

LIMITED PARTNERSHIP AGREEMENT

Newport Beach Developments Limited Partnership

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LIMITED PARTNERSHIP AGREEMENT

Newport Beach Developments Limited Partnership

THIS AGREEMENT is dated for reference July 31, 2014

BETWEEN:

0983016 B.C. LTD., a British Columbia corporation having an office at 401 - 37989 Cleveland Avenue, P.O. Box 1068, Squamish, British Columbia, V8B 0A7

(**"General Partner"**)

AND:

SQUAMISH OCEANFRONT DEVELOPMENT CORPORATION, a British Columbia corporation having an office at 37321 Galbraith Road, P.O. Box 468, Squamish, British Columbia, V8B 0A4

(**"Limited Partner"**)

WHEREAS:

- A. The General Partner has formed the Limited Partnership under the Act for the purposes stated herein;
- B. Pursuant to the provisions of the Purchase Agreement, the Limited Partner has conveyed beneficial ownership of the Lands to the Limited Partnership and has acquired the LP Interest; and
- C. The General Partner and the Limited Partner wish the affairs of the Limited Partnership to be governed by this Agreement.

THIS AGREEMENT WITNESSES THAT, in consideration of the covenants and agreements contained herein, the parties hereto covenant and agree as follows:

ARTICLE 1 INTERPRETATION

1.1 Definitions

Where used in this Agreement, unless the context otherwise requires, the following terms will have the following meanings:

- (a) **"Act"** means the *Partnership Act* (British Columbia);
- (b) **"Affiliate"** will have the meaning ascribed to it in Section 1 of the *Business Corporations Act* (British Columbia);

- (c) **"Agreement"** means this Limited Partnership Agreement, including the recitals and any schedules attached hereto and will include every agreement varying, modifying, amending or supplementing this Limited Partnership Agreement;
- (d) **"Available Cash"** means, at any time, the cash on hand in the Limited Partnership, which the General Partner has determined, in its sole and unfettered discretion, are not required for Reserves or to pay Financing or other obligations of the Limited Partnership and which are available for distribution to the Partners;
- (e) **"Business"** means the acquisition and ownership of the Lands, and servicing, developing, managing, marketing or selling real estate, including in connection with the Project and such activities in connection with the Lands or other lands in the District of Squamish as are incidental, necessary or desirable in connection therewith;
- (f) **"Business Day"** means any day except Saturday, Sunday and statutory holidays in British Columbia;
- (g) **"Capital"** means, at any time, means the amount of money or the fair market value of property, determined at the time of contribution and expressed in money, contributed to the Partnership by a Partner under this Agreement, including the Initial Capital Contribution and any additional Capital contribution of a Partner;
- (h) **"Capital Account"** means the account of a Partner established pursuant to Section 8.1 and being the Capital of that Partner, adjusted from time to time pursuant to the provisions of this Agreement;
- (i) **"Certificate"** means the certificate filed with the Registrar of Companies for British Columbia in accordance with Section 51 of the Act for the purpose of creating the Limited Partnership, as such certificate is amended from time to time;
- (j) **"CAC"** means Community Amenity Contribution;
- (k) **"CAC Construction Works"** means those works to be constructed by the Limited Partnership, as specified in the CAC Front-end Agreement;
- (l) **"CAC Front-end Agreement"** means an agreement entered into between the Limited Partnership and District in connection with the Lands in respect of CACs;
- (m) **"Closing Date"** means the date specified for completion of the purchase of the Lands by the Limited Partnership under the Purchase Agreement;
- (n) **"Current Account"** means the account of a Partner established pursuant to Section 8.2, adjusted from time to time pursuant to the provisions of this Agreement;
- (o) **"Development Costs"** means and includes, for the purposes of calculating Development Management Fees, all costs, payments, charges and expenses incurred or paid by the Limited Partnership in connection with the Business or the Project, excluding for certainty, acquisition cost of the Land, financing costs and interest related to the Project, property taxes and the Development Management Fees;

- (p) **"Development Management Fees"** means fees payable to the General Partner or, at the General Partner's direction, to a third party, for the provision of the Development Management Services, in an amount equal to 7% of Development Costs;
- (q) **"Development Management Services"** means services provided in connection with co-ordinating and overseeing the Project, including the master planning, administration, design, development, construction and servicing of the Project;
- (r) **"District"** means the District of Squamish;
- (s) **"Financing"** means any credit facility granted or extended to the Limited Partnership pursuant to which money, credit or other financial accommodation are made available by way of borrowed money, the purchase of debt instruments or securities, bankers acceptances, letters of credit, overdraft or other forms of credit or financial accommodation, and includes loans provided or made available to the Limited Partnership by the General Partner;
- (t) **"Fiscal Year"** has the meaning set forth in Section 2.6;
- (u) **"GAAP"** means those accounting principles which are recognized as being generally accepted in Canada from time to time as set forth in the handbook published by the Canadian Institute of Chartered Accountants;
- (v) **"General Partner"** means the general partner of the Limited Partnership, currently 0983016 B.C. LTD., while acting in the capacity of general partner of the Limited Partnership pursuant to the provisions of this Agreement and any Person who is admitted to the Limited Partnership as a successor or replacement general partner;
- (w) **"Initial Capital Contribution"** means the amount of property contributed or to be contributed by the Limited Partner as an initial contribution to Capital, as follows:
 - (i) \$5,000,000 upon the Closing Date, by conveyance of the beneficial interest in the Lands to the Limited Partnership in accordance with the Purchase Agreement;
- (x) **"Lands"** means lands commonly referred to as the Squamish Oceanfront Lands located in the District of Squamish, to be acquired by the Limited Partnership on the Closing Date pursuant to the provisions of the Purchase Agreement, which lands are legally described in Schedule A;
- (y) **"Limited Partner"** means SODC, upon the execution and delivery hereof, or a transferee or successor of SODC who is approved by the General Partner and entered in the Register as a limited partner of the Limited Partnership at such time;
- (z) **"Limited Partnership"** means the Limited Partnership formed under the Act and governed by the terms of this Agreement;
- (aa) **"LP Interest"** means the interest of the Limited Partner in the Limited Partnership pursuant hereto, including the initial \$5,000,000 Capital Account and all other rights and benefits enjoyed by the Limited Partner as a limited partner of the Partnership or

pursuant to the Partnership Agreement, which interest is represented with reference to the Pro-rata Share of the Limited Partner, as herein set out;

- (bb) **"Net Income"** means, with respect to any Fiscal Year of the Limited Partnership, the amount that would be the net income of the Limited Partnership calculated in accordance with GAAP;
- (cc) **"Net Loss"** means, with respect to any Fiscal Year of the Limited Partnership, the amount that would be the net loss of the Limited Partnership calculated in accordance with GAAP;
- (dd) **"Partners"** means the General Partner and the Limited Partner, and **"Partner"** means either of them;
- (ee) **"Person"** means any individual, partnership, limited liability company, joint venture, syndicate, association, trust, body corporate or other entity, and a natural Person in such person's capacity as trustee, executor, administrator or other legal representative;
- (ff) **"Proceeds on Dissolution"** means funds arising from or realized from the sale of all or substantially all of the Property which become available for distribution to the Partners in connection with the dissolution or winding-up of the Limited Partnership;
- (gg) **"Project"** means the mixed use project proposed to be developed by the Limited Partnership on the Lands and other lands in which interests may be acquired and all works and activities to be undertaken in connection therewith or in furtherance thereof;
- (hh) **"Property"** means at any time, the property and assets of the Limited Partnership, including the Lands;
- (ii) **"Pro-rata Share"** of any amount means:
 - (i) in respect of the General Partner – 75% of such amount; and
 - (ii) in respect of the Limited Partner – 25% of such amount;
- (jj) **"Purchase Agreement"** means an Agreement of Purchase and Sale dated for reference July 31, 2014 among District, SODC and the Limited Partnership, whereby the Limited Partnership has agreed to purchase the Lands from District;
- (kk) **"Register"** means the register of the Limited Partnership referred to in Section 7.1(b);
- (ll) **"Reserve"** and **"Reserves"** means, with respect to any period, funds set aside or withheld from distribution to the Partners during such period, in amounts deemed necessary by the General Partner, in its sole and unfettered discretion, for anticipated cash requirements, the orderly payment of expenditure programs or for anticipated costs or expenses relating to the Limited Partnership or the Project, whether known, estimated, absolute or contingent;
- (mm) **"Schedule"** means a schedule to this Agreement;
- (nn) **"SODC"** means the Squamish Oceanfront Development Corporation;

- (oo) **"Special Resolution"** means:
 - (i) a resolution passed by the affirmative vote of the Limited Partner at a duly convened meeting of the Partners or any adjournment thereof; or
 - (ii) a written resolution signed by the Limited Partner, notice of which has been given to the General Partner;
- (pp) **"Tax Act"** means such taxing statute in force from time to time that affects the Limited Partnership, including, without limitation (and as applicable):
 - (i) the *Income Tax Act* (Canada) as amended from time to time; and
 - (ii) any other statute or regulation enacted by the parliament or government of Canada, by the legislature or government of any province of Canada or by any other legislative or governmental body of any other country, province, state or territory;
- (qq) **"Tax Income"** and **"Tax Loss"** mean the amount, if any, that would be the income or loss, as the case may be, of the Partnership for the Fiscal Year, or other period as determined in accordance with the applicable provisions of the *Tax Act*;
- (rr) **"Valuators"** means such independent and qualified business valuers as may be selected by the General Partner and approved by the Limited Partner, and if the Partners are unable to agree upon a Valuator, then as may be appointed by the Courts of British Columbia; and
- (a) **"Value of LP Interest"** means an amount equal to the fair market value of the LP Interest, as determined by the Valuers in accordance with Section 11.3, which determination will be binding upon the Partners and the Partnership.

