STARLIGHT U.S. RESIDENTIAL (SINGLE-FAMILY) INVESTMENT LP

FIRST AMENDED AND RESTATED LIMITED PARTNERSHIP AGREEMENT

DATED AS OF NOVEMBER 15, 2021

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STARLIGHT U.S. RESIDENTIAL (SINGLE-FAMILY) INVESTMENT LP

FIRST AMENDED AND RESTATED LIMITED PARTNERSHIP AGREEMENT

THIS AGREEMENT dated as of November 15, 2021.

AMONG:

STARLIGHT U.S. RESIDENTIAL (SINGLE-FAMILY) INVESTMENT GP, INC., a corporation incorporated under the laws of the Province of Ontario (the "**General Partner**"),

- and -

STARLIGHT GROUP PROPERTY HOLDINGS INC., a corporation incorporated under the laws of British Columbia (the "**Initial Limited Partner**"),

- and –

STARLIGHT U.S. RESIDENTIAL FUND, a trust formed under the laws of the Province of Ontario (the "**Fund**"),

- and –

Each person who, from time to time, is subsequently admitted as a unitholder in Starlight U.S. Residential (Single-Family) Investment LP (the "**Partnership**") in accordance with the terms hereof.

WHEREAS

A. Pursuant to a Limited Partnership Agreement dated September 24, 2021 (the "**Initial LPA**"), the General Partner and the Initial Limited Partner established the Partnership and caused a Declaration to be filed and recorded, registering the Partnership as a limited partnership under the laws of the Province of Ontario;

B. Pursuant to the Initial LPA, the General Partner received the sum of ten dollars ($10.00) in the lawful currency of the United States from the Initial Limited Partner as the Initial Limited Partner's initial capital contribution to the Partnership to subscribe for one Class B Unit of the Partnership;

C. The General Partner made an initial capital contribution to the Partnership in the amount of ten dollars ($10.00) in the lawful currency of the United States in return for a 0.01% general partnership interest in the Partnership;

D. The Initial Limited Partner has made subsequent contributions totalling $4,986,243.89 and has acquired an additional 64,250 Class B Units of the Partnership, for an aggregate of 64,251 Class B Units;

E. The General Partner and the Initial Limited Partner now wish to amend and restate the Initial LPA in its entirety, to (i) following its contribution of $11,796,732.62 in the lawful currency of the United States to the capital of the Partnership as its initial capital contribution to the Partnership in return for 1,179,673.26 Class A Units (as defined herein) pursuant to the Subscription, Contribution and Distribution Agreement (as defined herein), admit the Fund as a limited partner of the Partnership, and (ii) provide for the terms and conditions governing the Partnership;

NOW THEREFORE in consideration of the premises and the mutual covenants herein contained, the parties hereto agree as follows:

ARTICLE 1
DEFINITIONS AND INTERPRETATIONS

1.1 Definitions

In this Agreement, unless the context otherwise requires, the following words or expressions shall have the following meanings:

"**Act**" means the *Limited Partnerships Act* (Ontario), as amended.

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

"**Affiliate**" means an affiliate as defined under National Instrument 45-106 – *Prospectus Exemptions*, as it exists upon the date hereof, subject to the terms "person" and "issuer" in such instrument being ascribed the same meaning as the term "Person" in this Agreement.

"**Agreement**" means this First Amended and Restated Limited Partnership Agreement.

"**Applicable Laws**" means, in respect of any Person, all laws, statutes, regulations, statutory rules, principles of common law or equity, orders and terms and conditions of any grant of approval, permission, authority or license of any governmental authority applicable to such Person or its business, undertaking and property having jurisdiction over the Person or its business, undertaking or property, in each case as amended from time to time.

"**Associate**" when used to indicate a relationship with a Person has the meaning ascribed thereto in the Securities Act.

"**Auditors**" means the firm of chartered accountants appointed as the auditors of the Partnership from time to time in accordance with the provisions hereof and, initially, means BDO Canada LLP.

"**Board**" means the board of trustees of the Fund.

"**Business Day**" means any day other than a Saturday, Sunday or statutory holiday in the Province of Ontario or any state in which any real property held by Subsidiaries of the Partnership are located.

"**Cash Flow**" means, for any Distribution Period:

(i) the sum of all cash amounts received by the Partnership for or in respect of such Distribution Period, including amounts received as a limited partner holding Holding SF LP Units pursuant to the terms of the Holding SF LP Agreement and all other income, interest, distributions, dividends, proceeds from the investment in Holding SF LP Units (other than by way of security interest), returns of capital and repayments of indebtedness, as well as all amounts received by the Partnership in any prior Distribution Period to the extent not previously distributed; less

(ii) all costs and expenses of the Partnership that, in the opinion of the General Partner, may reasonably be considered to have accrued and become owing in respect of, or which relate to, such Distribution Period or a prior Distribution Period if not accrued and owing in such prior period; less

(iii) without duplication, any interest expense incurred by the Partnership between distributions,

provided that any funds borrowed by the Partnership will not be included in the calculations of Cash Flow in respect of any Distribution Period.

"**Class A Units**" means the units of limited partnership interest in the Partnership, designated as "Class A Units".

"**Class B Units**" means the non-voting exchangeable units of limited partnership interest in the Partnership, designated as "Class B Units".

"**Client**" has the meaning given to it in Section 15.5.

"**Control**" has the meaning set out in National Instrument 45-106 – *Prospectus Exemptions*, as it exists upon the date hereof, if the term "person" therein was replaced "Person" as defined herein.

"**Declaration**" means the declaration of the General Partner forming the Partnership filed on September 24, 2021 pursuant to the Act, as the same may be amended, corrected or replaced from time to time.

"**Directors**" means the persons who have been or person who has been elected or appointed as the directors of the General Partner from time to time.

"**Distributable Cash Flow**" means, for any Distribution Period, an amount equal to the Cash Flow for such Distribution Period, less any amount that the General Partner may reasonably consider to be necessary to provide for the payment of any costs or expenses, including any tax liability of the Partnership that has been or is reasonably expected to be incurred in the activities and operations of the Partnership (to the extent that such costs or expenses have not otherwise been taken into account in the calculation of the Cash Flow) and less such reserves or amounts as are, in the opinion of the General Partner, necessary or desirable.

"**Distribution Payment Date**" in respect of any Distribution Period, means a date on which the Partnership distributes Distributable Cash Flow.

"**Distribution Period**" means each month of each calendar year, expected to commence on January 1, 2022, or such other periods as the General Partner may determine from time to time (with reference to the periods in respect of which distributions are payable by the Fund in accordance with the Fund Declaration).

"**Exchange Agreement**" means the exchange agreement to be entered into among the Fund, the Partnership and the Initial Limited Partner with respect to the rights provided herein for holders of Class B Units to exchange such units for Fund Class C Units in accordance with their terms.

"**Exchange Ratio**" has the meaning ascribed to it in Section 7.1(d)(viii).

"**Exchange Right**" means the right granted under the Exchange Agreement to the holder of Class B Units to cause the Fund to facilitate the exchange of each Class B Unit pursuant to its terms for Fund Class C Units based on the Exchange Ratio and in accordance with the Exchange Agreement.

“**Excluded Person**” means (i) a Non-Resident or a “financial institution” within the meaning of the Tax Act; (ii) a Person, an interest in which is a “tax shelter investment” for the purposes of the Tax Act; (iii) a Person which would acquire an interest in the Partnership as a “tax shelter investment” for the purposes of the Tax Act; or (iv) a Person who acts as a nominee on behalf of or for the benefit of a Person described in subsections (i) to (iii) of this definition.

“**Fiscal Year**” means a fiscal period of the Partnership, as defined in Section 2.4.

“**Former General Partner**” has the meaning set out in Section 5.6.

“**Fund**” means Starlight U.S. Residential Fund, the trust which was formed under the laws of Ontario and governed by the Fund Declaration.

“**Fund Class C Units**” means the trust units of the Fund, designated as “Class C Units” under the Fund Declaration.

“**Fund Declaration**” means the amended and restated declaration of trust of the Fund dated as of October 28, 2021, as it may be further amended and restated from time to time.

“**Fund Units**” trust units of the Fund, as may be issued in various classes.

“**General Partner**” means Starlight U.S. Residential (Single-Family) Investment GP, Inc. in its capacity as general partner of the Partnership, or any Person which is from time to time admitted as the general partner of the Partnership in accordance with the terms of this Agreement.

“**herein**”, “**hereof**”, “**hereby**”, “**hereunder**” and similar expressions refer to this Agreement and include every instrument supplemental or ancillary to or in implementation of this Agreement and, except where the context otherwise requires, does not refer to any particular article, section or other portion hereof or thereof.

“**Holding GP**” means Starlight U.S. Residential Holding (GP) L.P., a Delaware limited partnership to be established pursuant to the laws of Delaware.

“**Holding SF LP**” means Starlight U.S. Residential (Single-Family) Holding L.P., a Delaware limited partnership to be established pursuant to the laws of Delaware.

“**Holding SF LP Agreement**” means the limited partnership agreement among the Partnership, the Holding GP and all persons who become holders of Holding SF LP Units as provided therein, as such agreement may be amended, restated and/or supplemented from time to time.

“**Holding SF LP Units**” means limited partnership units of the Holding SF LP.

“**IFRS**” means International Financial Reporting Standards, issued by the International Accounting Standards Committee, and as adopted by the Canadian Institute of Chartered Accountants in Part I of the Canadian Institute of Chartered Accountants Handbook – Accounting, as amended from time to time.

“**Initial Limited Partner**” means Starlight Group Property Holdings Inc.

“**Limited Partner**” means a Person that is admitted as a limited partner pursuant to the terms herein and who is the beneficial owner of one or more Units, including the Initial Limited Partner and the Fund.

“**Net Income**” or “**Net Loss**” means, for accounting purposes, the net income or net loss of the Partnership for a Fiscal Year as determined in accordance with IFRS.

“**New General Partner**” has the meaning set out in Section 5.6.

“**Non-Resident**” means either a “non-resident” of Canada within the meaning of the Tax Act or a partnership that is not a “Canadian partnership” within the meaning of the Tax Act.

“**Ordinary Resolution**” means a resolution of Limited Partners approved by not less than 50% of the votes cast by those persons who being entitled to do so vote in person or by proxy at a duly convened meeting of Limited Partners, or a written resolution signed by the Limited Partners entitled, in the aggregate, to not less than 50% of the aggregate number of votes attached to Units entitled to vote.

“**Partners**” means the General Partner and the Limited Partners and “**Partner**” means any one of them.

“**Partnership**” means Starlight U.S. Residential (Single-Family) Investment LP, a limited partnership which is formed under the laws of Ontario and governed by this Agreement.

“**Person**” includes any individual, firm, partnership, limited partnership, limited liability partnership, joint venture, venture capital fund, limited liability company, unlimited liability company, association, trust, trustee, executor, administrator, legal personal representative, estate, group, body corporate, trust, unincorporated association or organization, governmental authority, syndicate or other entity, whether or not having legal status, however designated or constituted.

“**Prospectus**” means the final prospectus of the Fund dated October 28, 2021, filed with the securities commissions or similar authorities in the provinces of Canada, as may be amended.

“**real property**” means property which in law is real property and includes, whether or not the same would in law be real property, leaseholds, mortgages, undivided joint interests in real property (whether by way of tenancy-in-common, joint tenancy, co-ownership, joint venture or otherwise), any interests in any of the foregoing and the Securities of trusts, corporations or partnerships the sole or principal purpose and activity of which is to directly or indirectly invest in, hold and/or deal in real property.

“**Record**” has the meaning ascribed thereto in Section 7.9.

“**Record Date**” means the date established by the General Partner for determining:

(i) the identity of Limited Partners entitled to notice of any meeting of Partners or entitled to consent to an action in writing without a meeting or entitled to exercise rights in respect of any lawful action of Partners; or

(ii) the identity of Limited Partners entitled to receive any report or distribution, and unless otherwise specified by the General Partner a Record Date shall mean, as of any particular Business Day, the opening of business on such Business Day.

“**Securities**” means any shares, units, partnership interests, joint venture interests or other securities of Persons that hold real property or an interest therein.

“**Securities Act**” means the *Securities Act* (Ontario), and the regulations thereunder, as amended.

“**Special Resolution**” means a resolution approved by not less than 66 2/3% of the votes cast, in person or by proxy, by holders of the applicable Units at a duly convened meeting of such holders, or a written resolution signed by the holders holding, in the aggregate, not less than 66 2/3% of the aggregate number of votes attached to applicable Units.

“**Special Voting Units**” means the special voting units of the Fund that represent voting rights in the Fund that accompany the Class B Units.

“**Standard of Care**” has the meaning given to it in Section 5.1.

“**Subscription, Contribution and Distribution Agreement**” means that certain Subscription, Contribution and Distribution Agreement dated of even date herewith pursuant to which, among other things, the Fund will subscribe for 1,179,673.26 Class A Units of the Partnership;

“**Subsidiary**” includes, with respect to any Person, an entity Controlled, directly or indirectly, by such Person and, in respect of the Partnership, shall include the Holding SF LP, the U.S. SF REIT and any special purpose vehicle Controlled by the U.S. SF REIT and “Subsidiaries” means any two or more of them.

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

“**Taxable Income**” and “**Taxable Loss**” means, the income or loss of the Fund as determined under the Tax Act by the General Partner.

“**Taxes**” means all forms of taxation, whether direct or indirect and whether levied by reference to income, profits, gains, net wealth, asset values, turnover, added value or other reference and statutory, governmental, national, federal, state, provincial, local governmental or municipal impositions, duties, contributions and levies (including social security contributions, national insurance contributions and any other payroll taxes), whenever and wherever imposed (whether imposed by way of a withholding or deduction for or on account of tax or otherwise) and in respect of any Person, and all penalties, charges, costs and interest relating thereto.

“**Unit**” means, as the context may require, a Class A Unit or a Class B Unit, and “**Units**” means any one or more of them.

