REPRESENTATIONS, WARRANTIES AND COVENANTS.....</b>	<b>23</b>
9.1 Representations, Warranties and Covenants of Each Limited Partner .....	23
9.2 Representations, Warranties and Covenants of General Partner .....	24
<b>ARTICLE 10 RIGHTS, POWERS AND DUTIES OF THE PARTNERS .....</b>	<b>25</b>
10.1 Authority of the General Partner.....	25
10.2 Exercise of Powers and Discharge of Duties .....	27
10.3 Reimbursement of General Partner.....	27
10.4 Meetings and Approvals of Partners.....	27
10.5 Limited Authority of Limited Partner.....	27
10.6 Partnership Assets.....	28
10.7 Unlimited Liability of General Partner .....	28
10.8 Limited Liability of Limited Partners .....	28
10.9 No Commingling of Funds .....	29
10.10 Removal or Resignation of General Partner .....	29
10.11 Admission of Additional General Partners .....	29
10.12 Assignment of Interest .....	29
10.13 Voluntary Resignation or Dissolution .....	29
10.14 Deemed Resignation .....	30
10.15 Payment of Accounts .....	30
10.16 Transfer of Management.....	30
10.17 Transfer of Title .....	30
10.18 Release .....	31
10.19 New General Partner.....	31
10.20 General Partner as Limited Partner .....	31
10.21 Competition Between Partners .....	31
<b>ARTICLE 11 TRANSFERS .....</b>	<b>31</b>
11.1 No Right to Transfer Units .....	31
11.2 Right to Transfer Units to Eligible Persons .....	32
11.3 Transfers at Any Time Other Than the End of Partnership's Fiscal Year.....	33
<b>ARTICLE 12 ROFO RIGHTS .....</b>	<b>33</b>
12.1 ROFO Notice .....	33
12.2 Other Partner's Options .....	34
12.3 Transfer to Third Party.....	35
12.4 Information .....	36

**TABLE OF CONTENTS**  
(continued)

	<b>Page</b>
12.5 Conditions of Agreement and Closing.....	36
12.6 Release .....	38
12.7 Purchase and Sale Structure.....	38
12.8 Limitations .....	38
12.9 Structuring Transaction.....	38
<b>ARTICLE 13 TERM AND TERMINATION .....</b>	<b>39</b>
13.1 Term.....	39
13.2 Dissolution .....	39
13.3 No Dissolution .....	39
13.4 Events of Dissolution.....	39
13.5 Receiver .....	39
13.6 Liquidation of Assets .....	39
13.7 Order of Distribution of Net Proceeds .....	40
13.8 Partition of Assets .....	40
13.9 Return of Capital.....	40
13.10 Termination of Partnership .....	40
13.11 Distribution Upon Dissolution.....	40
<b>ARTICLE 14 CONSEQUENCES OF EVENTS OF DEFAULT .....</b>	<b>41</b>
14.1 Rights of Non-Defaulting Party .....	41
14.2 Right of Non-Defaulting Party to Purchase Defaulting Party Interest .....	42
14.3 Status of Limited Partner in Default .....	43
<b>ARTICLE 15 INDEBTEDNESS OF A LIMITED PARTNER TO ANOTHER LIMITED PARTNER .....</b>	<b>43</b>
15.1 Incurrence of Indebtedness and Related Terms, Conditions, Rights and Obligations.....	43
<b>ARTICLE 16 RECORDS AND REPORTS .....</b>	<b>44</b>
16.1 General Books and Records.....	44
16.2 Accounting Principles and Auditor.....	44
16.3 Access to Records .....	45
16.4 Reports to Limited Partners .....	45
<b>ARTICLE 17 INDEMNITIES .....</b>	<b>45</b>
17.1 Obligation of General Partner.....	45
17.2 Indemnity in favour of General Partner .....	45
<b>ARTICLE 18 IRREVOCABLE POWER OF ATTORNEY .....</b>	<b>47</b>
18.1 Appointment .....	47
18.2 Appointment Irrevocable .....	47
18.3 Reliance.....	47
18.4 Agreement to be Bound .....	48
18.5 Grant Non-Specific .....	48
18.6 Execution of Instruments .....	48

**TABLE OF CONTENTS**  
(continued)

	<b>Page</b>
<b>ARTICLE 19 CONFIDENTIAL INFORMATION .....</b>	<b>48</b>
19.1 Confidentiality Obligations.....	48
<b>ARTICLE 20 DISPUTE RESOLUTION .....</b>	<b>49</b>
20.1 Arbitration of Legal Disputes .....	49
20.2 Disputes as to Default – Expedited Dispute Resolution .....	50
20.3 Compliance with Agreement .....	50
20.4 Development Matters.....	50
<b>ARTICLE 21 GENERAL PROVISIONS.....</b>	<b>51</b>
21.1 Amendment.....	51
21.2 Notice.....	51
21.3 Further Assurances.....	51
21.4 Governing Law; Compliance.....	52
21.5 Waiver.....	52
21.6 Successors and Assigns.....	52
21.7 Limited Recourse.....	52
21.8 Severability .....	52
21.9 Authorship.....	53
21.10 Time of the Essence .....	53
21.11 Counterparts.....	53
21.12 Electronic Signatures and Electronic Delivery .....	53
21.13 Entire Agreement.....	53
<b>SCHEDULE A FORM OF UNIT CERTIFICATE .....</b>	<b>55</b>
<b>SCHEDULE B LEGAL DESCRIPTION OF PROPERTY.....</b>	<b>57</b>
<b>SCHEDULE C PROCESS FOR DETERMINING FAIR MARKET VALUE OF THE PROPERTY.....</b>	<b>58</b>
<b>SCHEDULE D FORM OF JOINDER AGREEMENT.....</b>	<b>59</b>

---

**AMENDED AND RESTATED LIMITED PARTNERSHIP AGREEMENT**

THIS AMENDED AND RESTATED LIMITED PARTNERSHIP AGREEMENT of QUEENSWOOD COMMUNITIES LP (the "**Partnership**"), dated as of ●, 2024, is entered into by and between Queenswood Housing Inc., as general partner (the "**General Partner**"), and EASTERN ONTARIO OUTAOUAIS REGIONAL TRUST (the "**Regional Trust**"), as limited partner.

**WITNESSETH:**

**WHEREAS** the Partnership was formed as a limited partnership under the laws of the Province of Ontario on October 10, 2023 by the filing of a Declaration in accordance with the Act;

**AND WHEREAS** the General Partner is the sole general partner of the Partnership;

**AND WHEREAS** pursuant to a limited partnership agreement made as of November 23, 2023, between the General Partner and Kindred (the "**Original Partnership Agreement**"), the Regional Trust was the sole limited partner of the Partnership;

**AND WHEREAS** the Regional Trust contributed the Property to the Partnership on ●;

**AND WHEREAS** the Regional Trust and the General Partner are entering into this agreement to amend and restate the Original Partnership Agreement in its entirety so as to set out their respective rights and obligations relating to the Partnership;

**AND WHEREAS** the Partners acknowledge that additional equity is required to be contributed to the Partnership to enable the Partnership to develop and construct the residential project on the Property and that accordingly, it is intended that Heartwood will be added as a Limited Partner of the Partnership.

**NOW THEREFORE** in consideration of the foregoing and the mutual agreements contained herein and other good and valuable consideration (the receipt and adequacy of which are hereby acknowledged), the parties hereto agree to amend and restate the Original Partnership Agreement in its entirety as follows:

**ARTICLE 1  
DEFINITIONS****1.1 Defined Terms**

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

"**Act**" means the *Limited Partnerships Act* (Ontario), as the same may be amended or replaced from time to time, and all regulations from time to time promulgated thereunder;

"**Advancing Party**" has the meaning ascribed to such term in Section **Error! Reference source not found.**;

“**Affiliate**” means, with respect to any Person, any Person or group of Persons directly or indirectly Controlling, Controlled by or under common Control with, such Person, provided that Kindred shall, at all times, be deemed to be an Affiliate of the Regional Trust;

“**Agreement**” means this amended and restated limited partnership agreement made as of the date first above written, including the recitals and schedules attached hereto, all as amended, modified, replaced or restated, from time to time, and the expression “**Article**”, “**Section**”, “**Sub-Section**” and “**Paragraph**” followed by a number or letter means or refers to that specific Article, Section, Sub-Section, or Paragraph of this Agreement;

“**Approved Obligations**” means, without duplication, any debts, obligations, duties, covenants, encumbrances, agreements, expenses and liabilities of the Partnership which:

- (a) have been approved by the General Partner (including if incurred pursuant to any budget, plan, proposal or agreement that has been so approved); or
- (b) are binding or imposed upon the Partnership as an incident of its ownership of the Property, whether by law, statute or court decision (including all taxes, utilities and similar costs and expenses relating to the ongoing operation of the Property).

“**Arm’s Length**” means the relationship between persons as defined for purposes of section 251 of the *Income Tax Act* (Canada);

“**Bad Actor**” means any Person or entity that (a) is subject to any sanctions administered or enforced by Canada or the United States (including the Office of Foreign Assets Control of the U.S. Department of the Treasury or the U.S. Department of State), the United Nations Security Council, the European Union, Her Majesty’s Treasury of the United Kingdom, or other relevant sanctions authority; (b) is listed on any list of prohibited or restricted parties, including the Specially Designated Nationals and Blocked Persons Lists maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury, or any similar list maintained by any other relevant sanctions authority; (c) is directly or indirectly owned or controlled by any such person or persons listed in (a) or (b); or (d) has been convicted of, or is currently under investigation for, any felony involving a crime of moral turpitude, fraud, embezzlement, money laundering, or any other financial crime

“**Borrowing Rate**” means, at any time, an annual interest rate equal to, the greater of (i) 18%; and (ii) Prime Rate plus 7% per annum, calculated daily and compounded quarterly as at the last day of each calendar quarter;

“**Business**” has the meaning ascribed to such term in Section 2.4;

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

“**Business Decision**” means those decisions made in the ordinary course of managing the Partnership’s operations and investments, including but not limited to decisions regarding acquisitions, dispositions, financing, leasing, development, and management of assets. Such Business Decisions shall be exclusively reserved for the General Partner, decisions that requires a vote of the Limited Partners pursuant to the terms hereof;

“**Buyer**” has the meaning ascribed to such term in the relevant Subsection of Section 1.a(i);

“**Capital Account**” has the meaning ascribed to such term in Section 6.1;

“**Capital Contribution**” means, with respect to any Partner, an amount (including money, securities, partnership interests, assets and property) contributed to the Partnership by such Partner pursuant to a subscription for Units or, if no Units are issued in respect of such contribution, the aggregate amount of capital contributed by such Partner as recorded in the books of the Partnership, and “**Capital Contributions**” means all of them;

“**Cash Available for Distribution**” means the net cash received by the Partnership from time to time, whether on account of capital (other than Capital Contributions) or from the Partnership’s operations and investments, which net amounts will be determined after the expenses and liabilities of the Partnership are paid (including repayment of any Funding Loans) and after an allowance is made for reasonable reserves which the General Partner determines are necessary or desirable;

“**Class A Units**” means those units of the Partnership issued to a Limited Partner from time to time in the form of SCHEDULE A and designated as Class A Units for purposes of this Agreement, which units have the attributes, rights and priorities that are set out in this Agreement. All Class A Units outstanding at any time represent, in the aggregate, a 99.999% interest in the Partnership;

“**Contractor**” means the construction manager pursuant to any Construction Contract;

“**Construction Contract**” means the construction management agreement for the Project between the Partnership and the Contractor, as amended, restated and/or supplemented from time to time;

“**Construction Launch**” means the commencement of site works and construction activities on the Property including, without limitation, site preparation, excavation, the laying of foundations, and any other initial works necessary to begin vertical construction on the Property.

“**Construction Loan Agreement**” means the construction loan agreement for the Project, as amended, restated and/or supplemented from time to time.

“**Contributed Capital**” means, with respect to any Partner and any date, the aggregate of all Capital Contributions made by such Partner as at such date;

“**Control**” means, as it relates to a Person, the power, directly or indirectly, to direct or cause the direction of management and policies of such Person, whether through ownership of voting securities, by contract or otherwise and the terms “**Controlled**” “**Controlling**” have correlative meanings and “**Controls**”, “**Controlling**” and “**Controlled**” have corresponding meanings;

“**CPI**” means the Statistics Canada Consumer Price Index - All Items Ontario or if the index is no longer published an index published in replacement or substitution thereof or any replacement indices designated by the General Partner;

“**Construction Phase**” means the period commencing upon Heartwood's approval of the Construction Launch and concluding upon Practical Completion.

“**Creditor**” has the meaning ascribed to such term in Section 1(a);

“**Debtor**” has the meaning ascribed to such term in Section 1(a);

“**Declaration**” means the certificate of limited partnership of the Partnership, executed by the General Partner and filed with the registrar under the Act, and all amendments thereto and renewals or replacements thereof;

“**Default Notice**” has the meaning ascribed to such term in Section 14.1;

“**Default Sale Closing Date**” has the meaning ascribed to such term in Section 1(f);

“**Defaulting Party**” has the meaning ascribed to such term in Section 14.1;

“**Defaulting Party Interest**” has the meaning ascribed to such term in Section 1(e);

“**Default Property Price**” has the meaning ascribed to such term in **Error! Reference source not found.**;

“**Development Management Agreement**” means the development management agreement between the Partnership and the Development Manager dated as of the date hereof, as amended, restated, and/or supplemented from time to time;

“**Development Manager**” means Kindred Works Inc. or any other Persons that becomes the development manager pursuant to the Development Management Agreement;

“**Disposition**” means any sale, assignment, exchange, transfer, lease, mortgage, pledge, grant of security interest or other disposition or encumbrance by a Partner of the whole or part of its Interest and, in the case of the Regional Trust, shall be deemed to include Eastern Ontario Outaouais Regional Council ceasing to, directly or indirectly, be the sole beneficiary of the Regional Trust, and in the case of Heartwood, shall be deemed to include Heartwood Trust ceasing to be a limited partner of Heartwood.

“**Distributions**” means money or other property paid or distributed by the Partnership to a Partner in respect of or on account of its Interest;

“**Eligible Person**” means:

- (a) in respect of the Regional Trust, any Person that is directly or indirectly Controlled by the Regional Trust or any such transferees or successors, of the Regional Trust;
- (b) in respect of any other Limited Partner, any Person to whom it has transferred all or substantially all of its assets, or any Person that is directly or indirectly Controlled by such Limited Partner or any such transferees or successor thereof; and
- (c) any Affiliate of any Limited Partner, so long as it is an Affiliate,

provided that in each in each case the Person is not a Bad Actor;

“**Event of Default**” means, with respect to a Limited Partner:

- 
- (a) the existence of an Event of Insolvency in respect of such Limited Partner; or
  - (b) the failure of such Limited Partner to pay any amount payable pursuant to this Agreement or make any required Capital Contribution pursuant to the provisions of Article 3 where such failure is not cured within 30 days after receipt by such Limited Partner of a notice of such breach from the General Partner or any other Limited Partner; or
  - (c) the completion or occurrence of any Disposition by such Limited Partner in contravention of this Agreement; or
  - (d) the breach by such Limited Partner in the performance of any of its material obligations under this Agreement or any material breach by such Limited Partner of its representations and warranties under this Agreement, which breach is not cured within 30 days after receipt by such Limited Partner, as the case may be, of a notice of such breach from the General Partner or any other Limited Partner (or if the breach reasonably requires more than 30 days to cure, such period as is reasonably required to cure such breach (subject to a maximum of 90 days) so long as the Limited Partner in breach commences action to cure the breach immediately after receipt of the notice of breach and thereafter promptly, effectively and continuously works to remedy and cure the breach); or
  - (e) the breach by such Limited Partner in the performance of any of its obligations under any Financing which results in the lender under such Financing being entitled to enforce any security it holds in respect of the Partnership or the Property, unless such breach is waived by the applicable lender or cured by the Limited Partner within the time period provided for such cure under the applicable guarantee and loan documents; or
  - (f) the occurrence of an "Event of Default" in respect of such Limited Partner or its Affiliate (excluding Kindred Works Inc.) under the General Partner Shareholder Agreement; or
  - (g) such Limited Partner fails to sell its Interest to the other Limited Partner in accordance with this Agreement or fails to complete the purchase of the other Limited Partner's Interest when required to do so pursuant to the provisions of this Agreement;