ARTICLE 2 THE LIMITED PARTNERSHIP

2.1 Formation

The General Partner formed the Limited Partnership by filing a certificate of Limited Partnership with the Registrar of Companies. The rights and liabilities of the Limited Partnership will be as provided in the Act, except as otherwise expressly provided herein. The General Partner and the Limited Partner will carry on business as a limited partnership in accordance with the terms of this Agreement and the *Partnership Act*.

2.2 Name

The name of the Limited Partnership is "Newport Beach Developments Limited Partnership" and may be changed by the General Partner from time to time in its sole and unfettered discretion.

2.3 Business

The business and purpose of the Limited Partnership will be to carry on the Business and such other activities as are necessary or incidental thereto.

2.4 Head Office

The head office of the Limited Partnership will be located at 401 - 37989 Cleveland Avenue, Squamish, British Columbia, or at such other address in British Columbia as the General Partner may from time to time designate. The General Partner will give notice to the Limited Partner of any change in the address of the head office of the Limited Partnership. The business of the Limited Partnership may be conducted at such other place or places as may from time to time be determined, selected or approved by the General Partner.

2.5 Term

The term of the Limited Partnership will commence upon the date of filing of the Certificate and will continue thereafter until the twentieth anniversary of the date of filing of the Certificate unless earlier terminated pursuant to the provisions of Article 10. Notwithstanding the foregoing, if the completion of the purchase of the Lands does not occur on the Closing Date in accordance with the Purchase Agreement, neither the General Partner nor the Limited Partner will have any further obligations, each to the other hereunder.

2.6 Fiscal Year

The fiscal year (the “**Fiscal Year**”) of the Limited Partnership will end on December 31 in each year unless otherwise determined by the General Partner.

ARTICLE 3 FUNDING, CAPITAL AND CONTRIBUTION TO CAPITAL

3.1 General Partner – Funding Obligations

The General Partner will, by way of contribution of Capital, utilization of proceeds of Financing, Reserves or revenues derived from the Project, or otherwise, make necessary funds, including working capital, available for the purposes of the Limited Partnership as required, to enable the Limited Partnership to fulfil its obligations.

3.2 Initial Capital Contribution

The Limited Partner will be deemed to have made its Initial Capital Contribution upon completion of the purchase and sale of the Lands in accordance with the terms of the Purchase Agreement.

3.3 Capital Accounts

The capital of the Limited Partnership is the aggregate amount of the Capital Accounts of the Partners. A separate Capital Account, as described in Section 8.1, will be maintained for each Partner and will be credited with the amount of each Partner’s respective Capital Contribution. A Partner will not be entitled to receive repayment from its Capital Account or to receive any distribution except as provided in this Agreement.

3.4 No Interest on Accounts

No Partner will be entitled to interest on any credit balance in its Capital Account or Current Account. No Partner will be liable to pay interest to the Limited Partnership on any Capital returned to such Partner or on any authorized negative balance in the Capital Account of such Partner.

3.5 Debit Balance in Account

The interest of a Partner in the Limited Partnership will not terminate solely by reason that there is a debit balance in the Capital Accounts or Current Accounts maintained for such Partner by the Limited Partnership.

3.6 Private Issuer

Notwithstanding any other provision expressed or implied to the contrary herein, it is agreed that in respect of the Limited Partnership:

- (a) the right to transfer an interest in the Limited Partnership is restricted by the terms of this Agreement;
- (b) no other Persons will be permitted to subscribe for an interest in the Limited Partnership.

ARTICLE 4 THE LIMITED PARTNER

4.1 Limitation on Authority of Limited Partner

The Limited Partner, except to the extent permitted by the Act, will not:

- (a) take part in the operation, administration, control, management or conduct of the business of the Limited Partnership or exercise any power in connection therewith;
- (b) transact any business on behalf of the Limited Partnership or make a commitment on behalf of or otherwise obligate or bind the Limited Partnership;
- (c) execute any document which binds or purports to bind any other Partner or the Limited Partnership; or
- (d) hold itself out as having the power to act for or to undertake any obligation or responsibility on behalf of any other Partner or the Limited Partnership

4.2 Limited Liability of Limited Partner

Subject to the provisions of the Act:

- (a) the liability of the Limited Partner for the debts, liabilities and obligations of the Limited Partnership is limited to the amount of its Capital and the Limited Partner will have no further personal liability for such debts, liabilities or obligations;

- (b) the Limited Partner will not be subject to any call or assessment for a further contribution of Capital to the Limited Partnership other than in respect of the Initial Capital Contribution;
- (c) where the Limited Partner has received the return of all or part of its Capital, the Limited Partner will be liable to the Limited Partnership for any amount, not in excess of the amount returned, without interest, necessary to discharge the liabilities of the Limited Partnership to all creditors who extended credit or whose claims otherwise arose before the return of the contribution to Capital; and
- (d) neither the Limited Partnership nor the General Partner will have recourse to any property, assets or undertaking of the Limited Partner for obligations hereunder except to the extent of the LP Interest.

4.3 Indemnity of Limited Partner

The General Partner will indemnify and hold harmless the Limited Partner for any costs, expenses, damages or liabilities suffered or incurred by the Limited Partner if the liability of the Limited Partner is not limited in the manner provided for in this Agreement, except where the absence or loss of limited liability is caused by the act or omission of the Limited Partner.

4.4 Limited Recourse

Notwithstanding Section 4.2, the Limited Partner is liable to the Limited Partnership for its Initial Capital Contribution.

4.5 Other Activities of Limited Partner

The Limited Partner may engage in or hold an interest in any other business, venture, investment or activity whether or not similar to or competitive with the business of the Limited Partnership and will not be liable to account therefore to the Limited Partnership or any Partner.

4.6 No Partition Actions or Liens

The Limited Partner will not, during the term of this Agreement, bring any action for partition or sale or otherwise in connection with any interest in the Lands or any Property of the Limited Partnership, whether real or personal, nor register or permit any lien or charge to be registered or remain undischarged against the Business, the Property, the assets, or the undertaking of the Limited Partnership.

4.7 Compliance with Laws

The Limited Partner will, on request of the General Partner, immediately execute any documents considered by the General Partner to be necessary or required to comply with the laws or regulations of any applicable jurisdiction, relating to the continuation, operation and good standing of the Limited Partnership.

4.8 Dissolution or Wind-up of Limited Partner

The dissolution or wind-up of the Limited Partner will not cause the dissolution of the Limited Partnership, but the rights of the Limited Partner will, on the happening of any such event,

devolve on the successor of the Limited Partner, subject in all instances to the terms and conditions of this Agreement, and the Limited Partnership will continue as a limited partnership.

4.9 Status of the Limited Partner

The Limited Partner represents and warrants to the General Partner that it:

- (a) is a corporation formed and existing under the laws of Canada or a province thereof with the capacity to enter into and be bound by this Agreement;
- (b) is a wholly owned subsidiary of District; and
- (c) will not be a “non-resident person” within the meaning of the *Income Tax Act* (Canada),

The Limited Partner will, at the request of the General Partner, provide such evidence of compliance with such representation, warranty and covenant as the General Partner may request.

4.10 Survival of Representations, Warranties and Covenants

The representations, warranties and covenants made pursuant to Section 4.9 will survive execution of this Agreement and the Limited Partner will ensure that each representation, warranty and covenant made pursuant to Section 4.9 will be true so long as the Limited Partner remains a Limited Partner.