“**Unit Certificate**” means a certificate in the form stipulated by Section 7.14, evidencing one or more Class A Units or Class B Units, as the case may be, issued and certified in accordance with the provisions hereof.

“**U.S.**” means the United States of America.

“**U.S. SF REIT**” means Starlight U.S. Residential (Single-Family) REIT Inc., a Maryland corporation.

“**U.S. SF REIT Common Stock**” means the common stock not having par value of the U.S. SF REIT.

“**U.S. SF REIT Notes**” means the subordinated unsecured promissory notes that may be issued by the U.S. SF REIT to the Holding SF LP.

“**Withholding Distribution**” has the meaning given to it in Section 8.7.

1.2 **Day Not a Business Day**

Except as expressly specified in this Agreement, in the event that any day on which any amount is to be determined or any action is required to be taken hereunder is not a Business Day, then such amount shall be determined or such action shall be required to be taken at or before the requisite time on the next succeeding day that is a Business Day except as otherwise provided herein.

1.3 **Interpretation**

For all purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires:

(a) the headings are for convenience only and do not form a part of this Agreement nor are they intended to interpret, define or limit the scope, extent or intent of this Agreement or any provision hereof;

(b) all accounting terms not otherwise defined herein have the meanings assigned to them and all computations made pursuant to this Agreement, except as expressly provided otherwise, shall be made in accordance with Canadian generally accepted accounting principles applied on a consistent basis;

(c) any reference to a statute shall include and shall be deemed to be a reference to such statute and to the regulations made pursuant thereto, with all amendments made thereto and in force from time to time, and to any statute or regulation that may be passed which has the effect of supplementing or superseding the statute so referred to or the regulations made pursuant thereto;

(d) any reference to an entity shall include and shall be deemed to be a reference to any entity that is a successor to such entity;

(e) words importing the masculine gender include the feminine gender or neuter gender and words in the singular include the plural, and vice versa; and

(f) “including” means including, without limitation.

ARTICLE 2
THE LIMITED PARTNERSHIP

2.1 **Formation**

The Partnership is a limited partnership formed by the General Partner and the Initial Limited Partner pursuant to the provisions of the Act for the purposes of carrying on the business and activities of the Partnership, and a declaration in respect of the Partnership was filed under the Act on September 24, 2021. The provisions of this Agreement shall hereafter govern and define the respective rights, proceeds, revenues, benefits, liabilities, interests, powers and obligations between the Partners with respect to the Partnership.

Effective as of the execution and delivery of this Agreement, the Fund has been admitted to the Partnership as a Limited Partner and hereby assumes all rights and obligations of a Limited Partner hereunder and under Applicable Laws as if the Fund were an initial Limited Partner of the Partnership.

2.2 **Name of Partnership**

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

2.3 **Maintaining Status**

The General Partner, as the general partner of the Partnership, shall do all things and shall cause to be executed and filed such certificates, declarations, instruments and documents as may be required under the laws of the Province of Ontario or the laws of any other province or state having jurisdiction, to reflect the constitution of the Partnership. The General Partner and each Limited Partner shall execute and deliver as promptly as possible any documents that may be necessary or desirable to accomplish the purposes of this Agreement. The General Partner shall take all necessary actions on the basis of information available to it in order to maintain the status of the Partnership as a limited partnership under the Act.

2.4 **Fiscal Period**

The fiscal period of the Partnership shall end in each and every year on December 31, or as the General Partner may determine, having reference to the requirements of the Tax Act and the best interests of the Limited Partners (the "**Fiscal Year**").

2.5 **Business of the Partnership**

The business of the Partnership is restricted to investing in Holding SF LP Units, in accordance with the investment restrictions and operating policies set out in Article 6 hereof. The Partnership may also engage in such other endeavors or activities that are related or incidental to the foregoing in each case with a view to profit for the benefit of the Partners, provided that the Partnership shall engage in such activities in such a manner as to ensure, to the greatest extent possible, the limited liability of the Limited Partners and subject at all times to the provisions of Article 6.

2.6 **Principal Place of Business**

The principal place of business and mailing address of the Partnership and the General Partner shall be 3280 Bloor Street West, Suite 1400, Toronto, Ontario, Canada, M8X 2X3 unless changed by the General Partner to another location in Canada. The Partnership may have such other offices or places for the conduct of its affairs as the General Partner may from time to time determine as necessary or desirable.

2.7 **Term**

The Partnership shall exist from the date of the filing of the Declaration and shall continue until it is dissolved and liquidated in accordance with this Agreement and the Act. The Partnership will not be dissolved or terminated by the assignment of an interest in the Partnership or by the bankruptcy, insolvency, dissolution, liquidation, winding-up or receivership of a Limited Partner provided that at least one other Limited Partner remains.

2.8 **Title to Partnership Assets**

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

2.9 **Private Issuer Restrictions**

Notwithstanding any other provisions in this Agreement, as contemplated by National Instrument 45-106 – *Prospectus Exemptions*, unless otherwise determined in writing by the General Partner: (i) the number of Partners will be limited to no more than fifty (50), (ii) the right to transfer Units is restricted as provided in this Agreement, and (iii) any invitation to the public to subscribe for Units is prohibited.

2.10 **Limitation on Authority of Limited Partners**

A Limited Partner may from time to time inquire as to the state and progress of the business of the Partnership and may provide comment as to its management; however, no Limited Partner, other than the General Partner in its capacity as a general partner of the Partnership, shall:

(a) take part in the control or management of the business of the Partnership;

(b) execute any document which binds or purports to bind the Partnership, the General Partner, or any other Limited Partner as such;

(c) hold himself, herself or itself out as having the power or authority to bind the Partnership, the General Partner, or any other Limited Partner as such;

(d) have any authority to undertake any obligation or responsibility on behalf of the Partnership; or

(e) bring any action for partition or sale in connection with the Partnership's interest in the assets of the Partnership, whether real or personal, or register or permit any lien or charge in respect of the Units of such Limited Partner to be filed or registered or remain undischarged against the Partnership's interest in its assets or in respect of such Limited Partner's interest in the Partnership.

The Limited Partners shall comply with the provisions of the Act in force or in effect from time to time and shall not take any action which will jeopardize or eliminate the status of the Partnership as a limited partnership under the Act.

2.11 **Number of Partners**

The Partnership shall at all times have at least two Partners, of which at least one will be a general partner.

2.12 **Current Partners**

As of the date hereof, the current partners of the Partnership are or will be: (a) the Fund, as a limited partner of the Partnership, which will hold 1,179,673.26 Class A Units following the closing of the transactions contemplated by the Subscription, Contribution and Distribution Agreement, (b) the Initial Limited Partner, as a limited partner of the Partnership, holding 64,251 Class B Units; and (c) the General Partner, as general partner of the Partnership, holding an un-unitized 0.01% general partner interest.

2.13 **Additional Capital Contributions**

No Limited Partner will be required to make additional capital contributions to the Partnership over and above the purchase price paid for such Limited Partner's Units.

ARTICLE 3
OBLIGATIONS OF PARTNERS

3.1 **Unlimited Liability of the General Partner**

The General Partner has unlimited liability for the debts, liabilities, losses and obligations of the Partnership.

3.2 **Limited Liability of Limited Partners**

Subject to the provisions of the Act and any specific assumption of liability, the liability of each limited partner that is a Limited Partner for the debts, liabilities, losses and obligations of the Partnership is limited to the amount of such Limited Partner's capital contribution plus his *pro rata* share of the undistributed income of the Partnership. Limited Partners may lose the protection of limited liability by taking part in the control of the business of the Partnership as set out in Section 2.10. In all cases other than the possible loss of limited liability, a Limited Partner shall have no further personal liability or liabilities and obligations and shall not be liable for any further calls or assessments or further contributions to the Partnership. However, as a result of a distribution to the Limited Partners, the Limited Partners and the General Partner may be bound to return to the Partnership such part of any amount distributed to them as may be necessary to restore the capital of the Partnership to its existing amount before such distribution if, as a result of such distribution, the capital of the Partnership is reduced and the Partnership is unable to pay its debts as they become due.

3.3 **Indemnity by the General Partner**

(a) The General Partner will indemnify and save harmless each Limited Partner from and against any and all costs, damages, liabilities or losses incurred by a Limited Partner as a result of the liability of the Limited Partner not being limited in the manner herein described directly as a result of any breach by the General Partner of its duties or Standard of Care under this Agreement, except where caused by the act or omission of such Limited Partner.

(b) The General Partner will indemnify and save harmless the Partnership from and against any and all costs, damages, liabilities and losses incurred by the Partnership as a result of any breach by the General Partner of its duties or Standard of Care under this Agreement, including reasonable legal expenses incurred by the Partnership in defending an action based in whole or in part upon an allegation that the General Partner has been guilty of such breach if such defence is substantially unsuccessful.

3.4 **Representations, Warranties and Covenants of the General Partner and Limited Partners**

(a) The General Partner hereby represents, warrants and covenants to the Limited Partners as follows:

(i) the General Partner is a body corporate, duly incorporated under the laws of Ontario and it is and shall continue to be in good standing under the said laws and under the laws of any jurisdiction where it carries on business and it is not a "non-resident" within the meaning of the Tax Act;

(ii) the General Partner has and shall continue to have the capacity to act as the General Partner and its obligations herein do not conflict with nor constitute a default under its articles of incorporation, its by-laws or any agreement by which it is bound;

(iii) the General Partner has taken all necessary action to authorize the execution, delivery and performance of this Agreement, and this Agreement constitutes a valid and binding obligation of the General Partner, enforceable against it in accordance with the terms of this Agreement;

(iv) the General Partner holds and shall maintain the registrations and filings (and any amendments thereto and renewals thereof) necessary for the conduct of its business and activities and has and shall continue to have all licences and permits necessary to carry on its business and activities as a general partner of the Partnership in all jurisdictions where the activities of the Partnership require such licensing or other form of registration;

(v) the General Partner shall exercise the powers conferred to it hereunder in pursuance of the business of the Partnership and in accordance with Article 6 hereof;

(vi) the General Partner will do all things and take all actions as may be necessary to ensure and protect, to the extent reasonably possible, the limited liability of the Limited Partners; and

(vii) the General Partner will devote to the conduct of the affairs of the Partnership such time as may be reasonably required for the proper management of the affairs of the Partnership.

(b) Each of the Limited Partners severally represents and warrants to the General Partner and each other Limited Partner that such Limited Partner has the capacity and competence and, if a corporation, the necessary corporate authority, to enter into this Agreement, and that such Limited Partner is not an Excluded Person.

3.5 **Survival of Representations, Warranties and Covenants**

The representations, warranties and covenants contained in Section 3.4 shall remain valid after the execution of this Agreement and the General Partner and each Limited Partner covenants and agrees to ensure that each representation and warranty made pursuant to Section 3.4 remains true so long as such party remains the general partner of the Partnership or a Limited Partner, as the case may be.

3.6 **Business in Other Jurisdictions**

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

(b) The General Partner will carry on business for and on behalf of the Partnership in a manner so as to ensure to the greatest extent possible the limited liability of the Limited Partners, and the General Partner will register the Partnership in other jurisdictions where the General Partner considers it appropriate to do so.

ARTICLE 4
THE GENERAL PARTNER

4.1 **General Powers and Duties of the General Partner**

Subject to Section 5.4, Article 6, and Section 9.6, and subject to the provisions of the Act, the General Partner shall carry on the business and affairs of the Partnership with the full power and authority to administer, manage, control and operate the business of the Partnership, and to do or cause to be done any act, take or cause to be taken any proceeding, make or cause to be made any decision and execute and deliver or cause to be executed and delivered any instrument, deed, agreement or document necessary, appropriate or incidental to the carrying on of the business of the Partnership. No person dealing with the Partnership is required to enquire into the authority of the General Partner to do any act, take any proceeding, make any decision or execute and deliver any instrument, deed, agreement or document for or on behalf of or in the name of the Partnership. The General Partner may execute any document or instrument under seal or without a seal as it deems appropriate notwithstanding whether or not any document authorizing it to act on behalf of the Partnership or any Limited Partner was executed under seal.

The General Partner shall perform its duties and obligations hereunder in a manner which is at all times consistent with assisting the Partnership to carry on its business and affairs in compliance with the terms and conditions of the Fund Declaration and the General Partner acknowledges that it has been provided with and reviewed and is familiar with the Fund Declaration.