**"Event of Insolvency"** means, with respect to any Partner, the occurrence of any one of the following events:

- (a) if such Partner, other than in connection with a *bona fide* reorganization, is wound up, dissolved, liquidated, becomes subject to the provisions of the *Winding-up and Restructuring Act* (Canada) or any analogous legislation or has its existence terminated or has any resolution passed which authorizes any of the foregoing or becomes subject to any court order compelling any of the foregoing; or
- (b) if such Partner makes a general assignment for the benefit of its creditors or a proposal under the *Bankruptcy and Insolvency Act* (Canada), as amended or re-enacted from time

to time, or has any resolution passed which authorizes any of the foregoing, or if such Partner is adjudged bankrupt or insolvent; or

- (c) if such Partner makes an application or proposal to the applicable court for a compromise or arrangement in respect of itself under the *Companies' Creditors Arrangement Act* (Canada), as amended or re-enacted from time to time, or files any request, application, petition or answer seeking any reorganization, arrangement, composition, re-adjustment, liquidation or similar relief for itself under any present or future law relating to bankruptcy, insolvency or other relief from or against creditors generally; or
- (d) if proceedings are commenced against or in respect of such Partner pursuant to the *Companies' Creditors Arrangement Act* (Canada) or the *Bankruptcy and Insolvency Act* (Canada), as amended or re-enacted from time to time, or any other present or future law relating to bankruptcy, insolvency or other relief from or against creditors generally or seeking appointment of any trustee in bankruptcy, receiver, receiver and manager, liquidator or any other officer with similar powers for either such Partner or any material part of the property and assets of such Partner, and such proceedings are not or are no longer being contested in good faith by appropriate proceedings or in any event have not been stayed or terminated prior to the expiry of thirty (30) days after such proceedings have been commenced; or
- (e) if a court of competent jurisdiction enters an order, judgment or decree against or in respect of such Partner which approves or provides for any reorganization, arrangement, composition, re-adjustment, 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 from or against creditors generally, or if any trustee in bankruptcy, receiver, receiver and manager, liquidator or any other officer or Person with similar powers is appointed with the consent of such Partner, whether privately or judicially, for such Partner or any material part of the property of such Partner or such the Partner's Units; or
- (f) if a writ of execution, attachment or seizure or similar process is issued or levied against all or a material portion of the property of such Partner or such Partner's Units in connection with any judgment against such Partner and is not discharged or vacated within thirty (30) days after it is so issued or levied, unless such Partner contests in good faith such proceedings and is pursuing its legal recourses against same with diligence;

**"Fair Market Value"** means the price which the Property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of the appraisal date and the passing of title from the seller to the buyer whereby: (i) a reasonable time is allowed for exposure in the open market; and (ii) the price represents the normal consideration for the Property, unaffected by special or creative financing or sales concessions granted by anyone associated with the sale;

**"Financing"** means any financing obtained by the Partnership from a third-party lender which, in each case, has been approved by the General Partner;

**"Fiscal Year"** has the meaning ascribed to such term in Section 2.6;

“**FMV Notice**” has the meaning ascribed to such term in Section 1(c);

“**Fundamental Decisions**” means:

- (a) in the event that the Development Manager is no longer Kindred, any change to the Development Plan that results in a reduction in the forecast IRR by more than 20% from the forecast IRR in the most recent version of the Development Plan that was approved by the Limited Partners;
- (b) any change in the intended use of the Project;
- (c) the acquisition of additional real estate by the Partnership or by any entity in which it has an interest;
- (d) contracts with any Limited Partner or an Affiliate thereof (other than the initial Service Agreements);
- (e) distributions other than as provided for in Section 8.1 hereof;
- (f) any changes to this Agreement (including changes to the Partnership’s capital structure), except as permitted hereunder or if related to non-substantive matters;
- (g) decisions involving any permanent refinancing of the Property that exceeds a loan to value of seventy-five percent (75%);
- (h) any construction contract for the Project that is not either (A) a fixed priced contract with a general contractor; or (B) under a construction management arrangement with a security bond, a letter of credit or a guaranty; and
- (i) the sale of the Property (other than pursuant to the mechanisms set forth in 12.1);

“**Funding Loans**” shall have the meaning ascribed thereto in Section 3.10 hereof;

“**GAAP**” means the Accounting Standards for Private Enterprises or such other accounting standards as may be approved from time to time by the General Partner;

“**General Partner**” means Queenswood Housing Inc., and its successors or any other Person admitted as a substitute general partner of the Partnership, so long as any of them remains a general partner;

“**General Partner Shareholder Agreement**” means the shareholder agreement that is in force from time to time between Kindred Works and the general partner of Heartwood, if Heartwood becomes a Limited Partner, as shareholders, and the General Partner in respect of the General Partner;

“**General Partner Units**” means those units of the Partnership issued to the General Partner from time to time in the form of SCHEDULE A and designated as General Partner Units for purposes of this Agreement, which units have the attributes, rights and priorities that are set out in this Agreement. All General Partner Units outstanding at any time represent, in the aggregate, a 0.001% interest in the Partnership);

“**GIC Rate**” means the interest rate applicable to a Guaranteed Investment Certificate issued by a Canadian financial institution for a term of twelve (12) months, as published by the Bank of Canada on the first business day of the month in which the calculation is to be made;

“**Governmental Authority**” means any domestic or foreign national, federal, provincial, state, municipal or other government or body, any subdivision, ministry, department, secretariat, bureau, agency, commission, board, instrumentality or authority of any of the foregoing governments or bodies, any quasi-government or private body exercising any regulatory, expropriation or taxing authority under or for the account of any of the foregoing governments or bodies, or any domestic, national, federal, provincial or municipal judicial, quasi-judicial, arbitration or administrative court, tribunal, commission or board;

“**Heartwood**” means Heartwood Master Limited Partnership or any other Person in lieu of Heartwood Master Limited Partnership who agrees to make the Heartwood Capital Commitment;

“**Heartwood Capital Commitment**” has the meaning ascribed to such term in Section **Error! Reference source not found.**;

“**Heartwood Construction Delay Loan**” has the meaning ascribed to such term in Section 3.6(c);

“**Heartwood Loan**” has the meaning ascribed to such term in Section 5.1;

“**Heartwood Subscription Agreement**” means the agreement between the Limited Partnership and Heartwood dated the date of this Agreement;

“**Indebtedness**” has the meaning ascribed to such term in Section 15.1;

“**Indemnitee**” has the meaning ascribed to such term in Section 1(a);

“**Independent Appraiser**” means, a nationally recognized third-party appraiser generally recognized as a Person experienced in appraising and qualified to appraise multi residential properties in Ontario, that has the designation AACI granted by the Appraisal Institute of Canada (or its successor or, failing either, another equivalent national Canadian real estate appraisal organization) and is independent of the Partnership and the Partners;

“**Interest**” means, in respect of a Partner, all of Partner’s interest in the Partnership;

“**IRR**” means the internal rate of return, which is the discount rate that makes the net present value (NPV) of all cash flows (both positive and negative) from a particular investment equal to zero.

“**Joinder**” means the agreement in the form attached hereto as SCHEDULE D

#### **FORM OF JOINDER AGREEMENT;**

“**Kindred**” means Kindred Works Inc, its successors and assigns;

“**Lands**” means the real property more particularly described on Schedule B and all rights and benefits appurtenant thereto, and located at 360 Kennedy Lane East, Orleans, Ontario;

“**Laws**” means, all laws, constitutions, treaties, statutes, regulations, codes, ordinances, principles of common and civil law and equity, orders, decrees, rules, regulations and municipal by-laws, whether domestic, foreign or international; all judicial, arbitral, administrative, ministerial, departmental and regulatory judgments, orders, writs, injunctions, decisions, rulings, decrees and awards of any Governmental Authority; and all policies, practices and guidelines of, or contracts with, any Governmental Authority, which, although not actually having the force of law, are considered by such Governmental Authority as requiring compliance as if having the force of law, in each case binding on or affecting the Person, or the assets of the Person, referred to in the context in which such word is used;

“**Leases**” means all present and future offers to lease, leases, agreements to lease, renewals of leases, extensions of leases, re-negotiations or restructuring of lease arrangements, expansions, surrenders, assignments, binding letters of intent to lease, subleases, and all other tenancy agreements, rights or licenses granted by or on behalf of the Partnership or its predecessors in title, to possess, use or occupy space in any part of the Property (other than an easement or a right in the nature of an easement), together with all security, guarantees and indemnities of the Tenants’ obligations thereunder, in each case as amended, renewed or otherwise varied, including, without limitation, any parking license agreements or storage space license agreements;

“**Limited Partners**” means the Regional Trust and its successors and permitted assigns and all other Persons admitted as additional or substitute limited partners and shown on the record of limited partners which the General Partner is required to maintain under the Act, so long as they remain limited partners, and “**Limited Partner**” means any of them;

“**Nominee**” means Queenswood Commons by Kindred Works, being holder of registered title to the Property on behalf of the Partnership;

“**Non-Defaulting Party**” has the meaning ascribed to such term in Section 14.1;

“**Other Partner**” has the meaning ascribed to such term in Section 12.1;

“**Parallel Vehicle**” has the meaning ascribed to such term in Section 1(a);

“**Partners**” means, collectively, the General Partner and those Persons or entities who, from time to time, are the Limited Partners and “**Partner**” means any one of them;

“**Partnership**” means this limited partnership, being Queenswood Communities LP, an Ontario limited partnership;

“**Partnership Act**” means the *Limited Partnerships Act* (Ontario), as amended from time to time, and any re-enactments, replacements or substitutions thereof from time to time;

“**Partnership Loss**” means, in respect of any period, the net loss, if any, of the Partnership for such period determined by the General Partner in accordance with GAAP;

“**Partnership Profit**” means, in respect of any period, the net profit, if any, of the Partnership for such period determined by the General Partner in accordance with GAAP;

---

**“Percentage Interest”** means: (a) in respect of the General Partner, 0.001%, and (b) in respect of a Limited Partner as at any date, the number of Class A Units owned by such Limited Partner on such date divided by the total number of Class A Units outstanding on such date provided that if at any time no Class A Units are outstanding, the 99.999% interest in the Partnership will be divided among the Limited Partners holding Class A Units in accordance with the respective Capital Contributions;

**“Person”** means any individual, partnership, limited partnership, limited liability partnership, corporation, joint stock company, limited or unlimited liability company, unincorporated organization or association, trust (including the trustees thereof, in their capacities as such), Governmental Authority or other entity, and “corporation” shall include “company” and vice versa;

**“Practical Completion”** means the date (which shall be confirmed by the General Partner in a notice given to the Limited Partners) upon which the Project is first capable of operating in the manner intended by the Partnership, and shall include the receipt of all necessary occupancy and other material permits;

**“Pre-Development Costs”** means all costs incurred pursuant to the Development Management Agreement until the commencement of construction of the Project;

**“Pre-Development Loan”** means any UPRC Loan or Heartwood Loan;

**“Prime Rate”** means at the time of calculation the rate of interest most recently announced or established by the Royal Bank of Canada and its successors as its reference rate for determining interest rates for commercial loans in Canadian dollars in Canada and commonly known as its “prime rate”;

**“Project”** means the multi-residential rental development to be developed and constructed on the Property, as described in the Development Plan;

**“Property”** means collectively, the Lands, buildings, and all related property, assets, rights, interests, entitlements, benefits, easements, right of way, and privileges of any nature or kind relating thereto;

**“Property Management Agreement”** means the property management agreement between the Partnership and the Property Manager, as amended, restated, and/or supplemented from time to time;

**“Property Manager”** means Kindred Works Inc. or other manager pursuant to the Property Management Agreement;

**“Regional Trust”** means Eastern Ontario Outaouais Regional Trust or such other entity Controlled by the Eastern Ontario Outaouais Regional Trust of the United Church of Canada;

**“Regional Trust Capital Contribution”** has the meaning ascribed to such term in Section 3.4;

**“Reply Notice”** has the meaning ascribed to such term in Section 12.2;

“**Right of First Offer Provisions**” means the provisions set forth in Article 12;

“**ROFO Notice**” has the meaning ascribed to such term in Section 12.1(a);

“**ROFO Property Value**” has the meaning ascribed to such term in Section 12.1(a);

“**ROFO Purchase Price**” has the meaning ascribed to such term in Section 12.1(a);

“**Tag-Along Option**” has the meaning ascribed thereto in Section **Error! Reference source not found.**;

“**Sale Option**” has the meaning ascribed to such term in Section **Error! Reference source not found.**;

“**Seller**” has the meaning ascribed to such term in the Section 1.a(i);

“**Selling Expenses**” means a deemed amount of 5% of the applicable purchase price;

“**Selling Partner**” has the meaning ascribed thereto in Section 12.1(a);

“**Service Agreements**” means the Development Management Agreement and the Property Management Agreement;

“**Stabilization**” means at least 90% of the units have been leased to bona fide arm’s length tenants pursuant to industry-standard leases;

“**Subscription**” means a subscription for Units, in a form acceptable to the General Partner, pursuant to which, among other things, the Person acquiring such Units, if not already a Partner, agrees to be bound by this Agreement in the same manner as if it had been an original party hereto and in respect of Heartwood means the Subscription Agreement;

“**Subscription Agreement**” means the agreement of even date herewith between the Partnership and Heartwood which sets out the terms and conditions on which Heartwood is anticipated to become a Limited Partner;

“**Subscription Price**” means the amount per Unit to be determined at the relevant time by the General Partner, that is to be contributed to the Capital in consideration for the issuance of Units;

“**Tag-Along Option**” has the meaning ascribed thereto in Section **Error! Reference source not found.**;

“**Tax Act**” means the *Income Tax Act* (Canada) as the same may be amended or replaced from time to time;

“**Tenants**” means all Persons who now or hereafter are parties to a Lease or have any right of use or occupancy of all or any part of the Property under a Lease;

“**Third Party APS**” has the meaning ascribed to such term in Section 1(c);

“**Transfer**” means to sell, assign, surrender, gift, transfer, pledge, mortgage, charge, create a security interest in, hypothecate or otherwise encumber any Unit or any interest, whether legal or beneficial, in a Unit, whether voluntary, involuntary, by operation of law or otherwise;

“**Transferee**” has the meaning ascribed to such term in Section 11.3;

“**Transferor**” has the meaning ascribed to such term in Section 11.3;

“**Trigger Date**” has the meaning ascribed to such term in Section 1(a);

“**Unit Certificate**” means a certificate in the form of SCHEDULE A in respect of a Class A Unit or a General Partner Unit;

“**Units**” means, collectively, the Class A Units and General Partner Units, and “**Unit**” means any one of them; and

“**UPRC**” means United Property Resource Corporation.

“**UPRC Loan**” has the meaning ascribed thereto in Section 5.1.

## 1.2 Construction and Interpretation

In this Agreement,

- (a) unless the context of this Agreement otherwise clearly requires, (i) references to the plural include the singular, and references to the singular include the plural, (ii) references to any gender include the other genders, (iii) the words “include”, “includes” and “including” do not limit the preceding terms or words and shall be deemed to be followed by the words “without limitation”, (iv) the term “or” has the inclusive meaning represented by the phrase “and/or”, (v) the terms “day” and “days” mean and refer to calendar day(s), and (vi) the terms “year” and “years” mean and refer to calendar year(s). Unless otherwise set forth herein, references in this Agreement to (A) any document, instrument or agreement (including this Agreement) (1) includes and incorporates all exhibits, schedules and other attachments thereto, (2) includes all documents, instruments or agreements issued or executed in replacement thereof, and (3) means such document, instrument or agreement, or replacement or predecessor thereto, as amended, modified or supplemented from time to time in accordance with its terms and in effect at any given time, (vi) a particular law means such law as amended, modified, supplemented or succeeded, from time to time and in effect at any given time, and (vii) a specific Section of a law shall be deemed to refer also to the corresponding provision(s) of succeeding law. All Section and Schedule references herein are to Sections and Schedules of this Agreement, unless otherwise specified. This Agreement shall not be construed as if prepared by one of the parties hereto, but rather according to its fair meaning as a whole, as if all parties hereto had prepared it. The division of this Agreement into articles and sections and the use of headings is for convenience of reference only and does not modify or affect the interpretation or construction of this Agreement or any of its provisions.
- (b) When calculating the period of time within which or following which any act is to be done or step taken pursuant to this Agreement, the date which is the reference day in

calculating such period is excluded. If the last day of such period is not a Business Day, the period in question ends on the next succeeding Business Day.

- (c) All dollar amounts expressed are in Canadian funds.
- (d) Any accounting terms that are not specifically defined are to be construed in accordance with generally accepted accounting principles as prescribed by the CPA Canada Standards.