ARTICLE 5 MEETINGS OF PARTNERS

5.1 Calling of Meetings

Meetings of the Partners may be called at any time by the General Partner and will be called by the General Partner upon the reasonable written request of the Limited Partner. Any such meeting will be held in Squamish. If the General Partner fails to convene a meeting upon any such request of the Limited Partner within a period of twenty-one (21) days after the giving of such request, the Limited Partner may convene such meeting. The notice calling such meeting will be signed on behalf of the Limited Partner. Any meeting called by the Limited Partner will be conducted in accordance with the provisions of this Agreement.

5.2 Quorum

Subject to this Agreement, a quorum at any meeting of the Partners will consist of both Partners. If, within 30 minutes after the time fixed for the commencement of any such meeting, a quorum is not present, the meeting:

- (a) if called by Limited Partner, will be dissolved; and
- (b) if called by the General Partner, will be held at the same time and place on the 5th day next following (or if that date is not a business day, the first business day after that date), and the General Partner will give notice to the Limited Partner of the date of the

reconvening of the adjourned meeting. At such reconvened meeting the quorum will consist of the Partner or Partners then present in person or represented.

5.3 Notice of Meeting

Notice of all meetings of the Partners, stating the time, place and purpose of the meeting, will be given by the Partner calling the meeting, to each other Partner at least 10 days, but not more than 30 days, before the meeting. Only the business stated in the notice of meeting and such other business as may be resolved at such meeting to be dealt with will be considered at such meeting. The provisions of Section 5.2 will apply with respect to the notice for adjourned meetings.

5.4 Voting

Every question requiring approval of the Limited Partner will be determined by Special Resolution.

5.5 Effect of Special Resolutions

Any Special Resolution will be binding on the Partners, whether or not such Partner was present or represented by proxy at the meeting at which such resolution was passed and whether or not such Partner voted in favour of such resolution.

5.6 Powers Exercisable by Special Resolution

The Limited Partner's right of approval or consent to any matter concerning the Limited Partnership is strictly limited to approval, by Special Resolution, of the exercise of any of the following powers:

- (a) Remove the General Partner in the event of dishonesty, bankruptcy or insolvency or material default of its obligations pursuant to Section 6.21
- (b) admit a new General Partner to the Limited Partnership in anticipation of the bankruptcy, insolvency, dissolution, liquidation, winding-up or removal of the General Partner, such admission to become effective only upon the actual bankruptcy, insolvency, dissolution, liquidation, winding-up or removal of the General Partner;
- (c) waive any default on the part of the General Partner or any Affiliate on such terms as they determine and release them from any claims in respect thereof;
- (d) continue the Limited Partnership if the Limited Partnership is terminated by operation of law where such continuance is approved by the General Partner;
- (e) waive the appointment of an Auditor;
- (f) approve the General Partner making a distribution in the form of any other Property of the Limited Partnership pursuant to Section 8.10;
- (g) approve the dissolution or winding up of the Limited Partnership pursuant to Section 10.1;

- (h) select a receiver in the event that the General Partner has become bankrupt and is not replaced in accordance with Section 10.2;
- (i) agree to any compromise or arrangement by the Limited Partnership with any creditor or creditors or class or classes of creditors; and
- (j) amend, modify, alter or repeal any Special Resolution previously passed.

The foregoing powers will not be exercised if the exercise thereof would constitute management of the business of the Limited Partnership.

5.7 Limitation on Powers Exercisable at Meetings of Partners

The Partners acknowledge and agree that any decisions made, or business conducted, at meetings of the Partners will be restricted so that the Limited Partner will not become liable as a general partner.

5.8 Minutes

The General Partner will cause minutes to be made and kept of all proceedings and resolutions at every meeting and will keep Special Resolutions of the Limited Partner. Minutes signed by the chair of the meeting or by the chair of the next succeeding meeting, will be deemed evidence of the matters stated in such minutes and such meetings will be deemed to have been duly convened and held and all resolutions or proceedings recorded in such minutes will be deemed to have been duly passed and taken. The General Partner will provide a copy of the minutes of any meeting to be provided to the Limited Partner upon request.

5.9 Chair

The chair at all meetings of the Partners will be an officer of the General Partner.

5.10 Authorized Attendance

The General Partner will have the right to authorize the presence of any individual at any meeting of the Partners regardless of whether that individual is a Partner and with the approval of the chair of that meeting, such individual will be entitled to address the meeting.

5.11 Rules and Procedures

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

ARTICLE 6 THE GENERAL PARTNER

6.1 Management of the Limited Partnership

The General Partner has:

- (a) unlimited liability for the debts, liabilities and obligations of the Limited Partnership; and

- (b) the full and exclusive right, power and authority on behalf of the Limited Partnership and in the name of the Partners to manage, control, administer and operate the business and affairs of the Limited Partnership and to make all decisions regarding the Property or the Project, subject only to the restrictions set forth herein or in the Act.

Any action taken by the General Partner on behalf of the Limited Partnership is deemed to be an act of the Limited Partnership and binds the Limited Partnership.

6.2 Ostensible Authority of General Partner

No Person who deals with the Limited Partnership will be required to inquire into the authority of the General Partner to bind the Limited Partnership or to do any act, take any proceeding, make any decision or execute and deliver any instrument, deed, agreement or document for and on behalf of and in the name of the Limited Partnership. Persons dealing with the Limited Partnership are entitled to rely conclusively on the power and authority of the General Partner as set forth in this Agreement.

6.3 Specific Powers and Duties

Without restricting or limiting the foregoing in any way, the General Partner is hereby granted the full and exclusive right, power and authority to do or cause to be done for and on behalf of and in the name of the Limited Partnership, any and all acts deemed by the General Partner to be necessary, appropriate, required or incidental to the Business, operations, purposes or undertakings of the Limited Partnership, including, without limitation, the exclusive right, power and authority to:

- (a) provide over-all management and financial and business planning for and on behalf of the Limited Partnership;
- (b) to determine the policies, business practices and objectives applicable to the Project and to implement such policies, practices and objectives;
- (c) enter into, perform or assume the obligations under the Purchase Agreement and any other agreements respecting the Project and the Property;
- (d) sell, acquire, convey, transfer, exchange and otherwise dispose of real estate or interests therein, including all or any portion of the Lands or the Property;
- (e) exercise personally or by general or limited power of attorney all voting rights (if any) and all other rights attaching to or appurtenant to the Property;
- (f) arrange any Financing, borrow money in such manner and amounts, and from such sources and on such terms and conditions as the General Partner deems appropriate including, without limiting the generality of the foregoing, for the purpose of financing capital expenditures and financing the Project;
- (g) draw, make, issue and deliver negotiable and non-negotiable instruments in evidence of indebtedness and secure the payment of money so borrowed including, without limitation, guaranteeing, pledging, mortgaging or assigning in trust or otherwise and granting mortgages, liens, charges, encumbrances and other security interests on the Property or any part thereof;

- (h) renew or extend or participate in the renewal or extension of any mortgage or other security interest upon such terms as the General Partner may deem advisable;
- (i) place registered title to the Property in the name of the General Partner or any other nominee, agent or bare trustee, for the purpose of financing or other convenience for the benefit of the Limited Partnership;
- (j) incur all reasonable expenses relating to the purchase, development, construction and operation of the Property and the Project which the General Partner deems are necessary or incidental to or desirable for completing the Project;
- (k) employ, retain or dismiss from employment all necessary personnel, agents, representatives or professionals with the powers and duties, upon the terms and for the compensation as in the discretion of the General Partner may be necessary or advisable in completing the Project;
- (l) retain, dismiss and change legal counsel, accountants, auditors, experts, advisors, agents or consultants as the General Partner will consider appropriate and to rely upon the advice of such persons;
- (m) open bank accounts for the Limited Partnership in the name of the General Partner or the Limited Partnership, designate or change the signatories to such accounts, execute loan and credit agreements on behalf of the Limited Partnership, and make deposits and withdrawals from any such accounts for and on behalf of the Limited Partnership;
- (n) invest and hold funds not immediately required for the operation of the Limited Partnership;
- (o) submit the Limited Partnership to binding arbitration with respect to the matters pertaining to the Property of the Limited Partnership;
- (p) commence, defend and settle any action or proceeding in connection with the Limited Partnership;
- (q) file all returns and provide all other information required by any governmental or like authority;
- (r) enter into and perform all contracts, covenants and obligations of or relating to the Limited Partnership, the Property or the Project;
- (s) receive and manage all revenues of the Limited Partnership;
- (t) disburse monies to the Partners in accordance with this Agreement;
- (u) obtain and maintain such insurance coverage as may be determined necessary by the General Partner;
- (v) attend to all matters intended to directly or indirectly advance or better position the Business, as determined by the General in its sole discretion or as otherwise authorized under the terms of this Agreement;

- (w) make, execute, acknowledge and deliver, under seal or otherwise, any instrument, deed, agreement, contract, lease, mortgage, conveyance, guarantee, indemnity, covenant, waiver and other document and take any other steps as are necessary or desirable to effect the power and authority of the General Partner provided herein for and on behalf of and in the name of the Limited Partnership;
- (x) enter into and perform any agreement to do any of the foregoing; and
- (y) generally to do all acts and things and to take all steps and proceedings and exercise all rights and privileges in connection with the Property or the Project which may reasonably be required to effectively carry out the duties and responsibilities of the General Partner in accordance herewith.

