

**FLAGSHIP COMMUNITIES REAL ESTATE INVESTMENT TRUST**  
**OMNIBUS EQUITY INCENTIVE PLAN**

**As adopted December 1, 2020 and  
amended February 17, 2021 and August 7, 2024**

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# Flagship Communities Real Estate Investment Trust

## Omnibus Equity Incentive Plan

### ARTICLE 1 PURPOSE

#### 1.1 Purpose

The purposes of this Plan are (i) to advance the interests of the REIT by enhancing the ability of the REIT and its Subsidiaries to attract, motivate and retain Employees, Trustees, directors, and Consultants, (ii) to reward such Persons for their sustained contributions and (iii) to encourage such Persons to take into account the long-term financial performance of the REIT.

### ARTICLE 2 INTERPRETATION

#### 2.1 Definitions

When used herein, unless the context otherwise requires, the following terms have the indicated meanings, respectively:

**“Affiliate”** means, in respect of a Person: (a) another Person that is a Subsidiary of such Person; (b) another Person of which such Person is a Subsidiary and (c) another Person under common Control with such Person;

**“Annual Retainer Fees”** means the annual Board, Board committee, Board chair, Board committee chair and lead independent Trustee retainer fees, as applicable, paid by the REIT to a Trustee in a calendar year for service on the Board, but, for greater certainty, shall exclude any meeting fees payable in respect of attendance at individual meetings and amounts paid as a reimbursement for expenses incurred in attending meetings;

**“Award”** means any Option, Restricted Unit, Performance Unit or Deferred Unit granted under this Plan, which may be denominated or settled in Units, cash or in such other forms as provided for herein;

**“Award Agreement”** means a signed, written agreement between a Participant and the REIT, in the form or any one of the forms approved by the Plan Administrator, and evidencing the terms and conditions on which an Award has been granted under this Plan (including written or other applicable employment agreements) and which need not be identical to any other such agreements;

**“Board”** means the board of trustees of the REIT as it may be constituted from time to time;

**“Business Day”** means a day, other than a Saturday or Sunday, on which the principal commercial banks in the City of Toronto, Ontario, are open for commercial business during normal banking hours;

**“Cashless Exercise”** has the meaning set forth in Section 4.5(b);

**“Cause”** means, for the purpose of a Participant’s rights and entitlements under this Plan and not for any other purpose or entitlement, the occurrence of any one or more of the following events unless, to the extent capable of correction, the Participant fully corrects the circumstances constituting Cause within fifteen (15) days after receipt of the written notice of termination:

- (a) the Participant’s willful and gross misconduct in the performance of his or her duties (other than by reason of his incapacity or disability), it being expressly understood that the REIT’s dissatisfaction with Participant’s performance shall not constitute Cause;
- (b) the Participant’s commission of an act of fraud or material dishonesty resulting in reputational, economic or financial injury to the REIT or any Subsidiary of the REIT;
- (c) the Participant’s commission of, including any entry by the Participant of a guilty or no contest plea to, a felony or other crime involving moral turpitude;
- (d) a material breach by the Participant of his or her fiduciary duty to the REIT or any Subsidiary of the REIT which results in reputational, economic or other injury to the REIT or any Subsidiary of the REIT; or
- (e) the Participant’s material breach of the Participant’s obligations under his or her employment agreement, if applicable;

**“Change in Control”** means the occurrence of any one or more of the following events:

- (a) any transaction at any time and by whatever means, whether or not the REIT is a party thereto, pursuant to which any Person or any group of two or more Persons acting jointly or in concert (other than the REIT, Flagship Operating, LLC or a wholly-owned Subsidiary of the REIT or Flagship Operating, LLC) hereafter acquires the direct or indirect “beneficial ownership” (as defined in the *Securities Act* (Ontario)) of, or acquires the right to exercise Control or direction over, securities of the REIT representing more than fifty percent (50%) of the then issued and outstanding voting securities of the REIT, including, without limitation, as a result of a take-over bid, an exchange of securities, an amalgamation of the REIT with any other entity, an arrangement, a capital reorganization or any other business combination or reorganization;
- (b) the sale, assignment or other transfer of all or substantially all of the consolidated assets of the REIT to a Person other than Flagship Operating, LLC or a wholly-owned Subsidiary of the REIT or Flagship Operating, LLC;
- (c) the dissolution or liquidation of the REIT, other than in connection with the distribution of assets of the REIT to one or more Persons which were wholly-owned Subsidiaries of the REIT prior to such event;
- (d) the occurrence of a transaction requiring approval of the REIT’s unitholders whereby the REIT is acquired through consolidation, merger, exchange of securities, purchase of assets, amalgamation, statutory arrangement or otherwise by any other Person (other than a short form amalgamation or exchange of

securities with Flagship Operating or a wholly-owned Subsidiary of the REIT or Flagship Operating);

- (e) any other event which the Board unanimously determines to constitute a change in control of the REIT; or
- (f) individuals who comprise the Board as of the last annual meeting of unitholders of the REIT (the “**Incumbent Board**”) for any reason cease to constitute at least a majority of the members of the Board, unless the election, or nomination for election by the REIT’s unitholders, of any new trustee was approved by a vote of at least a majority of the Incumbent Board, and in that case such new trustee shall be considered as a member of the Incumbent Board;

provided that, notwithstanding clauses (a), (b), (c) and (d) above, a Change in Control shall be deemed not to have occurred pursuant to clauses (a), (b), (c) and (d) above if immediately following the transaction set forth in clause (a), (b), (c) and (d) above: (A) the holders of securities of the REIT that immediately prior to the consummation of such transaction represented more than fifty percent (50%) of the combined voting power of the then outstanding securities eligible to vote for the election of trustees of the REIT hold (x) securities of the entity resulting from such transaction (including, for greater certainty, the Person succeeding to assets of the REIT in a transaction contemplated in clause (b) above) (the “**Surviving Entity**”) that represent more than fifty percent (50%) of the combined voting power of the then outstanding securities eligible to vote for the election of directors or trustees of the Surviving Entity, or (y) if applicable, securities of the entity that directly or indirectly has beneficial ownership of one hundred percent (100%) of the securities eligible to elect directors or trustees of the Surviving Entity (the “**Parent Entity**”) that represent more than fifty percent (50%) of the combined voting power of the then outstanding securities eligible to vote for the election of directors or trustees of the Parent Entity, and (B) no Person or group of two or more Persons, acting jointly or in concert, is the beneficial owner, directly or indirectly, of more than fifty percent (50%) of the voting power of the Parent Entity (or, if there is no Parent Entity, the Surviving Entity) (any such transaction which satisfies all of the criteria specified in clauses (A) and (B) above being referred to as a “**Non-Qualifying Transaction**” and, following the Non-Qualifying Transaction, references in this definition of “Change in Control” to the “REIT” shall mean and refer to the Parent Entity (or, if there is no Parent Entity, the Surviving Entity) and, if such entity is a company or a trust, references to the “Board” shall mean and refer to the board of directors or trustees, as applicable, of such entity);

provided further, that notwithstanding the foregoing, for purposes of any Award that constitutes “deferred compensation” (within the meaning of Section 409A of the Code), the payment of which would be accelerated upon a Change in Control, a transaction will not be deemed a Change in Control for Awards granted to any Participant who is a U.S. Taxpayer unless the transaction constitutes a “change in the ownership of the corporation,” “change in effective control of the corporation” or “change in the ownership of a substantial portion of the assets of the corporation,” in each case within the meaning of Section 409A of the Code;

“**Code**” means the United States Internal Revenue Code of 1986, as amended from time to time. Any reference to a section of the Code shall be deemed to include a reference to any regulations promulgated thereunder;

**“Committee”** means the Compensation, Governance and Nominating Committee of the Board;

**“Consultant”** means a Person that:

- (a) is engaged to provide services on a *bona fide* basis, for an initial, renewable or extended period of twelve (12) months or more, consulting, technical, management or other services to the REIT or a Subsidiary of the REIT, other than services provided in relation to a distribution of securities of the REIT or a Subsidiary of the REIT;
- (b) provides the services under a written contract with the REIT or a Subsidiary of the REIT; and
- (c) in the reasonable opinion of the REIT, spends or will spend a significant amount of time and attention on the affairs and business of the REIT or a Subsidiary of the REIT;

and includes

- (d) for an individual Consultant, a corporation of which the individual Consultant is an employee or shareholder, and a partnership of which the individual Consultant is an employee or partner; and
- (e) for a Consultant that is not an individual, an employee, executive officer, trustee or director of the Consultant, provided that the individual employee, executive officer, trustee or director spends or will spend a significant amount of time and attention on the affairs and business of the REIT or a Subsidiary of the REIT.