4.2 **Specific Powers of the General Partner**

Without limiting the generality of Section 4.1 hereof, but subject to Section 5.4, Article 6 and Section 9.6, and subject to the provisions of the Act, it is acknowledged and agreed that the General Partner is authorized, at all appropriate times and from time to time, on behalf of and without further authority from the Limited Partners, to do all things which in its sole judgment are necessary, proper or desirable to carry on the activities and purposes of the Partnership including the following:

(a) to retain and invest, and reinvest, the capital or other funds of the Partnership, to hold the property and assets of the Partnership in safekeeping and take other actions besides the mere protection and preservation of the property of the Partnership;

(b) to invest, directly or indirectly, in Holding SF LP Units, U.S. SF REIT Common Stock and U.S. SF REIT Notes (if any);

(c) to negotiate, execute and perform all agreements which require execution by or on behalf of the Partnership involving matters or transactions with respect to the Partnership's activities in accordance with the terms of this Agreement;

(d) to sell, rent, lease, hire, exchange, release, partition, assign, mortgage, pledge, hypothecate, grant security interests in, encumber, negotiate, convey, transfer or otherwise dispose of any or all of the property of the Partnership by deeds, trust deeds, assignments, bills of sale, transfers, leases, mortgages, financing statements, security agreements and other instruments for any of such purposes executed and delivered for and on behalf of the Partnership by the General Partner;

(e) subject to Article 6, to borrow money from or incur indebtedness to any person; to guarantee, indemnify or act as surety with respect to payment or performance of obligations of third parties; to enter into other obligations on behalf of the Partnership; and to assign, convey, transfer, mortgage, subordinate, pledge, grant security interests in, encumber or hypothecate the property of the Partnership to secure any of the foregoing; in each case for the purpose of carrying out the purposes of the Partnership or for other expenses incurred in connection with the Partnership and for such purposes to draw, make, execute and issue promissory notes and other negotiable and non-negotiable instruments or securities and evidences of indebtedness, secure the payment of sums so borrowed or indebtedness incurred and mortgage, pledge, assign or grant a security interest in any money owing to the Partnership or its property or engage in any other means of financing the Partnership;

(f) to lend money or other property of the Partnership, whether secured or unsecured;

(g) to incur and pay out of the property of the Partnership any charges or expenses and disburse any funds of the Partnership, which charges, expenses or disbursements are, in the opinion of the General Partner, necessary or incidental to or desirable for the carrying out of any of the purposes of the Partnership or conducting the affairs of the Partnership including Taxes or other governmental levies, charges and assessments of whatever kind or nature, imposed upon or against the General Partner in connection with the Partnership or the property of the Partnership or upon or against the property of the Partnership or any part thereof and for any of the purposes herein;

(h) to deposit funds of the Partnership in banks, trust companies and other depositories, whether or not such deposits will earn interest, the same to be subject to withdrawal on such terms and in such manner and by such person or persons (including any one or more Directors, officers, agents or representatives) as the General Partner may determine;

(i) to possess and exercise all the rights, powers and privileges pertaining to the ownership of or interest in all or any Securities issued or created by, or interest in, any Person, forming part of the assets of the Partnership, to the same extent that an individual might and, without limiting the generality of the foregoing, to vote or give any consent, request or notice, or waive any notice, either in person or by proxy or power of attorney, with or without power of substitution, to one or more persons, which proxies and powers of attorney may be for meetings or action generally or for any particular meeting or action and may include the exercise of discretionary power;

(j) to consent, or otherwise participate in or dissent from, the reorganization, consolidation, amalgamation, merger or readjustment of the finances of any Person (other than the Partnership), any of the Securities of which may at any time be held by the Partnership or to the sale, mortgage or lease of the property of any such Person; and to do any act with reference thereto, including the delegation of discretionary power, the exercise of options, the making of agreements or subscriptions and the payment of expenses, assessments or subscriptions which it may consider necessary or advisable in connection therewith;

(k) to collect, sue for and receive sums of money coming due to the Partnership, and to engage in, intervene in, prosecute, join, defend, compromise, abandon or adjust, by arbitration or otherwise, any actions, suits, proceedings, disputes, claims, demands or other litigation relating to the Partnership, the assets of the Partnership or the Partnership's affairs, to enter into agreements therefor whether or not any suit is commenced or claim accrued or asserted and, in advance of any controversy, to enter into agreements regarding the arbitration, adjudication or settlement thereof;

(l) to renew, modify, release, compromise, extend, consolidate or cancel, in whole or in part, any obligation to or of the Partnership;

(m) to purchase and pay for, out of the assets of the Partnership, insurance contracts and policies insuring the assets of the Partnership against any and all risks and insuring the Partnership and/or any or all of the General Partner, the Limited Partners or officers of the Partnership against any and all claims and liabilities of any nature asserted by any person arising by reason of any action alleged to have been taken or omitted by the Partnership or by the General Partner, the Limited Partners or the officers of the Partnership;

(n) to cause legal title to any of the assets of the Partnership to be held by and/or in the name of the General Partner, or by and/or in the name of the Partnership or any other Person, on such terms, in such manner with such powers in such Person as the General Partner may determine, provided, however, that should legal title to any of the assets of the Partnership be held by and/or in the name of any Person or Persons other than the Partnership, the General Partner shall require such Person or Persons to execute an agreement acknowledging that legal title to such assets is held in trust for the benefit of the Partnership;

(o) to cause the Partnership to timely elect to be classified as a "corporation" for U.S. federal income tax purposes effective as of the date of formation of the Partnership;

(p) to determine conclusively the allocation to capital, income or other appropriate accounts for all receipts, expenses, disbursements and property of the Partnership;

(q) to prepare, sign and file or cause to be prepared, signed and filed any prospectus, offering memorandum or similar document, and any amendment thereto and all agreements contemplated therein or ancillary thereto or relating to or resulting from any offering of the

Units and to pay the cost thereof and related thereto out of the property of the Partnership whether or not such offering is or was of direct benefit to the Partnership;

(r) to ensure compliance with Applicable Laws;

(s) to the extent permitted by law to indemnify, or enter into agreements with respect to the indemnification of, any person with whom the Partnership has dealings, to such extent as the General Partner shall determine;

(t) to determine conclusively the value of any or all of the property of the Partnership from time to time and, in determining such value, to consider such information and advice as the General Partner, in its sole judgment, may deem material and reliable;

(u) to act as transfer agent and registrar for Units, or retain another Person to so act;

(v) to engage such counsel and other professional advisers or consultants, including legal counsel, auditors and property appraisers, as the General Partner considers advisable in order to perform its duties hereunder;

(w) to open and operate, either in its own name or in the name of the Partnership, a separate bank account in order to deposit and to distribute funds with respect to the Partnership;

(x) to execute, deliver and carry out all other agreements, documents and instruments which from time to time require execution by or on behalf of the Partnership;

(y) to pay all Taxes, fees and other expenses relating to the orderly maintenance, repair, management and operation of the business of the Partnership;

(z) to act on behalf of the Partnership with respect to any and all actions and other proceedings pertaining to the Partnership, brought by or against the Partnership;

(aa) to provide or arrange for the provision of such financial and other reporting functions as may be required by the provisions hereof or Applicable Laws;

(bb) to make distributions of Distributable Cash Flow;

(cc) to borrow money as necessary to pay distributions to Limited Partners, and encumber any property of the Partnership in respect thereof;

(dd) to provide all requisite office accommodations and associated facilities for the Partnership and to provide or cause to be provided to the Partnership all other administrative and other services and facilities required by the Partnership, including property appraisal services;

(ee) to appoint the auditors of the Partnership;

(ff) to sell any Securities owned by the Partnership and to undertake any and all action necessary or desirable to complete the direct or indirect acquisition or sale of a real property directly or indirectly held by the Partnership or a Subsidiary of the Partnership, including the execution and delivery of any agreements and documents relating to such acquisition or disposition and maintaining or causing to be maintained complete records of any such acquisition or disposition;

(gg) to continue the Partnership to another jurisdiction provided that such continuance shall not, in the opinion of the General Partner based on the advice of its legal counsel, be prejudicial to Limited Partners;

(hh) to execute any and all other deeds, documents and instruments and to do or cause to be done all acts and things as may be necessary or desirable to carry out the intent and purpose of this Agreement, including retaining qualified agents to carry out any of the foregoing; and

(ii) to do all such other acts and things as are incidental to the foregoing, and to exercise all powers that are necessary or useful to promote any of the purposes for which the Partnership is formed and to carry out the provisions of this Agreement.

4.3 **Further Powers of the General Partner**

(a) The General Partner shall have the power to, except as prohibited by law, delegate from time to time to the Partnership's employees, consultants, agents and other persons, the doing of such things and the exercise of such powers as the General Partner may from time to time deem expedient, so long as any such delegation does not relieve the General Partner of any of its obligations, is not inconsistent with any other provisions hereof, and subject at all times to the general control and supervision of the General Partner as provided for herein.

(b) The General Partner shall have the power to prescribe any form provided for or contemplated by this Agreement. The General Partner may make, adopt, amend, or repeal regulations containing provisions relating to the Partnership, the conduct of its affairs, the rights or powers of the General Partner and the rights or powers of the Limited Partners or officers, provided that such regulations shall not be inconsistent with law or with this Agreement and not, in the reasonable opinion of the General Partner based on the advice of its legal counsel, be prejudicial to Limited Partners. The General Partner shall also be entitled to make any reasonable decisions, designations or determinations not inconsistent with law or with this Agreement which it may determine are necessary or desirable in interpreting, applying or administering this Agreement or in administering, managing or operating the Partnership. To the extent of any inconsistency between this Agreement and any regulation, decision, designation or determination made by the General Partner, this Agreement shall prevail and such regulation, decision, designation or determination shall be deemed to be modified to eliminate such inconsistency. Any regulations, decisions, designations or determinations made in accordance with this section shall, absent manifest error, be conclusive and binding upon all persons affected thereby.

(c) The General Partner shall be authorized to act for and on behalf of the Partnership for purposes of subsection 165(1.15) of the Tax Act.

4.4 **Banking**

The banking activities of the Partnership, or any part thereof, including the operation of the Partnership's accounts; the making, signing, drawing, accepting, endorsing, negotiation, lodging, depositing or transferring of any cheques, promissory notes, drafts, acceptances, bills of exchange and orders for the payment of money; the giving of receipts for orders relating to any property of the Partnership; the execution of any agreement relating to any property of the Partnership; the execution of any agreement relating to any such banking activities and defining the rights and powers of the parties thereto; and the authorizing of any officer of such bank to do any act or thing on the Partnership's behalf to facilitate such banking activities, shall be transacted with such bank, trust company, or other firm or corporation carrying on a banking business as the General Partner may designate, appoint or authorize from time to time and shall be transacted on the Partnership's behalf by one or more Directors or officers of the Partnership as the General Partner may designate, appoint or authorize from time to time.

4.5 **Safekeeping of Assets**

The General Partner is responsible for the safekeeping and use of all of the funds or assets of the Partnership, whether or not in its immediate possession or control, and will not employ or permit another to employ the funds or assets of the Partnership except for the exclusive benefit of the Partnership.

4.6 **Fees and Expenses**

As part of the expenses of the Partnership, the General Partner may pay or cause to be paid out of the Partnership's property, reasonable fees, costs and expenses incurred in connection with the administration and management of the Partnership, including fees of auditors, accountants, lawyers, engineers, appraisers and other agents, consultants and professional advisors employed by or on behalf of the Partnership, and the cost of reporting or giving notices to Limited Partners. All costs, charges and expenses properly incurred by the General Partner on behalf of the Partnership shall be payable out of the Partnership's property.

4.7 **Reimbursement of General Partner**

The General Partner is entitled to reimbursement by the Partnership for all reasonable third party costs and expenses actually incurred by it on behalf of the Partnership in the ordinary course of business or other reasonable costs and expenses incidental to acting as General Partner to the Partnership which are incurred provided that the General Partner is not in default of its duties hereunder, in connection with such costs and expenses.

4.8 **Appointment of Successor General Partner**

The holders of Class A Units may appoint by Special Resolution a corporation to serve as a successor general partner as required by Sections 4.9, 4.10 and 4.11. To the extent the holders of Class A Units do not by Special Resolution appoint a successor general partner within thirty (30) days of notice that such appointment is required by Sections 4.9, 4.10 and 4.11, then the General Partner covenants and agrees to appoint a corporation to act as a successor general partner. If for any reason a successor general partner is not appointed upon the occurrence of an event described in Sections 4.9, 4.10 and 4.11 then, provided there is at least one other Limited Partner, the General Partner shall be deemed to be appointed as the successor general partner and the General Partner agrees to act as such, effective as of the occurrence of such event.

4.9 **Retirement of the General Partner**

The General Partner hereby agrees and covenants that it will not retire, resign or otherwise withdraw from the Partnership prior to the appointment of a successor general partner who shall agree to be bound by the provisions of this Agreement. The resignation or withdrawal of the General Partner shall not be effective until such time as a successor is appointed in accordance with Section 4.8. The Partnership and the Limited Partners shall have the right to enforce this Section 4.9 without the consent or joinder of the General Partner and the General Partner and any successor general partner hereby consent to any equitable remedies, including temporary and/or permanent injunctions or specific performance preventing the retirement or withdrawal of the General Partner or any successor General Partner. Upon the retirement or withdrawal of the General Partner, the General Partner and the successor general partner hereby covenant and agree to continue the business of the Partnership without interruption.

4.10 **Bankruptcy of the General Partner**

The General Partner hereby agrees and covenants that it will not file or otherwise commence bankruptcy proceedings prior to the appointment of a successor General Partner who shall agree to be bound by the provisions of this Agreement. Any filing or commencement of bankruptcy proceedings in respect of the General Partner shall not be effective until such time as a successor is appointed in accordance with Section 4.8. The Partnership and the Limited Partners shall have the right to enforce this Section 4.10 without the consent or joinder of the General Partner and the General Partner and any successor general partner hereby consent to any equitable remedies, including temporary and/or permanent injunctions or specific performance preventing such filings or proceedings. Upon the bankruptcy of the General Partner, the successor to the General Partner hereby covenants and agrees to continue the business of the Partnership without interruption.

4.11 **Dissolution of General Partner**

The General Partner hereby agrees and covenants that it will not dissolve, liquidate or otherwise cease to exist prior to the appointment of a successor general partner who shall agree to be bound by the provisions of this Agreement. The Partnership and the Limited Partners shall have the right to enforce this Section 4.11 without the consent or joinder of the General Partner and the General Partner and any successor general partner hereby consent to any equitable remedies, including temporary and/or permanent injunctions or specific performance preventing the dissolution or withdrawal, of the General Partner or any successor general partner. Upon the dissolution or withdrawal of the General Partner after the appointment of a successor in accordance with Section 4.8, the General Partner and the successor to the General Partner hereby covenant and agree to continue the business of the Partnership without interruption.

4.12 **Prohibition on Non-Corporate General Partners**

The Partners hereby covenant and agree that no individuals or entities, other than corporations resident in Canada (for the purposes of the Tax Act), may be admitted as general partner of the Partnership and that any successor general partner admitted to the Partnership will be a corporation resident in Canada (for the purposes of the Tax Act).

ARTICLE 5
MATTERS PERTAINING TO THE GENERAL PARTNER

5.1 **Standard of Care**

The General Partner covenants that it will exercise its powers and discharge its duties under this Agreement honestly, in good faith, and with a view to the best interests of the Partnership and the Limited Partners, and that it will exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances (the "**Standard of Care**"), and will maintain the confidentiality of financial and other information and data which it may obtain through or on behalf of the Partnership, the disclosure of which may adversely affect the interests of the Partnership or a Limited Partner, except to the extent that disclosure is required by law or is viewed by the General Partner to be in the best interests of the Partnership, and it will utilize the information and data only for the business of the Partnership. The General Partner shall be entitled to retain advisors, experts and consultants to assist it in the exercise of its powers and the performance of its duties hereunder.