6.4 Title to Property

The General Partner will hold (or may arrange for one or more nominee corporations to hold) legal title to the Property for the benefit of the Limited Partnership and may from time to time execute (or cause to be executed by any such nominee corporation) one or more declarations of trust or beneficial ownership in favour of the Limited Partnership in respect of all or any of such property thereby confirming that such property is held as “partnership property” and not as the separate property of the General Partner alone, or as the property of any such nominee corporation. All partnership property must be held and applied by the General Partner exclusively for the purposes of the Limited Partnership and in accordance with this Agreement and as provided by the Act.

6.5 Financing

The General Partner will responsible to arrange or make available all Financing which is required for the purposes of the Project or the Limited Partnership. The General Partner or its Affiliates may advance or loan to the Limited Partnership, by way of a term loan, demand loan, an operating line of credit, or as Project financing, funds which may be necessary for the payment of the operating, capital and other expenses and liabilities of the Limited Partnership from time to time. All Financing will be arranged or made available to the Limited Partnership on terms and at market rates comparable to those obtainable at arm’s-length from unrelated third parties providing financing at such time for real estate development projects similar to the Project, in similar locations with similar risk, as determined by the General Partner, acting reasonably.

6.6 Development Management

The General Partner will provide or arrange for the provision of Development Management Services for the Project by the General Partner, an Affiliate or otherwise, in consideration of which, the provider of the Development Management Services will be entitled to be paid the Development Management Fees. Such fees will be payable at the times and in a manner consistent with industry standards and practices for projects similar to the Project. In the event the General Partner elects that an Affiliate or other third party to provide some or all of the Development Management Services, such services will be provided under a separate Development Management Agreement on terms acceptable to the General Partner and which generally consistent with industry standards for the provision of similar services for projects similar to the Project.

6.7 No Commingling of Funds

The funds and other assets of the Limited Partnership will not be commingled with the funds or other assets of the General Partner or any Affiliates of the General Partner.

6.8 Duty of Care

The General Partner will be under the duty to manage and operate the Limited Partnership and the Property in a manner which would be considered reasonable and prudent for the management of like undertakings in Canada.

6.9 Maintenance of Limited Liability of Limited Partner

The General Partner will at all times conduct the Business and the affairs of the Limited Partnership in such manner so that the liability of the Limited Partner will be limited to the amount of the Capital of the Limited Partner, except to the extent caused or contributed to by the acts of the Limited Partner.

6.10 General Partner to Satisfy Judgment

In furtherance of the intent of the Partners that the Limited Partner will have limited liability:

- (a) the General Partner will arrange to prosecute, defend, settle or compromise all actions at law or in equity at the expense of the Limited Partnership, as such may be necessary to enforce or protect the interest of the Limited Partner; and
- (b) the General Partner will satisfy any judgment, decree, decision or settlement against or with respect to the Limited Partnership, out of the Property and income of the Limited Partnership.

6.11 Competitive Terms

The General Partner may engage, employ or retain an Affiliate or associated company on behalf of the Limited Partnership to provide goods or services to the Limited Partnership provided that the cost of such goods or services are reasonable and competitive with the cost of similar goods or services provided by an independent third party. The General Partner will use reasonable efforts to ensure that all transactions with Affiliates or otherwise are carried out on competitive terms in the market place.

6.12 Other Activities

The General Partner will not be required to devote its efforts exclusively to or for the benefit of the Limited Partnership. The General Partner and its Affiliates will have the right to engage in, invest in and organize, operate and manage other partnerships and to engage in other business ventures of any kind with others, including the management, operation and ownership of other partnerships or businesses engaged in a real estate development in the vicinity of the Lands or business similar to, or competitive with, that of the Limited Partnership. Engaging in any such activity by the General Partner or its Affiliates will not be considered a breach of any duty that the General Partner may have to the Limited Partnership or to the Limited Partner, and the Limited Partnership will have no interest in any profits that may be realized with respect to any such activity. Neither the General Partner nor any of its Affiliates will be required to offer or

make available to the Limited Partnership any property, business or investment opportunity which the General Partner or its Affiliates may determine to acquire or engage in for their respective accounts, and the pursuit of such other businesses, ventures, investments or activities, even if competitive with the Business, will not be wrongful and will not constitute, or be deemed to constitute, wilful misconduct or an act of bad faith.

6.13 No Conflict of Interest

The Limited Partner acknowledges that there may be circumstances in which the interests of the Limited Partnership may conflict with the interests of the General Partner or any Person that is an Affiliate of the General Partner. Notwithstanding the foregoing, the Limited Partner agrees that the activities of the General Partner expressly authorized or contemplated by this Agreement, may be engaged in by the General Partner or its Affiliates, as the case may be, and will be deemed not to be a breach of this Agreement, the fiduciary obligations of the General Partner to the Limited Partner under this Agreement, a conflict of interest, or other similar determination.

6.14 Limitation of Liability of General Partner

Neither the General Partner nor any of its officers, directors, shareholders or employees will be liable, responsible for, or accountable in damages or otherwise to the Limited Partnership or to the Limited Partner for any action taken or failure to act on behalf of the Limited Partnership within the scope of the authority conferred on the General Partner by this Agreement or by law, unless such action or omission was performed or omitted fraudulently or in bad faith or constituted wanton or wilful misconduct or negligence, nor will the General Partner be liable for the return of any Capital contribution made by the Limited Partner.

6.15 Indemnification of General Partner

To the fullest extent permitted by law, the Limited Partnership will indemnify and hold harmless the General Partner and its directors, officers, employees, agents, successors and assigns (each an "Indemnatee") from and against all claims, costs, expenses (including legal fees and related disbursements actually incurred), damages, judgments, fines, settlements, liabilities and other losses suffered or incurred by an Indemnatee which result from or arise out of any and all claims, demands, actions, suits or proceedings, whether civil, criminal, administrative or investigative, in which any Indemnatee may be involved, or is threatened to be involved, as a party or otherwise by reason of:

- (a) its status as the General Partner or an Affiliate of the General Partner;
- (b) its status as an officer, director, employee, agent, successor or assign of the General Partner or an Affiliate of the General Partner; or
- (c) any act or omission made by the Indemnatee on behalf of the Partnership or in furtherance of the Business or affairs of the Partnership;

except to the extent that it results from or arises out of any act or omission which constitutes wilful misconduct or gross negligence of the General Partner. As part of such indemnification the Partnership will defend any claim against the Indemnatee which could give rise to a claim by the Indemnatee for indemnification by the Partnership. The indemnification of the Indemnatee

will be made from assets of the Partnership and no Limited Partner will be personally liable to indemnify the Indemnitee. The indemnification provided by this Section 6.15 is in addition to any other rights to which an Indemnitee may be entitled (by contract or as a matter of law or equity), and will extend to the heirs, executors, administrators, personal representatives, successors and permitted assigns of each Indemnitee.

6.16 Survival of Protection.

The provisions of Section 6.15 will continue to afford protection to each Indemnitee regardless of whether the Indemnitee remains in the position or capacity pursuant to which the Indemnitee became entitled to indemnification under Section 6.15 and regardless of any subsequent amendment to this Agreement. No amendment to this Agreement will reduce or restrict the extent to which the indemnification provisions of Section 6.15 apply to actions taken or omissions made prior to the date of such amendment.

6.17 Delegation of Duties

The General Partner may contract with any Person to carry out any of the duties of the General Partner hereunder and may delegate to such Person any right, power and authority of the General Partner hereunder; provided however, no such contract or delegation will relieve or release the General Partner of any of its obligations hereunder.