**“Control”** means:

- (a) when applied to the relationship between a Person and another Person, the beneficial ownership by that first Person, directly or indirectly, of voting securities or other interests in such second Person entitling the holder to exercise control and direction in fact over the activities of such second Person, including by way of electing a majority of the members of the board of the second Person; and
- (b) notwithstanding the foregoing, when applied to the relationship between a Person and a partnership, limited partnership or joint venture, means the contractual right to direct the affairs of the partnership, limited partnership or joint venture; and

the words **“Controlled by”**, **“Controlling”** and similar words have corresponding meanings; provided that a Person who Controls a second Person will be deemed to Control a third Person which is Controlled by such second Person and so on;

**“Date of Grant”** means, for any Award, the date specified by the Plan Administrator at the time it grants the Award or if no such date is specified, the date upon which the Award was granted;

**“Deferred Unit”** means a contractual right representing a notional unit equivalent in value to a Unit, credited by means of a bookkeeping entry in the books of the REIT in accordance

with Article 7 and for clarity includes an entry in respect of both Trustee Contributed Deferred Units and REIT Contributed Deferred Units;

**“Effective Date”** means the effective date of this Plan, being December 1, 2020;

**“Effective Outstanding Units”** means at any particular time, the number of Units that would be outstanding at that time if the then outstanding Exchangeable Units were exchanged for Units, in accordance with their terms, immediately prior to such time;

**“Elected Amount”** means the amount of the Annual Retainer Fees, as elected by the Non-Employee Trustee, between zero percent (0%) and one hundred percent (100%) of any Annual Retainer Fees that would otherwise be paid in cash, which for greater certainty excludes any portion of the Annual Retainer Fees that is to be payable to Non-Employee Trustees in the form of Deferred Units pursuant to Section 7.1(a);

**“Election Notice”** has the meaning set forth in Section 7.1(b);

**“Employee”** means an individual who:

- (a) is considered an employee of the REIT or a Subsidiary of the REIT for purposes of source deductions under applicable tax or social welfare legislation; or
- (b) works full-time or part-time on a regular weekly basis for the REIT or a Subsidiary of the REIT providing services normally provided by an employee and who is subject to the same control and direction by the REIT or a Subsidiary of the REIT over the details and methods of work as an employee of the REIT or such Subsidiary;

**“Exchange”** means the TSX and any other exchange on which the Units are or may be listed from time to time;

**“Exchangeable Units”** means securities of any Subsidiary of the REIT which are exchangeable or redeemable, whether subject to conditions or not, for Units, and includes, on the date hereof, Class B Units of Flagship Operating, LLC;

**“Exercise Notice”** means a notice in writing, signed by a Participant and stating the Participant’s intention to exercise a particular Option;

**“Exercise Price”** means the price at which an Option Unit may be purchased pursuant to the exercise of an Option;

**“Expiry Date”** means the expiry date specified in the Award Agreement (which shall not be later than the tenth anniversary of the Date of Grant) or, if not so specified, means the tenth anniversary of the Date of Grant;

**“Flagship Operating, LLC”** means Flagship Operating, LLC, a Delaware limited liability company;

**“Good Reason”** mean the occurrence of any one or more of the following events without the Participant’s prior written consent, unless the REIT fully corrects the circumstances



constituting Good Reason (provided such circumstances are capable of correction) as provided below:

- (a) there is a material diminution in the Participant's position (including status, offices, titles and reporting requirements), authority, duties or responsibilities, excluding for this purpose any isolated, insubstantial or inadvertent actions not taken in bad faith and which are remedied by the REIT promptly after receipt of notice thereof given by the Participant;
- (b) the REIT's reduction of the Participant's base salary, as the same may be increased from time to time, or the percentage on which any short-term incentive payment is based, as such terms are defined in the Participant's employment agreement;
- (c) the REIT's reduction or elimination of benefits granted to the Participant in his or her employment agreement or granted to the Participant during his or her employment;
- (d) a material change in the geographic location of the principal location of the head office of the REIT, which shall, in any event, include only a relocation of such principal location by more than twenty-five (25) miles from its existing location;
- (e) the REIT's material breach of the employment agreement between the REIT and a Participant; or
- (f) any other act or omission that constitutes constructive dismissal at common law (if applicable);

**"Insider"** has the meaning given to such term in the TSX Company Manual, as such manual may be amended, supplemented or replaced from time to time;

**"In-the-Money Amount"** has the meaning set forth in Section 4.5(b);

**"ISOs"** has the meaning set forth in Section 11.1;

**"Market Price"** at any date in respect of the Units shall be the closing price of the Units on the TSX for the trading day immediately preceding such date (or, if such Units are not then listed and posted for trading on the TSX, on such stock exchange on which the Units are listed and posted for trading as may be selected for such purpose by the Board); provided that, for so long as the Units are listed and posted for trading on the TSX, the Market Price shall not be less than the market price, as calculated under the policies of the TSX and provided, further, that with respect to an Award made to a U.S. Taxpayer, such Participant and the number of Units subject to such Award shall be identified by the Plan Administrator prior to the start of such immediately preceding day. In the event that such Units are not listed and posted for trading on any Exchange, the Market Price shall be the fair market value of such Units as determined by the Board in its sole discretion and, with respect to an Award made to a U.S. Taxpayer, in accordance with Section 409A of the Code;

**"Non-Employee Trustee"** means a Trustee who is not an officer or Employee of the REIT or any Subsidiary of the REIT;

**“Option”** means a right to purchase Units in accordance with Article 4 of this Plan;

**“Option Units”** means Units issuable by the REIT upon the exercise of outstanding Options;

**“Participant”** means (a) Trustees, (b) Employees and Consultants, and (b) directors, managers and officers of Subsidiaries of the REIT.

**“Performance Goals”** means performance goals expressed in terms of attaining a specified level of the particular criteria or the attainment of a percentage increase or decrease in the particular criteria, and may be applied to one or more of the REIT, a Subsidiary of the REIT, a division of the REIT or a Subsidiary of the REIT, or an individual, or may be applied to the performance of the REIT or a Subsidiary of the REIT relative to a market index, a group of other companies or a combination thereof, or on any other basis, all as determined by the Plan Administrator in its discretion;

**“Performance Unit”** means a contractual right representing a notional unit equivalent in value to a Unit, credited by means of a bookkeeping entry in the books of the REIT in accordance with Article 6 of this Plan;

**“Person”** means an individual, corporation, company, cooperative, sole proprietorship, partnership, limited partnership, limited liability partnership, joint venture, venture capital fund, limited liability company, unlimited liability company, trust, trustee, executor, administrator, legal personal representative, estate, unincorporated association, organization or syndicate, entity with juridical personality or governmental authority or body, or other entity, whether or not having legal status, however designated or constituted, and pronouns which refer to a Person shall have a similarly extended meaning;

**“Plan”** means this Omnibus Equity Incentive Plan, as may be amended from time to time;

**“Plan Administrator”** means the Board or, to the extent that the administration of this Plan has been delegated by the Board to the Committee pursuant to Section 3.2, the Committee;

**“REIT”** means Flagship Communities Real Estate Investment Trust;

**“REIT Contributed Deferred Units”** has the meaning set forth in Section 7.3(a);

**“Restricted Unit”** means a contractual right representing a notional unit equivalent in value to a Unit, credited by means of a bookkeeping entry in the books of the REIT in accordance with Article 5;

**“Section 409A of the Code”** means Section 409A of the Code and all regulations, guidance, compliance programs, and other interpretive authority issued thereunder;

**“Securities Laws”** means securities legislation, securities regulation and securities rules, as amended, and the written policies, notices, instruments and blanket orders in force from time to time that govern or are applicable to the REIT or to which it is subject and the applicable rules of the Exchange;

**“Security Based Compensation Arrangement”** means an option, option plan, security based appreciation right, employee unit purchase plan, restricted, performance of deferred unit plan, long-term incentive plan or any other compensation or incentive mechanism, in each case, involving the issuance or potential issuance of Units to one or more directors, Trustees or officers of the REIT or any Subsidiary, current or past full-time or part-time Employees of the REIT or any Subsidiary, Insiders or Consultants of the REIT or any Subsidiary of the REIT including a Unit purchase from treasury by one or more Trustees, officers, directors or officers of any Subsidiary, current or past full-time or part-time Employees of the REIT or any Subsidiary, Insiders or service providers or Consultants of the REIT or any Subsidiary which is financially assisted by the REIT or any Subsidiary by way of a loan, guarantee or otherwise;

**“Separation from Service”** has the meaning given to such phrase in United States Treasury Regulation § 1.409A-1(h);

**“Subsidiary”** means, in respect of a Person, another Person that is Controlled directly or indirectly by such Person and includes a Subsidiary of that Subsidiary;

**“Tax Act”** has the meaning set forth in Section 4.5(d);

**“Termination Date”** means the date that a Participant ceases to provide services to, or otherwise ceases its relationship with, the REIT or any Subsidiary of the REIT on a permanent basis, for any reason (including, without limitation by reason of termination for Cause, termination without Cause, resignation with Good Reason or resignation without Good Reason), without regard to any applicable period of notice, payment in lieu of notice, severance pay, or similar compensation and/or benefits to which the Participant may then be entitled, subject only to the express minimum requirements of applicable employment or labour standards legislation (if applicable);

**“Trustee”** means a trustee of the REIT;

**“Trustee Contributed Deferred Units”** has the meaning set forth in Section 7.3(a);

**“TSX”** means the Toronto Stock Exchange;

**“Unit”** means one trust unit in the capital of the REIT;

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

**“U.S. Taxpayer”** shall mean a Participant who, with respect to an Award, is subject to taxation under the applicable U.S. tax laws.

## 2.2 Interpretation

- (a) Whenever the Plan Administrator exercises discretion in the administration of this Plan, the term “discretion” means the sole and absolute discretion of the Plan Administrator.
- (b) As used herein, the terms “Article”, “Section”, “Subsection” and “clause” mean and refer to the specified Article, Section, Subsection and clause of this Plan, respectively.