## **ARTICLE 2 FORMATION OF THE PARTNERSHIP**

### **2.1 Formation and Existence**

The Partnership was formed on October 10, 2023 in accordance with the Partnership Act pursuant to a Declaration filed under the Act and the Partnership continues as a limited partnership under the Act as of the date hereof.

### **2.2 Name of Partnership**

The name of the Partnership is “QUEENSWOOD COMMUNITIES LP” or such other name as the General Partner may designate from time to time. The Partnership will carry on business under that name or such other name as the General Partner may from time to time determine, provided the use of such name conforms to all applicable laws.

### **2.3 Location of Offices of Partnership**

The Partnership shall maintain its principal office at, and its business and affairs shall be conducted from, such place or places in Ontario as the General Partner may designate from time to time.

### **2.4 Purpose and Business of Partnership**

The purpose and business of the Partnership shall be the acquisition, disposition, ownership, development, construction, operation, leasing and management of the Property and all related and incidental activities thereto related to the Project (the “**Business**”). In connection with carrying on the Business, the Partnership, acting by and through the General Partner, subject to the provisions hereof, has the power to do and perform all things necessary for or incidental to or connected therewith.

### **2.5 Authority of Partnership**

The Partnership shall have all power, capacity and authority necessary, suitable or convenient for the carrying on of its Business, including the execution and performance of all agreements and actions as the General Partner determines are necessary or advisable from time to time in connection therewith.

### **2.6 Fiscal Year of the Partnership**

The fiscal year of the Partnership (the “**Fiscal Year**”) shall end on December 31 of each year, or on such other date as shall be determined by the General Partner from time to time.

**2.7 Term**

The Partnership has an indefinite term and will be dissolved and its affairs wound-up at the time specified in and in accordance with Article 13.

**ARTICLE 3  
NATURE OF PARTNERSHIP UNITS AND CAPITALIZATION**

**3.1 Capital of the Partnership**

The capital of the Partnership shall be the aggregate amount of the Capital Contributions of the Partners.

**3.2 Partnership Units**

- (a) The Partnership interests of the Partners shall be divided into Units. The Partnership is authorized to issue one General Partner Unit, and an unlimited number of Class A Units. In the event that no Units are outstanding at any time, the Partnership capital shall consist of the aggregate of all Capital Contributions made by each Partner of the Partnership.
- (b) Each Limited Partner shall have its interest in the Partnership determined pursuant to this Agreement including, without limitation, the right to receive such distributions in respect of such interest, as provided for in this Agreement. Each Limited Partner shall have equal voting rights with each of the other Limited Partners, on a pro rata basis.
- (c) The General Partner, in its capacity as the general partner of the Partnership, shall have its Interest in the Partnership determined pursuant to this Agreement including, without limitation, the right to receive such distributions in respect of such Interest as provided for in this Agreement.

**3.3 Capitalization by General Partner**

The General Partner has made a Capital Contribution of \$10 and holds one General Partner Unit. All General Partnership Units outstanding at any time collectively represent a 0.001% interest in the Partnership. The General Partner is not required to make any additional contributions of capital to the Partnership or to subscribe for any additional Units.

**3.4 Class A Units and Capitalization by Limited Partners**

The 99.999% interest in the Partnership will be divided into and represented by Class A Units, provided that if at any time no Class A Units are outstanding, such 99.999% interest in the Partnership will be divided among the Limited Partners in accordance with the respective Capital Contributions. Each Class A Unit shall entitle the holder thereof to the same rights and obligations as to the holder of any other Class A Unit, and no Limited Partner shall be entitled to any privilege, priority or preference in relation to any other Limited Partner.

### 3.5 Capitalization of Partnership

The Partners acknowledge that, prior to the date hereof, the Regional Trust has made a Capital Contribution (the "**Regional Trust Capital Contribution**") by contributing the Property to the Partnership in the amount of \$3,650,000 (being the Fair Market Value of the Property as determined by Appraisal) and has been issued 3,650 Class A Units in exchange therefor.

### 3.6 Heartwood Capital Contribution

- (a) The Development Management Agreement provides that once all Project Milestones (as defined in the Development Management Agreement) have been achieved, the Project will be presented by the Development Manager to Heartwood for approval of Construction Launch, accompanied by the written request therefor (the "**Request**").
- (b) Within thirty (30) days of receipt of the Request from Kindred Works, Heartwood will advise Kindred Works and the Regional Trust in writing that it either: (A) approves the Construction Launch, (B) is delaying the Construction Launch or (C) rejects the Construction Launch. If Heartwood approves the Construction Launch, the Project will enter the Construction Phase and Heartwood shall, to the extent not already funded by Heartwood (which will be converted to Class A Units on the basis of One (1) Unit for each \$1000), then be obligated to make a written binding capital commitment to the Partnership in an amount equal to the amount of equity required to be contributed to the Partnership pursuant to the Financing (the "**Heartwood Capital Commitment**").
- (c) If Heartwood delays the Construction Launch, it will promptly make a loan to the Partnership, bearing interest at the prevailing GIC Rate plus 10 basis points (a "**Heartwood Construction Delay Loan**"), in an amount sufficient to (i) fully repay any UPRC Loan(s), including interest thereon as provided herein, and (ii) to pay for any accrued expenses to date. Heartwood and Kindred Works will then work together to determine a mutually agreeable date for the Construction Launch.
- (d) If Heartwood rejects the Construction Launch then, (A) the Regional Trust can request Kindred Works Inc, to attempt to source another development partner for the Project; and (B) the shares in the General Partner held by Heartwood or its general partner shall be transferred to Kindred Works Inc.
- (e) In the event that Heartwood approves the Project, then as promptly as practical, Heartwood shall to the extent not already funded by Heartwood, make a written binding capital commitment to the Partnership in an amount equal to the amount of equity required to be contributed to the Partnership pursuant to the Financing (the "**Heartwood Capital Commitment**").
- (f) Without limiting Section 3.5(a), the Limited Partners also agree that Heartwood may, in its sole and absolute discretion, elect to make the Heartwood Capital Commitment at any time prior to the commencement of construction of the Project, in which case Heartwood shall provide written notice to the General Partner and the Regional Trust of such election.

- (g) Upon receipt by the General Partner of the Heartwood Capital Commitment and a Joinder Agreement executed by Heartwood, Heartwood will be issued a limited partnership interest that reflects the ratio between the amount of the Regional Trust Capital Contribution and the amount of the Heartwood Capital Commitment.
- (h) The initial Capital Contribution by Heartwood pursuant to the Heartwood Capital Commitment will be an amount sufficient to fund (and the Partnership shall use such initial Capital Contribution to fund) (i) repayment in full of any outstanding Pre-Development Loans with accrued interest, (ii) payment of all deferred fees payable pursuant to the Development Management Agreement and (iii) payment of any other costs previously incurred in respect of the Project in accordance with the Development Plan.
- (i) To the extent that the Heartwood Capital Commitment is greater than the initial Capital Contribution made by Heartwood, Heartwood will contribute to the Partnership the excess when and as needed by the Partnership pursuant to the terms of the Financing and in accordance with the Development Plan and within 5 Business Days after request therefor under the terms of the Development Management Agreement,
- (j) In connection with Heartwood becoming a limited partner, and notwithstanding anything to the contrary herein contained, the General Partner will provide at least 10 Business Days prior notice to the Regional Trust of the amount that Heartwood will be required to contribute to the Partnership, along with the calculation of the resulting respective Percentage Interests, together with the amount that the Regional Trust would be required to contribute to the Partnership in order to have its percentage interest in the Partnership represent a 50% interest (including the Regional Trust Capital Contribution previously made). The Regional Trust shall be entitled to elect to make a capital contribution to the Partnership so that it has up to a 50% interest therein as a limited partner; provided that this opportunity must be exercised and funded by the time Heartwood becomes a limited partner. For greater certainty, unless it elects to make an additional equity commitment at such time, the Regional Trust shall not be required to contribute any additional equity to the Project (other than the Regional Trust Capital Contribution previously made) from and after the date of this Agreement.
- (k) In the event the Regional Trust elects to contribute additional equity as set forth in section 3.6(j), the amount of the Heartwood Capital Commitment will be reduced proportionately.

### **3.7 Additional Capital Contributions**

- (a) No Partner shall be required to contribute any additional capital to the Partnership or to subscribe for any additional Units except pursuant to Section 0 and, in the case of Heartwood, pursuant to Section 3.6.
- (b) The General Partner may make a determination that additional equity is required, in which case it shall give the Limited Partners the first option to contribute to the Partnership (pro rata) by sending written notice to the Limited Partners setting out the

amount and date of the required Capital Contributions, which notice will (to the extent possible) be issued at least five Business Days prior to the date of the required Capital Contribution. The General Partner shall be entitled to seek additional investors if the existing Limited Partners do not contribute the full amount of the required funds.

- (c) If the Limited Partners do not fund such additional capital proportionately, the relative interests of each Limited Partner in the Limited Partnership shall be adjusted to reflect their relative capital contributions.
- (d) The rights of the Partnership and the Partners pursuant to this Section are not exclusive and shall not be deemed to waive any other right or remedy of the Partnership or any Partner under this Agreement, at law or in equity, against any Non-Advancing Defaulting Partner for failure to make any required capital contribution.

### **3.8 Parallel Vehicle.**

- (a) As determined by the General Partner in its sole and absolute discretion, the General Partner or an Affiliate thereof may, to accommodate legal, tax or regulatory considerations of certain investors, form one or more pooled investment vehicles to co-invest with the Partnership (each, a "**Parallel Vehicle**"). Each Parallel Vehicle shall be controlled by the General Partner or an Affiliate thereof, and shall be governed by organizational documents containing provisions substantially the same in all material respects as those of the Partnership (including this Agreement), with only such differences as may be required, or requested by the investors therein, to accommodate the legal, tax or regulatory considerations referred to in the preceding sentence. The General Partner shall, subject to such legal, tax or regulatory considerations, cause each Parallel Vehicle to co-invest with the Partnership in the Project (including, in the General Partner's sole discretion, investments made by the Partnership prior to the formation of the applicable Parallel Vehicle) in such proportion as determined by the General Partner, acting reasonably, in respect of each investment (which proportion may differ between investments).
- (b) The investment by a Parallel Vehicle shall, subject to legal, tax or regulatory considerations, be on substantially the same terms as, and on economic terms that are no more favorable to such Parallel Vehicle than, those received by the Partnership. Any expenses or indemnification or other obligations related to the investment shall be borne by the Partnership and any such Parallel Vehicle in proportion to its proportionate investment, provided that each Parallel Vehicle shall bear its share of organizational expenses and operating expenses pro rata in such proportion(s) as determined by the General Partner acting reasonably and in good faith to be equitable to the Partnership and the Parallel Vehicles. The General Partner shall, subject to legal, tax or regulatory considerations, cause the Partnership and the Parallel Vehicles to sell or otherwise dispose or divest of their respective interests in a Partnership Investment at the same time and on the same terms, in proportion to their respective ownership interests therein.

### 3.9 Co-Investment

- (a) At any time as a result of the terms of this Agreement, in the event that equity required for the Project exceeds the amount appropriate for the Partnership, as determined by the General Partner in its sole discretion (in each case, such remainder a “**Co-Investment Opportunity**”), the General Partner may determine, in its sole and absolute discretion, to offer the ability to participate in the Co-Investment Opportunity to one or more Limited Partners and/or third parties as a co-investor on substantially the same terms and conditions as the Partnership. For greater certainty and the General Partner may, in its sole and absolute discretion, offer the Co-Investment to all, some or none of the Limited Partners on a pro-rata or non-pro-rata basis.
- (b) A co-investor may provide equity directly to the Partnership or may, depending on the circumstances, become a co-owner in the Project, which may be (i) as a co-owner in the Project (as approved by the General Partner), (ii) as an additional investor in the Limited Partnership (as approved by the General Partner) or (iii) as an investor in a vehicle that Heartwood will establish to aggregate its and the co-investor’s investment into the Limited Partnership.

### 3.10 Funding Loans

Heartwood (or an Affiliate thereof) may provide certain letters of credit and/or completion guarantees to lenders or to a Governmental Authority in respect of the Project. The Partnership shall reimburse Heartwood for all costs incurred in connection with any such letters of credit, completion guarantees or similar instruments.

If any such instruments are called upon and are required to be funded by Heartwood (or its Affiliate), such funded amounts shall be treated as an interest bearing loan (each, a “**Funding Loan**”) from Heartwood (or an Affiliate thereof) to the Partnership, with interest calculated daily and compounded quarterly at the GIC Rate plus 10 basis points, and the lender under the Funding Loan shall be entitled to be repaid such amounts from the Limited Partnership before any amounts are otherwise distributed to the Limited Partners; provided that any Limited Partner may instead request that the General Partner issue a written notice to the Limited Partners requesting a Capital Contribution, in an amount sufficient to fully repay the Funding Loan (including interest), in accordance with Section 3.6.

### 3.11 Units Constitute Securities

All Units shall be deemed to be “securities” as defined under and for the purposes of the *Securities Transfer Act, 2006* (Ontario), as the same may be amended from time to time, and any successor or similar legislation thereto.

### 3.12 Additional Partners

The General Partner may admit any Person as a Limited Partner at any time and from time to time in its sole discretion, subject to the receipt of a Subscription and payment in full of the Subscription Price for the Unit(s) subscribed for in cash or by commitment to the Partnership to be paid after demand therefor by the General Partner.

---

## ARTICLE 4 UNIT ISSUANCE

### 4.1 Unit Issuance Procedure

Upon the acceptance by the General Partner of a subscription for Units, the General Partner will:

- (a) cause the name of the applicable Limited Partner to be entered on the appropriate register and on the record as a Limited Partner;
- (b) file or amend, or cause to be filed or amended, such other documents and instruments as may be required to be filed or amended under the Act as required to afford limited liability to the Limited Partner so admitted to the greatest extent possible; and
- (c) will, upon request, deliver to the Limited Partner the appropriate Unit Certificate specifying the number of Units represented thereby (and every Unit Certificate must be signed by at least two directors or officers or one director together with one officer of the General Partner).

### 4.2 Lost Unit Certificates

Where a Person claims that a Unit Certificate representing a Unit recorded in the name of a Limited Partner has been defaced, lost, destroyed or wrongly taken, the General Partner will cause a Unit Certificate to be issued in substitution for such Unit Certificate if such Person files with the General Partner an agreement in a form satisfactory to the General Partner indemnifying and holding harmless the Partnership from any costs, damages, liabilities or expenses suffered or incurred as a result of or arising out of issuing such new Unit Certificate and satisfies such other reasonable requirements as are imposed by the General Partner.

### 4.3 Uncertificated Units

The Partnership may but need not issue certificates to evidence the outstanding Units, and the certificate may be in such form as the General Partner may determine from time to time. Each certificate which is issued shall be executed by two authorized signing officers of the General Partner.

## ARTICLE 5 PRE-DEVELOPMENT COSTS AND FINANCING

### 5.1 Pre-Development Costs

Unless Heartwood decides that Pre-Development Costs will be loaned by it to the Partnership (any such loan a "**Heartwood Loan**") in accordance with the Heartwood Subscription Agreement, UPRC agrees that it will loan to the Partnership all amounts necessary to fund the Pre-Development Costs to the Partnership (a "**UPRC Loan**") and neither Heartwood nor the Regional Trust shall be required to contribute to the Limited Partnership any portion of such costs-Any Pre-Development Loan to the Partnership will bear interest at a rate of (a) in the case of a UPRC Loan will be UPRC's cost of capital plus 10 basis points, and (b) in the case

of Heartwood, will be the GIC Rate plus 10 basis points, which interest will accrue until the Pre-Development Loan is repaid. The lender under any Pre-Development Loan shall be entitled to repayment of the Pre-Development Loan on the earliest of:

- (i) Heartwood being issued Class A Units, as contemplated in the Subscription Agreement;
- (ii) the sale of the Property to a third party; and
- (iii) 7 years from the date on which the first advance is made under the Pre-Development Loan.

The lender under any Pre-Development Loan shall be entitled to require that a restriction pursuant to Section 118 of the Land Titles Act be registered in its favour until the loan has been repaid.

## **5.2 Construction Loan**

The Limited Partners agree that, pursuant to the Development Management Agreement, the Development Manager shall be responsible for using commercially reasonable efforts to obtain, on behalf of the Partnership, a construction loan for the Project for an amount not to exceed 80% of the budgeted Project costs as set forth in the Development Plan (and including the Fair Market Value of the Property).