6.18 Expenses

All costs and expenses incurred or payable by the General Partner in maintaining its corporate existence, purchasing the Property or completing the Project or incurred by the General Partner in the performance of its duties and obligations hereunder including, without limitation, the costs of such professional, managerial, technical, administrative, sales, engineering and other services and advice as it will deem necessary, will be paid by the Limited Partnership or reimbursed by the Limited Partnership to the General Partner. The Limited Partnership will be responsible for and will pay and reimburse the General Partner for all such costs and expenses paid or incurred by the General Partner, both before and after the filing of the Certificate.

6.19 Assignment of Interest

The General Partner may for any purpose, assign to any Person, all or any portion of its rights, entitlements or interest hereunder, including its entitlement in respect of distributions or allocations, without requiring the consent or authorization of the Limited Partner, but no such assignment will relieve or release the General Partner of any of its obligations hereunder.

6.20 Retirement by General Partner

The General Partner may not retire except after the admission of a substituted general partner approved by the Limited Partner by Special Resolution.

6.21 Removal of General Partner

The General Partner may, in the event of dishonesty, bankruptcy or insolvency or material default of its obligations, be removed by the Limited Partner by Special Resolution after the admission of a substituted general partner of the Limited Partnership by Special Resolution.

6.22 Release

The Limited Partnership will release and hold harmless the retired or removed General Partner from all costs, damages, liabilities or expenses suffered or incurred by it as a result of or arising out of events occurring after such retirement or removal, other than as a result of or arising out of any wilful act by the retired or removed General Partner in relation to the Limited Partnership occurring after such retirement or removal.

ARTICLE 7 RECORDS, REPORTS AND REPORTING

7.1 Register

The General Partner will:

- (a) maintain a registered office for the Limited Partnership at the office of the solicitors for the General Partner, or such other office as may be stipulated by the General Partner, and keep at such registered office a copy of this Agreement and all amendments thereto together with a copy of the Certificate and a copy of any amendments thereto;
- (b) maintain the Register, listing the registered address of the Limited Partner;
- (c) maintain such other records as may be required by law; and
- (d) make on behalf of the Limited Partnership, all recordings and filings with any governmental authority or like body that are required to be made by the Limited Partnership from time to time.

The information contained in the Register will be made available for inspection during normal business hours at the office of the General Partner or at a place designated by the General Partner in accordance with the requirements of the Act.

The General Partner will be authorized to make such reasonable rules and regulations as it may, from time to time, consider necessary or desirable in connection with the services to be performed in respect of the Register, including the appointment of an agent to perform the functions of the General Partner relating to the Register and the form and content of the Register.

7.2 Records and Books of Account

Proper and complete records and books of account will be kept and maintained by the General Partner in which will be entered fully and accurately all transactions and all other matters relative to the Business as are usually entered into records and books of account maintained by Persons engaged in business of a like character. The Limited Partnership's books and records will be prepared in accordance with GAAP, consistently and may be kept on a cash or accrual basis as the General Partner may determine. The books and records will at all times be maintained at the head office of the Limited Partnership or at the head office of the General Partner, as the General Partner may determine.

7.3 Financial Information

Not later than One Hundred Twenty (120) days after the end of each Fiscal Year of the Limited Partnership, the General Partner will furnish to the Limited Partner an annual report of the business and operations of the Limited Partnership during such year and the report of the Auditor, if applicable, and such report will constitute the accounting of the General Partner for such year. Such report will contain a copy of the annual financial statements of the Limited Partnership, audited by the Auditor, if applicable, showing the Limited Partnership's gross receipts and expenses, the Net Income or Net Loss and the allocation thereof, and will otherwise be in such form and have such content as the Auditor or the General Partner deems proper.

7.4 Income Tax Information

The General Partner will send or cause to be sent to the Limited Partner:

- (a) all information, in suitable form, relating to the Limited Partnership necessary for a Person to prepare that Person's Canadian federal and provincial income tax returns; and
 - (b) the name and telephone number of a contact person that the Limited Partner may contact in respect of any tax matters related to the Limited Partnership;
- which information will be sent to such Limited Partner within 120 days following the end of the applicable tax reporting year or within 120 days of dissolution, as the case may be, or within any other shorter period as may be required by applicable law. The General Partner will file, on behalf of itself and the Limited Partner, annual information returns and any other information returns required to be filed under the *Tax Act* and any other applicable tax legislation in respect of the Partnership.

7.5 Appointment of Auditor

Unless the Limited Partner waives the appointment of an auditor by Special Resolution, the General Partner will from time to time appoint as auditor for the Partnership a nationally recognized firm of auditors selected by the General Partner. The Limited Partner may, at its sole expense, require the books and records of the Limited Partnership to be subject to further audit by a separate nationally recognized firm of auditors selected by the Limited Partner.

ARTICLE 8 ALLOCATIONS AND DISTRIBUTIONS

8.1 Separate Capital Accounts

The General Partner will establish and maintain a separate Capital Account on the books of the Limited Partnership for itself and for the Limited Partner. The General Partner will:

- (a) credit the Capital Account of each Partner with each amount contributed to Capital by such Partner at the time each such contribution is made; and
- (b) debit the Capital Account of each Partner with any distribution which constitutes a return of Capital at the time each such distribution is made.

8.2 Separate Current Accounts

The General Partner will establish and maintain a separate Current Account on the books of the Limited Partnership for itself and for the Limited Partner. The General Partner will:

- (a) at the end of each Fiscal Year of the Limited Partnership, credit each Partner's Current Account with the amount of the Net Income for the year allocated to the Partner under Section 8.5 or debit the amount of Net Loss for the year allocated to the Partner under Section 8.6; and
- (b) debit the Current Account of each Partner with each distribution to the Partner, other than a distribution which constitutes a return of Capital, at the time each such distribution is made.

8.3 Combined Accounts

The General Partner may, in accordance with GAAP, combine the accounts referred to in Section 8.1 and Section 8.2 so long as the separate elements thereof remain ascertainable from such combined accounts.

8.4 Restriction on Withdrawal

No Partner will have any right to withdraw any amount or receive any distribution from the Limited Partnership from its Current Account, Capital Account or otherwise, except as expressly provided in this Agreement and as permitted by law.

8.5 Allocation of Net Income

Net Income will be allocated in the same fashion as distributions of Available Cash are made.

8.6 Allocation of Net Loss

Net Loss for each Fiscal Year will be allocated and debited to the General Partner.

8.7 Reserves

The General Partner may cause the Limited Partnership to establish reasonable Reserves, escrow amounts or similar accounts to fund obligations, in an amount that the General Partner, in its sole and unfettered discretion deems appropriate for any purpose whatsoever.

8.8 Distributions of Available Cash

Subject to Schedule B, the General Partner will distribute Available Cash to the Partners in accordance with their respective Pro-rata Share. Notwithstanding any other provision of this Agreement, distributions will only be made to the extent of Available Cash.

8.9 Return of Capital

The Capital of the Limited Partner will be returned upon dissolution or winding-up of the Limited Partnership in the manner contemplated in Section 10.3, and may be returned earlier from Available Cash. The Limited Partner will not have the right to demand or receive a return of

Capital in form other than cash, but a return of Capital in a form other than cash is not prohibited.

8.10 Nature and Form of Distributions

A distribution will be a return of Capital only if it is designated as such by written designation of the General Partner. Distributions will be made in the form of money. In addition, if approved by Special Resolution, the General Partner may make a distribution in the form of any other Property of the Limited Partnership. If a distribution is not in the form of money, the General Partner acting reasonably may determine the value constituted by any such other property distributed by reference to its fair market value.

8.11 Overpayments

If it appears that any Partner has received an amount which is in excess of its entitlement, such Partner will forthwith reimburse the Limited Partnership to the extent of such excess upon notice by the General Partner, and if such amount is not then repaid, in addition to any other remedies provided under this Agreement, the General Partner may deduct such amount from any subsequent distribution to such Partner.

8.12 Distribution to Non-Resident

The General Partner may apply all or any part of a distribution to a Partner who may reasonably be considered to be a non-resident within the meaning of the Tax Act, toward the payment of any tax or other payment exigible or required under the Tax Act.

8.13 Determination of Tax Income and Tax Loss

Tax Income and Tax Loss will be determined by the Auditor in accordance with the provisions of this Agreement, and such determination will be binding upon the Partners.

8.14 Allocation of Tax Income

The Tax Income in respect of any Fiscal Year will be allocated as at the end of such Fiscal Year between the General Partner and the Limited Partner in the same proportions as Available Cash is distributed in accordance with Section 8.8.