- (c) Words importing the singular include the plural and vice versa and words importing any gender include any other gender.
- (d) Unless otherwise specified, time periods within or following which any payment is to be made or act is to be done shall be calculated by excluding the day on which the period begins, including the day on which the period ends, and abridging the period to the immediately preceding Business Day in the event that the last day of the period is not a Business Day. In the event an action is required to be taken or a payment is required to be made on a day which is not a Business Day such action shall be taken or such payment shall be made by the immediately preceding Business Day.
- (e) Unless otherwise specified, all references to money amounts are to Canadian currency.
- (f) The headings used herein are for convenience only and are not to affect the interpretation of this Plan.

### **ARTICLE 3 ADMINISTRATION**

#### **3.1 Administration**

This Plan will be administered by the Plan Administrator and the Plan Administrator has sole and complete authority, in its discretion, to:

- (a) determine the eligibility for Awards to be granted and the individuals to whom grants of Awards under the Plan may be made;
- (b) make grants of Awards under the Plan, whether relating to the issuance of Units or otherwise (including any combination of Options, Restricted Units, Performance Units or Deferred Units), in such amounts, to such Persons and, subject to the provisions of this Plan, on such terms and conditions as it determines including without limitation:
  - (i) the time or times at which Awards may be granted;
  - (ii) the conditions under which:
    - (A) Awards may be granted to Participants; or
    - (B) Awards may be forfeited to the REIT,including any conditions relating to the attainment of specified Performance Goals;
  - (iii) the number of Units to be covered by any Award;
  - (iv) the price, if any, to be paid by a Participant in connection with the purchase of Units covered by any Awards;

- (v) whether restrictions or limitations are to be imposed on the Units issuable pursuant to grants of any Award, and the nature of such restrictions or limitations, if any; and
- (vi) any acceleration of exercisability or vesting, or waiver of termination regarding any Award, based on such factors as the Plan Administrator may determine;
- (c) establish the form or forms of Award Agreements;
- (d) cancel, amend, adjust or otherwise change the type of or the terms and conditions of any Award under such circumstances as the Plan Administrator may consider appropriate in accordance with the provisions of this Plan;
- (e) construe and interpret this Plan and all Award Agreements;
- (f) adopt, amend, prescribe and rescind administrative guidelines and other rules and regulations relating to this Plan, including rules and regulations relating to sub-plans established for the purpose of satisfying applicable foreign laws or for qualifying for favorable tax treatment under applicable laws; and
- (g) make all other determinations and take all other actions necessary or advisable for the implementation and administration of this Plan.

### **3.2 Delegation to Committee**

- (a) The initial Plan Administrator shall be the Board.
- (b) To the extent permitted by applicable law, the Board may, from time to time, delegate to the Committee all or any of the powers conferred on the Plan Administrator pursuant to this Plan. In such event, the Committee will exercise the powers delegated to it in the manner and on the terms authorized by the delegating party.

### **3.3 Determinations Binding**

Except as may be otherwise set forth in any written employment agreement, Award Agreement or other written agreement between the REIT or a Subsidiary of the REIT and the Participant, any decision made or action taken by the Board, the Committee or any sub-delegate to whom authority has been delegated pursuant to Section 3.2 arising out of or in connection with the administration or interpretation of this Plan is final, conclusive and binding on the REIT and all Subsidiaries of the REIT, the affected Participant(s), their respective legal and personal representatives and all other Persons.

### **3.4 Eligibility**

All Participants are eligible to participate in the Plan, subject to Section 9.1(b). Participation in the Plan is voluntary and eligibility to participate does not confer upon any Participant any right to receive any grant of an Award pursuant to the Plan. The extent to which any Participant is entitled to receive a grant of an Award pursuant to the Plan will be determined in the discretion of the Plan Administrator.

### 3.5 Plan Administrator Requirements

Any Award granted under this Plan shall be subject to the requirement that, if at any time the REIT shall determine that the listing, registration or qualification of the Units issuable pursuant to such Award upon any securities exchange or under any Securities Laws of any jurisdiction, or the consent or approval of the Exchange and any securities commissions or similar securities regulatory bodies having jurisdiction over the REIT is necessary as a condition of, or in connection with, the grant or exercise of such Award or the issuance or purchase of Units thereunder, such Award may not be accepted or exercised, as applicable, in whole or in part unless such listing, registration, qualification, consent or approval shall have been effected or obtained on conditions acceptable to the Plan Administrator. Nothing herein shall be deemed to require the REIT to apply for or to obtain such listing, registration, qualification, consent or approval. Participants shall, to the extent applicable, cooperate with the REIT in complying with such legislation, rules, regulations and policies.

### 3.6 Total Units Subject to Awards

- (a) The maximum number of Units issuable under the Plan and any other Security Based Compensation Plan shall not exceed ten percent (10%) of the number of issued and outstanding Units from time to time and, at all times, the REIT will reserve and keep available a sufficient number of Units to satisfy the requirements of all outstanding Awards granted under this Plan.
- (b) For greater certainty, the Plan is an evergreen plan in that Units covered by Awards exercised, settled, surrendered, terminated, expired or cancelled, in whole or in part, shall be available for issuance pursuant to the exercise or settlement of Awards subsequently granted under this Plan and the number of Units available for grants of Awards increases as the number of issued and outstanding Units increases.

### 3.7 Limits on Grants of Awards

Notwithstanding anything in this Plan:

- (a) the aggregate number of Units:
  - (i) issuable to Insiders at any time pursuant to Security Based Compensation Arrangements, shall not exceed ten percent (10%) of the number of issued and outstanding Units; and
  - (ii) issued to Insiders within any one (1) year period, under all Security Based Compensation Arrangements shall not exceed ten percent (10%) of the number of issued and outstanding Units, provided that the acquisition of Units by the REIT for cancellation shall not constitute non-compliance with this Section 3.7 for any Awards outstanding prior to such purchase of Units for cancellation; and
- (b) the aggregate number of Units reserved for issuance pursuant to grants of Restricted Units, Performance Units and Deferred Units ("**Full-Value Awards**") under the Plan, and grants of Full-Value Awards and other non-option awards

under all other Security Based Compensation Arrangements, shall not exceed five percent (5.0%) of the Effective Outstanding Units;

- (c) the aggregate fair value on the Date of Grant of all Deferred Units granted to any one Non-Employee Trustee pursuant to Section 7.1(h) (or in respect thereof under Section 8.1) and grants under all other Security Based Compensation Arrangements made other than in lieu of cash fees shall not exceed \$150,000 per calendar year; and
- (d) the aggregate number of Units reserved for issuance to all Non-Employee Trustees pursuant to Section 7.1(h) (or in respect thereof under Section 8.1) and grants under all other Security Based Compensation Arrangements made other than in lieu of cash fees shall not exceed one percent (1.0%) of the Effective Outstanding Units.

### **3.8 Award Agreements**

An Award under this Plan may be evidenced by an Award Agreement. Each Award Agreement will be subject to the applicable provisions of this Plan and will contain such provisions as are required by this Plan and any other provisions that the Plan Administrator may direct. Any one officer of the REIT is authorized and empowered to execute and deliver, for and on behalf of the REIT, any Award Agreement to a Participant granted an Award pursuant to this Plan.

### **3.9 Non-transferability of Awards**

Except to the extent that certain rights may pass to a beneficiary or legal representative upon death of a Participant by will or as required by law, no assignment or transfer of Awards, whether voluntary, involuntary, by operation of law or otherwise, vests any interest or right in such Awards or under this Plan whatsoever in any assignee or transferee and immediately upon any assignment or transfer, or any attempt to make the same, such Awards will terminate and be of no further force or effect.

## **ARTICLE 4 OPTIONS**

### **4.1 Granting of Options**

The Plan Administrator may, from time to time, subject to the provisions of this Plan and such other terms and conditions as the Plan Administrator may prescribe, grant Options to any Participant, other than Non-Employee Trustees. The terms and conditions of each Option grant shall be evidenced by an Award Agreement.

### **4.2 Exercise Price**

The Plan Administrator will establish the Exercise Price at the time each Option is granted, which Exercise Price must in all cases be not less than the Market Price on the Date of Grant.

### **4.3 Term of Options**

Subject to any accelerated termination as set forth in this Plan, each Option expires on its Expiry Date.

#### 4.4 Vesting and Exercisability

- (a) The Plan Administrator shall have the authority to determine the vesting terms applicable to grants of Options. The vesting schedule any Options granted pursuant to this Plan shall be stated in the Award Agreement for such Options.
- (b) Once an Option becomes vested, it shall remain vested and shall be exercisable until expiration or termination of the Option, unless otherwise specified by the Plan Administrator, or as may be otherwise set forth in any written employment agreement, Award Agreement or other written agreement between the REIT or a Subsidiary of the REIT and the Participant. Each vested Option may be exercised at any time or from time to time for up to the total number of Option Units with respect to which it is then exercisable. The Plan Administrator has the right to accelerate the date upon which any instalment of any Option becomes exercisable.
- (c) Subject to the provisions of this Plan and any Award Agreement, Options shall be exercised by means of a fully completed Exercise Notice delivered to the REIT.
- (d) The Plan Administrator may provide at the time of granting an Option that the exercise of that Option is subject to restrictions, in addition to those specified in this Section 4.4, such as vesting conditions relating to the attainment of specified Performance Goals.