## **5.3 Financing Approval**

All financings by the Partnership, including the Construction Loan, shall be approved by the General Partner and shall be non-recourse to the Partners or recourse only to the assets of the Partnership. In the event that a Partner or an Affiliate thereof provides a guarantee to the lender, it will be entitled to be paid a guarantee fee on then market terms, as determined by the General Partner.

## **5.4 No Financing of Units**

No Partner may separately finance or encumber its Units.

# **ARTICLE 6 CAPITAL ACCOUNTS**

## **6.1 Capital Accounts**

The General Partner shall maintain a capital account (“**Capital Account**”) for each Partner. The Capital Account for each Partner shall be:

- (a) increased by the Capital Contributions made by such Partner from time to time;
- (b) increased by the Partnership Profit allocated to such Partner from time to time;
- (c) decreased by the Partnership Loss allocated to such Partner from time to time; and
- (d) decreased by the Distributions made to such Partner from time to time.

**6.2 Capital Contributions/Distributions in Property**

Where a Capital Contribution or Distribution is made in property or otherwise in kind rather than in cash, the General Partner shall determine the value of such Capital Contribution or Distribution.

**6.3 No Right to Withdraw Amounts**

No Partner will have the right to withdraw any amount or receive any distribution from the Partnership, except as expressly provided in this Agreement.

**6.4 No Interest Payable on Accounts**

No interest will be paid to any Partner on any amount in that Partner's capital account, except as expressly provided herein.

**ARTICLE 7  
PARTNERSHIP PROFIT OR LOSS****7.1 Determination and Allocation of Net Income or Loss**

The net income or loss of the Partnership for each Fiscal Year will be determined in accordance with generally accepted accounting principles and allocated at the end of each Fiscal Year among the Partners as follows:

- (a) 0.001% of the net income or loss of the Partnership will be allocated to the General Partner, not to exceed \$1,000; and
- (b) 99.999% of the net income or loss of the Partnership will be allocated among the Limited Partners of record at the end of the Fiscal Year in proportion to their respective Percentage Interests.

**7.2 Computation of Income or Loss for Tax Purposes**

In computing the income or loss of the Partnership for tax purposes, the General Partner may adopt such method of accounting as it deems appropriate, may adopt different treatments of particular items and may make and revoke elections on behalf of the Partnership and the Partners as the General Partner may deem to be in the best interests of the Partners. In respect of any Fiscal Year, the General Partner may claim such capital cost allowance in respect of depreciable property of the Partnership and such deductions and reserves as are permitted under the Tax Act and as it deems would be in the best interests of the Limited Partners.

The net income and taxable income for purposes of the Tax Act for each Fiscal Year shall be allocated between the General Partner and the Limited Partners by the General Partner. The net loss and loss for purposes of the Tax Act for each Fiscal Year shall be allocated among the Partners by the General Partner. In so allocating the net income or net loss and taxable income and loss for purposes of the Tax Act, the General Partner shall act reasonably and fairly, taking into account the amount and timing of actual and anticipated distributions to each of the Partners, with a view to ensuring that, over the term of the Partnership, each of the Partners are allocated a portion of

---

the Partnership's net income and taxable income for purposes of the Tax Act that substantially corresponds to the income that is distributed to the Partners.

### **7.3 Tax Returns**

Each Partner will prepare and file such documents as may be required under the Tax Act and will include in its computation of income the income or loss of the Partnership for tax purposes as may be determined and allocated to it pursuant to this Agreement.

## **ARTICLE 8 DISTRIBUTIONS**

### **8.1 Determination of Cash Available For Distribution**

The General Partner will determine the Cash Available For Distribution and will distribute such Cash Available For Distribution in such amounts and at such times as it sees fit, in its sole discretion. Without limiting the foregoing, after Stabilization, Cash Available for Distribution will be distributed on a quarterly basis

Distributions of Cash Available for Distribution will be paid as follows:

- (a) First, 0.001% to the General Partner;
- (b) Second, the balance of funds being distributed to Limited Partners, pro rata based upon their respective Percentage Interest.

### **8.2 Distributions Resulting in Debit Balances in Capital Accounts**

Distributions made in accordance with this Article may result in debit balances in the capital accounts of the Partners. The existence of a debit balance in the capital account of any Partner will not operate to terminate the interest of such Partner in the Partnership.

### **8.3 Return of Capital Contribution**

No Limited Partner shall be entitled to demand a return of its Capital Contribution unless such return of capital is pursuant to the dissolution of the Partnership pursuant to Section 13.11. All Partners will look solely to the assets of the Partnership for the return of their respective Capital Contributions or any other distributions with respect to their Units. If the assets remaining after the payment or discharge of all debts and liabilities of the Partnership are insufficient to return to Partners their Capital Contributions or to make any other distribution to the Partners, no Partner will have any recourse against the personal assets of any other Partner for that purpose, except in respect of the obligations of the General Partner pursuant to Section 10.7.

### **8.4 Repayment**

If the Partnership has paid any Partner an amount in excess of an amount to which it is entitled pursuant to this Article, that Partner will reimburse the Partnership to the extent of the excess without interest within 30 days after notice by the General Partner. The General Partner may set-off and apply any sums otherwise payable to a Partner against amounts due from the Partner,

provided that there will be no right of set-off against a Limited Partner in respect of amounts owed to the Partnership by the predecessor of that Limited Partner.

## **ARTICLE 9 REPRESENTATIONS, WARRANTIES AND COVENANTS**

### **9.1 Representations, Warranties and Covenants of Each Limited Partner**

Each Limited Partner hereby represents, warrants and covenants to each of the other Partners as follows, and hereby acknowledges and confirms that such other Partners are relying on such representations, warranties and covenants in connection with its entering into this Agreement, that:

- (a) the Limited Partner is and shall continue to be a subsisting corporation, partnership or trust, as the case may be, duly formed and validly existing under the Laws of its jurisdiction of incorporation or formation, as applicable;
- (b) the Limited Partner has and shall continue to have all requisite power, capacity and authority to enter into this Agreement and to perform all of its obligations hereunder;
- (c) the execution and delivery of this Agreement by the Limited Partner has been duly authorized by all necessary action on the part of the Limited Partner, and this Agreement has been duly and validly executed and delivered by the Limited Partner and is a valid and binding obligation of the Limited Partner enforceable against the Limited Partner in accordance with its terms;
- (d) the execution and delivery of this Agreement by the Limited Partner and the observance and performance of the terms and provisions of this Agreement on the part of the Limited Partner to be observed and performed by it does not require the consent or approval of or the giving of notice to any third party and will not constitute a violation of any applicable Laws or a violation or a breach of the Limited Partner's constating documents or limited partnership agreement, as applicable, or any provision of any material contract or other instrument to which the Limited Partner is a party or by which it is bound, or any order, writ, injunction, decree, statute, rule or regulation applicable to it;
- (e) the Limited Partner has not committed an act of bankruptcy for which the Limited Partner has not been discharged, is not insolvent, has not proposed a compromise or arrangement to its creditors generally, has not had any petition for a receiving order in bankruptcy filed against it, or made a voluntary assignment in bankruptcy, or taken any proceeding with respect to a compromise or arrangement, or taken any proceeding to have itself declared bankrupt or wound-up, or taken any proceeding to have a receiver appointed in respect of any part of its assets, or had any encumbrancer take possession of any of its property, or had any execution or distress become enforceable or become levied upon any of its property or assets;
- (f) the Limited Partner is a "resident" of Canada or a partnership that is a "Canadian partnership", in each case for purposes of the Tax Act and will continue to be a resident of Canada or a "Canadian partnership" for so long as it is a Limited Partner;

- (g) the Limited Partner is not a “tax shelter” and no interest in such Limited Partner is (or will become during the time that it is a Limited Partner) a “tax shelter investment”, in each case for purposes of section 143.2 of the Tax Act;
- (h) the Limited Partner will not take any action that would reasonably be expected to cause the Partnership to be a “SIFT partnership” for purposes of the Tax Act;
- (i) the Limited Partner shall not permit a Disposition to occur in respect of itself or its Units except as permitted in this Agreement; and
- (j) none of the funds or property that such Limited Partner has contributed, is contributing, or will contribute to the Partnership, nor any funds or property of the Partnership, have been or will be derived from or related to any activity that is deemed illegal under the laws of Canada, the United States, or any other jurisdiction applicable to such Limited Partner or the Partnership, including but not limited to any activity that would constitute a predicate crime to money laundering or the financing of terrorism. Each Limited Partner further undertakes to implement and maintain, in respect of its contributions to the Partnership, such measures as are reasonably necessary to ensure compliance with all applicable anti-money laundering and counter-terrorism financing laws, regulations, and guidelines.

## **9.2 Representations, Warranties and Covenants of General Partner**

The General Partner represents, warrants and covenants to each Limited Partner that, so long as it is the General Partner:

- (a) the General Partner is and will continue to be a corporation duly formed and validly existing under the Laws of its jurisdiction of incorporation;
- (b) the General Partner is and will continue to be a resident of Canada for purposes of the Tax Act;
- (c) the execution and delivery of this Agreement by the General Partner has been duly authorized by all necessary action on the part of the General Partner, and this Agreement has been duly and validly executed and delivered by the General Partner and is a valid and binding obligation of the General Partner enforceable against the General Partner in accordance with its terms;
- (d) the execution and delivery of this Agreement by the General Partner and the observance and performance of the terms and provisions of this Agreement on the part of the General Partner to be observed and performed by it does not require the consent or approval of or the giving of notice to any third party and will not constitute a violation of any applicable Laws or a violation or a breach of the General Partner’s constating documents or limited partnership agreement, as applicable, or any provision of any material contract or other instrument to which the General Partner is a party or by which it is bound, or any order, writ, injunction, decree, statute, rule or regulation applicable to it;

- (e) the General Partner is and will continue to be duly registered and qualified to carry on business and has and will continue to have all requisite authority, licenses and permits to carry on the Business of the Partnership;
- (f) the General Partner has and will continue to have the power, capacity and authority to enter into this Agreement and act as the General Partner of the Partnership;
- (g) the General Partner will carry out its powers and authorities as General Partner hereunder and manage and operate the Partnership and the undertaking, property and assets thereof in a reasonable and prudent manner;
- (h) except as otherwise approved by the Limited Partners, the General Partner has never conducted any business other than as contemplated in this Agreement and is not, at the time hereof, a party to or obligated under the terms or provisions of any agreement, contract or arrangement whether written or oral which would bind or affect the Partnership; and
- (i) the General Partner will not dissolve, wind-up or liquidate its business and affairs except with the unanimous approval of the Limited Partners or otherwise in accordance with this Agreement; and
- (j) the General Partner will not take any action that could reasonably be expected to cause the Partnership to be a "SIFT partnership" for purposes of the Tax Act.

**ARTICLE 10**  
**RIGHTS, POWERS AND DUTIES OF THE PARTNERS**

**10.1 Authority of the General Partner**

- (a) Other than Fundamental Decisions (which shall be subject to the approval of the Limited Partners in accordance with the provisions of Section 10.1(c)) and decisions that have been delegated to a development manager, asset manager, property manager and/or other service provider, the General Partner shall have all powers permitted to be exercised by a general partner of a limited partnership under the Laws of the Province of Ontario. The General Partner shall have the full power and authority for and on behalf of the Partnership to execute and deliver any instrument, deed, agreement or document necessary or incidental to carrying out the Business.
- (b) Without limiting the generality of the foregoing and the other terms of this Agreement, the Partners acknowledge and agree that the General Partner shall have the right, power and authority for and on behalf of and in the name of the Partnership to:
  - (i) take all actions and exercise all rights (including all voting rights) in respect of all shares or securities that are owned by the Partnership from time to time;

- 
- (ii) subject to Article 8, determine the amount and date of any Distribution to be made by the Partnership;
  - (iii) give financial assistance to any Person by means of a loan, guarantee or otherwise for any purpose, including without limitation, for the purpose of or in connection with a purchase of an interest in the Partnership or the Capital Contribution of any Limited Partner;
  - (iv) give a guarantee to secure performance of an obligation of any Person;
  - (v) incur indebtedness and mortgage, hypothecate, pledge or otherwise create a security interest in all or any property of the Partnership, owned or subsequently acquired, to secure any obligation of the Partnership or any other Person;
  - (vi) open and manage, in the name of the Partnership, bank accounts and name signing officers for these accounts, and grant security for the payment of funds borrowed, and incur all reasonable expenses and pay all expenses and liabilities of the Partnership as they become due;
  - (vii) appoint and remove agents of the Partnership and grant and rescind powers of attorney of the Partnership;
  - (viii) file any and all such declarations and do such other acts as may be required to qualify and maintain the Partnership as a limited partnership;
  - (ix) retain such legal counsel, accountants, experts, advisers and consultants as the General Partner considers appropriate in regard to the management and affairs of the Partnership;
  - (x) appoint, engage or employ employees, officers or consultants for the Partnership, who may be removed or discharged at the discretion of the General Partner, such employees, officers and consultants to have such powers and duties as may be prescribed by the General Partner from time to time;
  - (xi) pay expenses, capital expenditures and other outlays of the Partnership;
  - (xii) invest any money received by the Partnership;
  - (xiii) file returns, reports or any other information requested or required by any Governmental Authority;
  - (xiv) do anything that is in furtherance of or is incidental to the Business and anything that is necessary or desirable to carry out the intent and purpose of this Agreement;

- (xv) in respect of any Limited Partner's partnership interest, to make and file any and all elections, determinations or designations under the Tax Act or other applicable Laws;
  - (xvi) exercise on behalf of the Partnership any remedies set out in any pledge agreement entered into in respect of any Unit or Units, including to transfer or effect any other disposition of any Unit or Units held by the Regional Trust or Heartwood in the exercise by it of any remedies available to it under applicable Laws or in equity or contained in any other document or agreement relating to such pledge;
  - (xvii) perform those duties set out in Article 16 of this Agreement; and
  - (xviii) otherwise carry-out and perform all of the tasks, roles, responsibilities and obligations required of the General Partner under this Agreement and in accordance with the terms of this Agreement.
- (c) The General Partner shall not make a decision that involves a Fundamental Decision without the prior unanimous approval of the Limited Partners.

#### **10.2 Exercise of Powers and Discharge of Duties**

The General Partner will exercise the powers and discharge the duties of its office honestly, in good faith and in the best interests of the Limited Partners and the Partnership

#### **10.3 Reimbursement of General Partner**

The General Partner is entitled to reimbursement from the Partnership for all out of pocket expenses actually incurred by it in the performance of its duties in accordance with the terms of this Agreement

#### **10.4 Meetings and Approvals of Partners**

The General Partner and any Limited Partner may call a meeting of the Partnership on not less than ten (10) Business Days' notice to the other Partners. Such meetings may be held in person or by telephone conference call, or by way of video conferencing software, including, but not limited to Zoom, Microsoft Teams, WebEx. A quorum for such meetings will consist of Limited Partners holding at least fifty one percent (51%) of the Units then outstanding.

#### **10.5 Limited Authority of Limited Partner**

No Limited Partner, in its capacity as such, shall have the right to:

- (a) be entitled, take part or purport to take part in the management or control of the Business, to act for or bind the Partnership or to otherwise transact any business on behalf of the Partnership;
- (b) have or purport to have the right, power or authority to act as agent for or on behalf of the Partnership or the General Partner;

- (c) be or purport to be entitled to transact any business on behalf of the Partnership or the General Partner or make any commitment on behalf of or otherwise obligate or bind the Partnership or the General Partner;
- (d) purport to be capable, on behalf of the Partnership, of being a party to any litigation involving a claim by or against the Partnership, other than in respect of the Limited Partner's rights and obligations as a Limited Partner;
- (e) bring any legal action for partition or sale in connection with any property or assets of the Partnership, whether real or personal, or register or permit any lien or charge in respect of such property or assets; or
- (f) register or permit any lien, charge, security interest or other encumbrance of any kind whatsoever to be registered, recorded or remain undischarged against any property of the Partnership.

#### **10.6 Partnership Assets**

Other than the registered title to real property to be held in the name of a nominee company which may be the General Partner, all assets and profits of the Partnership payable to, issued to, or coming into the hands of any Partner and belonging to the Partnership, shall be deposited, taken or acquired in the name of the Partnership and shall be deemed to be owned by the Partnership and no Partner shall have any separate ownership of or interest in such assets or profits. Nothing in this Agreement shall be construed to create any fiduciary relationship or trust arrangement between the General Partner, on the one hand, and one or more Limited Partners and/or the Partnership, on the other hand.