8.15 Allocation of Tax Loss

If in respect of any Fiscal Year in which the Limited Partnership has a Tax Loss, the Tax Loss for such Fiscal Year will be allocated at the end of such Fiscal Year to the General Partner.

8.16 Other Tax Allocations

Investment tax credits and other allocations that may be made for tax purposes other than by way of a distribution or appropriation of Property of the Limited Partnership will be allocated as at the end of the relevant Fiscal Year among the Partners in the same proportions as Available Cash is distributed in accordance with Section 8.8.

ARTICLE 9 POWER OF ATTORNEY

9.1 Creation

The Limited Partner hereby irrevocably nominates, constitutes and appoints the General Partner, with full power of substitution, as its true and lawful attorney and agent, to act on its behalf with full power and authority in its name, place and stead and for its use and benefit to:

- (a) execute, swear to, acknowledge, deliver and file as and where required any and all of the following:
 - (i) this Agreement and any amendments contemplated in Section 12.1(b) and all Limited Partnership declarations and other instruments necessary to form, qualify or continue and keep in good standing the Limited Partnership as a limited partnership or otherwise to comply with the law of any jurisdiction in which the Limited Partnership may carry on business or own or have property or assets or as otherwise necessary or desirable in order to maintain the limited liability of the Limited Partner and to comply with the applicable laws of such jurisdiction;
 - (ii) all declarations, certificates, other instruments, or amendments to the foregoing, necessary to reflect any amendment, change or modification to this Agreement, including without limitation, the Certificate;
 - (iii) all conveyances, agreements and other instruments and documents necessary or desirable to reflect the dissolution and liquidation or termination of the Limited Partnership, including cancellation of any declarations or certificates and the execution of any elections under the Tax Act and under analogous provincial legislation;
 - (iv) any instrument relating to the admission of a substituted Limited Partner;
 - (v) any instrument required in connection generally with any election that is to be made, or information return provided, under the Tax Act or any analogous legislation related to the Limited Partnership or its property, assets or business;
 - (vi) any transfer, assignment or other document on its behalf or in its name as may be necessary to give effect to a transfer of the LP Interest; and
 - (vii) any document which is necessary or advisable in connection with carrying on the business of the Limited Partnership;
- (b) execute and file with any governmental body or instrumentality of Canada, a province, a territory or a municipality any documents necessary in connection with the business, property, assets and undertakings of the Limited Partnership;
- (c) execute any document or instrument necessary or desirable to perfect a charge on a Limited Partner's individual interest in any Property; and

- (d) execute and deliver all such other documents or instruments on behalf of and in the name of the Limited Partnership and for the Limited Partner as may be deemed necessary by the General Partner to carry out fully the provisions of this Agreement in accordance with its terms

To evidence the foregoing, the Limited Partner may be requested to execute a separate power of attorney in such form determined by the General Partner; provided, however, the provisions of this Article will be effective for all purposes notwithstanding that any the Limited Partner is not requested to execute a separate power of attorney or fails to do so if requested.

9.2 Irrevocable Nature

The grant of authority contained in Section 9.1:

- (a) is coupled with an interest, is irrevocable and will survive the dissolution, wind-up, death or incapacity of the Limited Partner granting the power;
- (b) may be exercised by the General Partner on behalf of the Limited Partner by a facsimile signature or by listing all of the Limited Partner executing any instrument with the single signature as attorney and agent for all of them;
- (c) will survive the delivery of the transfer or assignment by a Limited Partner of the LP Interest; and
- (d) will extend to and be binding upon the successors and assigns of the Limited Partner.

9.3 Binding Effect

The Limited Partner agrees to be bound by any representation or action made or taken by the General Partner pursuant to the within power of attorney and hereby waives any and all defences which may be available to contest, negate or disaffirm the action of the General Partner under such power of attorney.

ARTICLE 10 DISSOLUTION OF THE LIMITED PARTNERSHIP

10.1 Events Giving Rise to Dissolution

The Limited Partnership will be dissolved upon the occurrence of any of the following events:

- (a) disposition of all of the Property and final distribution of the proceeds therefrom in accordance with the terms of this Agreement;
- (b) the bankruptcy, dissolution (except dissolution as a consequence of merger, amalgamation, consolidation or other corporate re-organization) or winding-up of the General Partner, or the occurrence of an event which would permit a trustee or receiver to acquire control of the affairs of the General Partner during the term of this Agreement, unless the General Partner is replaced in accordance herewith within one hundred twenty (120) days of the date of such occurrence; or

- (c) the consent of the General Partner and the passing of a Special Resolution approving the dissolution or winding up of the Limited Partnership.

The dissolution or winding-up of the Limited Partnership will be effective on the day on which the event occurs giving rise to the dissolution, except if the dissolution occurs pursuant to the event stated in Section 10.1(b), then the dissolution will only be effective if the General Partner is not replaced in the manner set forth in Section 10.1(b); however, the Limited Partnership will not terminate until all of the Property has been distributed in accordance with the terms of this Agreement. Without limiting the generality of the foregoing, except in the circumstances described in this Section 10.1, no Partner is entitled to dissolve the Limited Partnership and any notice of intent to dissolve purported to be provided by any Partner or Partners contrary to the provisions of this Section 10.1, will be void and of no force or effect.

10.2 Liquidation of the Property

In the event of the dissolution or winding-up of the Limited Partnership for any reason, the General Partner (or in the event that the General Partner has become bankrupt and is not replaced in accordance herewith, a receiver selected by a Special Resolution) will commence to wind up the affairs of the Limited Partnership and to liquidate the Property. The Partners will continue to share profits and losses during the period of liquidation in the same proportion as described herein, as before the dissolution. The General Partner (or such receiver) will have full right and unlimited discretion to determine the time, manner and terms of any sale or sales of the Property pursuant to such liquidation having due regard to the activity and condition of the relevant market and general, financial and economic conditions.

10.3 Distributions on Dissolution

The net Proceeds on Dissolution will be distributed to the Partners as follows:

- (a) first, to pay the fees of the receiver and the expenses of liquidation;
- (b) second, to pay the liabilities and obligations of the Limited Partnership to its creditors, or to make due provision for payment or other satisfaction of any such amounts;
- (c) third, to provide such Reserves that the receiver considers reasonably necessary for any contingent, unforeseen or disputed but unresolved liability or obligation of the Limited Partnership, which Reserves will be paid to an escrow agent to be held for the payment of such liabilities or obligations of the Partnership;
- (d) fourth, to pay the General Partner any expenses, costs or other amounts, including all Development Costs and Development Management Fees payable pursuant to this Agreement;
- (e) fifth, to pay the General Partner any sums payable pursuant to Schedule B;
- (f) sixth, to the Partners, as a return of Capital, in proportion to their respective Capital Account balances; and
- (g) seventh, to pay the balance remaining, if any, to the General Partner and the Limited Partner in accordance with their respective Pro-rata Share.

10.4 Liquidation Statements

Within a reasonable period of time following completion of the dissolution and liquidation of the Property, the General Partner will provide and deliver to the Limited Partner, a statement which will set forth the monies received and disbursed pursuant to such liquidation.

10.5 Termination

Upon termination of this Agreement or completion of the liquidation of the Limited Partnership and the distribution of all Proceeds on Dissolution, the Limited Partnership will terminate and the General Partner will have the authority to execute and file a notice cancelling the Certificate as well as any and all other documents required to effect the dissolution or termination of the Limited Partnership.

10.6 Continuity

Except as specifically set forth in this Agreement, the Limited Partnership will not dissolve or terminate upon the occurrence of any other event, including without limitation, by reason of any change, addition, withdrawal, resignation, retirement, removal, death, incompetence, dissolution, liquidation, wind-up, insolvency or bankruptcy of a Partner.

ARTICLE 11 NON-TRANSFERABILITY OF LP INTEREST

11.1 Restriction on Transfer of LP Interest

Except as otherwise set forth herein or as may be consented to in writing by the General Partner, the Limited Partner will not transfer, assign, pledge, encumber or dispose of the LP Interest. Notwithstanding the foregoing, but Subject to Section 11.4, the Limited Partner may transfer its LP Interest to a Canadian corporation wholly owned by District on the Closing Date.

11.2 Option to Purchase LP Interest

The Limited Partner hereby irrevocably grants the General Partner an option to purchase the LP Interest on the terms and conditions set forth in this Section 11.2.