#### 4.5 Payment of Exercise Price

- (a) Unless otherwise specified by the Plan Administrator at the time of granting an Option and set forth in the particular Award Agreement, the Exercise Notice must be accompanied by payment of the Exercise Price. The Exercise Price must be fully paid by certified cheque, bank draft or money order payable to the REIT in an amount equal to the aggregate Exercise Price of the Units to be purchased, or by such other means as might be specified from time to time by the Plan Administrator, which may include (i) through an arrangement with a broker approved by the REIT (or through an arrangement directly with the REIT) whereby payment of the Exercise Price is accomplished with the proceeds of the sale of Units deliverable upon the exercise of the Option, (ii) through the Cashless Exercise process set out in Section (b), or (iii) such other consideration and method of payment for the issuance of Units to the extent permitted by the Securities Laws, or any combination of the foregoing methods of payment.
- (b) A Participant may, in lieu of exercising an Option pursuant to an Exercise Notice, elect to surrender such Option to the REIT (a "**Cashless Exercise**") in consideration for an amount from the REIT equal to (i) the Market Price of the Units issuable on the exercise of such Option (or portion thereof) as of the date such Option (or portion thereof) is exercised, less (ii) the aggregate Exercise Price of the Option (or portion thereof) surrendered relating to such Units, (the "**In-the-Money Amount**") by written notice to the REIT indicating the number of Options such Participant wishes to exercise using the Cashless Exercise, and such other information that the REIT may require. Subject to Section 8.3, the REIT shall satisfy payment of the In-the-Money Amount by delivering to the Participant such number of Units (rounded down to the nearest whole number) having a fair market value equal to the In-the-Money Amount.



- (c) No Units will be issued or transferred until full payment therefor has been received by the REIT.
- (d) If a Participant exercises Options through the Cashless Exercise process set out in Section 4.5(b), to the extent that such Participant would be entitled to a deduction under paragraph 110(1)(d) of the *Income Tax Act* (Canada) (the “**Tax Act**”) in respect of such exercise if the election described in subsection 110(1.1) of the Tax Act were made and filed (and the other procedures described therein were undertaken) on a timely basis after such exercise, the REIT will cause such election to be so made and filed (and such other procedures to be so undertaken).

## **ARTICLE 5 RESTRICTED UNITS**

### **5.1 Granting of Restricted Units**

- (a) The Plan Administrator may, from time to time, subject to the provisions of this Plan, the terms of a Participant’s employment agreement with the REIT or a Subsidiary of the REIT, as the case may be, and such other terms and conditions as the Plan Administrator may prescribe, grant Restricted Units to any Participant, other than Non-Employee Trustees.
- (b) The number of Restricted Units (including fractional Restricted Units) granted at any particular time pursuant to this Article 5 will be calculated by dividing (i) the amount of any compensation that is to be paid in Restricted Units, as determined by the Plan Administrator, by (ii) the Market Price of a Unit on the Date of Grant.

### **5.2 Restricted Unit Account**

All Restricted Units received by a Participant shall be credited to an account maintained for the Participant on the books of the REIT, as of the Date of Grant.

### **5.3 Vesting of Restricted Units**

The Plan Administrator shall have the authority to determine any vesting terms applicable to the grant of Restricted Units, provided that unless otherwise determined by the Plan Administrator or as set out in any Award Agreement, no Restricted Unit shall vest later than three (3) years after the Date of Grant.

### **5.4 Settlement of Restricted Units**

- (a) The Plan Administrator shall have the sole authority to determine the settlement terms applicable to the grant of Restricted Units. Subject to Section 11.6(d) below and except as otherwise provided in an Award Agreement, on the settlement date for any Restricted Units, the Participant shall redeem each vested Restricted Unit for:
  - (i) one fully paid and non-assessable Unit issued from treasury to the Participant or as the Participant may direct, or

- (ii) if so elected by the Participant, a cash payment, subject to the approval of the Plan Administrator, or
- (iii) a combination of Units and cash as contemplated by paragraphs (i) and (ii) above,

in each case as determined by the Plan Administrator in its discretion.

- (b) Any cash payments made under this Section 5.4 by the REIT to a Participant in respect of Restricted Units to be redeemed for cash shall be calculated by multiplying the number of Restricted Units to be redeemed for cash by the Market Price per Unit as at the settlement date.
- (c) Payment of cash to Participants on the redemption of vested Restricted Units may be made through the REIT's payroll in the pay period that the settlement date falls within.
- (d) Subject to Section 11.6(d) below and except as otherwise provided in an Award Agreement, no settlement date for any Restricted Unit shall occur, and no Unit shall be issued or cash payment shall be made in respect of any Restricted Unit, under this Section 5.4 any later than the final Business Day of the third (3<sup>rd</sup>) calendar year following the year in which the Restricted Unit is granted.

## **ARTICLE 6 PERFORMANCE UNITS**

### **6.1 Granting of Performance Units**

- (a) The Plan Administrator may, from time to time, subject to the provisions of this Plan, the terms of a Participant's employment agreement with the REIT or a Subsidiary of the REIT, as the case may be, and such other terms and conditions as the Plan Administrator may prescribe, grant Performance Units to any Participant, other than Non-Employee Trustees.
- (b) Each Performance Unit will consist of a right to receive a Unit, cash payment, or a combination thereof (as provided in Section 6.6(a)), upon the achievement of such Performance Goals during such performance periods as the Plan Administrator shall establish.
- (c) The number of Performance Units (including fractional Performance Units) granted at any particular time pursuant to this Article 6 will be calculated by dividing (i) the amount of any compensation that is to be paid in Performance Units, as determined by the Plan Administrator, by (ii) the Market Price of a Unit on the Date of Grant.

### **6.2 Terms of Performance Units**

The Performance Goals to be achieved during any performance period, the length of any performance period, the number of Performance Units granted, the treatment of Performance Units upon termination of a Participant's employment, engagement or relationship with the REIT or a Subsidiary of the REIT, and the amount of any payment or transfer to be made pursuant to

any Performance Unit will be determined by the Plan Administrator and by the other terms and conditions of any Performance Unit, all as set forth in the applicable Award Agreement.

### **6.3 Performance Goals**

The Plan Administrator will issue Performance Goals prior to the Date of Grant to which such Performance Goals pertain. The Performance Goals may be based upon the achievement of corporate, divisional or individual goals, and may be applied relative to performance relative to an index or comparator group, or on any other basis determined by the Plan Administrator. The Plan Administrator may modify the Performance Goals as necessary to align them with the REIT's corporate objectives, subject to any limitations set forth in an Award Agreement or an employment or other agreement with a Participant. The Performance Goals may include a threshold level of performance below which no payment will be made (or no vesting will occur), levels of performance at which specified payments will be made (or specified vesting will occur), and a maximum level of performance above which no additional payment will be made (or at which maximum vesting will occur), all as set forth in the applicable Award Agreement.

### **6.4 Performance Unit Account**

All Performance Units received by a Participant shall be credited to an account maintained for the Participant on the books of the REIT, as of the Date of Grant.

### **6.5 Vesting of Performance Units**

The Plan Administrator shall have the authority to determine any vesting terms, including the timing of vesting, applicable to the grant of Performance Units. Vesting of Performance Units shall be subject to and dependent on the achievement of the Performance Goals as determined by the Plan Administrator and as set forth in the applicable Award Agreement.

### **6.6 Settlement of Performance Units**

(a) The Plan Administrator shall have the authority to determine the settlement terms applicable to the grant of Performance Units. Subject to Section 11.6(d) below and except as otherwise provided in an Award Agreement, on the settlement date for any Performance Unit, the Participant shall redeem each vested Performance Unit for:

- (i) one fully paid and non-assessable Unit issued from treasury to the Participant or as the Participant may direct, or
- (ii) if so elected by the Participant, a cash payment, subject to the approval of the Plan Administrator, or
- (iii) a combination of Units and cash as contemplated by paragraphs (i) and (ii) above,

in each case as determined by the Plan Administrator in its discretion.

(b) Any cash payments made under this Section 6.6 by the REIT to a Participant in respect of Performance Units to be redeemed for cash shall be calculated by

multiplying the number of Performance Units to be redeemed for cash by the Market Price per Unit as at the settlement date.

- (c) Payment of cash to Participants on the redemption of vested Performance Units may be made through the REIT's payroll in the pay period that the settlement date falls within.
- (d) Subject to Section 11.6(d) below and except as otherwise provided in an Award Agreement, no settlement date for any Performance Unit shall occur, and no Unit shall be issued or cash payment shall be made in respect of any Performance Unit, under this Section 6.6 any later than the final Business Day of the third (3<sup>rd</sup>) calendar year following the year in which the Performance Unit is granted.