5.2 **<u>Transactions Involving Affiliates or Associates</u>**

The validity of a transaction, agreement or payment involving the Partnership and the General Partner or an Affiliate or Associate of the General Partner is not affected by reason of the relationship between the General Partner or an Affiliate or Associate thereof or by reason of the approval or lack thereof of the transaction, agreement or payment by the Directors, all of whom may be officers, directors, or employees of, or otherwise interested in or related to such Affiliate or Associate.

5.3 **<u>Indemnity of the General Partner</u>**

(a) To the fullest extent permitted by law, but subject to the limitations expressly provided in this Agreement, the General Partner, any Person who is or was an Affiliate of the General Partner, any Person who is or was an officer, director, employee, partner, agent or trustee of the General Partner or any of their respective Affiliates (collectively, an "**Indemnitee**") shall 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), judgments, fines, settlements and other amounts arising from any and all claims, demands, actions, suits or proceedings, whether civil, criminal, administrative or investigative, in which any Indemnitee may be involved, or is threatened to be involved, as a party or otherwise, by reason of its status as:

(i) the General Partner or its Affiliate; or

(ii) an officer, director, employee, partner, agent or trustee of the General Partner or any of its respective Affiliates; or

(iii) a Person serving at the request of the General Partner or any of its Affiliates as a director, officer, employee, agent or trustee of another Person;

provided, that

(iv) in each case the Indemnitee acted in accordance with the Standard of Care and is not otherwise in material breach of this Agreement;

(v) in the case of a criminal or administrative action or proceeding that is enforced by monetary penalty, the Indemnitee had reasonable grounds for believing its conduct was lawful; and

(vi) no indemnification pursuant to this Section 5.3 will be available to an Indemnitee where the Indemnitee has been adjudged by a final decision of a court of competent jurisdiction in any Province of Canada that is no longer appealable to have been grossly negligent or to have engaged in wilful misconduct or to have acted fraudulently in the performance of its obligations under this Agreement or breached the Standard of Care. The termination of any action, suit or proceeding by judgment, order, settlement or conviction will not create a presumption that the Indemnitee acted in a manner contrary to that specified above.

Any indemnification pursuant to this Section 5.3 will be made only out of the assets of the Partnership.

(b) To the fullest extent permitted by law, expenses (including legal fees and expenses) incurred by an Indemnitee in defending any claim, demand, action, suit or proceeding will, from time to time, be advanced by the Partnership prior to the final disposition of any claim, demand, action, suit or proceeding upon receipt by the Partnership of an undertaking by or on behalf of the Indemnitee to repay that amount if it is determined that the Indemnitee is not entitled to be indemnified as authorized in this Section 5.3.

(c) The indemnification provided by this Section 5.3 will be in addition to any other rights to which an Indemnitee may be entitled under any agreement, pursuant to any vote of the Limited Partners, as a matter of law or otherwise, as to actions in the Indemnitee's capacity as:

(i) the General Partner or any of its Affiliates;

(ii) an officer, director, employee, partner, agent or trustee of the General Partner or any of its respective Affiliates; or

(iii) a Person serving at the request of the General Partner or any of its Affiliates as a director, officer, employee, agent or trustee of another Person,

and will continue as to an Indemnitee who has ceased to serve in that capacity.

(d) The Partnership may purchase and maintain (or reimburse the General Partner or its Affiliates for the cost of) insurance, on behalf of those Persons (other than the General Partner itself) as the General Partner determines, against any liability that may be asserted against or expense that may be incurred by that Person in connection with the Partnership's activities, whether or not the Partnership would have the power to indemnify those Persons against those liabilities under the provisions of this Agreement.

5.4 **<u>Restrictions Upon the General Partner</u>**

The General Partner will not:

(a) cause the Partnership to make loans to the General Partner, or any Affiliate or Associate of the General Partner, provided that the General Partner may cause the Partnership to make loans or otherwise provide financial assistance to the General Partner or an Affiliate or Associate of the General Partner where such loan or financial assistance is given in connection with or in furtherance of the business of the Partnership;

(b) commingle the funds or assets of the Partnership with the funds or assets of the General Partner or any other person;

(c) dissolve, terminate, wind-up or otherwise discontinue the affairs of the Partnership, except in accordance with the provisions of Article 12;

(d) accept, recognize or register the transfer of any Units unless such transfer has been effected in compliance with the provisions of this Agreement; or

(e) waive any default on the part of the General Partner or release the General Partner from any claims in respect thereof.

5.5 **Employment of an Affiliate or Associate or Related Party**

The General Partner may employ or retain an Affiliate or Associate or related party of the General Partner on behalf of the Partnership to provide goods or services to the Partnership, provided that the cost of such goods or services are no less favourable than the cost of similar goods or services provided by an independent third party.

5.6 **Removal of the General Partner**

The holders of Class A Units may, by Special Resolution and upon 60 days' written notice to the General Partner, remove the General Partner as general partner of the Partnership without cause, and may immediately remove the General Partner for cause, if such cause is not remedied after reasonable notice from the holders of Class A Units. In such case, the following shall apply:

(a) the holders of Class A Units shall appoint, concurrently with the removal, a replacement general partner (the "**New General Partner**") to assume all of the responsibilities and obligations of the removed General Partner (the "**Former General Partner**") under this Agreement;

(b) the Former General Partner shall be released of its liabilities under this Agreement and indemnified for any damages and expenses with respect to events which occur in relation to the Partnership after the appointment of the New General Partner; and

(c) the New General Partner, prior to assuming its responsibilities as the general partner under the terms of this Agreement, shall execute the documents presented by the Partnership to give effect to such assumption, and from and after registration of an effective declaration of change or amended certificate under the Act or any other applicable legislation, the New General Partner shall assume the powers, duties and obligations of the Former General Partner under this Agreement and shall be subject to the terms hereof, and for the purposes of this Agreement, the New General Partner shall thereafter be the General Partner in the place of the Former General Partner so replaced.

The replacement of the Former General Partner as aforesaid shall not dissolve the Partnership, and the business of the Partnership shall be continued by the New General Partner, and each Limited Partner hereby consents to the business of the Partnership being continued by the New General Partner.

5.7 **Continuation of the Partnership**

It is the intention of the parties that upon the bankruptcy, retirement or dissolution of the General Partner, the business of the Partnership shall be continued without interruption unless the Limited Partners resolve by Special Resolution to dissolve the Partnership.

5.8 **Reliance Upon the General Partner**

Any person dealing with the Partnership in respect of any matters pertaining to the assets of the Partnership and any right, title or interest therein or to securities of the Partnership shall be entitled to rely on a certificate or statutory declaration (including without limiting the foregoing, a certificate or statutory declaration as to the passing of a resolution by the General Partner) executed by any single Director or officer of the General Partner or such other person as may be authorized by the General Partner as to the capacity, power and authority of the General Partner or any such other person to act for and on behalf and in the name of the Partnership. No person dealing with the General Partner shall be bound to see to the application of any funds or property passing into the hands or control of the General Partner. The receipt by or on behalf of the General Partner for monies or other consideration shall be binding upon the Partnership.

5.9 **Determinations of the General Partner Binding**

All determinations of the General Partner which are made in good faith with respect to any matters relating to the Partnership shall, absent manifest error, be final and conclusive and shall be binding upon the Partnership and all Limited Partners and Units of the Partnership shall be issued and sold on the condition and deemed understanding that any and all such determinations shall be binding as aforesaid.

5.10 **Limitations on Liability of the General Partner**

Subject to the requirement to satisfy the Standard of Care, neither the General Partner nor any Director shall be liable to any Limited Partner or any other person in tort, contract or otherwise for: any action taken or not taken in good faith in reliance on any documents that are, prima facie, properly executed; for any depreciation of, or loss to, the Partnership incurred by reason of the sale of any Securities; for the loss or disposition of monies or Securities; or for any other action or failure to act including the failure to compel in any way any former Director to redress any breach of trust or any failure by any person to perform obligations or pay monies owed to the Partnership unless, in each case, such liabilities arise out of a breach of the Standard of Care. If the General Partner has retained an appropriate expert, advisor or legal counsel with respect to any matter connected with its duties under this Agreement, the General Partner may act or refuse to act based on the advice of such expert, advisor or legal counsel and, notwithstanding any provision of this Agreement, but subject to complying with the Standard of Care, neither the General Partner nor any Director shall be liable for and shall be fully protected from any action or refusal to act based on the advice of any such expert, advisor or legal counsel that it is reasonable to conclude is within the expertise of such expert or advisor to give.

5.11 **Conditions Precedent**

The obligation of the General Partner to commence or continue any act, action, suit or proceeding or to represent the Partnership in any action, suit or proceeding shall be conditional upon sufficient funds being available to the General Partner from the Partnership's property to commence or continue such act, action, suit or proceeding or to represent the Partnership in any action, suit or proceeding and an indemnity reasonably satisfactory to the General Partner to protect and hold harmless the General Partner against the costs, charges and expenses and liabilities to be incurred therein and any loss and damage it may suffer by reason thereof. None of the provisions contained in this Agreement shall require the General Partner to expend or risk its own funds or otherwise incur financial liability in the performance of its duties or in the exercise of any of its rights or powers unless it is given an indemnity and funding satisfactory to the General Partner, acting reasonably.

5.12 **Competition with the Partnership**

The General Partner, its directors and officers and its Affiliates and Associates and the directors and officers thereof may, from time to time, be engaged, directly or indirectly, for their own account or on behalf of others (including as trustee, general partner, administrator, manager, asset manager or property manager of other trusts, partnerships or portfolios) in real estate investments and other activities identical or similar and competitive with the activities of the Partnership and its Subsidiaries. Neither the General Partner, its directors or officers, nor any of its Affiliates or Associates (or their respective directors or officers) shall incur or be under any liability to the Partnership, any Limited Partner or any annuitant by reason of, or as a result of, any such engagement or competition or the manner in which such person may resolve any conflict of interest or duty arising therefrom, provided that such person has acted in accordance with the Standard of Care, as applicable.

5.13 **Conflict of Interest**

Unless otherwise expressly provided in this Agreement, whenever a potential conflict of interest exists or arises between the General Partner or any of its Affiliates, on the one hand, and the Partnership, any Partner and the Fund on the other hand, any resolution or course of action in respect of such conflict of interest shall be permitted and deemed approved by all Partners, and shall not constitute a breach of this Agreement, or of any standard of care or duty stated or implied by law, if the General Partner reasonably believes such resolution or course of action is fair and reasonable to the Partnership. Subject to this Agreement, the General Partner shall be authorized in connection with its resolution of any conflict of interest to consider: (i) the relative interests of all parties involved in such conflict or affected by such action; (ii) any customary or accepted industry practices; (iii) any applicable generally accepted accounting practices or principles; and (iv) such additional factors as the General Partner determines in its sole discretion to be relevant, reasonable or appropriate under the circumstances. Nothing contained in this Agreement, however, is intended to nor shall it be construed to require the General Partner to consider the interests of any Person other than the Partnership.

ARTICLE 6
INVESTMENT RESTRICTIONS AND OPERATING POLICIES

The provisions of Article 7 “Investment Restrictions and Operating Policies” of the Fund Declaration are hereby incorporated by reference into this Agreement and, notwithstanding anything to the contrary in this Agreement, the General Partner shall be bound by such investment restrictions and operating policies applicable to the Partnership and shall conduct the business of the Partnership in a manner consistent therewith and take, or cause to take, all such actions as may be necessary to give full effect to such provisions. In addition to the foregoing, the Partnership shall not take any action, or require, retain or hold any investment in any entity or other property that would result in the Partnership, Holding SF LP or the Fund being a “SIFT partnership” or a “SIFT trust”, as applicable, for purposes of the Tax Act and, without limiting the generality of the foregoing, shall not at any time hold any "non-portfolio property" as defined in subsection 122.1(1) of the Tax Act.

ARTICLE 7
UNITS

7.1 **Units**

(a) The limited partnership interests of the Partners in the Partnership shall be divided into two classes of units described and designated as “Class A Units” and “Class B Units”, which shall be entitled to the rights and subject to the limitations, restrictions and conditions set out herein. Each Unit shall vest indefeasibly in the holder thereof and the interest of each Limited Partner shall be determined by the number of Units registered in the name of the Limited Partner.

(b) The number of Units that the Partnership may issue shall be unlimited. The issued and outstanding Units may be subdivided or consolidated from time to time by the General Partner without notice to or approval of the Limited Partners, provided that any such consolidation or subdivision shall not alter the number of Fund Class C Units into which the Class B Units are exchangeable.

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

(i) Except as otherwise provided in this Agreement, no Class A Unit shall have any preference or right in any circumstances over any other Class A Unit;

(ii) The holders of the Class A Units shall have the right to one vote for each Class A Unit held in respect of all matters to be decided by the Limited Partners;

(iii) The Class A Units represent the right to participate in distributions made by the Partnership, if any, in accordance with Section 8.6 hereof and to receive proceeds on a termination of the Partnership in accordance with Section 12.4 hereof, and the provisions of this Agreement governing the allocation of income and loss among the Partners; and

(iv) The holders of Class A Units will have the right to receive property of the Partnership on liquidation, dissolution or winding up in accordance with the terms and priority provided for herein and will rank equally with the Class B Units on such liquidation, dissolution or winding up.