If at any time after the date when the portion of the Project known as "Oceanfront Park" has been completed to a state that is usable by and accessible to the public, including development for public use of the oceanfront beach, the wind sports beach, the meadow/dune grass area, crushed rock pathways, paved pathways, the native shoreline planting, and intertidal habitat, all as described generally on the Phase 1 and Phase 2 master plans prepared by PWL Partnership and dated January 1, 2011, further to an environmental and engineering review of the viability of the park design (including fill installed at the Oceanfront Park, construction costs, labour, remediation work, and site preparation), the General Partner will have the option to acquire the LP Interest for a purchase price equal to the Value of LP Interest (the "**Purchase Price**") upon written notice ("**Notice of Exercise**") delivered to the Limited Partner. The transfer of the LP Interest will complete and the Purchase Price will be paid to the Limited Partner 30 days after determination of the Value of the LP Interest in the manner contemplated in Section 11.3. If the Limited Partner fails to complete the transfer of the LP Interest then the General Partner may complete the transfer under the power of attorney granted to the General Partner under this

Agreement. The General Partner may deduct and retain from the Purchase Price such reasonable amounts as may be required to cover the actual costs incurred by the General Partner in complying with the provisions of this Section 11.2.

11.3 Determination of Value of the LP Interest

The Value of the LP Interest will be an amount equal to the fair market value of the LP Interest, as agreed to between the General Partner and the Limited Partner, or if they do not agree to their fair market value of the LP Interest within such period of time as may be determined by the General Partner, then the General Partner will instruct the Valuers to determine the Value for the LP Interest as of the date of delivery of the Notice of Exercise, based upon information then available and deemed relevant by the Valuers using sound valuation practices. For certainty, the Valuers will be instructed to specifically take into consideration the provisions of Schedule B, including potential accrual of CAC Recovery Shortfalls and its impact on the fair market value of the LP Interest. The General Partner will instruct the Valuers to notify the General Partner in writing as to the Value of the LP Interest, which value the General Partner and the Limited Partner will agree to accept. If the Value of the LP Interest, as determined by the Valuers, results in a range, then the Value of the LP Interest will be the midpoint of such range. Upon receipt of the Value of the LP Interest from the Valuers, the General Partner will deliver a copy thereof to the Limited.

11.4 Transferee of LP Interest to Assume Obligations

No transfer of LP Interest will be accepted by the General Partner under any provision of this Agreement unless the transferee of such LP Interest agrees in writing with the General Partner, in form acceptable to the General Partner, to assume and be bound by all of the obligations of the transferring Partner under this Agreement. No transfer of LP Interest will relieve the transferor of its obligations to contribute its Capital as herein provided.

11.5 Contravention of Article 11

The Limited Partner agrees that its being in violation of the restrictions set out in Section 11.1 will constitute an injury and damage to the General Partner impossible to measure monetarily and, as a result, the Limited Partner, in addition to all of its other remedies in law and in equity, will be entitled to a decree or order restraining or enjoining any sale of the LP Interest except in accordance with the provisions of this Section 11.1, and the Limited Partner, when intending to make a sale or making a sale contrary to such provisions, will consent to such a decree or order and will not plead in defence thereto that there would be an adequate remedy at law.

ARTICLE 12
MISCELLANEOUS

12.1 Amendments by the General Partner

- (a) This Agreement may be amended by the General Partner, without prior notice to or consent of the Limited Partner, in order to reflect a transfer or assignment of interest by the General Partner or the transfer of the LP Interest under or pursuant to the provisions of this Agreement.
- (b) The General Partner may, without prior notice to or consent from the Limited Partner, amend any provision of this Agreement from time to time:
 - (i) for the purpose of adding to the Agreement any further covenants, restrictions, deletions or provisions which, in the written opinion of counsel to the General Partner, are for the protection of the Limited Partner;
 - (ii) to cure any ambiguity or to correct or to supplement any provision contained herein which, in the written opinion of counsel to the General Partner, may be defective or inconsistent with any other provision contained herein, provided, in the written opinion of such counsel, the cure, correction or supplemental provision does not in a material way adversely affect the rights of the Limited Partner;
 - (iii) to change the name or registered office of the Limited Partnership;
 - (iv) to change a provision that, as determined by the General Partner, acting reasonably, is necessary or appropriate to qualify or continue the qualification of the Limited Partnership as a limited partnership in which the Limited Partner has limited liability under applicable laws;
 - (v) to give effect to a Special Resolution; or
 - (vi) to make such other provisions in regards to matters or questions arising under this Agreement which in the written opinion of counsel to the General Partner, do not in a material way adversely affect the rights of the Limited Partner;

provided that the Limited Partner is notified of full details of any amendments to this Agreement under this Section 12.1 within thirty (30) days of the effective date of the amendment.

12.2 Limited Partner Not a General Partner

If any provision of this Agreement should have the effect of imposing upon the Limited Partner any of the liabilities or obligations of the General Partner, such provisions will be of no force and effect and will not be considered a part of this Agreement, but the remainder of this Agreement will continue in effect.

12.3 Governing Law

This Agreement will be governed by and construed in accordance with the laws of British Columbia and the laws of Canada applicable therein and the parties irrevocably attorn to the jurisdiction of the courts thereof.

12.4 Further Assurances

The parties hereto agree to sign such further and other papers, call such meetings to be held and sign such resolutions to be passed, exercise their vote and influence, do and perform and to cause to be done and performed such further and other acts and things that may be necessary or desirable in order to give full effect to this Agreement and every part thereof.

12.5 Counterparts

This Agreement may be executed and delivered in counterparts and by facsimile or electronic transmission

12.6 Severability

Every provision of this Agreement is intended to be severable. If any term or provision hereof is illegal or invalid for any reason whatsoever, such illegality will not affect the validity of the remainder of this Agreement.

12.7 Assignment

Subject to the compliance with the restrictions on transfer or assignment herein provided for, this Agreement will enure to the benefit of and will be binding upon the parties hereto and their respective successors and permitted assigns.

12.8 Waiver

The failure of any party to seek redress for a violation of or to insist upon strict performance of any provision hereof will not prevent a subsequent act, which would have originally constituted a violation of such provision or any other provision hereof, from having the effect of an original violation of such provision or any other provision hereof.

IN WITNESS WHEREOF the parties have executed this Agreement as of the day first above written.

0983016 B.C. LTD.

Per: _____

Authorized Signatory

SQUAMISH OCEANFRONT DEVELOPMENT CORPORATION

Per: _____

Authorized Signatory

SCHEDULE A

LEGAL DESCRIPTION OF SQUAMISH OCEANFRONT LANDS

PID: 007-774-010

LOT G DISTRICT LOTS 486, 4271, 4618, 5717, 6042 AND 7134 PLAN 14953

PID: 007-779-674

LOT D BLOCK 1 DISTRICT LOTS 486 AND 4271 PLAN 14521

PID: 026-267-152

LOT 3 DISTRICT LOT 4271 GROUP 1 NEW WESTMINSTER DISTRICT PLAN BCP16861

PID: 026-267-161

LOT 2 DISTRICT LOT 4271 GROUP 1 NEW WESTMINSTER DISTRICT PLAN BCP16861

PID: 026-267-128

LOT 1 DISTRICT LOT 486 GROUP 1 NEW WESTMINSTER DISTRICT PLAN BCP16860

PID: 008-606-153

BLOCK B DISTRICT LOTS 4618, 5717, 6042 AND 7134 PLAN 13452

PID: 026-267-136

LOT 2 DISTRICT LOT 486 PLAN BCP16860

PID: 026-267-144

LOT 1 DISTRICT LOT 4271 PLAN BCP16861

PID: 015-788-741

DISTRICT LOT 5717 EXCEPT PORTIONS IN PLANS 13452 AND 14953

PID: 015-792-587

DISTRICT LOT 6042 EXCEPT PART IN PLAN 13452

SCHEDULE B

Distributions of Available Cash in the Event of CAC Recovery Shortfall

The Limited Partnership will, in accordance with the provisions of the CAC Front-ender Agreement, be expending funds in respect of infrastructure works in the District of Squamish and will be entitled to reimbursement from District in respect of CACs to be received by District as contemplated in the CAC Front-ender Agreement.

If at any time District determines to approve a rezoning (as it may do in its unfettered discretion) without receiving CACs in the manner contemplated in the CAC Front-ender Agreement the actual reimbursement received by the Limited Partnership under the CAC Front-ender Agreement (the “**Actual Reimbursement**”), will be less than the reimbursement the Limited Partnership would have received if the amenity contribution had been received by District and reimbursed to the Limited Partnership as contemplated in the CAC Front-ender Agreement (the “**Contemplated Reimbursement**”).