## **ARTICLE 7 DEFERRED UNITS**

### **7.1 Granting of Deferred Units**

- (a) The Board may fix from time to time a portion of the Annual Retainer Fees that is to be payable to Non-Employee Trustees in the form of Deferred Units, provided that any such determination must be made in compliance with applicable Securities Laws by December 31<sup>st</sup> in the year prior to the year to which such Annual Retainer Fees relate. In addition, each Non-Employee Trustee is given, subject to the conditions stated herein, the right to elect in accordance with Section 7.1(b) to receive Annual Retainer Fees in the form of Deferred Units pursuant to this Article 7 in lieu of cash.
- (b) Subject to Section 7.1(e), each Non-Employee Trustee who elects to receive their Elected Amount in the form of Deferred Units in lieu of cash will be required to file a notice of election in the form of Schedule A hereto (the "**Election Notice**") with the Chief Financial Officer of the REIT: (i) in the case of an existing Non-Employee Trustee, by December 31<sup>st</sup> in the year prior to the year to which such election is to apply (other than for Annual Retainer Fees payable for the 2020 financial year, in which case any Non-Employee Trustee who is not a U.S. Taxpayer as of the date of this Plan shall file the Election Notice by the date that is thirty (30) days from the Effective Date with respect to compensation paid for services to be performed after such date); and (ii) in the case of a newly appointed Non-Employee Trustee who is not a U.S. Taxpayer, within thirty (30) days of such appointment with respect to compensation paid for services to be performed after such date. In the case of an existing Non-Employee Trustee who is a U.S. Taxpayer as of the Effective Date, an initial Election Notice may be filed by the date that is thirty (30) days from the Effective Date only with respect to compensation paid for services to be performed after the date of the initial Election Notice; and, in the case of a newly appointed Non-Employee Trustee who is a U.S. Taxpayer, an Election Notice may be filed within thirty (30) days of such appointment only with respect to compensation paid for services to be performed after the date of the initial Election Notice. If no election is made within the foregoing time frames, the Non-Employee Trustee shall be deemed to have elected to be paid the entire amount of his or her Annual Retainer Fees in cash.

- (c) Subject to Sections 7.1(d) and 7.1(e), the election of a Non-Employee Trustee under Section 7.1(b) shall be deemed to apply to all Annual Retainer Fees paid subsequent to the filing of the Election Notice, and such Non-Employee Trustee is not required to file another Election Notice for subsequent calendar years
- (d) Subject to Section 7.1(e), each Non-Employee Trustee who is not a U.S. Taxpayer is entitled once per calendar year to terminate his or her election to receive Deferred Units in lieu of cash by filing with the Chief Financial Officer of the REIT a notice in the form of Schedule B hereto. Such termination shall be effective immediately upon receipt of such notice. Thereafter, any portion of such Electing Person's Annual Retainer Fees payable or paid in the same calendar year and, subject to complying with Section 7.1(b), all subsequent calendar years shall be paid in cash. For greater certainty, to the extent a Non-Employee Trustee terminates his or her participation in the grant of Deferred Units pursuant to this Article 7, he or she shall not be entitled to elect to receive the Elected Amount, or any other amount of his or her Annual Retainer Fees in Deferred Units in lieu of cash again until the calendar year following the year in which the termination notice is delivered. An election by a U.S. Taxpayer to receive the Elected Amount in Deferred Units in lieu of cash for any calendar year is irrevocable for that calendar year after the expiration of the election period for that year and any termination of the election will not take effect until the first (1<sup>st</sup>) day of the calendar year following the calendar year in which the termination notice in the form of Schedule C is delivered.
- (e) Notwithstanding any of the foregoing provisions of this Article 7, the REIT shall not effect any election to receive their Elected Amount in the form of Deferred Units in lieu of cash or any termination of such election (and shall notify any applicable Non-Employee Trustee of such determination) where the Board does not believe such action is appropriate having regard for any material information to which the Board may be privy that has not been publicly disclosed.
- (f) Any Deferred Unit granted pursuant to this Article 7 prior to the delivery of a termination notice pursuant to Section 7.1(d) shall remain in the Plan following such termination and will be redeemable only in accordance with the terms of the Plan.
- (g) The number of Deferred Units (including fractional Deferred Units) granted at any particular time pursuant to this Article 7 will be calculated by dividing (i) the Elected Amount, by (ii) the Market Price of a Unit on the Date of Grant.
- (h) In addition to the foregoing, subject to Sections 3.7(b) and 3.7(d), the Plan Administrator may, from time to time, subject to the provisions of this Plan and such other terms and conditions as the Plan Administrator may prescribe, grant Deferred Units to any Participant.

## **7.2 Deferred Unit Account**

All Deferred Units received by a Participant shall be credited to an account maintained for the Participant on the books of the REIT, as of the Date of Grant.

### **7.3 Vesting of Deferred Units**

- (a) Except as otherwise determined by the Plan Administrator, Deferred Units granted further to the Elected Amount (“**Trustee Contributed Deferred Units**”) and Deferred Units otherwise granted pursuant to Section 7.1(h) (collectively, “**REIT Contributed Deferred Units**”) shall vest immediately upon grant.
- (b) Notwithstanding the foregoing or anything else herein contained the Board shall have the discretion to provide for the vesting of Deferred Units granted hereunder in a manner different from the foregoing.

### **7.4 Settlement of Deferred Units**

- (a) Deferred Units shall be settled on the date established in the Award Agreement (if applicable). If there is no Award Agreement or the Award Agreement does not establish a date for the settlement of the Deferred Units, then the settlement date shall be the date of Separation from Service, subject to the delay that may be required under Section 11.6(d) below. Notwithstanding the foregoing, for Canadian Participants, Deferred Units shall only be settled after the Participant’s Termination Date and settlement shall occur before December 31<sup>st</sup> of the year following the Participant’s Termination Date. Subject to Section 11.6(d) below, on the settlement date for any Deferred Unit, the Participant shall redeem each vested Deferred Unit for:

- (i) one fully paid and non-assessable Unit issued from treasury to the Participant or as the Participant may direct; or
- (ii) if so elected by the Participant, a cash payment, subject to the approval of the Plan Administrator, or
- (iii) a combination of Units and cash as contemplated by paragraphs (i) and (ii) above,

in each case as determined by the Plan Administrator in its discretion.

- (b) Any cash payments made under this Section 7.4 by the REIT to a Participant in respect of Deferred Units to be redeemed for cash shall be calculated by multiplying the number of Deferred Units to be redeemed for cash by the Market Price per Unit as at the settlement date.
- (c) Payment of cash to Participants on the redemption of vested Deferred Units may be made through the REIT’s payroll in the pay period that the settlement date falls within.

## **ARTICLE 8 ADDITIONAL AWARD TERMS**

### **8.1 Distribution Equivalents**

- (a) Unless otherwise determined by the Plan Administrator and set forth in the particular Award Agreement, Restricted Units, Performance Units and Deferred

Units shall be credited with distribution equivalents in the form of additional Restricted Units, Performance Units and Deferred Units, respectively, as of each distribution payment date in respect of which normal cash distributions are paid on Units. Such distribution equivalents shall be computed by dividing: (a) the amount obtained by multiplying the amount of the distribution declared and paid per Unit by the number of Restricted Units, Performance Units and Deferred Units (in each case, vested and unvested), as applicable, held by the Participant on the record date for the payment of such distribution, by (b) the Market Price at the close of the first (1<sup>st</sup>) Business Day immediately following the distribution payment date, with fractions computed to three decimal places. Distribution equivalents credited to a Participant's accounts shall vest on the same schedule as the Restricted Units, Performance Units and Deferred Units to which they relate, and shall be settled in accordance with Sections 5.4, 6.6 and 7.4, respectively.

- (b) The foregoing does not obligate the REIT to declare or pay distributions on Units and nothing in this Plan shall be interpreted as creating such an obligation.

## **8.2 Blackout Period**

If an Award expires during, or within ten (10) Business Days after, a routine or special trading black-out period imposed by the REIT to restrict trades in the REIT's securities, then, notwithstanding any other provision of this Plan, unless the delayed expiration would result in tax penalties, the Award shall expire ten (10) Business Days after the trading black-out period is lifted by the REIT.

## **8.3 Withholding Taxes**

Notwithstanding any other terms of this Plan, the granting, modification, vesting or settlement of each Award under this Plan is subject to the condition that if at any time the Plan Administrator determines, in its discretion, that the satisfaction of withholding tax or other withholding liabilities is necessary or desirable in respect of such grant, modification, vesting or settlement, such action is not effective unless such withholding has been effected to the satisfaction of the Plan Administrator. In such circumstances, the Plan Administrator may require that a Participant pay to the REIT the minimum amount as the REIT or an Affiliate of the REIT is obliged to withhold or remit to the relevant taxing authority in respect of the granting, vesting or settlement of the Award. Any such additional payment is due no later than the date on which such amount with respect to the Award is required to be remitted to the relevant tax authority by the REIT or an Affiliate of the REIT, as the case may be. Alternatively, and subject to any requirements or limitations under applicable law, the REIT may (a) withhold such amount from any remuneration or other amount payable by the REIT or any Affiliate to the Participant, (b) require the sale of a number of Units issued upon exercise, vesting, or settlement of such Award and the remittance to the REIT of the net proceeds from such sale sufficient to satisfy such amount, or (c) enter into any other suitable arrangements for the receipt of such amount.

## **8.4 Recoupment**

Notwithstanding any other terms of this Plan, Awards may be subject to potential cancellation, recoupment, rescission, payback or other action in accordance with the terms of any clawback, recoupment or similar policy adopted by the REIT or the relevant Subsidiary of the REIT and in effect at the Date of Grant of the Award, or as set out in the Participant's employment agreement, Award Agreement or other written agreement, or as otherwise required by law or the rules of the

Exchange. The Plan Administrator may at any time waive the application of this Section 8.4 to any Participant or category of Participants.