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

(i) Except as otherwise provided in this Agreement, no Class B Unit shall have any preference or right in any circumstances over any other Class B Unit;

(ii) Except as otherwise provided in this Agreement or as required by law, the holders of the Class B Units shall not have the right to exercise any votes in respect of matters to be decided by the Limited Partners;

(iii) The Class B Units represent the right to participate in distributions made by the Partnership, if any, in accordance with Section 8.6 hereof and to receive proceeds on a termination of the Partnership in accordance with Section 12.4 hereof, and the provisions of this Agreement governing the allocation of income and loss among the Partners;

(iv) The Class B Units shall have attached thereto an equivalent number of Special Voting Units in the Fund, and are exchangeable for Fund Class C Units in the manner set out herein and in the Exchange Agreement;

(v) The holders of Class B Units will have the right to receive property of the Partnership on liquidation, dissolution or winding up in accordance with the terms and priority provided for herein and will rank equally with the Class A Units on such liquidation, dissolution or winding up;

(vi) Notwithstanding this Section 7.1, in no event shall the holders of Class B Units be entitled to receive Fund Class C Units if such action would jeopardize the Fund's status as a "mutual fund trust" under the Tax Act or would cause the Fund to breach restrictions respecting non-resident ownership contained in the Fund Declaration. In the event this Section (vi) applies, the rights of a holder of Class B Units will remain unaffected until such time as such exchange may be made in accordance with the terms of this Agreement, the Fund Declaration and the Exchange Agreement;

(vii) Subject to the provisions of this Agreement and the Exchange Agreement, a holder of Class B Units shall be entitled at any time to cause the exchange of Class B Units into Fund Class C Units on the basis of the Exchange Ratio in the manner set out in the Exchange Agreement and this Exchange Right shall form part of the rights inherent in the Class B Units. For the avoidance of doubt, on an exchange of Class B Units for Fund Class C Units, it is intended that the Partnership shall purchase for cancellation the applicable Class B Units for a purchase price equal to their fair market value, such purchase price to be satisfied by delivery of the applicable number of Fund Class C Units in accordance with the Exchange Agreement;

(viii) The number of Fund Class C Units issuable for each Class B Unit exchanged pursuant to the exercise of an Exchange Right from time to time, subject to adjustment as provided in this Section 7.1, is one (the "**Exchange Ratio**");

(ix) If at any time the Fund shall:

A. issue or distribute (A) Fund Units without the receipt of any consideration therefor or (B) rights, options, warrants or other securities exchangeable for or convertible into or carrying rights to acquire Fund Units without the receipt of any consideration therefor, to all or substantially all of the holders of the Fund Units by way of unit distribution or other distribution (other than a unit distribution and consolidation as contemplated by Section 12.3 of the Fund Declaration);

B. subdivide, redivide or change its outstanding Fund Units into a greater number of Fund Units;

C. reduce, combine or consolidate its outstanding Fund Units into a lesser number of Fund Units (other than a unit distribution and consolidation as contemplated by Section 12.3 of the Fund Declaration); or

D. undertake a reclassification, capital reorganization or similar change in the Fund Units,

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

(x) If at any time while any Class B Unit is outstanding there is any consolidation, amalgamation, arrangement, merger or other form of business combination of the Fund with or into any other entity resulting in a reclassification of the outstanding Fund Units or an exchange of outstanding Fund Units for other securities, cash or property, or a spin-out or similar transaction resulting in holders of Fund Units receiving securities of another entity that will acquire property directly or indirectly from the Fund, then the Exchange Right will be adjusted simultaneously in a manner approved by the Trustees of the Fund, acting reasonably, to ensure that holders of Class B Units will be entitled to receive, in lieu of the number of Fund Class C Units to which they would otherwise have been entitled in respect of one Class B Unit if such Class B Unit had been exchanged for Fund Class C Units pursuant to the Exchange Right, the kind and number or amount of securities, cash or property that they would have been entitled to receive as a result of such event if, on the effective date thereof, they had been the registered holders of the number of Fund Units that they would have received had such Class B Unit been exchanged for Fund Class C Units pursuant to the Exchange Right immediately before the effective date of any such event;

(xi) If at any time while any Class B Units are outstanding the Fund takes any action affecting or relating to Fund Units other than an action contemplated by Section 7.1(d)(ix) or Section 7.1(d)(x) or Section 3.2(e) or by Section 2.9 of the Exchange Agreement which would affect the rights of the holders of Class B Units, the Exchange Ratio shall be adjusted in such a manner, if any, and at such time, as the Trustees of the Fund determine to be fair and equitable in the circumstances to holders of Class B Units; provided that any such adjustment shall be subject to the prior approval of the TSX Venture Exchange (for so long as a class of Fund Units is listed on such exchange); and

(xii) The adjustments provided for in Section 7.1(d)(ix), Section 7.1(d)(x) and Section 7.1(d)(xi) shall be cumulative (without duplication).

7.2 <u>**Consideration for Units**</u>

No Units shall be issued other than as fully paid. A Unit shall not be fully paid until the consideration therefor has been received in full by or on behalf of the Partnership. The consideration for any Unit shall be paid in money or in property that is not less in value than the fair equivalent of the money that the Partnership would have received if the Unit had been issued for money. In the event that Units are issued in whole or in part for consideration other than money, the resolution of the General Partner allotting and issuing such Units shall express the fair equivalent in money of the consideration received and the General Partner may take into account reasonable charges and expenses of organization and reorganization and payments for property and past services reasonably expected to benefit the Partnership.

7.3 <u>**No Pre-Emptive Rights**</u>

No person shall be entitled, as a matter of right, to subscribe for or purchase any Units of the Partnership.

7.4 <u>**Fractional Units**</u>

If as a result of any act of the General Partner hereunder any person becomes entitled to a fraction of a Unit, such person shall not be entitled to receive a certificate therefor. Fractional Units shall not, except to the extent that they may represent in the aggregate one or more whole Units, entitle the holders thereof to notice of or to attend or to vote at, meetings of Limited Partners. Subject to the foregoing, such fractional Units shall have attached thereto the rights, restrictions, conditions and limitations attaching to whole Units in the proportion that they bear to a whole Unit.

7.5 **Commissions and Discounts**

The General Partner may provide for the payment of commissions or may allow discounts to persons in consideration of their subscribing or agreeing to subscribe, whether absolutely or conditionally, for Units or other securities issued by the Partnership or of their agreeing to procure subscriptions therefor, whether absolute or conditional.

7.6 **Subscription for Units**

In connection with any issuance of Units, each subscribing Person will complete and execute a subscription agreement and, provided the subscriber has not already provided such subscription agreement or executed this Agreement, a power of attorney, each in a form acceptable to the General Partner, setting out, among other things, the total subscription price for the Units subscribed for, which subscription price will be that Person's agreed upon capital contribution.

7.7 **Acceptance of Subscription by the General Partner**

The General Partner shall have the right, in its sole discretion, to refuse to accept a subscription for Units. The General Partner shall reject subscriptions submitted by a subscriber who does not satisfy the requirements contained in Section 3.4(b), and the General Partner may require subscribers to provide evidence reasonably satisfactory to it that such subscribers, or Persons who will have a beneficial interest in Units being subscribed for, satisfy such requirements. If, for any reason, a subscription is withdrawn or is not accepted, by the General Partner, all documents and subscription monies will be returned to the subscriber, without interest, within 15 days following such withdrawal or rejection.

7.8 **Admittance as Limited Partner**

Upon acceptance by the General Partner of any subscription for Units, all Limited Partners will be deemed to consent to the admission of the subscriber as a Limited Partner, the General Partner will execute this Agreement on behalf of the subscriber and will cause the Record to be amended, and such other documents as may be required by the Act or under legislation similar to the Act in other provinces or the territories to be filed or amended, specifying the prescribed information and will cause the foregoing information in respect of the new Limited Partner to be included in the Partnership's books and records.

7.9 **Record of Limited Partners**

A record (the "**Record**") shall be kept at the principal place of business of the Partnership, which Record shall contain the names and addresses of the Limited Partners, the respective numbers of Units held by them, the certificate numbers of certificates representing such Units and a record of all transfers and redemptions thereof, and any other information as may be required by the Act. Only Limited Partners whose Units are so recorded shall be entitled to receive distributions or to exercise or enjoy the rights of Limited Partners hereunder. The General Partner shall have the right to treat the person registered as a Limited Partner on the Record as the holders of such Units for all purposes, including payment of any distribution, giving notice to Limited Partners and determining the right to attend and vote at meetings of Limited Partners.

7.10 **Amendment of Record**

The General Partner, on behalf of the Partnership, shall from time to time amend the Record and such other documents and promptly effect such filings, recordings and registrations at such places as in the opinion of counsel to the Partnership are necessary or advisable to reflect changes in the membership of the Partnership, transfers of Units and to constitute a transferee as a Limited Partner.

7.11 **Transfer and Encumbering of Units**

(a) A Limited Partner may not sell, assign or otherwise transfer or exchange any Unit except in accordance with this Section 7.11 or Section 7.12 and any other provisions of this Agreement, unless the General Partner otherwise agrees.

(b) At any time and from time to time, any Limited Partner may, upon prior written notice to the General Partner, grant an Adverse Claim on any or all of the Units held by it, directly or indirectly, to any third party as security for any *bona fide* financing of such Limited Partner or as security for any guarantee granted by such Limited Partner in respect of the obligations of its Affiliates to such third party for any *bona fide* financing.

7.12 **Transfer Procedures**

(a) Subject to the provisions of this Section 7.12 and Sections 7.11, 7.13 and 7.15 and compliance with Applicable Laws, Units are not transferable in part and may not be transferred (i) to a Person who is an Excluded Person, (ii) without the payment by the transferee of a reasonable administration fee to the Partnership, if any, (iii) if as a result of such transfer a person would be entitled to a fractional Unit, and (iv) without the consent of the General Partner. No transfer of a Unit will be accepted by the General Partner and no transferee will become a Limited Partner until a transfer and power of attorney in a form acceptable to the General Partner, duly completed and signed by the registered holder of the Units and the transferee, has been remitted to the registrar and transfer agent of the Partnership, and such other instruments and documents as the General Partner may require, in appropriate form, are duly completed and executed in a manner acceptable to the General Partner and any Unit Certificate held by such registered holder representing the Units being transferred has been remitted to the General Partner.

(b) Subject to the provisions of this Section 7.12 and Sections 7.11, 7.13 and 7.15 and compliance with Applicable Laws, Class B Units may not be transferred, other than on an exchange for Fund Class C Units in accordance with the terms of the Exchange Agreement and this Agreement, unless (i) the transfer is to an affiliate of the holder of Class B Units or the Initial Limited Partner, (ii) such transfer would not require the transferee to make an offer to holders of Units to acquire Units on the same terms and conditions under Applicable Laws if such Class B Units, and all other outstanding Class B Units, were converted into Fund Class C Units at the then current Exchange Ratio (as defined in the Exchange Agreement) in effect under the Exchange Agreement immediately prior to such transfer, or (iii) the offeror acquiring such Class B Units makes a contemporaneous identical offer for the Units (in terms of price, timing, proportion of securities sought to be acquired and conditions) and does not acquire such Class B Units unless the offeror also acquires a proportionate number of Units actually tendered to such identical offer.

(c) Where the transferee complies with all applicable provisions of this Agreement and is entitled to become a Limited Partner pursuant to the provisions of this Agreement, the

General Partner is authorized to admit the transferee to the Partnership as a Limited Partner and the Limited Partners hereby consent to the admission of, and will admit, the transferee to the Partnership as a Limited Partner, without further act of the Limited Partners (other than as may be required by law). A transferee who becomes a Limited Partner will be subject to the obligations and be entitled to the rights of a Limited Partner under this Agreement on the date on which the transfer is duly reflected in an amendment to the Record. Subsequent thereto, the General Partner shall ensure that all proper filings have been made, as may be required by the Act, to reflect the transfer. The General Partner will not accept a transfer of Units after the occurrence of any of the events set out in Section 12.1.

7.13 **Form of Transfer**

If required by the General Partner, the transfer and power of attorney, in a form acceptable to the General Partner, will be signed by the transferor and by the transferee and will be accompanied by the Unit Certificate(s), if any, issued by the Partnership representing the Units to be transferred.

The General Partner, upon request by the transferee, will issue a new Unit Certificate for any Units transferred. In the case of a transfer of less than all of the Units represented by a Unit Certificate, the General Partner, upon request by the transferor, will issue a new Unit Certificate for the balance of the Units retained by the transferor.

7.14 **Unit Certificates**

(a) The General Partner will issue to each Limited Partner, upon request, a Unit Certificate indicating that the holder of the Unit Certificate is the owner of the class and number of Units set out on the Unit Certificate.

(b) Every Unit Certificate must be signed by at least one officer or director of the General Partner.

7.15 ***Securities Transfer Act, 2006*** **(Ontario)**

Each Unit is a "security", as defined by and for the purposes of the *Securities Transfer Act, 2006* (Ontario), (as such legislation may from time to time be amended, replaced or restated) or similar legislation in any other jurisdiction.

7.16 **Successors in Interest to Limited Partners**

Any person purporting to become entitled to any Units as a consequence of the death, bankruptcy or incompetence of any Limited Partner or otherwise by operation of law, shall be recorded in the Record as the holder of such Units, but until such recording is made, the Limited Partner of record shall continue to be and shall be deemed to be the holder of such Units for all purposes whether or not the Partnership or the General Partner shall have actual or other notice of such death, bankruptcy, incompetence or other event and any person becoming entitled to such Units shall be bound by every notice or other document in respect of the Units which shall have been duly given to the person from whom such person derives title to such Units. Once such record is made, the General Partner shall deal with the new holder of such Units as Limited Partner from thereon and shall have no liability to any other person purporting to have been entitled to the Units prior to the making of such record.

7.17 **Units Held Jointly or in Fiduciary Capacity**

The Partnership may treat two or more persons holding any Unit as joint tenants of the entire interest therein unless the ownership is expressly otherwise recorded in the Record, but no entry shall be made that any person is in any other manner entitled to any future, limited or contingent interest in any Unit; provided, however, that any person recorded in the Record as a Limited Partner may, subject to the provisions herein contained, be described in the Record as a fiduciary of any kind and any customary words may be added to the description of the holder to identify the nature of such fiduciary relationship.