#### **10.7 Unlimited Liability of General Partner**

The General Partner shall have unlimited liability for the debts, liabilities and obligations of the Partnership to the extent required by the Act. The General Partner is not liable to the Limited Partners for any of its acts, omissions or errors in judgment, except those resulting from its gross negligence, willful misconduct or disregard of its obligations or breach of its duties under this Agreement.

#### **10.8 Limited Liability of Limited Partners**

Subject to the provisions of the Act or other applicable Laws and except for the share of contributed income of the Partnership of each Limited Partner, none of the Limited Partners shall have liability whatsoever in its capacity as a limited partner, whether to the Partnership, to the General Partner, to creditors of the Partnership or to any other Person, for debts, liabilities, contracts or other obligations of the Partnership, for any losses of the Partnership or otherwise in respect of the Partnership. The General Partner shall indemnify and hold harmless the Limited Partners from any costs or damages suffered or incurred by the Limited Partners if the liability of the Limited Partners is not limited in the manner provided in this paragraph **unless** the liability of the Limited Partners is not so limited as a result of or arising out of any act or omission of the General Partner.

**10.9 No Commingling of Funds**

The General Partner shall take all necessary actions to ensure that the funds and other property of the Partnership are not commingled with the funds or other property of any Partner.

**10.10 Removal or Resignation of General Partner**

- (a) The Limited Partners may, from time to time, agree to remove and replace the General Partner provided that the Limited Partners unanimously agree to do so, which removal shall be effective upon the appointment by the Limited Partners, of a new general partner to assume the responsibilities and rights of the General Partner of the Partnership. The new general partner will execute a counterpart of this Agreement and will forthwith assume the obligations of the General Partner as of and from the date of its appointment and shall thereafter have the sole right to exercise all the rights of the General Partner of the Partnership.
- (b) Upon any removal of the General Partner pursuant to Section 1(a), the Partnership shall pay to the General Partner an amount equal to the aggregate of:
  - (i) any amounts owing to the General Partner by the Partnership as of the effective date of such resignation or removal; and
  - (ii) an amount equal to the Capital Account for the General Partner on the effective date of such resignation or removal.
- (c) In the event of a change of the General Partner, the Partnership and the Limited Partners shall release and hold harmless the withdrawn/removed General Partner from all losses that may be asserted against the withdrawn/removed General Partner with respect to events which occur in relation to the Partnership after the effective date of its withdrawal/removal.

**10.11 Admission of Additional General Partners**

No additional general partners shall be admitted without the approval of all of the Partners.

**10.12 Assignment of Interest**

The General Partner may not Transfer its General Partner Unit except with the prior unanimous consent of the Limited Partners.

**10.13 Voluntary Resignation or Dissolution**

The resignation or dissolution of the General Partner shall not result in the dissolution of the Partnership. The General Partner may resign as General Partner or dissolve on not less than 180 days' written notice to all Limited Partners (or such shorter period as is accepted by the Limited Partners). Such resignation will be effective and the General Partner will cease to be General Partner upon the earlier of:

- (a) the date specified in the notice; and

- (b) the admission of a new General Partner by approval of the Limited Partners.

#### **10.14 Deemed Resignation**

The General Partner will be deemed to have resigned as the General Partner in the event of its bankruptcy, liquidation or winding-up (or the commencement of any act or proceeding in connection therewith which is not contested in good faith by the General Partner) or by the insolvency of the General Partner or by the appointment of a trustee, receiver or receiver and manager of the affairs of the General Partner or if a mortgagee or other encumbrancer takes possession of the property or assets of the General Partner, or a substantial part thereof, or if levy or execution or any similar process is levied or enforced against the property or assets of the General Partner. Such resignation will be effective and the General Partner will cease to be the General Partner upon the earlier of:

- (a) 180 days after the Limited Partners are given notice in writing of the occurrence of such event or appointment; and
- (b) the admission of a new General Partner by approval of the Limited Partners.

#### **10.15 Payment of Accounts**

If the General Partner resigns or is deemed to resign pursuant to the foregoing, and the Partnership is not required to be dissolved, the Partnership will pay to the General Partner the amount of any credit balance then in its General Partner's capital account. Such payment will be made to the General Partner that has resigned within thirty (30) days following the effective date of its resignation or removal. The General Partner that has resigned will also be entitled to its allocation of net income or loss and distribution of Cash Available for Distribution as provided hereunder (pro-rated on a daily basis to the effective date of such resignation or removal). Such allocation and distribution, if any, will be paid within 120 days of completion of the Partnership's fiscal year.

#### **10.16 Transfer of Management**

On the admission of a new General Partner to the Partnership, the General Partner that was removed or resigned will do all things and take all steps to transfer the administration, management, control and operation of the business of the Partnership and the books, records and accounts of the Partnership to the new General Partner and will execute and deliver all deeds, certificates, declarations and other documents necessary or desirable to effect such transfer.

#### **10.17 Transfer of Title**

On the resignation of a General Partner and the admission of a new General Partner, if and to the extent legal title to any property of the Partnership is held in the name of the General Partner that has resigned, the General Partner that has resigned will, at the cost of the Partnership, if applicable, transfer legal title to such property to such new General Partner (or as directed by the new General Partner) and will execute and deliver all deeds, certificates, declarations and other documents necessary or desirable to effect such transfer.

### **10.18 Release**

Upon the resignation of the General Partner, the Partnership will (a) reimburse the General Partner then resigning for all expenses incurred by it in accordance with this Agreement, and (b) release and hold harmless such General Partner from all claims, actions, costs, demands, losses, damages and expenses with respect to events which occur in relation to the Partnership after the effective date of such resignation.

### **10.19 New General Partner**

A new General Partner accepted hereunder must sign a counterpart hereof and thereupon will be bound by all of the provisions hereof and assume the obligations, duties and liabilities of the General Partner hereunder as and from the date the new General Partner becomes a party to this Agreement and will thereupon file an amending declaration as required by Law.

### **10.20 General Partner as Limited Partner**

Notwithstanding the foregoing, the General Partner may do any of the things referred to in Section 10.1 in its capacity as general partner on behalf of the Partnership, notwithstanding that it or one or any of its respective Affiliates, Eligible Persons, shareholders, directors, officers or employees may be a Limited Partner. Where an officer or director of the General Partner is also an officer and/or director of a Limited Partner, all decisions made by such person with respect to any of the things referred to in Section 10.1 **Error! Reference source not found.** shall be deemed to be decisions of such person acting in his or her capacity as an officer or director of the General Partner and not as an officer or director of such Limited Partner, as the case may be.

### **10.21 Competition Between Partners**

In view of the limited purpose of this Partnership, nothing herein shall be deemed to restrict in any way the freedom of any Limited Partner or any Affiliate thereof to directly or indirectly conduct any business or activity, be engaged in any undertaking or have any financial interest in or provide any services whatsoever (including the acquisition, development, leasing, sale, operation, reposition and management of real property) without any accountability to the Partnership or any other Partner. Each Limited Partner shall have the absolute right to engage in any other business or other activity for its own individual profit, and no Limited Partner, by reason of this Agreement only, shall be deemed to have any interest in any other property owned by the other Limited Partner or any other business or venture engaged in by the other Limited Partner whether or not similar to the operation of the Property.

## **ARTICLE 11 TRANSFERS**

### **11.1 No Right to Transfer Units**

Except as specifically permitted or required elsewhere in this Agreement, neither the General Partner nor any of the Limited Partners shall be entitled to complete or endeavor to complete a Disposition of all or any part of the Interest belonging to such Partner without the consent in writing of the Limited Partners (in the case of a Disposition by the General Partner) or the other

---

Limited Partner(s) (in the case of a Disposition by a Limited Partner), which consent may be withheld in each Limited Partner's sole, absolute and unfettered discretion.

### **11.2 Right to Transfer Units to Eligible Persons**

Nothing herein shall prevent a Disposition by any Limited Partner (a "**Transferor**") of all (and not less than all) of the Interest owned by such Limited Partner to an Eligible Person of such Limited Partner (a "**Transferee**") provided, however, that:

- (a) As a condition precedent to the Transferee being registered as a holder of any such Interest following any such transfer, such Transferee shall have executed and delivered an agreement whereby such Transferee agrees:
  - (i) to assume and be bound by all the obligations of the Transferor and be subject to all the restrictions to which the Transferor is subject under the terms of this Agreement; and
  - (ii) in the case of a Transferee that is an Eligible Person of the Transferor, to re-transfer such Interest to the Transferor if the Transferee shall cease to be an Eligible Person of the Transferor.
- (b) Each Limited Partner agrees that if the Interest beneficially owned by such Limited Partner is Transferred to an Eligible Person of such Limited Partner, such Limited Partner:
  - (i) shall remain bound by the provisions of this Agreement;
  - (ii) shall ensure that such Transferee shall continue to be an Eligible Person of such Limited Partner for so long as such Transferee beneficially owns, directly or indirectly, such Interest; and
  - (iii) shall guarantee to the other Limited Partner(s) and the Partnership the performance by such Transferee of all of the obligations of such Transferee under the agreement to be entered into by such Transferee as referred to in paragraph (i) above, subject to the condition that, where the transfer is made in connection with the winding up or liquidation or other similar corporate reorganization of the Transferor, such guarantee shall be provided by the Person or Persons who Controls such Transferor.
- (c) Notwithstanding anything herein contained, no transfer pursuant to this Section 11.2 may be made if:
  - (i) as a result thereof, any other Limited Partner would become subject to more onerous governmental controls or regulations to which it was not subject prior to the proposed transaction by reason solely of the nationality or residence of the Transferee;

- (ii) as a result thereof, any other Limited Partner or its Interest (or any part thereof) would be subject to any taxation to which it was not theretofore subject;
- (iii) the transaction is not permitted by Law, any term of any Financing or any agreement to which the Partnership is subject or by which it may be bound unless any approval required thereunder has been obtained and is in effect and any conditions required thereunder to be complied with have been satisfied, or will be satisfied within the time periods required thereunder, at the sole cost and expense of the Limited Partner which wishes to effect the transaction;
- (iv) the Transferee is a non-resident of Canada or a partnership other than a "Canadian partnership", in each case for purposes of the Tax Act, or
- (v) the Transferee is a person included in the Specially Designated Nationals and Blocked Persons Lists, as published by the Office of Foreign Assets Control of the U.S. Treasury Department or any similar list maintained by any Canadian Governmental Authority, or is subject to any economic or financial sanctions imposed, administered or enforced by any Governmental Authority, or is the subject of any criminal proceedings or convictions,

and any transaction which would procure such result will be void. To the extent required, the Limited Partner effecting the transfer will use its reasonable best efforts to obtain the consents of all third parties (including Governmental Authorities) to any transfer which would otherwise be permitted hereunder. On written request of any Partner, the Transferee will provide such Partner with evidence of its compliance with this Section.

### **11.3 Transfers at Any Time Other Than the End of Partnership's Fiscal Year**

In the event of a Transfer of a Partner's Units at any time other than the end of the Partnership's fiscal year, the distributive shares of the various items of (a) Partnership income, gain and loss as computed for tax purposes and (b) Partnership expense as computed for tax purposes, shall be allocated proportionately between the transferor and transferee based upon amounts distributed to the transferor and transferee pursuant to this Agreement, subject to the discretion of the General Partner, acting reasonably, to allocate on an alternative basis in circumstances where it believed it would be fair and equitable to do so.

## **ARTICLE 12 ROFO RIGHTS**

### **12.1 ROFO Notice**

- (a) At any time and from time to time following the earlier of (i) the fifth anniversary of the entering into of this Agreement (except if construction of the Project is ongoing at such time) and (ii) the one year anniversary of Stabilization of the Project, if a Limited Partner (the "**Selling Partner**") desires or proposes to Dispose of all (and not part) of its Interest to a third party (the "**Sale Interest**") (provided

that a Disposition by a Partner to an Eligible Person shall not trigger any rights under these Right of First Offer Provisions), then before offering to Dispose of such Interest to any other Person, the Selling Partner must advise the other Limited Partner (the “**Other Partner**”) in writing (the “**ROFO Notice**”) stating (a) the price for the property (the “**ROFO Property Value**”) and a calculation of the purchase price for the purchase of the Sale Interest (the “**ROFO Purchase Price**”) and (b) all the other terms and conditions applicable to the sale of such Sale Interest, provided that the consideration to be paid for the Sale Interest shall be satisfied solely by way of the payment of cash and for no other consideration and not as part of or in connection with another transaction.

- (b) The ROFO Purchase Price in respect of an Interest shall be equal to the amount which would be distributed under Section 8.1 to the holder of such Interest if (i) the Property were sold in a hypothetical sale for a net price equal to the ROFO Property Value, less Selling Expenses, (ii) all of the Partnership’s and its subsidiaries’ liabilities were paid, in full, (iii) rents, taxes and other similar items were pro-rated, (iv) the Partnership and its subsidiaries were liquidated, and (v) the remaining proceeds and other assets of the Partnership, if any, were distributed in accordance with Section 8.1.
- (c) The ROFO Notice shall be deemed to constitute an offer by the Selling Partner to sell the Sale Interest to the Other Partner for the ROFO Purchase Price on the terms and conditions set out in the ROFO Notice, which offer may not be withdrawn by the Selling Partner until after the expiration of the 120-day period referred to in Section 12.2, unless prior thereto such offer is rejected by the Other Partner in writing.
- (d) No Limited Partner will have the right to issue any ROFO Notice pursuant to this Section at any time within the 120-day period in Section 12.2 or at any time after the Other Partner has elected to purchase the Interest of the Selling Partner pursuant to Section and proceeds to complete such purchase.

## 12.2 Other Partner’s Options

The Other Partner shall have the right, at its option, exercisable within the period of 120 days after the receipt of the ROFO Notice by the Other Partner, to notify the Selling Partner in writing (the “**Reply Notice**”) that the Other Partner, in its sole discretion, either:

- (a) elects to purchase the Sale Interest for the ROFO Purchase Price, and upon the receipt of the Reply Notice by the Selling Partner including such election, a binding agreement of purchase and sale for the Sale Interest shall be made between the Other Partner and the Selling Partner, which agreement shall be completed in the manner provided in Section 12.5 at the ROFO Purchase Price and on the terms and conditions set out in the ROFO Notice; or
- (b) consents to the sale of the Sale Interest by the Selling Partner to a *bona fide*, Arm’s Length third party, for cash, at the same or a higher price than the ROFO Purchase Price as set out in the ROFO Notice and on the same terms as contained in the ROFO Notice (the “**Sale Option**”); or consents to a sale of the Property to a *bona*

*fide*, Arm's Length third party, for a cash purchase price equal to or greater than the ROFO Property Value as set out in the ROFO Notice and on the same terms as contained in the ROFO Notice (the "**Tag-Along Option**").

If the Other Partner does not deliver the Reply Notice within the prescribed time period, the Other Partner shall be deemed to have consented to the Sale Option.

### 12.3 Transfer to Third Party

- (a) In the event that the Other Partner consents to (or is deemed to consent to) the Sale Option within the required 120-day period referred to in Section 12.2 then, within a period of 120 days following the earlier of (i) the expiry of the time period for delivery of a Reply Notice; and (ii) the date that the Other Partner provides written notice consenting to the ROFO Notice Sale Option (the "**Trigger Date**"), the Selling Partner may enter into a purchase agreement to sell all of the Sale Interest to any *bona fide*, Arm's Length third party, for cash, at the same or a higher price as set out in the ROFO Notice and on the same terms as contained in the ROFO Notice.
- (b) If the Selling Partner wishes to enter into an agreement to sell the Sale Interest to any *bona fide*, Arm's Length third party, for cash, at a lower price than that set out in the ROFO Notice and/or on more favourable terms to the buyer as contained in the ROFO Notice, the Selling Partner must first offer to sell the Sale Interest to the Other Partner at the lower price and/or more favourable terms, which offer must remain open for acceptance by the Other Partner for 30 days. If such offer is not accepted by the Other Partner within such 30-day period, the Selling Partner may enter into a purchase agreement to sell all of the Sale Interest to any *bona fide*, Arm's Length third party, for cash, at the same or a price that is higher than such lower price offered to the Other Partner and on the terms contained in the offer or less favourable to the buyer.
- (c) The purchase agreement with such party is referred to as a "Third Party APS" and such Third Party APS must be on no less favourable terms and conditions to the Selling Partner as those that were included in the ROFO Notice (except that the purchase price may be equal to or higher than the lower price that was offered to the Other Partner) and must be entered into within a period of 120 days following the Trigger Date. Notwithstanding the foregoing, the Third Party APS may contain a due diligence condition in favour of the third-party purchaser. If a Third Party APS is entered into within the 120-day period, closing must occur within 60 days thereafter. If a Third Party APS is not entered into within such 120-day period or if a Third Party APS is entered into within that period but closing does not occur within 60 days thereafter, the Selling Partner will not proceed with the sale contemplated therein without again complying with the Right of First Offer Provisions.
- (d) If the Other Partner elects the Tag Along Option, the Other Partner shall be deemed to have irrevocably consented to the sale of the Property to a *bona fide*, Arm's Length third party for a cash price equal to or greater than the ROFO Property Value (it being acknowledged that such proceeds shall be distributed in accordance with

Section 8.1 hereof) and on such other terms deemed satisfactory to the Selling Partner provided that the Selling Partner shall not sell its Interest unless the buyer also buys the Interest of the Other Partner or buys the entire Property.