## **ARTICLE 9 TERMINATION OF EMPLOYMENT OR SERVICES**

### **9.1 Termination of Employment, Services or Trustee**

Subject to Section 9.2, unless otherwise determined by the Plan Administrator or as set forth in an employment agreement, Award Agreement or other written agreement:

- (a) all Awards held by Participants (whether vested or unvested) shall expire and immediately terminate automatically on the Termination Date and the Participant shall not be entitled to any damages in lieu thereof whether pursuant or attributable to any common law or contractual notice period or otherwise, provided, however, that:
  - (i) any vested Options shall be exercisable by the Participant until the earlier of (i) the date that is twelve (12) months after the Termination Date and (ii) the Expiry Date of such Options. Any vested Options that are not exercised in accordance with this Section 9.1(a)(i) shall terminate and expire and the Participant shall not be entitled to any damages in lieu thereof whether pursuant or attributable to any common law or contractual notice period or otherwise;
  - (ii) any vested Restricted Units, Performance Units and Deferred Units shall be permitted to be settled in accordance with Sections 5.4, 6.6 and 7.4, as applicable, provided that if such Restricted Units, Performance Units or Deferred Units are not settled within thirty (30) days from the Termination Date, subject to the delay that may be required under Section 11.6(d) below, such Restricted Units, Performance Units or Deferred Units shall be settled for Units on such date without any action required on the part of the Participant;
- (b) a Participant's eligibility to receive further grants of Awards under this Plan ceases as of the Participant's Termination Date.
- (c) unless the Plan Administrator, in its discretion, otherwise determines, at any time and from time to time, Awards are not affected by a change of employment or consulting agreement or arrangement, or trusteeship within or among the REIT or a Subsidiary of the REIT for so long as the Participant continues to be a Trustee, Employee or Consultant, as applicable, of the REIT or a Subsidiary of the REIT.

### **9.2 Discretion to Permit Acceleration**

Notwithstanding the provisions of Section 9.1, the Plan Administrator may, in its discretion, at any time prior to, or following the events contemplated in such Section, or in an employment agreement, Award Agreement or other written agreement between the REIT or a Subsidiary of the REIT and the Participant, permit the acceleration of vesting of any or all Awards or waive termination of any or all Awards, all in the manner and on the terms as may be authorized by the Plan Administrator.



### **9.3 Participants' Entitlement**

Except as otherwise provided in this Plan, Awards previously granted under this Plan are not affected by any change in the relationship between, or ownership of, the REIT and an Affiliate of the REIT. For greater certainty, all grants of Awards remain outstanding and are not affected by reason only that, at any time, an Affiliate of the REIT ceases to be an Affiliate of the REIT.

## **ARTICLE 10 EVENTS AFFECTING THE REIT**

### **10.1 General**

The existence of any Awards does not affect in any way the right or power of the REIT or its unitholders to make, authorize or determine any adjustment, recapitalization, reorganization or any other change in the REIT's capital structure or its business, or any amalgamation, combination, arrangement, merger or consolidation involving the REIT, to create or issue any bonds, debentures, Units or other securities of the REIT or to determine the rights and conditions attaching thereto, to effect the dissolution or liquidation of the REIT or any sale or transfer of all or any part of its assets or business, or to effect any other corporate act or proceeding, whether of a similar character or otherwise, whether or not any such action referred to in this Article 10 would have an adverse effect on this Plan or on any Award granted hereunder.

### **10.2 Change in Control**

Except as may be set forth in an employment agreement, Award Agreement or other written agreement between the REIT or a Subsidiary of the REIT and the Participant:

- (a) Notwithstanding anything else in this Plan, the Plan Administrator may, without the consent of any Participant, take such steps as it deems necessary or desirable, to ensure the preservation of the economic interests of the Participants in, and to prevent the dilution or enlargement of, any Awards granted under the Plan, including to cause (i) the conversion or exchange of any outstanding Awards into or for, rights or other securities of substantially equivalent value (or greater value), as determined by the Plan Administrator in its discretion, in any entity participating in or resulting from a Change in Control (provided that for any Participant that is a resident of Canada for the purposes of the Tax Act, any such securities will be shares of a corporation or units of a "mutual fund trust" (for the purposes of the Tax Act) and any such rights will be rights to acquire shares of a corporation or units of a "mutual fund trust", in any case of an entity that does not deal at arm's length with the REIT (for the purposes of the Tax Act) at the time such shares, units or rights are issued or granted); (ii) outstanding Awards to vest and become exercisable, realizable, or payable, or restrictions applicable to an Award to lapse, in whole or in part prior to or upon consummation of such Change in Control, and, to the extent the Plan Administrator determines, terminate upon or immediately prior to the effectiveness of such Change in Control; or (iii) any combination of the foregoing. In taking any of the actions permitted under this Section 10.2(a), the Plan Administrator will not be required to treat all Awards similarly in the transaction. For greater certainty, the Plan Administrator cannot cause any Participant that is a resident of Canada for the purposes of the Tax Act to receive anything other than a shares of a corporation or units of a "mutual fund trust", or rights to acquire such shares or units, in any case of an entity that does not deal

at arm's length with the REIT (for the purposes of the Tax Act) at the time such shares, units or rights are issued or granted.

- (b) Notwithstanding Section 9.1, and except as otherwise provided in an employment agreement, consulting agreement or arrangement, or other written agreement between the REIT or a Subsidiary of the REIT and a Participant, if within twelve (12) months following the completion of a transaction resulting in a Change in Control, a Participant's employment, consulting agreement or arrangement is terminated by the REIT or a Subsidiary of the REIT without Cause or the Participant resigns with Good Reason, without any action by the Plan Administrator, the vesting of all Awards held by such Employee shall immediately accelerate and be settled (based on the Performance Goals achieved up to the Termination Date in respect of the Performance Units), and all Options shall immediately vest and be exercisable notwithstanding Section 4.4 until the earlier of: (i) twelve (12) month after the Expiry Date of such Award; and (ii) the date that is twelve (12) months after the Termination Date.
- (c) If an interpretation of this Agreement might result in the imposition of an additional tax or penalty or the acceleration of income under Section 409A of the Code, then this Agreement shall be applied and interpreted in a manner to avoid any such additional tax, penalty, or acceleration of income under Section 409A of the Code.

### **10.3 Reorganization of REIT's Capital**

Should the REIT effect a subdivision or consolidation of Units or any similar capital reorganization or a payment of a Unit distribution (other than a Unit distribution that is in lieu of a cash distribution), or should any other change be made in the capitalization of the REIT that does not constitute a Change in Control and that would warrant the amendment or replacement of any existing Awards in order to adjust the number of Units that may be acquired on the vesting of outstanding Awards and/or the terms of any Award in order to preserve proportionately the rights and obligations of the Participants holding such Awards, the Plan Administrator will, subject to the prior approval of the Exchange (if required), authorize such steps to be taken, and shall adjust the number of Awards outstanding and Units issuable under this Plan, as it may in its discretion deem appropriate to reflect the event.

### **10.4 Other Events Affecting the REIT**

In the event of an amalgamation, combination, arrangement, merger, liquidation, dissolution or other transaction or reorganization involving the REIT and occurring by exchange of Units, by sale or lease of assets or otherwise, that does not constitute a Change in Control and that would warrant the amendment or replacement of any existing Awards in order to adjust the number of Units that may be acquired on the vesting of outstanding Awards and/or the terms of any Award in order to preserve proportionately the rights and obligations of the Participants holding such Awards, the Plan Administrator will, subject to the prior approval of the Exchange (if required), authorize such steps to be taken and shall adjust the number of Awards outstanding and Units issuable under this Plan, as it may in its discretion deem appropriate to reflect the event.

### **10.5 Immediate Acceleration of Awards**

In taking any of the steps provided in Sections 10.3 and 10.4, the Plan Administrator will not be required to treat all Awards similarly and where the Plan Administrator determines that the steps

provided in Sections 10.3 and 10.4 would not preserve proportionately the rights, value and obligations of the Participants holding such Awards in the circumstances or otherwise determines that it is appropriate, the Plan Administrator may, but is not required, to permit the immediate vesting of any unvested Awards.

#### **10.6 Issue by REIT of Additional Units**

Except as expressly provided in this Article 10, neither the issue by the REIT of Units or securities convertible into or exchangeable for Units, nor the conversion or exchange of such Units or securities, affects, and no adjustment by reason thereof is to be made with respect to the number of Units that may be acquired as a result of a grant of Awards or other entitlements of the Participants under such Awards.

#### **10.7 Fractions**

No fractional Units will be issued pursuant to an Award. Accordingly, (whether as a result of any adjustment under this Article 10, a dividend equivalent or otherwise), a Participant would become entitled to a fractional Unit, the Participant has the right to acquire only the adjusted number of full Units and no payment or other adjustment will be made with respect to the fractional Units, which shall be disregarded.

### **ARTICLE 11 U.S. TAXPAYERS**

#### **11.1 Provisions for U.S. Taxpayers**

Awards granted under this Plan to U.S. Taxpayers may be non-qualified stock options or incentive stock options qualifying under Section 422 of the Code (“**ISOs**”). Each Award shall be designated in the Award Agreement as either an ISO or a non-qualified stock option. The REIT shall not be liable to any Participant or to any other Person if it is determined that an Option intended to be an ISO does not qualify as an ISO at any time or if an Option is determined to constitute “nonqualified deferred compensation” within the meaning of Section 409A of the Code.