7.18 **Performance of Trusts**

None of the General Partner of the Partnership, the officers of the Partnership, the Limited Partners or any agent of the Partnership or the General Partner shall have a duty to inquire into any claim that a transfer of a Unit or other Security of the Partnership was or would be wrongful or that a particular adverse person is the owner of or has an interest in the Unit or other security or any other adverse claim, or be bound to see to the performance of any trust, express, implied or constructive, or of any charge, pledge or equity to which any of the Units or other Securities or any interest therein are or may be subject, or to ascertain or inquire whether any sale or transfer of any such Units or other securities or interest therein by any such Limited Partner or holder of such security or his personal representatives is authorized by such trust, charge, pledge or equity, or to recognize any person as having any interest therein, except for the person recorded as Limited Partner.

7.19 **Lost Certificates**

In the event that any Unit Certificate is lost, stolen, destroyed or mutilated, the General Partner may authorize the issuance of a new certificate for the same number of Units in lieu thereof. The General Partner may in its discretion, before the issuance of such new certificate, require the owner of the lost, stolen, destroyed or mutilated certificate, or the legal representative of the owner, to make such affidavit or statutory declaration, setting forth such facts as to the loss, theft, destruction or mutilation as the General Partner or any officers of the Partnership deem necessary and may require the applicant to surrender any mutilated certificate and to require the applicant to supply to the Partnership a “lost certificate bond” or similar bond in such reasonable amount as the General Partner directs indemnifying the General Partner, the Partnership or any officers of the Partnership, the transfer agent for so doing. The General Partner or any officers of the Partnership shall have the power to acquire from an insurer or insurers a blanket lost security bond or bonds in respect of the replacement of lost, stolen, destroyed or mutilated certificates. The Partnership shall pay all premiums and other sums of money payable for such purpose out of the property of the Partnership with such contribution, if any, by those insured as may be determined by the General Partner or any officers of the Partnership. If such blanket lost security bond is acquired, the General Partner or any officers of the Partnership may authorize and direct (upon such terms and conditions as they from time to time impose) any registrar, transfer agent, trustee or others to whom the indemnity of such bond extends to take such action to replace such lost, stolen, destroyed or mutilated certificates without further action or approval by the General Partner or any officers of the Partnership.

7.20 **Death of Limited Partners**

The death of a Limited Partner during the continuance of the Partnership shall not terminate the Partnership or give the personal representatives or the heirs of the estate of the deceased Limited Partner a right to an accounting or to take any action in the courts or otherwise, against other Limited Partners or the General Partner, officers of the Partnership or the property of the Partnership, but shall only entitle the personal representatives or the heirs of the estate of the deceased Limited Partner to succeed to all rights of the deceased Limited Partner under this Agreement.

7.21 **Unclaimed Payments**

In the event that the General Partner holds any amounts to be paid to Limited Partners under Article 8 or otherwise because such amounts are unclaimed or cannot be paid for any reason, neither the General Partner nor any distribution disbursing agent shall be under any obligation to invest or reinvest the same and shall only be obligated to hold the same in a current or other non-interest bearing account with a chartered bank or trust company, pending payment to the person or persons entitled thereto. The General Partner shall, as and when required by law, and may at any time prior to such required time, pay all or part of such amounts so held to a court in the province where the Partnership has its principal office or to the Public Guardian and Trustee (or other similar government official or agency) in the province where the Partnership has its principal office whose receipt shall be a good and sufficient discharge of the obligations of the General Partner.

7.22 **Automatic Exchanges**

In the event of (i) a liquidation, dissolution or wind-up of the Fund or the Partnership in an insolvency scenario, or (ii) a transaction that would result in the sale of the Partnership by the Fund to another entity that is approved by two-thirds of the votes at a meeting of unitholders of the Fund, the Class B Units will automatically exchange into Fund Class C Units.

ARTICLE 8
ALLOCATIONS AND DISTRIBUTIONS

8.1 **Allocation of Net Income and Taxable Income**

(a) The Net Income and Taxable Income of the Partnership in respect of that Fiscal Year shall be allocated among the General Partner and all Limited Partners that were Limited Partners at any time in the Fiscal Year on the following basis:

(i) first, to the General Partner 0.01% of the Net Income and Taxable Income of the Partnership;

(ii) second, (i) so long as there are Class B Units outstanding, to the holder of Class B Units, including for greater certainty a holder who becomes or ceases to be a Partner during the fiscal year of the Partnership, in proportions that produce a resulting allocation to such holder that approximates the amount of income or loss for purposes of the Tax Act that would be recognized by it under the Tax Act if it held its interest directly as a holder of Fund Class C Units rather than indirectly as a holder of Class B Units; and

(iii) as to the balance, to the Fund as the holder of Class A Units.

8.2 **Allocation of Net Loss and Taxable Loss**

Net Losses and Taxable Losses of the Partnership in respect of a Fiscal Year shall be allocated to the holder of Class B Units, including for greater certainty a holder who becomes or ceases to be a Partner during the fiscal year of the Partnership, in proportions that produce a resulting allocation to such holder that approximates the amount of income or loss for purposes of the Tax Act that would be recognized by it under the Tax Act if it held its interest directly as a holder of Fund Class C Units rather than indirectly as a holder of Class B Units, and the balance shall be allocated to the Fund as the holder of Class A Units. Notwithstanding the foregoing or any other provision of this Agreement, allocations of Net Income, Taxable Income, Net Loss and Taxable Loss will be made on a consistent basis for Canadian and U.S. income tax purposes, except to the extent such allocation differs solely for reasons described in paragraphs 126(4.12)(a) to (c) of the Tax Act.

8.3 **Discretion of the General Partner**

The General Partner, in its reasonable discretion and from time to time, may modify the manner in which Net Income, Taxable Income, Net Loss and Taxable Loss are allocated to or among the Limited Partners in order that in the reasonable judgment of the General Partner, and in its sole discretion, such allocations will reasonably reflect the purposes of this Agreement and the intention of the parties hereto. Adjustments may be made in respect of revenue earned or expenses incurred prior to the time each Limited Partner became a Limited Partner of the Partnership and adjustments may be made in respect of fees paid in years prior to the year in which the Limited Partner became a Limited Partner. The General Partner shall also have the right but not the obligation to allocate revenues and expenses among Limited Partners to ensure they are treated equitably taking into account differences that may arise as a result of the acquisition of Units at different times in a year or in different calendar years.

The General Partner has the authority, but not the obligation, to make or execute elections, designations or other determinations for Canadian and United States federal income tax purposes, and state or provincial equivalents, that relate to a Fiscal Year on behalf of all Persons who are Limited Partners during the Fiscal Year and shall have the authority (but not the obligation) to act for the Partnership in connection therewith.

8.4 **Negative Capital Accounts**

Notwithstanding the provisions of Section 8.2, if any Limited Partner has a negative balance in his, her or its capital account, the General Partner shall have the right to allocate Net Income to that Limited Partner in priority to other Limited Partners to the extent of the negative balance. The General Partner shall not allocate Net Losses to a Limited Partner if after the allocation, the Limited Partner would have a negative balance in his, her or its capital account.

8.5 **Effect of Transfer**

Each Limited Partner who is a Limited Partner of the Partnership at any time in each Fiscal Year will be allocated his, her or its share of such Net Income and Net Losses for such Fiscal Year in accordance with this Article 8. Where a Limited Partner transfers a Unit prior to the end of the Fiscal Year, the portion of Net Income or Net Losses which would have been attributed to such transferring Limited Partner shall continue to be so allocable in accordance with Sections 8.1 and 8.2, instead of being allocated to the transferee who holds the Unit at the end of the Fiscal Year. For greater certainty, any Person who was a Limited Partner at any time during a Fiscal Year but who has transferred all of such Person’s Units before the last day of that Fiscal Year will be deemed by subsection 96(1.01) of the Tax Act to be a Limited Partner on the last day of such Fiscal Year for the purposes of subsection 96(1) of the Tax Act. Where a Unit was initially subscribed for after the beginning of the Fiscal Year, income and losses for the entire Fiscal Year will be allocated to the holder thereof in accordance with the mechanics of the provisions of Sections 8.1 and 8.2 on account of the portion of the Fiscal Year during which the person was a Limited Partner.

8.6 **Distributions**

Subject to Section 8.9 and Section 12.4, Distributable Cash Flow for each Distribution Period shall be distributed on each Distribution Payment Date provided that all distributions to the Limited Partners shall be paid by the Partnership only to Limited Partners as of the particular Record Date set for such distribution, as follows:

(a) first, to the General Partner, 0.01% of the Distributable Cash Flow;

(b) second, to the Fund as a distribution on the Class A Units, 99.99% of Distributable Cash Flow, less any amount payable to the holders of Class B Units in accordance with paragraph (c) below; and

(c) third, to the holders of Class B Units, in an amount equal to the distributions that the holders of Class B Units would have received if they were holding Fund Class C Units instead of Class B Units at the time of the applicable distribution.

8.7 **Payment of Distributions**

(a) Any distribution shall be made directly by the Partnership to the Limited Partners as of the particular Record Date set for such distribution.

(b) For greater certainty, distributions made pursuant to Section 8.6 shall constitute full payment and satisfaction of the Partnership's liability in respect of such distributions, regardless of any claim of any Person who may have an interest in such distribution by reason of an assignment or otherwise.

(c) If the Partnership is required by any applicable income tax or similar legislation to withhold an amount with respect to any distribution to a Partner, the General Partner shall withhold such amount and shall remit the amount withheld to the appropriate governmental authority within the time limits prescribed by law and applicable administrative policy, and the amount so withheld by the Fund shall be treated as a distribution of Distributable Cash Flow (a "**Withholding Distribution**") to the Partner to whom such withholding relates. The General Partner shall have the full discretion to determine whether any such withholding taxes are required to be paid and the amount of any such withholding taxes. The General Partner shall have full authority and discretion to determine the proper method or methods for assuring that Withholding Distributions are treated in a manner consistent with the provisions for distribution to Limited Partners contained herein.

8.8 **Overpayments**

In the event of any overpayment to a Limited Partner, such overpayment will be refunded by such Limited Partner to the Partnership, and any underpayment will be paid by the Partnership to the Limited Partners, within 30 days of the final determination of such underpayment or overpayment.

8.9 **Timing and Discretion in Distributions**

The Distribution Payment Date shall be sufficiently far in advance of the corresponding "Distribution Payment Date" (as defined in the Fund Declaration) of the Fund so as to enable the Fund to pay the applicable distribution to the holder of Fund Units on such date.

Notwithstanding anything else contained in this Article 8, the General Partner may in its sole and unfettered discretion elect to not distribute Distributable Cash Flow in respect of any Distribution Period or to reduce the amount of any distribution of Distributable Cash Flow in whole or in part.

8.10 **Determination of Profits and Losses**

Profits and losses of the Partnership will be determined by the General Partner in accordance with IFRS.

8.11 **Separate Capital Account**

(a) A separate capital account shall be established and maintained on the books of the Partnership for the General Partner and each Limited Partner. A credit shall be made to each Limited Partner's capital account to reflect the Limited Partner's entitlement to any profit and any other amounts received by the Partnership and there shall be deducted from each Limited Partner's capital account his, her or its share of any losses and all distributions made to the Limited Partner. No Limited Partner shall be entitled to withdraw any part of his, her or its capital account or to receive any distribution except as provided in this Agreement.

(b) No Limited Partner shall be entitled to receive interest on the amount of his, her or its capital contribution or any balance in his, her or its capital account from the Partnership. No Limited Partner shall be liable to pay interest to the Partnership on any negative balance of capital or on a negative balance in his, her or its capital account unless interest may be charged pursuant to a specific provision hereof. Notwithstanding the foregoing and for greater certainty, the Partnership may pay the distribution to the Initial Limited Partner contemplated in the Subscription, Contribution and Distribution Agreement.

(c) No Limited Partner shall be responsible for any of the losses of any other Limited Partner, nor share in the income or allocation of tax deductible expenses attributable to the Units of any other Limited Partner.

(d) A Limited Partner is only entitled to demand a return of such Limited Partner's capital contribution upon the dissolution, winding-up or liquidation of the Partnership as provided in Section 12.4 hereof.

ARTICLE 9
MEETINGS OF UNITHOLDERS

9.1 **Meetings**

The General Partner shall have the power at any time to call meetings of the Limited Partners at such time and place in Canada as the General Partner may determine. Subject to Section 11.3, holders of Class B Units shall have no right to attend meetings of Limited Partners. A meeting of holders of Units shall be called by the General Partner upon written request of the Limited Partners holding, in aggregate, 5% or more of the Class A Units then outstanding, which written request must specify the purpose or purposes for which such meeting is to be called. The requisition shall state in reasonable detail the business proposed to be transacted at the meeting and shall be sent to the General Partner at the principal office of the Partnership. Upon receiving the requisition, the General Partner shall call a meeting of Limited Partners to transact the business referred to in the requisition.

Subject to the foregoing, if the General Partner does not within 21 days after receiving the requisition call a meeting, any Limited Partner who signed the requisition may call the meeting in accordance with the provisions of Section 9.2 and Section 9.7.

9.2 **<u>Notice of Meeting of Limited Partners</u>**

Notice of all meetings of the Limited Partners shall be mailed or delivered by the General Partner to the holders of Class A Units, each Director and to the Auditors of the Partnership not less than 21 nor more than 50 days (or within such other number of days as required by law or relevant stock exchange) before the meeting. Such notice shall specify the time when, and the place where, such meeting is to be held and shall state briefly the general nature of the business to be transacted at such meeting and shall otherwise include such information as would be provided to shareholders of a corporation governed by the *Business Corporations Act* (Ontario) in connection with a meeting of shareholders. Any adjourned meeting, other than a meeting adjourned for lack of a quorum under Section 9.4, may be held as adjourned without further notice. Notwithstanding the foregoing, a meeting of Limited Partners may be held at any time without notice if all the Limited Partners are present or represented thereat or those not so present or represented have waived notice. Any Limited Partner (or a duly appointed proxy of a Limited Partner) may waive any notice required to be given under the provisions of this Section 9.2, and such waiver, whether given before or after the meeting, shall cure any default in the giving of such notice. Attendance at a meeting of Limited Partners shall constitute a waiver of notice unless the Limited Partner or other person attends the meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not properly called.