The difference at any time between the aggregate accrued Contemplated Reimbursement and the aggregate accrued Actual Reimbursement is herein called the “**CAC Recovery Shortfall**”. Whenever and to the extent a CAC Recovery Shortfall exists, the General Partner will be deprived of the benefit of an amount equal to its Pro-rata Share of the CAC Recovery Shortfall.

Notwithstanding Section 8.8 or Section 10.3, if at any time and so often a CAC Recovery Shortfall exists, then from and after such date, and for so long and so often as there is a CAC Recovery Shortfall, all Available Cash will be distributed to the General Partner for its own account and will not be distributed to the Limited Partner, until the General Partner has received, in aggregate pursuant to this Schedule B, an amount equal to 75% of the CAC Recovery Shortfall (being an amount equivalent to the General Partner’s Pro-Rata Share thereof), at which time such CAC Recovery Shortfall will be deemed to reduce to zero for the purposes hereof and the provisions of Section 8.8 or Section 10.3, as applicable, will again apply to distributions of Available Cash and Proceeds on Dissolution.

The provisions of this Schedule B are not intended to prejudice, affect, impair or interfere with the rights or remedies of the Limited Partnership under or in respect of the CAC Front-ender Agreement or under any other agreement the Limited Partnership may have with District.

ADDENDUM

THIS AGREEMENT dated for reference the 27 day of November, 2014

BETWEEN:

DISTRICT OF SQUAMISH, a municipal corporation incorporated pursuant to the *Local Government Act*, and having a mailing address at Box 310, Squamish B.C. V0N 3G0

(hereinafter called the “**District**”)

AND:

SQUAMISH OCEANFRONT DEVELOPMENT CORPORATION, (Inc. No.685492), a corporation incorporated pursuant to the *Business Corporation Act*, and having a mailing address at 160 – 925 West Georgia Street, Vancouver B.C. V6C 3L2

(hereinafter called “**SODC**”)

WHEREAS the District and SODC are parties to a partnering agreement executed by the parties on or about March 21, 2005 (the “**Partnering Agreement**”) whereby, among other things, SODC agreed to assume stewardship of certain lands defined in the Partnering Agreement as the Squamish Oceanfront Lands (the “**Lands**”) and responsibility for the commercial and residential development of the Lands;

AND WHEREAS the District is acting as agent on behalf of SODC to market and transfer the Lands to third parties;

AND WHEREAS the parties wish to enter into this Agreement as an Addendum to the Partnering Agreement;

NOW THEREFORE in consideration of the payment of \$1.00 by the District to SODC (receipt and sufficiency of which is hereby acknowledged) and the mutual covenants and agreements herein contained, the parties agree as follows:

1. DISTRICT TO BE COMPENSATED BY SODC

In consideration for the District acting as agent on behalf of SODC with respect to marketing and transferring the Lands to any third party, SODC shall reimburse the District for all costs it incurs in connection with the District acting as SODC’s agent, including, but not limited to, all legal, surveying, consulting and land title costs.

8. HEADINGS

The headings used in this agreement are for convenience only and are not to be construed in any way as additions to or limitations of the covenants and agreements contained in it.

9. ENUREMENT

This Agreement will enure to the benefit of and be binding upon the respective successors and permitted assigns of the parties.

10. PARTNERING AGREEMENT REMAINS IN EFFECT

Subject only to the terms of this Agreement, the Partnering Agreement remains in full force and effect in all other respects and shall apply to this Agreement.

IN WITNESS WHEREOF this Agreement has been executed by the parties to it the day, month and year first written.

SIGNED SEALED AND DELIVERED)
by **THE DISTRICT OF SQUAMISH**)
by its authorized signatories:)

Mayor

Seal

SIGNED SEALED AND DELIVERED)
by **SQUAMISH OCEANFRONT**)
DEVELOPMENT CORPORATION)
by its authorized signatories:)

Seal

LIMITED PARTNERSHIP AMENDING AGREEMENT

[Newport Beach Limited Partnership]

THIS AMENDING AGREEMENT made as of June 2, 2015.

BETWEEN:

0983016 B.C. LTD., a British Columbia corporation having an office at 401 - 37989
Cleveland Avenue, P.O. Box 1068, Squamish, British Columbia, V8B 0A7

("General Partner")

AND:

SQUAMISH OCEANFRONT DEVELOPMENT CORPORATION, a British Columbia
corporation having an office at 37321 Galbraith Road, P.O. Box 468, Squamish, British
Columbia, V8B 0A4

("Limited Partner")

WHEREAS:

- A. The General Partner and the Limited Partner are parties to a Limited Partnership Agreement dated for reference July 31, 2014 for Newport Beach Developments Limited Partnership (the "LP Agreement"); and
- B. The parties wish to amend the LP Agreement as set forth in this Amending Agreement.

NOW THEREFORE, THIS AGREEMENT WITNESSETH THAT in consideration of the mutual covenants and agreements herein contained and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by each of the parties, the parties hereby agree as follows:

1. AMENDMENT

1.1 Amendments to the LP Agreement

The LP Agreement is amended as follows:

- (a) Definition of "CAC" [Section 1.1(j)] is deleted and replaced with "Intentionally Deleted";
- (b) Definition of "CAC Construction Works" [Section 1.1(k)] is deleted and replaced with "Intentionally Deleted";
- (c) Definition of "CAC Front-end Agreement" [Section 1.1(k)] is deleted and replaced with "Intentionally Deleted";
- (d) The definition "Value of LP Interest" in Section 1.1 is deleted;



- (e) Section 8.8 is amended by deleting the words "Subject to Schedule B,";
- (f) Section 10.3(e) [referencing payments related to CAC's] is deleted and replaced with "Intentionally Deleted";
- (g) Section 10.3(f) is amended by deleting the word "sixth" and replacing it with the word "fifth";
- (h) Section 10.3(g) is amended by deleting the word "seventh" and replacing it with the word "sixth";
- (i) Section 11.2 of the LP Agreement is deleted and replaced with the following:

"11.2 Right to Acquire LP Interest

Notwithstanding anything to the contrary herein, upon:

- (i) the portion of the Project known as "Oceanfront Park" being substantially completed in accordance with a Phased Development Agreement entered into by the General Partner with the District of Squamish (including development for public use of the oceanfront beach, the wind sports beach, the meadow/dune grass area, crushed rock pathways, paved pathways, the native shoreline planting, and intertidal habitat), as described generally on the Phase 1, 2, 3 and 4 master plans prepared by PWL Partnership and dated January 1, 2011, further to an environmental and engineering review of the viability of the park design (including fill installed at the Oceanfront Park, construction costs, labour, remediation work, and site preparation); or
- (ii) the right of the General Partner to construct the Oceanfront Park being terminated as provided for in a Licence of Occupation in respect of the Oceanfront Park that is a schedule to the Phased Development Agreement,

the General Partner shall have the right to acquire the LP Interest by delivering written notice ("Notice") to the Limited Partner confirming such completion or termination. The General Partner may, in the Notice, designate another person to whom the LP Interest will be transferred. The transfer of the LP Interest will be completed 10 business days after delivery of the Notice. If the Limited Partner fails to complete the transfer of the LP Interest then the General Partner may complete the transfer under the power of attorney granted to the General Partner under this Agreement."

- (j) Section 11.3 [Determination of Value of the LP Interest] of the LP Agreement is deleted and replaced with "INTENTIONALLY DELETED"; and
- (k) Schedule B – Distributions of Available Cash in the Event of CAC Recovery Shortfall, is deleted.



1.2 Agreement

Except as expressly amended by this Amending Agreement, the parties ratify and confirm the LP Agreement. The parties agree that the LP Agreement will be read and construed in conjunction with this Amending Agreement, and the LP Agreement together with all the terms, covenants and agreements therein contained, as amended by this Amending Agreement, are and will continue to be in full force and effect.

1.3 Further Assurances

The parties will execute and deliver such further documents and instruments and do all such acts and things as may be reasonably necessary or requisite to carry out the full intent and meaning of this Amending Agreement and to effect the transactions contemplated by this Amending Agreement.

1.4 Enurement and Assignment

This Amending Agreement will enure to the benefit of and be binding upon the parties hereto and their respective successors and permitted assigns. This Amending Agreement may not be assigned by any party hereto without the prior written consent of the other parties.

1.5 Execution in Counterparts or by Facsimile

This Amending Agreement may be executed and delivered in counterparts and by facsimile.

IN WITNESS WHEREOF, the parties have entered into this Amending Agreement as of the date first above written.

0983016 B.C. LTD.

Per:


Authorized Signatory

SQUAMISH OCEANFRONT DEVELOPMENT CORPORATION

Per:


Authorized Signatory