#### **11.2 ISOs**

Subject to any limitations in Section 3.6, the aggregate number of Units reserved for issuance in respect of granted ISOs shall not exceed 10,000,000 Units, and the terms and conditions of any ISOs granted to a U.S. Taxpayer on the Date of Grant hereunder, including the eligible recipients of ISOs, shall be subject to the provisions of Section 422 of the Code, and the terms, conditions, limitations and administrative procedures established by the Plan Administrator from time to time in accordance with this Plan. At the discretion of the Plan Administrator, ISOs may be granted to any employee of the REIT, or of a “parent corporation” or “subsidiary corporation”, as such terms are defined in Sections 424(e) and (f) of the Code, respectively, with respect to the REIT.

#### **11.3 ISO Grants to 10% Unitholders**

Notwithstanding anything to the contrary in this Plan, if an ISO is granted to a Person who owns (or is deemed to own pursuant to Section 424(d) of the Code) equity interests representing more than ten percent (10%) of the voting power of all classes of equity interests of the REIT or of a “parent corporation” or “subsidiary corporation”, as such terms are defined in Section 424(e) and (f) of the Code, respectively, with respect to the REIT, on the Date of Grant, the term of the Option

shall not exceed five (5) years from the date of grant of such Option and the Exercise Price shall be at least one hundred and ten percent (110%) of the Market Price of the Units subject to the Option.

#### **11.4 \$100,000 Per Year Limitation for ISOs**

To the extent the aggregate Market Price as at the Date of Grant of the Units for which ISOs are exercisable for the first time by any Person during any calendar year (under all plans of the REIT and each “parent corporation” and “subsidiary corporation”, as such terms are defined in Section 424(e) and (f) of the Code, respectively, with respect to the REIT) exceeds \$100,000, such excess ISOs shall be treated as non-qualified stock options.

#### **11.5 Disqualifying Dispositions**

Each Person awarded an ISO under this Plan shall notify the REIT in writing immediately after the date he or she makes a “disposition” (as such term is defined in Section 424 of the Code) or transfer of any Units acquired pursuant to the exercise of such ISO if such disposition or transfer is made (a) within two (2) years from the Date of Grant of such ISO or (b) within one (1) year after the date such Person acquired the Units. Such notice shall specify the date of such disposition or other transfer and the amount realized, in cash, other property, assumption of indebtedness or other consideration, by the Person in such disposition or other transfer. The REIT may, if determined by the Plan Administrator and in accordance with procedures established by it, retain possession of any Units acquired pursuant to the exercise of an ISO as agent for the applicable Person until the end of the later of the periods described in (a) or (b) above, subject to complying with any instructions from such Person as to the sale of such Units.

#### **11.6 Section 409A of the Code**

- (a) This Plan will be construed and interpreted to be exempt from, or where not so exempt, to comply with Section 409A of the Code to the extent required to preserve the intended tax consequences of this Plan. Any payments described in the Plan that are due within the “short-term deferral period” as defined in Section 409A of the Code shall not be treated as deferred compensation unless United States federal law requires otherwise. To the extent that an Award or payment, or the settlement or deferral thereof, is subject to Section 409A of the Code, the Award will be granted, paid, settled or deferred in a manner intended to avoid the imposition of an additional tax or penalty or the acceleration of income under Section 409A of the Code. The REIT reserves the right to amend this Plan, any Award Agreement, or any Award to the extent it reasonably determines is necessary in order to preserve the intended tax consequences of this Plan in light of Section 409A of the Code. Notwithstanding the foregoing, (i) neither the REIT nor the Committee shall have any obligation to take any action to prevent the assessment of any additional tax or penalty on any Participant under Section 409A of the Code or to prevent the acceleration of income under Section 409A of the Code, and (ii) neither the REIT nor any of its Subsidiaries or Affiliates will be liable for any tax, interest or penalties that may be imposed on a Participant under Section 409A of the Code or any other tax or economic consequences that result to a Participant under or in connection with Section 409A of the Code.

- (b) All terms of the Plan that are undefined or ambiguous shall be interpreted and applied in a manner that, to the extent possible, avoids the imposition of tax or penalties or the acceleration of income under Section 409A of the Code.
- (c) The Plan Administrator, in its sole discretion, may permit the acceleration of the time or schedule of payment of a U.S. Taxpayer's vested Awards in the Plan under circumstances that constitute permissible acceleration events under Section 409A of the Code.
- (d) Notwithstanding any provisions of the Plan to the contrary, in the case of any "specified employee" within the meaning of Section 409A of the Code who is a U.S. Taxpayer, distributions or payments of non-qualified deferred compensation under Section 409A of the Code made under the Plan in connection with a Separation from Service may not be made prior to the date which is six (6) months after the date of Separation from Service (or, if earlier, the date of death of the U.S. Taxpayer). Any amounts subject to a delay in payment or disbursement pursuant to the preceding sentence shall be paid as soon practicable following such six (6)-month anniversary of such Separation from Service.

### **11.7 Section 83(b) Election**

If a Participant makes an election pursuant to Section 83(b) of the Code with respect to an Award of Units subject to vesting or other forfeiture conditions, the Participant shall be required to promptly provide a copy of such election with the REIT.

## **ARTICLE 12 AMENDMENT, SUSPENSION OR TERMINATION OF THE PLAN**

### **12.1 Amendment, Suspension, or Termination of the Plan**

The Plan Administrator may from time to time, without notice and without approval of the holders of Units, amend, modify, change, suspend or terminate the Plan or any Awards granted pursuant to the Plan as it, in its discretion, determines appropriate, provided, however, that:

- (a) no such amendment, modification, change, suspension or termination of the Plan or any Awards granted hereunder may materially impair any rights of a Participant or materially increase any obligations of a Participant under the Plan without the consent of the Participant, unless the Plan Administrator determines such adjustment is required or desirable in order to comply with any applicable Securities Laws; and
- (b) any amendment that would cause an Award held by a U.S. Taxpayer be subject to the additional tax penalty under Section 409A(1)(B)(i)(II) of the Code shall be null and void *ab initio* with respect to the U.S. Taxpayer unless the consent of the U.S. Taxpayer is obtained.

### **12.2 Unitholder Approval**

Notwithstanding Section 12.1 and subject to any rules of the Exchange, approval of the holders of the Units shall be required for any amendment, modification or change that:

- (a) increases the number of Units reserved for issuance under the Plan as set forth in Section 3.6(a), except pursuant to the provisions of Article 10;
- (b) increases or removes the ten percent (10%) limits on Units issuable or issued to Insiders as set forth in Section 3.7(a);
- (c) reduces the Exercise Price of an Option (for this purpose, a cancellation or termination of an Option of a Participant prior to its Expiry Date followed by the reissuing an Option to the same Participant with a lower Exercise Price within three (3) months following such termination shall be treated as an amendment to reduce the Exercise Price of an Option) except pursuant to the provisions Article 10;
- (d) extends the term of an Award beyond the original Expiry Date except pursuant to the provisions of Section 8.2;
- (e) permits an Award to be exercisable beyond ten (10) years from its Date of Grant except pursuant to the provisions of Section 8.2;
- (f) increases or removes the limit on grants of Full-Value Awards and other non-option awards in Section 3.7(b);
- (g) increases or removes the limits on the participation of Non-Employee Trustees in Sections 3.7(c) or 3.7(d);
- (h) changes the eligible participants of the Plan;
- (i) permits Awards to be transferable or assignable other than by will or as required by law pursuant to Section 3.9; or
- (j) deletes or reduces the range of amendments which require approval of unitholders under this Section 12.2.

### **12.3 Permitted Amendments**

Without limiting the generality of Section 12.1, but subject to Section 12.2, the Plan Administrator may, without unitholder approval, at any time or from time to time, amend the Plan for the purposes of:

- (a) making any amendments to the general vesting provisions of each Award;
- (b) making any amendments to the provisions set out in Article 9;
- (c) making any amendments to add covenants of the REIT for the protection of Participants, as the case may be, provided that the Plan Administrator shall be of the good faith opinion that such additions will not be prejudicial to the rights or interests of the Participants, as the case may be;
- (d) making any amendments not inconsistent with the Plan as may be necessary or desirable with respect to matters or questions which, in the good faith opinion of the Plan Administrator, having in mind the best interests of the Participants, it may be expedient to make, including amendments that are desirable as a result of

changes in law in any jurisdiction where a Participant resides, provided that the Plan Administrator shall be of the opinion that such amendments and modifications will not be prejudicial to the interests of the Participants and Trustees; or

- (e) making such changes or corrections which, on the advice of counsel to the REIT, are required for the purpose of curing or correcting any ambiguity or defect or inconsistent provision or clerical omission or mistake or manifest error, provided that the Plan Administrator shall be of the opinion that such changes or corrections will not be prejudicial to the rights and interests of the Participants.

## **ARTICLE 13 MISCELLANEOUS**

### **13.1 Legal Requirement**

The REIT is not obligated to grant any Awards, issue any Units or other securities, make any payments or take any other action if, in the opinion of the Plan Administrator, in its discretion, such action would constitute a violation by a Participant or the REIT of any provision of any applicable statutory or regulatory enactment of any government or government agency or the requirements of any Exchange upon which the Units may then be listed.