9.3 **<u>Chairperson</u>**

The chairperson of any meeting shall be any Director specified by resolutions of the General Partner or, in the absence of any Director, any person appointed as chairperson of the meeting by the Limited Partners present.

9.4 **<u>Quorum</u>**

A quorum for any meeting of Limited Partners shall be two or more Limited Partners present in person or represented by proxy who hold in the aggregate not less than 10% of the total number of outstanding Class A Units provided that if the Partnership only has one Limited Partner holding Class A Units, the Limited Partner present in person or by proxy constitutes a meeting and a quorum for such meeting. If a quorum is present at the opening of a meeting, the Limited Partners may proceed with the business of the meeting, notwithstanding that a quorum is not present throughout the meeting. The chairperson of any meeting at which a quorum of Limited Partners is present may with the consent of the majority of net Limited Partners present in person or by proxy, adjourn such meeting and no notice of any such adjournment need be given. In the event of such quorum not being present at the appointed place on the date for which the meeting is called within 30 minutes after the time fixed for the holding of such meeting, the meeting, if called by request of Limited Partners, shall be cancelled and, if otherwise called, shall stand adjourned to such day being not less than 10 days later and to such place and time as may be appointed by the chairperson of the meeting. If at such adjourned meeting a quorum as above defined is not present, the Limited Partners present either personally or by proxy shall form a quorum, and any business may be brought before or dealt with at such an adjourned meeting which might have been brought before or dealt with at the original meeting in accordance with the notice calling the same.

9.5 **<u>Voting</u>**

(a) Holders of Class A Units may attend and vote at all meetings of the Limited Partners either in person or by proxy. Each Limited Partner is entitled to one vote for each Class A Unit held.

(b) Any action to be taken by the Limited Partners shall, except as otherwise required by this Agreement or by law, be authorized when approved by a majority of the votes cast at a meeting of the Limited Partners. The chairperson of any such meeting shall not have second or casting vote. Every question submitted to a meeting, other than a Special Resolution, shall, unless a poll vote is demanded, be decided by a show of hands, on which every person present and entitled to vote shall be entitled to one vote.

(c) At any such meeting, unless a poll is demanded, a declaration by the chairperson that a resolution has been carried or carried unanimously or by a particular majority, or lost or not carried by a particular majority, shall be conclusive evidence of that fact. If a poll is demanded concerning the election of a chairperson or an adjournment, it shall be taken immediately upon request and, in any other case, it shall be taken at such time as the chairperson may direct. The demand for a poll shall not prevent the continuation of a meeting for the transaction of any business other than the question on which the poll has been demanded.

9.6 **Matters on which Limited Partners Shall Vote**

(a) *Ordinary Resolution*: The following matters require approval by Ordinary Resolution and shall be deemed approved, consented to or confirmed, as the case may be, upon the adoption of such Ordinary Resolution:

(i) matters relating to the administration of the Partnership for which the approval of the Limited Partners is required by Applicable Laws in effect from time to time, and such laws do not require approval by Special Resolution;

(ii) any matter or thing stated in this Agreement required to be consented to by the Limited Partners (unless required by this Agreement to be consented to by Special Resolution); and

(iii) any matter which the General Partner considers appropriate to present to the Limited Partners for their confirmation or approval.

(b) *Special Resolution*: The following matters require approval by Special Resolution and shall be deemed approved, consented to or confirmed, as the case may be, upon the adoption of such Special Resolution:

(i) any amendment to this Section 9.6;

(ii) matters relating to the administration of the Partnership for which the approval of the Limited Partners is required by Special Resolution by Applicable Laws in effect from time to time;

(iii) any amendment to Article 6;

(iv) a reduction in the amount payable on any outstanding Units upon termination of the Partnership;

(v) any change to the General Partner in accordance with Sections 4.8 and 5.6; and

(vi) the alteration or elimination of any voting rights pertaining to any outstanding Units.

Notwithstanding the above or any other provision herein, no confirmation, consent or approval shall be sought or have any effect and no Limited Partners shall be permitted to effect, confirm, consent to or approve, in any manner whatsoever, where the same increases the obligations of or reduces the compensation payable to or protection provided to the General Partner, except with the prior written consent of the General Partner.

The General Partner shall cause the Partnership to vote its Holding SF LP Units, and any other Securities of any Subsidiary or investee of the Partnership held by the Partnership, in order to implement and give full effect to any changes or amendments to this Agreement, including voting such Holding SF LP Units or other Securities of any Subsidiary or investee held by the Partnership to amend and/or restate the Holding SF LP Agreement.

9.7 **Record Dates**

The General Partner may fix a date not more than 60 days prior to the date of any meeting of the Limited Partners or other action as a Record Date for the determination of Limited Partners entitled to receive notice of and to vote at such meeting or any adjournment thereof or to be treated as Limited Partners of record for purposes of such other action, and any holder of Class A Units who was a Limited Partner at the time so fixed shall be entitled to receive notice of and vote at such meeting or any adjournment thereof, even though he, she or it has since that date disposed of his, her or its Class A Units, and no Limited Partner becoming such after that date shall be entitled to receive notice of and vote at such meeting or any adjournment thereof or to be treated as a Limited Partner of record for purposes of such other action. If, in the case of any meeting of Limited Partners, no Record Date with respect to voting has been fixed by the General Partner, the Record Date for voting, shall be 5:00 p.m. on the last Business Day before the meeting.

9.8 **Proxies**

(a) Whenever the vote or consent of Limited Partners is required or permitted under this Agreement, such vote or consent may be given either directly by the Limited Partner or by a proxy in such form as the General Partner may prescribe from time to time or, in the case of a Limited Partner who is a body corporate or association, by an individual authorized by the board of directors or governing body of the body corporate or association to represent it at a meeting of the Limited Partners. A proxy need not be a Limited Partner. The General Partner may solicit such proxies from the Limited Partners or any of them in any matter requiring or permitting the Limited Partners' vote, approval or consent.

(b) The General Partner may adopt, amend or repeat such rules relating to the appointment of proxyholders and the solicitation, execution, validity, revocation and deposit of proxies, as they in their discretion from time to time determine.

(c) An instrument of proxy executed in compliance with the foregoing shall be valid unless challenged at the time of or prior to its exercise and the person challenging the instrument shall have the burden of proving, to the satisfaction of the chairperson of the meeting at which the instrument is proposed to be used, that the instrument of proxy is invalid. Any decision of the chairperson of the meeting in respect of the validity of an instrument of proxy shall be final and binding upon all persons. An instrument of proxy shall be valid only at the meeting with respect to which it was solicited or any adjournment thereof.

(d) A vote cast in accordance, with any proxy shall be valid notwithstanding the death, incapacity, insolvency or bankruptcy of the Limited Partner giving the proxy or the revocation of the proxy unless written notice of the death, incapacity, insolvency, bankruptcy or revocation of the proxy has been received by the chairperson of the meeting prior to the time the vote is cast.

9.9 **Personal Representatives**

If a Limited Partner is deceased, his personal representative, upon filing with the secretary of the meeting such proof of his appointment as the secretary considers sufficient, shall be entitled to exercise the same voting rights at any meeting of Limited Partners as the Limited Partner would have been entitled to exercise if he were living and for the purpose of the meeting shall be considered to be a Limited Partner. Subject to the provisions of the will of a deceased Limited Partner, if there is more than one personal representative, the provisions of Section 7.17 relating to joint holders shall apply. When any Unit is held jointly by several persons, any one of them may vote at any meeting in person or by proxy in respect of such Unit, but if more than one of them shall be present at such meeting in person or by proxy, and such joint owners or their proxies so present disagree as to any vote to be cast, such vote purporting to be executed by or on behalf of a Limited Partner shall be deemed valid unless challenged at or prior to its exercise, and the burden of proving invalidity shall rest on the challenger.

9.10 **Attendance by Others**

A Director, officer, director or employee of the General Partner, representative of the Auditors or other individual approved by the General Partner may attend and speak at any meeting of Limited Partners.

9.11 **Conduct of Meetings**

To the extent that the rules and procedures for the conduct of a meeting of Limited Partners are not prescribed herein, the rules and procedures shall be such reasonable rules and procedures as are determined by the chairperson of the meeting and such rules and procedures shall be binding upon all parties participating in the meeting.

9.12 **Binding Effect of Resolutions**

Every resolution passed at a meeting in accordance with the provisions of this Article 9 shall be binding upon all Limited Partners, whether present at or from the meeting. Subject to Section 9.6, no action taken by Limited Partners at any meeting of Limited Partners shall in any way bind the Partnership or the General Partner without approval of the General Partner.

9.13 **Resolution in Lieu of Meeting**

An Ordinary Resolution signed in writing by the Limited Partners entitled, in the aggregate, to not less than 50% of the aggregate number of votes attached to Units entitled to vote, or a Special Resolution signed in writing by the Limited Partners entitled, in the aggregate, to not less than 66 2/3% of the aggregate number of votes attached to Units entitled to vote, as the case may be, is as valid as if it had been passed at a meeting of Limited Partners.

9.14 **Actions by Limited Partners**

Any action, change, approval, decision or determination required or permitted to be taken or made by the Limited Partners hereunder shall be effected by a resolution passed by the Limited Partners at a duly constituted meeting, or a written resolution signed in writing by the Limited Partners entitled, in the aggregate, to not less than a majority of the aggregate number of votes attached to Units entitled to vote (in the case of an Ordinary Resolution), or to not less than 66 2/3% of the aggregate number of votes attached to Units entitled to vote (in the case of a Special Resolution), in accordance with this Article 9.

9.15 **Meaning of "Outstanding"**

Every Unit issued, certified and delivered hereunder shall be deemed to be outstanding until it shall be cancelled or delivered to the General Partner for cancellation provided that:

(a) when a new certificate has been issued in substitution for a Unit Certificate which has been lost, stolen, mutilated or destroyed, only one of such Unit Certificates shall be counted for the purposes of determining the number of Units outstanding; and

(b) for the purpose of any provision of this Agreement entitling holders of outstanding Units to vote, sign consents, requisitions or other instruments or take any action under this Agreement, Units owned directly or indirectly, legally or equitably, by the Partnership or any Subsidiary thereof shall be disregarded, except that:

(i) for the purpose of determining whether the General Partner shall be protected in relying on any such vote, consent, requisition or other instrument or action only the Units which the General Partner know are so owned shall be so disregarded; and

(ii) Units so owned which have been pledged in good faith other than to the Partnership or any Subsidiary thereof shall not be so disregarded if the pledgee shall establish to the satisfaction of the General Partner the pledgee's right to vote such Units in his or her discretion free from the control of the Partnership or any Subsidiary thereof.

9.16 **Powers Exercisable by Class Approval**

In addition to all other powers conferred on the Partners by this Agreement, the following acts and decisions proposed to be taken by the General Partner shall require approval by Ordinary Resolution of the holders of Class A Units with respect to matters affecting Class A Units and approval by Ordinary Resolution of the holders of Class B Units with respect to matters affecting Class B Units:

(a) to waive any default on the part of the General Partner which would affect the Class A Units or Class B Units, as applicable, on such terms as they may determine or to release the General Partner from any claims in respect thereof; and

(b) to consent to any action that would adversely affect the Class A Units or the Class B Units, as applicable, and any interests therein.

ARTICLE 10
FEES AND EXPENSES

10.1 **Expenses**

The Partnership shall reimburse the General Partner, as and when determined by the General Partner, for all reasonable costs and expenses incurred on the Partnership's behalf by the General Partner in the performance of its duties hereunder, including costs and expenses of the General Partner reasonably allocable to employees of the General Partner engaged in activities on behalf of the Partnership, all legal and audit expenses, filing and reporting fees and other expenses incurred solely for the purpose of maintaining the corporate existence of the General Partner, unless the General Partner otherwise agrees, but specifically excluding any amount which the General Partner is not entitled to receive under this Agreement, including pursuant to Sections 5.3(a)(iv), (v) and (vi).

ARTICLE 11
AMENDMENTS TO THIS AGREEMENT

11.1 Amendments by the General Partner

Subject to Section 9.16 and Section 11.3, the General Partner may make the following amendments to this Agreement in its sole discretion and without the approval of or notice to Limited Partners:

(a) remove any conflicts or other inconsistencies which may exist between any terms of this Agreement and Applicable Laws;

(b) provide, in the opinion of the General Partner, additional protection for the Limited Partners or to obtain, preserve or clarify the provision of desirable tax treatment to Limited Partners;

(c) make amendments which, in the opinion of the General Partner, based on the advice of its counsel or auditors (as the case may be), are reasonable and necessary or desirable to enable the Partnership to take advantage of, or not be detrimentally affected by, changes in taxation laws or accounting rules or in their interpretation or administration;

(d) to add or remove any provision in order to resolve conflicts or inconsistencies between the disclosure in the Prospectus and this Agreement that in the opinion of the General Partner, based on the advice of counsel, are necessary or desirable in order to make this Agreement consistent with the Prospectus;

(e) make any change or correction in this Agreement which is of a typographical nature or is required to cure or correct any ambiguity or defective or inconsistent provision, clerical omission, mistake or manifest error contained therein;

(f) bring this Agreement into conformity with Applicable Laws or with current practice within the securities industry, provided that any such amendment does not adversely affect the rights, privileges or interests of Limited Partners;

(g) a change in the name of the Partnership or the location of the principal place of business or the registered office of the Partnership;

(h) make amendments to reflect the admission, substitution, withdrawal or removal of Limited Partners in accordance with this Agreement;

(i) to create or issue one or more new classes or series of Partnership interests which would rank in priority to, *pari passu* with or junior to the Class A Units and the Class B Units or any other Partnership interests, provided that if such additional Partnership interests rank in priority to the Class A Units or the Class B Units, they similarly rank in priority to both the Class A Units and the Class B Units;

(j) a change that, as determined by the General Partner, is reasonable and necessary or appropriate to qualify or continue the qualification of the Partnership as a limited partnership in which the Limited Partners have limited liability under Applicable Laws; or

(k) make amendments as are required to undertake an internal reorganization involving the sale, lease, exchange or other transfer of the Partnership as a result of which, based on the advice of counsel, the Partnership has substantially the same interest, whether direct or indirect, in the Partnership's assets that it had prior to the reorganization and, for greater certainty, includes an amalgamation, arrangement or merger of the Partnership and its Affiliates with any entities provided that in the opinion of the General Partner, based on the advice of counsel, the rights of Limited Partners are not prejudiced thereby.