- (e) If the Selling Partner owns a 75% or greater Interest in the Partnership, and the non-initiating Limited Partner does not elect the Purchase Option or the Tag-Along Option, the Selling Partner may, in its sole discretion, elect to cause the Partnership to sell the Property to bona fide, Arm's Length third party for a cash purchase price at least equal to the ROFO Purchase Price set forth in the ROFO Notice and on terms no more favourable to the Buyer than those contained in the Offer Terms (provided that the reference above to "a 75% or greater interest" shall be read as "more than a 50% interest" after (i) the 10th anniversary of Practical Completion or (ii) the Regional Trust has transferred its interest to an arm's length purchaser.

#### **12.4 Information**

In the event of completion of a sale of Units to a third party purchaser pursuant to the Right of First Offer Provisions, the Selling Partner shall notify the Other Partner in writing of the purchase price and terms of such sale, including the name, address, business and financial information regarding the third party purchaser, as appropriate.

#### **12.5 Conditions of Agreement and Closing**

The following provisions shall apply to any agreement constituted in accordance with the provisions of this Article 12:

- (a) the agreement constituted by the provisions of this Article 12 shall be completed on or before the 30th day following the election by the Other Partner;
- (b) upon the closing of the transaction of purchase and sale:
  - (i) the Limited Partner selling its Interest (in this Section 12.5 and in Section 12.6, the "**Seller**") shall execute and deliver a transfer and such other documents as may be necessary to sell, convey, transfer, set over and assign such Interest to the Limited Partner buying same (in this Section 12.5, the "**Buyer**"),
  - (ii) the Buyer shall pay the applicable purchase price for the Interest of the Seller by way of payment of cash consideration only; and
  - (iii) the Buyer and the Seller shall deliver all notices and execute all documents required to be executed in respect of such transaction pursuant to all Financings;
- (c) if, at the time of closing, the Partnership is subject to any Financing, the Buyer will be required to obtain any lender consent required to purchase and assume the Seller's share of such Financing and, without duplication, the purchase price for the Interest will be adjusted to reflect all amounts owing by the Seller with respect to such Financing;

- 
- (d) all encumbrances affecting the Interest being sold will be discharged on closing except for encumbrances securing any Financing;
- (e) if, at the time of closing, the Seller is indebted (including any Indebtedness) under this Agreement to the Buyer, the Buyer shall have the right, out of the purchase money payable by it, to pay, satisfy and discharge such indebtedness without notice or penalty and by such sum reduce the amount payable by it to the Seller;
- (f) if, at the time of closing, the Buyer is indebted (including any Indebtedness) under this Agreement to the Seller, the Buyer shall satisfy and discharge such indebtedness concurrently with the payment of the purchase price payable by it;
- (g) upon the tendering of the monies payable on closing, the Buyer shall be irrevocably appointed and constituted agent for the Seller and the Partnership with the full power and authority to execute and deliver such transfers or other documents or both (upon failure of the Seller or the Partnership to do so) as may be necessary or desirable to complete the transaction of purchase and sale; provided that should the Buyer fail to pay the monies payable upon closing, the Seller shall have the right, exercisable by notice in writing to the Buyer at any time within 15 days of such failure to pay, to purchase all of the Buyer's Interest for a purchase price equal to the amount which would be distributed under Section 8.1 to the holder of such Interest if (i) the Property were sold in a hypothetical sale for a net price equal to the 90% of the ROFO Property Value, less Selling Expenses, (ii) all of the Partnership's and its subsidiaries' liabilities were paid, in full, (iii) rents, taxes and other similar items were pro-rated, (iv) the Partnership and its subsidiaries were liquidated, and (v) the remaining proceeds and other assets of the Partnership, if any, were distributed, and upon the terms set forth in this Section 12.5;
- (h) If the Other Partner has elected to purchase the Sale Interest pursuant to the Right of First Offer Provisions but fails to purchase such Sale Interest when it is obliged to, then the Selling Partner shall have the right, within 365 days of the date at which the Other Partner was obliged to complete the sale and without being required to again comply with the Right of First Offer Provisions, to sell, transfer or assign the Sale Interest to any *bona fide*, Arm's Length third party, for cash, at such price and on such terms as the Selling Partner determines to be appropriate in the Selling Partner's sole discretion;
- (i) time shall be of the essence of the options granted pursuant to Section 12.2 and of the agreement of purchase and sale arising out of the exercise of the option to buy or sell as provided therein, and such agreement of purchase and sale so arising shall be binding upon the Limited Partners, their respective successors and permitted assigns; and
- (j) the Buyer of the entire Interest of the Seller shall indemnify and save the Seller and its Affiliates, shareholders and directors harmless from any and all actions, proceedings, causes of action, claims, demands, costs, liability, damages, obligations and expenses arising out of the Financings, if any, from and after the time of closing and the Buyer shall use commercially reasonable efforts to obtain from the applicable lenders a release of the Seller from any and all obligations of

---

the Seller in respect of any Financing from and after the closing of the sale of the Seller's Interest pursuant to this Article 12.

#### **12.6 Release**

Upon completion of the sale of the Seller's entire Interest in accordance with this Article 12, the Seller and its Affiliates, shareholders (trustees or limited partners, as the case may be) and directors shall be forever released and discharged of and from all further obligations and liabilities to the other Partners under this Agreement other than those provided for in this Article 12, and shall no longer be entitled to enforce any rights hereunder against the other Partners from and after the date of the completion of such sale of the Seller's Interest.

#### **12.7 Purchase and Sale Structure**

Each Partner agrees that it will work with the other Partners in good faith to complete any transaction contemplated in this Article 12, acting reasonably.

#### **12.8 Limitations**

Upon any rights arising for any transaction of purchase and sale of any Interest pursuant to any of the applicable provisions of this Agreement, no Limited Partner shall be entitled to invoke an alternative entitlement to a transaction of purchase and sale pursuant to any such provisions unless and until the first transaction is completed.

#### **12.9 Structuring Transaction**

In connection with the implementation of any transaction under this Article 12 (such transaction referred to as a "**Covered Transaction**"), the Partners agree to co-operate in good faith to structure the Covered Transaction in a tax efficient manner for all applicable concerned Partners having regard to the circumstances existing at the relevant time. In particular, the Partners shall consider implementing the transaction, as applicable, by way of sale of assets (instead of Interests), a drop down of assets to a subsidiary limited partnership prior to a sale of any Interests, or such other structuring as the parties may consider appropriate at the time. Without limiting the generality of the foregoing, such structuring may be undertaken with a view to: (a) mitigating the possible application of subsection 100(1) of the Income Tax Act(Canada)(or any successor or similar provision thereto); (b) ensuring that the taxable income from the sale of Interests is realized and allocated (in accordance with Section 8.1 to the Partners in a manner consistent with the values ascribed thereto in determining the purchase price of a Covered Transaction; and (c) managing issues relating to negative adjusted cost base (as such term is commonly understood for Canadian income tax purposes). In furtherance of the foregoing, the Partners shall cooperate to amend this Agreement, as necessary, for the purposes of accommodating any agreed-upon structure, and all costs, expenses and disbursements associated with the implementation of any structure elected by the participating Partners shall be shared equally by the Partners electing such structure, unless agreed otherwise.

---

**ARTICLE 13**  
**TERM AND TERMINATION****13.1 Term**

The Partnership shall continue, indefinitely, until the Partnership is dissolved pursuant to the terms of this Agreement or by operation of applicable Laws and all property and assets of the Partnership have been distributed as provided for herein.

**13.2 Dissolution**

The Partnership shall be dissolved and its affairs wound up and terminated upon the approval of the Partners to dissolve the Partnership.

**13.3 No Dissolution**

The Partnership will not be dissolved or terminated by any amendment of this Agreement, the record of Limited Partners, the Declaration or by the resignation, removal, bankruptcy, insolvency, dissolution, liquidation, winding up or receivership of, or the admission, resignation, retirement or withdrawal of a Limited Partner.

**13.4 Events of Dissolution**

The Partnership will be dissolved and its affairs wound up on the earliest of:

- (a) the date specified in the notice given by the General Partner under Section 10.13 if a new General Partner has not been appointed prior to the date specified therein;
- (b) 180 days following the date of a notice of the occurrence of an event specified in Section 12.3 if a new General Partner has not been appointed prior to the expiration of such 180 day period; and
- (c) an election to dissolve the Partnership accepted by approval of one hundred percent (100%) of the Limited Partners.

**13.5 Receiver**

The General Partner will serve as the receiver of the Partnership if its dissolution is authorized pursuant to the provisions of Section 13.1, provided that if the General Partner is unable or unwilling to act in such capacity, the Limited Partners will appoint an appropriate Person to act as the receiver of the Partnership.

**13.6 Liquidation of Assets**

As soon as practicable after the authorization of the dissolution of the Partnership, the receiver of the Partnership will prepare or cause to be prepared a statement of the financial position of the Partnership which will be forwarded to each Limited Partner. The receiver of the Partnership will proceed diligently to wind up the affairs of the Partnership, and all assets of the Partnership will be liquidated as promptly as is reasonably possible. During the course of such liquidation, the receiver of the Partnership will operate the properties and undertaking of the Partnership and in so

---

doing will be vested with all the powers and authorities of the General Partner in relation to the business and affairs of the Partnership under the terms of this Agreement. The receiver of the Partnership will be paid its reasonable fees and disbursements incurred in carrying out its duties.

### **13.7 Order of Distribution of Net Proceeds**

The net proceeds from the liquidation of the assets of the Partnership will be distributed in the following order of priority:

- (a) to pay the expenses of liquidation and the debts and liabilities of the Partnership to its creditors;
- (b) to provide for such reserves as the receiver of the Partnership may deem reasonably necessary for any contingent or unforeseen liabilities or obligations of the Partnership; provided, however, that any such reserves will be paid over by the receiver of the Partnership to an escrow agent to be held by such escrow agent for the purpose of the payment of liabilities or obligations of the Partnership and any balance remaining will be distributed, at the direction of the receiver of the Partnership, to the Partners in accordance with Section 8.1; and
- (c) to the Partners in accordance with Section 8.1.

### **13.8 Partition of Assets**

In no event and under no circumstances will a Partner be entitled, whether during the existence of the Partnership or after the commencement of the dissolution of the Partnership, to compel a partition, judicial or otherwise, of any of the assets of the Partnership to the Partners, either in kind or otherwise.

### **13.9 Return of Capital**

Except as provided in this Agreement, no Limited Partner has the right to demand or receive a return of its pro rata share of the capital account in a form other than cash, provided, however, that nothing herein is to be construed to prohibit such a return of capital in a form other than cash.

### **13.10 Termination of Partnership**

The Partnership will terminate when all of its assets have been disposed of and the net proceeds therefrom (after payment of or due provision for the payment of, all debts, liabilities and obligations of the Partnership to creditors) have been distributed as provided in this Article.

### **13.11 Distribution Upon Dissolution**

- (a) Upon the dissolution of the Partnership, the General Partner, or if there is none, a liquidator (who may be a Partner) appointed by written approval of the Limited Partners, shall liquidate the property and assets of the Partnership as promptly as is consistent with obtaining the Fair Market Value thereof and such Person shall distribute the proceeds thereof in the following order:
  - (i) first, to the payment of all expenses and liabilities of the Partnership;

- (ii) second, to the establishment of any reserves for contingencies which the General Partner or the liquidator, as the case may be, may consider necessary; and
  - (iii) third, subject to paragraph (ii), the residual proceeds, if any, shall, without duplication, be distributed 0.001% to the General Partner and 99.999% to the Limited Partners, each as to its respective Percentage Interest.
- (b) Each Partner shall look solely to the property and assets of the Partnership for all Distributions and shall have no recourse therefor, upon dissolution or otherwise, against any other Partner.
- (c) Notwithstanding the dissolution of the Partnership, the Business and the affairs of the Partners, as such, shall continue to be governed by this Agreement until termination of the Partnership, as provided for in this Agreement.
- (d) After the proceeds of the liquidation of the property and assets of the Partnership have been distributed, which shall occur as soon as practicable upon dissolution of the Partnership, the General Partner or liquidator, as the case may be, shall cause the Declaration to be cancelled.

## ARTICLE 14 CONSEQUENCES OF EVENTS OF DEFAULT

### 14.1 Rights of Non-Defaulting Party

Upon the occurrence of an Event of Default which is continuing in respect of any Limited Partner (the “**Defaulting Party**”), the non-defaulting Partner (the “**Non-Defaulting Party**”) may after a written notice (the “**Default Notice**”) has been delivered to the Defaulting Party in accordance with the notice provisions hereunder:

- (a) bring any proceedings in the nature of specific performance, injunction or other equitable remedy, it being acknowledged by each of the Partners that damages at law may be an inadequate remedy for a default or breach of this Agreement; and/or
- (b) bring any action under applicable Laws or in equity as may be permitted in order to recover damages or for such other remedy or remedies as may be available to it; and/or
- (c) remedy such Event of Default and be reimbursed by the Defaulting Party on demand (and take any legal proceedings for the recovery thereof) for any amounts expended to remedy any such Event of Default and any other expenses (including legal fees on a full indemnity basis) incurred by the Non-Defaulting Party in connection with remedying such Event of Default, together with interest from the date such amounts are expended or expenses incurred, both before and after demand, at the Borrowing Rate, calculated and compounded monthly with interest on overdue interest calculated as aforesaid; and/or

- (d) make a payment on behalf of the Defaulting Party, which payment will be deemed to be a loan, which is due and payable on demand and bears interest until repaid, compounded monthly not in advance, at a rate equal to the Borrowing Rate; and/or
- (e) in the case of an Event of Insolvency of the Defaulting Party purchase all of the Defaulting Party's Interest (hereinafter in this Article 14 referred to as the "**Defaulting Party Interest**") as of the date of the occurrence of the Event of Default in accordance with this Article 14; and/or
- (f) cause a sale of the Property or the dissolution of the Partnership.

For greater certainty, a Defaulting Party shall, however, retain its Decision-making rights in respect of the Partnership and the General Partner.

#### 14.2 Right of Non-Defaulting Party to Purchase Defaulting Party Interest

- (a) If the Non-Defaulting Party elects to purchase all of the Defaulting Party Interest of the Defaulting Party, it shall specify in the Default Notice and negotiate with the Defaulting Party, in good faith, a purchase price for the Defaulting Party Interest (the "**Default Property Price**"), equal to the Fair Market Value of the Property multiplied by the percentage representing the Defaulting Party's Interest in relation to the collective Interests of all of the Limited Partners as of the date of the occurrence of the Event of Default by the Defaulting Party.
- (b) If the Limited Partners agree upon the Default Property Price fair market value of such Defaulting Party Interest within 15 days of receipt of the Default Notice, the Non-Defaulting Party shall purchase, and the Defaulting Party shall sell its Defaulting Party Interest for the Default Property Price<sup>1(e)</sup>.
- (c) If the Limited Partners are unable to agree upon the Default Property Price within such 15-day period, the Non-Defaulting Party may request that the Default Property Price be established pursuant to this Section 1(c) by written notice to the Defaulting Party (in this Section 1(c) referred to as the "**FMV Notice**"). Under such circumstances, within 10 days after the date of receipt of the FMV Notice, the Non-Defaulting Party may appoint an Independent Appraiser to determine the Default Property Price in accordance with **SCHEDULE C** hereto.
- (d) If the Non-Defaulting Party has given the FMV Notice, the Non-Defaulting Party may, within 60 days after the Default Property Price is determined pursuant to Section **Error! Reference source not found.** above, elect to purchase the Defaulting Party Interest of the Defaulting Party by sending written notice to the Defaulting Party confirming the Non-Defaulting Party's intention to acquire the Defaulting Party Interest.
- (e) The purchase price payable for the Defaulting Party Interest will be the Default Property Price and the election to purchase and the transfer of the Defaulting Party Interest shall be deemed to have occurred immediately prior to the event that triggered the Event of Default. Except as herein above set forth, such requirement and election shall be exercised by written notice. No waiver of any right to so elect

upon a subsequent or continuing default of the same or different nature shall be implied from any failure on the part of the Non-Defaulting Party to make the requirement or the election permitted by this Section 14.2 as a result of any prior Event of Default.