### **13.2 Securities Law Compliance**

No Awards shall be granted under the Plan and no Units shall be issued and delivered upon the exercise of Options granted under the Plan unless and until the REIT and/or the Participant have complied with all applicable federal and state registration, listing and/or qualification requirements and all other requirements of law or of any regulatory agencies having jurisdiction.

### **13.3 Rights of Participant**

No Participant has any claim or right to be granted an Award and the granting of any Award is not to be construed as giving a Participant a right to remain as an Employee, Consultant or Trustee. No Participant has any rights (including, without limitation, voting rights, distribution entitlements (other than as set out in this Plan) or rights on liquidation) as a unitholder of the REIT in respect of Units issuable pursuant to any Award until the allotment and issuance to such Participant, or as such Participant may direct, of certificates representing such Units.

### **13.4 Unfunded Plan**

The Plan shall be unfunded. Neither the REIT nor the Committee shall be required to establish any special or separate fund or to segregate any assets to assure the performance of its obligations under the Plan.

### **13.5 Conflict**

In the event of any conflict between the provisions of this Plan and an Award Agreement, the provisions of the Award Agreement shall govern. In the event of any conflict between or among the provisions of this Plan, on the one hand, and a Participant's employment agreement with the REIT or a Subsidiary of the REIT, as the case may be, on the other hand, the provisions of the employment agreement or other written agreement shall prevail.

### **13.6 Anti-Hedging Policy**

By accepting the Option or Award each Participant acknowledges that he or she is restricted from purchasing financial instruments such as prepaid variable forward contracts, equity swaps, collars, or units of exchange funds that are designed to hedge or offset a decrease in market value of Options or Awards.

### **13.7 Participant Information**

Each Participant shall provide the REIT with all information (including personal information) required by the REIT in order to administer the Plan (including as to whether the circumstances described in Section 11.3 exist). Each Participant acknowledges that information required by the REIT in order to administer the Plan may be disclosed to any custodian appointed in respect of the Plan and other third parties, and may be disclosed to such Persons (including Persons located in jurisdictions other than the Participant's jurisdiction of residence), in connection with the administration of the Plan. Each Participant consents to such disclosure and authorizes the REIT to make such disclosure on the Participant's behalf.

### **13.8 Participation in the Plan**

The participation of any Participant in the Plan is entirely voluntary and not obligatory and shall not be interpreted as conferring upon such Participant any rights or privileges other than those rights and privileges expressly provided in the Plan. In particular, participation in the Plan does not constitute a condition of employment or engagement nor a commitment on the part of the REIT to ensure the continued employment or engagement of such Participant. The Plan does not provide any guarantee against any loss which may result from fluctuations in the market value of the Units. The REIT does not assume responsibility for the income or other tax consequences for the Participants and Trustees and they are advised to consult with their own tax advisors.

### **13.9 International Participants**

With respect to Participants who reside or work outside Canada and the United States, the Plan Administrator may, in its discretion, amend, or otherwise modify, without unitholder approval, the terms of the Plan, any Award Agreement, or Awards with respect to such Participants in order to conform such terms with the provisions of local law, and the Plan Administrator may, where appropriate, establish one or more sub-plans to reflect such amended or otherwise modified provisions.

### **13.10 Successors and Assigns**

The Plan shall be binding on all successors and assigns of the REIT and its Subsidiaries.

### **13.11 General Restrictions on Assignment**

Except as required by law, the rights of a Participant under the Plan are not capable of being assigned, transferred, alienated, sold, encumbered, pledged, mortgaged or charged and are not capable of being subject to attachment or legal process for the payment of any debts or obligations of the Participant unless otherwise approved by the Plan Administrator.



### **13.12 Severability**

The invalidity or unenforceability of any provision of the Plan shall not affect the validity or enforceability of any other provision and any invalid or unenforceable provision shall be severed from the Plan.

### **13.13 Notices**

All written notices to be given by a Participant to the REIT shall be delivered personally, e-mail or mail, postage prepaid, addressed as follows:

Flagship Communities Real Estate Investment Trust  
467 Erlanger Road  
Erlanger, Kentucky 41018

Attention: Chief Financial Officer

All notices to a Participant will be addressed to the principal address of the Participant on file with the REIT. Either the REIT or the Participant may designate a different address by written notice to the other. Such notices are deemed to be received, if delivered personally or by e-mail, on the date of delivery, and if sent by mail, on the fifth (5<sup>th</sup>) Business Day following the date of mailing; provided that in the event of any actual or imminent postal disruption, notices shall be delivered to the appropriate party and not sent by mail. Any notice given by either the Participant or the REIT is not binding on the recipient thereof until received.

### **13.14 Effective Date**

This Plan becomes effective on the Effective Date, but no Award shall be exercised (or, in the case of an Award in Units, shall be granted) unless and until this Plan has been approved by the unitholders of the REIT, which approval shall be within twelve (12) months before or after the Effective Date (which is the date on which this Plan was adopted by the Board on behalf of the REIT).

### **13.15 Governing Law**

This Plan and all matters to which reference is made herein shall be governed by and interpreted in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein, without reference to conflicts of law rules.

### **13.16 Submission to Jurisdiction**

The REIT and each Participant irrevocably submits to the exclusive jurisdiction of the courts of competent jurisdiction in the Province of Ontario in respect of any action or proceeding relating in any way to the Plan, including, without limitation, with respect to the grant of Awards and any issuance of Units made in accordance with the Plan.

**SCHEDULE A**

**FLAGSHIP COMMUNITIES REAL ESTATE INVESTMENT TRUST  
EQUITY INCENTIVE PLAN (THE "PLAN")**

**ELECTION NOTICE**

*All capitalized terms used herein but not otherwise defined shall have the meanings ascribed to them in the Plan.*

Pursuant to the Plan, I hereby elect to participate in the grant of Deferred Units pursuant to Article 7 of the Plan and to receive \_\_\_\_% of my Annual Retainer Fees in the form of Deferred Units in lieu of cash.

I confirm that:

- (a) I have received and reviewed a copy of the terms of the Plan and agreed to be bound by them.
- (b) I recognize that when Deferred Units credited pursuant to this election are redeemed in accordance with the terms of the Plan, income tax and other withholdings as required will arise at that time. Upon redemption of the Deferred Units, the REIT will make all appropriate withholdings as required by law at that time.
- (c) The value of Deferred Units is based on the value of the Units of the REIT and therefore is not guaranteed.
- (d) To the extent I am a U.S. taxpayer, I understand that this election is irrevocable for the calendar year to which it applies and that any revocation or termination of this election after the expiration of the election period will not take effect until the first (1<sup>st</sup>) day of the calendar year following the year in which I file the revocation or termination notice with the REIT.

The foregoing is only a brief outline of certain key provisions of the Plan. For more complete information, reference should be made to the Plan's text.

Date: \_\_\_\_\_

\_\_\_\_\_  
(Name of Participant)

\_\_\_\_\_  
(Signature of Participant)

**SCHEDULE B**

**FLAGSHIP COMMUNITIES REAL ESTATE INVESTMENT TRUST  
EQUITY INCENTIVE PLAN (THE "PLAN")**

**ELECTION TO TERMINATE RECEIPT OF ADDITIONAL DEFERRED UNITS**

*All capitalized terms used herein but not otherwise defined shall have the meanings ascribed to them in the Plan.*

Notwithstanding my previous election in the form of Schedule A to the Plan, I hereby elect that no portion of the Annual Retainer Fees accrued after the date hereof shall be paid in Deferred Units in accordance with Article 7 of the Plan.

I understand that the Deferred Units already granted under the Plan cannot be redeemed except in accordance with the Plan.

I confirm that I have received and reviewed a copy of the terms of the Plan and agree to be bound by them.

Date: \_\_\_\_\_

\_\_\_\_\_  
(Name of Participant)

\_\_\_\_\_  
(Signature of Participant)

**Note:** An election to terminate receipt of additional Deferred Units can only be made by a Participant once in a calendar year.

**SCHEDULE C**

**FLAGSHIP COMMUNITIES REAL ESTATE INVESTMENT TRUST  
EQUITY INCENTIVE PLAN (THE "PLAN")**

**ELECTION TO TERMINATE RECEIPT OF ADDITIONAL DEFERRED UNITS  
(U.S. TAXPAYERS)**

*All capitalized terms used herein but not otherwise defined shall have the meanings ascribed to them in the Plan.*

Notwithstanding my previous election in the form of Schedule A to the Plan, I hereby elect that no portion of the Annual Retainer Fees accrued after the effective date of this termination notice shall be paid in Deferred Units in accordance with Article 7 of the Plan.

I understand that this election to terminate receipt of additional Deferred Units will not take effect until the first (1<sup>st</sup>) day of the calendar year following the year in which I file this termination notice with the REIT.

I understand that the Deferred Units already granted under the Plan cannot be redeemed except in accordance with the Plan.

I confirm that I have received and reviewed a copy of the terms of the Plan and agree to be bound by them.

Date: \_\_\_\_\_

\_\_\_\_\_  
(Name of Participant)

\_\_\_\_\_  
(Signature of Participant)

**Note:** An election to terminate receipt of additional Deferred Units can only be made by a Participant once in a calendar year.