Except for changes to this Agreement that require the approval of Limited Partners or changes described above which do not require approval of or prior notice to Limited Partners, this Agreement may be amended from time to time by the General Partner upon prior written notice to Limited Partners.

11.2 **Amendment with Approval of Limited Partners and General Partner**

All amendments to this Agreement other than as contemplated in Sections 11.1 or 11.3 shall be permitted to be made by the General Partner with the consent of the holders of Class A Units by Special Resolution.

11.3 **Limitation on Amendment**

Notwithstanding Sections 9.16, 11.1 and 11.2 or any other provisions to the contrary contained in this Agreement:

(a) no amendments may be made without the unanimous approval of the Limited Partners which in any manner would: (i) change the liability of any Limited Partner; (ii) change the voting rights of any Limited Partner; or (iii) change the Partnership from a limited partnership to a general partnership;

(b) no amendment which would adversely affect the rights and obligations of the General Partner, as a general partner, may be made without the consent of the General Partner; and

(c) no amendment which would adversely affect the rights and obligations of any Limited Partner in a manner that is different from the effects on other Limited Partners or any class of Limited Partner differently than any other class of Limited Partner may be made without the consent of such Limited Partner, or class of Limited Partner by Ordinary Resolution, including, for greater certainty, any amendment to the restrictions on the transfer of the Class B Units set out in Section 7.12.

11.4 **General Partner to Sign Amendment**

When a vote of the Limited Partners approves an amendment to this Agreement or when the General Partner may amend this Agreement without Limited Partner approval as provided herein, then the General Partner shall sign such documents as may be necessary to effect such amendment.

ARTICLE 12
DISSOLUTION OF THE LIMITED PARTNERSHIP

12.1 **<u>Dissolution by Limited Partners</u>**

Notwithstanding anything to the contrary contained herein, the Limited Partners may vote by Special Resolution to dissolve the Partnership at any meeting of Limited Partners duly called by the General Partner for the purpose of considering such dissolution.

12.2 **<u>Dissolution and Termination</u>**

The Partnership shall be dissolved upon the authorization of such dissolution pursuant to Section 12.1 and the completion of the liquidation of the Partnership and distribution to the Limited Partners of all funds remaining after payment of all debts, liabilities and obligations of the Partnership to its creditors.

12.3 **<u>Events Not Causing Dissolution</u>**

Notwithstanding any rule of law or equity to the contrary, the Partnership shall not be dissolved except in accordance with this Agreement. In particular, the Partnership shall not be dissolved or terminated by the removal, actual or deemed resignation, retirement, expulsion, death, incompetence, bankruptcy, insolvency, other disability or incapacity, dissolution, liquidation, winding-up or receivership of the General Partner or the admission, resignation or withdrawal of any Limited Partner.

12.4 **<u>Distributions upon Dissolution</u>**

Upon the liquidation, dissolution or wind-up of the Partnership, the assets of the Partnership shall be liquidated and all proceeds thereof collected by the Partnership and all such proceeds shall be distributed, in cash or in kind or partly in each, all as the General Partner in its sole discretion may determine, as follows:

(a) first, to pay all unpaid expenses pursuant to Section 10.1, and all expenses incurred in the winding-up of the Partnership;

(b) second, to pay all of the liabilities of the Partnership including any loans or advances made by the Limited Partners and any amounts owing to the General Partner in respect of costs and expenses owing to it in such capacity;

(c) third, to establish such reserves as the General Partner considers necessary;

(d) fourth, to pay to the Limited Partners any unpaid portion of the distributions set out in Section 8.6(b) and 8.6(c);

(e) fifth, to pay to the General Partner any unpaid portion of the distributions set out in Section 8.6(a); and

(f) sixth, to pay 0.01% of the balance to the General Partner and 99.99% of the balance to the Limited Partners.

Notwithstanding Section 12.4(d), the Limited Partners may approve by Special Resolution distributions of all assets of the Partnership *in specie*, in which event the General Partner and each Limited Partner shall, subject to the provisions of this Agreement, be entitled to receive an undivided interest in each and every asset of the Partnership in accordance with such Partner's proportionate interest in the Partnership, as determined by the General Partner, as of the date of dissolution or sale. In the event of a liquidation, dissolution or wind-up of the Fund or the Partnership in an insolvency scenario, the Class B Units shall automatically be exchanged into Fund Class C Units in the manner set out in the Exchange Agreement.

12.5 Powers of the General Partner Upon Termination and Responsibility of the General Partner after Sale and Conversion

After the date on which the General Partner is required to commence to wind-up the affairs of the Partnership, the General Partner shall undertake no activities except for the purpose of winding-up the affairs of the Partnership as hereinafter provided and, for this purpose, the General Partner shall continue to be vested with and may exercise all or any of the powers conferred upon the General Partner under this Agreement.

The General Partner shall be under no obligation to invest the proceeds of any sale of investments or other assets or cash forming part of the Partnership's property after the date referred to in Section 12.2 and, after such sale, the sole obligation of the General Partner under this Agreement shall be to hold such proceeds or assets in trust for distribution under Section 12.4.

ARTICLE 13
ACCOUNTING AND REPORTING

13.1 Books and Records

The General Partner will keep or cause to be kept on behalf of the Partnership books and records reflecting the assets, liabilities, income and expenditures of the Partnership. Such books and records will be kept available for inspection by any Limited Partner or his, her or its duly authorized representative (at the expense of such Limited Partner) during business hours at the offices of the General Partner.

13.2 Financial Statements

The Partnership shall maintain separate financial statements from each of the Partners and, in the event the financial results of the Partnership are not consolidated with those of the Fund, the Partnership shall provide to each of the Partners copies of its unaudited quarterly financial statements no later than 45 days following each of the first three fiscal quarters each year and copies of its audited annual financial statements no later than 90 days following each Fiscal Year end, in each case prepared in accordance with Canadian generally accepted accounting principles. For the purposes of this Agreement, references to the completion of the financial statements of the Partnership shall mean completion of such financial statements taking into account any adjustments thereto resulting from the completion of the Fund's annual audited financial statements or quarterly financial statements, as applicable.

13.3 U.S. Tax Classification Election

The Partnership shall make an election to be classified as a corporation for U.S. federal income tax purposes to be effective from the Partnership's formation date.

13.4 Tax Reporting

On or before March 31 in each calendar year, the Partnership will forward to each Limited Partner tax reporting information in such manner as will enable such person to report the income tax consequences of an investment in Units in the Limited Partner's annual Canadian income tax return.

13.5 **Auditors**

The General Partner shall appoint, on behalf of the Partnership, and from time to time, the Auditors. The Auditors shall report to the General Partner and the Limited Partners on the annual financial statements of the Partnership and shall fulfill such other responsibilities as they may properly be called upon by the General Partner to assume. The Auditors shall have access to all records relating to the affairs of the Partnership.

ARTICLE 14
POWER OF ATTORNEY

14.1 **Power of Attorney**

The Limited Partners hereby irrevocably make, constitute and appoint the General Partner, with full power of substitution, as their true and lawful attorney and agent, with full power and authority in their name, place and stead and for their use and benefit, to execute, swear to, acknowledge, deliver, file and record on their behalf in the appropriate public offices and publish all of the following:

(a) this Agreement and counterparts thereof;

(b) all instruments which the General Partner deems appropriate to reflect any amendment, change or modification to the Partnership or to this Agreement in accordance with the terms thereof;

(c) all certificates and instruments and amendments thereto which the General Partner deems appropriate or necessary to form, qualify or continue the qualification of the Partnership in or otherwise comply with the laws of any jurisdiction where the Partnership may do business or own or lease property in order to maintain the limited liability of the Limited Partners and to comply with all Applicable Laws of such jurisdiction;

(d) all conveyances and instruments which the General Partner deems appropriate or necessary to reflect the dissolution and termination of the Partnership pursuant to the terms of this Agreement;

(e) any and all other certificates, instruments and declarations which may be required to be filed by the Partnership with any governmental authority under the laws of Canada or any province or territory thereof; and

(f) all elections, determinations or designations under the Tax Act or any other taxation or other legislation or laws of like import of Canada or any provinces or jurisdiction in respect of the affairs of the Partnership or of a Partner’s interest in the Partnership.

The power of attorney hereby granted shall be deemed to be irrevocable and coupled with an interest and will survive the death, disability, incapacity, insanity and insolvency of the Limited Partners and will extend to and be binding upon the heirs, executors, administrators, legal personal representatives, successors and permitted assigns of the Limited Partners.

ARTICLE 15
MISCELLANEOUS

15.1 **Competing Interests**

Each Limited Partner is entitled, without the consent of the General Partner or the other Limited Partners, to carry on any business whether or not of the same nature and competing with that of the Partnership, and is not liable to account to the other Limited Partners therefor.

15.2 **Notices**

(a) Notice to the General Partner shall be delivered to:

c/o Starlight Group Property Holdings Inc.
3280 Bloor Street West, Suite 1400,
Toronto, Ontario,
M8X 2X3

Except as otherwise provided in this Agreement, any notice or other written communication required or permitted to be given to the General Partner under this Agreement shall be deemed to have been validly given or received the fifth day following its sending by first class mail to the address set out above.

(b) Notice to the Limited Partners:

Except as otherwise provided in this Agreement, any notice required or permitted to be given to a Limited Partner under this Agreement shall be deemed to have been validly given or received the fifth day following its sending by first class mail to the to the last address of the Limited Partner as shown in the Record of Limited Partners. Each Limited Partner shall advise the General Partner of any change in such Limited Partner's address as then shown on the Record of Limited Partners.

(c) In the event of any disruption, strike or interruption in the Canadian postal service after mailing and before receipt or deemed receipt of a document, it will be deemed to have been received on the sixth Business Day following full resumption of the Canadian postal service.

15.3 **Further Acts**

The parties hereto agree to execute and deliver such further and other documents and to perform and cause to be performed such further and other acts and things as may be necessary or desirable in order to give full effect to this Agreement and every part hereof.

15.4 **Binding- Effect**

Subject to the provisions regarding assignment and transfer herein contained, this Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, administrators and other legal representatives, successors and assigns.

15.5 **<u>Blake, Cassels & Graydon LLP Acting for More Than One Party</u>**

Each of the parties to this Agreement has been advised and acknowledges that Blake, Cassels & Graydon LLP are acting as counsel to and jointly representing Starlight U.S. Residential (Single-Family) Investment GP, Inc. and the Initial Limited Partner (each a "**Client**" and, collectively, "**Clients**") and, in this role, information disclosed to Blake, Cassels & Graydon LLP by one Client will not be kept confidential and will be disclosed to all Clients and each of the parties consents to Blake, Cassels & Graydon LLP so acting. In addition, should a conflict arise between any Clients, Blake, Cassels & Graydon LLP may not be able to continue to act for any of such Clients.

15.6 **<u>Severability</u>**

Each provision of this Agreement is intended to be severable. If any provision hereof is illegal or invalid, such illegality or invalidity shall not affect the validity of the remainder hereof.

15.7 **<u>Third Party Beneficiaries</u>**

The provisions of Section 5.3 are intended for the benefit of all Persons named therein, in each case as and to the extent applicable in accordance with their terms, and shall be enforceable by each of such Persons and his or her successors, permitted assigns, heirs, executors, administrators and other legal representatives (collectively, the "**Third Party Beneficiaries**") and the parties shall hold the rights and benefits of the aforementioned provisions in trust for and on behalf of the Third Party Beneficiaries and each of the parties hereby accepts such trust and agrees to hold the benefit of and enforce performance of such covenants on behalf of the Third Party Beneficiaries, and in each case are in addition to, and not in substitution for, any other rights that the Third Party Beneficiaries may have by contract or otherwise.

15.8 **<u>Counterparts</u>**

This Agreement may be executed in any number of counterparts and may be delivered by electronic facsimile transmission or other means of electronic communication capable of producing a printed copy, with the same effect as if all parties hereto had signed the same document. This Agreement may also be adopted in any subscription or assignment forms or similar instruments signed by a Limited Partner or by the General Partner on his, her or its behalf, with the same effect as if such Limited Partner had executed a counterpart of this Agreement. All counterparts and adopting instruments shall be construed together and shall constitute one and the same agreement.

15.9 **<u>Time</u>**

Time is of the essence hereof.

15.10 **<u>Governing Law</u>**

This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein and the parties hereto hereby submit to and attorn to the non-exclusive jurisdiction of the Courts of the Province of Ontario.

* * * * *

[The remainder of this page remains intentionally blank.]

IN WITNESS WHEREOF this Limited Partnership Agreement is executed as of the day and year first above written.

SIGNED, SEALED AND DELIVERED

STARLIGHT U.S. RESIDENTIAL (SINGLE-FAMILY) INVESTMENT GP, INC.

By: *(signed) "David Hanick"*
Name: David Hanick
Title: Authorized Signatory

STARLIGHT U.S. RESIDENTIAL FUND

By: *(signed) "Daniel Drimmer"*
Name: Daniel Drimmer
Title: Authorized Signatory

STARLIGHT GROUP PROPERTY HOLDINGS INC.

By: *(signed) "Daniel Drimmer"*
Name: Daniel Drimmer
Title: Authorized Signatory