

JOINT VENTURE AGREEMENT

BETWEEN

WALKER FAMILY WEALTH LTD

a corporation incorporated under the laws of the Province of Ontario
(hereinafter called “**Walker Wealth**”)

OF THE FIRST PART

and

4537173 Canada Inc.

a corporation incorporated under the laws of the Province of Ontario
(hereinafter called “**4537173 Canada**”)

OF THE SECOND PART

1. RECITALS

WHEREAS the Parties have created a joint venture whereby they will purchase a Purchased Property, as defined below, and rent the Purchased Property to tenants;

WHEREAS the name of the joint venture is 410 Marlborough Inc. and is currently in the process of being incorporated;

AND WHEREAS each Party hereby acknowledges any investment is speculative; real estate is no different;

AND WHEREAS the Parties wished to document the obligations and responsibilities with respect to the Purchased Property and, as such, wish to enter into this Agreement;

NOW THEREFORE this agreement witnesseth that for other good and valuable consideration and the sum of \$1.00, the receipt of which by the Parties is hereby acknowledged, the Parties hereby covenant and agree as follows:

2. INTERPRETATION

- (a) “Joint Venture” means the joint venture created by this agreement;
- (b) “Parties” means Walker Wealth and 4537173 Canada;
- (c) “Purchased Property” means real property described in Schedule “A” hereto;
- (d) “Loan Agreement” means the agreement set out in Schedule “B” hereto;
- (e) “Loan” means the purchase price of the Purchased Property, which is \$1,125,000.

3. CREATION OF THE JOINT VENTURE

- 3.1 Recitals: The recitals above are true and accurate and form part of this Agreement.
- 3.2 Commencement Date: The Parties acknowledge that the Joint Venture exists with respect to the Purchased Property effective from the date of this Agreement.
- 3.3 No Partnership: No partnership is created by this agreement. Nothing contained in this agreement shall or shall be deemed to constitute the Parties either as partners or as agent of the other or any other relationship whereby either could be held liable for any act or omission of the other. The Parties shall not have any authority to act for the other or to incur any obligation on behalf of the other or of the Joint Venture save as specifically provided by this agreement. Each Party covenants to indemnify the other from all claims, losses, costs, charges, fees, expenses, damages, obligations and responsibilities incurred by a Party by reason of any action or omission of the other outside the scope of the authority specifically provided by this agreement.
- 3.4 Outside Business: Except as provided in this agreement each Party may independently engage in any business endeavor whether or not competitive with the objects of the Joint Venture, without consulting the other Parties and without in any way being accountable to the Joint Venture.
- 3.5 Responsibilities and Indemnities: Unless as otherwise stated in this Agreement, the Parties shall be responsible for the liabilities and obligations of the Joint Venture in accordance with their respective proportionate share, save that any liability or obligation incurred by one Party without the written consent of the other or as otherwise provided in this agreement shall be the sole liability or obligation of that Party incurring the same, without any right to contribution from or indemnity by the other Party.

4. TERM

- 4.1 The Joint Venture shall have an unlimited term until the Purchased Property is sold in accordance with this Agreement.

5. MANAGEMENT

- 5.1 Save and except as outlined in this Agreement, all Parties shall be required to come to a unanimous decision to effect the sale of the Purchased Property.
- 5.2 Initial Financial Contributions. The following costs in relation to the Purchased Property shall be fulfilled from the :
- (a) all closing costs payable to any vendor of the Purchased Property, including but not limited to down-payments, deposits and legal costs;
 - (b) costs relating to the incorporation fee of the Joint Venture and preparation of associated documents; and
 - (c) costs pertaining to compliance/zoning searches and procurement of title insurance.
- 5.3 For any expenses in relation to the Purchased Property that are not part of the Initial Financial Contributions, as set out above, and that are in excess of regular operating expenses paid from gross rental income, the Parties shall be responsible for covering the cost of said expenses pursuant to their percentage interest in the Purchased Property as set

out in Section 5.7, below. For clarity, the Parties shall strive to have expenses such as real property taxes and property insurance paid from gross rental income.

- 5.4 4537173 Canada and Walker Wealth, jointly, shall act as property managers for the Purchased Property and shall have the following responsibilities under this Joint Venture:
- (a) providing contact point for and collecting rents from tenants at the Purchased Property;
 - (b) finding and managing of all tenants and occupants of the Purchased Property, including reference checks and evictions when necessary;
 - (c) managing and liaising with any contractors or utility providers at the Purchased Property; and
 - (d) keeping accurate financial records for the Purchased Property (the "Records").
- 5.5 Expenses. Expenses in relation to the Joint Venture or the Purchased Property shall be agreed upon by all Parties and shall be payable or paid by the receipts of the Joint Venture; unless said receipts are insufficient, at which point 4537173 Canada and Walker Wealth shall contribute equally to payment of said expenses.
- 5.6 Losses and Damages. Losses, costs, damages and liabilities incurred by the Joint Venture shall be:
- (a) first, paid from receipts of the Joint Venture; and
 - (b) secondly, paid by each Party, equally.
- 5.7 Profit Distribution. Unless otherwise agreed upon in writing, the profits shall be distributed on the following basis:
- (a) 50% shall be payable to 4537173 Canada; and
 - (b) 50% shall be payable to Walker Wealth.
- 5.8 Fiscal Year. The fiscal year of the Joint Venture shall be as determined by the Parties within thirty (30) days from execution of this Agreement. Once determined, the fiscal year shall not be changed without the unanimous written consent of all Parties.