- (f) If the Non-Defaulting Party elects to purchase all of the Defaulting Party Interest of the Defaulting Party pursuant to this Section 14.2, the Defaulting Party shall transfer and the Non-Defaulting Party shall purchase the Defaulting Party Interest on a date not later than 30 days after the date the Default Property Price is agreed upon or is determined for a consideration equal to the Default Property Price purchase price contemplated in Section 1(e) (the “**Default Sale Closing Date**”).
- (g) If, on the Default Sale Closing Date, the Defaulting Party is indebted to the Non-Defaulting Party or its Affiliates (including any Indebtedness and interest thereon), the Non-Defaulting Party shall have the right, out of the purchase money payable by it, to pay, satisfy and discharge such indebtedness and by such sum reduce the amount payable by it to the Defaulting Party or its Affiliates in full satisfaction of the sum so reduced and applied.
- (h) Upon payment of the monies payable on the Default Sale Closing Date, the Non-Defaulting Party is hereby irrevocably appointed and constituted attorney for the Defaulting Party with the full power and authority to execute and deliver such transfer or other documents or both and to pay such mortgages, charges, pledges, assignments by way of security or other encumbrances (upon failure of the Defaulting Party to do so) as may be necessary or desirable to complete the transaction of purchase and sale.

### **14.3 Status of Limited Partner in Default**

For so long as any Event of Default shall have occurred and be continuing, any distributions otherwise payable to the Defaulting Party under this Agreement, including the Distributions, shall be paid as follows: (a) first, to remedy any monetary default of the Defaulting Party that shall have occurred and be continuing, (b) second, to satisfy the obligations of the Defaulting Party pursuant to this Article 14, and (c) third, the balance, if any, shall be paid to the Defaulting Party.

## **ARTICLE 15**

### **INDEBTEDNESS OF A LIMITED PARTNER TO ANOTHER LIMITED PARTNER**

#### **15.1 Incurrence of Indebtedness and Related Terms, Conditions, Rights and Obligations**

- (a) For purposes of this Agreement, “**Indebtedness**” shall mean the following:
  - (i) all amounts due and owing from time to time, by a Limited Partner to the other Limited Partner pursuant to or in accordance with the provisions of this Agreement, including the principal amount of any loan and interest accrued thereon to the extent not paid when due, and in this Article 15, the “**Debtor**” refers to whichever of the Limited Partners owes money in

respect of an Indebtedness and the “**Creditor**” refers to whichever of the Limited Partners is owed money to, as applicable; and

- (ii) any other amounts which the Creditor is entitled to receive from the Debtor at law, in equity or in accordance with this Agreement, including any amount payable by the Debtor to the Creditor in repayment of any amount paid by the Creditor to cure any default of the Debtor under this Agreement.
- (b) The Debtor promises to pay on demand to the Creditor the principal sum of the Indebtedness and all interest thereon, both before and after demand, default and judgment, which interest shall be at the Borrowing Rate, calculated and compounded monthly not in advance from the date that such Indebtedness is incurred to the date of repayment in full, with interest on overdue interest at the same rate.
- (c) During such time as any Indebtedness is owing by the Debtor to the Creditor, all amounts that would have otherwise been distributable or payable by the Partnership to the Debtor under this Agreement shall be paid to the Creditor and shall be applied in the following manner: (i) first, to the payment of any interest payable in respect of such Indebtedness then outstanding; and (ii) second, to the principal amount of such Indebtedness which shall be reduced in an amount equal to such applied payment.

## ARTICLE 16 RECORDS AND REPORTS

### 16.1 General Books and Records

The General Partner shall keep or cause to be kept proper records and books of account of the Partnership, including records as to the outstanding Units and the registered holders of such Units. The General Partner shall send in a timely manner to each person who was a Partner at any time during a Fiscal Year, such information and documents as are necessary for such Person to make appropriate Canadian income tax filings with respect to such Fiscal Year subject to the right of the General Partner to delegate such responsibilities to Persons approved by the General Partner.

The General Partner will keep and maintain, or cause to be kept and maintained, full, complete and accurate books of account and records of the Partnership with respect to the Partnership’s business and financial affairs at its principal place of business or elsewhere as the General Partner may consider advisable. Such books of account and records will be retained by or on behalf of the General Partner for a minimum period of six years

### 16.2 Accounting Principles and Auditor

The General Partner shall keep or caused to be kept accounts of the Partnership in accordance with GAAP consistently applied, provided that the Partnership will establish and maintain such accounts and records and provide such reports and information as either Limited Partner may from time to time require in order to make necessary adjustments to the accounting standards applied by it from time to time in the preparation of its financial statements. The Partnership shall have an auditor selected by the General Partner from among the nationally recognized accounting firms.

The General Partner will cause audited financial statements to be prepared in accordance with GAAP within 120 days after the end of each Fiscal Year. Any special audit or valuation requirements by a Limited Partner to comply with other legal and professional requirements will be separately paid for by such Limited Partner.

### **16.3 Access to Records**

The General Partner will furnish to each Limited Partner and its accountants such information and documents with respect to the Partnership and its assets and Business as may be in the possession and control of the General Partner and which may be reasonably required by the Limited Partner or its accountants, including such information and documents as may be required by the Limited Partner in connection with the preparation of any tax returns or financial statements. Each Limited Partner will have the right at all reasonable times and intervals upon reasonable notice during usual business hours to audit, examine and make copies of extracts from books and records pertaining to the Partnership and its assets and Business. Such right may be exercised through any agent or employee of such Limited Partner designated by it or by any outside independent chartered accountant. A Limited Partner will bear all expenses incurred in any examination made for its account.

### **16.4 Reports to Limited Partners**

- (a) The General Partner will furnish (or cause to be furnished) annual audited financial statements and other reporting information to the Limited Partners and tax information necessary for the completion of income tax returns annually no later than 120 days after year-end. On a quarterly basis, if requested, no later than 90 days after the end of such quarter, each Limited Partner will be furnished with unaudited financial statements of the Limited Partnership. Prior to the beginning of each year (or as soon thereafter as such items have been approved by the General Partner), the General Partner will provide to each Limited Partner the annual budget for such year and a multi-year capital budget.
- (b) If Kindred is no longer a shareholder of the General Partner, the Limited Partners shall also be entitled to receive all reports prepared pursuant to the Development Management Agreement and the Property Management Agreement

## **ARTICLE 17 INDEMNITIES**

### **17.1 Obligation of General Partner**

The General Partner shall operate the Partnership to ensure to the greatest extent possible the limited liability of the Limited Partners.

### **17.2 Indemnity in favour of General Partner**

- (a) To the fullest extent permitted by applicable Laws, but subject to the limitations expressly provided in this Agreement, the General Partner, any former general partner, any Person who is or was an officer, director, employee, shareholder or agent of the General Partner or any former general partner, or any Person who is or was serving at the request of the General Partner or any former general partner

---

(collectively, “**Indemnitees**” and, individually, 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 the General Partner or a former general partner, or an officer, director, employee, agent or shareholder of the General Partner or any former general partner, or a Person serving at the request of the General Partner or any former general partner, but only if the acts, omissions or the alleged acts or omissions on which the actual or threatened action, proceeding or claim are based were performed in good faith and were not performed or omitted fraudulently or as a result of gross negligence or wilful misconduct by the General Partner, any former general partner or any such officer, director, employee, agent or shareholder of the General Partner or any former general partner. Any indemnification pursuant to this Article 17 will be made only out of the assets of the Partnership.

- (b) To the fullest extent permitted by applicable Laws, reasonable expenses (including legal fees and expenses) 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 Article 17.
- (c) The General Partner may purchase and maintain on behalf of the Partnership (and be reimbursed for the cost of) insurance on behalf of those Persons as the General Partner determines, acting reasonably in the interest of the Partnership, 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.
- (d) The General Partner agrees to hold the covenants in this Section 17.2 in trust for the benefit of the other Indemnitees that are not parties to this Agreement and agrees to accept such trust and to hold and enforce such covenants on behalf of such Indemnified Parties. The Indemnified Parties shall continue to be entitled to indemnification in accordance with this Section 17.2 notwithstanding any termination or removal of the General Partner as general partner of the Partnership and notwithstanding that they are not parties to this Agreement.
- (e) Notwithstanding anything to the contrary in this Agreement, this indemnity shall not extend to special, consequential or punitive damages, loss of profits or loss of revenues.

---

**ARTICLE 18**  
**IRREVOCABLE POWER OF ATTORNEY**

**18.1 Appointment**

Each Limited Partner irrevocably constitutes and appoints the General Partner as the true and lawful attorney of such Limited Partner. As the attorney of each Limited Partner, the General Partner has the power to act for and in the name of each Limited Partner, with full power of substitution, to execute and deliver such documents, instruments and agreements, and to do all acts and things necessary to effect the following:

- (a) the register of the Limited Partners of the Partnership and any other document or instrument required to form, qualify, continue and keep in good standing the Partnership as a limited partnership in Ontario in order to seek to maintain the limited liability of the Limited Partners and to comply with the applicable Laws of Ontario;
- (b) any document or instrument, including any amendments to the register of the Limited Partners of the Partnership, necessary to reflect any amendment to this Agreement approved in accordance with this Agreement;
- (c) any document or instrument required to be filed with the appropriate Governmental Authority in any jurisdiction in connection with the business, property, assets and undertaking of the Partnership;
- (d) any document or instrument to give effect to the issuance or transfer of a Unit or relating to the admission of additional Limited Partners approved in accordance with this Agreement; and
- (e) all other instruments and documents on the Limited Partners' behalf and in the Limited Partners' name or in the name of the Partnership but only to the extent as may be deemed necessary by the General Partner to carry out fully this Agreement in accordance with its terms.

**18.2 Appointment Irrevocable**

This power of attorney is irrevocable, is coupled with an interest and has been given for valuable consideration, the receipt and sufficiency of which is acknowledged. This power of attorney and other rights and privileges granted under this section will survive any dissolution, bankruptcy, liquidation, winding-up or death of a Limited Partner and extends to the heirs, executors, administrators, legal representatives, successors and permitted assigns of each Limited Partner.

**18.3 Reliance**

Any Person dealing with the General Partner may conclusively presume and rely upon the fact that any document, instrument or agreement executed by the General Partner pursuant to this power of attorney is authorized and binding on each Limited Partner without further inquiry.

**18.4 Agreement to be Bound**

Each Limited Partner agrees to be bound by any representations or actions made or taken by the General Partner pursuant to this power of attorney, and waives any and all defences that may be available to contest, negate or disaffirm any action of the General Partner taken in good faith under this power of attorney.

**18.5 Grant Non-Specific**

This power of attorney is not specific or personal to any Partner and will survive the transfer or assignment by a Limited Partner of its Interest or any transfer, assignment, addition or subtraction of any Partner to the Partnership.

**18.6 Execution of Instruments**

The General Partner may exercise any instrument under this power of attorney on behalf of the Limited Partner by single signature or by an electronic signature, as attorney and agent for the Limited Partner.

**ARTICLE 19  
CONFIDENTIAL INFORMATION**

**19.1 Confidentiality Obligations**

Each Partner agrees to keep in the strictest confidence all information in respect of the Partnership or its assets to which it may have access as a Partner or otherwise, subject to the rights of such Partner to:

- (a) give any potential purchaser of its interest in the Partnership or the General Partner any relevant information for the purpose of allowing such potential purchaser to determine the advisability of purchasing such interest, provided that the said potential purchaser signs in advance a confidentiality agreement in favour of the Partners, satisfactory to the Partners, acting reasonably;
- (b) disclose any information that it is compelled to disclose under any Laws, judgment or order;
- (c) disclose any information as it deems necessary in connection with an offering of securities or other public company disclosure purposes;
- (d) disclose any information which has in fact previously been disclosed to the public (other than as a result of a breach of this Agreement);
- (e) disclose any information to its attorneys, advisors, consultants, officers, appraisers, directors and employees, and those of its subsidiaries or its parent company, on a need to know basis, provided however, that each such Person agrees to keep such information in the strictest confidence; and/or
- (f) disclose such information as has been consented to by the General Partner.

Notwithstanding the foregoing, no information in any private placement memorandum, organizational documents or regular reports that Heartwood (or an Affiliate of Heartwood) provides to investors (or potential investors) in Heartwood, an Affiliate of Heartwood or any fund of which Heartwood or an Affiliate of Heartwood is a sponsor, managing general partner or the equivalent shall be subject to the foregoing terms of this Section 19.1. Nothing in this Section 19.1 is intended to waive the attorney-client privilege or any other privilege. In the event either Partner shall disclose any information of the other Partner to the extent required by Law, judgment or order: (i) the disclosing Partner shall send Notice of such disclosure to the other Partner immediately after such disclosure unless prohibited by law and (ii) the disclosing party shall use reasonable efforts to seek protection for confidential information that is required to be disclosed.

## **ARTICLE 20 DISPUTE RESOLUTION**

### **20.1 Arbitration of Legal Disputes**

Upon the occurrence of any disagreement between the parties to this Agreement (the “**Affected Partners**”) as to the interpretation, application or administration of this Agreement but not Business Decisions, representatives of each Affected Partner shall meet to see if they can reach a solution satisfactory to them, provided that no inability of an Affected Partner to reach a decision with respect to a matter that requires its approval shall be subject to the provisions of this Section 20.1. If the representatives of the Affected Partners do not reach a solution with respect to the particular dispute within a period of 30 days following the first notice in writing of any dispute by an Affected Partner to the other Affected Partners, then upon written notice by an Affected Partner to the others, the dispute shall be finally settled by arbitration in accordance with the provisions of the *Arbitration Act* (Ontario) based upon the following:

- (a) The arbitration tribunal shall consist of one arbitrator appointed by mutual agreement of the Affected Partners, or in the event of failure to agree within 10 Business Days following the first notice in writing of any dispute, an Affected Partner may apply to a judge of an Ontario Court to appoint an arbitrator. The arbitrator shall be qualified by education and training to pass upon the particular matter to be decided.
- (b) The arbitrator shall be instructed that time is of the essence in the arbitration proceeding and, if at all possible, the arbitration award must be made within 30 days of the submission of the dispute to arbitration, or as soon as possible thereafter.
- (c) The representatives of the Affected Partners shall meet within five Business Days following the first notice in writing of any dispute and shall negotiate in good faith any changes in these arbitration provisions or the rules of arbitration which are adopted in this Agreement, in an effort to expedite the process and otherwise ensure that the process is appropriate given the nature of the dispute and the values at risk.
- (d) The arbitration shall take place in Toronto, Ontario.
- (e) The arbitration award shall be given in writing and shall be final and binding on the Affected Partners, not subject to any appeal, and shall deal with the question of costs of arbitration and all related matters.

- (f) Judgment upon any award may be entered in any court having jurisdiction or application may be made to the court for a judicial recognition of the award or an order of enforcement, as the case may be.
- (g) The Partners agree that the arbitration shall be kept confidential and that the existence of the proceedings and any element of it (including any pleadings, briefs or other documents submitted or exchanged, any testimony or other oral submissions and any awards) shall not be disclosed beyond the arbitrator, the Partners, their counsel and any Person necessary to the conduct of the proceeding, except as may lawfully be required in judicial proceedings relating to the arbitration or its enforcement or otherwise.

### **20.2 Disputes as to Default – Expedited Dispute Resolution**

Upon the occurrence of any dispute as to the default of any Partner of its obligations under this Agreement (a “**Default Dispute**”), the procedures set out in Section 20.1 will apply to such dispute subject to the following variations:

- (a) The arbitration tribunal shall consist of one (1) arbitrator appointed by mutual agreement of the Limited Partners, or in the event of failure to agree within three Business Days following the first notice in writing of any Default Dispute, either Limited Partner may apply to a judge of an Ontario Court to appoint an arbitrator. The arbitrator shall be qualified by education and training to pass upon the particular matter to be decided.
- (b) The arbitrator shall be instructed that time is of the essence in the arbitration proceeding and, if at all possible, the arbitration award must be made within 10 Business Days of the submission of the Default Dispute to arbitration, or as soon as possible thereafter.