6. DEPARTURE PROVISIONS

- 6.1 Departure Provisions are covered in the Shareholder Agreement for 410 Marlborough Inc., which owns the Property covered by this Joint Venture Agreement; please refer to that document.

7. DEFAULT

- 7.1 The happening of any of the following events constitutes an "Event of Default" hereunder:
- (a) the non-payment when due of any required payment under this Agreement;

- (b) any breach by a Party of any term of this Agreement;
- (c) any Party becoming an insolvent person within the meaning of the *Bankruptcy and Insolvency Act* (Canada) or commits or threatens to commit any act of bankruptcy;
- (d) commencement of any proceeding or the taking of any step by any Party for any relief under applicable law relating to bankruptcy, insolvency, reorganization, arrangement, or for the appointment of one or more of a trustee, receiver, receiver and manager, custodian, liquidator or any other person with similar powers with respect to the Party or its interest under this Joint Venture or any part thereof; or
- (e) the full interest of a Party in this Joint Venture or any part thereof is seized or otherwise attached by anyone pursuant to any legal process, and the same is not released within 15 days.

7.2 Upon the happening of any Event of Default, the remaining Party will deliver a notice of default forthwith and the defaulting Party will have 10 business days to remedy the breach. Should there be no remedy to any Event of Default within 30 days, in addition to any other rights or remedies available to it hereunder or at common-law or equity or pursuant to any statute, the remaining Party may immediately proceed to:

- (a) bring any proceedings for specific performance, injunction or any other equitable remedy, it being acknowledged by the Parties that damages may be an inadequate remedy for an Event of Default;
- (b) remedy the Event of Default and shall be entitled to demand to be reimbursed by the Party that caused the Event of Default for any monies expended to remedy any such default and any other expenses (including legal fees) incurred by the non-defaulting Party, together with interest thereon, from the date of expenditure until reimbursement is received, at a rate of interest equal to the Prime Rate of the bank that holds the Joint Venture Account, plus 5%, calculated annually;
- (c) bring any action at law or by or on behalf of any Party as may be permitted in order to recover damages; or
- (d) purchase the interest of the defaulting Party at a price equal to 100% of its fair market value as then appraised, as determined by a third-party appraiser.

7.3 In the event a non-defaulting Party wishes to purchase a defaulting Party's interest, per Section 7.2(d), then the non-defaulting Party (the "Purchaser") must deliver written notice to the defaulting Party (the "Seller") within 15 days of the Event of Default becoming known to the Purchaser. The transaction then shall take place within thirty (30) days of receipt of the written notice from the Purchaser to the Seller.

8. GENERAL

- 8.1 The Parties agree to treat each other with respect and courtesy throughout their co-ownership of the Purchased Property and as they make decisions together.
- 8.2 This Agreement shall ensure to and be binding upon the respective heirs and successors and assigns of each of the Parties hereto.

- 8.3 Confidentiality: Each of the Parties agree that all information relating to the Joint Venture will at all times and for all purposes be held in confidence by each party in a fiduciary capacity and solely for the benefit of the Joint Venture. Each of the Parties will not use any information learned as a result of the Joint Venture for its own purposes, and will not disclose, divulge or communicate this information to any person or persons, without the written consent of the other Parties. The Parties agree to keep all information regarding the Joint Venture confidential until mutually agreed otherwise.
- 8.4 Assignment. Neither Party shall be permitted to assign or otherwise transfer this agreement or their obligations in the Joint Venture without the unanimous written consent of the Parties.
- 8.5 Each provision of this agreement is intended to be severable and if any provision is found to be illegal, invalid or unenforceable, the finding shall not affect the validity of the other provisions.
- 8.6 Family Law Act. It is intended that the Purchased Property be a rental property but in the event that any one or more of the Parties becomes a tenant of the Purchased Property, prior to becoming a tenant, all Parties agree that a new agreement will have to be entered into regarding terms and conditions of that tenancy including but not limited to protecting the interest of all Parties from any claim under the *Family Law Act* RSO 1990 as amended or any successor legislation. All Parties agree that it is intended that the Purchased Property remain a property that is not a matrimonial home for any one of the Parties and all Parties agree to cooperate to ensure that the Purchased Property remains an investment property and does not lose its status as same.
- 8.7 Indemnity. If at any time any of the Parties is required to pay or become liable for more than its proportion of the debts as provided for in this agreement, that Party shall have as against the other Party a right of recovery of the appropriate proportion of the payment or indemnification against such liability, and the Party shall have, on becoming liable for such debt, the first lien or charge on the capital and all other interest or interests of the offending Party with respect to the Purchased Property.
- 8.8 No Encumbrances: Neither Party shall sell, transfer, assign, pledge, hypothecate, mortgage, or in any other manner encumber its interest in the Purchased Property or the Joint Venture except as specifically provided in this agreement or without the written consent of the other. Each Party shall ensure that no lien against the Purchased Property may be claimed by any governmental authority with jurisdiction.
- 8.9 The rights and remedies provided by this agreement are cumulative, are given in addition to any other rights and remedies available by law, statute, ordinance, in equity or otherwise and the use of any one right or remedy shall not preclude the use of others.
- 8.10 This agreement shall be governed by the laws of the Province of Ontario and shall ensure to the benefit of and be binding on the Parties to it and their respective successors and permitted assigns.
- 8.11 Each of the Parties acknowledges that he or she:
- (a) has had the opportunity to obtain independent legal advice;
 - (b) has read the Agreement in its entirety, or has had same read and translated to them, and has full knowledge of the contents;

- (c) understands his or her respective rights and obligations under this Agreement, the nature of this Agreement, and the consequences of this Agreement;
- (d) acknowledges that the terms of this Agreement are fair and reasonable;
- (e) is entering into this Agreement without any undue influence, fraud or coercion whatsoever; and
- (f) is signing this Agreement voluntarily.

In witness whereof the Parties have executed this agreement this 30th day of March, 2022.

)
) **WALKER FAMILY WEALTH LTD**
)
) Per: _____
) Name:
) Title:
) I/We have the authority to bind the corporation

)
) **4537173 CANADA INC.**
)
) Per: _____
) Name:
) Title:
) I/We have the authority to bind the corporation

SCHEDULE "A"

Purchased Property

Address of Property	Date of Purchase	Title Ownership
410-420 Marlborough Street North, Cornwall, Ontario K6H 4A6	April 1, 2022	410 MARLBOROUGH INC., a Joint Venture incorporated in Canada and owned 50% by Walker Family Wealth Ltd and 50% by 4537173 Canada Inc., is the registered owner of the Property

SCHEDULE “B”

LOAN AGREEMENT

THIS LOAN AGREEMENT (“Loan Agreement”) dates this 30th day of March 2022 between:

WALKER FAMILY WEALTH LTD

(the “Lender”)

OF THE FIRST PART

4537173 Canada Inc.

(the “Borrower”)

OF THE SECOND PART

IN CONSIDERATION OF the Lender lending the Loan amount to the Borrower, and the Borrower repaying the Loan to the Lender, the parties agree to keep, perform and fulfil the promises and conditions set out in this Loan Agreement:

Loan Amount, Interest and Repayment

1. The Loan amount is CAD \$1,125,000 and this is an interest only loan.
2. The Borrower promises to repay this amount with the interest payable as follows on the following dates:
 - (a) April 1 - June 30th 2022 mortgage free;
 - (b) July 1- March 31st 2023 at 3.5% interest only;
 - (c) April 1 2023- March 31st 2024 at 4.5% interest only;
 - (d) April 1 2024 - March 31st 2025 at 5.5% interest only.

3. At any time while not in default under this Loan Agreement, the Borrower may make lump sum payments or pay the outstanding then owing under this Agreement to the Lender without further bonus or penalty.

Default

4. Notwithstanding anything to the contrary in this Agreement, if the Borrower defaults in the performance of any obligation under this Loan Agreement, then the Lender may declare the Loan amount owing under this Agreement at that time to be immediately due and payable.

Governing Law

5. This Agreement will be construed in accordance with and governed by the laws of Province of Ontario.

Costs

6. The Borrower shall be liable for all costs, expenses and expenditures incurred including, without limitation, the complete legal costs of the Lender incurred by enforcing this Agreement as a result of any default by the Borrower and such costs will be added to the principal Loan amount and shall be due and payable by the Borrower to the Lender immediately upon demand of the Lender.

Binding Effect

7. This Agreement will pass to the benefit of and be binding upon the respective heirs, executors, administrators, successors and permitted assigns of the Borrower and Lender.

Amendments

8. This Agreement may only be amended or modified by a written instrument executed by both the Borrower and the Lender.

Provisions of the Joint Venture Agreement

9. This Agreement would be read in connivance with the Joint Venture Agreement and in case of discrepancy between the two, the provisions of the Joint Venture Agreement shall prevail.

Applicable Law and the Dispute Resolution

10. This Agreement shall be governed by the laws of Ontario and Canada (as applicable) and in case of any dispute, the dispute will be submitted to the courts of Ontario or Canada (as applicable) for adjudication.