### **20.3 Compliance with Agreement**

The submission of a dispute to arbitration shall not relieve any Partner from complying with its obligations under this Agreement while the dispute is being resolved and thereafter such obligations shall continue as provided in this Agreement subject only to the terms of the arbitration award.

### **20.4 Development Matters**

The parties agree that any interruption of the development of the Project is likely to lead to substantial damages being incurred by each of the Partners and therefore the Partners agree that from and after the commencement of the construction stage of the Project, they agree to take reasonable steps as may be necessary in order that the continuation of such activity may be undertaken while the dispute is being resolved.

---

**ARTICLE 21**  
**GENERAL PROVISIONS**

**21.1 Amendment**

This Agreement may be amended by the General Partner, without notice to or consent of any Limited Partner, in order to reflect the admission of additional Limited Partners in accordance with Section 3.12. This Agreement shall not be otherwise amended except by an agreement in writing signed by all of the parties hereto and no supplement, modification, waiver or termination of this Agreement shall be binding unless executed in writing by the party hereto to be bound thereby.

**21.2 Notice**

Any notice, demand, approval, consent, information, agreement, offer, payment, request or other communication to be given under in or in connection with this Agreement shall be in writing and shall be given by personal delivery or by electronic communication (including by way of electronic mail via the Internet) which results in a written or printed notice being given, addressed or sent as set out below or to such other address as may from time to time be the subject of a written notice to the General Partner given in accordance with this Section 21.2:

If to the Regional Trust:

**25 King Street West, Suite 2600, Toronto, Ontario, M5L 2A1**  
Attention: Tim Blair

If to the General Partner:

**25 King Street West, Suite 2600, M5L 2A1**  
Attention: Tim Blair

Any notice, if personally delivered, shall be deemed to have been validly and effectively given and received on the date of such delivery and if sent by electronic communication with confirmation of transmission, shall be deemed to have been validly and effectively given and received on the day it was received, provided that such day is a Business Day and the communication is sent prior to 5:00 p.m.; otherwise it shall be deemed to have been given on the next following Business Day. Either party may change its address for delivery of notices by written notice to the other parties given in accordance with this Section 21.2.

**21.3 Further Assurances**

The parties will, on reasonable request of any other party, perform and cause to be performed any further and other acts and things and execute and deliver or cause to be executed and delivered any further and other documents which are necessary or desirable to carry out the terms and intent of this Agreement.

---

#### **21.4 Governing Law; Compliance**

This Agreement shall be construed, interpreted and enforced in accordance with, and the respective rights and obligations of the parties shall be governed by, the laws of the Province of Ontario and the federal laws of Canada applicable therein, and each party hereby irrevocably and unconditionally submits to the non-exclusive jurisdiction of the courts of Ontario.

#### **21.5 Waiver**

No waiver of any of the provisions of this Agreement will be deemed to constitute a waiver of any other provision (whether or not similar), nor will such waiver be binding unless executed in writing by the party to be bound by the waiver. No failure on the part of a party to exercise, and no delay in exercising, any right under this Agreement, will operate as a waiver of such right; nor will any single or partial exercise of any such right preclude any other or further exercise of such right or the exercise of any other right.

#### **21.6 Successors and Assigns**

This Agreement will be binding upon and enure to the benefit of the parties to this Agreement and their respective successors and permitted assigns. Except as otherwise provided in this Agreement and in connection with a Disposition by a Limited Partner of its Interest in accordance with this Agreement, neither this Agreement nor any of the rights or obligations under this Agreement will be assignable or transferable by any party without the prior written consent of the other parties, which consent of the other parties hereto, which consent may be withheld in their sole and absolute unfettered discretion.

#### **21.7 Limited Recourse**

Notwithstanding anything to the contrary in this Agreement or any other agreement or instrument entered into by a Limited Partner, except for any liability or loss resulting from any fraud, theft, gross negligence, wilful misconduct or intentional breach of this Agreement or applicable Laws, in respect of which the liability of the Limited Partner will be unlimited, the obligations of the Limited Partner to any other Partner pursuant to this Agreement will be limited to such Limited Partner's Interest, and no other Partner will have any recourse to any property, asset or undertaking of such Limited Partner. Each Partner also acknowledges and agrees that the obligations created under this Agreement and each agreement or instrument entered into by a Limited Partner are not personally binding upon, and resort will not be had to, nor will recourse or satisfaction be sought from the private property of any (i) unitholder, shareholder, beneficial owner, grantor, trustee or constituent member of a Limited Partner, (ii) annuitants under a plan of which a unitholder of a Limited Partner acts as a trustee or carrier, or (iii) any director, officer, trustee, employee or agent of a Limited Partner.

#### **21.8 Severability**

If any provision of this Agreement is determined by an arbitrator or any court of competent jurisdiction to be illegal, invalid or unenforceable, that provision will be severed from this Agreement and the remaining provisions will continue in full force and effect. If any such provision of this Agreement is illegal, invalid or unenforceable, the parties shall, acting in good

---

faith, promptly negotiate new provisions to eliminate such invalidity, illegality or unenforceability and to restore this Agreement as near as possible to its original intent and effect.

#### **21.9 Authorship**

The parties hereto agree that the terms and language of this Agreement are the result of negotiations between the parties hereto and, as a result, there will be no presumption that any ambiguity in this Agreement will be resolved against any party hereto.

#### **21.10 Time of the Essence**

Except as specifically provided otherwise in this Agreement, time shall be of the essence of this Agreement.

#### **21.11 Counterparts**

This Agreement may be executed in any number of counterparts, each of which shall be enforceable against the parties executing such counterparts, and all of which together shall constitute one instrument. This Agreement may also be adopted in any subscription form or similar document signed by a Person, with the same effect as if that Person had executed a counterpart of this Agreement. All counterparts and adopting documents constitute one and the same agreement.

#### **21.12 Electronic Signatures and Electronic Delivery**

This Agreement may be executed manually or by electronic signature. The parties hereby agree that electronic signatures (including, without limitation, by portable document format (PDF) or DocuSign) are intended to authenticate this Agreement and have the same force and effect as manual signatures in accordance with the Ontario Electronic Commerce Act, 2000, and hereby adopt any manual or electronic signatures received by electronic transmission as original signatures of the parties.

#### **21.13 Entire Agreement**

This Agreement and the General Partner Shareholder Agreement constitute the entire agreement between the parties hereto pertaining to the subject matter of this Agreement and cancels and supersedes all prior agreements, understandings, negotiations and discussions, whether oral or written, of the parties hereto pertaining to the subject matter of this Agreement and there are no warranties, representations or other agreements between the parties hereto in connection with the subject matter of this Agreement except as specifically set forth herein.

**[Remainder of page intentionally left blank, signature page follows.]**

**IN WITNESS WHEREOF**, the undersigned have duly executed this Agreement as of the date first above written.

**EASTERN ONTARIO OUTAOUAIS REGIONAL TRUST,**

**By its trustee, UPRC TRUSTEE INC.**

Per: \_\_\_\_\_  
Name:  
Title:

Per: \_\_\_\_\_  
Name:  
Title:

**QUEENSWOOD HOUSING INC.**

Per: \_\_\_\_\_  
Name:  
Title:

Per: \_\_\_\_\_  
Name:  
Title:

**IN WITNESS WHEREOF**, the undersigned have duly executed this Agreement as of the date first above written.

**EASTERN ONTARIO OUTAOUAIS REGIONAL TRUST,**

**By its trustee, UPRC TRUSTEE INC.**

Per: \_\_\_\_\_  
Name:  
Title:

Per: \_\_\_\_\_  
Name:  
Title:

**QUEENSWOOD HOUSING INC.**

Per: \_\_\_\_\_  
Name:  
Title:

Per: \_\_\_\_\_  
Name:  
Title:

**SCHEDULE A****FORM OF UNIT CERTIFICATE****CLASS ■ UNIT CERTIFICATE****QUEENSWOOD COMMUNITIES LP**

(a limited partnership formed under the laws of the Province of Ontario)

**THIS IS TO CERTIFY THAT ■** is the registered holder of **■ (■)** Class A Units of QUEENSWOOD COMMUNITIES LP

This Class ■ Unit Certificate and the Class ■ Units represented hereby are held subject to the conditions and restrictions contained in, and the rights of a holder of Class ■ Units are governed by, the Amended and Restated Limited Partnership Agreement dated as of ■, between Queenswood Housing Inc., as general partner, and Eastern Ontario Outaouais Regional Trust, as limited partner (the “**Limited Partnership Agreement**”). Capitalized terms used in this Class ■ Unit Certificate have the meaning defined in the Limited Partnership Agreement.

**THESE CLASS ■ UNITS ARE SUBJECT TO PROHIBITIONS OR RESTRICTIONS ON SALE, ASSIGNMENT, TRANSFER, PLEDGE OR OTHER DEALINGS IN CERTAIN CIRCUMSTANCES AS PROVIDED IN THE LIMITED PARTNERSHIP AGREEMENT AS SUCH LIMITED PARTNERSHIP AGREEMENT MAY BE AMENDED, RESTATED AND/OR SUPPLEMENTED FROM TIME TO TIME.**

A transfer of any Class ■ Units represented by this Class ■ Unit Certificate may only be effected in accordance with the provisions of the Limited Partnership Agreement and upon complete satisfaction of all such provisions may be initiated by delivering this Class ■ Unit Certificate together with the then prescribed form of instrument of transfer properly executed by the registered holder and the transferee to the general partner of Queenswood Communities LP, at its principal office.

**IN WITNESS WHEREOF**, the undersigned, the general partner of Queenswood Communities LP, has caused this Class ■ Unit Certificate to be signed by its duly authorized officers in accordance with the terms of the Limited Partnership Agreement.

DATED this \_\_\_\_ day of \_\_\_\_\_ 202-.

**QUEENSWOOD HOUSING INC.**

Per: \_\_\_\_\_  
Name:  
Title:

Per: \_\_\_\_\_  
Name:  
Title:

**SCHEDULE B**

**LEGAL DESCRIPTION OF PROPERTY**

Municipal Address: 360 Kennedy Lane East, Orleans, Ontario, K1E 3P3

Legal Description: Pel. 8-3, Section 50M-77 being Part of Block 8, Plan 50M-77, being Part 3 of Plan 50R-5659, Twp. of Cumberland

PIN:14509-1049 (LT)

---

**SCHEDULE C****PROCESS FOR DETERMINING FAIR MARKET VALUE OF THE PROPERTY**

If the Limited Partners are unable to agree on the Fair Market Value of the Property within 10 Business Days after the date on which it is determined that the Fair Market Value of the Property must be established (the "Determination Date"):

1. the Limited Partners shall appoint an Independent Appraiser to make such determination, provided that if they are unable to agree upon such appointment within 10 Business Days after the Determination Date, each Limited Partner will nominate an Independent Appraiser and the two Independent Appraisers so appointed shall promptly thereafter appoint a third Independent Appraiser;
2. if either Limited Partner fails to appoint an Independent Appraiser within the 10 Business Day period after the Determination Date, then the single Independent Appraiser appointed by the other Limited Partner shall determine the Market Value of the Property;
3. if two Independent Appraisers are appointed pursuant to paragraph 2 and they fail, within 10 Business Days after the date of the appointment of the later of them to be appointed, to appoint a third Independent Appraiser, then such Independent Appraiser shall be appointed by a Judge of the Ontario Superior Court of Justice upon the application of a Limited Partner;
4. each Limited Partner shall advise the other in writing of the Independent Appraiser appointed by it;
5. the Person applying to a Judge of the Ontario Superior Court of Justice to have a third Independent Appraiser appointed shall advise the other Limited Partner in writing of the Independent Appraiser appointed by the Judge;
6. within thirty (30) days after the date that the single or a third Independent Appraiser is appointed, each Independent Appraiser shall prepare and submit to the Partners a written report setting forth the Market Value of the Property;
7. the two appraisals that are closest in value shall be averaged and shall be the Fair Market Value of the Property for the purposes of this Agreement;
8. in preparing their reports, the Independent Appraiser(s) shall have access to all books of account and records of the Partnership relating to the Property and the Partners shall cooperate with the Independent Appraiser(s) for such purpose and provide all information and documents requested by it;
9. the determination of the Fair Market Value of the Property pursuant to this Schedule C shall be final and binding on the Partners; and
10. the fees and expenses of the Independent Appraiser(s) shall be an expense of the Partnership.

**SCHEDULE C****PROCESS FOR DETERMINING FAIR MARKET VALUE OF THE PROPERTY**

If the Limited Partners are unable to agree on the Fair Market Value of the Property within 10 Business Days after the date on which it is determined that the Fair Market Value of the Property must be established (the "Determination Date"):

1. the Limited Partners shall appoint an Independent Appraiser to make such determination, provided that if they are unable to agree upon such appointment within 10 Business Days after the Determination Date, each Limited Partner will nominate an Independent Appraiser and the two Independent Appraisers so appointed shall promptly thereafter appoint a third Independent Appraiser;
2. if either Limited Partner fails to appoint an Independent Appraiser within the 10 Business Day period after the Determination Date, then the single Independent Appraiser appointed by the other Limited Partner shall determine the Market Value of the Property;
3. if two Independent Appraisers are appointed pursuant to paragraph 2 and they fail, within 10 Business Days after the date of the appointment of the later of them to be appointed, to appoint a third Independent Appraiser, then such Independent Appraiser shall be appointed by a Judge of the Ontario Superior Court of Justice upon the application of a Limited Partner;
4. each Limited Partner shall advise the other in writing of the Independent Appraiser appointed by it;
5. the Person applying to a Judge of the Ontario Superior Court of Justice to have a third Independent Appraiser appointed shall advise the other Limited Partner in writing of the Independent Appraiser appointed by the Judge;
6. within thirty (30) days after the date that the single or a third Independent Appraiser is appointed, each Independent Appraiser shall prepare and submit to the Partners a written report setting forth the Market Value of the Property;
7. the two appraisals that are closest in value shall be averaged and shall be the Fair Market Value of the Property for the purposes of this Agreement;
8. in preparing their reports, the Independent Appraiser(s) shall have access to all books of account and records of the Partnership relating to the Property and the Partners shall cooperate with the Independent Appraiser(s) for such purpose and provide all information and documents requested by it;
9. the determination of the Fair Market Value of the Property pursuant to this Schedule C shall be final and binding on the Partners; and
10. the fees and expenses of the Independent Appraiser(s) shall be an expense of the Partnership.

---

Appendix D**Equity Report for the October 5, 2024 EOORC Fall General Meeting**

The meeting in Renfrew had a few things that, from an Equity standpoint, were well done:

- Bathrooms: they were very conveniently located on the same floor as the meeting, including the handicap washroom
- Language for God during worship: God was not referred to as “He,” which was greatly appreciated, although other images for God besides Lord would be welcome
- Location: it was wonderful to host the Region in the Ottawa Valley. Having the meeting outside of Ottawa was deeply appreciated

On the other hand, there were a few points to consider for future meetings, especially of a hybrid nature:

- Pronouns: Rev. Tori Mullen prefers “they.” Several people referred to them using an inappropriate pronoun
- French motions for people in the room (when they are developed ahead of time): I understand that motions can change, but the ones that are written ahead of time and are standard motions can be translated and displayed in both official languages, both in the room and online
- Online integration: the online contingent was not fully integrated into the meeting. Would it be possible to assign a person in the room to monitor online activity and to ensure that the people joining via Zoom have as much input and feel as listened to as the people in the room? Having the tech people do both is a lot to ask
- Vegetarian meal: salad alone is NOT a valid option for vegetarians. There was no protein alternative. Vegetarians need to have the expectation of receiving an equivalent meal
- Table spacing: the tables were much too close to allow for mobility devices, such as walkers, wheelchairs, and strollers. It was also difficult for everyone to move from their tables to the serving tables when the time came for breaks and lunch
- Noise level in the room: people with hearing aids had trouble with the table talk. The ambient noise was so great that they could not fully participate in the discussions
- Worship: thank you for the great worship! Would it be possible to issue an open invitation for other participation to increase the diversity of both worship and the people involved in that aspect of the meetings?
- Diversity of presenters: all of the presentations were in English, with MHI presented again this meeting. It would be interesting to have presentations in other languages, if possible, and on a variety of topics
- Rural congregations: EOORC missed an opportunity to highlight the needs and gifts of rural congregations, who account for many of the communities of faith in this Region. It would have been nice for rural congregations to have presented a topic of their choosing at this meeting, such as the challenges they face that urban/suburban congregations do not, and how congregations of all stripes and support each other

Respectfully submitted by, Rev. Michelle Robichaud, Equity Monitor for the October 5, 2024 EOORC Meeting